

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

COMPETITIVE PRODUCT PRICES
GLOBAL EXPEDITED PACKAGE SERVICES 1 (CP2008-5)
NEGOTIATED SERVICES AGREEMENTS

Docket Nos.
CP2008-11
CP2008-12
CP2008-13

**UNITED STATES POSTAL SERVICE RESPONSE TO NOTICE AND ORDER
CONCERNING GLOBAL EXPEDITED PACKAGE SERVICES 1 NEGOTIATED
SERVICE AGREEMENTS AND NOTICE OF FILING REDACTED COPY OF
CERTIFICATIONS**
(August 13, 2008)

In its Order No. 95, the Commission directed the United States Postal Service to provide a detailed justification for why it believes that information, other than the name of the contracting party and the percentages listed, in the certifications and explanations for the relevant Global Expedited Package Services 1 Contracts is considered highly confidential or otherwise entitled to be filed under seal. The Commission also directed the Postal Service to file a redacted version of the certifications if the Postal Service determined that such a filing is appropriate.

The Postal Service has determined that it is appropriate to file redacted versions of the certifications, which are included in this filing. In addition to the names of the contracting parties and the listed percentages, redactions in these documents concern sensitive, commercial information relating to pricing factors that should not be publicly disclosed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business

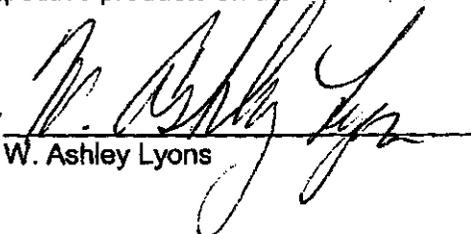
Jacob D. Howley

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-8917; Fax -6187
jacob.d.howley@usps.gov
August 13, 2008

Certification of Prices for the Global Expedited Package Services Contract with [REDACTED]

I, W. Ashley Lyons, Manager, Corporate Financial Planning, Finance Department, United States Postal Service, am familiar with the prices for the Global Expedited Package Services Contract with [REDACTED]. The prices 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 Global Expedited Package Services Contracts, issued May 6, 2008 (Governors' Decision No. 08-7), which established prices by means of price floor and ceiling formulas.

I hereby certify that the numerical [REDACTED] values underlying the prices in the [REDACTED] Contract are the appropriate [REDACTED] to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of [REDACTED] for the applicable prices, exclusive of pickup on demand and international ancillary services fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. In Fiscal Year 2007, all outbound international competitive mail accounted for approximately 11 percent of the total contribution by all competitive products. Contribution from Global Expedited Package Services Contracts should be much smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.


W. Ashley Lyons