

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

Competitive Product Prices  
Priority Mail & First-Class Package Service  
Contract 7 (MC2015-75)  
Negotiated Service Agreement

Docket No. CP2015-114

Public Representative Comments on Postal Service  
Notice of Amendment to Priority Mail & First-Class Package Service  
Contract 7 Negotiated Service Agreement  
(July 15, 2016)

I. BACKGROUND

The Public Representative hereby provides comments pursuant to the Commission Notice initiating this docket.<sup>1</sup> In that Order, the Commission reopens the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice to amend Priority Mail & First-Class Package Service Contract 7.<sup>2</sup>

This is the first amendment to Priority Mail & First-Class Package Service Contract 7. The Commission first approved Priority Mail & First-Class Package Service Contract 7 in Order No. 2641, dated August 5, 2015. In Order No 2541, the Commission determined that the contract should meet the requirements of 39 U.S.C. § 3633(a). Order No. 2641 at 5.

The Postal Service intends for the amendment to become effective two business day after the Commission completes its review. Request at 1. The Postal Service requests to amend sections I.G.1, I.G.2, I.H, and I.I of the original contract. *Id*

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<sup>1</sup> PRC Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, July 11, 2016 (Notice).

<sup>2</sup> Notice of United States Postal Service of Change in Prices Pursuant to Amendment to Priority Mail & First-Class Package Service Contract 7, July 8, 2016 (Request).

Attachment A at 1-6. 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.

## II. 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.

The Public Representative has reviewed Priority Mail & First-Class Package Service Contract 7, including the original contract, along with the original and amended financial analysis filed under seal. The new contract terms are adequately incorporated into the amended financial model. The amended contract terms do not prohibit the contract as a whole from meeting the requirements of 39 U.S.C. § 3633(a). The Public Representative concludes that the Priority Mail & First-Class Package Service Contract 7, as amended, should generate sufficient revenues to cover attributable costs and continue to satisfy 39 U.S.C. § 3633(a).

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

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