

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. CP2010-20

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

(Issued January 22, 2010)

I. INTRODUCTION

On January 21, 2010, 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, January 21, 2010 (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 from the date the Postal Service notifies the customer that all necessary regulatory approvals have been received.<sup>4</sup> Notice at 2-3.

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

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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 states its intent is to begin this contract on February 8, 2010, at the expiration of the customer's current contract. The contract's terms provide that the Postal Service will give notice to the mailer of the effective date within 30 days of regulatory approval.

name, address, representative, signatory and provisions clarifying tender locations, minimum revenue and/or volume commitment; and (b) revisions intended to be included in all subsequent agreements. *Id.* at 3-4. The latter revisions address, for example, the treatment of confidential information, reference updates and the availability of pickup service. The Postal Service also notes other minor changes which modify or delete certain provisions. *Id.*

The Postal Service contends that the instant contract satisfies the pricing formula and classification system established in Governors' Decision No. 08-7. *Id.* at 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 3. 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.* at 6.

## II. NOTICE OF FILING

The Commission establishes Docket No. CP2010-20 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 February 1, 2010. 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.

### III. ORDERING PARAGRAPHS

*It is Ordered:*

1. The Commission establishes Docket No. CP2010-20 for consideration of the issues raised in this docket.
2. Comments by interested persons in these proceedings are due no later than February 1, 2010.
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 Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove  
Secretary