

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

Before Commissioners:

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

Competitive Product Prices
Inbound EMS 2 (MC2009-10)

Docket No. CP2015-117

NOTICE AND ORDER CONCERNING CHANGES IN RATES FOR INBOUND EMS 2

(Issued August 3, 2015)

I. INTRODUCTION

Notice of filing. On July 31, 2015, the Postal Service filed notice pursuant to 39 CFR 3015.5, announcing its intention to change rates not of general applicability for Inbound EMS 2 effective January 1, 2016.¹ The timing of the filing comports with a requirement that notice of this type of change be submitted at least 15 days before the effective date. See 39 CFR 3015.5.

II. CONTENTS OF FILING

To accompany its Notice, the Postal Service filed the following attachments:

¹ Notice of the United States Postal Service of Filing Changes in Rates Not of General Applicability for Inbound EMS 2, July 31, 2015 (Notice).

- Attachment 1 – an application for non-public treatment of materials filed under seal;
- Attachment 2A – a redacted copy of Governors’ Decision No. 08-20;
- Attachment 2B – a redacted copy of Governors’ Decision No. 11-6;
- Attachment 3 – a redacted copy of the new rates;
- Attachment 4 – a copy of the certification required under 39 CFR 3015.5(c)(2); and
- Attachment 5 – the most recent annual EMS Pay-for-Performance Plan available, the most recent annual Report Card, and all available quarterly Report Cards for the calendar year preceding the effective date of the Inbound EMS 2 rates that are the subject of the filing.

Notice at 2–3.

The material filed under seal consists of unredacted copies of Governors’ Decision Nos. 08-20 and 11-6, the new rates, and related financial information. *Id.* The Postal Service notes that it reserves the right to impose Inbound EMS rates reciprocally when another country’s inbound EMS rates for U.S.-origin EMS shipments exceed the Postal Service’s announced rates. *Id.* at 3. The Postal Service represents that it will file notice of such reciprocal rates with the Quarter 3, FY 2016 quarterly filing, once all such rates have been established. *Id.*

Explanation of Classification and Rates. The Notice incorporates the explanations for Inbound EMS 2 contained in its 2009 Request, as well as other materials filed in Docket No. CP2009-57. *Id.* at 4. The Postal Service represents that those filings explain that the two-tiered rate structure for Inbound EMS 2 exists as a result of the EMS Cooperative’s expectation that all of its members will participate in the Pay-for-Performance Plan. *Id.*

Further, in Docket No. CP2013-77, the Postal Service notified the Commission of a pricing separation of Tier 1 for Pay-for-Performance members into Tiers 1a and 1b. *Id.* The Postal Service states that Docket No. CP2013-77 explains that Tier 1a prices are available to EMS Cooperative members that participate in the Cooperative’s Pay-for-Performance Plan, while Tier 1b offers a range of discounts from Tier 1a prices to any EMS Cooperative member that participates in the Pay-for-Performance Plan and

agrees to grant a reciprocal discount from the charges for delivery of U.S.-origin EMS items in the territory served by such a member. *Id.* The Postal Service asserts that its proposal to notify the Commission of any new reciprocally discounted rates for Tier 1b as part of the routine quarterly reporting process remains consistent with the process permitted by the Commission's prior order in Docket No. CP2013-77.²

III. COMMISSION ACTION

The Commission establishes Docket No. CP2015-117 for consideration of matters raised by the Notice.

The Commission invites comments on whether the Postal Service's filing is consistent with 39 U.S.C. 3632, or 3633, and 39 CFR part 3015. Comments are due no later than August 10, 2015. The public portions of the filing can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Katalin K. Clendenin to serve as Public Representative in this docket.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2015-117 for consideration of the matters raised by the Postal Service's Notice.
2. Pursuant to 39 U.S.C. 505, Katalin K. Clendenin is appointed to serve as an officer of the Commission to represent the interests of the general public in this proceeding (Public Representative).

² *Id.* at 5, n.8 citing Order No. 1865, Order Granting Motion for Reconsideration of Order No. 1822, October 30, 2013.

3. Comments are due no later than August 10, 2015.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary