Postal Regulatory Commission
Submitted 5/16/2022 9:29:34 AM
Filing ID: 121749
Accepted 5/16/2022

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 2 (MC2020-157) NEGOTIATED SERVICE AGREEMENTS	Docket No. CP2020-173

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION TWO TO PRIORITY MAIL EXPRESS INTERNATIONAL, PRIORITY MAIL INTERNATIONAL, FIRST-CLASS PACKAGE INTERNATIONAL SERVICE & COMMERCIAL EPACKET CONTRACT 2 NEGOTIATED SERVICE AGREEMENT
(May 16, 2022)

The Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 2 (Agreement) that is the subject of the dockets referenced above is currently scheduled to expire on May 31, 2022.[1]

Attached to this notice, as Attachment 1, is a redacted version of Modification Two to the Agreement. The modification revises Articles 2, 3, 8, 10, 11, and 14 of the Agreement, changes Article 11 so that the Agreement will remain in effect until May 31, 2023, and adds Annexes 1B, 2B, 3B, 1C, 2C, 3C, 4B, and 5B to the Agreement. The intended effective date of Modification Two is June 1, 2022.

[1] PRC Order No. 5820, Order Approving Modifications to Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Negotiated Service Agreements, Docket Nos. MC2020-157 and CP2020-173, January 19, 2021, at 6, 10.

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

The Postal Service is filing under seal Modification Two, 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 Two 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 11, 2020, in this docket.[2] In addition, the Postal Service recently provided notice to all foreign postal operators within the Universal Postal Union network through an International Bureau Circular issued on November 8, 2021, that the Postal Service will be regularly submitting certain business information to the Commission. Some UPU-designated foreign postal operators may have a proprietary interest in such information.[3] The circular includes information on how third parties may address any confidentiality concerns with the Commission.

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[2] USPS Request to Add Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Contract 2 to Competitive Product List and Notice of Filing Materials Under Seal, Docket Nos. MC2020-157 and CP2020-173, June 11, 2020, Attachment F.

[3] In addition, in the event of a preliminary determination of non-public status under 39 C.F.R. § 3011.103, or a request for access to non-public materials under 39 C.F.R. § 3011.301, or a motion for disclosure of non-public materials under 39 C.F.R. § 3011.400, or a request for disclosure of materials for which nonpublic treatment has expired under 39 C.F.R. § 3011.401, the Postal Service notes, on Canada Post's behalf that differences in the official observation of national holidays might adversely and unduly affect Canada Post's ability to avail itself of the times allowed for response under the Commission's rules. In

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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May 16, 2022

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such cases, Canada Post has requested that the Postal Service convey its preemptive request that the Commission account for such holidays when accepting submissions on matters that affect Canada Post's interests. A listing of Canada's official holidays can be found at: https://www.canadapost-postescanada.ca/cpc/en/support/kb/sending/general-information/find-out-operating-hours-on-holidays.

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

This Modification amends the Global Customized Mail 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 and by the USPS on June 5, 2020, as amended by Modification One, signed by the Mailer on December 6, 2020, and by the USPS on December 7, 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, paragraph (2) of Article 2 is replaced with the following.

> (2) For the purposes of this Agreement, if Mailer seeks to use any USPS-approved software other than GSS, the Mailer must first secure approval from the USPS. The Mailer may request approval from the USPS Director of Specialized Sales via e-mail at Robert.Ferraro@usps.gov.

Second, the following paragraph (11) is added to Article 3.

> (11) "Modification Two Effective Date" means the first date on which USPS is willing to accept Qualifying Mail in accordance with Modification Two to this Agreement.

Third, the following paragraphs (c) and (d) are added to Article 8(1).

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

Fourth, the following paragraph (b) is added to Article 10(1):

> (b) From Modification Two Effective Date until the expiration date of this Agreement,

Fifth, 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 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. Also, the USPS will notify the Mailer of the Modification Two 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, 2023, unless the Agreement is terminated sooner pursuant to Article 12, Article 13, or Article 34.

Sixth, Article 14 is replaced with the following.

> **14. Postage Updates**

Seventh, Annexes 1B, 2B, 3B, 1C, 2C, 3C, 4B and 5B 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 (MC2020-157 and CP2020-173). 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: Robert Ferraro

Name: Robert Ferraro

Title: Director, Specialized Sales

Date 5-13-2022

ON BEHALF OF [redacted]:

Signature: [redacted]

Name:

Title:

Date: 5/12/2022

ANNEX 1B	PMEI ANNEX – PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL QUALIFYING MAIL – PRESORT DROP SHIPMENT
ANNEX 2B	PMI ANNEX – PRICES FOR PRIORITY MAIL INTERNATIONAL QUALIFYING MAIL – PRESORT DROP SHIPMENT
ANNEX 3B	FCPIS ANNEX – PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE QUALIFYING MAIL – PRESORT DROP SHIPMENT
ANNEX 1C	PMEI ANNEX – PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL QUALIFYING MAIL – NATIONWIDE
ANNEX 2C	PMI ANNEX – PRICES FOR PRIORITY MAIL INTERNATIONAL QUALIFYING MAIL – NATIONWIDE
ANNEX 3C	FCPIS ANNEX – PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE QUALIFYING MAIL – NATIONWIDE
ANNEX 4B	CeP ANNEX – PRICES FOR COMMERCIAL E-PACKET SERVICE QUALIFYING MAIL
ANNEX 5B	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 - <u>PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)</u>

ANNEX 1B PMEI ANNEX –
PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
QUALIFYING MAIL – PRESORT DROP SHIPMENT

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

ANNEX 2B PMI ANNEX – PRICES FOR PRIORITY MAIL INTERNATIONAL QUALIFYING MAIL – PRESORT DROP SHIPMENT

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

ANNEX 3B FCPIS ANNEX – PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE QUALIFYING MAIL – PRESORT DROP SHIPMENT

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

ANNEX 1C PMEI ANNEX – PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL QUALIFYING MAIL – NATIONWIDE

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

ANNEX 2C PMI ANNEX – PRICES FOR PRIORITY MAIL INTERNATIONAL QUALIFYING MAIL – NATIONWIDE

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

[redacted]

ANNEX 3C FCPIS ANNEX – PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE QUALIFYING MAIL – NATIONWIDE

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

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

ANNEX 5B 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)

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. and
4. tendered to the USPS at any of the USPS International Service Center locations listed in the USPS documents entitled "*PMEI Presort Drop Shipment Preparation Requirements*", "*PMI Presort Drop Shipment Preparation Requirements*", and "*FCPIS Presort Drop Shipment Preparation Requirements*".

Certification of Prices for
Priority Mail Express International, Priority Mail International,
First-Class Package International Service &
Commercial ePacket Contract 2

I, Karen Meehan, Director, International Pricing and Financial Reporting, 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 & Commercial ePacket Contract 2. 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.

Karen Meehan

Digitally signed by Karen Meehan
Date: 2022.05.13 11:59:23 -04 00

Karen Meehan