

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

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS INTERNATIONAL,
PRIORITY MAIL INTERNATIONAL, FIRST-CLASS PACKAGE
INTERNATIONAL SERVICE & COMMERCIAL ePACKET
CONTRACT 7 (MC2020-203)
NEGOTIATED SERVICE AGREEMENTS

Docket No. CP2020-230

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
MODIFICATION ONE TO PRIORITY MAIL EXPRESS INTERNATIONAL,
PRIORITY MAIL INTERNATIONAL, FIRST-CLASS PACKAGE INTERNATIONAL
SERVICE & COMMERCIAL ePACKET CONTRACT 7
NEGOTIATED SERVICE AGREEMENT**
(December 14, 2020)

In Order No. 5634, the Postal Regulatory Commission (Commission) included Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 7 (Agreement) within the competitive product list.¹

Attached to this notice, as Attachment 1, is a redacted version of Modification One to the Agreement. The modification revises Articles 3, 8, 10, 11, and 14 of the Agreement, changes Article 11 so that the Agreement will remain in effect until May 31, 2022, and adds Annexes 1A, 2A, 3A, 4A, and 5A to the Agreement.

In addition, the certified statement required by 39 C.F.R. § 3035.105(c)(2) is included with this filing, as Attachment 2. The Postal Service is also including with this

¹ PRC Order No. 5634, Order Adding Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 7 to the Competitive Product List, Docket Nos. MC2020-203 and CP2020-230, August 14, 2020, at 7-9.

filing redacted versions of the revised supporting financial documents in separate Excel files.²

The Postal Service is filing under seal Modification One, as well as revised supporting financial documents, in separate Excel files, for the contract that is the subject of this docket. With respect to the non-public versions of Modification One and revised supporting financial documents filed under seal, the Postal Service hereby incorporates its Application for Non-Public Treatment filed in conjunction with its notice dated July 23, 2020, in this docket.³

² The supporting financial documents include an updated Settlement Charge Workbook. In order to facilitate and expedite review by the Commission, the Postal Service included a Compare_SCWB ...xlsx Zipped file in the supporting financial documents for the Postal Service's December 3, 2020 filing of a modification in Docket No. CP2020-198, which provide a comparison between the Settlement Charge Workbook included with this filing and the Settlement Charge Workbook included with the most recent filing of a non-GEPS-NPR international negotiated service agreement (see USPS Request to Add Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 9 to Competitive Product List and Notice of Filing Materials Under Seal, Docket Nos. MC2020-233 and CP2020-263, August 31, 2020). The comparison period is CY 2021 since this is the common period for both Settlement Charge Workbooks. See Notice of the United States Postal Service of Filing Modification One to International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service with Reseller Contract 5 Negotiated Service Agreement, Docket No. CP2020-198, December 3, 2020.

³ USPS Request to Add Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 7 to Competitive Product List and Notice of Filing Materials Under Seal, Docket Nos. MC2020-203 and CP2020-230, July 23, 2020, Attachment F.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business and Service Development
Corporate and Postal Business Law Section

Christopher C. Meyerson
Mariana Moguel Resendiz
Rebecca E. Brown
Attorneys

475 L'Enfant Plaza, S.W. Rm. 6125
Washington, D.C. 20260-1101
(202) 268-7820
Mariana.MoguelResendiz@usps.gov
December 14, 2020

**MODIFICATION ONE TO THE
GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**

This Modification amends the Global Customized Mail Agreement (“Agreement”) between [REDACTED] (“Mailer”), with offices at [REDACTED], and the United States Postal Service (“USPS or “Postal Service”), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L’Enfant Plaza SW, Washington, DC 20260-9998, signed by the Mailer on June 10, 2020, and by the USPS on June 12, 2020. The Mailer and the USPS may be referred to individually as a “Party” and together as the “Parties.”

The purpose of this Modification is to make the following six changes to the Agreement.

First, the following paragraph (10) is added to Article 3.

(10) “Modification One Effective Date” means the first date on which USPS is willing to accept Qualifying Mail in accordance with Modification One to this Agreement.

Second, the following paragraphs (a) and (b) are added to Article 8(1).

(a) Until 11:59 p.m. on the day prior to the Modification One Effective Date, the Mailer will continue to pay postage according to Annex 1, Annex 2, Annex 3 and Annex 4. (b) From the Modification One Effective Date until the expiration date of this Agreement, the Mailer will pay postage according to Annex 1A, Annex 2A, Annex 3A and Annex 4A attached hereto, subject to the terms and conditions of this Agreement, including Article 14.

Third, the following paragraph (a) is added to Article 10(1):

(a) From Modification One Effective Date until the expiration date of this Agreement, [REDACTED]

Fourth, Article 11(1) of the Agreement is replaced with the following.

11. Term of the Agreement (1) The USPS will notify the Mailer of the Effective Date of the Agreement as soon as possible, but no later than thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS. In addition, the USPS will notify the Mailer of the Modification One Effective Date as soon as possible, but no later than thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS. This Agreement shall remain in effect until 11:59 p.m. on May 31, 2022, unless the Agreement is terminated sooner pursuant to Article 12, Article 13, or Article 34.

Fifth, Article 14 is replaced with the following.

14. Postage Updates [REDACTED]

Sixth, Annexes 1A, 2A, 3A, 4A and 5A attached to this Modification are added to the Agreement.

All other terms and conditions of the Agreement shall remain in force.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals (hereinafter "Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification may not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the USPS to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS and no benefit shall inure to either Party. In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Mailer prior to the Effective Date of this Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential, or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Mailer acknowledges that this Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in docketed proceedings (MC2020-203 and CP2020-230). The Mailer authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. The Mailer further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this Modification (including revenue, cost or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which this Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR202#, in which "202#" signifies the USPS fiscal year to which the ACR pertains. The Mailer has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found in part 3011 of the regulations concerning the Commission in Title 39 of the Code of Federal Regulations.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

In witness whereof, this Modification is deemed executed on the latter of the two dates accompanying the Parties' signatures.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: _____ *Donald Ross* _____
Name: _____ Donald Ross _____
Title: _____ Director International Sales _____
Date: _____ 12/7/2020 _____

ON BEHALF OF _____

Signature: _____ _____
Name: _____ _____
Title: _____ 12/7/2020 _____
Date: _____ _____

- ANNEX 1A PMEI ANNEX – PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
- ANNEX 2A PMI ANNEX – PRICES FOR PRIORITY MAIL INTERNATIONAL
- ANNEX 3A FCPIS ANNEX – PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE
- ANNEX 4A CeP ANNEX – PRICES FOR COMMERCIAL E-PACKET SERVICE
- ANNEX 5A PMEI, PMI, AND FCPIS REQUIREMENTS ANNEX - REQUIREMENTS TO RECEIVE DISCOUNT OFF OF PUBLISHED COMMERCIAL BASE PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL _____ AND FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE _____ THAT ARE

- PRESORT DROP SHIPMENT SERVICE - PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)

**ANNEX 1A PMEI ANNEX –
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
QUALIFYING MAIL**

Postage prices for Priority Mail Express International Qualifying Mail items under this Agreement are as follows.



**ANNEX 2A PMI ANNEX –
PRICES FOR PRIORITY MAIL INTERNATIONAL QUALIFYING MAIL**

Postage prices for Priority Mail Qualifying Mail items under this Agreement are as follows.

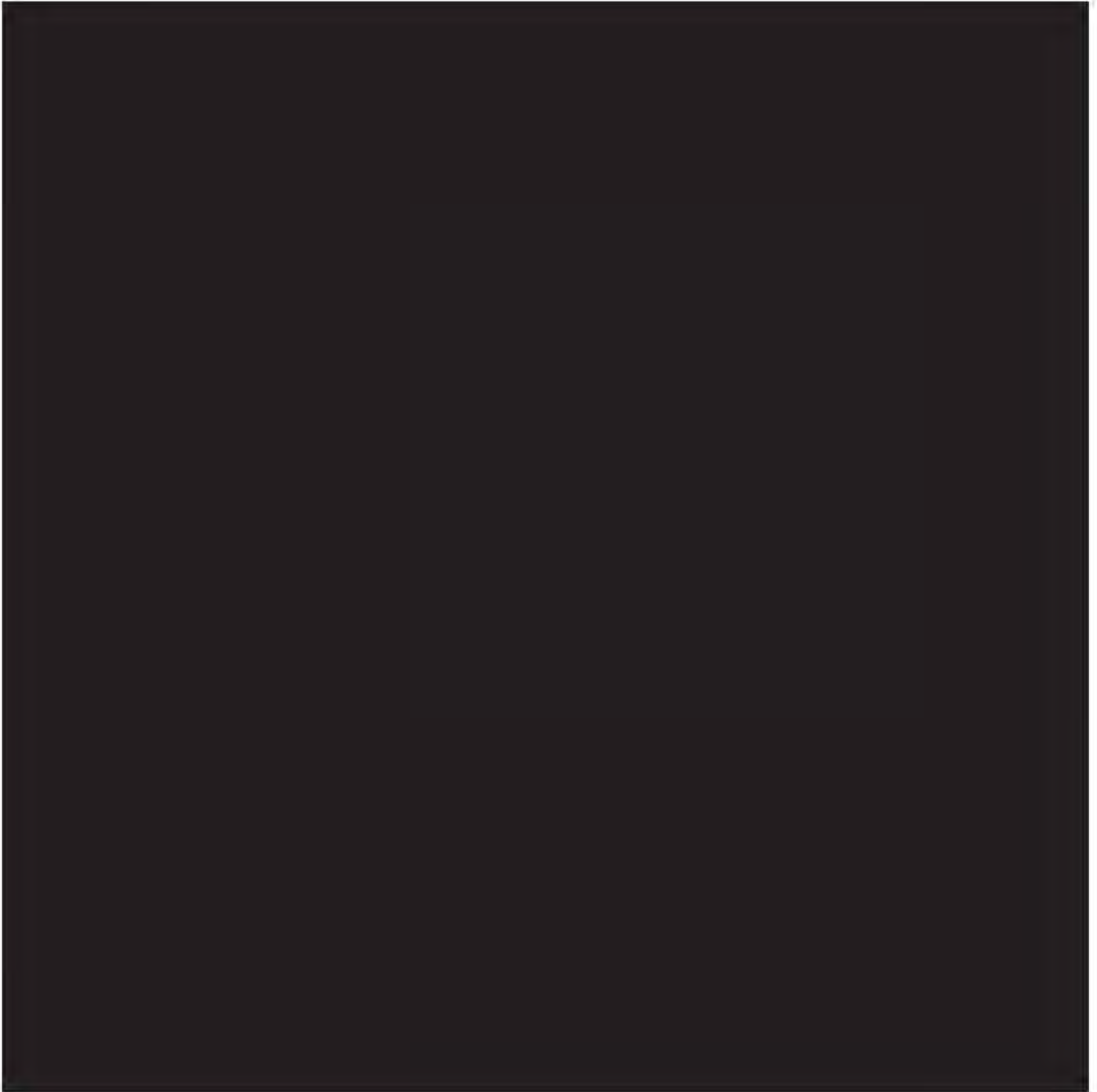


**ANNEX 3A FCPIS ANNEX –
PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE QUALIFYING MAIL**

Postage prices for First-Class Package International Service Qualifying Mail items under this Agreement are as follows.



**ANNEX 4A CeP ANNEX
PRICES IN UNITED STATES DOLLARS FOR
COMMERCIAL EPACKET SERVICE QUALIFYING MAIL**



**ANNEX 5A PMEI, PMI, AND FCPIS REQUIREMENTS ANNEX
CONCERNING PRESORT DROP SHIPMENT SERVICE -
REQUIREMENTS TO RECEIVE DISCOUNT OFF OF PUBLISHED COMMERCIAL BASE PRICES FOR
PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL
AND FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE
THAT ARE
PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)**

[REDACTED]

1. paid for through a separate permit imprint using USPS-provided Global Shipping Software (GSS) that is not used for any other type of mail than Qualifying Mail that meets the requirements set forth in this Agreement;
2. [REDACTED]
3. [REDACTED]
4. tendered to the USPS at any of the following USPS International Service Center locations:
 - JOHN F KENNEDY AIRPORT MAIL CENTER
US POSTAL SERVICE
JOHN F KENNEDY INTERNATIONAL AIRPORT BLDG 250
JAMAICA NY 11430-9998
 - JT WEEKER INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
11600 WEST IRVING PARK ROAD
CHICAGO IL 60666-9998
 - LOS ANGELES INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
5800 WEST CENTURY BLVD
LOS ANGELES CA 90009-9998
 - SAN FRANCISCO INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
660 WEST FIELD ROAD
SAN FRANCISCO CA 94128-3161
 - MIAMI INTERNATIONAL SERVICE CENTER¹
US POSTAL SERVICE
11698 NW 25TH ST
MIAMI FL 33112-9997
 - MIAMI PROCESSING AND DISTRIBUTION CTR²
U.S. POSTAL SERVICE
2200 NW 72ND AVE
MIAMI FL 33152-9997

[REDACTED]

[REDACTED]

**Certification of Prices for
Priority Mail Express International, Priority Mail International,
First-Class Package International Service &
Commercial ePacket Contract 7**

I, Nan K. McKenzie, Manager, Pricing Innovation, Finance Department, United States Postal Service, am familiar with the prices and terms for Priority Mail Express International, Priority Mail International, First-Class Package International Service Contract & Commercial ePacket Contract 7. The 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, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, adopted February 7, 2019 (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the 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. This contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Nan K.
McKenzie**

Digitally signed by Nan K. McKenzie
DN: cn=Nan K. McKenzie, o,
ou=Manager, Pricing Innovation,
email=nan.k.mckenzie@usps.gov,
c=US
Date: 2020.12.11 11:31:45 -05'00'

Nan K. McKenzie