

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

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 487 (MC2019-38)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-40

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL CONTRACT 487, FILED UNDER SEAL**
(February 25, 2020)

The Postal Service hereby provides notice that the terms of Priority Mail Contract 487, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 487 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail Contract 487. Therefore, the supporting financial documentation and financial certification initially filed 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 customer-identifying information that has been filed under seal.

Respectfully submitted,


UNITED STATES POSTAL SERVICE


By its attorney:

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February 25, 2020

**ATTACHMENT A TO REQUEST
REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 487**

AMENDMENT #1
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 487/Docket No. CP2019-40 regarding Priority Mail Service on November 6, 2018.

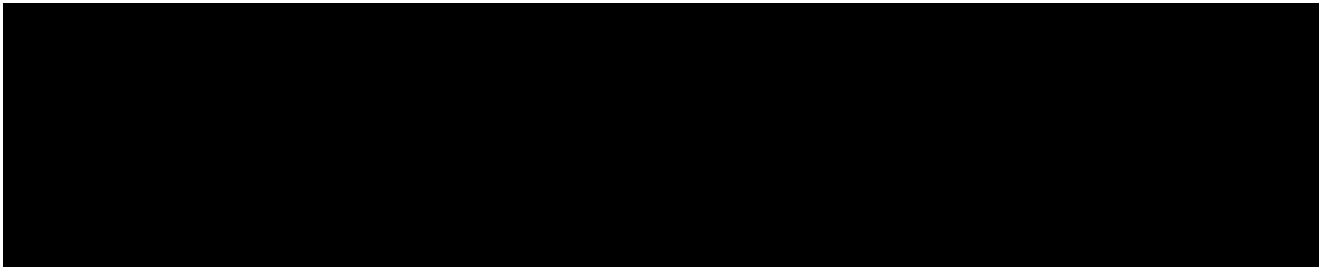
WHEREAS, the Parties desire to amend the terms in Sections I.B, I.C, I.F, I.G, Table C, Section V, and Section VI of the Appendix of the Contract, and adding new Table 1A to the Contract.

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 three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.C, I.F, I.G, Table C, Section V, and Section VI of the Appendix of the Contract, and adding new Table 1A to the Contract. as follows.]

I. Terms

- B. This Contract applies to Customer’s outbound Priority Mail weight-based packages that do not exceed 
, excluding packages originating from and/or addressed to ZIP codes contained in Table 1A below (“Contract Packages”).



- C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage account to ship such packages, and will use the Electronic Verification System (“eVS”), other USPS approved manifest systems, or USPS approved PC Postage vendors for payment of such packages. The Parties have mutually agreed to specific shipping locations from where Contract Packages must

originate, along with the associated Customer Registration ID, Mailer ID and Payment Method information required for each shipping location provided that dropshipping, as may be approved by the Postal Service, may originate from other locations. Contract pricing for any newly approved permits and/or PC Postage accounts will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Contract Packages, and Customer’s other Priority Mail packages (“Total Packages”), shipped from authorized permits and/or PC Postage accounts shall count toward the volume commitment expressed in Sections I.E.2 and Table B.

- F. From the effective date of this Amendment until June 30, 2020, Customer will receive Tier 1 discounts for its Priority Mail Contract Packages. Tier discounts in subsequent Contract Quarters will be determined by a rolling quarterly average of Total Packages shipped throughout the remaining term of the Contract. If the quarterly average of Total Packages shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service in its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus Prices for the subsequent Contract Quarter.
- G. Customized pricing for this Contract will be based on a rolling four (4) quarter average. The average will be based on the quantity of Total Packages shipped divided by the number of Contract Quarters achieved. Pricing in subsequent Contract Quarters will be calculated by the number of Total Packages shipped in the previous four (4) Contract Quarters divided by four (4). The Postal Service will calculate the number of Total Packages and the number of applicable Contract Quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that Contract Quarter. Table C below illustrates the method in determining tier level and corresponding discounts.

Table C

Contract Year (CY) 2	Tier Determination
Quarter 2 (Effective Date of Amendment through March 31, 2020)	Tier 1 Discounts
Quarter 3 (April 1 – June 30, 2020)	Tier 1 Discounts
Quarter 4 (July 1 – September 30, 2020)	Total Packages Shipped (CY2 Q’s 2&3) ÷ 2
Contract Year (CY) 3	Tier Determination
Quarter 1 (October 1 – December 31, 2020)	Total Packages Shipped (CY2 Q’s 2,3&4) ÷ 3
Quarter 2 (January 1, 2021 – March 31, 2021)	Total Packages Shipped (CY2 Q’s 2,3&4 + CY3 Q1) ÷ 4
Quarter 3 (April 1 – June 30, 2021)	Total Packages Shipped (CY2 Q’s 3&4 + CY3 Q’s1&2) ÷ 4
Quarter 4 (July 1 – September 30, 2021)	Total Packages Shipped (CY2 Q4 + CY3 Q’s 1,2&3) ÷ 4
October 1, 2021 – Contract’s Expiration Date	Total Packages Shipped (CY3 Q’s 1,2,3&4) ÷4

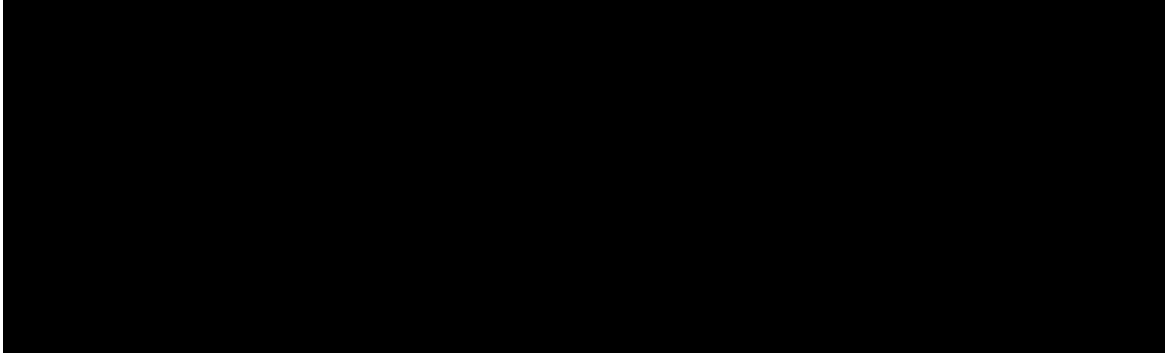
V. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: [REDACTED]. The appeal is forwarded to the Pricing and Classification

Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

[Replace Section VI of the Appendix as follows:]

VI. Notices



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: DocuSigned by:
Timothy Costello
9AD5FB40E84B419... _____

Printed Name: Timothy R. Costello

Title: Vice President Sales

Date: 2/20/2020

