

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 1 (MC2010-17)
Negotiated Service Agreement

Docket No. CP2010-47

NOTICE AND ORDER CONCERNING FILING OF ADDITIONAL
GLOBAL DIRECT CONTRACTS 1
NEGOTIATED SERVICE AGREEMENT

(Issued May 6, 2010)

I. INTRODUCTION

On May 4, 2010, the Postal Service filed a notice announcing that it has entered into an additional Global Direct Contracts 1 agreement.¹ Global Direct Contracts provide a rate for mail acceptance within the United States, transportation to a receiving country of mail that bears the destination country's indicia, and payment by the Postal Service of the appropriate settlement charges to the receiving country. The Postal Service believes the instant agreement is functionally equivalent to the Global Direct

¹ Notice of United States Postal Service Filing of Functionally Equivalent Global Direct Contracts 1 Negotiated Service Agreement, May 4, 2010 (Notice).

Contracts 1 agreements in Docket Nos. MC2010-17, CP2010-18 and CP2010-19 and supported by the Governors' Decision filed in Docket No. MC2008-7.²

The instant agreement. The Postal Service filed the instant agreement pursuant to 39 CFR 3015.5. In addition, the Postal Service contends that the agreement is in accordance with Order No. 153.³ The term of the instant agreement is one year from the date the Postal Service notifies the customer that all necessary regulatory approvals have been received and it may be automatically renewed unless terminated by the parties. Notice at 3. The Postal Service states that the instant agreement replaces the agreement for the customer in Docket No. CP2009-29 which will expire soon. *Id.* at 2-3.

In support of its Notice, the Postal Service filed four attachments as follows:

- Attachment 1—a redacted copy of the contract;
- Attachment 2—a certified statement required by 39 CFR 3015.5(c)(2);
- Attachment 3—a redacted copy of Governors' Decision No. 08-10, which establishes prices and classifications for Global Direct, Global Bulk Economy, and Global Plus Contracts; and
- Attachment 4—an application for non-public treatment of materials to maintain redacted portions of the contract and supporting documents under seal.⁴

The Postal Service states that the instant agreement fits within the Mail Classification Schedule language for Global Direct Contracts in Governors' Decision No. 08-10, with the modification noted in Order No. 153.⁵

² Notice at 1-2. See Docket No. MC2008-7, Request of the United States Postal Service to Add Global Plus 2 Negotiated Service Agreements to the Competitive Product List, and Notice of Filing (Under Seal) the Enabling Governors' Decision and Two Functionally Equivalent Agreements, August 8, 2008; Attachment 1 is a redacted version of Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Direct, Global Bulk Economy, and Global Plus Contracts, July 16, 2008 (Governors' Decision No. 08-10). The Postal Service also filed under seal an unredacted version of the Governors' Decision in that docket.

³ See Docket Nos. MC2009-9, CP2009-10 and CP2009-11, Order Concerning Global Direct Contracts Negotiated Service Agreements, December 19, 2008 (Order No. 153).

⁴ The Postal Service states in its Notice that Attachment 3 is the application for non-public treatment of the redacted materials and that Attachment 4 is the redacted version of the Governors' Decision No. 08-10. However, the attachments filed in this docket are as noted above.

The Notice advances reasons why the instant agreement fits within the Mail Classification Schedule language for Global Direct Contracts and is functionally equivalent to the previous Global Direct Contracts 1 in Docket Nos. MC2010-17 and CP2010-18. The Postal Service characterizes certain differences from previous Global Direct agreements as cosmetic or customer-specific updates. It identifies changes in specific provisions that contain the essential differences from the previous Global Direct Contracts 1 agreement as revisions in mailer notification requirements, mailer minimum commitment, and clarifying country-specific notification requirements all of which are highlighted in the Notice. *Id.* at 3. It contends that the instant contract is functionally equivalent to the Global Direct Contracts 1 agreement filed previously notwithstanding these differences. *Id.* at 4.

The Postal Service contends that its filing demonstrates that the “cost and market characteristics of this agreement are substantially similar to those of prior Global Direct contracts” and is in conformity with the requirements of 39 U.S.C. 3633. *Id.* It requests that the agreement be included within the Global Direct Contracts 1 product.

II. NOTICE OF FILING

The Commission establishes Docket No. CP2010-47 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. Comments are due no later than May 14, 2010. The public portions of these filings can be accessed via the Commission’s website (www.prc.gov).

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

⁵ See Order No. 153 at 9. See *also* Docket No. MC2009-23, Order of Classification Changes, May 11, 2009, that accepts a Postal Service proposal to modify the Mail Classification Schedule so that for Global Direct service the mailer is notified whether such mail is (or is not) sealed against inspection.

III. ORDERING PARAGRAPHS

It is Ordered:

1. The Commission establishes Docket No. CP2010-47 for consideration of matters raised by the Postal Service's Notice.
2. Comments by interested persons in these proceedings are due no later than May 14, 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