

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 Direct Contracts (MC2009-9)
Negotiated Service Agreement

Docket No. CP2009-29

NOTICE AND ORDER CONCERNING CHANGE IN PRICES
IN ACCORDANCE WITH ORDER NO. 216

(Issued December 24, 2009)

On December 18, 2009, the Postal Service filed a notice that prices for the Global Direct contract at issue in the above-captioned proceeding will change as contemplated by the contract's terms.¹ The Notice includes three attachments: (1) a redacted version of the letter to the customer with the amended prices (Attachment 1); (2) a certified statement of compliance with 39 U.S.C. 3633(a) (Attachment 2); and (3) an application for non-public treatment for the material filed under seal (Attachment 3).

¹ Notice of United States Postal Service of Change in Prices in Accordance with Order No. 216, December 18, 2009 (Notice).

In Order No. 216, the Commission concluded that certain costs for these types of contracts are based on objective, external factors and out of the Postal Service's discretion.² Such objective, external factors are, in the case of Global Direct, exchange rate fluctuations and changes in the amount Canada Post Corporation charges the Postal Service for services. *Id.* at 7. For rate changes based on these types of objective, external factors, the Commission allowed that the Postal Service could file the changes on a "notice-type basis." *Id.*

The Postal Service filed the Notice because it plans on changing rates for the Global Direct contract at issue in this docket. It is unclear, however, whether the planned increase is only the result of "objective, external factors" contemplated by Order No. 216. If the increase is based on other terms of the contract that are not "objective, external factors," *i.e.*, based on Article 9, paragraph 2, of the contract, then it must be subject to the usual requirements of a competitive rate change set forth in 39 CFR 3015.5.

Because the basis for the price change in the Notice is not clear, the Commission reopens Docket No. CP2009-29 to review the proposed price change and give interested persons the opportunity to comment on whether the Postal Service's proposed rate increase is based on "objective, external factors." If the change is based on such factors, Commission review may be unnecessary under the terms of Order No. 216. Comments may also address, if appropriate, whether the filings in the captioned docket are consistent with the policies of 39 U.S.C. 3632, 3633, or 3652 and 39 CFR part 3015 and 39 CFR 3020, subpart B. Comments are due no later than January 5, 2010.

The Commission appoints Paul L. Harrington to serve as Public Representative in these dockets.

² PRC Order No. 216, Order Concerning Filing of Additional Global Direct Contracts Negotiated Service Agreement, May 15, 2009 (Order No. 216).

It is ordered:

1. The Commission reopens Docket No. CP2009-29 for consideration of the issues raised in this Order.
2. Pursuant to 39 U.S.C. 505, Paul L. Harrington is appointed to serve as the officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments by interested persons in this proceeding are due no later than January 5, 2010.
4. The Secretary shall arrange for publication of this Notice in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary