

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Inbound International Expedited Services  
Negotiated Service Agreement

Docket Nos. MC2010-37  
CP2010-126

PUBLIC REPRESENTATIVE COMMENTS IN RESPONSE TO UNITED STATES  
POSTAL SERVICE REQUEST TO ADD INBOUND INTERNATIONAL EXPEDITED  
SERVICES 4 TO THE COMPETITIVE PRODUCT LIST AND CANADA POST –  
UNITED STATES POSTAL SERVICE BILATERAL AGREEMENT

(October 12, 2010)

In response to Order No. 553<sup>1</sup>, the Public Representative hereby comments on the September 30, 2010 Postal Service Request to add Inbound International Expedited Services 4 to the competitive product list and Canada Post – United States Postal Service bilateral agreement (Request). This Request is persuasive.

**Discussion**

As the Postal Service notes, the instant contract, a modification to an agreement to deliver parcels in the United States, is based upon the structure of the existing competitive bilateral agreement (reviewed in Docket Nos. MC2010-14 and CP2010-13, and approved by the Commission in Order 376, December 30, 2009). New rates for inbound Express Mail service from Canada are to take effect January 1, 2011. These negotiated rates are an authorized exception to the Universal Postal Union Cooperative rates, and are authorized by Postal Service Governors' Decision 08-5 (April 1, 2008).

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<sup>1</sup> Commission Order 553 Notice and Order Concerning Adding Inbound International Expedited Services 4 to the Competitive Product List and Canada Post – United States Postal Service Bilateral Agreement, October 4, 2010.

### **Compliance with 39 U.S.C. 3632 and 39 CFR 3015.5**

The underlying contract with Canada Post has been approved by the Postal Service Governors in a rightful exercise of their authority, and presented to the Commission for timely publication in the Mail Classification Schedule (MCS).

### **Compliance with 39 U.S.C. 3633(a)**

This Request outlines a rate structure which complies with the 3-pronged requirements of 39 USC 3633(a); the Governors' review and executive analysis of the agreement indicate Expedited Services 4 contract with Canada Post will not allow market dominant products to subsidize competitive products, it will ensure that each competitive product covers its attributable costs; and enable competitive products as a whole to cover their costs (contributing a minimum of 5.5 percent to the Postal Service's total institutional costs).

### **Compliance with 39 U.S.C. 3642 and 39 CFR 3020.30 et seq.**

The Postal Service Request fulfills the notice requirements of title 39 and Commission Rules of Practice and Procedure.

### **Compliance with 39 CFR 3020 subpart B**

The data accompanying the instant Request appears to include the necessary content, analyses and justifications. The Notice contains a rationale for maintaining confidentiality concerning pricing, processes which enable discounted pricing, the attendant formulae and other contractual terms which are matters of commercial

sensitivity.<sup>2</sup> Here, it would appear that the Postal Service has concisely justified the extent of confidentiality appropriate in this matter, providing a brief explanation for maintaining the confidentiality of each aspect of the matters remaining under seal.

The Public Representative has accessed and reviewed all materials the United States Postal Service submitted under seal in this matter, documentation in its original (not redacted) version.

### **Conclusion**

The Public Representative acknowledges that the bilateral agreement with Canada Post for Postal Service delivery of Express Mail in the United States comports with provisions of title 39. This contract, beginning January 1, 2011, employs negotiated pricing, dispatch methods and other provisions favorable to both the Postal Service and the public.

The Public Representative respectfully submits the preceding Comments for the Commission's consideration.

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<sup>2</sup> Attachment 1 to the Request, Application for Non-Public Treatment of Materials.