

January 1, 2013 and to continue indefinitely. *Id.* Attachment 1 at 1.

The Postal Service requests that the Commission include the Pricing Arrangement within the IBRS Competitive Contract 1 product on the competitive products list based on its functional equivalence to IBRS contracts in Docket Nos. CP2009–20 and CP2009–22. *Id.* at 4.

II. Contents of Filing

The filing includes a Notice and the following attachments:

- Attachment 1—a redacted copy of the Postal Service's notice to the customer concerning the intended application of contingency prices;
- Attachment 2—a redacted copy of the certification under 39 CFR 3015.5(c)(2);
- Attachment 3—a redacted copy of Governors' Decision No. 08–24; and
- Attachment 4—an application for non-public treatment of material filed under seal.

The Postal Service also provided a redacted copy of the Pricing Arrangement and supporting financial documentation as a public Excel file. *Id.* at 5.

Product history. The Commission added International Business Reply Service Contract 1 to the competitive product list in Order No. 178, following consideration in two baseline cases.² The controlling Governors' Decision is No. 08–24. *Id.* at 1–2.

IBRS competitive contracts are for U.S.-based entities that seek a channel for returned merchandise or other articles from their overseas customers. These entities typically supply preprinted, prepaid IBRS packaging in which overseas customers can place used or defective consumer items and enter them into the mailstream at no direct cost. *Id.* at 1. The Postal Service's contracting partner is the recipient of IBRS items, not the sender, and therefore has no control over the contingency that IBRS items might be tendered after expiration of the contract. *Id.* at 2. Given that costs are incurred in accepting and delivering these items, the Postal Service and its IBRS contracting partners have agreed to let the Postal Service set prices to cover costs and potentially incentivize customers to enter into new arrangements. *Id.*

Instant docket. The contract that triggered the prices in the Pricing Arrangement was executed before the Commission's current rules for competitive and market dominant products took effect. *Id.* That contract

expired March 31, 2008 and no successor contract was executed. The Postal Service asserts that the prices in the Pricing Arrangement occur under a surviving contractual term. *Id.* It expects the prices to apply to an extremely small number of postal items due to the mailer's profile and the passage of time since expiration of the contract. *Id.* at 4.

Related dockets. The Postal Service states that it has filed three previous notices of changes in contingency prices under the underlying expired contract (covering calendar years 2010, 2011 and 2012), and that the Commission has added each pricing arrangement to the competitive product list under the IBRS Competitive Contract 1 product based on functional equivalence. *Id.* at 3–4. The Postal Service addresses several points about the status of the underlying contract under Commission rules, and concludes that filing materials under 39 CFR 3015.5, as it has done here, resolves any inconsistency. *Id.* at 4.

Functional equivalency. The Postal Service asserts that the Pricing Arrangement is essentially identical to those envisioned in the contracts the Commission included in the IBRS Competitive Contract 1 product in Docket Nos. CP2009–20 and CP2009–22, with minor procedural variations due to different negotiation outcomes. *Id.* at 5–6. It asserts that the nature of the service provided in all three contracts is essentially the same. *Id.* at 6. The Postal Service also incorporates by reference its position on functional equivalence in Docket No. CP2009–22. *Id.* at 6.

III. Commission Action

The Commission establishes Docket No. CP2013–28 for consideration of matters raised in the Notice. The Commission invites comments on whether the Pricing Arrangement is consistent with the requirements of 39 CFR 3015.5 and the policies of 39 U.S.C. 3632 and 3633. The Commission also invites comments on the Postal Service's intention to have the new contingency prices apply indefinitely. Comments are due no later than December 27, 2012. The public portions of the Postal Service's filing can be accessed via the Commission's Web site at <http://www.prc.gov>. Information on how to obtain access to nonpublic material appears at 39 CFR 3007.40.

The Commission appoints James F. Callow to represent the interest of the general public (Public Representative) in this case.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. CP2013–28 to consider matters raised by the Postal Service's Notice.

2. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as officer of the Commission (Public Representative) to represent the interests of the general public.

3. Comments by interested persons in this proceeding are due no later than December 27, 2012.

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

By the Commission.

Shoshana M. Grove,

Secretary.

[FR Doc. 2012–30942 Filed 12–21–12; 8:45 am]

BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2013–21 and CP2013–29; Order No. 1583]

New Postal Product

AGENCY: Postal Regulatory Commission.
ACTION: Notice.

SUMMARY: The Commission is noticing a recently-filed Postal Service request to add First-Class Package Service Contract 31 to the competitive product list, along with a related contract. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* December 27, 2012.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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- I. Introduction
- II. Notice of Filings
- III. Ordering Paragraphs

I. Introduction

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a formal request and associated supporting information to add First-Class Package Service Contract 31 to the competitive product list.¹ The

¹ Request of the United States Postal Service to Add First-Class Package Service Contract 31 to

² See Docket Nos. M2009–14 and CP2009–20.

Postal Service asserts that First-Class Package Service Contract 31 is a competitive product “not of general applicability” within the meaning of 39 U.S.C. 3632(b)(3). *Id.* at 1. The Request has been assigned Docket No. MC2013–21.

The Postal Service contemporaneously filed a redacted contract related to the proposed new product under 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. *Id.* Attachment B. The instant contract has been assigned Docket No. CP2013–29.

Request. To support its Request, the Postal Service filed six attachments as follows:

- Attachment A—a redacted copy of Governors’ Decision No. 11–6, authorizing the new product;
- Attachment B—a redacted copy of the contract;
- Attachment C—proposed changes to the Mail Classification Schedule competitive product list with the addition underlined;
- Attachment D—a Statement of Supporting Justification as required by 39 CFR 3020.32;
- Attachment E—a certification of compliance with 39 U.S.C. 3633(a); and
- Attachment F—an application for non-public treatment of materials to maintain redacted portions of the contract and related financial information under seal.

In the Statement of Supporting Justification, Dennis R. Nicoski, Manager, Field Sales Strategy and Contracts, asserts that the contract will cover its attributable costs, make a positive contribution to covering institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service’s total institutional costs. *Id.* Attachment D at 1. Mr. Nicoski contends that there will be no issue of market dominant products subsidizing competitive products as a result of this contract. *Id.*

Related contract. The Postal Service included a redacted version of the related contract with the Request. *Id.* Attachment B. The contract is scheduled to become effective on the day that the Commission issues all regulatory approvals. *Id.* at 2. The contract will expire 3 years from the effective date unless, among other things, either party terminates the agreement upon 30 days’ written notice to the other party. *Id.* The Postal Service represents that the contract is consistent with 39 U.S.C. 3633(a). *Id.* Attachment D.

Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors’ Decision, Contract, and Supporting Data, December 17, 2012 (Request).

The Postal Service filed much of the supporting materials, including the related contract, under seal. *Id.* Attachment F. It maintains that the redacted portions of the contract, customer-identifying information, and related financial information, should remain confidential. *Id.* at 3. This information includes the price structure, underlying costs and assumptions, pricing formulas, information relevant to the customer’s mailing profile, and cost coverage projections. *Id.* The Postal Service asks the Commission to protect customer-identifying information from public disclosure indefinitely. *Id.* at 7.

II. Notice of Filings

The Commission establishes Docket Nos. MC2013–21 and CP2013–29 to consider the Request pertaining to the proposed First-Class Package Service Contract 31 product and the related contract, respectively.

Interested persons may submit comments on whether the Postal Service’s filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than December 27, 2012. The public portions of these filings can be accessed via the Commission’s Web site (<http://www.prc.gov>).

The Commission appoints Pamela A. Thompson to serve as Public Representative in these dockets.

III. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket Nos. MC2013–21 and CP2013–29 to consider the matters raised in each docket.

2. Pursuant to 39 U.S.C. 505, Pamela A. Thompson is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

3. Comments by interested persons in these proceedings are due no later than December 27, 2012.

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

By the Commission.

Shoshana M. Grove,
Secretary.

[FR Doc. 2012–30858 Filed 12–21–12; 8:45 am]

BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2013–23 and CP2013–31; Order No. 1585]

New Postal Product

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recently-filed Postal Service request to add First-Class Package Service Contract 33 to the competitive product list, along with a related contract. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: Comments are due: December 27, 2012.

ADDRESSES: Submit comments electronically via the Commission’s Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a formal request and associated supporting information to add First-Class Package Service Contract 33 to the competitive product list.¹ The Postal Service asserts that First-Class Package Service Contract 33 is a competitive product “not of general applicability” within the meaning of 39 U.S.C. 3632(b)(3). *Id.* at 1. The Request has been assigned Docket No. MC2013–23.

The Postal Service contemporaneously filed a redacted contract related to the proposed new product under 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. *Id.* Attachment B. The instant contract has been assigned Docket No. CP2013–31.

Request. To support its Request, the Postal Service filed six attachments as follows:

¹ Request of the United States Postal Service to Add First-Class Package Service Contract 33 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors’ Decision, Contract, and Supporting Data, December 17, 2012 (Request).