

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
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International, First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International, First-Class Package International
Service Contract 1

Docket No. MC2020-159

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International, First-Class Package International
Service Contract 1 (MC2020-159)
Negotiated Service Agreements

Docket No. CP2020-177

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 2

Docket No. MC2020-161

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 2 (MC2020-161)
Negotiated Service Agreements

Docket No. CP2020-184

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 3

Docket No. MC2020-162

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 3 (MC2020-162)
Negotiated Service Agreements

Docket No. CP2020-185

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 4

Docket No. MC2020-163

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 4 (MC2020-163)
Negotiated Service Agreements

Docket No. CP2020-186

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 5

Docket No. MC2020-166

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 5 (MC2020-166)
Negotiated Service Agreements

Docket No. CP2020-189

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 6

Docket No. MC2020-167

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 6 (MC2020-167)
Negotiated Service Agreements

Docket No. CP2020-190

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 7

Docket No. MC2020-168

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 7 (MC2020-168)
Negotiated Service Agreements

Docket No. CP2020-191

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 8

Docket No. MC2020-171

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 8 (MC2020-171)
Negotiated Service Agreements

Docket No. CP2020-194

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contracts
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 9

Docket No. MC2020-178

Competitive Product Prices
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail
International & First-Class Package International
Service Contract 9 (MC2020-178)
Negotiated Service Agreements

Docket No. CP2020-202

ORDER ADDING INTERNATIONAL PRIORITY AIRMAIL, COMMERCIAL EPACKET,
PRIORITY MAIL EXPRESS INTERNATIONAL, PRIORITY MAIL INTERNATIONAL,
AND FIRST-CLASS PACKAGE INTERNATIONAL SERVICE CONTRACTS TO THE
COMPETITIVE PRODUCT LIST

(Issued June 29, 2020)

I. INTRODUCTION

In these dockets, the Postal Service seeks to add nine new products (Agreements) to the competitive product list in a new International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service product group. For the reasons discussed below, the Commission approves the requests.

II. BACKGROUND

On June 12, 2020 and June 15, 2020, in accordance with 39 U.S.C. § 3642, 39 C.F.R. §§ 3040.130 *et seq.*, and 39 C.F.R. § 3035.105, the Postal Service requested the inclusion of additional products, along with supporting documents (Requests). In the Requests, the Postal Service asserts that the Agreements are competitive products that establish rates “not of general applicability” within the meaning of 39 U.S.C. § 3632(b)(3). Requests at 1. Among the supporting documents in each filing, the Postal Service included a copy of the Governors’ Decision authorizing the product, a contract related to the proposed new product, requested changes to the competitive product list, a statement of supporting justification, a certification of compliance with 39 U.S.C. § 3633(a), and financial workpapers. In addition, the Postal Service submitted applications for non-public treatment of materials requesting that unredacted portions of the Governors’ Decision and the contracts, customer-identifying information, and related financial information remain under seal. *Id.* Attachment F.

On June 15 and June 16, 2020, the Commission issued notices establishing the instant dockets, appointing Public Representatives, and providing interested persons with an opportunity to comment.¹

On June 19, 2020, Chairman's Information Request No. 1 was filed.² Although CHIR No. 1 was filed only in the dockets pertaining to International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1, some of the questions and responses also are relevant to other contemporaneously filed contracts. The Postal Service filed its response on June 24, 2020.³

III. COMMISSION ANALYSIS

The Commission has reviewed the Requests, the contracts, the supporting data filed under seal, and the Public Representatives' comments.

Product list requirements. The Commission's statutory responsibilities when evaluating the Requests include assigning the Agreements to either the market dominant or competitive product list. See 39 U.S.C. § 3642(b)(1); 39 C.F.R. § 3040.134. Before adding a product to the competitive product list, the Commission must determine that the Postal Service does not exercise sufficient market power that it can effectively set the price of the product substantially above costs, raise prices significantly, decrease quality, or decrease output, without the risk of losing a significant

¹ Docket No. MC2020-159 and CP2020-177, Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, June 15, 2020; see Docket No. CP2020-178, *et al.*, Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, June 16, 2020; Docket No. MC2020-163, *et al.*, Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, June 16, 2020; Docket No. MC2020-169, *et al.*, Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, June 16, 2020; Docket No. MC2020-174, *et al.*, Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, June 16, 2020.

² Docket Nos. MC2020-159 and CP2020-177, Chairman's Information Request No. 1 and Notice of Filing Under Seal, June 19, 2020 (CHIR No. 1).

³ Docket Nos. MC2020-159 and CP2020-177, Response of the United States Postal Service to Chairman's Information Request No. 1, June 24, 2020 (Response to CHIR No. 1).

level of business to other firms offering similar products. See 39 U.S.C. § 3642(b)(1). In addition, the Commission must consider the availability and nature of private sector enterprises engaged in delivering the product, the views of those who use the product, and the likely impact on small business concerns. See 39 U.S.C. § 3642(b)(3); 39 C.F.R. §§ 3040.132(f), (g), and (h).

The Postal Service asserts that it provides postal services of the kind provided under the contracts in a highly competitive market, that other shippers who provide similar services constrain its bargaining position, and that it can therefore neither raise prices nor decrease service, quality, or output without risking the loss of business to competitors. Requests, Attachment D at 2. The Postal Service states that the contract partners support the Requests, that expedited shipping is widely available from private firms, and that the Postal Service is unaware of any small business concerns that could offer comparable services to the contract partners. *Id.* at 3.

The Commission finds that the Postal Service does not exercise sufficient market power that it can effectively set the prices of the proposed products substantially above costs, raise prices significantly, decrease quality, or decrease output, without the risk of losing a significant level of business to other firms offering similar products. The availability of other private sector providers supports this conclusion. The contract partners and the Public Representatives support the addition of the Agreements to the competitive product list. Further, there is no evidence of an adverse impact on small businesses. For these reasons, having considered the relevant statutory and regulatory requirements, the comments filed, and the Postal Service's supporting justification, the Commission finds that the Agreements are appropriately classified as competitive and are added to the competitive product list.

Cost considerations. Because the Commission finds the Agreements to be competitive products, the Postal Service must also show that each contract covers its attributable costs, does not cause market dominant products to subsidize competitive products as a whole, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3035.105 and 3035.107. As long as the revenue

generated by each contract exceeds its attributable costs, the contract 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 contract covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

Based on a review of the record, the Commission finds that the rates during the term of the contracts should cover their attributable costs. 39 U.S.C. § 3633(a)(2). Thus, the Commission also finds that the contracts should not result in competitive products as a whole being subsidized by market dominant products, in accordance with 39 U.S.C. § 3633(a)(1). Similarly, the Commission finds the contracts are unlikely to prevent competitive products as a whole from contributing an appropriate share of institutional costs, consistent with 39 U.S.C. § 3633(a)(3). *See also* 39 C.F.R. § 3035.107(c). Accordingly, a preliminary review of the contracts indicates they are consistent with section 3633(a).

The Commission will review the contracts' cost coverage and the contribution of competitive products as a whole to the Postal Service's institutional costs in the Commission's Annual Compliance Determination to ensure that they continue to comply with 39 U.S.C. § 3633(a).

Financial Workpapers. The Commission's review of the financial workpapers in these dockets was hampered by numerous errors in the Postal Service's filings. Issues pertaining to misfiled workpapers and errors potentially overstating cost coverage were addressed in CHIR No. 1.⁴ Other issues included reporting incorrect information in summary tables, reporting zero weight corresponding to non-zero volume and vice-versa, and errors relating to adjustments for customer-specific costs that potentially understated cost coverage.

The Commission is cognizant that the transition to self-declared rates for certain international mailpieces on July 1, 2020 created a large workload for the Postal Service.

⁴ See CHIR No. 1, questions 1-4.

Accordingly, and to be able to complete its review of the large number of contemporaneously filed contracts in time for their intended July 1, 2020 effective date, the Commission, exceptionally, opted not to require the Postal Service to refile corrected workpapers to address these issues. The Commission was able to determine that the contracts in these dockets satisfy applicable statutory and regulatory requirements. However, the Commission reminds the Postal Service that accurate financial workpapers are necessary not only to facilitate timely Commission review, but also to create an accurate and transparent record pertaining to each contract.

Other considerations. The Postal Service shall promptly notify the Commission should there be a change in the effective date of any of the Agreements. If any of the Agreements are terminated prior to the scheduled expiration date, the Postal Service shall promptly file notice of such termination with the Commission in the appropriate dockets.

The contracts do not indicate an expiration date in the event that the contracts take effect on the first day of the month. See Requests, Attachment B at 6. Based on the commonality of language with other contracts, the Commission interprets the term of such contracts to be one year.

The contracts contain a provision whereby the Postal Service can extend each contract for two 3-month periods provided the Commission is notified at least 7 days prior to the contract's expiration date. Requests, Attachment B at 7. The Commission finds the two potential 3-month extension periods are reasonable because the extension(s) should assist the Postal Service's contract negotiations by providing additional flexibility.

Section IV contains a list of the docket numbers associated with each Postal Service request, the title and date of the Postal Service's filing, the term of the agreement, and a brief summary of the comments received.

The Commission approves the Agreements filed in the docket numbers listed in section IV as new products. Revisions to the competitive product list and the Mail

Classification Schedule appear below the signature of this Order and are effective immediately.

IV. NEW PRODUCTS APPROVED

1. *Docket Nos.:* MC2020-159 and CP2020-177; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1 to Competitive Product List, June 12, 2020 (MC2020-159 and CP2020-177 Notice).⁵ *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-159 and CP2020-177 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-159 and CP2020-177 Notice, Attachment B at 6-7; *see also supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 23, 2020.⁶ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-159 and CP2020-177 PR Comments at 2. She noted that the Postal Service filed an incorrect workpaper, but that the impact on cost coverage is minimal. *Id.* at 2-3.

2. *Docket Nos.:* MC2020-161 and CP2020-184; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service

⁵ See *also* Docket Nos. MC2020-159 and CP2020-177, Notice of Errata to USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1 to Competitive Product List and Notice of Filing Materials Filed Under Seal, June 15, 2020.

⁶ Docket Nos. MC2020-159 and CP2020-177, Public Representative Comments, June 23, 2020 (MC2020-159 and CP2020-177 PR Comments). The Public Representative also filed a motion for late acceptance of her comments. Docket Nos. MC2020-159 and CP2020-177, Motion of Public Representative for Late Acceptance of Public Representative Comments, June 23, 2020 (Motion). The Motion is granted.

Contract 2 to Competitive Product List and Notice of Filing Materials Under Seal, June 15, 2020 (MC2020-161 and CP2020-184 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-161 and CP2020-184 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-161 and CP2020-184 Notice, Attachment B at 6-7; see also *supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 23, 2020.⁷ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-161 and CP2020-184 PR Comments at 2.

3. *Docket Nos.:* MC2020-162 and CP2020-185; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 3 to Competitive Product List and Notice of Filing Materials Under Seal, June 15, 2020 (MC2020-162 and CP2020-185 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-162 and CP2020-185 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-162 and CP2020-185 Notice, Attachment B at 6-7; see also *supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 23, 2020.⁸ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-162 and CP2020-185 PR Comments at 2.

⁷ Docket Nos. MC2020-161 and CP2020-184, Public Representative Comments, June 23, 2020 (MC2020-161 and CP2020-184 PR Comments).

⁸ Docket Nos. MC2020-162 and CP2020-185, Public Representative Comments, June 23, 2020 (MC2020-162 and CP2020-185 PR Comments).

4. *Docket Nos.:* MC2020-163 and CP2020-186; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 4 to Competitive Product List and Notice of Filing Materials Under Seal, June 15, 2020 (MC2020-163 and CP2020-186 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-163 and CP2020-186 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-163 and CP2020-186 Notice, Attachment B at 6-7; see also *supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 24, 2020.⁹ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-163 and CP2020-186 PR Comments at 2.

5. *Docket Nos.:* MC2020-166 and CP2020-189; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 5 to Competitive Product List and Notice of Filing Materials Under Seal, June 15, 2020 (MC2020-166 and CP2020-189 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-166 and CP2020-189 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-166 and CP2020-189 Notice, Attachment B at 6-7; see also *supra*, at 9 (regarding term of contracts with effect dates on the first of the month).

⁹ Docket Nos. MC2020-163 and CP2020-186, Public Representative Comments, June 24, 2020 (MC2020-163 and CP2020-186 PR Comments). The Public Representative also filed a motion for late acceptance of her comments. Docket Nos. MC2020-163 and CP2020-186, Motion of Public Representative for Late Acceptance of Public Representative Comments, June 24, 2020 (Motion). The Motion is granted.

Public Comments: The Public Representative filed comments on June 24, 2020.¹⁰ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-166 and CP2020-189 PR Comments at 2.

6. *Docket Nos.:* MC2020-167 and CP2020-190; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6 to Competitive Product List and Notice of Filing Materials Under Seal, June 15, 2020 (MC2020-167 and CP2020-190 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-167 and CP2020-190 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-167 and CP2020-190 Notice, Attachment B at 6-7; see also *supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 23, 2020.¹¹ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-167 and CP2020-190 PR Comments at 2.

7. *Docket Nos.:* MC2020-168 and CP2020-191; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service

¹⁰ Docket Nos. MC2020-166 and CP2020-189, Public Representative Comments, June 24, 2020 (MC2020-166 and CP2020-189 PR Comments). The Public Representative also filed a motion for late acceptance of her comments. Docket Nos. MC2020-166 and CP2020-189, Motion of Public Representative for Late Acceptance of Public Representative Comments, June 24, 2020 (Motion). The Motion is granted.

¹¹ Docket Nos. MC2020-167 and CP2020-190, Public Representative Comments on United States Postal Service Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6 to Competitive Product List, June 23, 2020 (MC2020-167 and CP2020-190 PR Comments).

Contract 7 to Competitive Product List and Notice of Filing Materials Filed Under Seal, June 15, 2020 (MC2020-168 and CP2020-191 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-168 and CP2020-191 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-168 and CP2020-191 Notice, Attachment B at 6-7; see *also supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 23, 2020.¹² No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-168 and CP2020-191 PR Comments at 2.

8. *Docket Nos.:* MC2020-171 and CP2020-194; *Filing:* USPS Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 8 to Competitive Product List and Notice of Filing Materials Under Seal, June 15, 2020 (MC2020-171 and CP2020-194 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-171 and CP2020-194 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-171 and CP2020-194 Notice, Attachment B at 6-7; see *also supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 23, 2020.¹³ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate

¹² Docket Nos. MC2020-168 and CP2020-191, PR Comments on Postal Service Request to Add Int'l Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 7 to the Competitive Product List, June 23, 2020 (MC2020-168 and CP2020-191 PR Comments).

¹³ Docket Nos. MC2020-171 and CP2020-194, Public Representative Comments on Postal Service Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 8 to the Competitive Product List, June 23, 2020 (MC2020-171 and CP2020-194 PR Comments).

sufficient revenue to cover its costs. MC2020-171 and CP2020-194 PR Comments at 2.

9. *Docket Nos.:* MC2020-178 and CP2020-202; *Filing:* USPS Request to Add Int'l Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 9 to Competitive Product List and Notice of Filing Materials Under Seal, June 15, 2020 (MC2020-178 and CP2020-202 Notice). *Term:* The intended effective date of the Agreement in the above-referenced docket is July 1, 2020. MC2020-178 and CP2020-202 Notice at 2. The Agreement is set to expire June 30, 2021. See MC2020-178 and CP2020-202 Notice, Attachment B at 6-7; see *also supra*, at 9 (regarding term of contracts with effect dates on the first of the month). *Public Comments:* The Public Representative filed comments on June 23, 2020.¹⁴ No other comments were received. The Public Representative concludes that the contract should be classified as a competitive product and that it should generate sufficient revenue to cover its costs. MC2020-178 and CP2020-202 PR Comments at 2.

V. ORDERING PARAGRAPHS

It is ordered:

1. The Agreements filed in the dockets listed in section IV are added to the competitive product list as a new products under Negotiated Service Agreements, International. Revisions to the competitive product list and the Mail Classification Schedule appear below the signature of this Order and are effective immediately.

¹⁴ Docket Nos. MC2020-178 and CP2020-202, Public Representative Comments on Postal Service Request to Add International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 9 to the Competitive Product List, June 23, 2020 (MC2020-178 and CP2020-202 PR Comments).

2. The Postal Service shall promptly notify the Commission should there be a change in the effective date of any of the Agreements.
3. The Postal Service shall promptly file notice of an Agreement's termination with the Commission in the appropriate docket if that Agreement is terminated prior to the scheduled expiration date.
4. The Secretary shall arrange for publication in the *Federal Register* of an updated product list reflecting the change made in this Order.

By the Commission.

Erica A. Barker
Secretary

CHANGE IN PRODUCT LIST

The following material represents changes to the product list codified in Appendix B to 39 C.F.R. part 3040, subpart A—Competitive Product List. These changes reflect the Commission’s order in Docket Nos. MC2020-159 and CP2020-177, *et al.* The Commission uses two main conventions when making changes to the product list. New text is underlined. Deleted text is struck through.

Appendix B to Subpart A of Part 3040—Competitive Product List

Negotiated Service Agreements*

International*

International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 2
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 3
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 4
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 5
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 7
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 8
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 9

CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part B—Competitive Products 2000 Competitive Product List

Negotiated Service Agreements*

International*

International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 2
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 3
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 4
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 5
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 7
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 8
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 9

2500 Negotiated Service Agreements

2510 Outbound International

2510.2 Negotiated Service Agreement Groups

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service (2510.18)

2510.18 International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contracts

These contracts provide incentives to the contract holder as mailer for International Priority Airmail (IPA) (2320), Commercial ePacket (CeP), Priority Mail Express International (PMEI) (2305), Outbound Priority Mail International (PMI) (2315) and Outbound Single-Piece First-Class Package International Service (FCPIS) (2335). CeP is a commercial service designed for volume shipments of outbound international letter post packet items (destined for delivery to certain destinations outside of the United States). Individual item tracking is provided. CeP pieces are sealed against inspection and shall not be opened except as authorized by law. CeP pieces that are undeliverable-as-addressed are entitled to be forwarded or returned to the sender. Size and weight limitations for CeP are the same as for International Priority Airmail Packages (Small Packets) and Rolls (2320.2). For certain destinations for which the Postal Service has made arrangements with the destination country postal operator, as an optional feature, the Postal Service may offer destination country duty and taxes chargeback service, through which custom duties and taxes are paid by the mailer in lieu of the recipient.

Each product is followed by a list of agreements included within that product.

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1

Baseline Reference

Docket Nos. MC2020-159 and CP2020-177
PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-177, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 2

Baseline Reference

Docket Nos. MC2020-161 and CP2020-184
PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-184, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 3

Baseline Reference

Docket Nos. MC2020-162 and CP2020-185
PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-185, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 4

Baseline Reference

Docket Nos. MC2020-163 and CP2020-186
PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-186, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 5

Baseline Reference

Docket Nos. MC2020-166 and CP2020-189
PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-189, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6

Baseline Reference

Docket Nos. MC2020-167 and CP2020-190
PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-190, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 7

Baseline Reference

Docket Nos. MC2020-168 and CP2020-191
PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-191, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 8

Baseline Reference

Docket Nos. MC2020-171 and CP2020-194

PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-194, expires June 30, 2021

- International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 9

Baseline Reference

Docket Nos. MC2020-178 and CP2020-202

PRC Order No. 5569, June 29, 2020

Included Agreements

CP2020-202, expires June 30, 2021