

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL EXPEDITED PACKAGE SERVICES 1 (CP2008-4)
NEGOTIATED SERVICES AGREEMENT

Docket Nos.
CP2008-21
CP2008-24

UNITED STATES POSTAL SERVICE MOTION FOR TEMPORARY RELIEF
(September 25, 2009)

In PRC Order No. 85, the Commission noted that it “stands ready to act quickly on requests for temporary relief based on extenuating circumstances” that threaten to interrupt the provision of rates to a customer as a result of the regulatory process and the statutory requirement of 39 U.S.C. § 3632(b)(3).¹ The customers whose competitive product rates were established in these dockets wish to renew their commitments to sending large volumes of Express Mail International and Priority Mail International for the next year at negotiated rates. By the terms of the contracts filed in these dockets, the current rates will expire on September 30, 2009, at midnight.

Although the Postal Service took steps to avoid any interruption in its ability to provide these customers access to negotiated rates, and although the customers likewise acted with foresight in signing their new agreements in August 2009, extenuating circumstances have made it impossible for the Postal Service to file the new agreements 15 days prior to the intended effective date of October 1. As noted in its notice filed in PRC Docket No. CP2008-19 on September 8, 2009, the managers

¹ PRC Order No. 85, Order Concerning Global Plus Negotiated Service Agreements, June 27, 2008, at 10 (Order No. 85). In relevant part, 39 U.S.C. § 3632(b)(3) requires that rates not of general applicability established for competitive products be filed with the Commission at least 15 days in advance of their effective date.

responsible for GEPS agreements became aware of certain operational practices that may have a bearing on their cost coverage. When this discovery was made, the responsible staff members diverted their focus from moving new and renewing GEPS agreements through the Postal Service's internal approval process to determining what contracts could be impacted by the operational practices at issue. They determined that the practices do not have a bearing on the contract filed in PRC Docket No. CP2008-21. Contemporaneously with its request for relief, the Postal Service filed notice in PRC Docket No. CP2009-66 of its entry into a new GEPS agreement with this customer. Analysis is continuing on the contract filed in PRC Docket No. CP2008-24.

Unfortunately, the delay required to ensure that the contracts are in good order and reflect the actual operational practices in use made it impossible to complete the necessary internal financial review and management approval processes in time to file the new agreements at least 15 days prior to the anticipated effective date. Thus, the customers now face the prospect of an interruption in their access to negotiated rates as a result of the processes that they must participate in when they do business with the Postal Service rather than with one of the Postal Service's competitors.

To avoid this result, the Postal Service asks that the Commission grant an extension to allow these products to remain on the competitive products list until such time as the Postal Service is able to notify the customer that the Commission has reviewed the customers' renewal agreements and acted on the Postal Service's request to add the new agreements to the competitive products list as GEPS 2 products.

Conclusion

For the reasons discussed and in consideration of the customers' business continuity, the Postal Service asks the Commission to grant its request for temporary relief and allow the negotiated service agreements in these dockets to remain on the competitive products list until such time as the effective date for the new agreements may be established.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business

Laree Martin

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-3816; Fax -5329
laree.k.martin@usps.gov
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