

ORDER NO. 1849

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

Before Commissioners:

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

Competitive Product Prices
Parcel Select & Parcel Return Service
Parcel Select & Parcel Return Service Contract 5

Docket No. MC2014-1

Competitive Product Prices
Parcel Select & Parcel Return Service Contract 5
(MC2014-1)
Negotiated Service Agreement

Docket No. CP2014-1

NOTICE AND ORDER CONCERNING THE ADDITION OF PARCEL SELECT &
PARCEL RETURN SERVICE CONTRACT 5 TO THE COMPETITIVE PRODUCT LIST

(Issued October 18, 2013)

I. INTRODUCTION

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a formal request and associated supporting information to add Parcel Select & Parcel Return Service Contract 5 to the competitive product list.¹ The Postal Service asserts that Parcel Select & Parcel Return Service Contract 5 is a “competitive

¹ Request of the United States Postal Service to Add Parcel Select and Parcel Return Service Contract 5 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors’ Decision, Contract, and Supporting Data, October 17, 2013 (Request).

product not of general applicability within the meaning of 39 U.S.C. § 3632(b)(3).” *Id.* at 1. The Request has been assigned Docket No. MC2014-1.

The Postal Service contemporaneously filed a redacted contract related to the proposed new product. *Id.* Attachment B. The instant contract has been assigned Docket No. CP2014-1.

Request. To support its Request, the Postal Service filed the following six attachments:

- Attachment A—a redacted version of Governors’ Decision No. 11-6 and accompanying analysis. An explanation and justification is provided in the Governors’ Decision and analysis filed in the unredacted version under seal;
- Attachment B—a redacted version of the instant contract;
- Attachment C—the proposed change in the Mail Classification Schedule;
- Attachment D—a Statement of Supporting Justification as required by 39 CFR 3020.32;
- Attachment E—a certification of compliance with 39 U.S.C. 3633(a)(1), (2), and (3); and
- Attachment F—an Application for Non-public Treatment of the material filed under seal. The materials filed under seal are the unredacted version of the instant contract and the required cost and revenue data.

In the Statement of Supporting Justification, Dennis R. Nicoski, Manager, Field Sales Strategy and Contracts, asserts that the instant contract will cover its attributable costs, make a positive contribution to cover institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service’s institutional costs. *Id.*

Attachment D at 1. Mr. Nicoski contends that there will be no issue of subsidization of market dominant products by competitive products as a result of the instant contract. *Id.*

Instant contract. The Postal Service included a redacted version of the instant contract with the Request. *Id.* Attachment B. The instant contract is the successor to Parcel Select Contract 3, approved in Docket Nos. MC2013-32 and CP2012-40.

Request at 1. It is scheduled to become effective one business day following the date on which the Commission issues all necessary regulatory approvals. *Id.* Attachment B at 13. The contract will expire 5 years from the effective date unless, among other things, either party terminates the agreement with 30 days' written notice to the other party. *Id.* The Postal Service represents that the instant contract is consistent with 39 U.S.C. 3633. *Id.* Attachment E.

The Postal Service filed much of its supporting materials, including the unredacted version of the instant contract, under seal. *Id.*, Attachment F. It maintains that the unredacted Governors' Decision, the unredacted version of the instant contract, and supporting documents establishing compliance with 39 U.S.C. 3633 and 39 CFR 3015.5 should remain confidential. *Id.* at 1. The Postal Service asks the Commission to protect customer-identifying information from public disclosure indefinitely. *Id.*

II. NOTICE OF FILINGS

The Commission establishes Docket Nos. MC2014-1 and CP2014-1 to consider the Request and the instant contract, respectively.

Interested persons may submit comments on whether the Postal Service's filings in these dockets are consistent with the policies of 39 U.S.C. 3632, 3633, and 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than October 25, 2013. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Kenneth R. Moeller to serve as Public Representative in these dockets.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket Nos. MC2014-1 and CP2014-1 to consider the matters raised in each docket.

2. Pursuant to 39 U.S.C. 505, Kenneth R. Moeller is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments by interested persons in these proceedings are due no later than October 25, 2013.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary