

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

COMPETITIVE PRODUCT PRICES
GLOBAL PLUS 1 CONTRACTS (CP2008-9 AND CP2008-10)
NEGOTIATED SERVICES AGREEMENTS

Docket Nos.
CP2009-46
CP2009-47

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING TWO
FUNCTIONALLY EQUIVALENT GLOBAL PLUS 1 CONTRACTS NEGOTIATED
SERVICE AGREEMENTS**

(July 13, 2009)

In accordance with 39 C.F.R. § 3015.5 and Order No. 85,¹ the United States Postal Service (Postal Service) hereby gives notice that the Postal Service has entered into two additional Global Plus 1 contracts. Prices and classifications not of general applicability for Global Plus 1 Contracts were previously established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Plus Contracts, issued on May 28, 2008 (Governors' Decision No. 08-8).² The Postal Regulatory Commission (Commission) has determined that the individual Global Plus contracts filed in Docket Nos. CP2008-9 and CP2008-10 are functionally equivalent and should be included in the Global Plus 1 product on the Competitive Products List.³ The Postal Service demonstrates below that the instant

¹ PRC Order No. 85, Order Concerning Global Plus Negotiated Service Agreements, Docket Nos. CP2008-8, CP2008-9, and CP2008-10, June 27, 2008.

² A redacted copy of this decision was filed as an attachment to the United States Postal Service Notice of Filing Redacted Copy of Governors' Decision No. 08-8, Docket Nos. CP2008-8, CP2008-9, and CP2008-10, June 16, 2008. An unredacted copy of the decision, as well as a record of proceedings, was filed under seal with the Postal Service's Notice of Governors' Decision Establishing Prices and Classifications for Global Plus Contracts, Docket No. CP2008-8, June 2, 2008.

³ Order No. 85 at 11.

agreements are functionally equivalent to the previously submitted Global Plus 1 agreements.

Indeed, the instant contracts are the immediate successors to the agreements that the Commission found to be functionally equivalent in Order No. 85. While there are evolutionary changes over last year's versions, these changes do not detract from these contracts' functional equivalency to those at issue in Docket Nos. CP2008-9 and CP2008-10. If anything, the changes only enhance the agreements' functional equivalency to one another. Accordingly, these contracts should be included within the Global Plus 1 product, and the Postal Service respectfully requests that they be considered the new "baseline" contracts for future functional equivalency analyses concerning this product.

The contracts and supporting documents establishing compliance with 39 U.S.C. § 3633 and 39 C.F.R. § 3015.5 are being filed separately under seal with the Commission. Redacted versions of each contract are included with this filing as Attachments 1-A and 1-B, and redacted versions of the certified statements required by 39 C.F.R. § 3015.5(c)(2) are included as Attachments 2-A and 2-B, respectively.

I. Identification of the Additional Global Plus 1 Contracts

The Postal Service believes that these additional Global Plus 1 contracts fit within the Mail Classification Schedule (MCS) language included as Attachment A to Governors' Decision No. 08-8. These agreements are the immediate successors and counterparts of the Global Plus 1 contracts at issue in Docket Nos. CP2008-9 and CP2008-10, which are scheduled to expire soon. The instant agreements are set to expire one year after their respective effective dates, which are set forth expressly in the

contracts but subject to the conclusion of any necessary regulatory reviews and/or approvals.

II. Confidentiality

The Postal Service maintains that certain portions of the contracts, related financial information, names and identifying information of Global Plus 1 customers, and certain portions of the certified statement required by 39 C.F.R. § 3015.5(c)(2) should remain confidential.⁴ Related financial data and portions of the certified statement contain cost and pricing information showing how prices are developed. Prices and other financial terms in a contract such as this one are highly confidential in the business world, and the Postal Service protects them in accordance with industry standards. Public disclosure would compromise the ability of the Postal Service and individual shippers to negotiate favorable shipping services contracts in the future. Names of customers should remain confidential due to the substantial likelihood that the Postal Service's competitors would use such information to target their efforts and undercut the Postal Service's prices. This information is clearly of a commercial nature, and the Postal Service is aware of no competitor or private company of comparable size and scope that releases such information to the public.

III. Functional Equivalence of Global Plus 1 Contracts

The Global Plus 1 contracts under consideration are functionally equivalent to each other, in that they share similar cost and market characteristics, and they therefore should be classified as a single product. In Order No. 85, the Commission concluded

⁴ Because the Commission's recently established rules on confidentiality have not yet taken effect, the Postal Service submits this justification for consideration consistent with the Commission's prior practice. See PRC Order No. 255, Final Rule Establishing Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009, at 20 (ordering the rules to take effect 30 days after publication in the Federal Register).

that, despite different revenue thresholds, the two Global Plus 1 contracts at issue were “functionally equivalent in all pertinent respects.”⁵ Although the Global Plus 1 contracts filed in Docket Nos. CP2008-9 and CP2008-10 may have exhibited minor differences that reflected the customers’ different negotiations, operational needs, and histories of dealings with the Postal Service, the current versions of these customers contracts’ are virtually identical except for the precise method for structuring the discounts offered. Given that these customers are similar in their relevant customer characteristics, this similarity in agreements is appropriate and does not produce an implicit lack of functional equivalence. Therefore, the Postal Service respectfully submits that the two agreements are functionally equivalent to each other and should be grouped together as a single product.

In addition, the two agreements are functionally equivalent to those reviewed in Docket Nos. CP2008-9 and CP2008-10, with the result that the instant contracts should be categorized within the Global Plus 1 listing on the Competitive Products List. In its Order No. 85, the Commission held that “[a]ny future Global Plus contracts having substantially the same terms and conditions as the Global Plus 1 contracts [filed in Docket Nos. CP2008-9 and CP2008-10] may be filed under Section 3015.5 of the Commission’s rules,” with an “identif[ication of] all significant differences between the new contract and the pre-existing product group. Such differences would include terms and conditions that impose new obligations or new requirements on any party to the agreement.”⁶ The Global Plus 1 contracts in the instant proceedings are made with the same Postal Qualified Wholesalers (PQWs) as the parties to the contracts in Docket

⁵ Order No. 85, at 8.

⁶ Order No. 85, at 8-9.

Nos. CP2008-9 and CP2008-10.⁷ Although many of the terms and conditions have changed as a result of experience and negotiation, the substance of the fundamental terms and conditions remains essentially the same: the Postal Service is providing PQW customers with price-based incentives to commit to large amounts of mail volume or postage revenue for International Priority Airmail (IPA), International Surface Air Lift (ISAL), Express Mail International (EMI), and Priority Mail International (PMI).⁸

In addition to cosmetic differences, updates to account for changes in generally applicable Postal Service policies and product structures, and additional terms that simply clarify the applicability of Postal Service policies and export requirements, the Postal Service offers the following identification of material changes, including those that impose new obligations or requirements:

- Retroactivity: Provisions in the former contracts allowed for preemptive application of contractual rates, with a requirement of repayment in the event of non-approval or other unsuccessful regulatory review. In accordance with the Commission's Order No. 85, these were removed.⁹ In addition, several clauses were added to clarify that various aspects, such as the effective date

⁷ The Postal Service incorporates by reference the arguments about functional equivalency presented at pages 2 through 4 of its Response to Order No. 81 and Notice of Filing Information Response to Part 3020 of the Commission's Rules of Practice and Procedure, Docket Nos. CP2008-8, CP2008-9, and CP2008-10, June 13, 2008, as well as the facts and explanations contained in the Statement of Supporting Justification by Frank Cebello, Executive Director, Global Business Management, which was submitted as Attachment A to that filing.

⁸ The commitments also account for Global Bulk Economy and Global Direct items mailed under a separate but related Global Plus 2 contract with each customer. As befitting their distinct entry on the Competitive Products List, these Global Plus 2 contracts are the subject of a separate competitive products proceeding.

⁹ Order No. 85 at 9-10; see also Request of the United States Postal Service to Add Global Plus 2 Negotiated Service Agreements to the Competitive Product List, and Notice of Filing (Under Seal) of Two Functionally Equivalent Agreements, Docket Nos. MC2008-7, CP2008-16 and CP2008-17, August 8, 2008, at 9 (advising that "the Postal Service no longer intends to present future contracts to the Commission with retroactivity provisions").

and any price increases, may be subject to prior and ongoing regulatory oversight.

- Third-Party Impacts: The Global Plus 1 contract filed in Docket No. CP2008-9 included an article regarding enforcement of mailing requirements. This is not present in either contract submitted presently.
- Entry Locations: Under the former Global Plus 1 contracts, the customers could only tender IPA and ISAL at International Service Centers (ISCs). These contracts permit such mail to be entered at Bulk Mail Entry Units (BMEUs) as well. This applies to IPA and ISAL M-Bags as well as other IPA and ISAL. This does not pose a substantial difference in cost or market characteristics, because discounts will be based on established prices being paid for BMEU acceptance.
- Price Incentives, Commitments, and Penalties: The precise levels of the price-based incentives, commitments, and penalties for non-achievement of commitments differ from those in last year's contracts, due to the course of negotiations, the customers' mailing histories, and the agreed-upon commitment levels. For the same reasons, the commitments and penalties have been restructured so as to be more narrowly tailored to certain product groupings. These prices continue to fulfill the formulae and MCS description established by the Governors for Global Plus 1 Contracts, and these

innovations in structure do not affect the essence of the bargain, which remains the same (price incentives in exchange for volume and/or revenue commitments, and penalties for failure to achieve those commitments).

- Preservation, Relation to Other Global Plus Contracts: Consistent with at least one other recent competitive international Negotiated Service Agreement,¹⁰ the parties have included a provision to clarify their continuing obligations to one another in the event of termination, with such limited qualifications as the evaluation of commitment fulfillment on a *pro rata* basis. In addition, language has been added to incorporate each customer's Global Plus 1 and Global Plus 2 instruments into a single contractual corpus for legal purposes, and to clarify that obligations under existing Global Plus 1 contracts might continue in force. These clauses are intended as clarification and not as fundamental changes to the bargains embodied in the prior contracts. In any event, they do not affect the agreements' cost and market characteristics.

In the Postal Service's view, these updated provisions simply add detail or elaboration to processes that were included in the prior Global Plus 1 contracts. Because these agreements, as well as the two filed previously, incorporate the same cost attributes and methodology, the relevant cost and market characteristics are similar, if not the same, for the Global Plus 1 contracts. The Postal Service does not

¹⁰ See Notice of the United States Postal Service Filing of Functionally Equivalent Global Direct Contracts Negotiated Service Agreement, Docket No. CP2009-29, May 1, 2009, at 6.

consider that the specified differences affect either the fundamental service the Postal Service is offering or the fundamental structure of the contracts.

Thus, in terms of cost and market characteristics, these agreements are substantially similar both to one another and to the precursor Global Plus 1 contracts. Nothing detracts from the conclusion that these agreements are “functionally equivalent in all pertinent respects.”¹¹

IV. Conclusion

For the reasons discussed above, and on the basis of the financial data filed under seal, the Postal Service has established that these new Global Plus 1 contracts are in compliance with the requirements of 39 U.S.C. § 3633 and are functionally equivalent to each other and to prior Global Plus 1 contracts. Accordingly, these contracts should be added to the existing Global Plus 1 product and treated as the new “baseline” agreements for consideration of future such agreements’ functional equivalency.

Respectfully submitted,

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¹¹ PRC Order No. 85 at 8.

**GLOBAL PLUS 1 SERVICE AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**

[REDACTED]

This Agreement (“Agreement”) is between [REDACTED] (“Mailer”), with offices at [REDACTED] and the United States Postal Service (“USPS”), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L’Enfant Plaza SW, Washington, DC 20260-9998. The Mailer and the USPS may be referred to individually as a “Party” and together as the “Parties.”

INTRODUCTION

WHEREAS, the Parties desire to enter into a non-exclusive relationship whereby the USPS will provide certain products and/or services to the Mailer pursuant to the terms and conditions contained herein;

WHEREAS, the Parties acknowledge and understand that the commencement of performance under this Agreement is subject to the approval of various entities with oversight responsibilities, which may include but not be limited to the USPS management’s Executive Committee, the USPS Governors, and/or the Postal Regulatory Commission. Accordingly, the Mailer acknowledges and understands that the ability of the USPS to perform under this Agreement may not occur;

WHEREAS, in light of the aforementioned acknowledgements, the Parties desire to be bound by the terms of this Agreement as well as the terms of Exhibit A of this Agreement entitled: ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS TO THIS AGREEMENT INCORPORATED BY REFERENCE;

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties hereby agree as follows:

ARTICLE 1. PURPOSE OF THE AGREEMENT

This Agreement shall govern the use the Mailer may make of customized mail service for International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International service, and Priority Mail International service.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. “IMM” means the *International Mail Manual* as found on the USPS website pe.usps.gov on the date of mailing.
2. “DMM” means the *Domestic Mail Manual* as found on the USPS website pe.usps.gov on the date of mailing.
3. “IPA” means International Priority Airmail service.
4. “ISAL” means International Surface Air Lift service.

5. "EMI" means Express Mail International service with the exception of the Express Mail International Flat-Rate Envelope.
6. "PMI" means Priority Mail International service with the exception of the Priority Mail International Flat-Rate Envelope, Priority Mail International Small Flat-Rate Box, Priority Mail International Regular/Medium Flat-Rate Box, and the Priority Mail International Large Flat-Rate Box.
7. "GBE" means Global Bulk Economy service. Global Bulk Economy service provides for letter-post items dispatched in bulk via surface transportation.
8. "Global Direct" or "GD" means mail that conforms to the size, shape, and mail piece specifications as determined by a postal administration other than the USPS and is mailed in the United States for intended delivery in a country other than the United States by the postal administration of that country.
9. "M-bags" means special sacks for printed matter directed to a single address in another country.
10. "United States" means the United States of America, its territories and possessions.
11. "Qualifying Mail" means any mail that meets the requirements set forth in Article 3 of this Agreement.
12. "Non-Qualifying Mail" means any mail that does not meet the requirements set forth in Article 3 of this Agreement.
13. "Effective Date" means the first date on which the USPS is willing to accept Qualifying Mail.

ARTICLE 3. QUALIFYING MAIL

Only mail that meets the following requirements shall qualify as Qualifying Mail except as those requirements conflict with the applicable specific preparation requirements set forth in Article 4.

1. IPA. Every item must comply with the preparation requirements set forth in IMM 292 for International Priority Airmail service.
2. ISAL. Every item must comply with the preparation requirements set forth in IMM 293 for International Surface Air Lift service.
3. EMI. Every item must comply with the preparation requirements set forth in IMM 220 for Express Mail International. The Express Mail International Flat-Rate Envelope is not Qualifying Mail under this Agreement.
4. PMI. Every item must comply with the preparation requirements set forth in IMM 230 for Priority Mail International. The Priority Mail International Flat-Rate Envelope, Priority Mail International Small Flat-Rate Box, Priority Mail International Regular/Medium Flat-Rate Box, and the Priority Mail International Large Flat-Rate Box are not Qualifying Mail under this Agreement.
5. IPA and ISAL M-bags. Every item must comply with the preparation requirements set forth in IMM 260 for direct sacks of printed matter to one addressee.

ARTICLE 4. SPECIFIC PREPARATION REQUIREMENTS

1. Mailings of Qualifying Mail must be kept separate from any other type of mail the Mailer tenders.
2. International mailings must be separated from domestic mailings.
3. For EMI and PMI mailed under this Agreement, the Mailer must use Permit Imprint as the method of payment and IMM 152.4 shall apply.
4. Mailings of EMI and PMI must be accompanied by a postage manifest.
5. Mailings of IPA and ISAL may be tendered to the USPS without a country name in the delivery address provided the items are contained in properly labeled direct country receptacles.
6. Mailer may apply to the USPS in writing in the event the Mailer wishes an exception(s) to the requirements set forth in IMM 220, IMM 230, IMM 260, IMM 292, or IMM 293.
7. For IPA and ISAL, each shipment presented to the USPS must have a minimum of five hundred (500) pounds of Qualifying Mail. Each shipment may include multiple statements for IPA and ISAL.
 - a. The minimum of five hundred (500) pounds of Qualifying IPA and ISAL for each shipment presented to the USPS does not apply to the Miami International Service Center of the Miami Processing and Distribution Center.
 - b. The Seattle WA, location is to be used only for mailings intended for delivery in Canada.
 - c. All shipments must be presented at the following USPS locations.

JOHN F KENNEDY AIRPORT MAIL CTR
US POSTAL SERVICE
JOHN F KENNEDY INTERNATIONAL AIRPORT BLDG 250
JAMAICA NY 11430-9998

NORTH TEXAS P&DC
US POSTAL SERVICE
951 W BETHEL RD
COPPELL TX 75099-8811

JT WEEKER INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
OHARE INTERNATIONAL AIRPORT
514 EXPRESS CENTER DR
CHICAGO IL 60688-9998

LOS ANGELES INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
5800 W CENTURY BLVD
LOS ANGELES CA 90009-9998

SAN FRANCISCO INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
2650 BAYSHORE BLVD
DALY CITY CA 94013-1631

USPS SEATTLE AIR MAIL FACILITY
16601 AIR CARGO RD
SEATTLE WA 98158-9741

MIAMI INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
11698 NW 25TH ST
MIAMI FL 33112-9997

MIAMI PROCESSING AND DISTRIBUTION CTR
US POSTAL SERVICE
2200 NW 72ND AVE
MIAMI FL 33152-9997

8. The Mailer is not required to place a facing slip on bundles placed in IPA and ISAL Direct Country Sacks. The Mailer is required to place a facing slip on bundles placed in IPA and ISAL Mixed Country Sacks.
9. Mailings of IPA and ISAL Qualifying Mail may bear an approved non-barcode PS-Form 2976 USPS Customs Declaration CN 22.
10. Mailings of letter-size and flat-size IPA and ISAL Qualifying Mail may be presented in trays upon approval.

ARTICLE 5. NON-QUALIFYING MAIL

The USPS, at its option and without forfeiting any of its rights under this Agreement, may either refuse to accept Non-Qualifying Mail or accept Non-Qualifying Mail at the applicable published rates.

ARTICLE 6. OBLIGATIONS OF THE USPS

The USPS hereby agrees:

1. Supplies. To furnish the Mailer or its agent(s) with the postal equipment and postal supplies required for the use of Qualifying Mail.
2. Training. To provide the Mailer or its agent(s) with the preparation requirements for Qualifying Mail and any training necessary to prepare mail in conformity with the requirements for Qualifying Mail.
3. Reporting. To provide the Mailer with a report regarding postage paid by the Mailer to the USPS, by month, for Qualifying IPA, ISAL, EMI, and PMI. The USPS will provide this report on a quarterly basis and shall include the:
 - a. Customer name and permit number;
 - b. Date of the mailing statement;
 - c. Service / product; and
 - d. Postage paid.

4. Transportation. To arrange with carriers to transport Qualifying Mail to international destinations for delivery by the appropriate authority.
5. Customs Notification. To send, at the Mailer's request, an electronic data file for EMI to Japan and Singapore, and to send, at the Mailer's request, an electronic data file for PMI to Singapore, that will allow the Customs officials to review the contents of each shipment before the packages arrive.
6. Undeliverable Items. To return:
 - a. EMI items refused by an addressee and undeliverable EMI items to the Mailer via Express Mail at no charge provided that the return rate is no more than four percent (4.00%) of the total volume.
 - b. PMI items refused by an addressee and undeliverable PMI items to the Mailer according to the provisions of IMM 771.

ARTICLE 7. OBLIGATIONS OF THE MAILER

The Mailer hereby agrees:

1. Tender Amount. To tender to the USPS mail intended for delivery outside the United States that generates at least:
 - a. [REDACTED] in combined actual postage calculated after all discounts have been applied for IPA, ISAL, GBE, GD, EMI and PMI during the term of this Agreement; and
 - b. Of the [REDACTED] commitment in Paragraph (a) above, [REDACTED] must be in combined actual postage calculated after all discounts have been applied for EMI and PMI, during the term of this Agreement; or
 - c. A combined actual volume of [REDACTED] pieces of EMI and PMI may substitute for the requirement of [REDACTED] in actual postage calculated after all discounts have been applied for EMI and PMI in Paragraph (b) above during the term of this Agreement.
2. Tender Locations. To tender:
 - a. IPA Qualifying Mail including IPA M-bags in drop shipments to the appropriate locations specified in IMM 292.531 and the USPS Seattle Air Mail Facility, 1661 Air Cargo Road, Seattle, WA 98158-9741. The Seattle, WA, location is to be used only for mailings intended for delivery in Canada. Mailings tendered at these locations are subject to Drop Ship prices.
 - b. IPA Qualifying Mail including IPA M-bags at USPS Bulk Mail Entry Units. Mailings tendered at these locations are subject to Full Service prices.

- c. ISAL Qualifying Mail including ISAL M-bags in drop shipments to the appropriate locations specified in IMM 293.531 and the USPS Seattle Air Mail Facility, 1661 Air Cargo Road, Seattle, WA 98158-9741. The Seattle WA, location is to be used only for mailings intended for delivery in Canada. Mailings tendered at these locations are subject to Drop Ship prices.
 - d. ISAL Qualifying Mail including ISAL M-bags at USPS Bulk Mail Entry Units. Mailings tendered at these locations are subject to Full Service prices.
 - e. One hundred percent (100%) of EMI Qualifying Mail in drop shipments at any USPS International Service Center location. EMI Qualifying Mail may not be tendered at Coppell, TX, Seattle, WA, or at the Miami Processing and Distribution Center.
 - f. One hundred percent (100%) of PMI Qualifying Mail in drop shipments at any USPS International Service Center location. PMI Qualifying Mail may not be tendered at Coppell, TX, Seattle, WA, or at the Miami Processing and Distribution Center.
3. Advance Notification. To provide:
- a. The Manager, Customized Mail, via e-mail to icmusps@usps.gov, with notification of intent to drop ship mail at a specific location two weeks before the initial shipment to that location.
 - b. The Manager, Customized Mail, via e-mail to icmusps@usps.gov, with notification of new permit numbers used for Qualifying Mail, one week in advance of using the new numbers. The message should include the permit number, the city, state, and ZIP Code where the permit is held, and the name of the permit owner. The message should also include a requested effective date.
 - c. The appropriate USPS acceptance sites with notification if the intended volume of mail to be presented varies more than twenty-five percent (25.00%) higher or lower than normal daily volumes. The Mailer shall make every effort to inform the appropriate USPS acceptance sites at least forty-eight (48) hours in advance of presenting the mail.
4. Payment of Postage. To pay postage to the USPS, either directly or through a mailing agent:
- a. For IPA and ISAL services by use of a USPS approved Alternate Mailing System (AMS) for total postage due subject to the conditions stated in DMM 705.4.
 - b. For EMI and PMI Qualifying Mail by use of a permit imprint subject to the conditions stated in DMM 604.5, with the exception that DMM 604.5.1.1 shall not apply.
5. Monthly Reporting. To provide the USPS with a report, at a frequency to be mutually determined, in a format to be specified by the USPS, stating, for IPA, ISAL, EMI, and PMI:

- a. 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 owned by the Mailer under this Agreement. The Mailer will undertake all reasonable efforts to provide the same information for each permit holder mailing under this Agreement;
 - b. This requirement shall include the final month of the Agreement.
6. Receptacle Barcoding. To place on each receptacle containing either IPA or ISAL mailings, a barcode prepared in accordance with the specifications in Annex 1.
7. Information Link. To establish a secure data connection with the USPS in order to ensure that the USPS can receive the necessary information for Customs clearance as well as the data needed to monitor the proper prices and country destination of the Mailer's packages. The Mailer will be responsible for all aspects of service quality of the information link, interconnectivity, and interoperability of network services of such data connection, which shall be available under commercially reasonable standards but shall be capable of ensuring that the data for all Qualifying Mail under this Agreement are available to USPS.
8. Customs Declarations and Address Labels. To create customs declarations and address labels for EMI and PMI Qualifying Mail:
 - a. Using USPS-provided Global Shipping Software (GSS) or functionally equivalent software;
 - b. In the event that the Mailer decides to use functionally equivalent software not provided by the USPS, the Mailer must seek the approval of the USPS prior to deploying such software, which shall not be unreasonably withheld. Mailer agrees that if deploying such functionally equivalent software, Mailer will provide any reasonable information necessary for the USPS to perform the necessary due diligence to determine the appropriateness and capabilities of such software, which shall include but not be limited to such software's ability to provide adequate information regarding Qualifying Mail as well as the overall security standards of said software. Mailer acknowledges that such due diligence may require physical site review.
9. Customs and Export Documentation. To provide any necessary documentation, including data provided in electronic format, in connection with each mailing, in the form and at the time specified by the USPS, Customs & Border Protection, Transportation Security Administration, the U.S. Census Bureau, a destination country foreign government, or other authority. The Mailer further understands that the failure to provide any such required documentation may result in refusal at acceptance, delay in processing, involuntary seizure by Customs authorities, and/or return of mail to sender.

10. Customs and Export Requirements. To comply with any regulation or order promulgated by the USPS, Customs & Border Protection, Transportation Security Administration, the U.S. Census Bureau, a destination country foreign government, or other governmental unit with jurisdiction over mail, to facilitate the Customs processing of its mail, according to any requirements specified by those authorities.
11. Responsibility. To ensure that all entities mailing under the aegis of this Agreement, having provided the USPS with a permit number and notification of intent to mail under the terms of Paragraph 3 above, follow the terms and conditions set forth in this Agreement as they pertain to the preparation and tender of mailings.

ARTICLE 8. POSTAGE PRICES

In consideration of Article 7.1, and in accordance with Article 9 but subject to Article 13:

1. For IPA and ISAL,
 - a. The Mailer will receive a discount of [REDACTED] off the non-discounted published prices for IPA and ISAL Qualifying Mail in effect on the date of mailing;
 - b. The Mailer will receive an additional discount of [REDACTED] off the non-discounted published prices for IPA and ISAL Qualifying Mail in effect on the date of mailing to be paid in the form of a rebate to the Mailer. The rebate shall be calculated quarterly based upon the Effective Date of this Agreement. The USPS shall pay the rebate to the Mailer via a paper check mailed within forty-five (45) days of the end of the relevant quarter.
2. For EMI and PMI, the Mailer will pay postage according to the price charts in Annex 2.

ARTICLE 9. APPROVAL OF PRICES

The discounts in Article 8 Paragraph 1. (a) and (b) for IPA and ISAL and the prices for EMI and PMI in Annex 2 are contingent upon any and all necessary approvals for corresponding USPS prices by the USPS Governors, the USPS Board of Governors, the USPS Pricing Steering Committee, and/or the United States Postal Regulatory Commission.

ARTICLE 10. SUSPENSIONS OF MAIL SERVICE

In the event that a suspension of mail service from the United States to a given country would prevent delivery of Qualifying Mail to addressees in that country, the Mailer shall not tender Qualifying Mail to the USPS until service is restored. Under these circumstances, the Mailer shall have the option to make alternative arrangements for the delivery of Qualifying Mail without penalty. The annualized minimum volume commitment for Qualifying Mail shall be recalculated *pro rata* to reflect the reduction in available service time.

ARTICLE 11. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with United States federal law.

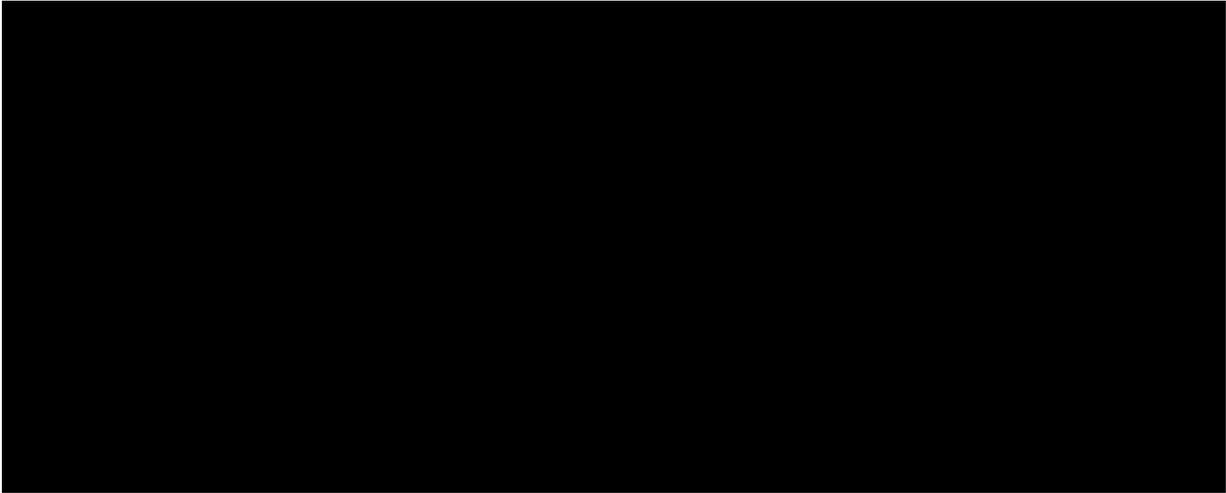
ARTICLE 12. TERM OF THE AGREEMENT

1. The Effective Date of this Agreement shall be 12:01 a.m. on August 1, 2009. The Agreement will remain in effect until midnight on July 31, 2010, unless terminated sooner pursuant to Article 14.
2. The Mailer acknowledges that this Agreement is subject to regulatory oversight and such oversight might affect the Effective Date.
3. The USPS will notify the Mailer of the status of the approval process or of potential fulfillment of the approval process, when major steps in the process are completed. The USPS also will respond to Mailer inquiries concerning the status of the process.

ARTICLE 13. PENALTY AND REIMBURSEMENT

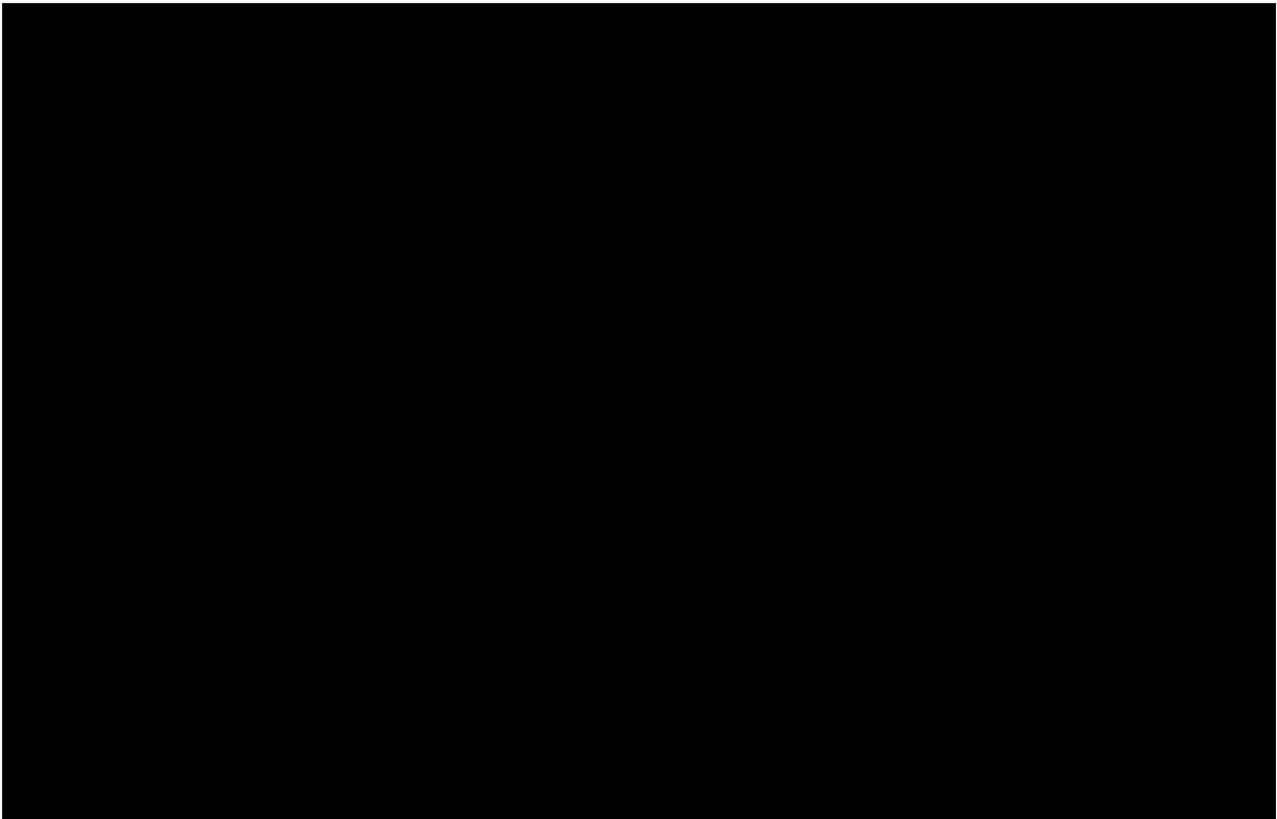
1. If the Mailer tenders to the USPS IPA and ISAL Qualifying Mail combined with GBE and GD mail that generates [REDACTED]
[REDACTED] the Mailer must:
 - a. Pay to the USPS a penalty of [REDACTED]
[REDACTED]
 - b. [REDACTED]
[REDACTED]
2. Notwithstanding Paragraph 1 above, if the mailer does not tender to the USPS IPA, ISAL, GBE and GD that generates [REDACTED]
[REDACTED], the Mailer must reimburse the USPS [REDACTED]
[REDACTED] in accordance with Schedule 13.1.

Schedule 13.1



3. If the Mailer does not tender to the USPS EMI and PMI Qualifying Mail that generates [REDACTED] or does not tender to the USPS [REDACTED] of EMI and PMI combined during the term of this Agreement, the Mailer must pay the USPS according to Schedule 13.2.

Schedule 13.2



4.



5.



6. Should payment be due under the terms of this Article, payment must be made no later than three (3) months after the date the USPS informs the Mailer of the amount of the required payment. If the USPS does not receive payment within three (3) months after the date the USPS informs the Mailer of the amount of the required payment, any customized agreement in effect shall be terminated on a date the USPS shall determine.
7. Any GBE and GD mail tendered pursuant to a separate customized agreement between the Parties shall be applicable to the revenue guarantees set forth in this Article.
8. For purposes of calculating the payments detailed in this Article, postage paid for IPA, ISAL, GBE, GD, EMI, and PMI shall be counted from August 1, 2009.

ARTICLE 14. TERMINATION OF THE AGREEMENT

Either Party to this Agreement, in its sole discretion, may terminate this Agreement for any reason, by giving the other Party a thirty (30) day written notification, unless a time frame longer than thirty (30) days that falls within the term of the Agreement is indicated by the terminating Party. In the event that this Agreement is terminated before midnight on July 31, 2010, the Mailer remains bound by the terms of Article 7 Paragraph 5 and Article 13, except that the Mailer's obligation, if any, under Articles 7 and 13 shall be calculated on a *pro rata* basis to reflect the actual duration of the agreement.

ARTICLE 15. POSTAGE UPDATES

1. In the event that the USPS incurs an increase in total costs   associated with providing any one of the categories of Qualifying Mail, the USPS reserves the right to notify the Mailer and modify the prices for that service established under this Agreement.
2. The prices in Annex 2 are related to the non-discounted published postage for EMI and PMI. In the event that the non-discounted published postage for EMI and PMI should change during the term of this Agreement, the prices in Annex 2 may also change. The discount applied to IPA and ISAL is related to the non-discounted published postage for these services. In the event that the non-discounted published postage for IPA and ISAL should change during the term of this Agreement, the discount applied to these services may also change. Such

changes to the prices in Annex 2 and the discount applied to IPA and ISAL shall be calculated using the same assumptions and constraints used to determine the prices in the existing Annex 2 and the existing discount for IPA and ISAL.

3. The USPS will give the mailer thirty-five (35) days notice of changes in the prices in Annex 2 or the discount applied to International Priority Airmail (IPA) or International Surface Air Lift (ISAL).
4. Any revision to the prices in Annex 2 or the discount applied to IPA or ISAL shall not be retroactive.
5. No price shall increase beyond the non-discounted published prices for the affected service.
6. All price increases under the provisions of this Article will be subject to review and oversight by the USPS Governors, the USPS Board of Governors, and/or the United States Postal Regulatory Commission.

ARTICLE 16. NO SERVICE GUARANTEE

Nothing in this Agreement shall be construed as a representation or guarantee by the USPS that Qualifying Mail will be delivered to the appropriate addressees within any particular time.

ARTICLE 17. CUSTOMS DUTIES AND TAXES

Customs duties and taxes for packages mailed under this Agreement are the responsibility of the addressee.

ARTICLE 18. INDEMNITY

The Mailer shall indemnify and save harmless the USPS and its officers, agents, and employees from any and all claims, losses, costs, damages, or expenses growing out of, or connected in any other way with the discharge by the Mailer of any undertaking contained in this Agreement, except for Claims arising out of the negligence or willful misconduct of the USPS or of its officers, agents, or employees. Notwithstanding its obligation to indemnify the USPS, the Mailer shall not be liable for any consequential damages suffered by the USPS.

ARTICLE 19. LIMITATION OF LIABILITY: INSURANCE

1. Except as noted in Paragraphs 2 and 3 of this Article, the liability of the USPS under this Agreement shall be limited to the refund of postage for Qualifying Mail that is lost or destroyed in bulk after being tendered to the USPS and prior to being received by the delivery authority outside of the United States. The USPS shall not be liable for any actual or consequential damages suffered by the Mailer as a result of late delivery or non-delivery of Qualifying Mail. Qualifying Mail mailed under this Agreement is not insured against delay in delivery. Neither indemnity payments nor postage refunds will be made in the event of delay.
2. EMI items that are tendered to the USPS under the terms of this Agreement include document reconstruction insurance for non-negotiable documents up to one hundred dollars (\$100.00), and merchandise insurance up to one hundred

dollars (\$100.00), at no additional charge. Insurance is provided against loss, damage, or rifling. Optional additional merchandise insurance over one hundred dollars (\$100.00) may be purchased for an additional fee, subject to the maximum indemnity available to the country of destination. EMI items that are tendered to the USPS under the terms of this Agreement are not insured against delay in delivery. Indemnity is payable in accordance with IMM 221.3 and IMM 935; and DMM 609 and DMM 503.

3. Except as noted in Paragraph 4 of this Article, PMI items that are tendered to the USPS under the terms of this Agreement include indemnity coverage against loss, rifling, or damage at no additional charge. Indemnity is limited to the lesser of the actual value of the contents or the maximum indemnity based on the weight of the item. PMI items that are tendered to the USPS under the terms of this Agreement are not insured against delay in delivery. Indemnity will be paid in accordance with IMM 230 and IMM 933.
4. For a separate fee, PMI parcels may be insured against loss, rifling, or damage. Indemnity is based on the actual value of the article at the time of mailing and is limited to the amount of insurance purchased by the fee paid. Insured mail is not available to all countries and is subject to the maximum indemnity limits of the destination country. If insured mail service is purchased, it replaces the ordinary parcel indemnity specified in Paragraph 3. Indemnity will be paid in accordance with IMM 320, IMM 932, and IMM 933.
5. The USPS bears no responsibility for the refund of postage in connection with actions taken by Customs authorities.

ARTICLE 20. FORCE MAJEURE

Neither Party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, and labor disputes or shortages; governmental laws, ordinances, rules and regulations, whether valid or invalid; court orders, whether valid or invalid; inability to obtain material, equipment, or transportation; and any other similar or different contingency.

ARTICLE 21. NO WAIVER

The failure of either Party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but these shall continue and remain in full force and effect as if such forbearance or waiver had not occurred.

ARTICLE 22. NUMBER AND GENDER

The use of any particular gender or the plural or singular number in this Agreement is intended to include the other gender or number as the text may require.

ARTICLE 23. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the Parties agree that the remaining provisions shall be deemed to be in full force and effect.

ARTICLE 24. ASSIGNMENT

The rights of each Party under this Agreement are personal to that Party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other Party. Granting such consent shall not be unreasonably withheld and shall be allowed for assignment to a subsidiary or affiliate of the Mailer.

ARTICLE 25. PARAGRAPH HEADINGS

The titles to the paragraphs of this Agreement are solely for the convenience of the Parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

ARTICLE 26. ENTIRE AGREEMENT

1. This Agreement, Global Plus 1 Service Agreement, including all Exhibits, Schedules, and Annexes thereto for Qualifying International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International service (EMI), and Priority Mail International service (PMI) along with the companion Global Plus 2 Service Agreement, including all Exhibits, Schedules, and Annexes thereto for Qualifying Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail shall constitute the entire agreement between the Parties as it pertains to Qualifying International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International service (EMI), Priority Mail International service (PMI), Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail, intended for delivery outside the United States. Any prior understanding or representation of any kind preceding the date of this Global Plus 1 Agreement and the companion Global Plus 2 Agreement regarding the use of said Qualifying Mail originating in the United States and intended for delivery outside the United States shall not be binding upon either Party except to the extent incorporated in this Agreement.
2. Neither the Mailer nor the USPS is released from any obligations arising under the Global Plus Service Agreement between the Mailer and the USPS executed by the Mailer on April 29, 2008, and by the USPS on April 30, 2008; and the Global Plus Service Agreement between the Mailer and the USPS executed by both the Mailer and the USPS on June 19, 2008.

ARTICLE 27. MODIFICATION

1. Any modification of or Amendment to this Agreement or additional obligation assumed by either Party in connection with this Agreement, with the exception of changes to prices under the terms of Article 15 and updates to the International Mailer Label Specifications in Annex 1, shall be binding only if placed in writing and signed by each Party.
2. Modifications may be contingent upon any and all necessary approvals by USPS management's Executive Committee, the Board of Governors of the USPS, the Governors of the USPS, the Postal Regulatory Commission, the Antitrust Division of the Department of Justice, the Federal Trade Commission and/or any other governmental body with oversight responsibility for the USPS.
3. If such approvals are required, the modifications will not become effective until such time as all necessary approvals are obtained.
4. The USPS will notify the Mailer of the date the modification becomes effective within thirty (30) days after receiving the approval of the entities that have oversight responsibility for the USPS.
5. The USPS will notify the Mailer of the status of the approval process or of potential fulfillment of the approval process, when major steps in the process are completed. The USPS also will respond to Mailer inquiries concerning the status of the process.

ARTICLE 28. MAILABILITY AND IMPORTABILITY

All items mailed under this Agreement must conform to the export requirements of the United States, the mailability requirements of the USPS as detailed in IMM 130, and any importation restrictions of any destination country. The Mailer is solely responsible for the importation status of Qualifying Mail mailed under this Agreement as detailed in IMM 112.

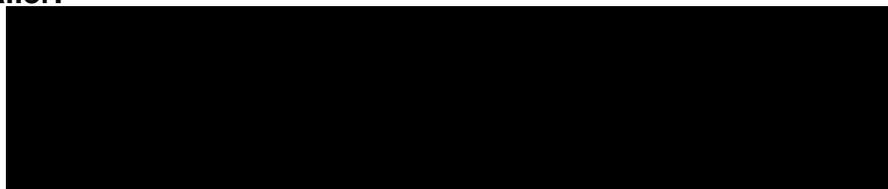
ARTICLE 29. NOTICES

All notices or demands required by this Agreement shall be sufficient if delivered personally or mailed via Express Mail to the following individuals:

To the United States Postal Service:

Managing Director, Global Business and Vice President
United States Postal Service
475 L'Enfant Plaza, SW Room 4016
Washington, DC 20260-4016

To the Mailer:



or via e-mail:

Confidential

To the United States Postal Service at: icmusps@usps.gov

To the Mailer at: [REDACTED]

ARTICLE 30. PRESERVATION AFTER TERMINATION

Termination of this Agreement shall be without prejudice to any rights, obligations, and liabilities of the Mailer accrued up to and including the effective date of such termination. In the event of termination of the Agreement, the Mailer shall be liable to make final settlement of all amounts owing as of the effective date of termination within three (3) months of written notice by the USPS of any deficiency or liability under this Agreement. In the event of termination of this Agreement, the USPS shall make payment of any rebate amount owed to the Mailer under Article 8 within forty-five (45) days of the date of termination; however, any liability or deficiency owed by the Mailer to the USPS as determined by the USPS shall be offset against any such rebate payment.

ARTICLE 31. COUNTERPARTS

The Parties may execute this Agreement 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 documents, and all counterpart-signed documents shall be deemed an original and one instrument.

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

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: Frank A. Cebello

Name: Frank A. Cebello

Title: Executive Director, Global Business Management

Date: 6/19/09

ON BEHALF OF

Signature:

Name:

Title:

Date: 6/16/09

EXHIBIT A ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS

ANNEX 1 INTERNATIONAL MAILER LABEL SPECIFICATIONS

ANNEX 2 PRICES FOR EXPRESS MAIL INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL WHEN THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE OR FUNCTIONALLY EQUIVALENT SOFTWARE

EXHIBIT A
ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS

The Parties acknowledge that the following terms and conditions shall apply to this Agreement. Any terms contained in this Exhibit A shall be controlling and supersede any terms found within the Agreement.

1. **ACKNOWLEDGEMENT.** The Parties acknowledge and understand that all obligations of the USPS under this Agreement 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 USPS management's Executive Committee, the Board of Governors of the USPS, the Governors of the USPS, the USPS Pricing Steering Committee, the Postal Regulatory Commission, the Antitrust Division of the Department of Justice, the Federal Trade Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that the Agreement may not be approved by such bodies. Until such time that all Conditions Precedents are fulfilled that are necessary to allow the Postal Service 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.
2. **LIMITATION ON LIABILITY AND COSTS.** 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 the Agreement. 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 for costs incurred by either Party attributable to such non-approval such as attorney's fees.
3. **PRICES.** The prices listed in Annex 2 for EMI and PMI and the discounts for IPA and ISAL are contingent upon any and all necessary approvals for corresponding USPS prices by the USPS Governors, the USPS Board of Governors, the USPS Pricing Steering Committee, and/or the United States Postal Regulatory Commission.

Initials United States Postal Service



Initials

[REDACTED]

[REDACTED]

ANNEX 1 INTERNATIONAL MAILER LABEL SPECIFICATIONS

BAR CODE SYMBOLOGY AND SPECIFICATIONS

- Code 128
- x-dimension at least .010 inch (.015 preferred)
- bar height at least ½ inch (5/8 preferred)

FIELD DESCRIPTIONS

POSITION	DESCRIPTION	FORMAT	EXAMPLE OR VALID VALUES
1 – 10	Mailer Permit Number	10 Numeric	Example: 1143000924
11	Product Code	1 Alpha or Numeric	P = IPA C = ISAL D = Global Direct; E = Global Bulk Economy
12	Service Code	1 Alpha or Numeric	M = M-bag Z = n/a
13	Receptacle Type	1 Alpha or Numeric	B = Bag F = Flat Tray G = Gaylord L = Letter Tray P = Pallet
14 – 16	Destination Office of Exchange	3 Alpha	Examples: DEL, SYD
17 – 24	Serial Number	8 Alpha or Numeric	Example: 483ad = 000493ad

Mail tendered in trays must have a slide-label-size (approximately 2.0" X 3.5") non-adhesive International Mailer Label. This label is placed in the slide label pocket on the tray. Mail tendered in bags may have either a slide-label-size non-adhesive International Mailer Label placed in the slide label holder, or a larger (approximately 3.0" X 5.0") adhesive label that is placed on card stock attached to the neck of the sack.

Sample labels must be submitted in advance for approval.

The following are sample label formats, printed on 1.94" x 3.31" stock:

IPA Bag



IPA Flat Tray

 5541004040PZLLONRD000144	
<i>Intl Priority Airmail</i> IPA <small>Date of Mailing</small>	<i>To (Country Name)</i> London Great Britain
<small>Rate Group</small> <small>Weight</small>	<i>IPA Permit Number (full ten digit)</i> 55410-04040
LON	

IPA Letter Tray

 5541004040PZFDELRD000145	
<i>Intl Priority Airmail</i> IPA <small>Date of Mailing</small>	<i>To (Country Name)</i> Delhi India
<small>Rate Group</small> <small>Weight</small>	<i>IPA Permit Number (full ten digit)</i> 55410-04040
DEL	

ISAL Bag

 3331014499CZBTYO2000009	
<i>Intl Surface Air Lift</i> ISAL <small>Date of Mailing</small>	<i>To (Country Name)</i> Tokyo Japan
<small>Rate Group</small> <small>Weight</small>	<i>ISAL Permit Number (full ten digit)</i> 33310-14499
TYO	

ISAL Flat Tray

 3331014499CZFSYDT2000001	
<i>Intl Surface Air Lift</i> ISAL <small>Date of Mailing</small>	<i>To (Country Name)</i> Sydney Australia
<small>Rate Group</small> <small>Weight</small>	<i>ISAL Permit Number (full ten digit)</i> 33310-14499
SYD	

ISAL Letter Tray

	
3331014499CZAKLT2000001	
<i>Intl Surface Air Lift</i> ISAL <i>Date of Mailing</i>	<i>To (Country Name)</i> T2000001 Auckland
<i>Rate Group</i>	<i>Weight</i>
AKL	<i>ISAL Permit Number (full ten digit)</i> 33310-14499
New Zealand	

ANNEX 2
EXPRESS MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
0.5										
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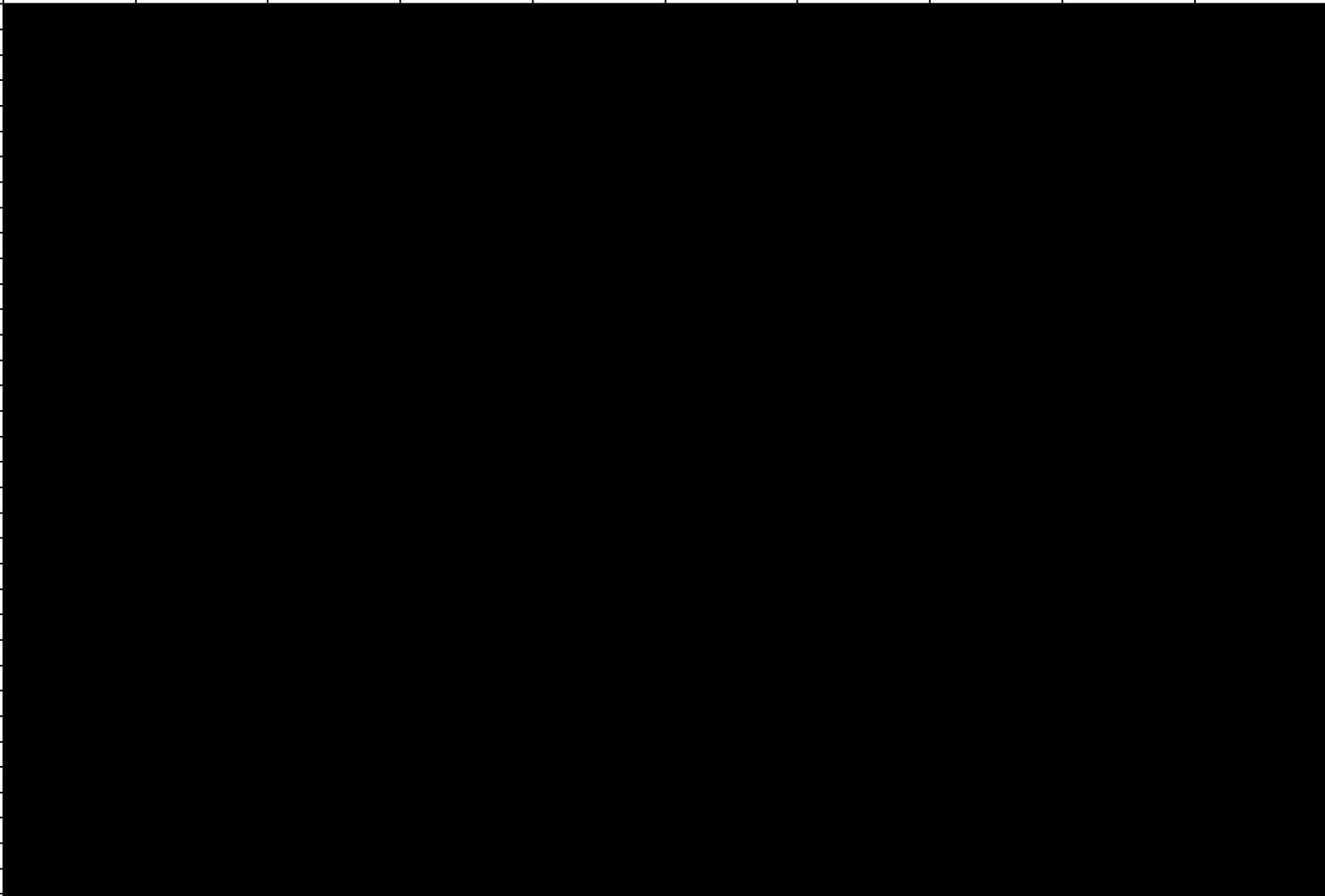
5 / 6 09

ANNEX 2
EXPRESS MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
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**ANNEX 2
PRIORITY MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE**

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
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3										
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Confidential

USPS / [REDACTED]; 06/2009

Agreement Annex 2 Page 3 of 4

**ANNEX 2
PRIORITY MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE**

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
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Certification of Prices for the Global Plus 1 Contract with
[REDACTED]

I, J. Ron Poland, Manager, Statistical Programs, Finance Department, United States Postal Service, am familiar with the prices for the Global Plus 1 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 Plus Contracts, issued on May 28, 2008 (Governors' Decision No. 08-8), which established prices by means of price floor and ceiling formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of [REDACTED] percent for the applicable prices for the mail items under the contract, are in compliance with 39 U.S.C. § 3633(a)(1), (2), and (3). The prices demonstrate that the contract and the included ancillary services should cover their attributable costs and preclude the subsidization of competitive products by market dominant products. In Fiscal Year 2008, all international competitive mail accounted for approximately [REDACTED] percent of the total contribution by all competitive products. Contribution from Global Plus 1 Contracts should be much smaller. The contract with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



J. Ron Poland

**GLOBAL PLUS 1 SERVICE AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**



This Agreement (“Agreement”) is between [REDACTED] (“Mailer”), with offices at [REDACTED] and the United States Postal Service (“USPS”), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L’Enfant Plaza SW, Washington, DC 20260-9998. The Mailer and the USPS may be referred to individually as a “Party” and together as the “Parties.”

INTRODUCTION

WHEREAS, the Parties desire to enter into a non-exclusive relationship whereby the USPS will provide certain products and/or services to the Mailer pursuant to the terms and conditions contained herein;

WHEREAS, the Parties acknowledge and understand that the commencement of performance under this Agreement is subject to the approval of various entities with oversight responsibilities, which may include but not be limited to the USPS management’s Executive Committee, the USPS Governors, and/or the Postal Regulatory Commission. Accordingly, the Mailer acknowledges and understands that the ability of the USPS to perform under this Agreement may not occur;

WHEREAS, in light of the aforementioned acknowledgements, the Parties desire to be bound by the terms of this Agreement as well as the terms of Exhibit A of this Agreement entitled: ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS TO THIS AGREEMENT INCORPORATED BY REFERENCE;

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties hereby agree as follows:

ARTICLE 1. PURPOSE OF THE AGREEMENT

This Agreement shall govern the use the Mailer may make of customized mail service for International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International service, and Priority Mail International service.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. “IMM” means the *International Mail Manual* as found on the USPS website pe.usps.gov on the date of mailing.
2. “DMM” means the *Domestic Mail Manual* as found on the USPS website pe.usps.gov on the date of mailing.
3. “IPA” means International Priority Airmail service.
4. “ISAL” means International Surface Air Lift service.

5. "EMI" means Express Mail International service with the exception of the Express Mail International Flat-Rate Envelope.
6. "PMI" means Priority Mail International service with the exception of the Priority Mail International Flat-Rate Envelope, Priority Mail International Small Flat-Rate Box, Priority Mail International Regular/Medium Flat-Rate Box, and the Priority Mail International Large Flat-Rate Box.
7. "GBE" means Global Bulk Economy service. Global Bulk Economy service provides for letter-post items dispatched in bulk via surface transportation.
8. "Global Direct" or "GD" means mail that conforms to the size, shape, and mail piece specifications as determined by a postal administration other than the USPS and is mailed in the United States for intended delivery in a country other than the United States by the postal administration of that country.
9. "M-bags" means special sacks for printed matter directed to a single address in another country.
10. "United States" means the United States of America, its territories and possessions.
11. "Qualifying Mail" means any mail that meets the requirements set forth in Article 3 of this Agreement.
12. "Non-Qualifying Mail" means any mail that does not meet the requirements set forth in Article 3 of this Agreement.
13. "Effective Date" means the first date on which the USPS is willing to accept Qualifying Mail.

ARTICLE 3. QUALIFYING MAIL

Only mail that meets the following requirements shall qualify as Qualifying Mail except as those requirements conflict with the applicable specific preparation requirements set forth in Article 4.

1. IPA. Every item must comply with the preparation requirements set forth in IMM 292 for International Priority Airmail service.
2. ISAL. Every item must comply with the preparation requirements set forth in IMM 293 for International Surface Air Lift service.
3. EMI. Every item must comply with the preparation requirements set forth in IMM 220 for Express Mail International. The Express Mail International Flat-Rate Envelope is not Qualifying Mail under this Agreement.
4. PMI. Every item must comply with the preparation requirements set forth in IMM 230 for Priority Mail International. The Priority Mail International Flat-Rate Envelope, Priority Mail International Small Flat-Rate Box, Priority Mail International Regular/Medium Flat-Rate Box, and the Priority Mail International Large Flat-Rate Box are not Qualifying Mail under this Agreement.
5. IPA and ISAL M-bags. Every item must comply with the preparation requirements set forth in IMM 260 for direct sacks of printed matter to one addressee.

ARTICLE 4. SPECIFIC PREPARATION REQUIREMENTS

1. Mailings of Qualifying Mail must be kept separate from any other type of mail the Mailer tenders.
2. International mailings must be separated from domestic mailings.
3. For EMI and PMI mailed under this Agreement, the Mailer must use Permit Imprint as the method of payment and IMM 152.4 shall apply.
4. Mailings of EMI and PMI must be accompanied by a postage manifest.
5. Mailings of IPA and ISAL may be tendered to the USPS without a country name in the delivery address provided the items are contained in properly labeled direct country receptacles.
6. Mailer may apply to the USPS in writing in the event the Mailer wishes an exception(s) to the requirements set forth in IMM 220, IMM 230, IMM 260, IMM 292, or IMM 293.
7. For IPA and ISAL, each shipment presented to the USPS must have a minimum of five hundred (500) pounds of Qualifying Mail. Each shipment may include multiple statements for IPA and ISAL.
 - a. The minimum of five hundred (500) pounds of Qualifying IPA and ISAL for each shipment presented to the USPS does not apply to the Miami International Service Center of the Miami Processing and Distribution Center.
 - b. The Seattle WA, location is to be used only for mailings intended for delivery in Canada.
 - c. All shipments must be presented at the following USPS locations.

JOHN F KENNEDY AIRPORT MAIL CTR
US POSTAL SERVICE
JOHN F KENNEDY INTERNATIONAL AIRPORT BLDG 250
JAMAICA NY 11430-9998

NORTH TEXAS P&DC
US POSTAL SERVICE
951 W BETHEL RD
COPPELL TX 75099-8811

JT WEEKER INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
OHARE INTERNATIONAL AIRPORT
514 EXPRESS CENTER DR
CHICAGO IL 60688-9998

LOS ANGELES INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
5800 W CENTURY BLVD
LOS ANGELES CA 90009-9998

SAN FRANCISCO INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
2650 BAYSHORE BLVD
DALY CITY CA 94013-1631

USPS SEATTLE AIR MAIL FACILITY
16601 AIR CARGO RD
SEATTLE WA 98158-9741

MIAMI INTERNATIONAL SERVICE CTR
US POSTAL SERVICE
11698 NW 25TH ST
MIAMI FL 33112-9997

MIAMI PROCESSING AND DISTRIBUTION CTR
US POSTAL SERVICE
2200 NW 72ND AVE
MIAMI FL 33152-9997

8. The Mailer is not required to place a facing slip on bundles placed in IPA and ISAL Direct Country Sacks. The Mailer is required to place a facing slip on bundles placed in IPA and ISAL Mixed Country Sacks.
9. Mailings of IPA and ISAL Qualifying Mail may bear an approved non-barcoded PS-Form 2976 USPS Customs Declaration CN 22.
10. Mailings of letter-size and flat-size IPA and ISAL Qualifying Mail may be presented in trays upon approval.

ARTICLE 5. NON-QUALIFYING MAIL

The USPS, at its option and without forfeiting any of its rights under this Agreement, may either refuse to accept Non-Qualifying Mail or accept Non-Qualifying Mail at the applicable published rates.

ARTICLE 6. OBLIGATIONS OF THE USPS

The USPS hereby agrees:

1. Supplies. To furnish the Mailer or its agent(s) with the postal equipment and postal supplies required for the use of Qualifying Mail.
2. Training. To provide the Mailer or its agent(s) with the preparation requirements for Qualifying Mail and any training necessary to prepare mail in conformity with the requirements for Qualifying Mail.
3. Reporting. To provide the Mailer with a report regarding postage paid by the Mailer to the USPS, by month, for Qualifying IPA, ISAL, EMI, and PMI. The USPS will provide this report on a quarterly basis and shall include the:
 - a. Customer name and permit number;
 - b. Date of the mailing statement;
 - c. Service / product; and
 - d. Postage paid.

4. Transportation. To arrange with carriers to transport Qualifying Mail to international destinations for delivery by the appropriate authority.
5. Customs Notification. To send, at the Mailer's request, an electronic data file for EMI to Japan and Singapore, and to send, at the Mailer's request, an electronic data file for PMI to Singapore, that will allow the Customs officials to review the contents of each shipment before the packages arrive.
6. Undeliverable Items. To return:
 - a. EMI items refused by an addressee and undeliverable EMI items to the Mailer via Express Mail at no charge provided that the return rate is no more than four percent (4.00%) of the total volume.
 - b. PMI items refused by an addressee and undeliverable PMI items to the Mailer according to the provisions of IMM 771.

ARTICLE 7. OBLIGATIONS OF THE MAILER

The Mailer hereby agrees:

1. Tender Amount. To tender to the USPS mail intended for delivery outside the United States that generates at least:
 - a. [REDACTED] in combined actual postage calculated after all discounts have been applied for IPA, ISAL, GBE, GD, EMI and PMI during the term of this Agreement; and
 - b. Of the [REDACTED] commitment in Paragraph (a) above, [REDACTED] must be in combined actual postage calculated after all discounts have been applied for EMI and PMI, during the term of this Agreement; or
 - c. A combined actual volume of [REDACTED] of EMI and PMI may substitute for the requirement of [REDACTED] in actual postage calculated after all discounts have been applied for EMI and PMI in Paragraph (b) above during the term of this Agreement.
2. Tender Locations. To tender:
 - a. IPA Qualifying Mail including IPA M-bags in drop shipments to the appropriate locations specified in IMM 292.531 and the USPS Seattle Air Mail Facility, 1661 Air Cargo Road, Seattle, WA 98158-9741. The Seattle, WA, location is to be used only for mailings intended for delivery in Canada. Mailings tendered at these locations are subject to Drop Ship prices.
 - b. IPA Qualifying Mail including IPA M-bags at USPS Bulk Mail Entry Units. Mailings tendered at these locations are subject to Full Service prices.

- c. ISAL Qualifying Mail including ISAL M-bags in drop shipments to the appropriate locations specified in IMM 293.531 and the USPS Seattle Air Mail Facility, 1661 Air Cargo Road, Seattle, WA 98158-9741. The Seattle WA, location is to be used only for mailings intended for delivery in Canada. Mailings tendered at these locations are subject to Drop Ship prices.
 - d. ISAL Qualifying Mail including ISAL M-bags at USPS Bulk Mail Entry Units. Mailings tendered at these locations are subject to Full Service prices.
 - e. One hundred percent (100%) of EMI Qualifying Mail in drop shipments at any USPS International Service Center location. EMI Qualifying Mail may not be tendered at Coppell, TX, Seattle, WA, or at the Miami Processing and Distribution Center.
 - f. One hundred percent (100%) of PMI Qualifying Mail in drop shipments at any USPS International Service Center location. PMI Qualifying Mail may not be tendered at Coppell, TX, Seattle, WA, or at the Miami Processing and Distribution Center.
3. Advance Notification. To provide:
- a. The Manager, Customized Mail, via e-mail to icmusps@usps.gov, with notification of intent to drop ship mail at a specific location two weeks before the initial shipment to that location.
 - b. The Manager, Customized Mail, via e-mail to icmusps@usps.gov, with notification of new permit numbers used for Qualifying Mail, one week in advance of using the new numbers. The message should include the permit number, the city, state, and ZIP Code where the permit is held, and the name of the permit owner. The message should also include a requested effective date.
 - c. The appropriate USPS acceptance sites with notification if the intended volume of mail to be presented varies more than twenty-five percent (25.00%) higher or lower than normal daily volumes. The Mailer shall make every effort to inform the appropriate USPS acceptance sites at least forty-eight (48) hours in advance of presenting the mail.
4. Payment of Postage. To pay postage to the USPS, either directly or through a mailing agent:
- a. For IPA and ISAL services by use of a USPS approved Alternate Mailing System (AMS) for total postage due subject to the conditions stated in DMM 705.4.
 - b. For EMI and PMI Qualifying Mail by use of a permit imprint subject to the conditions stated in DMM 604.5, with the exception that DMM 604.5.1.1 shall not apply.
5. Monthly Reporting. To provide the USPS with a report, at a frequency to be mutually determined, in a format to be specified by the USPS, stating, for IPA, ISAL, EMI, and PMI:

- a. 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 owned by the Mailer under this Agreement. The Mailer will undertake all reasonable efforts to provide the same information for each permit holder mailing under this Agreement;
 - b. This requirement shall include the final month of the Agreement.
6. Receptacle Barcoding. To place on each receptacle containing either IPA or ISAL mailings, a barcode prepared in accordance with the specifications in Annex 1.
7. Information Link. To establish a secure data connection with the USPS in order to ensure that the USPS can receive the necessary information for Customs clearance as well as the data needed to monitor the proper prices and country destination of the Mailer's packages. The Mailer will be responsible for all aspects of service quality of the information link, interconnectivity, and interoperability of network services of such data connection, which shall be available under commercially reasonable standards but shall be capable of ensuring that the data for all Qualifying Mail under this Agreement are available to USPS.
8. Customs Declarations and Address Labels. To create customs declarations and address labels for EMI and PMI Qualifying Mail:
 - a. Using USPS-provided Global Shipping Software (GSS) or functionally equivalent software;
 - b. In the event that the Mailer decides to use functionally equivalent software not provided by the USPS, the Mailer must seek the approval of the USPS prior to deploying such software, which shall not be unreasonably withheld. Mailer agrees that if deploying such functionally equivalent software, Mailer will provide any reasonable information necessary for the USPS to perform the necessary due diligence to determine the appropriateness and capabilities of such software, which shall include but not be limited to such software's ability to provide adequate information regarding Qualifying Mail as well as the overall security standards of said software. Mailer acknowledges that such due diligence may require physical site review.
9. Customs and Export Documentation. To provide any necessary documentation, including data provided in electronic format, in connection with each mailing, in the form and at the time specified by the USPS, Customs & Border Protection, Transportation Security Administration, the U.S. Census Bureau, a destination country foreign government, or other authority. The Mailer further understands that the failure to provide any such required documentation may result in refusal at acceptance, delay in processing, involuntary seizure by Customs authorities, and/or return of mail to sender.

10. Customs and Export Requirements. To comply with any regulation or order promulgated by the USPS, Customs & Border Protection, Transportation Security Administration, the U.S. Census Bureau, a destination country foreign government, or other governmental unit with jurisdiction over mail, to facilitate the Customs processing of its mail, according to any requirements specified by those authorities.
11. Responsibility. To ensure that all entities mailing under the aegis of this Agreement, having provided the USPS with a permit number and notification of intent to mail under the terms of Paragraph 3 above, follow the terms and conditions set forth in this Agreement as they pertain to the preparation and tender of mailings.

ARTICLE 8. POSTAGE PRICES

In consideration of Article 7.1, and in accordance with Article 9 but subject to Article 13:

1. For IPA and ISAL, The Mailer will receive a discount of [REDACTED] off the non-discounted published prices for IPA and ISAL Qualifying Mail in effect on the date of mailing;
2. For EMI and PMI, the Mailer will pay postage according to the price charts in Annex 2.

ARTICLE 9. APPROVAL OF PRICES

The discounts in Article 8 Paragraph 1. (a) and (b) for IPA and ISAL and the prices for EMI and PMI in Annex 2 are contingent upon any and all necessary approvals for corresponding USPS prices by the USPS Governors, the USPS Board of Governors, the USPS Pricing Steering Committee, and/or the United States Postal Regulatory Commission.

ARTICLE 10. SUSPENSIONS OF MAIL SERVICE

In the event that a suspension of mail service from the United States to a given country would prevent delivery of Qualifying Mail to addressees in that country, the Mailer shall not tender Qualifying Mail to the USPS until service is restored. Under these circumstances, the Mailer shall have the option to make alternative arrangements for the delivery of Qualifying Mail without penalty. The annualized minimum volume commitment for Qualifying Mail shall be recalculated *pro rata* to reflect the reduction in available service time.

ARTICLE 11. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with United States federal law.

ARTICLE 12. TERM OF THE AGREEMENT

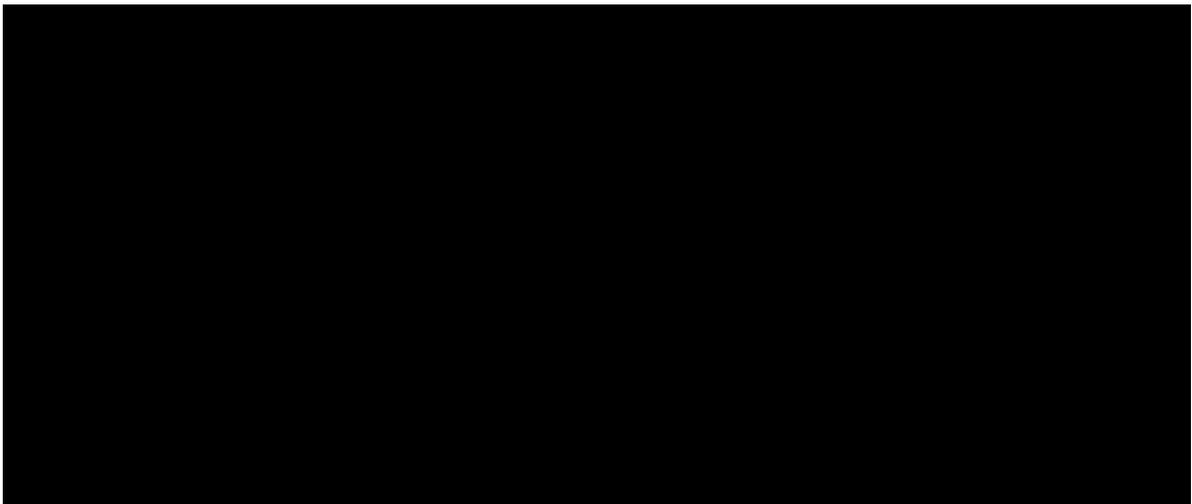
1. The Effective Date of this Agreement shall be 12:01 a.m. on August 1, 2009. The Agreement will remain in effect until midnight on July 31, 2010, unless terminated sooner pursuant to Article 14.

2. The Mailer acknowledges that this Agreement is subject to regulatory oversight and such oversight might affect the Effective Date.
3. The USPS will notify the Mailer of the status of the approval process or of potential fulfillment of the approval process, when major steps in the process are completed. The USPS also will respond to Mailer inquiries concerning the status of the process.

ARTICLE 13. PENALTY AND REIMBURSEMENT

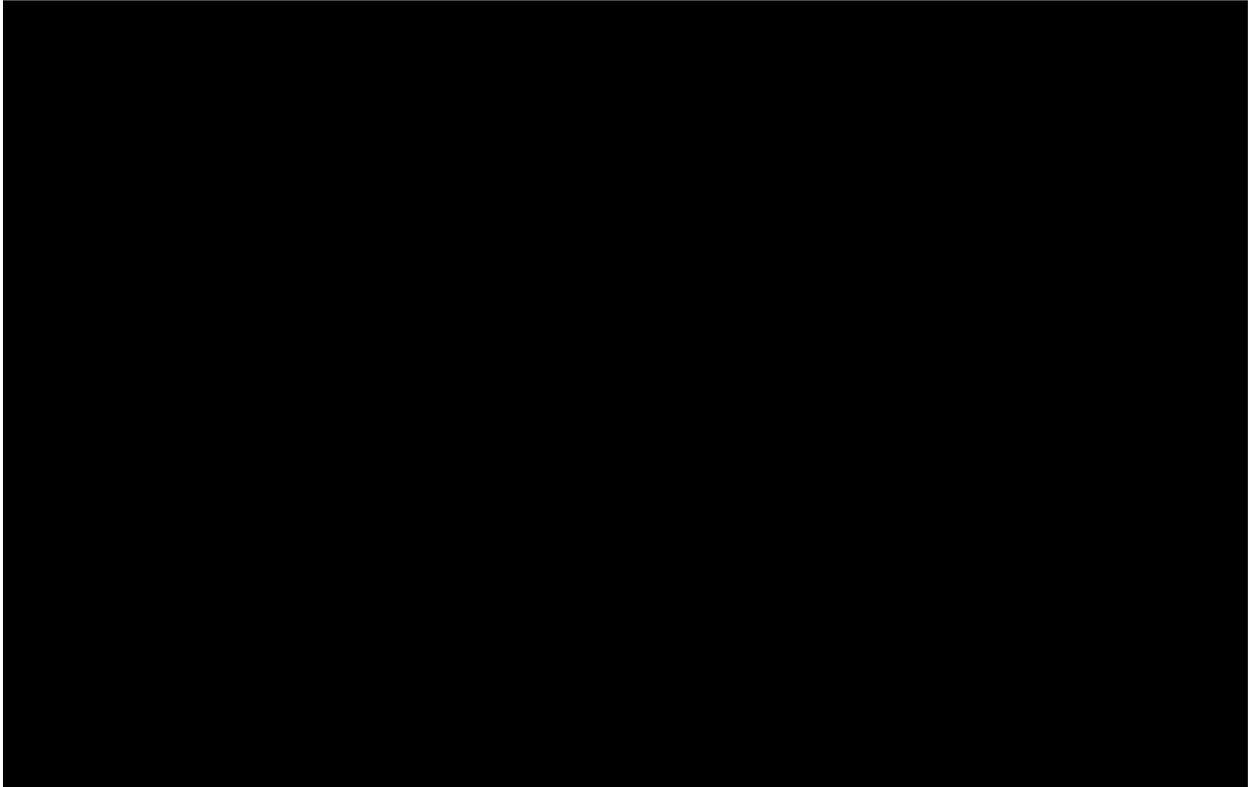
1. If the Mailer tenders to the USPS IPA and ISAL Qualifying Mail combined with GBE and GD mail that generates [REDACTED]
[REDACTED] the Mailer must:
 - a. Pay to the USPS a penalty of [REDACTED]
[REDACTED]
 - b. [REDACTED]
[REDACTED]
2. Notwithstanding Paragraph 1 above, if the mailer does not tender to the USPS IPA, ISAL, GBE and GD that generates [REDACTED]
[REDACTED], the Mailer must reimburse the USPS [REDACTED]
[REDACTED] in accordance with Schedule 13.1.

Schedule 13.1



3. If the Mailer does not tender to the USPS EMI and PMI Qualifying Mail that generates [REDACTED] or does not tender to the USPS [REDACTED] pieces of EMI and PMI combined during the term of this Agreement, the Mailer must pay the USPS according to Schedule 13.2.

Schedule 13.2



4. [REDACTED]
5. [REDACTED]
6. Should payment be due under the terms of this Article, payment must be made no later than three (3) months after the date the USPS informs the Mailer of the amount of the required payment. If the USPS does not receive payment within three (3) months after the date the USPS informs the Mailer of the amount of the required payment, any customized agreement in effect shall be terminated on a date the USPS shall determine.

7. Any GBE and GD mail tendered pursuant to a separate customized agreement between the Parties shall be applicable to the revenue guarantees set forth in this Article.
8. For purposes of calculating the payments detailed in this Article, postage paid for IPA, ISAL, GBE, GD, EMI, and PMI shall be counted from August 1, 2009.

ARTICLE 14. TERMINATION OF THE AGREEMENT

Either Party to this Agreement, in its sole discretion, may terminate this Agreement for any reason, by giving the other Party a thirty (30) day written notification, unless a time frame longer than thirty (30) days that falls within the term of the Agreement is indicated by the terminating Party. In the event that this Agreement is terminated before midnight on July 31, 2010, the Mailer remains bound by the terms of Article 7 Paragraph 5 and Article 13, except that the Mailer's obligation, if any, under Articles 7 and 13 shall be calculated on a *pro rata* basis to reflect the actual duration of the agreement.

ARTICLE 15. POSTAGE UPDATES

1. In the event that the USPS incurs an increase in total costs [REDACTED] associated with providing any one of the categories of Qualifying Mail, the USPS reserves the right to notify the Mailer and modify the prices for that service established under this Agreement.
2. The prices in Annex 2 are related to the non-discounted published postage for EMI and PMI. In the event that the non-discounted published postage for EMI and PMI should change during the term of this Agreement, the prices in Annex 2 may also change. The discount applied to IPA and ISAL is related to the non-discounted published postage for these services. In the event that the non-discounted published postage for IPA and ISAL should change during the term of this Agreement, the discount applied to these services may also change. Such changes to the prices in Annex 2 and the discount applied to IPA and ISAL shall be calculated using the same assumptions and constraints used to determine the prices in the existing Annex 2 and the existing discount for IPA and ISAL.
3. The USPS will give the mailer thirty-five (35) days notice of changes in the prices in Annex 2 or the discount applied to International Priority Airmail (IPA) or International Surface Air Lift (ISAL).
4. Any revision to the prices in Annex 2 or the discount applied to IPA or ISAL shall not be retroactive.
5. No price shall increase beyond the non-discounted published prices for the affected service.
6. All price increases under the provisions of this Article will be subject to review and oversight by the USPS Governors, the USPS Board of Governors, and/or the United States Postal Regulatory Commission.

ARTICLE 16. NO SERVICE GUARANTEE

Nothing in this Agreement shall be construed as a representation or guarantee by the USPS that Qualifying Mail will be delivered to the appropriate addressees within any particular time.

ARTICLE 17. CUSTOMS DUTIES AND TAXES

Customs duties and taxes for packages mailed under this Agreement are the responsibility of the addressee.

ARTICLE 18. INDEMNITY

The Mailer shall indemnify and save harmless the USPS and its officers, agents, and employees from any and all claims, losses, costs, damages, or expenses growing out of, or connected in any other way with the discharge by the Mailer of any undertaking contained in this Agreement, except for Claims arising out of the negligence or willful misconduct of the USPS or of its officers, agents, or employees. Notwithstanding its obligation to indemnify the USPS, the Mailer shall not be liable for any consequential damages suffered by the USPS.

ARTICLE 19. LIMITATION OF LIABILITY: INSURANCE

1. Except as noted in Paragraphs 2 and 3 of this Article, the liability of the USPS under this Agreement shall be limited to the refund of postage for Qualifying Mail that is lost or destroyed in bulk after being tendered to the USPS and prior to being received by the delivery authority outside of the United States. The USPS shall not be liable for any actual or consequential damages suffered by the Mailer as a result of late delivery or non-delivery of Qualifying Mail. Qualifying Mail mailed under this Agreement is not insured against delay in delivery. Neither indemnity payments nor postage refunds will be made in the event of delay.
2. EMI items that are tendered to the USPS under the terms of this Agreement include document reconstruction insurance for non-negotiable documents up to one hundred dollars (\$100.00), and merchandise insurance up to one hundred dollars (\$100.00), at no additional charge. Insurance is provided against loss, damage, or rifling. Optional additional merchandise insurance over one hundred dollars (\$100.00) may be purchased for an additional fee, subject to the maximum indemnity available to the country of destination. EMI items that are tendered to the USPS under the terms of this Agreement are not insured against delay in delivery. Indemnity is payable in accordance with IMM 221.3 and IMM 935; and DMM 609 and DMM 503.
3. Except as noted in Paragraph 4 of this Article, PMI items that are tendered to the USPS under the terms of this Agreement include indemnity coverage against loss, rifling, or damage at no additional charge. Indemnity is limited to the lesser of the actual value of the contents or the maximum indemnity based on the weight of the item. PMI items that are tendered to the USPS under the terms of this Agreement are not insured against delay in delivery. Indemnity will be paid in accordance with IMM 230 and IMM 933.

4. For a separate fee, PMI parcels may be insured against loss, rifling, or damage. Indemnity is based on the actual value of the article at the time of mailing and is limited to the amount of insurance purchased by the fee paid. Insured mail is not available to all countries and is subject to the maximum indemnity limits of the destination country. If insured mail service is purchased, it replaces the ordinary parcel indemnity specified in Paragraph 3. Indemnity will be paid in accordance with IMM 320, IMM 932, and IMM 933.
5. The USPS bears no responsibility for the refund of postage in connection with actions taken by Customs authorities.

ARTICLE 20. FORCE MAJEURE

Neither Party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, and labor disputes or shortages; governmental laws, ordinances, rules and regulations, whether valid or invalid; court orders, whether valid or invalid; inability to obtain material, equipment, or transportation; and any other similar or different contingency.

ARTICLE 21. NO WAIVER

The failure of either Party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but these shall continue and remain in full force and effect as if such forbearance or waiver had not occurred.

ARTICLE 22. NUMBER AND GENDER

The use of any particular gender or the plural or singular number in this Agreement is intended to include the other gender or number as the text may require.

ARTICLE 23. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the Parties agree that the remaining provisions shall be deemed to be in full force and effect.

ARTICLE 24. ASSIGNMENT

The rights of each Party under this Agreement are personal to that Party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other Party. Granting such consent shall not be unreasonably withheld and shall be allowed for assignment to a subsidiary or affiliate of the Mailer.

ARTICLE 25. PARAGRAPH HEADINGS

The titles to the paragraphs of this Agreement are solely for the convenience of the Parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

ARTICLE 26. ENTIRE AGREEMENT

1. This Agreement, Global Plus 1 Service Agreement, including all Exhibits, Schedules, and Annexes thereto for Qualifying International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International service (EMI), and Priority Mail International service (PMI) along with the companion Global Plus 2 Service Agreement, including all Exhibits, Schedules, and Annexes thereto for Qualifying Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail shall constitute the entire agreement between the Parties as it pertains to Qualifying International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International service (EMI), Priority Mail International service (PMI), Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail, intended for delivery outside the United States. Any prior understanding or representation of any kind preceding the date of this Global Plus 1 Agreement and the companion Global Plus 2 Agreement regarding the use of said Qualifying Mail originating in the United States and intended for delivery outside the United States shall not be binding upon either Party except to the extent incorporated in this Agreement.
2. Neither the Mailer nor the USPS is released from any obligations arising under the Global Plus Service Agreement between the Mailer and the USPS executed by the Mailer on April 29, 2008, and by the USPS on April 30, 2008; and the Global Plus Service Agreement between the Mailer and the USPS executed by both the Mailer and the USPS on June 19, 2008.

ARTICLE 27. MODIFICATION

1. Any modification of or Amendment to this Agreement or additional obligation assumed by either Party in connection with this Agreement, with the exception of changes to prices under the terms of Article 15 and updates to the International Mailer Label Specifications in Annex 1, shall be binding only if placed in writing and signed by each Party.
2. Modifications may be contingent upon any and all necessary approvals by USPS management's Executive Committee, the Board of Governors of the USPS, the Governors of the USPS, the Postal Regulatory Commission, the Antitrust Division of the Department of Justice, the Federal Trade Commission and/or any other governmental body with oversight responsibility for the USPS.
3. If such approvals are required, the modifications will not become effective until such time as all necessary approvals are obtained.

4. The USPS will notify the Mailer of the date the modification becomes effective within thirty (30) days after receiving the approval of the entities that have oversight responsibility for the USPS.
5. The USPS will notify the Mailer of the status of the approval process or of potential fulfillment of the approval process, when major steps in the process are completed. The USPS also will respond to Mailer inquiries concerning the status of the process.

ARTICLE 28. MAILABILITY AND IMPORTABILITY

All items mailed under this Agreement must conform to the export requirements of the United States, the mailability requirements of the USPS as detailed in IMM 130, and any importation restrictions of any destination country. The Mailer is solely responsible for the importation status of Qualifying Mail mailed under this Agreement as detailed in IMM 112.

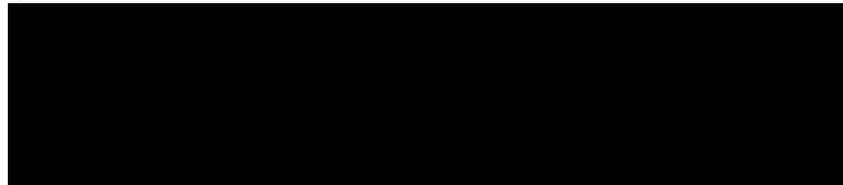
ARTICLE 29. NOTICES

All notices or demands required by this Agreement shall be sufficient if delivered personally or mailed via Express Mail to the following individuals:

To the United States Postal Service:

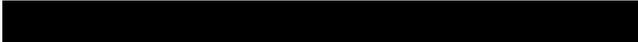
Managing Director, Global Business and Vice President
United States Postal Service
475 L'Enfant Plaza, SW Room 4016
Washington, DC 20260-4016

To the Mailer:



or via e-mail:

To the United States Postal Service at: icmusps@usps.gov

To the Mailer at: 

ARTICLE 30. PRESERVATION AFTER TERMINATION

Termination of this Agreement shall be without prejudice to any rights, obligations, and liabilities of the Mailer accrued up to and including the effective date of such termination. In the event of termination of the Agreement, the Mailer shall be liable to make final settlement of all amounts owing as of the effective date of termination within three (3) months of written notice by the USPS of any deficiency or liability under this Agreement. In the event of termination of this Agreement, the USPS shall make payment of any rebate amount owed to the Mailer under Article 8 within forty-five (45) days of the date of termination; however, any liability or deficiency owed by the Mailer to the USPS as determined by the USPS shall be offset against any such rebate payment.

ARTICLE 31. COUNTERPARTS

The Parties may execute this Agreement 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 documents, and all counterpart-signed documents shall be deemed an original and one instrument.

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

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: Frank A. Cebello
Name: Frank A. Cebello
Title: Executive Director, Global Business Management
Date: 6/18/09

ON BEHALF OF [REDACTED]

Signature: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: 6-17-09

- EXHIBIT A ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS
- ANNEX 1 INTERNATIONAL MAILER LABEL SPECIFICATIONS
- ANNEX 2 PRICES FOR EXPRESS MAIL INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL WHEN THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE OR FUNCTIONALLY EQUIVALENT SOFTWARE

EXHIBIT A
ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS

The Parties acknowledge that the following terms and conditions shall apply to this Agreement. Any terms contained in this Exhibit A shall be controlling and supersede any terms found within the Agreement.

1. **ACKNOWLEDGEMENT.** The Parties acknowledge and understand that all obligations of the USPS under this Agreement 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 USPS management's Executive Committee, the Board of Governors of the USPS, the Governors of the USPS, the USPS Pricing Steering Committee, the Postal Regulatory Commission, the Antitrust Division of the Department of Justice, the Federal Trade Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that the Agreement may not be approved by such bodies. Until such time that all Conditions Precedents are fulfilled that are necessary to allow the Postal Service 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.
2. **LIMITATION ON LIABILITY AND COSTS.** 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 the Agreement. 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 for costs incurred by either Party attributable to such non-approval such as attorney's fees.
3. **PRICES.** The prices listed in Annex 2 for EMI and PMI and the discounts for IPA and ISAL are contingent upon any and all necessary approvals for corresponding USPS prices by the USPS Governors, the USPS Board of Governors, the USPS Pricing Steering Committee, and/or the United States Postal Regulatory Commission.

Initials United States Postal Service

Initials 

Confidential

USPS ; 06/2009

Agreement: Exhibit A Page 1 of 1

ANNEX 1 INTERNATIONAL MAILER LABEL SPECIFICATIONS

BAR CODE SYMBOLOGY AND SPECIFICATIONS

- Code 128
- x-dimension at least .010 inch (.015 preferred)
- bar height at least ½ inch (5/8 preferred)

FIELD DESCRIPTIONS

POSITION	DESCRIPTION	FORMAT	EXAMPLE OR VALID VALUES
1 – 10	Mailer Permit Number	10 Numeric	Example: 1143000924
11	Product Code	1 Alpha or Numeric	P = IPA C = ISAL D = Global Direct; E = Global Bulk Economy
12	Service Code	1 Alpha or Numeric	M = M-bag Z = n/a
13	Receptacle Type	1 Alpha or Numeric	B = Bag F = Flat Tray G = Gaylord L = Letter Tray P = Pallet
14 – 16	Destination Office of Exchange	3 Alpha	Examples: DEL, SYD
17 – 24	Serial Number	8 Alpha or Numeric	Example: 483ad = 000493ad

Mail tendered in trays must have a slide-label-size (approximately 2.0" X 3.5") non-adhesive International Mailer Label. This label is placed in the slide label pocket on the tray. Mail tendered in bags may have either a slide-label-size non-adhesive International Mailer Label placed in the slide label holder, or a larger (approximately 3.0" X 5.0") adhesive label that is placed on card stock attached to the neck of the sack.

Sample labels must be submitted in advance for approval.

The following are sample label formats, printed on 1.94" x 3.31" stock:

IPA Bag

 <small>5541004040PZBFRA RD0MM234</small>			
<small>Int'l Priority Airmail</small> IPA <small>Date of Mailing</small>	<small>To (Country Name)</small> Frankfurt <small>RD0MM234</small>		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><small>Rate Group</small></td> <td style="width: 50%;"><small>Weight</small></td> </tr> </table>	<small>Rate Group</small>	<small>Weight</small>	<h1 style="margin: 0;">Germany</h1>
<small>Rate Group</small>	<small>Weight</small>		
FRA	<small>IPA Permit Number (full ten digit)</small> 55410-04040		

IPA Flat Tray

 5541004040PZLLONRD000144	
<i>Intl Priority Airmail</i> IPA <small>Date of Mailing</small>	<i>To (Country Name)</i> London Great Britain
<small>Rate Group</small> <small>Weight</small>	<i>IPA Permit Number (full ten digit)</i> 55410-04040
LON	

IPA Letter Tray

 5541004040PZFDELRD000145	
<i>Intl Priority Airmail</i> IPA <small>Date of Mailing</small>	<i>To (Country Name)</i> Delhi India
<small>Rate Group</small> <small>Weight</small>	<i>IPA Permit Number (full ten digit)</i> 55410-04040
DEL	

ISAL Bag

 3331014499CZBTYO2000009	
<i>Intl Surface Air Lift</i> ISAL <small>Date of Mailing</small>	<i>To (Country Name)</i> Tokyo Japan
<small>Rate Group</small> <small>Weight</small>	<i>ISAL Permit Number (full ten digit)</i> 33310-14499
TYO	

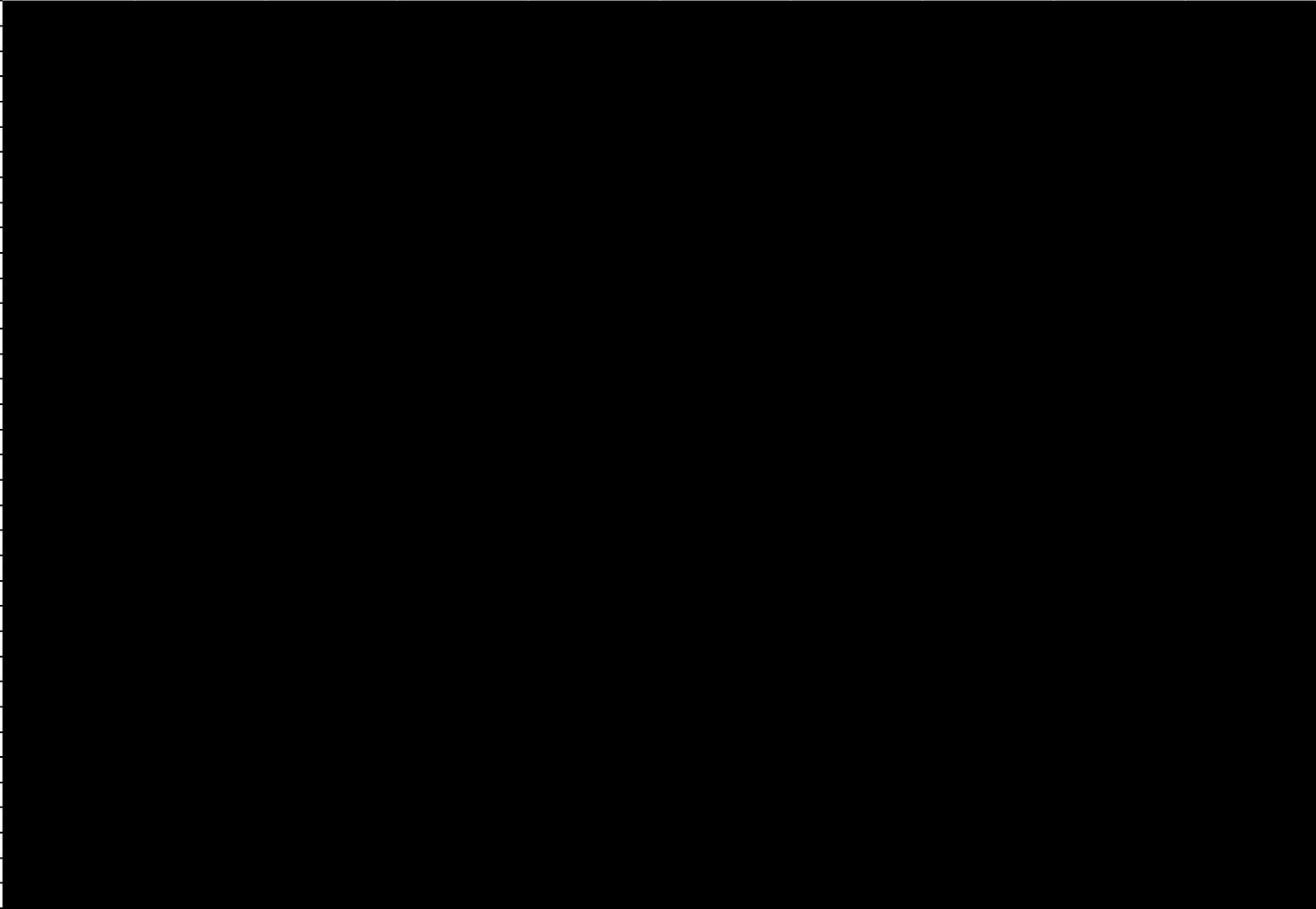
ISAL Flat Tray

 3331014499CZFSYDT2000001	
<i>Intl Surface Air Lift</i> ISAL <small>Date of Mailing</small>	<i>To (Country Name)</i> Sydney Australia
<small>Rate Group</small> <small>Weight</small>	<i>ISAL Permit Number (full ten digit)</i> 33310-14499
SYD	

ISAL Letter Tray

	
3331014499CZAKLT2000001	
<i>Intl Surface Air Lift</i> ISAL <i>Date of Mailing</i>	<i>To (Country Name)</i> T2000001 Auckland
<i>Rate Group</i>	<i>Weight</i>
AKL	<i>ISAL Permit Number (full ten digit)</i> 33310-14499
New Zealand	

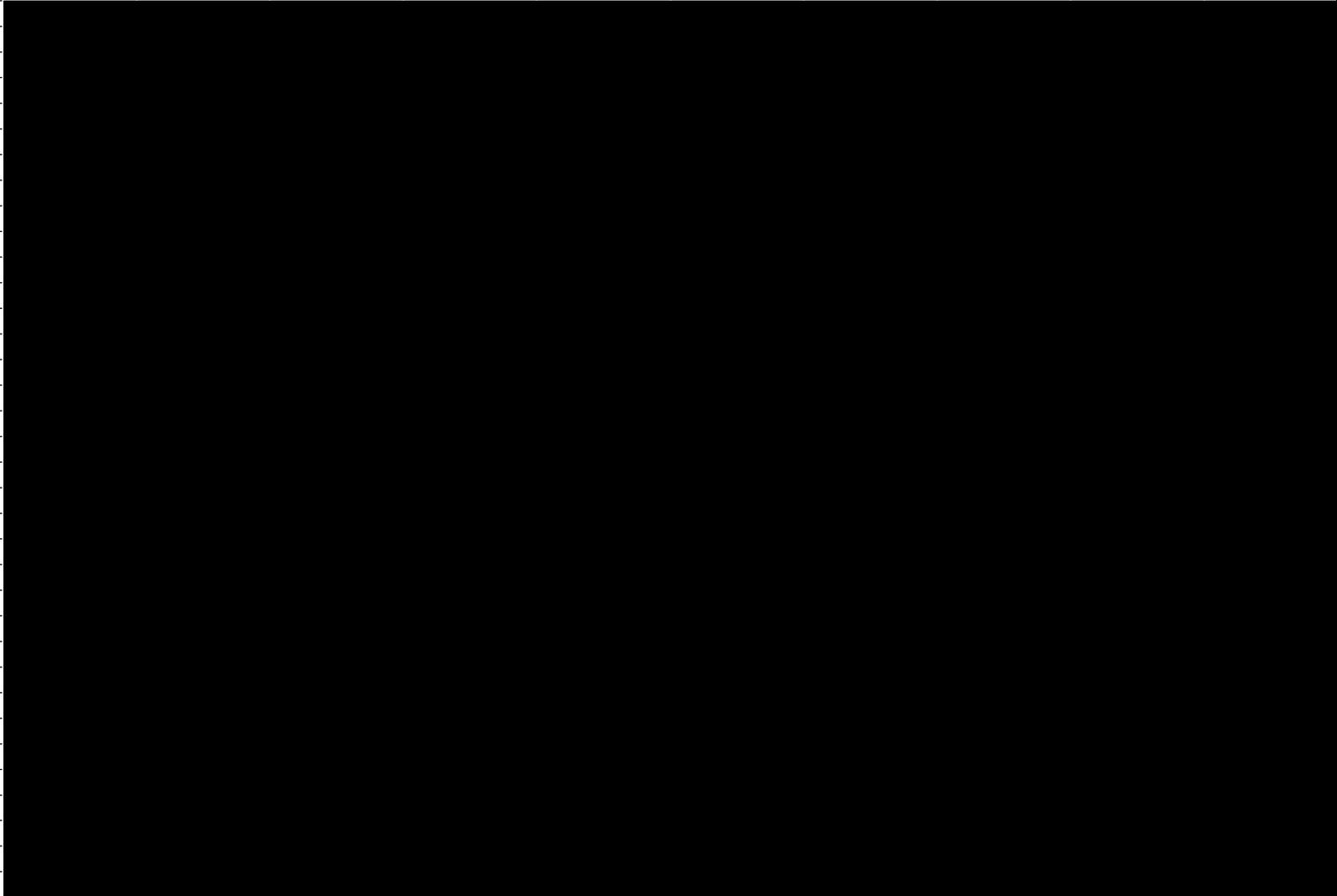
ANNEX 2
EXPRESS MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
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Confidential

ANNEX 2
EXPRESS MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
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5 / 6 09

**ANNEX 2
PRIORITY MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE**

Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
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5										
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5 / 6 09

ANNEX 2
PRIORITY MAIL INTERNATIONAL
THE MAILER APPLIES LABELS USING USPS-SUPPLIED SOFTWARE
OR FUNCTIONALLY EQUIVALENT SOFTWARE

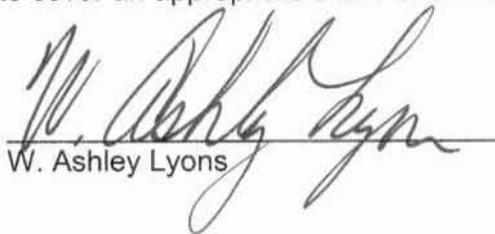
Weight Not Over (LBS)	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
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5 / 6 09

Certification of Prices for the Global Plus 1 Contract with [REDACTED]

I, W. Ashley Lyons, Manager, Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Plus 1 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 Plus Contracts, issued on May 28, 2008 (Governors' Decision No. 08-8), which established prices by means of price floor and ceiling formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of [REDACTED] percent for the applicable prices for the mail items under the contract, are in compliance with 39 U.S.C. § 3633(a)(1), (2), and (3). The prices demonstrate that the contract and the included ancillary services should cover their attributable costs and preclude the subsidization of competitive products by market dominant products. In Fiscal Year 2008, all international competitive mail accounted for approximately [REDACTED] percent of the total contribution by all competitive products. Contribution from Global Plus 1 Contracts should be much smaller. The contract with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.


W. Ashley Lyons