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

COMPETITIVE PRODUCT PRICES GLOBAL PLUS 2A CONTRACTS (MC2008-7) NEGOTIATED SERVICES AGREEMENTS	Docket Nos. MC2010-27 CP2010-69 CP2010-70

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING TWO FUNCTIONALLY EQUIVALENT GLOBAL PLUS 2A CONTRACTS NEGOTIATED SERVICE AGREEMENTS
(July 13, 2010)

In accordance with 39 C.F.R. § 3015.5 and Order No. 112,[1] the United States Postal Service (Postal Service) hereby gives notice that the Postal Service intends to enter into two additional Global Plus 2A contracts.[2] Prices and classifications not of general applicability for Global Plus 2 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 Direct, Global Bulk Economy, and Global Plus Contracts, issued on July 16, 2008 (Governors' Decision No. 08-10).[3] The Postal Regulatory Commission (Commission) previously determined that the individual Global Plus 2 contracts filed in Docket Nos. CP2008-16 and CP2008-17, as well as the Global

[1] PRC Order No. 112, Order Concerning Global Plus 2 Negotiated Service Agreements, Docket Nos. MC2008-7, CP2008-16, and CP2008-17, October 3, 2008.
[2] Although certain aspects of the agreements filed in this proceeding await finalization between the parties, the current agreements' impending expiration and the regulatory time-frame demand that the Postal Service submit these materials in their present state. The parties expect to finalize this and related agreements soon, and any lingering details will not affect the rates, classification, or other fundamental basis for this Request and Notice.
[3] A redacted copy of this decision was filed as an Attachment to 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) The Enabling Governors' Decision and Two Functionally Equivalent Agreements (hereinafter "2008 Request"), Docket Nos. MC2008-7, CP2008-16, and CP2008-17, August 8, 2008. An unredacted copy of the decision, as well as a record of proceedings, were filed under seal that same date.

2 contracts filed in Docket Nos. CP2009-48 and CP2009-49, were functionally equivalent and included them within the Global Plus 2 product, on the competitive products list.[4]

I. Background

The contracts that are the subject of this docket are the immediate successors to the instruments that the Commission found to be eligible for inclusion in the Global Plus 2 product in Docket Nos. CP2009-48 and CP2009-49. The Postal Service respectfully requests that the instant contracts be considered the new "baseline" contracts for future functional equivalency analyses concerning the Global Plus 2 product.[5] As such, in keeping with the Commission's classification approach in Order No. 290, the renewed contracts would presumably be listed as Global Plus 2A on the Competitive Product List, the successor product name to Global Plus 2.[6]

Attachment 1 to this Request is the Statement of Supporting Justification of

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[4] PRC Order No. 112 at 8; PRC Order No. 267, Order concerning Filing a Functionally Equivalent Global Plus 2 Contract Negotiated Service Agreement, Docket No. CP2009-48, July 31, 2009; PRC Order No. 268, Order concerning Filing of a Functionally Equivalent Global Plus 2 Contract Negotiated Service Agreement, Docket No. CP2009-49, July 31, 2009.

[5] See PRC Order No. 85, Order Concerning Global Plus Negotiated Service Agreements, Docket Nos. CP2008-8, CP2008-9, and CP2008-10. June 27,2008, at 8 (applying standards for the filing of functionally equivalent contracts).

[6] In Order No. 290 in Docket No. CP2009-50, the Commission Identified requirements for the establishment of new baseline instruments. In particular, the Commission advised that "[f]uture requests to implement a new baseline agreement should be filed as an MC docket since it will result in adding a new product to the product list and may result in removing a product from the product list." The Postal Service is not undertaking to remove Global Plus 2 from the product list at this time, however, because the arrangements for Global Plus 2 described In Docket Nos. CP2009-48 and CP2009-49, which are functionally equivalent to the Global Plus 2 product, are ongoing at this time.

Frank Cebello, Executive Director, Global Business Management, which was used to support the classification of Global Plus 2.[7] That same justification applies here as well. Redacted versions of the contracts are included as Attachments 2A and 2B, and redacted versions of the certified statements required by 39 C.F.R. § 3015.5(c)(2) are included as Attachments 3A and 3B, respectively. In accordance with the Commission's instructions in Order No. 265, the redacted version of the Governors' Decision that authorizes Global Plus 2 contracts is included as Attachment 4. The Postal Service's application for non-public treatment of the unredacted versions of these materials is included with this filing as Attachment 5.

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 the supporting financial document for each contract are included with this filing as a separate Excel file.

II. Identification of the Global Plus 2A Contracts

The Postal Service believes that the Global Plus 2A contracts fit within the Mail Classification Schedule (MCS) language for Global Plus Contracts, included as Attachment A to Governors' Decision No. 08-10.

These agreements are the immediate successors and counterparts of the Global Plus 2 contracts at issue in Docket Nos. CP2009-48 and CP2009-49, which are

[7] 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) the Enabling Governors' Decision and Two Functionally Equivalent Agreements, Docket Nos. MC2008-7, CP2008-16, CP2008-17, August 8, 2008, at Attachment 2. This document is available at http://www.prc.gov/Docs/60/60671/GlobalPlus2Request%20.pdf.

scheduled to expire on July 31, 2010. The instant agreements that are the subject of this filing are set to begin on August 1, 2010, at the expiration of the customers' current customized agreements, which were added to the competitive product list in Docket Nos. CP2009-48 and CP2009-49. By their terms, the agreements will expire on the day prior to the day of any changes in the published rates that affect the Qualifying Mail in the corresponding newly executed Global Plus 1A agreements, unless termination of the agreements occurs earlier.

III. Functional Equivalence of Global Plus 2A Contracts to Each Other

The Global Plus 2A 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. The contracts are very similar in effect, except with respect to each customer's identifying information.[8] Given that the customers that signed these agreements 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. CP2008-16 and CP2008-17, and CP2009-48 and CP2009-49, with the result that the instant contracts should be categorized within the Global Plus 2A listing

[8] In the interest of protecting its and the customers' proprietary interests in negotiated pricing, however, the Postal Service declines to indicate here whether the prices are or are not identical between the two contracts.

on the Competitive Products List.[9] The Global Plus 2A contracts in the instant proceedings are made with the same Postal Qualified Wholesalers (PQWs) as the parties to the contracts in Docket Nos. CP2008-16 and CP2008-17 and Docket Nos. CP2009-48 and CP2009-49. 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 Global Bulk Economy (GBE) and Global Direct (GD).[10]

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, the Postal Service offers the following identification of material changes in comparison to the Global Plus 2 contracts that are the subject of Docket Nos. CP2009-48 and CP2009-49, including those that impose new obligations or requirements.

- Term. The term of these agreements, rather than one year, is from August 1, 2010 through the day prior to the date of any change in the published rates for Qualifying Mail as defined in the Global Plus 1A contracts.

[9] 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; pages 3 through 8 of its Notice of Filing Two Functionally Equivalent Global Plus 2 Negotiated Service Agreements, Docket Nos. CP2009-48, CP2009-49; 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.

[10] The commitments also account for International Priority Airmail (IPA), International Surface Air Lift (ISAL), Express Mail International (EMI), and Priority Mail International (PMII) items mailed under a separate but related Global Plus 1A contract with each customer. As befitting their distinct entry on the Competitive Products List, these Global Plus 1A contracts are the subject of a separate competitive products proceeding.

- Price Incentives, Commitments, and Penalties. The precise levels of the price-based incentives, commitments and penalties for non-achievement of commitments, set forth in Articles 7 and 13, differ from those in the Global Plus 2 contracts that were the subject of Docket Nos. CP2009-48 and CP2009-49, due to the course of negotiations, the customers' mailing histories, and the agreed-upon commitment levels. These prices continue to fulfill the formulae and MCS description established by the Governors for Global Plus 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).
- Canada Post's domestic Incentive Lettermail service has been added as an available offering for Global Direct, due to a July 1, 2010, change in the array of Canada Post services that support Global Direct. Incentive Lettermail is the same as Canada Post's Lettermail in terms of size, shape, and content. A mailer performs certain preparation tasks established by Canada Post to qualify for Incentive Lettermail pricing, just as Canadian domestic mailers might. This change in the underlying services does not affect the essential nature of Global Direct service.
- The summary of preparation and pre-notification requirements for Global Direct – Canada, which was included as Annex 2 to the Global Plus 2 contracts that were the subject of Docket Nos. CP2009-48 and CP2009-

49, has been removed from the Global Plus 2A contracts. The Postal Service has provided a summary of these requirements to the Mailer as a separate document, but the Mailer is responsible for meeting the relevant requirements established by Canada Post.

- Confidentiality. The instant contract includes new language, at Article 6, paragraph 6, Article 7, paragraph 11, and Article 32 to account for the Commission's rules governing confidentiality.

In the Postal Service's view, these updated provisions simply add detail or elaboration to processes that were included in the prior Global Plus 2 contracts. Because these agreements, as well as the four Global Plus 2 contracts 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 2A contracts as compared to their predecessors. The Postal Service does not 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 2 contracts. Nothing detracts from the conclusion that these agreements are "functionally equivalent in all pertinent respects."[11]

Because the Postal Service expects the text of any future Global Plus 2 Contracts to resemble the instant contract more closely than the agreements that are the subject of Docket Nos. CP2009-48 and CP2009-49, the Postal Service requests that the contract in this proceeding be treated as the baseline for future Global Plus 2 functional equivalency comparisons.

[11] PRC Order No. 112 at 8.

IV. Filing under Part 3020, Subpart B of the Rules of Practice and Procedure

The Statement of Supporting Justification of Frank Cebello, Executive Director, Global Business Management, is included as Attachment 1 in accordance with Part 3020, Subpart B, of the Rules of Practice and Procedure. This Statement, which was originally furnished in Docket Nos. MC2008-7, CP2008-16, CP2008-17,[12] provides support for the addition of Global Plus 2 to the competitive products list. Under 39 U.S.C. § 3642(b), the only criteria for such review are whether the product qualifies as market dominant, whether it is excluded from the postal monopoly, and whether the proposed classification reflects certain market considerations. Each of these criteria has been addressed in this case. With Order No. 43, the Commission has already assigned all NSAs concerning outbound international mail to the competitive category,[13] and Global Plus 2A contracts are NSAs concerning outbound international mail. Therefore, there is no further need to ponder whether Global Plus 2A contracts are market dominant or covered within the postal monopoly. The additional considerations listed in 39 U.S.C. § 3642(b)(3) are addressed by Mr. Cebello's statement. It should be noted that the instant filing of an "MC"-docketed proceeding is simply a technical matter arising from the Commission's method for handling successor contracts, and does not involve a substantively new product requiring fresh review. Because all of section 3642's criteria for classification have been met, the Postal

[12] Notice of the United States Postal Service Response to Add Global Plus 2 Negotiated Service Agreements to the Competitive Product List, and Notice of Filing (Under Seal) the Enabling Governors' Decision and Two Functionally Equivalent Agreement, Docket Nos. MC2008-7, CP2008-16 and CP2008-17, August 8, 2008, Attachment 5.

[13] PRC Order No. 43, Order Establishing Ratemaking Regulations for Market Dominant and Competitive Products, Docket No. MC2007-1, October 29, 2007, App. A, at 9, 11.

Service respectfully urges the Commission to act promptly by adding this product to the competitive products list as requested.

V. 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 2A contracts are in compliance with the requirements of 39 U.S.C. § 3633, fit within the proposed Mail Classification Schedule (MCS) language for Global Plus Contracts under Governors' Decision No. 08-10, and are functionally equivalent to each other. Because these instruments are the direct successors to the contracts in Docket Nos. CP2009-48 and CP2009-49, which the Commission determined were "the 'baseline' for future functional equivalency analysis" regarding the Global Plus 2 product,[14] these contracts should now be treated as the new "baseline" agreements for consideration of future such agreements' functional equivalency and thereby added to the competitive products list as Global Plus 2A.

[14] PRC Order No. 267, at 6-7.

Respectfully submitted,

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Statement of Supporting Justification

I, Frank Cebello, Executive Director, Global Business Management, am sponsoring the Request that the Commission add, as one product, the two Global Plus 2 contracts filed in Docket Nos. MC2008-7, CP2008-16, and CP2008-17, to the competitive products list for prices not of general applicability. The proposed Mail Classification Schedule (MCS) language for Global Plus Contracts 2 describes the requirements for this type of contract. My 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 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 the two Global Plus 2 contracts be added, as one product, to the competitive products list. Other functionally equivalent contracts would be added to the list as price categories under the Global Plus Contracts 2 listing.

(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.

Adding the Global Plus 2 contracts to the competitive product list will improve the Postal Service's competitive posture, while enabling the Commission to verify that each contract covers its attributable costs and makes a positive contribution to coverage of institutional costs. These contracts, along with each contract that is functionally equivalent to these contracts, will increase contribution toward the requisite 5.5 percent of the Postal Service's total institutional costs paid for by competitive products. Accordingly, no issue of subsidization of competitive products by market dominant products arises.

(d) Verify that the change does not classify as competitive a product over which the Postal Service exercises sufficient market power that it can, without risk of losing a significant level of business to other firms offering similar products: (1) set the price of such product substantially above costs, (2) raise prices significantly; (3) decrease quality; or (4) decrease output.

The Global Plus 2 contracts are for Postal Qualified Wholesalers (PQWs) and other large businesses that offer mailing services to end users for shipping articles via Global Direct and/or Global Bulk Economy. With Global Direct services, the Postal Service provides customers with a price for mail acceptance within the United States and transportation to a receiving county. Global Direct items bear the postal imprint of the receiving country and a return address in the receiving country. Global Bulk Economy allows customers to ship letter-post items that are dispatched in bulk via surface transportation to destination countries. Under the Postal Service's previous statutory authority, customers

have accessed Global Direct and Global Bulk Economy services through customized agreements.

When negotiating Global Plus 2 contracts, the Postal Service's bargaining position is constrained by the existence of other providers of similar services. As such, the market precludes the Postal Service from taking unilateral action to increase prices or decrease service. Global Plus 2 contracts provide incentives for the tendering of Global Direct and Global Bulk Economy items, both of which should be deemed competitive by virtue of their exclusion from the letter monopoly, as well as the significant levels of competition they face in their respective markets. As with each of the respective underlying services in general, the Postal Service may not decrease quality or output without risking the loss of business to large competitors that offer similar international delivery services. The relevant market also does not allow the Postal Service to raise prices or offer prices substantially above costs; rather, the contracts are premised on prices that provide sufficient incentive for customers to ship with the Postal Service rather than a competitor. If the Postal Service were to raise these prices, it risks losing these customers to a private competitor in the international shipping industry.

(e) Explain whether or not each product that is the subject of the request is covered by the postal monopoly as reserved to the Postal Service under 18 U.S.C. § 1696, subject to the exceptions set forth in 39 U.S.C. § 601.

Each of the underlying services falls outside the prohibition on private carriage of letters over post routes by virtue of suspensions to the Private

Express Statutes for international remail, so the Global Plus 2 contracts also fall outside that prohibition. See part (d) above.

(f) Provide a description of the availability and nature of enterprises in the private sector engaged in the delivery of the product.

See part (d) above. Private consolidators, freight forwarders and integrators also offer international shipping arrangements whereby they provide analogous delivery services under similar conditions. For Global Direct, mailers with large enough volumes also may find it advantageous to enter mail directly with foreign posts, without the Postal Service's assistance. For Global Bulk Economy, foreign posts operating in the United States are a prime source of competition.

(g) Provide any available information on the views of those who use the product on the appropriateness of the proposed modification.

As discussed above, the customers for these Global Plus 2 contracts are PQWs and other large businesses that offer mailing services to end users for shipping articles via Global Direct and/or Global Bulk Economy. These customers have previously entered into Global Plus Contracts that covered a number of different services, including Global Direct and Global Bulk Economy, with the Postal Service pursuant to the latter's former authority, and they find the arrangement sufficiently attractive to merit continuation. This indicates that the relevant segment of postal customers in general, as well as their end users, find this type of product to be preferable to similar products offered by the Postal Service's competitors. Customers are aware that competitive services are

provided by other entities. However, no specific data are available to the Postal Service on Global Plus 2 customer views regarding the regulatory classification of these contracts.

(h) Provide a description of the likely impact of the proposed modification on small business concerns.

The market for international delivery services comparable to Global Direct and Global Bulk Economy is highly competitive. Therefore, addition of Global Plus Contracts 2 will likely have little, if any, impact upon small business concerns. Large shipping companies, consolidators, freight forwarders and foreign posts operating in the United States serve this market, particularly with respect to the type of customers represented by these Global Plus 2 contracts; the Postal Service is unaware of any small business concerns that could offer comparable service for these volumes.

In addition, these Global Plus 2 contracts will form the basis for the PQW customers' service offerings to their own end users, which include small businesses. By offering the prices in these Global Plus 2 contracts, the Postal Service is giving small businesses an additional option for shipping articles internationally, beyond the services offered by competitors. Thus, the net impact on small businesses is positive, because of the absence of negative impact on small business competitors and the positive impact on the small businesses that will use the services that the Global Plus 2 customers can offer them under these contracts.

(i) Include such other information, data, and such statements of reasons and bases, as are necessary and appropriate to fully inform the Commission of the nature, scope, significance, and impact of the proposed modification.

The customer eligibility criteria contained in the proposed MCS language for Global Plus Contracts 2 are consistent with those proposed for the previously filed Global Plus Contracts 1 product classification.[1] In addition, the proposed MCS language for Global Plus Contracts 2 contains shape-based criteria for Global Bulk Economy, in accordance with the recent advent of shape-based pricing for First-Class Mail International.

[1] *See* Notice of United States Postal Service of Governors' Decision Establishing Prices and Classifications for Global Plus Contracts, Docket No. CP2008-8, June 2, 2008.

GLOBAL PLUS 2 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 office 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;

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 Global Bulk Economy (GBE) service and Global Direct (GD) service.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. "IMM" means the *International Mail Manual* as found on the USPS website pe.usps.com on the date of mailing.
2. "DMM" means the *Domestic Mail Manual* as found on the USPS website pe.usps.com on the date of mailing.
3. "CPC" means Canada Post Corporation, a Canadian crown corporation and the designated postal operator for Canada.
4. "GD" means Global Direct service. Global Direct service is 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.

5. "GBE" means Global Bulk Economy service. Global Bulk Economy service provides for letter-post items dispatched in bulk via surface transportation.

6. "Lettermail" means mailable items as defined by Canadian law for lettermail, including, but not limited to the Letter Mail Regulations, SOR/88-430, and Letter Definition Regulations, SOR/83-481, as applicable. When in USPS custody, Lettermail is sealed against inspection under U.S. law.

7. "Global Direct – Canada Lettermail" means Global Direct service in connection with Lettermail to Canada. Global Direct – Canada Lettermail is subject to Canada Post Corporation specifications for domestic Canadian lettermail. When in USPS custody, Global Direct – Canada Lettermail is sealed against inspection under U.S. law.

8. "Incentive Lettermail" means one or more tenders of large volumes of identical lettermail items meeting mail preparation requirements set by CPC and eligible for CPC's domestic incentive lettermail prices. When in USPS custody, Incentive Lettermail is sealed against inspection under U.S. law.

9. "Global Direct – Canada Incentive Lettermail" means Global Direct service in connection with Incentive Lettermail to Canada. Global Direct – Canada Incentive Lettermail is subject to CPC's specifications for domestic Canadian incentive lettermail. When in USPS custody, Global Direct – Canada Incentive Lettermail is sealed against inspection under U.S. law.

10. "Admail" means mailable items bearing a uniform message that promote the sale or use of products or services; or solicit donations or contributions; or report on financial performance, primarily for promotional purposes.

11. "Global Direct – Canada Admail" means Global Direct service used in connection with Admail to Canada. Global Direct – Canada Admail is subject to Canada Post Corporation specifications for domestic Canadian Addressed Admail service. Global Direct – Canada Admail is not sealed against inspection under U.S. law.

12. "Publications Mail" means almost any kind of periodical.

13. "Global Direct – Canada Publications Mail" means Global Direct service used in connection with Publications Mail to Canada. Global Direct – Canada Publications Mail is subject to Canada Post Corporation specifications for domestic Canadian Publications Mail. Global Direct – Canada Publications Mail is not sealed against inspection under U.S. law.

14. "M-bags" means special sacks for printed matter directed to a single addressee at a single address in another country.

15. "United States" or "U.S." means the United States of America, its territories and possessions.

16. "Qualifying Mail" means Mail that meets the requirements set forth in Article 3 of this Agreement.

17. "Non-Qualifying Mail" means Mail that does not meet the requirements set forth in Article 3 of this Agreement.

18. "Effective Date" means the first date on which the USPS is willing to accept Qualifying Mail.
19. "IPA" means International Priority Airmail service.
20. "ISAL" means International Surface Air Lift service.
21. "EMI" means Express Mail International service with the exception of the Express Mail International Flat-Rate Envelope.
22. "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.

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. GBE. Every item must comply with the preparation and payment requirements the USPS shall provide the Mailer. The average weight of GBE items must be at least four (4) ounces.
2. Global Direct. Every item must comply with the preparation requirements of the destination country.
3. GBE M-bags. Every item must comply with the preparation requirements set forth in IMM 260 for direct sacks of printed matter to a single addressee at a single address.

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. Mailings of GBE 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.
4. Mailings of Global Direct – Canada must comply with the preparation and pre-notification requirements the USPS provides the Mailer. Such requirements are subject to any changes CPC may make and are binding upon the Mailer on the effective date determined by CPC whether or not they are reflected in any documentation the USPS provides to the Mailer. The Mailer is responsible for ensuring that the items meet CPC preparation requirements found on the CPC website (www.canadapost.com).
5. The Mailer may apply to the USPS in writing in the event the Mailer wishes an exception(s) to the requirements set forth in supplied documentation intended to provide preparation and/or pre-notification requirements for GBE or Global Direct – Canada mailings. Responses to such applications may be subject to review and approval by CPC in addition to the USPS review.

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 under the terms, conditions, and handling charges the USPS and/or CPC specify.

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. Transportation. To arrange with carriers to transport Qualifying Mail to international destinations for delivery by the appropriate authority.
4. Reporting. To provide the Mailer with a report regarding postage paid by the Mailer to the USPS, by month, for Qualifying GBE, and Global Direct mailings. 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.
5. CPC Penalties. To inform the Mailer, via e-mail as provided in Article 30, if CPC informs the USPS that mail presented under this Agreement has not been prepared in accordance with CPC regulations. Such notification shall provide the Mailer, in advance, with the opportunity to either take back possession of the mailing in Canada, correct the problem identified by CPC, and re-tender the mail directly to CPC at the Mailers expense, or inform the USPS that the Mailer will pay any penalty CPC may assess as a result of the identified non-conformance with CPC regulations. In the event that the Mailer elects to inform the USPS that it will pay any penalty CPC may assess as a result of the identified non-conformance with CPC regulations, the USPS shall provide the Mailer with an invoice for the penalty CPC assesses. The procedure of repossession by the Mailer and retender to CPC in this Paragraph is subject to the discretion of CPC.
6. Confidentiality. To seek non-public treatment of information it determines to be eligible for protection from public disclosure under applicable law and practice when it files the Agreement with the Postal Regulatory Commission, or when it files information (including data) in connection with the Agreement in accordance with other regulatory requirements.

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 Qualifying Mail during the term that begins on the Effective Date of this Agreement and ends on December 31, 2010 (any postage paid to the USPS during the term of this Agreement that falls within the month of January 2011, shall be applied to any agreement(s) the Parties shall enter into with an Effective Date that falls within the month of January 2011); and

   b. Of the [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. One hundred percent (100%) of Global Bulk Economy in drop shipments to the USPS facility at the New Jersey International and Bulk Mail Center, 80 County Road, Jersey City, NJ 07097-9998.

   b. One hundred percent (100%) of Global Direct – Canada Lettermail in drop shipments to any USPS international Service Center location and one hundred percent (100%) of Global Direct – Canada Admail and Global Direct– Canada Publications Mail in drop shipments at the appropriate deposit location as specified in Annex 2.

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 Global Direct Qualifying Mail by use of a dedicated unique permit imprint to be used only for Global Direct mailings subject to the conditions stated in DMM 604.5, with the exception that DMM 604.5.1.1 shall not apply.

b. For Global Direct Qualifying Mail, the indicia must conform to the requirements in any preparation requirement document the USPS may provide the Mailer, subject to any disclaimer(s) that document may contain, and such other CPC requirements as may apply.

c. For GBE by use of dedicated permit imprints to be used only for GBE mailings.

d. Non-identical-weight items are acceptable as authorized under the specific procedures in one of the special payment programs in DMM 705.

5. Penalty. To pay any penalty CPC may assess for mail not prepared in accordance with CPC regulations provided that the USPS has provided the Mailer with notice of the non-conformance with CPC regulations and has provided the Mailer with an opportunity to retrieve the non-conforming mail under the circumstances described in Article 6, Paragraph 5.

a. CPC will inform the USPS of any penalty assessed on Qualifying Mail presented under this Agreement that is not prepared in accordance with CPC regulations.

b. The USPS will invoice the Mailer for these assessed penalties.

c. The Mailer shall pay to the USPS the amount of the assessed penalties within thirty (30) days of the date of the invoice. All invoices that are not paid within thirty (30) days will incur an annual late payment penalty (finance charge) of [redacted] Any invoicing discrepancies will be resolved [redacted] of the invoice. In addition to late payment penalties (finance charges), the USPS reserves the right to pursue other available remedies.

6. Monthly Reporting. To provide the USPS with a report on a monthly basis, in a format to be specified by the USPS, that states for Global Bulk Economy and Global Direct mailings:

a. The total revenue, pieces, and weight 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.

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 mailings under this Agreement. 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 the USPS.

8. 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.

9. 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.

10. 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.

11. Confidentiality. To treat as confidential and not disclose to third parties, absent express written consent by the USPS, any information related to this Agreement that is treated as non-public by the Postal Regulatory Commission.

ARTICLE 8. POSTAGE PRICES

In consideration of Article 7 Paragraph 1, and in accordance with Article 9 but subject to Article 13, the Mailer:

1. Will receive a discount of [redacted] off the base rates for Global Bulk Economy service found in Annex 1 to this Agreement.

2. Will pay postage according to the price charts in Annex 3 to this Agreement for Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail.

ARTICLE 9. APPROVAL OF PRICES

The discount in Paragraph 1 of Article 8 and the prices for Global Direct Service listed in Annex 3 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. The minimum commitment for Qualifying Mail as set forth in Article 7 of this Agreement 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, 2010. The Agreement will remain in effect until 11:59 p.m. on January 16, 2011, unless terminated sooner pursuant to Article 14.
2. The Mailer acknowledges that this Agreement is subject to regulatory oversight and that 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, or 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. In the event that the Mailer does not meet its minimum commitment as set forth in Article 7 Paragraph 1, the Mailer agrees to pay the USPS [redacted] The actual amount to be determined by the USPS.
2. 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.
3. 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, 2010, and shall include December 31, 2010, as the final inclusive date.

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 the anticipated termination date in Article 12, the Mailer remains bound by the terms of Article 7 Paragraphs 5 and 6, 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. The prices in Annex 3 are based in part on the exchange rate between the United States Dollar and the Canadian Dollar reported on June 1, 2010, on the following URL on the International Monetary Fund website.
   http://www.imf.org/external/np/fin/data/rms_mth.aspx?reportType=REP
   The USPS will continue to use this website or any successor website the International Monetary Fund may establish.

   a. The USPS Postal Fiscal Year quarters begin on October 1, January 1, April 1, and July 1.

   b. The USPS will review the foreign exchange rate of the Canadian Dollar as measured in United States Dollars ("Exchange Rate") reported on the International Monetary Fund website [redacted]

   c. Should the Exchange Rate change [redacted] the USPS will adjust the prices in the then-current Annex 3 [redacted]

   d. [redacted]

2. In the event that the costs the USPS incurs to provide Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, or Global Direct – Canada Publications Mail increase [redacted] during the term of this Agreement, the USPS reserves the right to adjust the prices for that service during the term of this Agreement.

3. The prices for Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail listed in Annex 3 are based on CPC prices. The USPS will adjust the prices in Annex 3 if CPC changes its prices for domestic Canadian Lettermail, Incentive Lettermail, Admail, or Publications Mail during the term of this Agreement.

4. Notwithstanding the provisions of Paragraph 1 above, if the Exchange Rate [redacted] results in the then-current prices, denominated in United States Dollars, in Annex 3 of this Agreement falling below the CPC prices for domestic Canadian Lettermail, Incentive Lettermail, Admail, or Publications Mail as expressed in United States Dollars, the USPS will adjust the then-current prices in Annex 3 as necessary to avoid such a result.

5. Any revision of prices in Annex 3 shall go into effect [redacted] except for the following:

   a. Any price revision pursuant to Paragraphs 1 and 4 [redacted] In such cases, the price revision will take effect simultaneous with the price revision pursuant to Paragraph 3 above, except that for purposes of Paragraph 1, if CPC does not change its rates in January, any price revision will take place [redacted]

   b. Any price revision pursuant to Paragraph 2. In such cases, the price revision will take effect as specified by the USPS.

6. The USPS shall use its best efforts to provide the Mailer with notification of any revision to the prices in Annex 3 at least fifteen (15) days prior to the date on which the revised prices will take effect.

7. The USPS shall use its best efforts to provide the Mailer with notification of any revision to the prices for Global Bulk Economy service at least thirty-five (35) days prior to the date on which the revised prices will take effect.

8. The Mailer acknowledges that revisions in prices may be subject to regulatory oversight and such oversight might affect the effective date of any price revision.

9. No revision to the prices in Annex 3 shall be retroactive.

10. In the event that this Agreement is extended for any period of time under the terms of Article 27, the price adjustment provisions of this Article shall continue to apply during the extension term.

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 ("Claims") 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. 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 the 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. 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 AND REFERENCE CITATIONS
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. All citations to provisions in the DMM and IMM within this Agreement are intended to refer to the substantive information found within the cited sections(s) at the time this Agreement was drafted. Subsequent changes to the citations or the relevant substantive information due to published revisions of the DMM or IMM shall be applicable to this Agreement upon the effective date of such revisions.

ARTICLE 26. ENTIRE AGREEMENT AND SURVIVAL

1. This Agreement, Global Plus 2 Service Agreement, including all Annexes thereto for Qualifying Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail, along with the companion Global Plus 1 Service Agreement, including all Annexes thereto for Qualifying International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International (EMI) and Priority Mail International (PMI), shall constitute the entire agreement between the Parties as it pertains to Qualifying Global Bulk Economy, Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, Global Direct – Canada Publications Mail, International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International (EMI), and Priority Mail International (PMI) intended for delivery outside the United States.
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 the Mailer on June 19, 2008, and by the USPS on June 19, 2008.

3. Neither the Mailer nor the USPS is released from any obligations arising under the Global Plus 1 Service Agreement between the Mailer and the USPS executed by the Mailer on June 16, 2009, and by the USPS on June 19, 2009; and the Global Plus 2 Service Agreement between the Mailer and the USPS executed by the Mailer on June 16, 2009, and by the USPS on June 19, 2009.
4. With the exception of the Agreements mentioned in Article 26, Paragraphs 2 and 3, any prior understanding or representation of any kind regarding the use of said Qualifying Mail originating in the United States and intended for delivery outside the United States, which precedes the date of this Global Plus 1 Agreement and the companion Global Plus 2 Agreement, shall not be binding upon either Party except to the extent incorporated in this Agreement.
5. The provision of Article 6, Paragraph 6; Article 7, Paragraph 11; and Article 32 shall expire ten (10) years from the date of termination or expiration of this Agreement.

ARTICLE 27. MODIFICATION

1. Any modification of 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, 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. 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.

ARTICLE 30. 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:

[redacted]

or via e-mail:

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

To the Mailer at: [redacted]

ARTICLE 31. CONDITIONS PRECEDENT

1. The Parties acknowledge and understand that all obligations of the USPS under this Agreement, including the prices listed in Annex 3, shall be contingent on the USPS receiving approvals hereinafter ("Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, 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 individuals or bodies. Until such time that all Conditions Precedent 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. 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.

ARTICLE 32. CONFIDENTIALITY

The Mailer acknowledges that as part of securing approval of this Agreement, and in other subsequent regulatory filings, the Agreement and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding. The Mailer authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding. The Mailer further understands that any unredacted portion of the Agreement or supporting information will be available on the Commission's public website, www.prc.gov. In addition, the USPS may file information in connection with this instrument (including revenue, cost, or volume data) in other Commission dockets. The Mailer has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the PRC for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website www.prc.gov/Docs/63/63467Order225.pdf. At the request of the Mailer, the USPS will notify the Mailer of the docket number of the Commission proceeding to establish the prices in this instrument once assigned.

ARTICLE 33. 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: _____

Name: Frank A. Cebello

Title: Executive Director, Global Business Management

Date: _____

ON BEHALF OF [redacted]

Signature: _____

Name: _____

Title: _____

Date: _____

ANNEX 1 GLOBAL BULK ECONOMY (GBE) BASE PRICES

ANNEX 2 MAILING LOCATIONS FOR GLOBAL DIRECT – CANADA

ANNEX 3 GLOBAL DIRECT – CANADA PRICE CHARTS

ANNEX 1

GLOBAL BULK ECONOMY (GBE) BASE PRICES

Postage
The following are base prices from which percentage volume discounts are applied. The GBE [redacted] discount is [redacted] off these base prices.

The per-piece price applies to each piece regardless of its weight. The piece price is applied to each item mailed in a GBE sack. The per-pound price applies to the net weight (gross weight minus tare weight of mailing equipment) of the sack for the specific price group. Fractions of a pound are rounded to the next whole pound for postage calculation.

Global Bulk Economy Base Prices
Base prices for mail tendered at the New Jersey International and Bulk Mail Center:

Price Group	Per-Piece + Per-Pound
1	[redacted]
2	
3	
4	
5	
6	
7	
8	

[redacted]

M-bag (all price groups) [redacted]

ANNEX 2

MAILING LOCATIONS FOR GLOBAL DIRECT – CANADA

GLOBAL DIRECT – CANADA LETTERMAIL
GLOBAL DIRECT – CANADA INCENTIVE LETTERMAIL
GLOBAL DIRECT – CANADA ADMAIL
GLOBAL DIRECT – CANADA PUBLICATIONS MAIL

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

NEW JERSEY INTERNATIONAL BULK MAIL CTR
US POSTAL SERVICE
80 COUNTY RD
JERSEY CITY NJ 07097-9998

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

ANNEX 3

GLOBAL DIRECT – CANADA PRICE CHARTS

PRICES FOR GLOBAL DIRECT – CANADA LETTERMAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

Global Direct – Canada Lettermail

[redacted]

ANNEX 3

GLOBAL DIRECT – CANADA PRICE CHARTS

PRICES FOR GLOBAL DIRECT – CANADA INCENTIVE LETTERMAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

INCENTIVE MACHINEABLE LETTERMAIL

[redacted]

INCENTIVE PRESORT LETTERMAIL

[redacted]

[redacted]

ANNEX 3

GLOBAL DIRECT – CANADA PRICE CHARTS

PRICES FOR GLOBAL DIRECT – CANADA ADMAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

Global Direct – Canada Admail

[redacted]

PRICES FOR GLOBAL DIRECT – CANADA PUBLICATIONS MAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

Global Direct – Canada Publications Mail

[redacted]

GLOBAL PLUS 2 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 office 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;

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 Global Bulk Economy (GBE) service and Global Direct (GD) service.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. "IMM" means the *International Mail Manual* as found on the USPS website pe.usps.com on the date of mailing.
2. "DMM" means the *Domestic Mail Manual* as found on the USPS website pe.usps.com on the date of mailing.
3. "CPC" means Canada Post Corporation, a Canadian crown corporation and the designated postal operator for Canada.
4. "GD" means Global Direct service. Global Direct service is 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.

5. "GBE" means Global Bulk Economy service. Global Bulk Economy service provides for letter-post items dispatched in bulk via surface transportation.

6. "Lettermail" means mailable items as defined by Canadian law for lettermail, including, but not limited to the Letter Mail Regulations, SOR/88-430, and Letter Definition Regulations, SOR/83-481, as applicable. When in USPS custody, Lettermail is sealed against inspection under U.S. law.

7. "Global Direct – Canada Lettermail" means Global Direct service in connection with Lettermail to Canada. Global Direct – Canada Lettermail is subject to Canada Post Corporation specifications for domestic Canadian lettermail. When in USPS custody, Global Direct – Canada Lettermail is sealed against inspection under U.S. law.

8. "Incentive Lettermail" means one or more tenders of large volumes of identical lettermail items meeting mail preparation requirements set by CPC and eligible for CPC's domestic incentive lettermail prices. When in USPS custody, Incentive Lettermail is sealed against inspection under U.S. law.

9. "Global Direct – Canada Incentive Lettermail" means Global Direct service in connection with Incentive Lettermail to Canada. Global Direct – Canada Incentive Lettermail is subject to CPC's specifications for domestic Canadian incentive lettermail. When in USPS custody, Global Direct – Canada Incentive Lettermail is sealed against inspection under U.S. law.

10. "Admail" means mailable items bearing a uniform message that promote the sale or use of products or services; or solicit donations or contributions; or report on financial performance, primarily for promotional purposes.

11. "Global Direct – Canada Admail" means Global Direct service used in connection with Admail to Canada. Global Direct – Canada Admail is subject to Canada Post Corporation specifications for domestic Canadian Addressed Admail service. Global Direct – Canada Admail is not sealed against inspection under U.S. law.

12. "Publications Mail" means almost any kind of periodical.

13. "Global Direct – Canada Publications Mail" means Global Direct service used in connection with Publications Mail to Canada. Global Direct – Canada Publications Mail is subject to Canada Post Corporation specifications for domestic Canadian Publications Mail. Global Direct – Canada Publications Mail is not sealed against inspection under U.S. law.

14. "M-bags" means special sacks for printed matter directed to a single addressee at a single address in another country.

15. "United States" or "U.S." means the United States of America, its territories and possessions.

16. "Qualifying Mail" means Mail that meets the requirements set forth in Article 3 of this Agreement.

17. "Non-Qualifying Mail" means Mail that does not meet the requirements set forth in Article 3 of this Agreement.

18. "Effective Date" means the first date on which the USPS is willing to accept Qualifying Mail.
19. "IPA" means International Priority Airmail service.
20. "ISAL" means International Surface Air Lift service.
21. "EMI" means Express Mail International service with the exception of the Express Mail International Flat-Rate Envelope.
22. "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.

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. GBE. Every item must comply with the preparation and payment requirements the USPS shall provide the Mailer. The average weight of GBE items must be at least four (4) ounces.
2. Global Direct. Every item must comply with the preparation requirements of the destination country.
3. GBE M-bags. Every item must comply with the preparation requirements set forth in IMM 260 for direct sacks of printed matter to a single addressee at a single address.

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. Mailings of GBE 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.
4. Mailings of Global Direct – Canada must comply with the preparation and pre-notification requirements the USPS provides the Mailer. Such requirements are subject to any changes CPC may make and are binding upon the Mailer on the effective date determined by CPC whether or not they are reflected in any documentation the USPS provides to the Mailer. The Mailer is responsible for ensuring that the items meet CPC preparation requirements found on the CPC website (www.canadapost.com).
5. The Mailer may apply to the USPS in writing in the event the Mailer wishes an exception(s) to the requirements set forth in supplied documentation intended to provide preparation and/or pre-notification requirements for GBE or Global Direct – Canada mailings. Responses to such applications may be subject to review and approval by CPC in addition to the USPS review.

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 under the terms, conditions, and handling charges the USPS and/or CPC specify.

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. Transportation. To arrange with carriers to transport Qualifying Mail to international destinations for delivery by the appropriate authority.
4. Reporting. To provide the Mailer with a report regarding postage paid by the Mailer to the USPS, by month, for Qualifying GBE, and Global Direct mailings. 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.
5. CPC Penalties. To inform the Mailer, via e-mail as provided in Article 30, if CPC informs the USPS that mail presented under this Agreement has not been prepared in accordance with CPC regulations. Such notification shall provide the Mailer, in advance, with the opportunity to either take back possession of the mailing in Canada, correct the problem identified by CPC, and re-tender the mail directly to CPC at the Mailers expense, or inform the USPS that the Mailer will pay any penalty CPC may assess as a result of the identified non-conformance with CPC regulations. In the event that the Mailer elects to inform the USPS that it will pay any penalty CPC may assess as a result of the identified non-conformance with CPC regulations, the USPS shall provide the Mailer with an invoice for the penalty CPC assesses. The procedure of repossession by the Mailer and retender to CPC in this Paragraph is subject to the discretion of CPC.
6. Confidentiality. To seek non-public treatment of information it determines to be eligible for protection from public disclosure under applicable law and practice when it files the Agreement with the Postal Regulatory Commission, or when it files information (including data) in connection with the Agreement in accordance with other regulatory requirements.

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 Qualifying Mail during the term that begins on the Effective Date of this Agreement and ends on December 31, 2010 (any postage paid to the USPS during the term of this Agreement that falls within the month of January 2011, shall be applied to any agreement(s) the Parties shall enter into with an Effective Date that falls within the month of January 2011); 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. One hundred percent (100%) of Global Bulk Economy in drop shipments to the USPS facility at the New Jersey International and Bulk Mail Center, 80 County Road, Jersey City, NJ 07097-9998.

   b. One hundred percent (100%) of Global Direct – Canada Lettermail in drop shipments to any USPS international Service Center location and one hundred percent (100%) of Global Direct – Canada Admail and Global Direct– Canada Publications Mail in drop shipments at the appropriate deposit location as specified in Annex 2.

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 Global Direct Qualifying Mail by use of a dedicated unique permit imprint to be used only for Global Direct mailings subject to the conditions stated in DMM 604.5, with the exception that DMM 604.5.1.1 shall not apply.

b. For Global Direct Qualifying Mail, the indicia must conform to the requirements in any preparation requirement document the USPS may provide the Mailer, subject to any disclaimer(s) that document may contain, and such other CPC requirements as may apply.

c. For GBE by use of dedicated permit imprints to be used only for GBE mailings.

d. Non-identical-weight items are acceptable as authorized under the specific procedures in one of the special payment programs in DMM 705.

5. Penalty. To pay any penalty CPC may assess for mail not prepared in accordance with CPC regulations provided that the USPS has provided the Mailer with notice of the non-conformance with CPC regulations and has provided the Mailer with an opportunity to retrieve the non-conforming mail under the circumstances described in Article 6, Paragraph 5.

a. CPC will inform the USPS of any penalty assessed on Qualifying Mail presented under this Agreement that is not prepared in accordance with CPC regulations.

b. The USPS will invoice the Mailer for these assessed penalties.

c. The Mailer shall pay to the USPS the amount of the assessed penalties within thirty (30) days of the date of the invoice. All invoices that are not paid within thirty (30) days will incur an annual late payment penalty (finance charge) of [redacted] subsequent to payment of the invoice. In addition to late payment penalties (finance charges), the USPS reserves the right to pursue other available remedies.

6. Monthly Reporting. To provide the USPS with a report on a monthly basis, in a format to be specified by the USPS, that states for Global Bulk Economy and Global Direct mailings:

a. The total revenue, pieces, and weight 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.

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 mailings under this Agreement. 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 the USPS.

8. 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.

9. 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.

10. 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.

11. Confidentiality. To treat as confidential and not disclose to third parties, absent express written consent by the USPS, any information related to this Agreement that is treated as non-public by the Postal Regulatory Commission.

ARTICLE 8. POSTAGE PRICES

In consideration of Article 7 Paragraph 1, and in accordance with Article 9 but subject to Article 13, the Mailer:

1. Will receive a discount of [redacted] off the base rates for Global Bulk Economy service found in Annex 1 to this Agreement.

2. Will pay postage according to the price charts in Annex 3 to this Agreement for Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail.

ARTICLE 9. APPROVAL OF PRICES

The discount in Paragraph 1 of Article 8 and the prices for Global Direct Service listed in Annex 3 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. The minimum commitment for Qualifying Mail as set forth in Article 7 of this Agreement 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, 2010. The Agreement will remain in effect until 11:59 p.m. on January 16, 2011, unless terminated sooner pursuant to Article 14.
2. The Mailer acknowledges that this Agreement is subject to regulatory oversight and that 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, or 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. In the event that the Mailer does not meet its minimum commitment as set forth in Article 7 Paragraph 1, the Mailer agrees to pay the USPS [redacted] The actual amount to be determined by the USPS.
2. 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.
3. 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, 2010, and shall include December 31, 2010, as the final inclusive date.

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 the anticipated termination date in Article 12, the Mailer remains bound by the terms of Article 7 Paragraphs 5 and 6, 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. The prices in Annex 3 are based in part on the exchange rate between the United States Dollar and the Canadian Dollar reported on June 1, 2010, on the following URL on the International Monetary Fund website.
   http://www.imf.org/external/np/fin/data/rms_mth.aspx?reportType=REP
   The USPS will continue to use this website or any successor website the International Monetary Fund may establish.

   a. The USPS Postal Fiscal Year quarters begin on October 1, January 1, April 1, and July 1.

   b. The USPS will review the foreign exchange rate of the Canadian Dollar as measured in United States Dollars ("Exchange Rate") reported on the International Monetary Fund website [redacted]

   c. Should the Exchange Rate change [redacted] he USPS will adjust the prices in the then-current Annex 3 [redacted]

   d. [redacted]

2. In the event that the costs the USPS incurs to provide Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, or Global Direct – Canada Publications Mail increase [redacted] during the term of this Agreement, the USPS reserves the right to adjust the prices for that service during the term of this Agreement.

3. The prices for Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail listed in Annex 3 are based on CPC prices. The USPS will adjust the prices in Annex 3 if CPC changes its prices for domestic Canadian Lettermail, Incentive Lettermail, Admail, or Publications Mail during the term of this Agreement.

4. Notwithstanding the provisions of Paragraph 1 above, if the Exchange Rate [redacted] results in the then-current prices, denominated in United States Dollars, in Annex 3 of this Agreement falling below the CPC prices for domestic Canadian Lettermail, Incentive Lettermail, Admail, or Publications Mail as expressed in United States Dollars, the USPS will adjust the then-current prices in Annex 3 as necessary to avoid such a result.

5. Any revision of prices in Annex 3 shall go into effect [redacted] except for the following:

   a. Any price revision pursuant to Paragraphs 1 and 4 [redacted] In such cases, the price revision will take effect simultaneous with the price revision pursuant to Paragraph 3 above, except that for purposes of Paragraph 1, if CPC does not change its rates in January, any price revision will take place [redacted]

   b. Any price revision pursuant to Paragraph 2. In such cases, the price revision will take effect as specified by the USPS.

6. The USPS shall use its best efforts to provide the Mailer with notification of any revision to the prices in Annex 3 at least fifteen (15) days prior to the date on which the revised prices will take effect.

7. The USPS shall use its best efforts to provide the Mailer with notification of any revision to the prices for Global Bulk Economy service at least thirty-five (35) days prior to the date on which the revised prices will take effect.

8. The Mailer acknowledges that revisions in prices may be subject to regulatory oversight and such oversight might affect the effective date of any price revision.

9. No revision to the prices in Annex 3 shall be retroactive.

10. In the event that this Agreement is extended for any period of time under the terms of Article 27, the price adjustment provisions of this Article shall continue to apply during the extension term.

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 ("Claims") 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. 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 the 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. 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 AND REFERENCE CITATIONS
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. All citations to provisions in the DMM and IMM within this Agreement are intended to refer to the substantive information found within the cited sections(s) at the time this Agreement was drafted. Subsequent changes to the citations or the relevant substantive information due to published revisions of the DMM or IMM shall be applicable to this Agreement upon the effective date of such revisions.

ARTICLE 26. ENTIRE AGREEMENT AND SURVIVAL

1. This Agreement, Global Plus 2 Service Agreement, including all Annexes thereto for Qualifying Global Bulk Economy service, Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, and Global Direct – Canada Publications Mail, along with the companion Global Plus 1 Service Agreement, including all Annexes thereto for Qualifying International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International (EMI) and Priority Mail International (PMI), shall constitute the entire agreement between the Parties as it pertains to Qualifying Global Bulk Economy, Global Direct – Canada Lettermail, Global Direct – Canada Incentive Lettermail, Global Direct – Canada Admail, Global Direct – Canada Publications Mail, International Priority Airmail service (IPA), International Surface Air Lift service (ISAL), Express Mail International (EMI), and Priority Mail International (PMI) intended for delivery outside the United States.
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 30, 2008, and by the USPS on April 30, 2008; and the Global Plus Service Agreement between the Mailer and the USPS executed by the Mailer on May 13, 2008, and by the USPS on May 16, 2008.

3. Neither the Mailer nor the USPS is released from any obligations arising under the Global Plus 1 Service Agreement between the Mailer and the USPS executed by the Mailer on June 17, 2009, and by the USPS on June 18, 2009; and the Global Plus 2 Service Agreement between the Mailer and the USPS executed by the Mailer on June 17, 2009, and by the USPS on June 18, 2009.
4. With the exception of the Agreements mentioned in Article 26, Paragraphs 2 and 3, any prior understanding or representation of any kind regarding the use of said Qualifying Mail originating in the United States and intended for delivery outside the United States, which precedes the date of this Global Plus 1 Agreement and the companion Global Plus 2 Agreement, shall not be binding upon either Party except to the extent incorporated in this Agreement.
5. The provision of Article 6, Paragraph 6; Article 7, Paragraph 11; and Article 32 shall expire ten (10) years from the date of termination or expiration of this Agreement.

ARTICLE 27. MODIFICATION

1. Any modification of 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, 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. 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.

ARTICLE 30. 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: [redacted]

or via e-mail:

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

To the Mailer at: [redacted]

ARTICLE 31. CONDITIONS PRECEDENT

1. The Parties acknowledge and understand that all obligations of the USPS under this Agreement, including the prices listed in Annex 3, shall be contingent on the USPS receiving approvals hereinafter ("Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, 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 individuals or bodies. Until such time that all Conditions Precedent 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. 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.

ARTICLE 32. CONFIDENTIALITY

The Mailer acknowledges that as part of securing approval of this Agreement, and in other subsequent regulatory filings, the Agreement and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding. The Mailer authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding. The Mailer further understands that any unredacted portion of the Agreement or supporting information will be available on the Commission's public website, www.prc.gov. In addition, the USPS may file information in connection with this instrument (including revenue, cost, or volume data) in other Commission dockets. The Mailer has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the PRC for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website www.prc.gov/Docs/63/63467Order225.pdf. At the request of the Mailer, the USPS will notify the Mailer of the docket number of the Commission proceeding to establish the prices in this instrument once assigned.

ARTICLE 33. 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: _____

Name: Frank A. Cebello

Title: Executive Director, Global Business Management

Date: _____

ON BEHALF OF [redacted]

Signature: _____

Name: _____

Title: _____

Date: _____

ANNEX 1 GLOBAL BULK ECONOMY (GBE) BASE PRICES

ANNEX 2 MAILING LOCATIONS FOR GLOBAL DIRECT – CANADA

ANNEX 3 GLOBAL DIRECT – CANADA PRICE CHARTS

ANNEX 1

GLOBAL BULK ECONOMY (GBE) BASE PRICES

Postage
The following are base prices from which percentage volume discounts are applied. The GBE [redacted] discount is [redacted] off these base prices.

The per-piece price applies to each piece regardless of its weight. The piece price is applied to each item mailed in a GBE sack. The per-pound price applies to the net weight (gross weight minus tare weight of mailing equipment) of the sack for the specific price group. Fractions of a pound are rounded to the next whole pound for postage calculation.

Global Bulk Economy Base Prices
Base prices for mail tendered at the New Jersey International and Bulk Mail Center:

Price Group	Per-Piece + Per-Pound
1	[redacted]
2	
3	
4	
5	
6	
7	
8	

M-bag (all price groups [redacted]

ANNEX 2

MAILING LOCATIONS FOR GLOBAL DIRECT – CANADA

GLOBAL DIRECT – CANADA LETTERMAIL
GLOBAL DIRECT – CANADA INCENTIVE LETTERMAIL
GLOBAL DIRECT – CANADA ADMAIL
GLOBAL DIRECT – CANADA PUBLICATIONS MAIL

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

NEW JERSEY INTERNATIONAL BULK MAIL CTR
US POSTAL SERVICE
80 COUNTY RD
JERSEY CITY NJ 07097-9998

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

ANNEX 3

GLOBAL DIRECT – CANADA PRICE CHARTS

PRICES FOR GLOBAL DIRECT – CANADA LETTERMAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

[redacted]

ANNEX 3

GLOBAL DIRECT – CANADA PRICE CHARTS

PRICES FOR GLOBAL DIRECT – CANADA INCENTIVE LETTERMAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

INCENTIVE MACHINEABLE LETTERMAIL

[redacted]

[redacted]

[redacted]

ANNEX 3

GLOBAL DIRECT – CANADA PRICE CHARTS

PRICES FOR GLOBAL DIRECT – CANADA ADMAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

Global Direct – Canada Admail

[redacted]

PRICES FOR GLOBAL DIRECT – CANADA PUBLICATIONS MAIL

ALL PRICES ARE EXPRESSED IN U.S. DOLLARS

Global Direct – Canada Publications Mail

[redacted]

Certification of Prices for the Global Plus 2 Contract with
[redacted]

I, Joseph Moeller, Manager, Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Plus 2 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 Direct, Global Bulk Economy, and Global Plus Contracts, issued on July 16, 2008 (Governors' Decision No. 08-10), 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 in excess of the minimum required by the Governor's Decision, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Plus 2 Contracts should be even smaller. The Agreement with [redacted] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Joseph Moeller

Joseph Moeller

Certification of Prices for the Global Plus 2 Contract with [redacted]

I, Joseph Moeller, Manager, Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Plus 2 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 Direct, Global Bulk Economy, and Global Plus Contracts, issued on July 16, 2008 (Governors' Decision No. 08-10), 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 in excess of the minimum required by the Governor's Decision, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Plus 2 Contracts should be even smaller. The Agreement with [redacted] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Joseph Moeller

DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON THE ESTABLISHMENT OF PRICES AND CLASSIFICATIONS FOR GLOBAL DIRECT, GLOBAL BULK ECONOMY, AND GLOBAL PLUS CONTRACTS (GOVERNORS' DECISION NO. 08-10)

July 16, 2008

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to our authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish new prices not of general applicability for certain of the Postal Service's competitive service offerings, and such changes in classification as are necessary to implement the new prices. This decision establishes prices by setting price floor and price ceiling formulas for Global Direct and Global Bulk Economy Contracts, as well as for Global Plus Contracts that combine Global Direct and Global Bulk Economy services.[1] The types of contracts to which these prices will apply are described in Attachments A-1, A-2, and A-3,[2] the price floor and price ceiling formulas are specified in Attachments B-1, B-2, and B-3, and management's analyses of the appropriateness of these formulas is explained in Attachments C-1, C-2, and C-3. We have reviewed those analyses and have concluded

[1] In our Decision on the Establishment of Prices and Classifications for Global Plus Contracts (Governors' Decision No. 08-8), May 28, 2008, we established prices for Global Plus contracts that consist of any combination of International Priority Airmail, International Surface Airlift, Express Mail International and Priority Mail International. In that Decision, we noted that prices for Global Direct and Global Bulk Economy would be established at a later date. The instant Decision establishes a classification for Global Plus contracts similar to that previously established, in that it combines various component services and offers price incentives; the instant classification differs in the precise combination of services offered. Eligible customers may avail themselves of individual contracts for Global Direct and Global Bulk Economy, or they may combine these services under a Global Plus contract.

[2] The classifications for Global Direct and Global Bulk Economy contracts are contained in the Mail Classification Schedule language originally proposed by the Postal Service, as modified in Attachments A-1 and A-2. *See* United States Postal Service Submission of Additional Mail Classification Schedule Information in Response to Order No. 43, November 20, 2007. It should be noted that certain of the modifications involve changes to the size and weight charts pertaining to Global Bulk Economy Contracts to mirror the shape-based First-Class Mail International sizes and weights effective May 12, 2008. The classification for Global Plus contracts that combine Global Direct and Global Bulk Economy services is contained in Attachment A-3. Attachment A-3 contains many of the same provisions that were proposed in the Postal Service's original Mail Classification Schedule language for Global Plus Contracts, but the language has been specifically tailored to address only those Global Plus Contracts combining Global Direct and Global Bulk Economy services.

that the prices emerging from application of the formulas and the classification changes are in accordance with 39 U.S.C. §§ 3632-3633 and 39 C.F.R. §§ 3015.5 and 3015.7. Contracts that fall within the terms specified in Attachments A-1, A-2, and A-3, and whose prices fall within the price ranges established by the price floor and price ceiling formulas specified in Attachments B-1, B-2, and B-3, respectively, are hereby authorized.

The PAEA provides that prices for competitive products must cover each product's attributable costs, not result in subsidization by market dominant products, and enable all competitive products to contribute an appropriate share to the Postal Service's institutional costs. We have determined that prices established according to the formulas listed in Attachments B-1, B-2, and B-3 would be appropriate for the services covered by the types of Global Direct, Global Bulk Economy and Global Plus Contracts classified in Attachments A-1, A-2, and A-3, respectively. Management's analysis of the formulas, included as Attachments C-1, C-2, and C-3, supports our decision to establish prices through such formulas for the specified types of contracts.

We are satisfied that the prices established by the formulas in Attachments B-1, B-2, and B-3 meet the applicable statutory and regulatory requirements. The price floor formulas provide greater than 100 percent coverage of the costs attributable to each of these types of agreements. We accept and rely upon the certification in Attachment D that the correct cost inputs for the formulas have been identified. In addition, the price floor formulas [redacted] should cover the agreements' attributable costs and provide a contribution toward the Postal Service's institutional costs. The formulas should thus prevent cross-subsidies from market dominant products. As noted in the certification in Attachment D, entry into agreements pursuant to this Decision should not impair the ability of competitive products as a whole to cover an appropriate share of institutional costs.

No agreement authorized pursuant to this Decision may go into effect unless it is submitted to the Postal Regulatory Commission with a notice that complies with 39 C.F.R. § 3015.5 and any other rules that the Commission deems applicable. The notice must include a

financial analysis that demonstrates that the agreement covers its attributable costs, based on [redacted] Attachments B-1, B-2, and B-3. The notice must also include a certification from a Postal Service official that the numerical values chosen for each agreement are appropriate, in that they represent the best available information and that the agreement should not result in a cross-subsidy from market dominant products and should not impair the ability of competitive products, as a whole, to cover an appropriate share of institutional costs.

ORDER

In accordance with the foregoing Decision of the Governors, the formulas set forth herein, which establish prices for the applicable Global Direct, Global Bulk Economy, and Global Plus Contracts, and the changes in classification necessary to implement those prices, are hereby approved and ordered into effect. An agreement is authorized under this Decision only if the prices fall within the formulas set by this Decision and the certification process specified herein is followed. After an authorized agreement is entered into, the Postal Service shall comply with all applicable statutory and regulatory requirements.

Prices and classification changes established pursuant to this Decision will take effect after filing with and completion of review by the Postal Regulatory Commission.

By The Governors:

Alan C. Kessler
Chairman

Attachment A-1

Description of Applicable Global Bulk Economy Contracts

2610.4 Global Bulk Economy (GBE) Contracts

These are contracts for letter-post items that are dispatched in bulk via surface transportation to destination countries. The mailer must physically separate the sacks and/or pallets by rate group. Within each rate group direct country sacks weighing less than 11 pounds must be physically separated from other direct country sacks and identified with the letter "S" on the bag tag. To qualify, a mailer must ~~tender all of its qualifying mail to the Postal Service and must~~ be capable, on an annualized basis, of either tendering at least 5,000 pieces of international mail to the Postal Service or paying at least $100,000 in international postage to the Postal Service. ~~paying at least $2 million in First-Class Mail International postage to the Postal Service.~~ For a mailer to qualify, the contract must cover its attributable costs.

~~Size and Weight for Letters/Small Packets/Packages:~~ [1]

	~~Length~~	~~Height~~	~~Thickness~~	~~Weight~~
~~Minimum~~	~~5.5 inches~~	~~3.5 inches~~	~~0.007 inch~~	~~None~~
~~Maximum~~	~~24 inches~~	~~Length plus height plus thickness: 36 inches~~		~~4 pounds~~

~~[1] Packages of letter-size pieces of mail should be no thicker than approximately a handful of mail (4" to 6"); packages of flat-size mail may be thicker than 6", but weigh no more than 11 pounds. A package or packet is defined as 10 or more pieces of mail to the same country separation or 1 pound or more regardless of the number of pieces.~~

Size and Weight for Postcards:

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	None
Maximum	6 inches	4.25 inches	0.016 inch	Not applicable

Size and Weight for Letters:

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	None
Maximum	11.5 inches	6.125 inches	0.25 inch	3.5 ounces

Size and Weight for Large Envelopes (Flats):

	Length	Height	Thickness	Weight
Minimum[1]	11.5 inches	6.125 inches	0.25 inch	none
Maximum	15 inches	12 inches	0.75 inch	4 pounds

[1] Every minimum dimension does not have to be met; only one does.

Size and Weight for Packages (Small Packets):

	Length	Height	Thickness	Weight
Minimum	Large enough to accommodate postage, address and other required elements on the address side.			None
Maximum	24 inches	Length plus height plus thickness: 36 inches		4 pounds

Size and Weight for Rolls:

	Length	Length plus twice the diameter	Weight
Minimum	4 inches	6.75 inches	none
Maximum	36 inches	42 inches	4 pounds70

Minimum Volume or Revenue Commitment:
Mailers must commit to tender varying minimum volumes or postage on an annualized basis. The minimum volume requirement is 100 pounds per mailing.

Price Categories:
The discount percentage off a base rate is dependent upon a volume or postage commitment on the part of the customer.

Optional Features:

None

Attachment A-2

Description of Applicable Global Direct Contracts

2610.3 Global Direct Contracts

These are contracts giving a rate for mail acceptance within the United States and transportation to a receiving country with the addition by the customer of appropriate foreign postage charged by the receiving country. The preparation requirements are the preparation requirements for the given product set by the receiving country. All items must bear the postal imprint of the receiving country and a return address in the receiving country. To qualify, a mailer must ~~tender all of its qualifying mail to the Postal Service and~~ be capable, on an annualized basis, of either tendering at least 5,000 pieces of international mail to the Postal Service or paying at least $100,000 in international postage to the Postal Service. ~~paying at least $2 million in First-Class Mail International postage to the Postal Service, or tendering at least 600 pieces of non-First-Class International mail to the Postal Service, or paying at least $12,000 in non-First-Class Mail International postage to the Postal Service.~~ For a mailer to qualify, the contract must cover its attributable costs.

Size and Weight:
Size and weight requirements are the requirements for the given product set by the receiving country.

Minimum Volume or Revenue Commitment:
Mailers must commit to tender varying minimum volumes or postage on an annualized basis. The mailer may be required to meet minimum volume or weight requirements as specified by the Postal Service.

Price Category:
Prices are dependent upon a volume or postage commitment on the part of the customer and basically cover mail acceptance within the United States, transportation from the United States to the receiving country and the appropriate postage in the receiving country.

Optional Features:

All optional features applicable to the product as set by the receiving country.

Attachment A-3

Description of Applicable Global Plus Contracts

2610.6 Global Plus Contracts 2: Global Bulk Economy and Global Direct

These are contracts giving rates for a combination of Global Bulk Economy (GBE) and Global Direct (GD). These contracts are for high-volume mailers or Postal Qualified Wholesalers. For a mailer to qualify, the contract must cover its attributable costs.

The contracts include all destinations served by GBE and/or GD, as specified by the Postal Service. The preparation requirements are the same as for all GBE shipments. For GD shipments, the preparation requirements are the preparation requirements for the given product set by the receiving country. The mailer may be required to prepare specific shipments according to country specific requirements.

To qualify for a contract, a mailer must be capable, on an annualized basis, of either tendering at least 5,000 pieces of international mail to the Postal Service or paying at least $100,000 in international postage to the Postal Service.

Size and Weight for Postcards:

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	None
Maximum	6 inches	4.25 inches	0.016 inch	Not applicable

Size and Weight for Letters:

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	None
Maximum	11.5 inches	6.125 inches	0.25 inch	3.5 ounces

Size and Weight for Large Envelopes (Flats):

	Length	Height	Thickness	Weight
Minimum[2]	11.5 inches	6.125 inches	0.25 inch	None
Maximum	15 inches	12 inches	0.75 inch	4 pounds

[1] Every minimum dimension does not have to be met; only one does.

Size and Weight for Packages (Small Packets):

	Length	Height	Thickness	Weight
Minimum	Large enough to accommodate postage, address and other required elements on the address side.			None
	Length	Length plus height plus thickness		Weight
Maximum	24 inches	36 inches		4 pounds

Size and Weight for Rolls:

	Length	Length plus twice the diameter	Weight[1]
Minimum	4 inches	6.75 inches	none
Maximum	36 inches	42 inches	4 pounds

Minimum Volume or Revenue Commitment:
Mailers must commit to tender varying minimum volumes or postage on an annualized basis. The minimum volume requirement for GBE is 100 pounds per mailing. The mailer may be required to meet a volume minimum or weight requirement for Global Direct. If paying through permit imprint, the mailer is required to meet the minimum volume or weight requirements in effect for manifest mailings.

Price Categories:
The discount percentage or price, as applicable to the service, is dependent upon a volume or postage commitment on the part of the customer. Additional tiered discounts are available if the mailer exceeds the minimum volume or postage commitment.

Optional Features:

For GD, all optional features applicable to the product as set by the receiving country.

Attachment B-1

Formulas for Prices Under Applicable Global Bulk Economy Contracts

[redacted]

Attachment B-2

Formulas for Prices Under Applicable Global Direct Contracts

[redacted]

Attachment B-3

Formulas for Prices Under Applicable Global Plus Contracts

[redacted]

Attachment C-1

Analysis of the Formulas for Prices Under Applicable Global Bulk Economy Contracts

[redacted]

[redacted]

Attachment C-2

Analysis of the Formulas for Prices Under Applicable Global Direct Contracts

[redacted]

[redacted]

Attachment C-3

Analysis of the Formulas for Prices Under Applicable Global Plus Contracts

[redacted]

[redacted]

Attachment D

Certification as to the Formulas for Prices Offered Under Applicable Global Bulk Economy, Global Direct, and Global Plus Contracts

I, W. Ashley Lyons, Manager, Corporate Financial Planning, Finance Department, United States Postal Service, am familiar with the price floor formula and price ceiling formula for Global Bulk Economy Contracts, which are set forth in Attachment B-1; the formulas for Global Direct Contracts, which set forth in Attachment B-2; and the formulas for Global Plus Contracts, which are set forth in Attachment B-3.

I hereby certify that these formulas adequately represent all necessary [redacted] f the Postal Service were to enter into agreements that set prices above the price floor, the Postal Service would be in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The price floor formula is designed to ensure that each agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. In Fiscal Year 2007, all outbound international competitive mail accounted for approximately 11 percent of the total contribution by all competitive products. Contribution from Global Bulk Economy, Global Direct, and Global Plus Contracts should be much smaller. Even if all the agreements for Global Bulk Economy, Global Direct, and Global Plus Contracts are signed at the price floor, they should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

W. Ashley Lyons

ATTACHMENT 5

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,[1] the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed with the Commission in this docket and the accompanying Global Plus contract docket.[2] The materials pertain to four Global Plus contracts -- two Global Plus 1A contracts that the Postal Service believes are functionally equivalent to the "baseline" for Global Plus 2 contracts established by the Commission,[3] and two Global Plus 2A contracts that the Postal Service believes are functionally equivalent to the "baseline" for Global Plus 2 contracts established by the Commission,[4] 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, although redacted copies of the contracts and the certified statement required by 39 C.F.R. 3015.5(c)(2) for each contract, and the related Governors' Decision are filed as Attachments 2A, 2B, 3A, 3B and 4 to the Postal Service's Notice, respectively. A redacted version of other financial documentation is filed publicly as a separate Microsoft Excel document.

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[1] PRC Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009.

[2] The identical Application for Non-Public Treatment is filed in the accompanying Global Plus contract docket.

[3] PRC Order No. 265, Order concerning Filing a Functionally Equivalent Global Plus 1 Contract Negotiated Service Agreement, PRC Docket No. CP2009-46, July 31, 2009, at 7; PRC Order No. 266, Order concerning Filing a Functionally Equivalent Global Plus 1 Contract Negotiated Service Agreement, PRC Docket No. CP 2009-47, July 31, 2009, at 7.

[4] PRC Order No. 267, Order Concerning Filing of a Functionally Equivalent Global Plus 2 Contract Negotiated Service Agreement, July 31, 2009, at 6-7, Docket No. CP2009-48, July 31, 2009 at 6-7; PRC Order No. 268, Order Concerning Filing of a Functionally Equivalent Global Plus 2 Contract Negotiated Service Agreement, Docket No. CP2009-49, July 31, 2009 at 6-7.

The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c) below.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

Information of a commercial nature, which under good business practice would not be publicly disclosed, as well as third party business information, is not required to be disclosed to the public. 39 U.S.C. § 410(c)(2); 5 U.S.C. § 552(b)(4). The Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A).[5] Because the portions of materials filed non-publicly in this docket fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

In the case of Global Plus 1A and 2A contracts, the Postal Service believes that the third parties with a proprietary interest in the materials are the customers with whom the contracts are made and Canada Post Corporation (Canada Post).[6] The Postal

[5] The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

[6] However, other postal operators can be considered to have a proprietary interest in some rate

Service maintains that customer identifying information should be withheld from public disclosure. Therefore, rather than identifying the customers for these contracts, the Postal Service gives notice that it has already informed the customers, in compliance with 39 C.F.R. § 3007.20(b), of the nature and scope of this filing and its ability to address its confidentiality concerns directly with the Commission. The Postal Service employee responsible for providing notice to the third party with proprietary interest in the materials filed in this docket is Mr. James J. Crawford, Business Development Specialist, Global Business, United States Postal Service, 1735 North Lynn Street, Room 2030, Arlington, VA 22209-2030, whose email address is james.j.crawford@usps.gov, and whose telephone number is 703-292-3614.

The financial documentation also contains information that could be considered proprietary to Canada Post. The Postal Service has already informed Canada Post, in compliance with 39 C.F.R. § 3007.20(b), of the nature and scope of this filing and its ability to address its confidentiality concerns directly with the Commission. The Postal Service identifies Dave Eagles, Director, International Relations, Canada Post Corporation, as the appropriate contact on behalf of Canada Post. Mr. Eagles'

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information in the financial workpapers included with this filing. The Postal Service maintains that such information should be withheld from public disclosure. In view of the practical difficulties, the Postal Service has not undertaken to inform all affected postal operators about the nature and scope of this filing and about the ability to address any confidentiality concerns directly with the Commission as provided in 39 C.F.R. § 3007.20(b). Due to language and cultural differences as well as the sensitive nature of the Postal Service's rate relationship with the affected foreign postal operators, the Postal Service proposes that a designated Postal Service employee serve as the point of contact for any notices to the relevant postal operators. The Postal Service identifies as an appropriate contact person Brian Hutchins, Manager, International Postal Relations. Mr. Hutchins' phone number is (703) 292-3591, and his email address is brian.hutchins@usps.gov. The Postal Service acknowledges that 39 C.F.R. § 3007.21 (c)(2) appears to contemplate only situations where a third party's identification is "sensitive" as permitting the designation of a Postal Service employee who shall act as an intermediary for notice purposes. To the extent that the Postal Service's filing in the absence of actual notice might be construed as beyond the scope of the Commission's rules, the Postal Service respectfully requests a waiver that would allow it to forgo providing a notice to each postal operator, and to designate a Postal Service employee as the contact person under these circumstances, since it is impractical to communicate with dozens of operators in multiple languages about this matter.

telephone number is (613) 734-6043, and his email address is dave.eagles@canadapost.ca. Canada Post has requested that any communications regarding confidential treatment of these data be sent with a courtesy copy to Dennis Jarvis, General Manager, International Product Management, Canada Post Corporation. Mr. Jarvis's telephone number is (613) 734-8149, and his email address is dennis.jarvis@canadapost.ca.[7]

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

In connection with its Notice filed in this docket, the Postal Service included two contracts, as well as financial workpapers, and the certified statement required for each contract by 39 C.F.R. § 3015.5(c)(2), certifying that the agreement should meet the requirements of 39 U.S.C. § 3633(a)(1), (2), and (3).. These materials were filed under seal, with redacted copies filed publicly, after notice to each customer. The Postal Service maintains that the redacted portions of the contracts, related financial information, and identifying information concerning the customers should remain confidential.

With regard to the contracts filed in this docket, the redactions on page 1 and to the footers of each page, the article concerning notices, and the signature block constitute the name or address of a postal patron whose identifying information may be

[7] In the event of a request for early termination of non-public treatment under 39 C.F.R. § 3007.31, a preliminary determination of non-public status under 39 C.F.R. § 3007.32, or a request for access to non-public materials under 39 C.F.R. § 3007.40, the Postal Service notes, on Canada Post's behalf, that differences in the official observation of national holidays might adversely and unduly affect Canada Post's ability to avail itself of the times allowed for response under the Commission's rules. In such cases, Canada Post has requested that the Postal Service convey its preemptive request that the Commission account for such holidays when accepting submissions on matters that affect Canada Post's interests. A listing of Canada's official holidays can be found at http://www.pch.gc.ca/pgm/ceem-cced/jfa-ha/index-eng.cfm.

withheld from mandatory public disclosure by virtue of 39 U.S.C. § 504(g)(1) and 39 U.S.C. § 410(c)(2). The redacted portions of the footers of the Annexes also protect the customer's identifying information from disclosure.

Other redacted information in the agreements includes negotiated contract terms, such as the minimum volume and/or revenue commitment agreed to by the customer, various penalties, the discount received, and the percentage of exchange rate and cost increases which may trigger a consequential price increase.

The redactions made in the Annexes of the contracts, other than those involving the customer's name, withhold the actual prices that are being offered to the customers in exchange for commitments and performance of their obligations under the terms of the agreements.

The redactions applied to the financial workpapers protect commercially sensitive information such as underlying costs and assumptions, pricing formulas, information relevant to the mailing profile of the customer, and cost coverage projections. To the extent practicable, the Postal Service has limited its redactions in the workpapers to the actual information it has determined to be exempt from disclosure under 5 U.S.C. § 552(b). However, in a limited number of cases, narrative passages, such as words or numbers in text, were replaced with general terms describing the redacted material. For example, where the mailer's name appears in the spreadsheet within a cell, it has been replaced by the word "Mailer." Likewise, where an actual number appears as a percentage discount as a column header, in the public filing the number is replaced by the word "Discount" and followed by the percentage symbol (e.g., "Discount%).

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the portions of the contracts that the Postal Service determined to be protected from disclosure due to their commercially sensitive nature were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. First, revealing customer-identifying information would enable competitors to focus marketing efforts on current postal customers, undermining the effort and resources that the Postal Service has invested in cultivating business relationships with those customers

Other redacted information in the Agreements (which are included as Attachments 2A and 2B to this notice) includes negotiated contract terms, such as the minimum volume and/or revenue commitment agreed to by the customer, various penalties and the percentage of cost increase which may trigger a consequential price increase. This information is commercially sensitive, and the Postal Service does not believe that it would be disclosed under good business practices. Competitors could use the information to assess the offers made by the Postal Service to its customers for any possible comparative vulnerabilities and focus sales and marketing efforts on those areas, to the detriment of the Postal Service. Additionally, other potential customers could use the information to their advantage in negotiating the terms of their own agreements with the Postal Service. The Postal Service considers these to be highly probable outcomes that would result from public disclosure of the redacted material.

The financial workpapers include specific information such as costs, assumptions used in pricing formulas, the formulas themselves, mailer profile information, projections of variables, contingency rates included to account for market fluctuations and the exchange risks. All of this information is highly confidential in the business world. If this

information were made public, the Postal Service's competitors would have the advantage of being able to determine the absolute floor for Postal Service pricing. Unlike its competitors, the Postal Service is required by the mail classification schedule to demonstrate that each negotiated agreement within this group covers its attributable costs. Furthermore, the Postal Service's Governors have required that each contract be submitted to the Commission with a notice that complies with 39 C.F.R. § 3015.5.[8] Thus, competitors would be able to take advantage of the information to offer lower pricing to the Global Plus 1A and/or Global Plus 2A customers, while subsidizing any losses with profits from other customers. Eventually, this could freeze the Postal Service out of the relevant delivery services markets. Given that these spreadsheets are filed in their native format, the Postal Service's assessment is that the likelihood that the information would be used in this way is great.

Potential customers could also deduce from the rates provided in the contracts or from the information in the workpapers whether additional margin for net profit exists between the contracts being filed and the contribution that Global Plus 1A and/or Global Plus 2A contracts must make. From this information, each customer could attempt to negotiate ever-increasing incentives, such that the Postal Service's ability to negotiate competitive yet financially sound rates would be compromised. Even a customer involved in this filing could use the information in the workpapers in an attempt to renegotiate its own rates by threatening to terminate its current agreement, although the Postal Service considers this risk to be lower in comparison to those previously identified.

[8] Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Direct, Global Bulk Economy, and Global Plus Contracts (Governors' Decision No. 08-10) at 2-3 and Attachment A,

Price information in the contracts and financial spreadsheets also consists of sensitive commercial information of the customer. Disclosure of such information could be used by competitors of the customer to assess its underlying costs, and thereby develop a benchmark for the development of a competitive alternative.

Information in the financial spreadsheets also consists of sensitive commercial information of Canada Post. Disclosure of such information could be used by competitors of Canada Post to develop competitive alternatives to its products.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Identified harm: Revealing customer identifying information would enable competitors to target the customers for sales and marketing purposes.

Hypothetical: The identity of the customer in this contract is revealed to the public. Another delivery service has an employee monitoring the filing of Global Plus 1A and/or Global Plus 2A contracts and passing along the information to its sales function. The competitor's sales representatives can then quickly contact the Postal Service's customer and offer the customer lower rates or other incentives to terminate its contract with the USPS in favor of using the competitor's services.

Identified harm: Public disclosure of negotiated terms of the agreement could be used by competitors and potential customers to the Postal Service's detriment.

Hypothetical: Customer A signs a Global Plus 1A and/or 2A contract that is filed with the Postal Regulatory Commission. At the same time, Customer B is considering

signing a similar Global Plus 1A or 2A contract and has no real concern about the penalty provision, which calls for Customer B to pay up to $10,000 in penalty if it fails to meet its minimum volume commitment before termination of the agreement. The information about Customer A's penalty is made public. Customer A's agreement calls for a $5,000 maximum payment as penalty. Customer B sees the information. Customer B now insists that it will not agree to be obligated to pay any more than Customer A was obligated to pay, diminishing the Postal Service's bargaining leverage.

Identified harm: Public disclosure of information in the financial workpapers would be used by competitors and customers to the detriment of the Postal Service.

Hypothetical: A competing delivery service obtains a copy of the unredacted version of the financial workpapers from the Postal Regulatory Commission's website. It analyzes the workpapers to determine what the Postal Service would have to charge its customers in order to meet its minimum statutory obligations for cost coverage and contribution to institutional costs. It then sets its own rates for products similar to what the Postal Service offers its Global Plus 1A and/or Global Plus 2A customers under that threshold and markets its ability to guarantee to beat the Postal Service on price for international delivery services. By sustaining this below-market strategy for a relatively short period of time, the competitor, or all of the Postal Service's competitors acting in a likewise fashion, would freeze the Postal Service out of the business-to-business and business-to-customer delivery services markets for which the Global Plus 1A and 2A product is designed.

Identified harm: Public disclosure of the rate charts in the Annexes would provide potential customers extraordinary negotiating power to extract lower rates.

Hypothetical: Customer A's negotiated rates are disclosed publicly on the Postal Regulatory Commission's website. Customer B sees the rates and determines that there may be some additional profit margin between the rates provided to Customer A and the statutory cost coverage that the Postal Service must produce in order for the agreement to be added to the competitive products list. Customer B, which was offered rates identical to those published in Customer A's agreement, then uses the publicly available rate information to insist that it must receive lower rates than those the Postal Service has offered it, or it will not use the Postal Service for its international delivery needs.

Alternatively, Customer B attempts to extract lower rates only for those destinations for which it believes the Postal Service is the low-cost provider among all service providers. The Postal Service may agree to this demand in order to keep the customer's business overall, which it believes will still satisfy total cost coverage for the agreement. Then, the Customer uses other providers for destinations other than those for which it extracted lower rates. This impacts the Postal Service's overall projected cost coverage for the agreement, such that it no longer meets its cost coverage requirement. Although the Postal Service could terminate the contract when it first recognized that the mailer's practice and projected profile were at variance, the costs associated with establishing the contract, including filing it with the Postal Regulatory

Commission, would be sunk costs that would have a negative impact on the Global Plus 1A and/or Global Plus 2A product overall.

Identified harm: Public disclosure of information in the financial workpapers would be used by the customer's competitors to its detriment.

Hypothetical: A firm competing with the customer obtains a copy of the unredacted version of one of the contracts and financial workpapers from the Postal Regulatory Commission's website. The competitor analyzes the prices and the workpapers to assess the customer's underlying costs, volumes, and volume distribution for the corresponding delivery products. The competitor uses that information to (i) conduct market intelligence on the customer's business practices, and (ii) develop lower-cost alternatives using the customer's mailing costs as a baseline.

Identified harm: Public disclosure of information in the contracts would be used by Canada Post's competitors to its detriment.

Hypothetical: A competing international delivery service obtains a copy of the unredacted version of the financial workpapers and contract from the Postal Regulatory Commission's website. The competitor analyzes the contract and workpapers to assess Canada Post's prices. The competitor uses that information to target its competitive offerings accordingly.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant delivery services markets, as well as their consultants and attorneys. Additionally, the Postal Service believes that actual or potential customers of the Postal Service for this or similar products should not be provided access to the non-public materials. This includes all competitors of the relevant customer, whether or not they are currently actual Postal Service customers.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials.