

ORDER NO. 6063

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

Before Commissioners:

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

Competitive Product Prices
Inbound Competitive Multi-Service Agreements with
Foreign Postal Operators
United States Postal Service Contractual Bilateral
Agreement – FY22-2 (MC2010-34)
Negotiated Service Agreement

Docket No. CP2022-36

NOTICE AND ORDER CONCERNING INBOUND COMPETITIVE MULTI-
AGREEMENT WITH FOREIGN POSTAL OPERATORS

(Issued December 14, 2021)

I. INTRODUCTION

On December 13, 2021, the Postal Service filed a notice with the Commission pursuant to 39 CFR 3035.105 and Order No. 546,¹ concerning the inbound portions of an Inbound Competitive Multi-Service Agreement with a Foreign Postal Operator (FPO)

¹ Docket Nos. MC2010-34 and CP2010-95, Order Adding Inbound Competitive Multi-Service Agreements with Foreign Postal Service Operators 1 to the Competitive Product List and Approving Included Agreement, September 29, 2010 (Order No. 546).

which the Postal Service seeks to include within the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 (MC2010-34 product).²

II. SUMMARY OF THE FPO-USPS AGREEMENT FY22-2

The FPO-USPS Agreement FY22-2 is intended to become effective on January 1, 2022, and will, unless terminated earlier, expire on December 31, 2023. Except as otherwise agreed by contract, the FPO exchanges mail with the Postal Service and applies the Universal Postal Convention and Universal Postal Convention Regulations to those exchanges. The competitive services offered by the Postal Service to the FPO in FPO-USPS Agreement FY22-2 include rates for inbound parcels, packets, and international Express Mail Service. Notice at 5-6. The Postal Service states that “[m]any rates will be based on a per-piece and per-kilo structure and in Special Drawing Rights....” *Id.* at 6 (footnote omitted). Only the inbound portions of the FPO-USPS Agreement FY22-2 that concern competitive products are included in the proposal filed in this docket. *Id.* Outbound delivery of competitive postal products within the FPO’s country have not previously been presented to the Commission and are not presented in this Notice. *Id.*

Accompanying the Notice are:

- Attachment 1—an application for non-public treatment of materials to maintain redacted portions of the agreement and supporting documents under seal;
 - Attachment 2—a redacted copy of FPO-USPS Agreement FY22-2;
 - Attachment 3—a copy of the Governors’ Decision No. 19-1;
 - Attachment 4—a certified statement required by 39 CFR 3035.105(c)(2);
- and

² See Notice of United States Postal Service of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with Foreign Postal Operator – FY22-2, December 13, 2021, at 1 (Notice). The Postal Service refers to the agreement as “FPO-USPS Agreement FY22-2.” *Id.*

- Supporting financial documentation as separate Excel files.

The Postal Service asserts that “[t]he FPO-USPS Agreement FY22-2 is functionally equivalent to the baseline agreement filed in Docket No. MC2010-34 because the terms of this agreement are similar in scope and purpose to the terms of the CP2010-95 Agreement” that is used for functional equivalency analyses of the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product.”³ The Postal Service states that “[b]ecause the FPO-USPS Agreement FY22-2 and the CP2010-95 Agreement incorporate the same cost attributes and methodology, the relevant cost and market characteristics are similar.” Notice at 9.

Additionally, the Postal Service asserts that the FPO-USPS Agreement FY22-2 is in compliance with 39 U.S.C. 3633. *Id.* The Postal Service states further that the FPO-USPS Agreement FY22-2 is essentially an updated version of the FPO-USPS Agreement FY20-1, which was previously included in the Inbound Competitive Multi-Service Agreements with Postal Operators 1 product.⁴

The Postal Service asserts that its proposed addition of FPO-USPS Agreement FY22-2 to the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product is also supported by prior Commission determinations that bilateral agreements with FPOs and negotiated service agreements should be included in the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product. Notice at 3-4.

³ Notice at 3. An agreement (the CP2010-95 Agreement) was originally presented to the Commission in Docket No. CP2010-95 for inclusion in the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 product. Order No. 546 at 8-10. The CP2010-95 Agreement was subsequently accepted by the Commission as the baseline agreement for functional equivalency analyses of the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product. Docket No. CP2011-69, Order Concerning an Additional Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement, September 7, 2011, at 5 (Order No. 840). See *also* Notice at 7-9.

⁴ Notice at 3. See Docket No. CP2020-144, Order Approving Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operator – FY20-1, June 25, 2020, at 7 (Order No. 5565).

III. Notice of Commission Action

The Commission establishes Docket No. CP2022-36 for consideration of the Notice pertaining to FPO-USPS Agreement FY22-2 and the related rates and classifications. The Commission invites comments on whether the Postal Service's filing is consistent with the requirements of 39 U.S.C. 3633 and 39 CFR 3035.105 and whether it is functionally equivalent to the baseline agreement included in the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 product (MC2010-34). Comments are due no later than December 21, 2021. Public portions of this filing can be accessed via the Commission's website (www.prc.gov).

The Commission appoints Jennaca D. Upperman to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2022-36 for consideration of the matters raised in this docket.
2. Pursuant to 39 U.S.C. 505, Jennaca D. Upperman is appointed to serve as officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments are due no later than December 21, 2021.

4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Erica A. Barker
Secretary