

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Michael Kubayanda, Vice Chairman;
Mark Acton;
Ann C. Fisher; and
Ashley E. Poling

Competitive Product Prices
Global Plus 1D (CP2016-193)
Negotiated Service Agreements

Docket No. CP2017-231

Competitive Product Prices
Global Plus 1D (CP2016-193)
Negotiated Service Agreements

Docket No. CP2017-232

Competitive Product Prices
Global Plus 1D (CP2016-193)
Negotiated Service Agreements

Docket No. CP2017-235

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Global Plus 1D (CP2016-193)
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Docket No. CP2017-238

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Global Plus 1D (CP2016-193)
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Docket No. CP2017-247

Competitive Product Prices
Global Plus 1D (CP2016-193)
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Docket No. CP2017-248

Competitive Product Prices
Global Plus 1D (CP2016-193)
Negotiated Service Agreements

Docket No. CP2017-257

Competitive Product Prices
Global Plus 1D (CP2016-193)
Negotiated Service Agreements

Docket No. CP2019-64

ORDER APPROVING MODIFICATIONS TO GLOBAL PLUS 1D NEGOTIATED SERVICE AGREEMENTS

(Issued September 17, 2019)

I. INTRODUCTION

The Postal Service seeks to modify eight Global Plus 1D negotiated service agreements (Existing Agreements).¹ For the reasons discussed below, the Commission approves the Modifications.

II. COMMISSION ANALYSIS

The Commission has reviewed the Notices and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant

¹ Docket No. CP2017-231, Notice of the United States Postal Service of Filing Modification Four to a Global Plus 1D Negotiated Service Agreement, September 11, 2019 (CP2017-231 Notice); Docket No. CP2017-232, Notice of the United States Postal Service of Filing Modification Five to a Global Plus 1D Negotiated Service Agreement, September 11, 2019 (CP2017-232 Notice); Docket No. CP2017-235, Notice of the United States Postal Service of Filing Modification Four to a Global Plus 1D Negotiated Service Agreement, September 12, 2019 (CP2017-235 Notice); Docket No. CP2017-238, Notice of the United States Postal Service of Filing Modification Four to a Global Plus 1D Negotiated Service Agreement, September 11, 2019 (CP2017-238 Notice); Docket No. CP2017-247, Notice of the United States Postal Service of Filing Modification Four to a Global Plus 1D Negotiated Service Agreement, September 11, 2019 (CP2017-247 Notice); Docket No. CP2017-248, Notice of the United States Postal Service of Filing Modification Five to a Global Plus 1D Negotiated Service Agreement, September 11, 2019 (CP2017-248 Notice); Docket No. CP2017-257, Notice of the United States Postal Service of Filing Modification Four to a Global Plus 1D Negotiated Service Agreement, September 11, 2019 (CP2017-257 Notice); Docket No. CP2019-64, Notice of the United States Postal Service of Filing Modification Two to a Global Plus 1D Negotiated Service Agreement, September 12, 2019 (CP2019-64 Notice) (collectively, Notices). The modifications are attachments to the Notices (Modifications).

products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

Each of the Existing Agreements was recently modified to, among other changes, automatically terminate if the Postal Service did not express its unequivocal intention to rescind its notice of withdrawal from the Universal Postal Union (UPU).² The Modifications remove that termination clause, instead permitting certain rates to remain in effect until December 31, 2019, should the Postal Service not express its unequivocal intention to rescind its notice of withdrawal. Notices at 1. In this event, no negotiated rates would be available under the Existing Agreements, as modified, between December 31, 2019, and the expiration of the Existing Agreements on January 31, 2020. See Notices, Attachment 1 at 1.

The Modifications do not materially affect the underlying financial analysis of the Existing Agreements. Thus, the Commission finds that the Existing Agreements, as modified, comport with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

Other considerations. If the Existing Agreements, as modified, are terminated prior to the scheduled expiration date, January 31, 2020, the Postal Service shall promptly notify the Commission.

The Commission approves the Existing Agreements, as modified.

² See, e.g., Docket No. CP2017-231, *et al.*, Order Approving Modifications to International Negotiated Service Agreements, August 12, 2019 (Order No. 5190).

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Plus 1D negotiated service agreements filed in these dockets, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreements, as modified, terminate prior to the scheduled expiration dates, January 31, 2020.

By the Commission.

Darcie S. Tokioka
Acting Secretary