

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT CONTRACT 20 (MC2017-78)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-105

**NOTICE OF UNITED STATES POSTAL SERVICE OF
AMENDMENT TO PARCEL SELECT CONTRACT 20,
WITH PORTIONS FILED UNDER SEAL**

(September 19, 2017)

The Postal Service hereby provides notice that the terms of Parcel Select Contract 20, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select Contract 20 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Parcel Select Contract 20. Therefore, the supporting financial documentation and financial certification previously provided in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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September 19, 2017

ATTACHMENT A

REDACTED AMENDMENT TO PARCEL SELECT CONTRACT 20

AMENDMENT #2
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PARCEL SELECT SERVICE

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Parcel Select Contract 20/Docket No. CP2017-105 regarding Parcel Select Service on December 9, 2016 (Effective Date January 30, 2017).

WHEREAS, the Parties desire to amend the terms in Sections I.B.3-6, I.F., Table 2, I.G., I.H., and III.A. and C. of the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B.3-6, I.F., Table 2, I.G., I.H., and III.A. and C., in their entirety, as follows:]

I. Terms

B.

3. Parcel Select DSCF 3-Digit pieces (“DSCF 3-Digit [REDACTED] pieces”) [REDACTED] [REDACTED] and are not addressed to any ZIP Code in Attachment A;
4. Parcel Select DSCF 3-Digit pieces (“DSCF 3-Digit [REDACTED] pieces”) [REDACTED] [REDACTED] and are addressed to any ZIP Code in Attachment A;
5. Parcel Select DSCF 5-Digit pieces (“DSCF 5-Digit [REDACTED] pieces”) [REDACTED] [REDACTED] and are not addressed to any ZIP Code in Attachment A;
6. Parcel Select DSCF 5-Digit pieces (“DSCF 5-Digit [REDACTED] pieces”) [REDACTED] [REDACTED] and are addressed to any ZIP Code in Attachment A;

- F. Contract Quarters. “Quarter(s)” or “Contract Quarter(s)”, refer to the periods as follow in Table 2.

Table 2

Period Name	Start of Period	End of Period
Quarter 1	January 1st	March 31st
Quarter 2	April 1st	June 30th
Quarter 3	July 1st	September 30th
Quarter 4	October 1st	December 31st

- G. Contract Prices. From the effective date of this amendment, Customer shall pay Tier 4 prices for its Contract Packages pursuant to Table 6 through December 31, 2018. Throughout the term of the Contract, Customer will continue to pay prevailing published prices for DDU [REDACTED] pieces, DSCF 5-Digit [REDACTED] pieces and Parcel Select Lightweight pieces.

- H. Beginning January 1, 2019, Contract Prices will be determined based on the average quarterly volume of Contract Packages shipped. The period of shipping that will count towards the Contract tier pricing calculation will begin July 1, 2018. The contract tier pricing will be based on the volume of Contract Packages shipped during the previous Contract Quarters, not to exceed the previous four Contract Quarters, divided by the number of elapsed Contract Quarters. At the conclusion of each Contract Quarter, the Postal Service will calculate Contract Packages and the number of applicable Contract Quarters to calculate and apply the appropriate rate table within 15 days of the conclusion of that Contract Quarter. The contract tier pricing calculation is illustrated in Table A below.

Table A

Contract Year (CY) 3	Tier Determination
Quarter 1	Contract Packages Shipped (CY2 Q's 3&4) ÷ 2
Quarter 2	Contract Packages Shipped (CY2 Q's 3&4 + CY3 Q 1) ÷ 3
Quarter 3	Contract Packages Shipped (CY2 Q' 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Contract Packages Shipped (CY2 Q 4 + CY3 Q's 1,2&3) ÷ 4
Contract Year (CY) 4	Tier Determination
Quarter 1	Contract Packages Shipped (CY3 Q's 1,2,3&4) ÷ 4
Quarter 2	Contract Packages Shipped (CY3 Q's 2,3&4 + CY4 Q1) ÷ 4
Quarter 3	Contract Packages Shipped (CY3 Q's 3&4 + CY4 Q's 1&2) ÷ 4
Quarter 4	Contract Packages Shipped (CY3 Q 4 + CY4 Q's 1,2&3) ÷ 4
Contract Year (CY) 5	Tier Determination
Quarter 1	Contract Packages Shipped (CY4 Q's 1,2,3&4) ÷ 4
Quarter 2	Contract Packages Shipped (CY4 Q's 2,3&4 + CY5 Q1) ÷ 4
Quarter 3	Contract Packages Shipped (CY4 Q's 3&4 + CY5 Q's1&2) ÷ 4
Quarter 4	Contract Packages Shipped (CY4 Q4 + CY5 Q's1,2&3) ÷ 4


III. Expiration, Termination and Extension

A. Expiration. This Contract shall expire four (4) years from the Contract's effective date, unless (1) terminated by either Party with ninety (90) calendar days' notice to the other Party in writing pursuant to Article III.B; (2) renewed or extended for two (2) years by mutual agreement in writing and subsequent approval by the Commission; (3) superseded by a subsequent written contract between the Parties; (4) ordered by the Commission or a court; or (5) otherwise required to comply with subsequently enacted legislation. Either Party may terminate this Contract for convenience upon providing three (3) months' written notice.

C. Extension. If at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, the SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.I, throughout the extension period.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: 
Cliff rucker (Sep 14, 2017)

Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date: Sep 14, 2017

