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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 1 (MC2020-159) NEGOTIATED SERVICE AGREEMENTS	Docket No. CP2020-177

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION TWO TO INTERNATIONAL PRIORITY AIRMAIL, COMMERCIAL EPACKET, PRIORITY MAIL EXPRESS INTERNATIONAL, PRIORITY MAIL INTERNATIONAL & FIRST-CLASS PACKAGE INTERNATIONAL SERVICE CONTRACT 1 NEGOTIATED SERVICE AGREEMENT
(December 12, 2022)

The agreement that is the subject of this docket is currently scheduled to expire on February 28, 2023.[1]

Attached to this notice, as Attachment 1, is a redacted version of Modification Two to the Agreement that is the subject of the docket referenced above. The modification revises Articles 2, 3, 7, 8, 10, 13, and 15 of the Agreement, changes Article 13 so that the Agreement will remain in effect until May 31, 2024, and adds Annexes 1B, 2B, 3B, 4B, 5B, and 6B to the Agreement. The intended effective date of Modification Two is January 22, 2023.

[1] PRC Order No. 5823, Order Approving Modification One and Two to International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Negotiated Service Agreements, Docket Nos. MC2020-159 and CP2020-177, January 21, 2021, at 6.

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 redacted versions of the 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 15, 2020, in this docket.[2] Also, 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 International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 1 to Competitive Product List and Notice of Filing Materials Under Seal, Docket Nos. MC2020-159 and CP2020-177, June 12, 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 nonpublic materials under 39 C.F.R. § 3011.400, or a request for disclosure of materials for which non-public 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 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.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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December 12, 2022

MODIFICATION TWO 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 5, 2020, and by the USPS on June 8, 2020, as amended by Modification One, signed by the Mailer and by the USPS on December 8, 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 thirteen changes to the Agreement.

First, the following paragraph (28) is added to Article 2.

> (28) "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.

Second, Article 3(1) and 3(2) are replaced with the following.

> (1) ☒ PMEI. Every item must comply with the preparation requirements set forth in IMM 220 for Priority Mail Express International. Priority Mail Express International Flat Rate items are not Qualifying Mail under this Agreement.
>
> ☒ PMEI Chargeback
>
> In order to qualify for the rates in the PMEI Annex under the Chargeback Program, PMEI Duty and Tax Chargeback Qualifying Mail items must also comply with the requirements in the PMEI
>
> (2) ☒ PMI. Every item must comply with the preparation requirements set forth in IMM 230 for Priority Mail International. Priority Mail International Flat Rate items are not Qualifying Mail under this Agreement.
>
> ☒ PMI Chargeback
>
> In order to qualify for the rates in the PMI Annex under the Chargeback Program, PMI Duty and Tax Chargeback Qualifying Mail items must also comply with the requirements in the

Third, the section of Article 3(4)(a) that concerns IPA M-bags is replaced with the following:

> ☐ 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

Fourth, Article 3(5) is replaced with the following.

(5) ☒ CeP. Every item must comply with the preparation requirements and payment requirements that the USPS shall provide the Mailer [redacted];

☒ CeP [redacted] Chargeback

In order to qualify for the rates in the CeP Annex under the [redacted] Chargeback Program, CeP Duty and Tax Chargeback Qualifying Mail items must also comply with the requirements in the CeP [redacted]

Fifth, the last paragraph of Article 3 is replaced with the following,

The following is not Qualifying Mail: (a) Any Flat Rate item; (b) any mail or shape not checked above; (c) any mail or shape for which prices for that mail or shape are not included in an Annex to this Agreement; (d) Any item destined for any country included in Country Group E-1 under Supplement No. 1 to Title 15, Code of Federal Regulations, Part 740; (e) Any item addressed to persons or entities identified on the Office of Foreign Assets Control's ("OFAC's") Specially Designated Nationals List, OFAC's Foreign Sanctions Evaders List, the Bureau of Industry and Security's ("BIS's") Denied Persons List, or BIS's Entity List, or subject to active sanctions by the U.S. Department of State pursuant to Executive Order No. 13382; (f) Any item tendered on behalf of third parties or entities identified on OFAC's Specially Designated Nationals List, OFAC's Foreign Sanctions Evaders List, BIS's Denied Persons List, or BIS's Entity List, or subject to active sanctions by the U.S. Department of State pursuant to Executive Order No. 13382; and (g) any item that is not in compliance with any requirements set forth in this Agreement, including addressing, content, or payment requirements.

Sixth, Article 7(6) is replaced with the following.

(6) Monthly Reporting. (a) To provide the USPS with a report, at a frequency to be mutually determined, in a format to be specified by the USPS that states for PMEI, PMI, FCPIS, IPA, IPA M-bags, CeP including Duty and Tax Chargeback Qualifying Mail tendered by the Mailer, the total revenue, pieces, and weights for each product mailed in the preceding month separated by point of tender to the USPS, destination country, and country price group for each permit number that the Mailer has informed the USPS of pursuant to Article 7, Paragraph 4 of this Agreement; this report requirement shall include all refunds presented to the USPS since the last report was tendered and indicate payments made. The final month of the Agreement shall also be reported in accordance with these requirements. (b) Regardless of whether or not the Mailer and USPS have mutually determined the frequency for when Mailer shall provide to USPS the report set forth in Paragraph 6(a) of Article 7, the USPS may request such a report at any time, and Mailer shall provide the report within seven days.

Seventh, Article 7(8) is replaced with the following.

(8) Address Labels and Customs Declarations. To create address labels and Customs declarations for Qualifying Mail using USPS-provided Global Shipping Software (GSS) or other USPS-approved software.

Eighth, Article 7(15) is replaced with the following.

(15) Responsibility. The Mailer, having provided the USPS with Mailer's Permit number and notification of intent to mail under the terms of Article 7 Paragraph 4 of this Agreement, must follow the terms and conditions set forth in this Agreement as they pertain to the preparation of, tender of, and payment for mailings. [redacted]

The Mailer must respond promptly to any inquiries from the Postal Service concerning any item tendered to the Postal Service that includes a Permit number that the Mailer has informed the Postal Service of in accordance with Article 7 Paragraph 4 of this Agreement.

Ninth, the following paragraphs (9) and (10) are added to Article 8.

(9) Until 11:59 p.m. on the day prior to Modification Two Effective Date, the Mailer will continue to pay postage according to Annex 1A, Annex 2A, Annex 3A, Annex 4A and Annex 5A. (10) From 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 4B and Annex 5B attached hereto, subject to the terms and conditions of this Agreement, including Article 15.

Tenth, Article 10 of the Agreement is replaced with the following.

10. Customs Duties and Taxes under the Chargeback Program (1) Customs duties, taxes, and/or fees for Duty and Tax Chargeback Qualifying Mail tendered under this Agreement are the responsibility of the Mailer. (2) In addition to payment of duties and taxes,

. (10)

Eleventh, 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. 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. The Agreement shall remain in effect until May 31, 2024, unless terminated sooner pursuant to Article 14, Article 25, or Article 35.

Twelfth, Article 15 is replaced with the following.

> **15. Postage Updates** (1) From Modification Two Effective Date to the expiration of this Agreement, (2) From Modification Two Effective Date to the expiration of this Agreement,

Thirteenth, Annexes 1B, 2B, 3B, 4B, 5B, and 6B 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 (MC2020-159 and CP2020-177). 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: Rob Ferraro

Name: Rob Ferraro

Title: Director of Specialized Sales

Date 12/8/2022

ON BEHALF OF [redacted]:

Signature: [redacted]

Name:

Title:

Date: 12/8/2022

ANNEX 1B	PMEI ANNEX - PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL
ANNEX 2B	PMI ANNEX - PRICES FOR PRIORITY MAIL INTERNATIONAL
ANNEX 3B	FCPIS ANNEX - PRICES FOR FIRST CLASS PACKAGE INTERNATIONAL SERVICE
ANNEX 4B	IPA ANNEX - PRICES FOR INTERNATIONAL PRIORITY AIRMAIL SERVICE
ANNEX 5B	CeP ANNEX - PRICES FOR COMMERCIAL E-PACKET SERVICE
ANNEX 6B	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)

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

[redacted]

ANNEX 2B PMI ANNEX –
PRICES FOR PRIORITY MAIL INTERNATIONAL QUALIFYING MAIL

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

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

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

[redacted]

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

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

[redacted]

ANNEX 6B 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)

ANNEX 6B 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 [redacted] THAT ARE TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)

[redacted]

Certification of Prices for
International Priority Airmail, Commercial ePacket,
Priority Mail Express International, Priority Mail International
& First-Class Package International Service Contract 1

I, Karen Meehan, Director, International Pricing and Financial Reporting, 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 1. 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 B. Meehan

Digitally signed by Karen B. Meehan
Date: 2022.12.12 11:46:44 -05'00'

Karen Meehan