



POSTAL REGULATORY COMMISSION

[Docket No. CP2012-9; Order No. 1096]

New Postal Product

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recently-filed Postal Service request to add a Global Direct Contracts 1 contract to the competitive product list. This notice addresses procedural steps associated with the filing.

DATES: Comments are due: January 10, 2012.

ADDRESSES: Submit comments electronically by accessing the "Filing Online" link in the banner at the top of the Commission's Web site (<http://www.prc.gov>) or by directly accessing the Commission's Filing Online system at

<https://www.prc.gov/prc-pages/filing-online/login.aspx>. Commenters who cannot submit their views electronically should contact the person identified in the FOR

FURTHER INFORMATION CONTACT section as the source for case-related information for advice on alternatives to electronic filing.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, at 202-789-6820 (case-related information) or [DocketAdmins@prc.gov](mailto:DocketAdmins@prc.gov) (electronic filing assistance).

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Background

II. Notice of Filing

III. Ordering Paragraphs

I. Background

On December 29, 2011, the Postal Service filed a notice announcing its intent to enter into an additional Global Direct Contracts 1 agreement (Agreement).<sup>1</sup> Global Direct Contracts provide a rate for mail acceptance within the United States, transportation to a receiving country of mail that bears the destination country's indicia, and payment by the Postal Service of the appropriate settlement charges to the receiving country.<sup>2</sup> The Postal Service believes that the instant Agreement should be included within the Global Direct

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<sup>1</sup> Notice of United States Postal Service Filing of Functionally Equivalent Global Direct Contracts 1 Negotiated Service Agreement, December 29, 2011 (Notice).

<sup>2</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Direct, Global Bulk Economy, and Global Plus Contracts, Docket Nos. MC2008-7, CP2008-16 and CP2008-17, issued July 16, 2008 (Governors' Decision No. 08-10). The Commission revised the Mail Classification Schedule language proposed in Governors' Decision No. 08-10 to reflect the actual payment practice under typical Global Direct Contracts. See Docket Nos. MC2009-9, CP2009-10 and CP2009-11, Order Concerning Global Direct Contracts Negotiated Service Agreements, December 19, 2008, at 9 (Order No. 153).

Contracts 1 product because it is functionally equivalent to the Global Direct Contracts 1 agreement in Docket Nos. MC2010-17 and CP2010-18. Notice at 2.

The instant Agreement. The Postal Service filed the instant Agreement under 39 CFR 3015.5. Id. In addition, the Postal Service contends that the Agreement is consistent with Order No. 386.<sup>3</sup> The Postal Service states that the instant Agreement succeeds the Global Direct Contract in Docket No. CP2011-52, which is scheduled to expire January 15, 2012. Id. at 2-3. The term of the instant Agreement begins on January 16, 2011 and ends in January 2013 on the day before Canada Post Corporation implements price changes for its domestic Admail. Id. at 3, Attachment 1 at 7. If prices for Admail do not change during January 2013, then the instant Agreement is scheduled to expire January 31, 2013. Id.

To support its Notice, the Postal Service filed four attachments as follows:

- Attachment 1—a redacted copy of the contract;
- Attachment 2—a certified statement required by 39 CFR

3015.5(c)(2);

- Attachment 3—a redacted copy of Governors' Decision No. 08-10, which establishes prices and classifications for Global Direct, Global Bulk Economy, and Global Plus Contracts; and

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<sup>3</sup> See Docket Nos. MC2010-17 and CP2010-18, Order Concerning Filing of Functionally Equivalent Global Direct Contracts 1 Negotiated Service Agreement, January 11, 2010 (Order No. 386).

- Attachment 4—an application for non-public treatment of materials to maintain redacted portions of the contract and supporting documents under seal.

The Postal Service states that the instant Agreement fits within the Mail Classification Schedule language for Global Direct Contracts included in Governors' Decision No. 08-10, with the modification proposed by the Commission to reflect the actual payment practice under these types of agreements. Id. at 2 (citing Order No. 153 at 9).

The Notice advances reasons why the instant Agreement is functionally equivalent to the previous Global Direct Contracts 1 agreement in Docket Nos. MC2010-17 and CP2010-18. Id. at 3. Aside from cosmetic or customer-specific updates, the Postal Service contends that the only differences are that the instant Agreement (1) concerns Global Direct service used with Admail to Canada; (2) contains more detailed procedures relating to penalties for mail that does not comply with applicable regulations; (3) addresses actual and potential changes in pricing; and (4) revises minimum commitments and annexes. Id. at 3-4. Despite these differences, the Postal Service contends that the instant contract is functionally equivalent to the Global Direct Contracts 1 agreement filed previously because the core terms and conditions remain the same. Id. at 4.

The Postal Service asserts that “the cost and market characteristics of this agreement are substantially similar to those of prior Global Direct contracts” and

that the Agreement complies with the requirements of 39 U.S.C. 3633. Id. It requests that the Commission include this Agreement within the Global Direct Contracts 1 product. Id.

## II. Notice of Filing

The Commission establishes Docket No. CP2012-9 to consider matters related to the contract identified in the Notice.

Interested persons may submit comments on whether the Postal Service's contract is consistent with the policies of 39 U.S.C. 3632 or 3633 and 39 CFR part 3015. Comments are due no later than January 10, 2012. The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints Natalie Rea Ward to serve as Public Representative in the captioned filings.

## III. Ordering Paragraphs

### It is ordered:

1. The Commission establishes Docket No. CP2012-9 to consider matters raised by the Postal Service's Notice.

2. Comments by interested persons in these proceedings are due no later than January 10, 2012.

3. Pursuant to 39 U.S.C. 505, Natalie Rea Ward is appointed to serve as the officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

4. The Secretary shall arrange for publication of this order in the Federal Register.

By the Commission.

Shoshana M. Grove,

Secretary.

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