

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

Before Commissioners:

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

Competitive Product Prices  
Global Expedited Package Services 2  
(CP2009-50)  
Negotiated Service Agreement

Docket No. CP2009-64

NOTICE AND ORDER CONCERNING ADDITIONAL  
GLOBAL EXPEDITED PACKAGE SERVICES 2  
NEGOTIATED SERVICE AGREEMENT

(Issued September 17, 2009)

I. INTRODUCTION

On September 15, 2009, the Postal Service filed a notice announcing that it has entered into an additional Global Expedited Package Services 2 (GEPS 2) contract.<sup>1</sup> GEPS 2 provides volume-based incentives for mailers that send large volumes of Express Mail International (EMI) and/or Priority Mail International (PMI). The Postal Service believes the instant contract is functionally equivalent to the previously

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<sup>1</sup> Notice of United States Postal Service Filing of Functionally Equivalent Global Expedited Package Services 2 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, September 15, 2009 (Notice).

submitted GEPS 2 contracts and is supported by the Governors' Decision filed in Docket No. CP2008-4.<sup>2</sup> *Id.* at 1.

*The instant contract.* The Postal Service filed the instant contract pursuant to 39 CFR 3015.5. In addition, the Postal Service contends that the contract is in accordance with Order No. 290.<sup>3</sup> The term of the instant contract is one year beginning October 1, 2009. Notice at 2.

In support of its Notice, the Postal Service filed four attachments as follows:

- Attachment 1 — an application for non-public treatment of materials to maintain the contract and supporting documents under seal;
- Attachment 2 — a redacted copy of Governors' Decision No. 08-7 which establishes prices and classifications for GEPS contracts, a description of applicable GEPS contracts, formulas for prices, an analysis and certification of the formulas and certification of the Governors' vote;
- Attachment 3 — a redacted copy of the contract, applicable annexes, and a provision to modify the mailer's tender requirements;<sup>4</sup> and
- Attachment 4 — a certified statement required by 39 CFR 3015.5(c)(2).

*Functional equivalency.* The Postal Service asserts that the instant contract is functionally equivalent to the contract in Docket No. CP2009-50 and prior GEPS 2 contracts. *Id.* at 3-5. The Postal Service states that there are two essential changes in the instant contract from the contract in Docket No. CP2009-50; customer specific information and modifications for clarity that will be included in future contracts.<sup>5</sup> These

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<sup>2</sup> See Docket No. CP2008-4, Notice of United States Postal Service of Governors' Decision Establishing Prices and Classifications for Global Expedited Package Services Contracts, May 20, 2008.

<sup>3</sup> See Docket No. CP2009-50, Order Granting Clarification and Adding Global Expedited Package Services 2 to the Competitive Product List, August 28, 2009 (Order No. 290).

<sup>4</sup> The Postal Service indicates that it has executed a modification provision clarifying the manner and location for the mailer's tender of qualifying mail.

<sup>5</sup> The Postal Service's Notice it states the clarification provisions included in this contract are "intended to be incorporated into all subsequent agreements in exactly the same terms." *Id.* at 3. However, the Commission notes that in the contract filed in Docket No. CP2009-65, also filed on September 15, 2009, these clarifying provisions are not included.

distinctions include the customer name, address, representative to receive notices, identity of the signatory, and provisions clarifying tender locations, minimum revenue requirements, liquidated damages, confidentiality, and reference updates. *Id.* at 3-4. The Postal Service contends that the instant contract satisfies the pricing formula and classification system established in Governors' Decision No. 08-7 and, except for the customer-specific information and clarifying provisions, it is the same as the contract in Docket No. CP2009-50. *Id.* at 3. It contends that the instant contract and all GEPS 2 contracts have similar cost and market characteristics and is functionally equivalent in all relevant aspects. *Id.* at 5. The Postal Service concludes that this contract is in compliance with 39 U.S.C. 3633, and requests that this contract be included within the GEPS 2 product. *Id.*

*Other issues.* The Postal Service states that it has executed a clarifying modification to the contract provisions with the mailer regarding tender requirements and a representative sample of the modification is filed with the notice. *Id.* at 3. It also affirms that a signed copy is available to the Commission upon request. The Commission directs the Postal Service to file an executed copy of the modification provision in this docket by September 21, 2009.

## II. NOTICE OF FILING

The Commission establishes Docket No. CP2009-64 for consideration of matters related to the contract identified in the Postal Service's Notice.

Interested persons may submit comments on whether the Postal Service's contract is consistent with the policies of 39 U.S.C. 3632, 3633, or 3642. Comments are due no later than September 25, 2009. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

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

### III. ORDERING PARAGRAPHS

*It is Ordered:*

1. The Commission establishes Docket No. CP2009-64 for consideration of the issues raised in this docket.
2. Comments by interested persons in these proceedings are due no later than September 25, 2009.
3. As set forth in this Order, the Postal Service shall file an executed copy of the modification provision by September 21, 2009.
4. Pursuant to 39 U.S.C. 505, Paul L. Harrington is appointed to serve as officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.
5. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove  
Secretary