

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

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL
PRIORITY MAIL CONTRACT 16

Docket No. MC2009-36

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 16 (MC2009-36)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2009-55

**ERRATA TO REQUEST OF THE UNITED STATES POSTAL SERVICE
TO ADD PRIORITY MAIL CONTRACT 16
TO COMPETITIVE PRODUCT LIST
AND NOTICE OF FILING (UNDER SEAL)
OF CORRECTED CONTRACT
(August 10, 2009)**

The Postal Service hereby provides the following errata in these dockets:

1. A corrected contract, filed in redacted form herewith and in unredacted form under seal. The contract's expiration provision (section II) is corrected to indicate, consistent with the annual adjustment provisions, (section I, paragraph D) that its term is three years.
2. A revised first page of the Statement of Supporting Justification, correcting the contract number specified in the first sentence.

The Postal Service is grateful to the Public Representative for pointing out these typographical errors in his comments in these dockets¹ and regrets any confusion they may have caused.

¹ Public Representative Comments in Response to United States Postal Service Request to Add Priority Mail Contract 16 to Competitive Product List (August 6, 2009).

The Public Representative also noted, in the context of the “rubric of Governors’ Decision 09-6” that the contract “appears to be silent on issues such as manifesting, electronically or otherwise.” In that regard, that Governors’ Decision states: “Each individual contract will specify ... *any postage payment methods required* ...”² In the case of the instant contract, a particular postage payment is not required, so none is stated. Moreover, the negotiated prices and other terms are not dependent on a particular postage method. The absence of such a provision, therefore, is not in any way inconsistent with the Governors’ Decision or applicable statutory or regulatory provisions.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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August 10, 2009

² Decision of the Governors of the United States Postal Service on Establishment of Rates and Classes Not of General Applicability for Priority Mail Contract Group (Governors' Decision No. 09-6), at 1 (April 27, 2009), filed in Docket No. MC2009-25, Request of the United States Postal Service to Add Priority Mail Contract Group to Competitive Product List (May 19, 2009).

SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING PRIORITY MAIL SERVICE

This contract for shipping services is made by and between [REDACTED] (“Customer”), a corporation organized and existing under the laws of [REDACTED], with its principal office at [REDACTED], and the United States Postal Service (“the Postal Service”), an independent establishment of the Executive Branch of the United States Government established by the Postal Reorganization Act, Public Law 91-375, with its principal office at 475 L’Enfant Plaza, SW, Washington, DC 20260. The Postal Service and Customer are referred to herein collectively as the “Parties” and each as a “Party.”

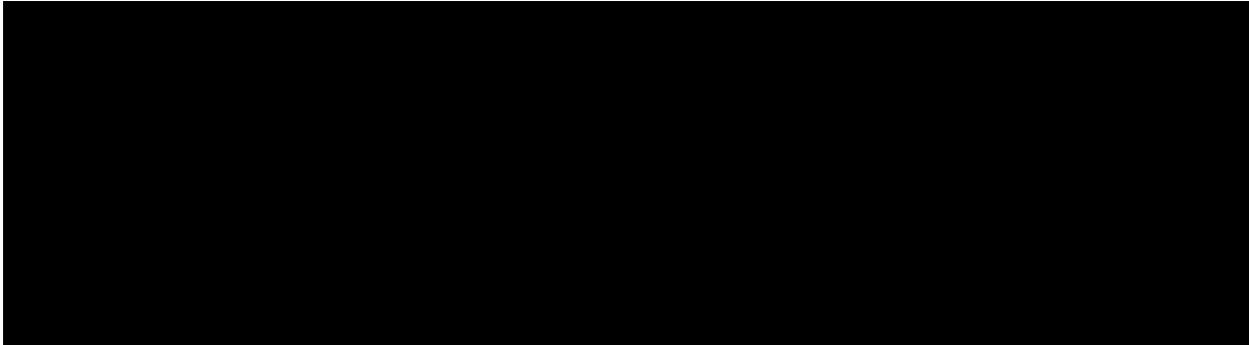
WHEREAS, it is the intention of the Parties to enter into a shipping services contract that will benefit the Postal Service, the postal system as a whole, and Customer, and that will comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006,

NOW, THEREFORE, the Parties agree as follows:

I. Terms

The following terms apply as of the implementation date, as defined below:

- A. Except to the extent different terms or prices are specified in this Contract, applicable provisions of the Domestic Mail Manual (as may be regularly updated by the Postal Service and posted at http://pe.usps.com/text/dmm300/dmm300_landing.htm) and of other postal laws and standards apply to mail tendered under this Contract.
- B. The Postal Service will provide Customer with Priority Mail packaging and labels.
- C. First-Year Customized Priority Mail Prices





D. Annual Adjustment

1. For the second year of the contract, beginning on the first anniversary of the contract's effective date, prices under this contract will be the first year's prices plus 
2. For the third year of the contract, beginning on the second anniversary of the contract's effective date, prices under this contract will be the second year's prices plus 
3. Prices for the second and third years will be calculated by the Postal Service and rounded up to the nearest whole cent.

II. Regulatory Review and Effective Date

This contract is subject to approval by the Postal Service Governors and the Postal Regulatory Commission ("the Commission"). In accordance with Title 39 and the Commission's Rules of Practice and Procedure, and upon approval of the Postal Service Governors, the Postal Service will make required filings with the Commission. The effective date of this contract shall be the day on which the Commission issues all necessary regulatory approval.

III. Expiration Date

This contract shall expire three years from the effective date, unless (1) terminated by either Party with 30 days notice to the other Party in writing, (2) renewed by mutual agreement in writing, (3) superseded by a subsequent contract between the Parties, (4) ordered by the Commission or a court, or (5) required to comply with subsequently enacted legislation.

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this contract by submitting a written appeal within 30 days of receipt of notification of the determination giving rise to the appeal to: Manager, Pricing and Classification Service Center, 90 Church St. Ste. 3100, New York, NY 10007-2951 ((212) 330-5300 / Fax: (212) 330-5320). The decision

of the PCSC Manager will be administratively final. Any decision that is not appealed as prescribed becomes the final Postal Service decision.

V. Confidentiality

Neither Party shall make public the terms of this contract, except to the extent required by law. The Postal Service shall request that the Commission, in executing its functions under the Act, not disclose Customer's identity, the terms of this contract, or supporting data, in accordance with the Commission's rules and practices.

VI. Amendments

This contract shall not be amended except expressly, in writing, by authorized representatives of the Parties.

VII. Assignment

Neither Party may, or shall have the power to, assign its rights under the contract or, delegate its obligations hereunder, without the prior consent of the other; such consent is not to be unreasonably withheld. In addition, in the event that Customer is merged with or into or acquires another entity, pricing under this contract following such merger or acquisition shall apply only to mail sent by the entity existing prior to the merger or acquisition. Following any such merger or acquisition, the parties may negotiate in good faith to extend, modify or enter into a new contract applicable to the merged or acquired entity.

VIII. Waiver

Any waiver by a party shall not constitute a waiver for any future occurrence. No waiver shall be valid unless set forth in a writing executed by the party waiving such provision.

IN WITNESS WHEREOF, the Parties hereto have caused this contract to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: 

Printed Name: Gary Leblin

Title: Vice President, Expedited

Date: 6/25/2009

[Redacted]



Date: 6/22/09

ATTACHMENT C

STATEMENT OF SUPPORTING JUSTIFICATION

I, Mary Prince Anderson, Acting Manager, Sales and Communications, Expedited Shipping, am sponsoring this request that the Commission add Priority Mail Contract 16 to the list of competitive products. This statement supports the Postal Service's request by providing the information required by each applicable subsection of 39 C.F.R. § 3020.32. I attest to the accuracy of the information contained herein.

- (a) *Demonstrate why the change is in accordance with the policies and applicable criteria of the Act.*

As demonstrated below, the change complies with the applicable statutory provisions.

- (b) *Explain why, as to the market dominant products, the change is not inconsistent with each requirement of 39 U.S.C. § 3622(d), and that it advances the objectives of 39 U.S. C. § 3622(b), taking into account the factors of 39 U.S. C. § 3622(c).*

Not applicable. The Postal Service is proposing that this Priority Mail contract be added to the competitive products list.

- (c) *Explain why, as to competitive products, the addition, deletion, or transfer will not result in the violation of any of the standards of 39 U.S.C. 3633.*

The service to be provided under the contract will cover its attributable costs and make a positive contribution to coverage of institutional costs. The contract will increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products arises (39 U.S.C. § 3633(a)(1)).