

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

Before Commissioners:

Dan G. Blair, Chairman;
Mark Acton, Vice Chairman;
Ruth Y. Goldway;
Tony L. Hammond; and
Nanci E. Langley

Competitive Product Prices
Global Plus 2
Negotiated Service Agreements

Docket No. MC2008-7

Competitive Product Prices
Global Plus Contracts 2 (MC2008-7)
Negotiated Service Agreement

Docket No. CP2008-16

Competitive Product Prices
Global Plus Contracts 2 (MC2008-7)
Negotiated Service Agreement

Docket No. CP2008-17

NOTICE AND ORDER CONCERNING GLOBAL PLUS 2
NEGOTIATED SERVICE AGREEMENTS

(Issued August 14, 2008)

I. INTRODUCTION

On August 8, 2008, the Postal Service filed a formal request (with attachments) to add a new product to the competitive product list for prices not of general

applicability.¹ The Request incorporates notice of (1) issuance of the Governors' Decision authorizing the new product; (2) the execution of two related contracts; and (3) submission of supporting material under seal.²

Request. The Request was filed pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.* Substantively, it seeks the addition of a shell classification in the competitive product list for a product referred to as Global Plus 2 Negotiated Service Agreements. Prices for this product, by the terms of the Governors' Decision, are established by setting price floor and price ceiling formulas in the contracts.

The Request also addresses the Postal Service's interest in confidentiality; presents proposed Mail Classification Schedule (MCS) language; cites the Cebello Statement with respect to satisfaction of pertinent Commission rules; and discusses reasons why the Global Plus 2 contracts should be deemed functionally equivalent. Request at 2-7. It affirmatively notes that the contracts include retroactivity provisions.³ *Id.* at 7-9.

Related contracts. The Postal Service contemporaneously filed contracts related to the proposed new product listing pursuant to 39 U.S.C. 3632(b)(3) and 39 CFR

¹ See Request of the United States Postal Service to Add Global Plus 2 Negotiated Service Agreements to the Competitive Product List, and Notice of Filing (Under Seal) the Enabling Governors' Decision and Two Functionally Equivalent Agreements, August 8, 2008 (Request). Attachment 1 to the Request consists of Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Direct, Global Bulk Economy, and Global Plus Contracts (Governors' Decision No. 08-10), July 16, 2008 (Governors' Decision). The Governors' Decision includes its own set of attachments presenting proposed classification language, pricing formulas and analyses, and the certification required under Commission rules. In the Request as filed, portions of the Governors' Decision and some of the attachments are redacted. Attachment 2 to the Request is the Statement of Supporting Justification provided by Frank Cebello, Executive Director of Global Business Management for the Postal Service (Cebello Statement) in the capacity of sponsor of the instant Request.

² This material includes an unredacted version of the enabling Governors' Decision, the record of proceedings, and other documents addressing compliance with 39 CFR 3015.5.

³ The Postal Service states that the retroactivity provisions were intended to sustain customer relationships and avoid an interruption in service given uncertainty about the timing of review of the new Global Plus 2 contracts; however, it further notes that based on the Commission's decision and guidance in Order No. 85 (which was issued after the Global Plus 2 contracts were executed), it no longer intends to present future contracts to the Commission with retroactivity provisions. Instead, it will avail itself of the procedure for expedited consideration of requests for temporary relief when warranted. Request at 9.

3015.5. It maintains that both contracts, by virtue of their terms, fit within the proposed MCS language. It asks that the contracts be added as one product to the competitive product list for prices not of general applicability. *Id.* at 1. It further notes that both contracts are set to expire July 1, 2009. *Id.* at 2.

II. NOTICE OF FILINGS

The Commission establishes Docket Nos. MC2008-7, CP2008-16 and CP2008-17 for consideration of the Request pertaining to Global Plus 2 and the two related contracts. In keeping with recent practice, these dockets are addressed on a consolidated basis for purposes of this Order; however, future filings should be made in the specific docket in which issues being addressed pertain.

Interested persons may submit comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642. Comments are due no later than August 27, 2008. The public portions of these filings can be accessed via the Commission's website (www.prc.gov).

The Commission appoints Paul L. Harrington to serve as Public Representative in the captioned filings.

It is Ordered:

1. The Commission establishes Docket Nos. MC2008-7, CP2008-16 and CP2008-17 for consideration of the matters raised in each docket.
2. The Commission, pursuant to 39 U.S.C. 505, appoints Paul L. Harrington to serve as officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments by interested persons on issues in these proceedings are due no later than August 27, 2008.

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

By the Commission.

Steven W. Williams
Secretary