

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

Before Commissioners:

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

Competitive Product Prices
First-Class Package Service
First-Class Package Service Contract 39

Docket No. MC2016-38

Competitive Product Prices
First-Class Package Service Contract 39
(MC2016-38)
Negotiated Service Agreement

Docket No. CP2016-47

NOTICE AND ORDER CONCERNING THE ADDITION OF FIRST-CLASS PACKAGE
SERVICE CONTRACT 39 TO THE COMPETITIVE PRODUCT LIST
AND REQUEST FOR SUPPLEMENTAL INFORMATION

(Issued December 16, 2015)

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 First-Class Package Service Contract 39 to the competitive product list.¹

¹ Request of the United States Postal Service to Add First-Class Package Service Contract 39 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, December 15, 2015 (Request).

The Postal Service contemporaneously filed a redacted contract related to the proposed new product under 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. Request, Attachment B.

To support its Request, the Postal Service filed a copy of the contract, a copy of the Governors' Decision authorizing the product, proposed changes to the Mail Classification Schedule, a Statement of Supporting Justification, a certification of compliance with 39 U.S.C. 3633(a), and an application for non-public treatment of certain materials. It also filed supporting financial workpapers.

II. NOTICE OF COMMISSION ACTION

The Commission establishes Docket Nos. MC2016-38 and CP2016-47 to consider the Request pertaining to the proposed First-Class Package Service Contract 39 product and the related contract, respectively.

The Commission invites comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comments are due no later than December 23, 2015. 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. REQUEST FOR SUPPLEMENTAL INFORMATION

In Attachment B to the Request, tables 3, 4, 5, and 6 appear to calculate contract prices using percentage discounts off of Commercial Base and Commercial Plus prices. Request, Attachment B at 3-4. In Order No. 2814, the Commission approved the elimination of the Commercial Base and the Commercial Plus price categories for the

First-Class Package Service product.² Please explain whether the percentage discounts listed in tables 3, 4, 5, and 6 will also apply to the new First-Class Package Service prices that are scheduled to take effect on January 17, 2016. See *id.* at 1. If necessary, the Postal Service should file an amendment to Attachment B with its explanation.

Additionally, in Section V of Attachment B to the Request, the Postal Service refers to a “Master Agreement.” Request, Attachment B at 6. Please describe the contents of the Master Agreement and explain whether its terms have any impact on the percentage discounts listed in tables 3, 4, 5, and 6 referenced above. If necessary, the Postal Service should file a copy of the Master Agreement with its response.

The Postal Service’s responses are due no later than December 18, 2015.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket Nos. MC2016-38 and CP2016-47 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 to represent the interests of the general public in these proceedings (Public Representative).
3. The Postal Service’s response to the request for supplemental information is due no later than December 18, 2015.
4. Comments are due no later than December 23, 2015.

² Docket No. CP2016-9, Order Approving Changes in Rates of General Applicability for Competitive Products, November 13, 2015, at Attachment 77-79 (Order No. 2814).

5. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Stacy L. Ruble
Secretary