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Approved: January 21, 2010.

**M. Robb Hyde,**

Commander, JAGC, U.S. Navy, Deputy Assistant Judge Advocate General (Admiralty and Maritime Law).

Certified to be a true copy of the original document.

Dated: January 22, 2010.

**A.M. Vallandigham,**

Lieutenant Commander, Office of the Judge Advocate General, U.S. Navy, Alternate Federal Register Liaison Officer.

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## POSTAL REGULATORY COMMISSION

### 39 CFR Part 3020

[Docket Nos. MC2010-12 and R2010-2; Order No. 375]

#### New Postal Product

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission is adding a bilateral agreement between the U.S. Postal Service and Canada Post for inbound market dominant services. This action is consistent with a postal reform law. Republication of the Market Dominant List and Competitive Product List is also consistent with statutory provisions.

**DATES:** Effective February 2, 2010 and is applicable beginning December 30, 2009.

**FOR FURTHER INFORMATION CONTACT:**

Stephen L. Sharfman, General Counsel, 202-789-6820 or [stephen.sharfman@prc.gov](mailto:stephen.sharfman@prc.gov).

**SUPPLEMENTARY INFORMATION:** *Regulatory History*, 74 FR 64771 (December 8, 2009).

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#### I. Introduction

The Postal Service seeks to add a new product identified as Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services to the Market Dominant Product List. For the reasons discussed below, the Commission approves the Request.

#### II. Background

On November 19, 2009, the Postal Service filed a request pursuant to

39 U.S.C. 3622(c)(10) and 3642, and 39 CFR 3010.40 *et seq.* and 3020.30 *et seq.* to add the Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services (Bilateral Agreement or Agreement) to the Market Dominant Product List.<sup>1</sup> This Request has been assigned Docket No. MC2010-12.

The Postal Service contemporaneously filed notice that the Governors have authorized a Type 2 rate adjustment to establish rates for inbound market dominant services as reflected in the Bilateral Agreement.<sup>2</sup> More specifically, the Bilateral Agreement, which has been assigned Docket No. R2010-2, governs the exchange of inbound air and surface letter post (LC/AO).<sup>3</sup>

**Request.** In support of its Request, the Postal Service filed the following materials: (1) Proposed Mail Classification Schedule (MCS) language;<sup>4</sup> (2) a Statement of Supporting Justification as required by 39 CFR 3020.32;<sup>5</sup> (3) a redacted version of the agreement;<sup>6</sup> and (4) an application for non-public treatment of pricing and supporting documents filed under seal.<sup>7</sup> Request at 2.

In the Statement of Supporting Justification, Lea Emerson, Executive Director, International Postal Affairs, reviews the factors of section 3622 and concludes, *inter alia*, that the revenues generated will cover the attributable costs of the services offered under the Bilateral Agreement; that the rates are preferable to default rates set by the Universal Postal Union; and that the rates represent a modest increase over those reflected in the existing bilateral agreement with Canada Post. *Id.*, Attachment 2, at 2-3.

In its Request, the Postal Service provides information responsive to part

3010, subpart D, of the Commission's rules. To that end, it addresses the requirements of section 3622(c)(10) as well as certain details of the negotiated service agreement. *Id.* at 2-7. The Postal Service asserts that the Bilateral Agreement satisfies all applicable statutory criteria. *Id.* at 6-8.

The Postal Service filed much of the supporting materials, financial analysis, and the Bilateral Agreement under seal. *Id.* at 2. In its Request, the Postal Service maintains that the Bilateral Agreement and related financial information should remain under seal. *Id.*

The Postal Service has an existing bilateral agreement with Canada Post, which is set to expire December 31, 2009.<sup>8</sup> *Id.*, Attachment 3, at 7. The instant Bilateral Agreement is a two-year agreement comparable to the existing agreement, with some modifications. The modifications include differences in specific operational details and the Postal Service's decision to classify Canada Post's "Xpresspost-USA" as a competitive product instead of a market dominant product as in the existing bilateral agreement.<sup>9</sup> The Agreement states it has an effective date of January 1, 2010. *Id.* at 3. The Request states that the inbound market dominant rates are scheduled to become effective on January 4, 2010. *Id.*

The Postal Service urges the Commission to act promptly to add this product to the Market Dominant Product List to allow rates to be implemented under 39 CFR 3010.40. *Id.* at 7.

In Order No. 346, the Commission gave notice of the docket, appointed a Public Representative, and provided the public with an opportunity to comment.<sup>10</sup>

On December 4, 2009, Chairman's Information Request No. 1 (CHIR No. 1) was issued, which sought clarification of various elements related to the proposed Bilateral Agreement. A response was due from the Postal Service by December 10, 2009. The Postal Service filed its responses to

<sup>1</sup> Request of United States Postal Service to Add Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services to the Market Dominant Product List, Notice of Type 2 Rate Adjustment, and Notice of Filing Agreement (Under Seal), November 19, 2009; and United States Postal Service Notice of Erratum to Application for Non-Public Treatment, November 20, 2009 (Request).

<sup>2</sup> Type 2 rate adjustments involve negotiated service agreements. See 39 CFR 3010.5.

<sup>3</sup> To elaborate, the Bilateral Agreement covers Letter Post, including letters, flats, packets, bags, containers, and International Registered Mail service ancillary thereto. Request at 3-4.

<sup>4</sup> Attachment 1 to the Request.

<sup>5</sup> Attachment 2 to the Request.

<sup>6</sup> Attachment 3 to the Request.

<sup>7</sup> Attachment 4 to the Request. The Postal Service filed United States Postal Service Notice of Erratum to Application for Non-Public Treatment, November 20, 2009 (Erratum). It explained that due to a drafting error, the application contained an erroneous reference to a nonexistent page of the Agreement and provided a corrected page.

<sup>8</sup> The Postal Service maintains that the instant Bilateral Agreement is functionally comparable to the agreement in Docket Nos. MC2009-7 and R2009-1. *Id.*

<sup>9</sup> The Postal Service included Xpresspost in its Request to Add Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Competitive Services to the Competitive Product List. See Docket Nos. CP2010-13 and MC2010-14.

<sup>10</sup> See PRC Order No. 346, Notice and Order Concerning Bilateral Agreement with Canada Post for Inbound Market Dominant Services, November 25, 2009 (Order No. 346).

CHIR No.1, questions 1–7 and 9–11, on December 10, 2009.<sup>11</sup>

On December 11, 2009, the Postal Service filed the response to question 8 as required.<sup>12</sup>

### III. Comments

Comments were filed by the Public Representative.<sup>13</sup> No other interested person submitted comments. The Public Representative states that the Commission may want to consider adding additional rules specific to bilateral agreements with foreign postal administrations. *Id.* at 2. The Public Representative observes that because there are no similarly situated mailers comparable to Canada Post, compliance with 39 CFR 3010.40 may be at issue. *Id.*

The Public Representative also notes that the rates set under the UPU Convention may need further examination and suggests that the Commission continue to promote efficient pricing. *Id.* at 3.

The Public Representative relates that performance requirements in the Agreement such as presorting of airmail items and providing transportation to multiple mail acceptance centers increase efficiency and are a benefit to the Postal Service and the general public. *Id.* He also notes that the Commission determined in Docket Nos. MC2009–7 and R2009–1 that inbound Letter Post from Canada should be classified as two separate products, Air LC and Surface AO as market dominant, and Xpresspost as a competitive product. The Public Representative observes that in accordance with the Commission finding, the Postal Service has not included the Xpresspost product in this filing. *Id.* at 3–4. The Public Representative states that the Commission will glean further information on international mail services in the future from the Postal Service's filing of its Annual Compliance Report. *Id.* at 3. The Public Representative concludes that the

Bilateral Agreement appears to comport with the applicable provisions of title 39.

### IV. Commission Analysis

The Commission has reviewed the Agreement, supporting documentation, the financial analysis provided under seal that accompanies it, responses to the Chairman's Information Request and the comments filed by the Public Representative.

**Statutory requirements.** The Commission's statutory responsibilities in this instance entail assigning the Bilateral Agreement to either the Market Dominant Product List or to the Competitive Product List. 39 U.S.C. 3642. As part of this responsibility, the Commission also reviews the proposal for compliance with the Postal Accountability and Enhancement Act (PAEA) requirements. This includes, for proposed market dominant products, a review of section 3622(c)(10).

**Product list assignment.** In determining whether to assign the Bilateral Agreement as a product to the Market Dominant Product List or the Competitive Product List, the Commission must consider whether "the Postal Service exercises sufficient market power that it can effectively set the price of such product substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing a significant level of business to other firms offering similar products." 39 U.S.C. 3642(b)(1). If so, the product will be categorized as market dominant. The competitive category of products shall consist of all other products.

The Commission is further required to consider the availability and nature of enterprises in the private sector engaged in the delivery of the product, the views of those who use the product, and the likely impact on small business concerns. 39 U.S.C. 3642(b)(3).

The Postal Service notes that the performance responsibilities in the instant agreement are consistent with the precursor agreement in Docket Nos. MC2009–7 and R2009–1. *Id.* at 5. As stated above, it notes that the current Bilateral Agreement continues to include work-sharing arrangements and providing transportation for inbound airmail items to multiple Postal Service International Service Centers for acceptance. *Id.* The Postal Service relates that the rates in the Bilateral Agreement provide superior cost coverage to the default rates set by the UPU and represent a modest increase over those in the previous agreement. It also states the new rates will have little effect on either Canada Post or

American recipients. Request, Attachment 2, at 3.

The Postal Service contends that its monopoly on certain inbound letters from Canada within certain price and weight limits make it fairly certain that private entities would not be able to serve the United States market for Inbound Letter Post from Canada. *Id.* at 5. It also states that there are no similarly situated entities to Canada Post with the ability to tender Letter Post from Canada under similar operational conditions, nor any other entities that serve as a designated operator for Letter Post originating in Canada. *Id.* at 7. Therefore, the Postal Service states that it cannot envision a similarly situated mailer which could enter into a similar agreement. *Id.*

The Postal Service also contends that there is no significant competition in this market. As a result, it believes the Bilateral Agreement does not pose competitive harm in the marketplace.<sup>14</sup> *Id.*, Attachment 2, para. (h). It states that there have been agreements between the United States and Canada Post for these services (under rules set by the UPU) since 1888. *Id.*, para. (g).

The Postal Service asserts that the parties to this agreement serve as their designated entities for the exchange of mail, inclusive of Letter Post. *Id.* at 5. It contends that the Bilateral Agreement allows it to continue to offer Canada Post and small businesses in the United States affordable, reliable options for mailing letters and merchandise to the United States. *Id.* It states because there is no significant direct competition for Inbound Letter Post from Canada, it expects there will be no significant impact on small business competitors. The Postal Service also states that it is unaware of any small business concerns that offer competing services. Therefore, the Postal Service concludes that there can be no reasonable expectation of any competitive harm to the marketplace. *Id.* at 6.

No commenter opposes the proposed classification of the Bilateral Agreement as market dominant. Having considered the statutory requirements and the support offered by the Postal Service, the Commission finds, for purposes of this proceeding, that the Canada Post-United States Postal Service Contractual

<sup>11</sup> See Notice of the United States Postal Service of Filing Responses to Chairman's Information Request No. 1, Questions 1–7 and 9–11, December 10, 2009.

<sup>12</sup> See Notice of the United States Postal Service of Filing Response to Chairman's Information Request No. 1, Question 8, December 11, 2009. The Postal Service filed an accompanying Motion for Late Acceptance of Response to Chairman's Information Request No. 1, Question 8, December 11, 2009. The motion is granted.

<sup>13</sup> See Public Representative Comments in Response to United States Postal Service Request to Add Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services to the Market Dominant Product List, Notice of Type 2 Rate Adjustment, and Notice of Filing Agreement (Under Seal), December 9, 2009 (Public Representative Comments).

<sup>14</sup> The Postal Service notes that the arguments and assertions which were applicable in Docket Nos. MC2009–7 and R2009–1 have not changed on this point and incorporates those points by reference here. This includes the reference that under Canadian law, Canada Post has an exclusive privilege to carry outbound letters weighing less than 500 grams (17.64 ounces) and subsequently is the single entity that can enter into this type of agreement with the Postal Service.

Bilateral Agreement for Inbound Market Dominant Services may be classified as a market dominant product and added to the Market Dominant Product List.

Additionally, in CHIR No. 1, Question 4, the Commission sought a more comprehensive description of the product "Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services" suitable for inclusion in the Mail Classification Schedule. While the level of detail in the Postal Service's response may not be optimal, the Commission will incorporate the Postal Service's proposed language into the draft Mail Classification Schedule subject to change.

*Section 3622(c)(10) compliance.* The Postal Service's filing seeks to establish a new international mail product. The requirements of 39 U.S.C. 3622(c)(10) obligate the Commission, when reviewing a negotiated service agreement, to determine whether such an agreement (1) Improves the net financial position of the Postal Service or enhances the performance of operational functions; (2) will not cause unreasonable harm to the marketplace; and (3) will be available on public and reasonable terms to similarly situated mailers. The Commission concludes that the requirements of 39 U.S.C. 3622(c)(10)(A) are met. The Agreement provides delivery and scanning performance objectives and incentives to promote operational improvement. *Id.* at 4–5. The Postal Service filed information under seal regarding costs, volumes, and anticipated revenues. The Postal Service represents that the new Agreement "includes performance-based incentives to promote cost reduction, increase efficiency, and improve service performance." *Id.*, Attachment 2, at 2.

The Postal Service observes that the Bilateral Agreement provides incentives to encourage operational improvement. Additionally, the Postal Service asserts that the rates in the Bilateral Agreement result in a higher cost coverage than the default rates set by the UPU. *Id.* at 3.

Finally, the Postal Service asserts that the instant Agreement will not result in unreasonable harm to the marketplace because, among other things, Canada Post and the Postal Service are their respective countries' designated operators for the exchange of letter mail, and it states that the market is limited to these parties. *Id.*, para. (f). The Commission accepts the Postal Service representations and finds that the Bilateral Agreement is consistent with 39 U.S.C. 3622(c)(10).

To facilitate analysis, the Public Representative suggests that perhaps the

Commission should develop new rules that are specific to bilateral agreements with foreign posts. The Commission acknowledges that the criterion that negotiated service agreements must be available on public and reasonable terms to similarly situated mailers (section 3622(c)(10)) is inapplicable to this Bilateral Agreement. However, other provisions of the rule do apply, and accordingly, the Commission need not specifically address additional requirements for bilateral agreements between postal administrations in its rules. The PAEA establishes the policy objectives of the Commission for international postal arrangements, and the current rules for negotiated service agreements are sufficient for determining the Postal Service's compliance at this time.

*Data issues.* The Commission's review of the supporting data for the current Agreement raises several areas of concern. The first issue is that the Postal Service relies on outdated financial data in its supporting documentation for the Bilateral Agreement. When forecasting unit costs for the contract period, it is preferable to use the most recent data. In its filing, the Postal Service uses FY 2008 unit costs to forecast cost for CY 2010 and CY 2011. In its response to CHIR No. 1, Questions 3 and 4, the Postal Service stated that it is unable to provide even preliminary FY 2009 unit costs for processing, delivery, and other. Similarly, the Postal Service stated that per-kilogram costs for FY 2009 for domestic air transportation and domestic surface transportation are also unavailable. The Commission is concerned that using Global Insight indices to forecast three years into the future may produce inaccurate results. In future requests, the Commission requests the Postal Service to submit the most recent supporting data available even if it is unaudited, in addition to the most recent ACD data.

The second issue arising from the analysis of the supporting documentation is the occurrence of anomalies in the data. In its financial model, the Postal Service utilized a different methodology to forecast costs for the contract period than in the previous bilateral agreement. In the current filing, the Postal Service's financial model uses cost by shape to estimate processing, delivery, and "other" costs for the contract period. These costs by shape are developed using the weighted tallies from IOCS for distributing both Air LC and Surface AO attributable cost to letters, flats, and parcels. The Commission is concerned with anomalies in the resulting data. For example, the Surface AO letter unit

processing cost is more than 130 times that of a Surface AO parcel. The Commission has seen such anomalies surface in the past with regard to international mail. The data obtained from IOCS may be inaccurate if the number of IOCS tallies is too few to produce figures with a reasonable margin of error. While the Commission recognizes the difficulties in dealing with a small sample size, for future filings, the Commission expects the Postal Service to improve shape-specific unit costs. If feasible, the Postal Service should perform a special study to determine unit cost by shape.

Finally, the Commission expects that the supporting documentation filed by the Postal Service will provide accurate source information to support data in the worksheets. The Postal Service should provide a complete explanation of the rationale in instances where "USPS pricing decision" is used to source information.

Based on the data submitted and the comments received, the Commission finds that the Bilateral Agreement comports with section 3622(c)(10). Thus, an initial review of the proposed Bilateral Agreement indicates that it comports with the provisions applicable to rates for market dominant products.

*Other considerations.* The Postal Service shall, no later than 30 days after the effective date of the new contract, provide cost, revenue, and volume data associated with the current contract.

The Postal Service submitted the Bilateral Agreement, which has not been executed by the parties. The Postal Service is directed to file the executed Bilateral Agreement with the Commission within 30 days of its execution.

The Postal Service shall promptly notify the Commission if the Agreement terminates earlier than the proposed two-year term, but no later than the actual termination date. The Commission will then remove the Agreement from the Mail Classification Schedule at the earliest possible opportunity.

In conclusion, the Commission approves the Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services as a new product. The revision to the Market Dominant Product List is shown below the signature of this order and is effective upon issuance of this order.

## V. Ordering Paragraphs

*It is ordered:*

1. Canada Post-United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services

(MC2010–12 and R2010–2) is added to the Market Dominant Product List as a new product under Negotiated Service Agreements, Inbound International.

2. The Postal Service shall notify the Commission if the Agreement terminates earlier than the proposed two-year term.

3. The Postal Service shall report the cost, revenue, and volume data under the expiring contract as set forth in this order.

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

#### List of Subjects in 39 CFR Part 3020

Administrative practice and procedure; Postal Service.

By the Commission.

**Shoshana M. Grove,**  
Secretary.

■ For the reasons discussed in the preamble, the Postal Regulatory Commission amends chapter III of title 39 of the Code of Federal Regulations as follows:

#### PART 3020—PRODUCT LISTS

■ 1. The authority citation for part 3020 continues to read as follows:

**Authority:** Authority: 39 U.S.C. 503; 3622; 3631; 3642; 3682.

■ 2. Revise Appendix A to Subpart A of Part 3020—Mail Classification Schedule to read as follows:

#### Appendix A to Subpart A of Part 3020—Mail Classification Schedule

##### Part A—Market Dominant Products

##### 1000 Market Dominant Product List

##### First-Class Mail

Single-Piece Letters/Postcards

Bulk Letters/Postcards

Flats

Parcels

Outbound Single-Piece First-Class Mail

International

Inbound Single-Piece First-Class Mail

International

##### Standard Mail (Regular and Nonprofit)

High Density and Saturation Letters

High Density and Saturation Flats/Parcels

Carrier Route

Letters

Flats

Not Flat-Machinables (NFM)/Parcels

##### Periodicals

Within County Periodicals

Outside County Periodicals

##### Package Services

Single-Piece Parcel Post

Inbound Surface Parcel Post (at UPU rates)

Bound Printed Matter Flats

Bound Printed Matter Parcels

Media Mail/Library Mail

##### Special Services

Ancillary Services

International Ancillary Services

##### Address List Services

Caller Service

Change-of-Address Credit Card Authentication

Confirm

International Reply Coupon Service

International Business Reply Mail Service

Money Orders

Post Office Box Service

##### Negotiated Service Agreements

HSBC North America Holdings Inc. Negotiated Service Agreement

Bookspan Negotiated Service Agreement

Bank of America Corporation Negotiated Service Agreement

The Bradford Group Negotiated Service Agreement

Inbound International

Canada Post—United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services (MC2010-12 and R2010-2)

##### Market Dominant Product Descriptions

##### First-Class Mail

[Reserved for Class Description]

Single-Piece Letters/Postcards

[Reserved for Product Description]

Bulk Letters/Postcards

[Reserved for Product Description]

Flats

[Reserved for Product Description]

Parcels

[Reserved for Product Description]

Outbound Single-Piece First-Class Mail

International

[Reserved for Product Description]

Inbound Single-Piece First-Class Mail

International

[Reserved for Product Description]

Standard Mail (Regular and Nonprofit)

[Reserved for Class Description]

High Density and Saturation Letters

[Reserved for Product Description]

High Density and Saturation Flats/Parcels

[Reserved for Product Description]

Carrier Route

[Reserved for Product Description]

Letters

[Reserved for Product Description]

Flats

[Reserved for Product Description]

Not Flat-Machinables (NFM)/Parcels

[Reserved for Product Description]

##### Periodicals

[Reserved for Class Description]

Within County Periodicals

[Reserved for Product Description]

Outside County Periodicals

[Reserved for Product Description]

##### Package Services

[Reserved for Class Description]

Single-Piece Parcel Post

[Reserved for Product Description]

Inbound Surface Parcel Post (at UPU rates)

[Reserved for Product Description]

Bound Printed Matter Flats

[Reserved for Product Description]

Bound Printed Matter Parcels

[Reserved for Product Description]

Media Mail/Library Mail

[Reserved for Product Description]

##### Special Services

[Reserved for Class Description]

Ancillary Services

[Reserved for Product Description]

Address Correction Service

[Reserved for Product Description]

Applications and Mailing Permits

[Reserved for Product Description]

Business Reply Mail

[Reserved for Product Description]

Bulk Parcel Return Service

[Reserved for Product Description]

Certified Mail

[Reserved for Product Description]

Certificate of Mailing

[Reserved for Product Description]

Collect on Delivery

[Reserved for Product Description]

Delivery Confirmation

[Reserved for Product Description]

Insurance

[Reserved for Product Description]

Merchandise Return Service

[Reserved for Product Description]

Parcel Airlift (PAL)

[Reserved for Product Description]

Registered Mail

[Reserved for Product Description]

Return Receipt

[Reserved for Product Description]

Return Receipt for Merchandise

[Reserved for Product Description]

Restricted Delivery

[Reserved for Product Description]

Shipper-Paid Forward

[Reserved for Product Description]

Signature Confirmation

[Reserved for Product Description]

Special Handling

[Reserved for Product Description]

Stamped Envelopes

[Reserved for Product Description]

Stamped Cards

[Reserved for Product Description]

Premium Stamped Stationery

[Reserved for Product Description]

Premium Stamped Cards

[Reserved for Product Description]

International Ancillary Services

[Reserved for Product Description]

International Certificate of Mailing

[Reserved for Product Description]

International Registered Mail

[Reserved for Product Description]

International Return Receipt

[Reserved for Product Description]

International Restricted Delivery

[Reserved for Product Description]

Address List Services

[Reserved for Product Description]

Caller Service

[Reserved for Product Description]

Change-of-Address Credit Card Authentication

[Reserved for Product Description]

Confirm

[Reserved for Product Description]

International Reply Coupon Service

[Reserved for Product Description]

International Business Reply Mail

Service

[Reserved for Product Description]

Money Orders

[Reserved for Product Description]

Post Office Box Service

[Reserved for Product Description]

Negotiated Service Agreements [Reserved for Class Description] HSBC North America Holdings Inc. Negotiated Service Agreement [Reserved for Product Description] Bookspan Negotiated Service Agreement [Reserved for Product Description] Bank of America Corporation Negotiated Service Agreement The Bradford Group Negotiated Service Agreement	Express Mail & Priority Mail Contract 3 (MC2009-13 and CP2009-17) Express Mail & Priority Mail Contract 4 (MC2009-17 and CP2009-24) Express Mail & Priority Mail Contract 5 (MC2009-18 and CP2009-25) Express Mail & Priority Mail Contract 6 (MC2009-31 and CP2009-42) Express Mail & Priority Mail Contract 7 (MC2009-32 and CP2009-43) Express Mail & Priority Mail Contract 8 (MC2009-33 and CP2009-44) Parcel Select & Parcel Return Service Contract 1 (MC2009-11 and CP2009-13) Parcel Select & Parcel Return Service Contract 2 (MC2009-40 and CP2009-61) Parcel Return Service Contract 1 (MC2009-1 and CP2009-2) Priority Mail Contract 1 (MC2008-8 and CP2008-26) Priority Mail Contract 2 (MC2009-2 and CP2009-3) Priority Mail Contract 3 (MC2009-4 and CP2009-5) Priority Mail Contract 4 (MC2009-5 and CP2009-6) Priority Mail Contract 5 (MC2009-21 and CP2009-26) Priority Mail Contract 6 (MC2009-25 and CP2009-30) Priority Mail Contract 7 (MC2009-25 and CP2009-31) Priority Mail Contract 8 (MC2009-25 and CP2009-32) Priority Mail Contract 9 (MC2009-25 and CP2009-33) Priority Mail Contract 10 (MC2009-25 and CP2009-34) Priority Mail Contract 11 (MC2009-27 and CP2009-37) Priority Mail Contract 12 (MC2009-28 and CP2009-38) Priority Mail Contract 13 (MC2009-29 and CP2009-39) Priority Mail Contract 14 (MC2009-30 and CP2009-40) Priority Mail Contract 15 (MC2009-35 and CP2009-54) Priority Mail Contract 16 (MC2009-36 and CP2009-55) Priority Mail Contract 17 (MC2009-37 and CP2009-56) Priority Mail Contract 18 (MC2009-42 and CP2009-63) Priority Mail Contract 19 (MC2010-1 and CP2010-1) Priority Mail Contract 20 (MC2010-2 and CP2010-2) Priority Mail Contract 21 (MC2010-3 and CP2010-3) Priority Mail Contract 22 (MC2010-4 and CP2010-4) Priority Mail Contract 23 (MC2010-9 and CP2010-9)	Direct Entry Parcels 1 (MC2009-26 and CP2009-36) Global Direct Contracts (MC2009-9, CP2009-10, and CP2009-11) Global Expedited Package Services (GEPS) Contracts GEPS 1 (CP2008-5, CP2008-11, CP2008-12, CP2008-13, CP2008-18, CP2008-19, CP2008-20, CP2008-21, CP2008-22, CP2008-23, and CP2008-24) Global Expedited Package Services 2 (CP2009-50) Global Plus Contracts Global Plus 1 (CP2008-8, CP2008-46 and CP2009-47) Global Plus 2 (MC2008-7, CP2008-48 and CP2008-49) Inbound International Inbound Direct Entry Contracts with Foreign Postal Administrations Inbound Direct Entry Contracts with Foreign Postal Administrations (MC2008-6, CP2008-14 and MC2008-15) Inbound Direct Entry Contracts with Foreign Postal Administrations 1 (MC2008-6 and CP2009-62) International Business Reply Service Competitive Contract 1 (MC2009-14 and CP2009-20) Competitive Product Descriptions Express Mail [Reserved for Group Description] Express Mail [Reserved for Product Description] Outbound International Expedited Services [Reserved for Product Description] Inbound International Expedited Services [Reserved for Product Description] Priority [Reserved for Product Description] Priority Mail [Reserved for Product Description] Outbound Priority Mail International [Reserved for Product Description] Inbound Air Parcel Post [Reserved for Product Description] Parcel Select [Reserved for Group Description] Parcel Return Service [Reserved for Group Description] International [Reserved for Group Description] International Priority Airlift (IPA) [Reserved for Product Description] International Surface Airlift (ISAL) International Direct Sacks—M—Bags [Reserved for Product Description] Global Customized Shipping Services [Reserved for Product Description] Inbound Surface Parcel Post (at non-UPU rates) Canada Post—United States Postal Service Contractual Bilateral Agreement for Inbound Competitive Services (MC2009-8 and CP2009-9) International Money Transfer Service International Ancillary Services
Part B—Competitive Products 2000 Competitive Product List Express Mail Express Mail Outbound International Expedited Services Inbound International Expedited Services Inbound International Expedited Services 1 (CP2008-7) Inbound International Expedited Services 2 (MC2009-10 and CP2009-12) Inbound International Expedited Services 3 (MC2010-13 and CP2010-12) Priority Mail Priority Mail Outbound Priority Mail International Inbound Air Parcel Post (at non-UPU rates) Royal Mail Group Inbound Air Parcel Post Agreement Inbound Air Parcel Post (at UPU rates) Parcel Select Parcel Return Service International International Priority Airlift (IPA) International Surface Airlift (ISAL) International Direct Sacks—M—Bags Global Customized Shipping Services Inbound Surface Parcel Post (at non-UPU rates) Canada Post—United States Postal Service Contractual Bilateral Agreement for Inbound Competitive Services (MC2009-8 and CP2009-9) International Money Transfer Service International Ancillary Services Special Services Premium Forwarding Service Negotiated Service Agreements Domestic Express Mail Contract 1 (MC2008-5) Express Mail Contract 2 (MC2009-3 and CP2009-4) Express Mail Contract 3 (MC2009-15 and CP2009-21) Express Mail Contract 4 (MC2009-34 and CP2009-45) Express Mail Contract 5 (MC2010-5 and CP2010-5) Express Mail Contract 6 (MC2010-6 and CP2010-6) Express Mail Contract 7 (MC2010-7 and CP2010-7) Express Mail & Priority Mail Contract 1 (MC2009-6 and CP2009-7) Express Mail & Priority Mail Contract 2 (MC2009-12 and CP2009-14)	Outbound International Direct Entry Parcels Contracts	Inbound International Expedited Services [Reserved for Product Description] Inbound Air Parcel Post [Reserved for Product Description] Parcel Select [Reserved for Group Description] Parcel Return Service [Reserved for Group Description] International [Reserved for Group Description] International Priority Airlift (IPA) [Reserved for Product Description] International Surface Airlift (ISAL) [Reserved for Product Description] International Direct Sacks—M—Bags [Reserved for Product Description] Global Customized Shipping Services [Reserved for Product Description] International Money Transfer Service [Reserved for Product Description] Inbound Surface Parcel Post (at non-UPU rates)

[Reserved for Product Description]  
International Ancillary Services  
[Reserved for Product Description]  
International Certificate of Mailing  
[Reserved for Product Description]  
International Registered Mail  
[Reserved for Product Description]  
International Return Receipt  
[Reserved for Product Description]  
International Restricted Delivery  
[Reserved for Product Description]  
International Insurance  
[Reserved for Product Description]  
Negotiated Service Agreements  
[Reserved for Group Description]  
Domestic  
[Reserved for Product Description]  
Outbound International  
[Reserved for Group Description]

Part C—Glossary of Terms and Conditions [Reserved]

Part D—Country Price Lists for International Mail [Reserved]

[FR Doc. 2010–2066 Filed 2–1–10; 8:45 am]

BILLING CODE 7710–FW–S

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Parts 80

[WT Docket No. 04–257 and RM–10743; FCC 10–6]

#### Maritime Communications

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** In this document, the Federal Communications Commission (Commission or FCC) furthers its ongoing efforts to ensure that its rules governing the Maritime Radio Services continue to promote maritime safety, maximize effective and efficient use of the spectrum available for maritime communications, accommodate technological innovation, avoid unnecessary regulatory burdens, and maintain consistency with international maritime standards to the extent consistent with the United States public interest.

**DATES:** Effective April 5, 2010.

**FOR FURTHER INFORMATION CONTACT:** Stana Kimball, Mobility Division, Wireless Telecommunications Bureau, at [Stanislava.Kimball@FCC.gov](mailto:Stanislava.Kimball@FCC.gov) or at (202) 418–1306, or TTY (202) 418–7233.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Federal Communications Commission's *Memorandum Opinion and Order* in WT Docket No. 04–257, FCC 10–6, adopted on January 6, 2010, and released on January 7, 2010. The full text of this document is available for inspection and copying during normal

business hours in the FCC Reference Center, 445 12th Street, SW., Washington, DC 20554. The complete text may be purchased from the Commission's copy contractor, Best Copy and Printing, Inc., 445 12th Street, SW., Room CY–B402, Washington, DC 20554. The full text may also be downloaded at: <http://www.fcc.gov>. Alternative formats are available to persons with disabilities by sending an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or by calling the Consumer & Governmental Affairs Bureau at 202–418–0530 (voice), 202–418–0432 (tty).

1. The WT Docket No. 04–257 rulemaking proceeding was established to develop rules to provide to VHF Public Coast (VPC) and Automated Maritime Telecommunications System (AMTS) licensees additional operational flexibility by permitting them to offer private correspondence service to units on land. The *Memorandum Opinion and Order* (MO&O) in WT Docket No. 04–257 addresses the petitions for reconsideration of the *Report and Order* in this proceeding, published at 72 FR 31192, June 6, 2007. In the MO&O in WT Docket No. 04–257, the Commission amends § 80.385(a)(1) of the its rules by eliminating the words “interconnected” and “integrated.” This action is consistent with the identical amendments to §§ 80.5 and 80.475(d) made in the *Report and Order* in this proceeding.

#### I. Procedural Matters

##### A. Paperwork Reduction Act

2. This document does not contain proposed information collection(s) subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104–13. In addition, therefore, it does not contain any new or modified “information collection burden for small business concerns with fewer than 25 employees,” pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, *see* 44 U.S.C. 3506(c)(4).

#### List of Subjects in 47 CFR Part 80

Communications equipment, Radio.  
Federal Communications Commission.  
Gloria J. Miles,  
*Federal Register Liaison.*

#### Rule Changes

■ For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 80 as follows:

## PART 80—STATIONS IN THE MARITIME SERVICES

■ 1. The authority citation for part 80 continues to read as follows:

**Authority:** Secs. 4, 303, 307(e), 309, and 332, 48 Stat. 1066, 1082, as amended; 47 U.S.C. 154, 303, 307(e), 309, and 332, unless otherwise noted. Interpret or apply 48 Stat. 1064–1068, 1081–1105, as amended; 47 U.S.C. 151–155, 301–609; 3 UST 3450, 3 UST 4726, 12 UST 2377.

■ 2. Amend § 80.385 by revising paragraph (a)(1) to read as follows:

#### § 80.385 Frequencies for automated systems.

\* \* \* \* \*

(a) \* \* \*

(1) The Automatic Maritime Communications System (AMTS) is an automatic maritime telecommunications system.

\* \* \* \* \*

[FR Doc. 2010–2095 Filed 2–1–10; 8:45 am]

BILLING CODE 6712–01–P

## GENERAL SERVICES ADMINISTRATION

### 48 CFR Parts 512 and 552

[GSAR Amendment 2010–01; GSAR Case 2008–G504 (Change 43); Docket GSAR–2010–0001; Sequence 1]

RIN 3090–AI61

#### General Services Administration Acquisition Regulation; Rewrite of Part 512, Acquisition of Commercial Items

**AGENCIES:** Office of Acquisition Policy, General Services Administration (GSA).

**ACTION:** Final rule.

**SUMMARY:** The General Services Administration (GSA) is amending the General Services Administration Acquisition Regulation (GSAR) to update the text addressing the acquisition of commercial items. This rule is a result of the GSAM Rewrite initiative undertaken by GSA to revise the GSAM to maintain consistency with the Federal Acquisition Regulation, and to implement streamlined and innovative acquisition procedures that contractors, offerors, and GSA contracting personnel can utilize when entering into and administering contractual relationships. The GSAM incorporates the GSAR as well as internal agency acquisition policy.

**DATES:** *Effective Date:* March 4, 2010

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Mr. Michael O. Jackson, Procurement Analyst, at (202) 208–4949. For