

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  
Express Mail  
Express Mail Contract 8

Docket No. MC2010-16

Competitive Product Prices  
Express Mail Contract 8 (MC2010-16)  
Negotiated Service Agreement

Docket No. CP2010-16

NOTICE AND ORDER CONCERNING EXPRESS MAIL CONTRACT 8  
NEGOTIATED SERVICE AGREEMENT

(Issued December 15, 2009)

I. INTRODUCTION

Pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a formal request and associated supporting information to add Express Mail Contract 8 to the Competitive Product List.<sup>1</sup> The Postal Service asserts that Express Mail Contract 8 is a competitive product “not of general applicability” within the meaning of

---

<sup>1</sup> Request of the United States Postal Service to Add Express Mail Contract 8 to Competitive Product List and Notice of Filing (Under Seal) of Supporting Data, December 11, 2009 (Request).

39 U.S.C. 3632(b)(3). *Id.* at 1. The Postal Service states that prices and classification underlying this contract are supported by Governors' Decision No. 09-14 in Docket No. MC2010-5. *Id.* The Request has been assigned Docket No. MC2010-16.

The Postal Service contemporaneously filed a contract related to the proposed new product pursuant to 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. The contract has been assigned Docket No. CP2010-16.

*Request.* In support of its request, the Postal Service filed the following materials: (1) a redacted version of the Governor's Decision, originally filed in Docket No. MC2010-5, authorizing certain Express Mail contracts;<sup>2</sup> (2) an unredacted version of the contract,<sup>3</sup> (3) a requested change in the Competitive Product List;<sup>4</sup> (4) a Statement of Supporting Justification as required by 39 CFR 3020.32;<sup>5</sup> (5) a certification of compliance with 39 U.S.C. 3633(a);<sup>6</sup> and (6) an application for non-public treatment for the materials filed under seal.<sup>7</sup>

In the Statement of Supporting Justification, Susan M. Plonkey, Vice President, Sales, asserts that the service to be provided under the contract will cover its attributable costs, make a positive contribution to institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs. *Id.*, Attachment D. Thus, Ms. Plonkey contends there will be no issue of subsidization of competitive products by market dominant products as a result of this contract. *Id.*

*Related contract.* Express Mail Contract 8, which is included with the Request, appears to be an addendum to an agreement with U.S. General Services Administration (GSA) that was entered into on May 28, 2009. Pursuant to that agreement, the Postal

---

<sup>2</sup> Attachment A to the Request, reflecting Governor's Decision No. 09-14, October 26, 2009.

<sup>3</sup> Attachment B to the Request.

<sup>4</sup> Attachment C to the Request.

<sup>5</sup> Attachment D to the Request.

<sup>6</sup> Attachment E to the Request.

<sup>7</sup> Attachment F to the Request.

Service may not increase rates until after May 27, 2009. *Id.*, Attachment D. The instant contract is scheduled to become effective January 4, 2010. The Postal Service represents that the contract is consistent with 39 U.S.C. 3633(a). *See id.*

In its Request, the Postal Service maintains that the supporting financial information, including the analyses that provide prices, terms, conditions, cost data, and financial projections should remain under seal. *Id.*, Attachment F.

## II. NOTICE OF FILINGS

The Commission establishes Docket Nos. MC2010-16 and CP2010-16 for consideration of the Request pertaining to the proposed Express Mail Contract 8 product and the related contract, respectively. In keeping with 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 and 39 CFR part 3015 and 39 CFR 3020, subpart B. Comments are due no later than December 23, 2009. The public portions of these filings can be accessed via the Commission's website ([www.prc.gov](http://www.prc.gov)).

The Commission appoints Kenneth L. Richardson and Derrick D. Dennis to serve as Public Representative in these dockets.

## III. SUPPLEMENTAL INFORMATION

The Request does not include the underlying agreement with GSA or any information about the rates currently in effect under that agreement. The Postal Service is directed to supplement its Request with the following: (a) a copy of the agreement with GSA; (b) the rates currently in effect under the agreement; and (c) an explanation why the agreement was not filed prior to its effective date pursuant to 39 U.S.C.

3632(b), 39 U.S.C. 3642, 39 CFR part 3015, and 39 CFR 3020.30 *et seq.* The supplemental information is due no later than December 18, 2009.

#### IV. ORDERING PARAGRAPHS

*It is Ordered:*

1. The Commission establishes Docket Nos. MC2010-16 and CP2010-16 for consideration of the matter raised in each docket.
2. Pursuant to 39 U.S.C. 505, Kenneth L. Richardson and Derrick D. Dennis are appointed to serve as officers of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Materials supplementing the Request are due no later than December 18, 2009.
4. Comments by interested persons in these proceedings are due no later than December 23, 2009.
5. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove  
Secretary