Postal Regulatory Commission
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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268–0001

COMPETITIVE PRODUCT PRICES INTERNATIONAL PRIORITY AIRMAIL, COMMERCIAL EPACKET, PRIORITY MAIL EXPRESS INTERNATIONAL, PRIORITY MAIL INTERNATIONAL & FIRST-CLASS PACKAGE INTERNATIONAL SERVICE CONTRACT 6 (MC2020-167) NEGOTIATED SERVICE AGREEMENTS	Docket No. CP2020-190

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 CONTRACT 6 NEGOTIATED SERVICE AGREEMENT
(December 15, 2020)

In Order No. 5569, the Postal Regulatory Commission (Commission) included International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6 (Agreement) within the competitive product list.[1]

Attached to this notice, as Attachment 1, is a redacted version of Modification One to the Agreement that is the subject of the docket referenced above. The modification revises Articles 2, 3, 7, 8, 13, and 15 of the Agreement, changes Article 13 so that the Agreement will remain in effect until February 28, 2023, and adds Annexes 1A, 2A, 3A, 4A, 5A, and 6A to the Agreement. In addition, the certified statement

[1] PRC Order No. 5569, Order Adding International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International, and First-Class Package International Service Contracts to the Competitive Product List, Docket Nos. MC2020-167 and CP2020-190, June 29, 2020, at 13, 15-21.

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 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 June 15, 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 …xslx 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 International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6 to Competitive Product List and Notice of Filing Materials Under Seal, Docket Nos. MC2020-167 and CP2020-190, June 15, 2020, Attachment F.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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December 15, 2020

MODIFICATION ONE TO THE GLOBAL PLUS SERVICE AGREEMENT BETWEEN THE UNITED STATES POSTAL SERVICE AND

This Modification amends the Global Plus Service Agreement ("Agreement") between ("Mailer"), with offices at , 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 4, 2020, and by the USPS on June 5, 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 seven changes to the Agreement.

First, the following paragraphs (25), (26), and (27) are added to Article 2.

> (25) "IPA Presort Drop Shipment Pallet Option Preparation Requirements Document" means the USPS document entitled *IPA Presort Drop Shipment Pallet Option Mailer Preparation Requirements*, which the USPS shall provide the Mailer. (26) "ISAL Presort Drop Shipment Pallet Option Preparation Requirements Document" means the USPS document entitled *ISAL Presort Drop Shipment Pallet Option Mailer Preparation Requirements*, which the USPS shall provide the Mailer. (27) "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, Article 3(4) is replaced with the following:

> (4) IPA and ISAL
>
> ☒ IPA Letters and Postcards
>
> ☒ IPA Flats
>
> ☒ IPA Packets
>
> Every IPA item must comply with the preparation requirements set forth in IMM 292 for International Priority Airmail service, as well as the IPA Presort Drop Shipment Pallet Option Preparation Requirements Document.
>
> ☐ ISAL Letters and Postcards
>
> ☐ ISAL Flats
>
> ☐ ISAL Packets
>
> Every ISAL item must comply with the preparation requirements set forth in IMM 293 for International Surface Air Lift service, as well as the ISAL Presort Drop Shipment Pallet Option Preparation Requirements Document.
>
> (a) M-bags
>
> ☒ IPA M-bags

Every IPA M-bag item must comply with the preparation requirements set forth in IMM 260 and 292 for direct sacks of printed matter to a single addressee at a single address, as well as the IPA Presort Drop Shipment Pallet Option Preparation Requirements Document.

☐ ISAL M-bags

Every ISAL M-bag item must comply with the preparation requirements set forth in IMM 260 and 293 for direct sacks of printed matter to a single addressee at a single address, as well as the ISAL Presort Drop Shipment Pallet Option Preparation Requirements Document.

Third, the following paragraph (a) is added to Article 7(1):

(a) From Modification One Effective Date until the expiration date of this Agreement, to tender to the USPS mail intended for delivery outside the United States [redacted]

Fourth, the following paragraphs (7) and (8) are added to Article 8.

(7) 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, Annex 4 and Annex 5. (8) 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, Annex 4A and Annex 5A attached hereto, subject to the terms and conditions of this Agreement, including Article 15.

Fifth, Article 13(1) of the Agreement is replaced with the following.

13. Term of the Agreement (1) The USPS will notify the Mailer of the Effective Date of the Agreement within 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. The Agreement shall remain in effect until February 28, 2023, unless terminated sooner pursuant to Article 14, Article 25, or Article 35.

Sixth, Article 15 is replaced with the following.

15. Postage Updates (1) The prices for IPA, ISAL, IPA M-bags and ISAL M-bags in the Annexes of this Agreement will be adjusted as follows: (a) In the event that the published postage rates for IPA and/or IPA M-bags should change one or more times after Modification One Effective Date, [redacted] (b) In the event that the published postage rates for ISAL and/or ISAL M-bags should change one or more times after Modification One Effective Date, the prices for ISAL and/or ISAL M-bags, respectively, under this Agreement [redacted] (c) If USPS maintains or decreases published rates of general applicability for IPA and/or ISAL as part of a published price change, as calculated by the USPS, [redacted] (2) With respect to the prices for Commercial ePacket in the Annexes of this Agreement, should the published postage rates for IPA change one or more times after Modification One Effective Date, the prices for CeP under this Agreement [redacted]

If USPS maintains or decreases published rates of general applicability for IPA as part of a published price change, as calculated by the USPS, (3)

Seventh, Annexes 1A, 2A, 3A, 4A, 5A and 6A 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 (MC2020-167 and CP2020-190). 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 12/10/2020

ON BEHALF OF [redacted]

Signature: [redacted]

Name:

Title:

Date: 12/10/2020

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 IPA AND ISAL ANNEX - PRICES FOR INTERNATIONAL PRIORITY AIRMAIL SERVICE AND INTERNATIONAL SURFACE AIR LIFT SERVICE

ANNEX 5A CeP ANNEX – PRICES FOR COMMERCIAL E-PACKET SERVICE

ANNEX 6A 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 [redacted] AND FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE [redacted] THAT ARE

- PRESORT DROP SHIPMENT SERVICE - PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)
- DROPSHIP SERVICE - TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)
- NATIONWIDE SERVICE - TENDERED AT LOCATIONS OTHER THAN THOSE SPECIFIED IN THIS ANNEX FOR PRESORT DROP SHIPMENT ITEMS OR DROPSHIP ITEMS

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.

[redacted]

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.

[redacted]

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.

[redacted]

ANNEX 4A IPA AND ISAL ANNEX – CHART 1
PRICES IN UNITED STATES DOLLARS FOR
INTERNATIONAL PRIORITY AIRMAIL SERVICE: LETTERS AND POSTCARDS

[redacted]

ANNEX 4A IPA AND ISAL ANNEX – CHART 2
PRICES IN UNITED STATES DOLLARS FOR
INTERNATIONAL PRIORITY AIRMAIL SERVICE: FLATS

ANNEX 4A IPA AND ISAL ANNEX – CHART 3
PRICES IN UNITED STATES DOLLARS FOR
INTERNATIONAL PRIORITY AIRMAIL SERVICE: PACKETS

[redacted]

ANNEX 4A IPA AND ISAL ANNEX – CHART 4
PRICES IN UNITED STATES DOLLARS FOR
INTERNATIONAL PRIORITY AIRMAIL SERVICE: M-BAGS

[redacted]

ANNEX 5A CeP ANNEX
PRICES IN UNITED STATES DOLLARS FOR
COMMERCIAL EPACKET SERVICE

[redacted]

ANNEX 6A 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
POUNDS
AND FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE
THAT ARE
PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)

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.
3.
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 CENTER[1]
     US POSTAL SERVICE
     11698 NW 25TH ST
     MIAMI FL 33112-9997
   - MIAMI PROCESSING AND DISTRIBUTION CTR[2]
     U.S. POSTAL SERVICE
     2200 NW 72ND AVE
     MIAMI FL 33152-9997

ANNEX 6A PMEI, PMI, AND FCPIS REQUIREMENTS ANNEX
CONCERNING DROPSHIP SERVICE -
REQUIREMENTS TO RECEIVE DISCOUNT OFF OF PUBLISHED COMMERCIAL BASE PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL
THAT ARE
TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)

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 CENTER[1]
US POSTAL SERVICE
11698 NW 25TH ST
MIAMI FL 33112-9997

MIAMI PROCESSING AND DISTRIBUTION CTR[2]
U.S. POSTAL SERVICE
2200 NW 72ND AVE
MIAMI FL 33152-9997

ANNEX 6A PMEI, PMI, AND FCPIS REQUIREMENTS ANNEX
CONCERNING NATIONWIDE 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 TENDERED AT LOCATIONS OTHER THAN THOSE SPECIFIED IN THIS ANNEX FOR PRESORT DROP SHIPMENT ITEMS OR DROPSHIP ITEMS

Certification of Prices for
International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International &
First-Class Package International Service Contract 6

I, Nan K. McKenzie, Manager, Pricing Innovation, Finance Department, United States Postal Service, am familiar with the prices and terms for International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 6. 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: 2020.12.14 09:42:09 -05'00'

Nan K. McKenzie