

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

Before Commissioners:

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

Competitive Product Prices
Inbound Competitive Multi-Service Agreements with
Foreign Postal Operators 1
Negotiated Service Agreements
Competitive Product Prices

Docket No. MC2020-73

Inbound Competitive PRIME Registered Service
Agreement 1 (MC2020-73)
Negotiated Service Agreement

ORDER ACKNOWLEDGING REVISED VERSION OF
INBOUND COMPETITIVE REGISTERED SERVICE AGREEMENT

(Issued July 14, 2022)

I. INTRODUCTION

On July 1, 2022, the Postal Service filed a notice to provide an update concerning Inbound Competitive PRIME Registered Service Agreement 1 (Agreement), in accordance with Order No. 4016.¹ The Notice states that the Postal Service has

¹ See Notice of United States Postal Service Providing Update Concerning Inbound Competitive PRIME Registered Service Agreement 1, July 1, 2022 (Notice). See also, Docket No. R2016-6, Order Approving Modifications of PRIME Registered Agreement, July 26, 2017 (Order No. 4016).

revised Annex 3 of the Agreement, which sets forth the delivery targets under the Agreement. Notice at 2. For the reasons discussed below, the Commission acknowledges the Notice.

II. COMMISSION ANALYSIS

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

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

Based on a review of the record, the Commission finds that the Agreement, as modified, should cover its attributable costs. The revisions to Annex 3 of the Agreement affect the delivery times for the services affected. Notice at 2. The Postal Service states that this revision "will not affect costs for the Agreement." *Id.* If costs are affected, they are unlikely to affect the Agreement's ability to cover its attributable costs. Accordingly, the Commission finds that the proposed revision 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, it finds the proposed revision is 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). Accordingly, a preliminary review of the revised Agreement indicates that it is consistent with section 3633(a).

For the aforementioned reasons, the Commission acknowledges the revisions made to the delivery targets found in Annex 3 of Inbound Competitive PRIME Registered Service Agreement 1.

III. ORDERING PARAGRAPH

It is ordered:

The Commission acknowledges the revisions made to Inbound Competitive PRIME Registered Service Agreement 1.

By the Commission.

Erica A. Barker
Secretary