

ORDER NO. 3420

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

Before Commissioners:

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

Competitive Product Prices  
Global Plus 3 Contracts (MC2016-152)  
Negotiated Service Agreements

Docket No. CP2016-196

ORDER APPROVING MODIFICATION TO GLOBAL PLUS 3  
NEGOTIATED SERVICE AGREEMENT

(Issued July 8, 2016)

The Postal Service seeks to modify the Global Plus 3 negotiated service agreement approved in this proceeding (Existing Agreement).<sup>1</sup> For the reasons discussed below, the Commission approves the Modification.

On June 27, 2016, the Postal Service filed the Modification, which allows limited permit linking of Non-Mailer Permits to the Existing Agreement until the sooner of August 31, 2016 or the day before a separate Global Plus agreement with the owner of the Non-Mailer Permit goes into effect. Modification at 1. On June 29, 2016, the Commission provided public notice of the Postal Service's filing; reopened the instant

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<sup>1</sup> Notice of the United States Postal Service of Filing Modification to Global Plus 3 Negotiated Service Agreement, June 27, 2016 (Modification).

docket to consider the Modification; appointed a Public Representative; and provided an opportunity to comment.<sup>2</sup>

Chairman's Information Request No. 1 was issued on June 29, 2016.<sup>3</sup> CHIR No. 1 sought clarification on whether the Postal Service intends for the Modification to be incorporated into the baseline agreement for purposes of evaluating future Global Plus 3 contracts for functional equivalency.<sup>4</sup>

The Postal Service filed its response to CHIR No. 1 the same day it was issued.<sup>5</sup> In its response, the Postal Service states that it does not intend for the Modification to be incorporated into the baseline agreement for purposes of evaluating future Global Plus 3 contracts. Response to CHIR No. 1 at 2. Additionally, the Postal Service provided information relating to the necessity of the Modification.<sup>6</sup>

Also on June 29, 2016, the Postal Service filed a motion for temporary relief.<sup>7</sup> In its Motion, the Postal Service sought clarification on whether the Modification may go into effect on July 1, 2016, while the Commission's review is pending. Motion at 1. On June 30, 2016, the Commission granted the Postal Service's Motion, in part, and ordered that the Modification would be effective, provisionally, from July 1 to July 11, 2016.<sup>8</sup>

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<sup>2</sup> Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, June 29, 2016.

<sup>3</sup> Chairman's Information Request No. 1, June 29, 2016 (CHIR No. 1).

<sup>4</sup> See CHIR No. 1. In Order No. 3378, the Commission approved the use of the Existing Agreement as the baseline in future tests of functional equivalency for Global Plus 3 contracts. Docket Nos. MC2016-152 and CP2016-196, Order No. 3378, Order Adding Global Plus 3 to the Competitive Product List and Approval of Designation as Baseline Agreement, June 21, 2016, at 7.

<sup>5</sup> Response of the United States Postal Service to Chairman's Information Request No. 1, June 29, 2016 (Response to CHIR No. 1).

<sup>6</sup> *Id.* at 3. In future filings, the Postal Service's notice of filing the Modification should contain necessary explanation and justification, including, when applicable, discussion of whether a modification is intended to alter the baseline agreement.

<sup>7</sup> Motion for Temporary Relief Concerning Notice of the United States Postal Service of Filing Modification to Global Plus 3 Negotiated Service Agreement, June 29, 2016 (Motion).

<sup>8</sup> Order No. 3405, Order Granting, in Part, Motion for Temporary Relief, June 30, 2016, at 2-3.

The Public Representative filed comments on July 5, 2016.<sup>9</sup> No other interested person filed comments. The Public Representative asserts that, as modified, the contract should continue to comply with 39 U.S.C. §§ 3642(b) and 3633(a). PR Comments at 2. However, she states that the presence of both an original contract and an amended contract for Docket No. CP2016-196 may confuse future review of Global Plus 3 contracts for functional equivalency. *Id.* To remove potential confusion, she suggests that the Postal Service designate another contract as the baseline agreement for evaluating functional equivalence. *Id.*

The Commission approves the Modification because it will not impair the ability of the Existing Agreement to comply with 39 U.S.C. § 3633, will avoid disruption in the administration of the contract, and will not prejudice any person. Additionally, the Commission will not incorporate the modification into the baseline agreement for purposes of testing the functional equivalency of future Global Plus 3 negotiated service agreements.

*It is ordered:*

1. The Commission approves the Modification filed by the Postal Service on June 27, 2016.
2. The Commission will not incorporate the Modification into the baseline agreement for purposes of testing the functional equivalency of future Global Plus 3 negotiated service agreements.

By the Commission.

Ruth Ann Abrams  
Acting Secretary

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<sup>9</sup> Public Representative Comments on Modification to Global Plus 3 Negotiated Service Agreement, July 5, 2016 (PR Comments).