

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

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

Docket No. CP2014-1

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE REQUEST TO
AMEND A PARCEL SELECT & PARCEL RETURN SERVICE NEGOTIATED SERVICE
AGREEMENT
(November 12, 2015)

The Commission issued Order No. 2804 to receive comments on a Postal Service Request to amend an existing Parcel Select and Parcel Return Service Contract 5 negotiated service agreement.¹

The instant contract will be effective the following weekday following the date on which the Commission issues all necessary regulatory approvals.² The Postal Service requests to amend prices in Table 2 of Section I.I.3 of Contract 5 pursuant to the contract's original terms. *Id* Attachment A at 1. The Postal Service asserts that the Amendment will not impair the ability of the contract to comply with 39 U.S.C. § 3633. *Id* Attachment B at 1.

COMMENTS

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

¹ PRC Order No. 2804, Notice and Order Concerning Amendment to a Parcel Select & Parcel Return Service Negotiated Service Agreement, November 5, 2015.

² Notice of United States Postal Service of Change in Prices Pursuant to Amendment to Parcel Select and Parcel Return Service Contract 5, with Portions Filed Under Seal, November 4, 2015 (Request).

The Public Representative has reviewed the Postal Service's Request, as well as Contract 5 and the financial data filed under seal with the Postal Service's Request. Based upon that review, the Public Representative concludes that the Existing Agreement, as amended, should generate sufficient revenues to cover attributable costs and thereby satisfy 39 U.S.C. § 3633(a). The annual rate adjustment provision in section I.J. of the amended agreement should allow the amended agreement's revenues to cover costs for the duration of its term.

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

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