

October 10, 2007. (ADAMS ML072840444).

3. BAW-2461-A, "Risk-Informed Justification for Containment Isolation Valve Allowed Outage Time Change." Revision 0, dated October 2007. (ADAMS ML072980529).

4. NUREG 1430, "Standard Technical Specifications Babcock and Wilcox Plants," Revision 3.0. (ADAMS ML041830589 and ML041800598).

5. Nuclear Energy Institute 99-04, Revision 0, "Guidelines for Managing NRC Commitment Changes," July 1999.

6. Final Safety Evaluation for Pressurized Water Reactors Owners Group, Topical Report, BAW-2461, Revision 0, Risk-Informed Justification for Containment Isolation Valve Allowed Outage Time Change (TAC No. MD5722) (ADAMS ML072330227).

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## POSTAL REGULATORY COMMISSION

[Docket Nos. MC2009-15 and CP2009-21; Order No. 165]

### Domestic Mail Contracts

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is noticing a recently-filed Postal Service request to add Express Mail Contract 3 to the Competitive Product List. The Postal Service has also filed a related contract. This notice addresses procedural steps associated with these filings.

**DATES:** Comments are due January 15, 2009.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Stephen L. Sharfman, General Counsel, 202-789-6820 and [stephen.sharfman@prc.gov](mailto:stephen.sharfman@prc.gov).

### SUPPLEMENTARY INFORMATION:

#### I. Introduction

On December 31, 2008, the Postal Service filed a formal request pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.* to add Express Mail Contract 3 to the Competitive Product List.<sup>1</sup> The Postal Service asserts that the Express Mail Contract 3 product is a competitive product "not of general applicability"

within the meaning of 39 U.S.C. 3632(b)(3). Request at 1. The Request has been assigned Docket No. MC2009-15.

The Postal Service contemporaneously filed a contract related to the proposed new product pursuant to 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. The contract is assigned Docket No. CP2009-21.

*Request.* The Request incorporates (1) A redacted version of the Governors' Decision authorizing the new product; (2) a redacted version of the contract; (3) requested changes in the Mail Classification Schedule (MCS) product list; (4) a statement of supporting justification as required by 39 CFR 3020.32; and (5) certification of compliance with 39 U.S.C. 3633(a).<sup>2</sup> Substantively, the Request asks the Commission to add the Express Mail Contract 3 product to the Competitive Product List. *Id.* at 1-2.

In the statement of supporting justification, Kim Parks, Manager, Sales and Communications, Expedited Shipping, asserts that the service to be provided under the contract will cover its attributable costs, make a positive contribution to institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs. *Id.*, Attachment D. Thus, Ms. Parks contends there will be no issue of subsidization of competitive products by market dominant products as a result of this contract. *Id.*

*Related contract.* A redacted version of the specific Express Mail Contract 3 is included with the Request. The contract is for 1 year and is to be effective the day the Commission provides all necessary regulatory approvals. The Postal Service represents that the contract is consistent with 39 U.S.C. 3633(a) and 39 CFR 3015.7(c). *See id.*, Attachment to Governors' Decision and Attachment E. It notes that performance under this contract could vary from estimates, but concludes that the risks are manageable, and overall the contract is expected to generate significant contribution. *Id.*, Attachment to Governors' Decision.

<sup>2</sup> Attachment A to the Request consists of the redacted Decision of the Governors of the United States Postal Service on Establishment of Rate and Class Not of General Applicability for Express Mail Service (Governors' Decision No. 08-25). The Governors' Decision includes an attachment which provides an analysis of the proposed Express Mail Contract 3. Attachment B is the redacted version of the contract. Attachment C shows the requested changes to the MCS product list. Attachment D provides a statement of supporting justification for this Request. Attachment E provides the certification of compliance with 39 U.S.C. 3633(a).

The Postal Service filed much of the supporting materials, including the Governors' Decision and the specific Express Mail Contract 3, under seal.<sup>3</sup> In its Request, the Postal Service maintains that the contract and related financial information, including the customer's name and the accompanying analyses that provide prices, terms, conditions, and financial projections should remain under seal. *Id.* at 2-3. It further believes that it would be inappropriate in this case to redact information through the "blackout" method since it could provide information or clues about the name of the customer, the length and breadth of price charts, the complexity of annual adjustment mechanisms, or other similar sensitive information. Accordingly, it redacts the sensitive information using ellipses. *Id.* at 3.

#### II. Notice of Filings

The Commission establishes Docket Nos. MC2009-15 and CP2009-21 for consideration of the Request pertaining to the proposed Express Mail Contract 3 product and the related contract, respectively. In keeping with practice, these dockets are addressed on a consolidated basis for purposes of this Order; however, future filings should be made in the specific docket in which issues being addressed pertain.<sup>4</sup>

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 and 39 CFR part 3015 and 39 CFR part 3020, subpart B. Comments are due no later than January 15, 2009. The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints Paul L. Harrington to serve as Public Representative in these dockets.

#### III. Ordering Paragraphs

##### *It is Ordered:*

1. The Commission establishes Docket Nos. MC2009-15 and CP2009-21 for consideration of the matters raised in each respective docket.

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

<sup>3</sup> It notes that data filed under seal are more recent than what was available when the Governors voted. *Id.* at 2, n.10.

<sup>4</sup> Docket No. MC2009-15 is reserved for only those filings related to the proposed product and the requirements of 39 U.S.C. 3642, while Docket No. CP2009-21 is reserved for those filings specific to the contract and the requirements of 39 U.S.C. 3633.

<sup>1</sup> Request of the United States Postal Service to Add Express Mail Contract 3 to Competitive Product List and Notice of Establishment of Rates and Class Not of General Applicability, December 31, 2008 (Request).

3. Comments by interested persons in these proceedings are due no later than January 15, 2009.

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

By the Commission.

**Steven W. Williams,**  
Secretary.

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## POSTAL REGULATORY COMMISSION

[Docket Nos. MC2009-14 and CP2009-20;  
Order No. 164]

### International Mail Contracts

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is noticing a recently-filed Postal Service request to add International Business Reply Service (IBRS) to the Competitive Product List. The Postal Service has also filed a related contract. The notice invites public comment and addresses routine procedural matters. In addition, it directs several questions to the Postal Service.

**DATES:** Postal Service responses to questions identified in this notice are due January 12, 2009. Comments are due January 16, 2009.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Stephen L. Sharfman, General Counsel, 202-789-6820 and [stephen.sharfman@prc.gov](mailto:stephen.sharfman@prc.gov).

### SUPPLEMENTARY INFORMATION:

#### I. Introduction

On December 24, 2008, the Postal Service filed a formal request pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.* to add International Business Reply Service Contract 1 to the Competitive Product List.<sup>1</sup> The Postal

<sup>1</sup> Request of the United States Postal Service to Add International Business Reply Service Contracts to the Competitive Products List, and Notice of Filing (Under Seal) Contract and Enabling Governors' Decision, December 24, 2008 (Request). The Postal Service proposes to call this new product "International Business Reply Service Contracts." In this Notice, the Commission proposes to slightly alter that proposed name to "International Business Reply Service Contract 1" to provide for the possibility that more than one type of International Business Reply Service contract may exist in the future that is not functionally or substantially equivalent to the proposed Docket No. CP2009-20 contract. This may occur even though other future contracts may meet

Service asserts that the new International Business Reply Service Contract 1 product is a competitive product "not of general applicability" within the meaning of 39 U.S.C. 3632(b)(3). Request at 1. The Request has been assigned Docket No. MC2009-14.

The Postal Service contemporaneously filed a contract related to the proposed new product pursuant to 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. The contract has been assigned Docket No. CP2009-20.

**Request.** The Request incorporates (1) A statement of supporting justification as required by 39 CFR 3020.32, (2) a redacted version of the Governors' Decision authorizing the new product; (3) requested changes to the Mail Classification Schedule; and (4) a certification of compliance with 39 U.S.C. 3633(a).<sup>2</sup> Substantively, the Request seeks to add International Business Reply Service Contract 1 to the Competitive Product List. *Id.* at 1-2.

In the statement of supporting justification, Jo Ann Miller, Director, Global Business Development, asserts that the service to be provided under the contract will cover its attributable costs, make a positive contribution to institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs. *Id.*, Attachment 1. Thus, Ms. Miller contends there will be no issue of subsidization of competitive products by market dominant products as a result of this contract. *Id.*

**Product description.** As part of her statement of supporting justification, Ms. Miller describes the proposed product. She explains that IBRS contracts are for U.S.-based entities seeking a channel for returned merchandise or other articles from their

the parameters set by the Governors' Decision No. 08-24.

<sup>2</sup> Attachment 1 consists of a statement of supporting justification for this Request. Attachment 2 is the redacted Decision of the Governors of the United States Postal Service on Establishment of Prices and Classifications for International Business Reply Service (IBRS) Contracts (Governors' Decision No. 08-24). The Governors' Decision includes three attachments. Attachment A is proposed Mail Classification Schedule language. Attachment B is the price floor and price ceiling formulas approved by the Governors. Attachment C provides an analysis of the proposed price floor and price ceilings discussed in Attachment B. Attachment D is a certification as to the formulas for prices offered under applicable International Business Reply Service contracts. Attachment 3 is a redacted certification for the IBRS contract at issue in Docket No. CP2009-20. Unredacted copies of the Governors' Decision, the IBRS contract, the certification, and other supporting documentation establishing compliance with 39 CFR 3015.5 were filed separately with the Commission under seal.

overseas customers. Such entities typically supply preprinted, prepaid IBRS packaging in which their customers can place used or defective consumer items into the mailstream at no direct cost. The business entity compensates the Postal Service for this service, and the Postal Service remits to the relevant foreign postal administration the amount due for collection and transportation of the items in the foreign country. *Id.*, Attachment 1, section (d).

**Related contracts.** An unredacted version of the specific International Business Reply Service Contract 1 is included with the Request filed under seal. Unlike past practice, the entirety of the Docket No. CP2009-20 contract was filed under seal, and no redacted version was filed publicly. The Commission requests the Postal Service to explain why no portions of this contract can be filed publicly no later than January 12, 2009.

The contract is for 1 year from the date the Postal Service notifies the customer that all necessary approvals and reviews of the agreement have been obtained. The Postal Service represents that the contract is consistent with 39 U.S.C. 3633(a). *See id.*, Attachment 1 and Attachment 3.

The Postal Service also explains that it has two ongoing similar arrangements with two customers whose prior contracts officially expired. These "contingency arrangements" survive the contracts' expiration and govern any residual items that third parties might continue to enter into the mailstream for return to the IBRS customers. The Postal Service states when the Docket No. CP2009-20 contract expires, this contingency arrangement will continue with respect to this contract partner until such time as a new IBRS contract can take effect after all necessary approvals and reviews. The Postal Service shall provide any and all IBRS contingency arrangements currently in effect no later than January 12, 2009. *See Request at 3.*

**Confidentiality.** The Postal Service filed much of the supporting materials, including the Governors' Decision and the specific International Business Reply Service Contract 1, under seal. In its Request, the Postal Service maintains that the contract, related financial information, the customer's name, the accompanying analyses and certified statements that provide cost, prices, terms, conditions, and financial projections should remain under seal. *Id.* at 3-4. It notes that prices and other contract terms relating to parties' processes and procedures are confidential in the business world and