

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

Before Commissioners:

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

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

Docket No. CP2010-14

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

(Issued December 11, 2009)

I. INTRODUCTION

On December 10, 2009, the Postal Service filed a notice announcing that it has entered into an additional Global Expedited Package Services 2 (GEPS 2) contract.¹ 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

¹ 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, December 10, 2009 (Notice).

submitted GEPS 2 contracts and is supported by the Governors' Decision filed in Docket No. CP2008-4.² *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. 290.³ The term of the instant contract is one year from the date the Postal service notifies the customer that all necessary regulatory approvals have been received. 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; 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 3-4. It also contends that the instant contract meets the requirements of Governors' Decision No. 08-7 for rates for GEPS contracts. *Id.* at 3. The Postal Service indicates that the instant contract differs from the contract in Docket No. CP2009-50 in two ways, namely, (a) customer specific information, e.g., the customer's name, address, and provisions clarifying tender locations; and (b) revisions intended to

² 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.

³ 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).

be included in all subsequent agreements. *Id.* at 3-4. The latter revisions address, for example, the treatment of confidential information and the availability of pickup service.⁴

The Postal Service contends that the instant contract satisfies the pricing formula and classification system established in Governors' Decision No. 08-7. *Id.* 2-3. It asserts 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.*

II. NOTICE OF FILING

The Commission establishes Docket No. CP2010-14 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 and 39 CFR part 3015. Comments are due no later than December 21, 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 proceeding.

⁴ *Id.* at 4-5. The Postal Service filed revisions to the agreement under seal regarding certain Articles. It is not apparent that the revised provisions should be filed as non-public. Therefore, the Postal Service shall promptly file the revised provisions as public or provide justification for their treatment as non-public.

III. ORDERING PARAGRAPHS

It is Ordered:

1. The Commission establishes Docket No. CP2010-14 for consideration of the issues raised in this docket.
2. Comments by interested persons in these proceedings are due no later than December 21, 2009.
3. 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.
4. The Postal Service shall promptly clarify the revisions to the contract as set forth in this Order.
5. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary