

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

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

Docket No. MC2016-97

Competitive Product Prices
Global Expedited Package Services Contracts
Non-Published Rates 10 (MC2016-97)

Docket No. CP2016-122

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE REQUEST TO ADD GLOBAL EXPEDITED PACKAGE
SERVICES–NON-PUBLISHED RATES CONTRACT 10 TO THE COMPETITIVE
PRODUCT LIST

(March 23, 2016)

The Public Representative hereby provides comments pursuant to Order No. 3156.¹ 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 request to add Global Expedited Package Services–Non-Published Rates Contract 10 (GEPS–NPR 10).²

The GEPS–NPR 10 product offers incentive pricing to mailers that contract with the Postal Service to mail merchandise and other items to foreign destinations using Priority Mail Express International, Priority Mail International, and First-Class Package International Service; as well as customized mail service for Global Express Guaranteed with the exception of PMEI Flat Rate items and PMI Flat Rate items.

¹ PRC Order No. 3156, Notice and Order Concerning Addition of Global Expedited Package Services—Non-Published Rates 10 (GEPS—NPR 10) to Competitive Product List, March 16, 2016.

² Request of the United States Postal Service to Add Global Expedited Package Services - Non-Published Rates 10 (GEPS - NPR 10) to the Competitive Products List and Notice of Filing GEPS - NPR 10 Model Contract and Application for Non-Public Treatment of Materials Filed Under Seal, March 15, 2016 (Request).

Attachment 2C, at 1. In addition, each GEPS–NPR 10 customer contract will include prices for International Merchandise Return Service (IMRS). *Id.*

The Postal Service asks that the Commission add the GEPS–NPR 10 product to the competitive product list to reflect the change in non-generally applicable rates for this competitive product. Request. at 9.

COMMENTS

The Public Representative has reviewed the Postal Service’s Request, the GEPS–NPR 10 model contract, and the new financial model filed under seal. Based upon that review, the Public Representative concludes that the GEPS–NPR 10 product should be added to the competitive product list. In addition, it appears that the discounted prices developed from the financial model should generate sufficient revenues to cover costs and satisfy 39 U.S.C. § 3633.

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. Based upon a review of the financial model filed under seal with the Postal Service’s Request, it appears the discounted prices developed from the financial model should generate sufficient revenues to permit the GEPS–NPR 10 product to cover costs and thereby satisfy section 3633(a).

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

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