

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

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 279 (MC2017-59)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-87

**USPS NOTICE OF CHANGE IN PRICES PURSUANT TO  
AMENDMENT TO PRIORITY MAIL CONTRACT 279**  
(February 13, 2018)

The Postal Service hereby provides notice that prices under Priority Mail Contract 279, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 279 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

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February 13, 2018

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 279**

**AMENDMENT #2**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
**████████████████████**  
**REGARDING**  
**PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (the “Postal Service”) and ██████████ (“Customer”) entered into a Shipping Services Contract, Priority Mail Contract 279/Docket No. CP2017-87, regarding Priority Mail Service on November 17, 2016.

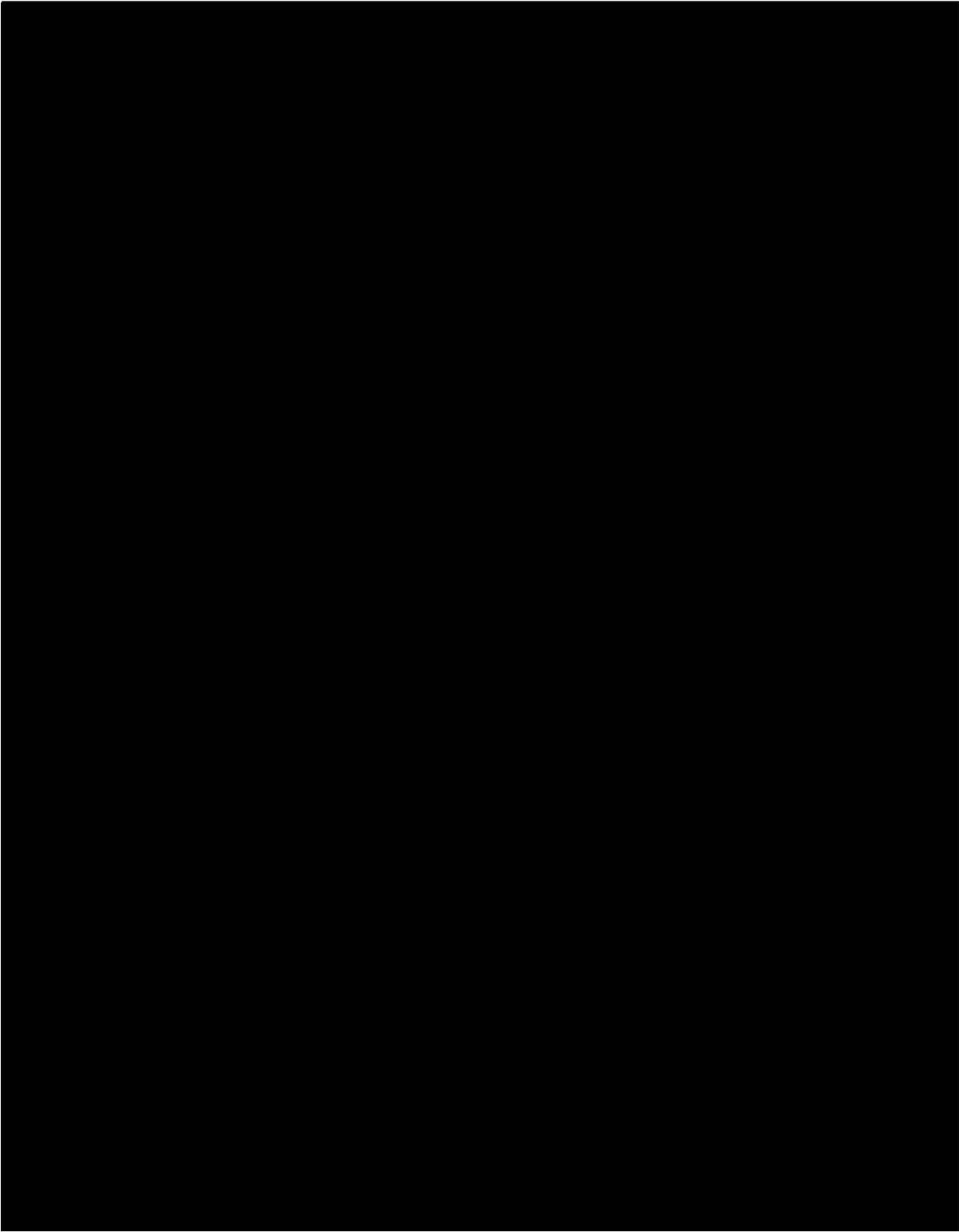
WHEREAS, the Parties desire to amend the terms in Section I.G, I.H., and to replace Tables 3, 4 and 5 of the Contract.

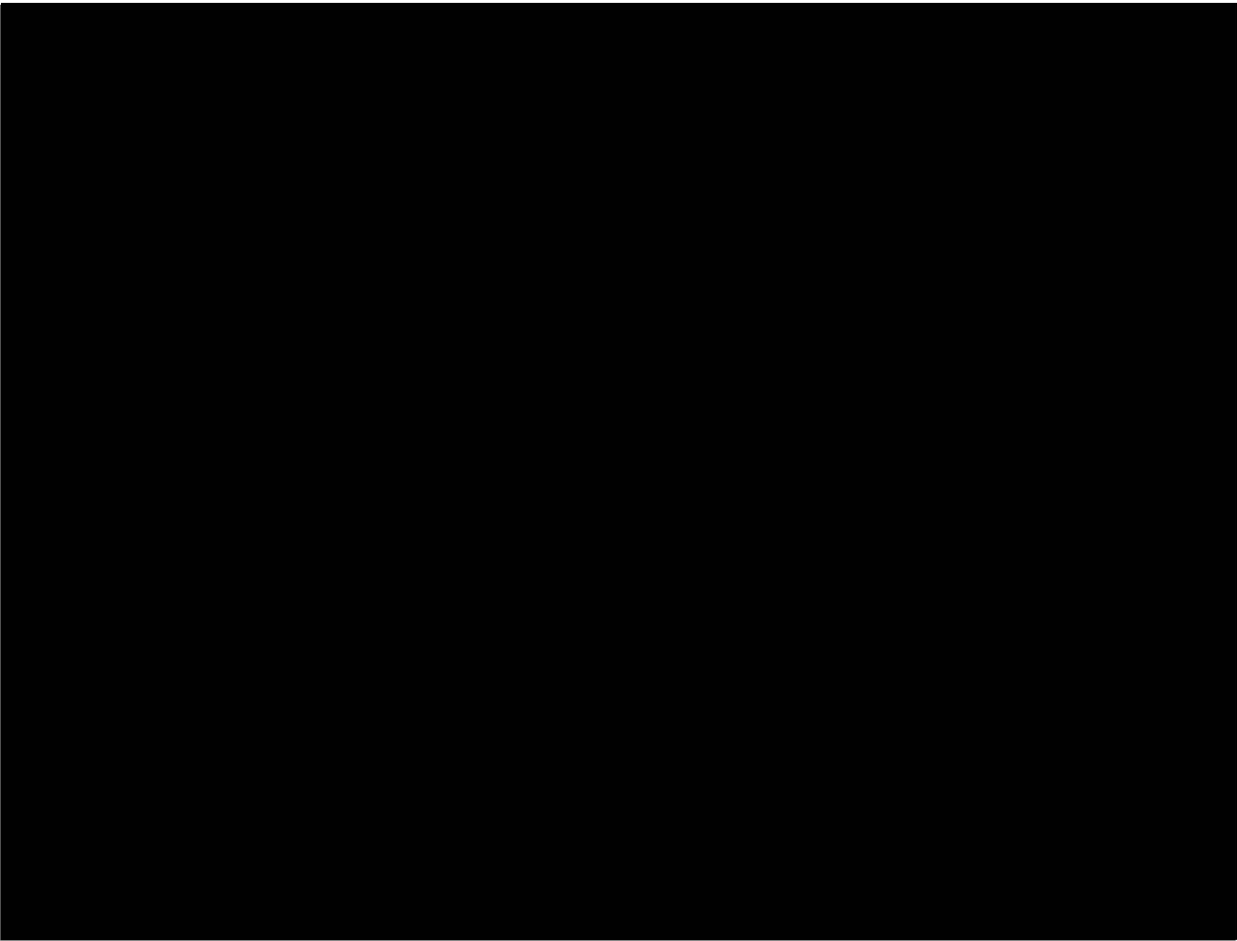
NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.G., I.H., and Tables 3, 4 and 5, as follows.]

**I. Terms**

- G. Subsequent Contract Quarters. Beginning January 1, 2018, Tiered Contract Package pricing will be based on a rolling four (4) quarter average. The quarterly average will be based on the number of Total Packages shipped divided by the number of full Contract Quarters, not to include the Contract’s Implementation Period. After four (4) full Contract Quarters have elapsed following the Implementation Period, and for Contract Quarters thereafter, price tiers will be determined by the quarterly average of Total Packages shipped in the previous four (4) Contract Quarters.
- H. Contract Package Price Tables. The Contract Package prices and applicable Tiers, shown below in Tables 3, 4 and 5, will apply to Customer’s Contract Packages on the effective date of this Amendment, and will be determined in the manner described in Section I.G. above.





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

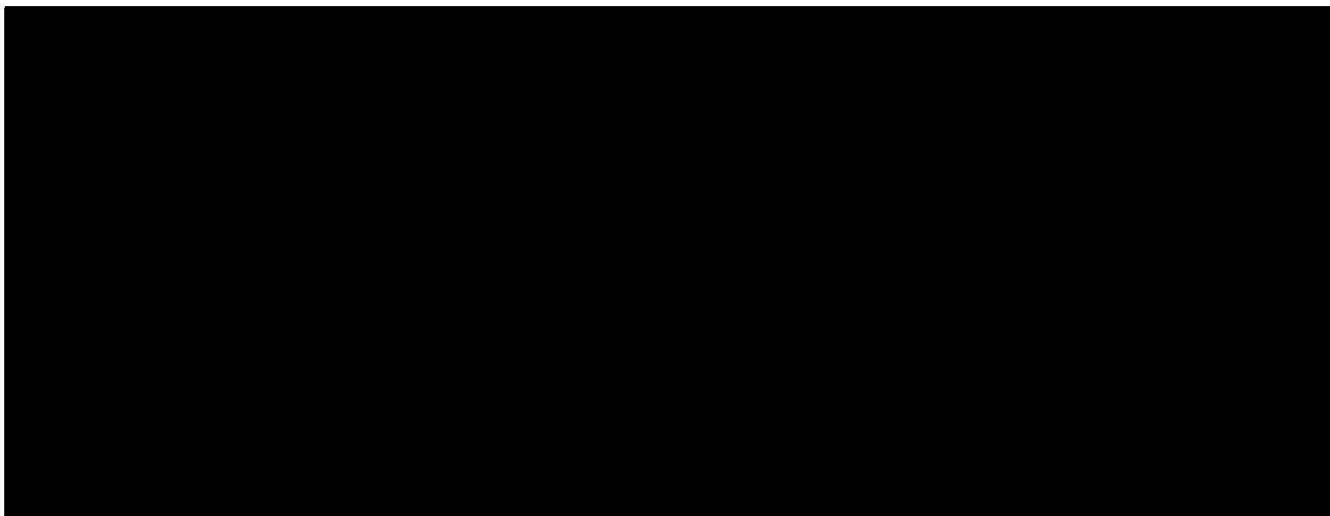
UNITED STATES POSTAL SERVICE

Signed by: 

Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date: 01/17/2018



**ATTACHMENT B**  
**SIGNED CERTIFICATION**



## **Certification of Prices for Amendment to Priority Mail Contract 279**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 279. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven Phelps**

Digitally signed by Steven Phelps  
DN: cn=Steven Phelps, o=Pricing and  
Costing, ou=Pricing,  
email=steven.r.phelps@usps.gov, c=US  
Date: 2018.02.13 08:07:58 -05'00'

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Steven R. Phelps