

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 Expedited Package Services 1 (CP2008-5)
Negotiated Service Agreement

Docket No. CP2008-25

NOTICE AND ORDER CONCERNING FILING OF ADDITIONAL
GLOBAL EXPEDITED PACKAGE SERVICES 1
NEGOTIATED SERVICE AGREEMENT

(Issued September 24, 2008)

I. INTRODUCTION

On September 22, 2008, the Postal Service filed a notice, which has been assigned to Docket No. CP2008-25.¹ This Notice announces an individual negotiated service agreement, namely, a specific Global Express Package Service (GEPS) contract the Postal Service has entered into with an individual mailer. The Postal Service believes that it is functionally equivalent to the Global Express Package Services 1 (GEPS 1) product established in Docket No. CP2008-5.

¹ Notice of United States Postal Service Filing of Functionally Equivalent Global Expedited Package Services 1 Negotiated Service Agreement, September 22, 2008 (Notice).

Docket No. CP2008-5. The Governor's Decision supporting the GEPS 1 product was filed in consolidated Docket No. CP2008-5.² In Order No. 86, the Commission established GEPS 1 as a product and held that additional contracts may be included as part of the GEPS 1 product if they meet the requirements of 39 U.S.C. 3633, and if they are substantially equivalent to the initial GEPS 1 contract filed in Docket No. CP2008-5.³ The GEPS 1 product provides volume-based incentives for mailers that send large volumes of Express Mail International (EMI) and/or Priority Mail International (PMI).

Related contract. The Postal Service filed the proposed contract in this docket pursuant to 39 CFR 3015.5, asserting that it is in accord with Order No. 86 and is substantially equivalent to the initial GEPS 1 contract filed with the Commission. *Id.* In support of its filing, the Postal Service also provides the contract and certain supporting material under seal. The Notice contains the Postal Service's arguments that this contract is substantially equivalent and that it exhibits similar cost and market characteristics. Notice at 3-5. The Postal Service also maintains that the contract, by virtue of its terms, fits within the proposed Mail Classification Schedule language for GEPS 1. *Id.* at 2.

While maintaining that the contract is substantially equivalent to the initial GEPS 1 contract, the Postal Service notes that the contract may differ in minor respects; for example, prices may vary due to volume commitments, signing dates of the agreements, existence of previous agreements, and other case specific and negotiation related factors. *Id.* at 4-5. The Postal Service maintains, however, that "[i]ncidental differences to accommodate the respective mailer[] do nothing to detract from the conclusion that the[] agreement[] [is] "functionally equivalent in all pertinent respects.'" *Id.* at 5.

² Docket No. CP2008-5, United States Postal Service Notice of Filing Redacted Copy of Governors' Decision No. 08-7, July 23, 2008.

³ Docket No. CP2008-5, Order Concerning Global Expedited Package Services Contracts, June 27, 2008 at 7 (Order No. 86) ("The Commission will verify whether or not any subsequent contract is in fact substantially equivalent. Contracts not having substantially the same terms and conditions as the GEPS 1 contract must be filed under 39 CFR part 3020, subpart B.").

The Postal Service asks that the contract be added to the existing GEPS 1 product. *Id.* at 2 and 5. It further notes that the contract is “set to expire one year after the Postal Service notifies the customer that all necessary approvals and reviews of the agreement have been obtained, culminating with a favorable conclusion on review by the Commission.” *Id.* at 2.

II. NOTICE OF FILINGS

The Commission establishes Docket No. CP2008-25 for review of this contract. The public portions of these filings can be accessed via the Commission’s website (www.prc.gov).

Interested persons may express views and offer comments on whether the planned changes are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642. Comments are due no later than October 2, 2008.

The Commission appoints Paul L. Harrington to serve as Public Representative in this docket.

It is Ordered:

1. The Commission establishes Docket No. CP2008-25 for consideration of the matters raised in this docket.
2. Comments on issues in these proceedings are due no later than October 2, 2008.
3. The Commission appoints Paul L. Harrington as Public Representative to represent the interests of the general public in this proceeding.

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

By the Commission.

Steven W. Williams
Secretary