

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Expedited Package Contracts
Non-Published Rates 9

Docket No. MC2016-46

Competitive Product Prices
Global Expedited Package Contracts
Non-Published Rates 9 (MC2016-46)

Docket No. CP2016-61

PUBLIC REPRESENTATIVE COMMENTS ON
GLOBAL EXPEDITED PACKAGE SERVICES
NON-PUBLISHED RATES CONTRACT 9

(December 22, 2015)

The Public Representative hereby provides comments pursuant to Order No. 2909.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, regarding the notice of the Postal Service of the addition of Global Expedited Package Services—Non-Published Rates 9 (GEPS—NPR 9).² GEPS NPR contracts are used by small and medium-sized business mailers that satisfy prescribed capability requirements and that are willing to enter a contractual commitment to minimum levels of revenue from use of Priority Mail Express International (PMEI), Priority Mail International (PMI) products, and Global Express Guaranteed (GXG). *Notice* at 6.

¹ Notice and Order Concerning Addition of Global Expedited Package Services – Non-Published Rates Contract 9 to the Competitive Product List, December 21, 2015 (Order).

² Request Of The United States Postal Service To Add Global Expedited Package Services - Non-Published Rates 9 (GEPS-NPR 9) To The Competitive Products List And Notice Of Filing GEPS-NPR 9 Model Contract And Application For Non-Public Treatment Of Materials Filed Under Seal, December 18, 2015 (Notice).

COMMENTS

To detail the importance of this new pricing option, the Postal Service provided a Management Analysis of the Pricing and Methodology for Determining Prices for Negotiated Service Agreements under Global Expedited Package Services—Non-Published Rates 9 and accompanying financial model. Based upon review of these files, the Public Representative concludes that the Postal Service’s filings are consistent with the policies of Title 39 U.S.C.³ It also appears the new prices developed from the financial model should generate sufficient revenues to permit the GEPS – NPR 9 products to cover marginal costs, thereby satisfying section 3633(a) of 39 U.S.C.⁴ As a result, the Public Representative supports approval of the GEPS – NPR 9 prices.

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

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³ 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.

⁴ The filing does not seem to address how the new products will cover incremental costs.