

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Robert G. Taub, Vice Chairman;  
Mark Acton;  
Tony Hammond; and  
Nanci E. Langley

Competitive Product Prices  
Global Plus 1C Contracts (MC2012-6)  
Negotiated Services Agreements

Docket No. CP2013-39

NOTICE AND ORDER CONCERNING  
AN ADDITIONAL GLOBAL PLUS 1C CONTRACT

(Issued January 11, 2013)

I. INTRODUCTION

*Notice of filing.* On January 10, 2013, the Postal Service filed a notice announcing that it is entering into an additional Global Plus 1C contract (Agreement).<sup>1</sup> The Postal Service seeks to have the Agreement included within the Global Plus 1C

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<sup>1</sup> Notice of the United States Postal Service of Filing a Functionally Equivalent Global Plus 1C Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, January 10, 2013 (Notice). The Notice was filed in accordance with 39 CFR 3015.5. *Id.* at 1. See also Errata to Notice of the United States Postal Service of Filing a Functionally Equivalent Global Plus 1C Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, January 11, 2013.

product on the grounds of functional equivalence to previously approved baseline agreements. *Id.* at 1-2.

*Product history.* The Commission added Global Plus 1C to the competitive product list by operation of Order No. 1151.<sup>2</sup> It concurrently designated the agreements filed in companion Docket Nos. CP2012-12 and CP2012-13 as the baseline agreements for purposes of establishing the functional equivalency of other agreements proposed for inclusion with the Global Plus 1C product. *Id.* at 2. The Agreement that is the subject of this filing is the immediate successor to the agreement approved in Docket No. CP2012-12. *Id.* at 4.

Customers for Global Plus 1C contracts are Postal Qualified Wholesalers (PQWs) and other large businesses that offer mailing services to end users for shipping articles via International Priority Airmail, International Surface Air Lift, Global Express Guaranteed, Express Mail International, Priority Mail International, and/or Commercial ePacket service. *Id.* at 5.

## II. CONTENTS OF FILING

The filing includes the Notice, along with the following attachments:

- Attachment 1—a redacted copy of the Agreement;
- Attachment 2—a redacted copy of the certification required under 39 CFR 3015.5(c)(2);
- Attachment 3—a redacted copy of Governors' Decision No. 11-6; and
- Attachment 4—an application for non-public treatment of material filed under seal.

The material filed under seal consists of unredacted copies of the Agreement and supporting financial documents. *Id.* at 2. The Postal Service filed redacted versions of the sealed financial documents in public Excel spreadsheets. *Id.* at 3.

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<sup>2</sup> Docket Nos. MC2012-6, CP2012-12, and CP2012-13, Order Adding Global Plus 1C to the Competitive Product List and Approving Related Global Plus 1C Agreements, January 19, 2012 (Order No. 1151).

*Functional equivalency.* The Postal Service asserts that the instant Agreement and the baseline agreements are functionally equivalent because they share similar cost and market characteristics. *Id.* at 4. It notes that the pricing formula and classification established in Governors' Decision No. 08-8 ensure that each Global Plus 1C contract meets the criteria of 39 U.S.C. 3633 and related regulations. *Id.* at 4-5. The Postal Service also indicates that the pricing formula relied on for Global Plus 1C contracts is included in Governors' Decision No. 11-6. *Id.* at 5. The Postal Service further asserts that the functional terms of the two agreements are the same and the benefits are comparable. *Id.*

The Postal Service states that prices may differ, depending on when an agreement is signed, due to updated costing information. *Id.* It also identifies other differences in contractual terms, but asserts that the differences do not affect either the fundamental service being offered or the fundamental structure of the Agreement.<sup>3</sup> *Id.* at 6.

*Effective date; term.* The scheduled effective date of the Agreement is January 27, 2013. *Id.* at 3. The Agreement is expected to be in effect for approximately 1 year. Termination is either the date prior to the date in January 2014 that Canada Post Corporation makes changes to published rates affecting Qualifying Mail<sup>4</sup> or, in the event of inaction, January 31, 2014. *Id.* at 4.

### III. COMMISSION ACTION

The Commission establishes Docket No. CP2013-39 for consideration of matters raised in the Notice. Interested persons may submit comments on whether the Agreement is consistent with the requirements of 39 CFR 3015.5 and the policies of sections 3632, 3633, and 3642. Comments are due no later than January 23, 2013.

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<sup>3</sup> The list includes, among other things, the non-inclusion of a particular service, the addition and revision of articles, and related renumbering of articles. *See id.* at 6-7.

<sup>4</sup> Article 3 of the Agreement outlines the requirements for mail to be considered as Qualifying Mail. *Id.* at 2-3.

The public portions of the Postal Service's filing can be accessed via the Commission's website at <http://www.prc.gov>. Information on how to obtain access to nonpublic material appears at 39 CFR 3007.

The Commission appoints Curtis E. Kidd to represent the interests of the general public (Public Representative) in this case.

#### IV. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission establishes Docket No. CP2013-39 for consideration of matters raised in the Postal Service's Notice.
2. Pursuant to 39 U.S.C. 505, the Commission designates Curtis E. Kidd to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.
3. Comments are due no later than January 23, 2013.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams  
Acting Secretary