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

COMPETITIVE PRODUCT PRICES GLOBAL PLUS 1 CONTRACTS (CP2008-8) NEGOTIATED SERVICE AGREEMENTS	Docket No. CP2009-46

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION TO GLOBAL PLUS 1 NEGOTIATED SERVICE AGREEMENT AND APPLICATION FOR NON-PUBLIC TREATMENT OF MATERIALS FILED UNDER SEAL
(July 22, 2010)

In Order No. 265, the Commission completed its initial review of the Global Plus 1 Contract that is the subject to this docket.[1] Attached to this notice is a modification to that contract. The modification makes three changes to the contract. First, the modification changes the address of the Mailer in the first paragraph of the contract. Second, the modification changes the information concerning the Mailer in Article 29 of the contract. Third, the modification changes the terms of Article 13 concerning Penalty and Reimbursement. The modification does not give rise to any rate changes; consequently, no supporting financial information is filed in conjunction with this notice. A redacted version is filed publicly as Attachment 1, while the unredacted version of the modification is filed under seal. An application for non-public treatment is attached to this notice as Attachment 2.

[1] Order No. 265, Order Concerning Filing a Functionally Equivalent Global Plus 1 Contract Negotiated Service Agreement, Docket No. CP2009-46, July 31, 2009, at 7-8.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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July 22, 2010

MODIFICATION ONE TO THE

GLOBAL PLUS 1 SERVICE AGREEMENT BETWEEN

THE UNITED STATES POSTAL SERVICE AND

[redacted]

This Modification amends the Global Plus 1 Service Agreement between [redacted] ("Mailer") with offices at [redacted] and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Mailer on June 16, 2009, and by the USPS on June 19, 2009, pursuant to Article 27 of that Agreement. The Mailer and the USPS may be referred to individually as a "Party" and together as the "Parties."

The Mailer acknowledges that the Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2009-46). 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 Modification or supporting information will be available on the Commission's public website, http://www.prc.gov. 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 Postal Regulatory Commission 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, http://www.prc.gov/Docs/63/63467/Order225.pdf.

This Modification shall make three changes to the Agreement

First change

The first paragraph of the Agreement is changed to read as follows:

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

Second change

Article 29. Notices is changed to read as follows:

ARTICLE 29. NOTICES

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

To the United States Postal Service:

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

To the Mailer:

[redacted]

or via e-mail:

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

To the Mailer at: [redacted]

Third change

Article 13, Paragraph 1, is changed to read as follows:

ARTICLE 13. PENALTY AND REIMBURSEMENT

1. If the Mailer tenders to the USPS IPA and ISAL Qualifying Mail combined with GBE and GD mail that generates [redacted] the Mailer must:

   a. Pay to the USPS a penalty of [redacted]

   b. [redacted]

c. [redacted]

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

All other terms and conditions of the Agreement shall remain in force.

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

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: Frank A. Cebello

Name: Frank A. Cebello

Title: Executive Director, Global Business Management

Date: 7/19/10

ON BEHALF OF [redacted]

Signature: [redacted]

Name: [redacted]

Title: [redacted]

Date: 7/15/10

ATTACHMENT 2

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. The materials pertain to a modification of a Global Plus 1 contract. The modification is being filed separately under seal with the Commission.[2]

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. §

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

[2] The Postal Service informed the customer prior to filing its notice that it would be seeking non-public treatment of the redacted portions of the contract. The Postal Service also informed the customer that it could file its own application for non-public treatment of these materials in accordance with 39 C.F.R. § 3007.22.

504(g)(3)(A).[3] 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 e-mail 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 this modification to a Global Plus 1 contract, the Postal Service believes that the only third party with a proprietary interest in the materials is the customer with whom the contract is made. The Postal Service maintains that customer identifying information should be withheld from public disclosure. Therefore, rather than identifying the customer, the Postal Service gives notice that it has already informed the customer, 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 e-mail address is james.j.crawford@usps.gov, and whose telephone number is 703-292-3614.

(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;

[3] 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.

In connection with this Notice, the Postal Service filed under seal a modification to a Global Plus 1 agreement, with a redacted copy filed publicly as Attachment 1, after notice to the customer. The Postal Service maintains that the redacted portions of the modification to a Global Plus 1 agreement and identifying information concerning the customers should remain confidential.

With regard to the modification to a Global Plus 1 agreement filed in this docket, the redactions on pages 1-3, and to the footers of each page of the modification, and the signature block of the contract constitute the name or address of a postal patron whose identifying information may be withheld from mandatory public disclosure by virtue of 39 U.S.C. § 504(g)(1) and 39 U.S.C. § 410(c)(2).

Other redacted information in the modification to a Global Plus 1 agreement filed in this docket includes negotiated contract terms, such as various penalties.

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

If the portions of the modification of the Global Plus 1 contract 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 modification of the Global Plus 1 contract (which is included as Attachment 1 to this notice) includes negotiated contract terms, such as various penalties. 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.

(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 1 agreements 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 modification to the agreement could be used by competitors and potential customers to the Postal Service's detriment.

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

(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;

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.