

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

Competitive Product Prices
International Business Reply Service
Competitive Contract 3 (MC2011-21)
Negotiated Service Agreement

Docket No. CP2013-58

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF CHANGE IN PRICES UNDER INTERNATIONAL
BUSINESS REPLY SERVICE COMPETITIVE CONTRACT 3 NEGOTIATED SERVICE
AGREEMENT

(October 21, 2014)

The Public Representative hereby provides comments pursuant to Order No. 2215.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of Prices under Functionally Equivalent International Business Reply Service Competitive Contract 3 Negotiated Service Agreement.² Attachment 1 to the Notice consists of a redacted version of the notice to the customer of contingency prices.

In Order No. 1701, the Commission approved the Postal Service's request to add the predecessor of the instant contract to the existing IBRS Competitive Contract 3 product.³

The Postal Service asserts that Article 8 of the predecessor contract allows for the change in price without the execution of a new contract. Notice at 2. The Postal

¹ PRC Order No. 2215, Notice and Order Concerning Change in Prices Under International Business Reply Service Competitive Contract 3 Negotiated Service Agreement, October 16, 2014.

² Notice of United States Postal Service of Prices Under Functionally Equivalent International Business Reply Service Competitive Contract 3 Negotiated Service Agreement, October 15, 2014 (Notice).

³ See Order Approving New International Business Reply Service Competitive Contract 3 Agreement, April 16, 2013.

Service adds that the instant contract is functionally equivalent to the baseline contract⁴ and is likely to apply to an insignificant level of volume. *Id* at 3. The Postal Service also states that the change in price will take effect on November 1, 2014. *Id*.

COMMENTS

The Public Representative has reviewed the baseline contract, predecessor negotiated contract and supporting financial model filed under seal. Based upon that review, the Public Representative concludes that the instant contract is functionally equivalent to the baseline agreement. In addition, it appears that the negotiated prices in the instant contract should generate sufficient revenues to cover costs and satisfy the requirements of 39 U.S.C. Section 3633 and recommends Commission approval of the inclusion of the instant contract within the IBRS Competitive Contract 3 product.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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⁴ Docket Nos. MC2011-21 and CP2011-59