

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. CP2010-26

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

(Issued March 11, 2010)

I. INTRODUCTION

On March 10, 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> The Postal Service believes the instant contract is functionally equivalent to previously submitted GEPS 2 contracts, and is supported by Governors' Decision No. 08-7, attached to the Notice and originally filed in Docket No. CP2008-4. *Id.* at 1, Attachment 3. The Notice also explains that Order No. 86, which established GEPS 1

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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, March 10, 2010 (Notice).

as a product, also authorized functionally equivalent agreements to be included within the product, provided that they meet the requirements of 39 U.S.C. 3633. *Id.* at 1. In Order No. 290, the Commission approved the GEPS 2 product.<sup>2</sup>

*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. 86. The Postal Service submitted the contract and supporting materials under seal, a redacted copy of the contract as Attachment 1, a certified statement required by 39 CFR 3015.5(c)(2) to the Notice as Attachment 2, Governors' Decision No. 08-7 and an application for non-public treatment of materials as Attachments 3 and 4, respectively. *Id.* at 1-2.

The Postal Service relates that the instant contract is the immediate successor contract to the contract in Docket No. CP2009-59, which expires on September 5, 2010, and which the Commission found to be functionally equivalent in Order No. 286.<sup>3</sup> It states that because the customer has met the volume commitment of its present contract, it requests approval for the instant contract and the customer's current contract will be terminated early. The term of the contract is one year from the date the Postal Service notifies the customer that all necessary regulatory approvals have been received.

The Notice advances reasons why the instant GEPS 2 contract fits within the Mail Classification Schedule language for GEPS 2. The Postal Service identifies customer specific information and general contract terms that distinguish the instant contract from the baseline GEPS 2 agreement. *Id.* at 4-8. It contends that the instant contract is functionally equivalent to the GEPS 2 contracts filed previously notwithstanding these differences. *Id.* at 6-7.

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<sup>2</sup> 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>3</sup> Docket No. CP2009-59, Order Concerning Additional Global Expedited Package Services 1 Negotiated Service Agreement, August 24, 2009 (Order No. 286).

The Postal Service asserts that several factors demonstrate the contract's functional equivalence with previous GEPS 2 contracts, including the general terms of the contract, the market to which it is being offered, and its cost characteristics. *Id.* at 3. The Postal Service concludes that because the "GEPS agreements incorporate the same cost attributes and methodology, the relevant cost and market characteristics are similar, if not the same..." despite any incidental differences. *Id.* at 6.

The Postal Service contends that its filings demonstrate that this new GEPS 2 contract is established in compliance with the requirements of 39 U.S.C. 3633, is functionally equivalent to previous GEPS 2 contracts, and requests that this contract be included within the GEPS 2 product. *Id.* at 7.

## II. NOTICE OF FILING

The Commission establishes Docket No. CP2010-26 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, 3622 or 3642. Comments are due no later than March 19, 2010. The public portions of these filings can be accessed via the Commission's website ([www.prc.gov](http://www.prc.gov)).

The Commission appoints Paul L. Harrington to serve as Public Representative in the captioned filings.

## III. ORDERING PARAGRAPHS

*It is Ordered:*

1. The Commission establishes Docket No. CP2010-26 for consideration of matters raised by the Postal Service's Notice.
2. Comments by interested persons in these proceedings are due no later than March 19, 2010.

3. 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.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove  
Secretary