

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

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COMPETITIVE PRODUCT PRICES  
GLOBAL EXPEDITED PACKAGE SERVICES CONTRACTS  
NON-PUBLISHED RATES

Docket No. MC2012-4

COMPETITIVE PRODUCT PRICES  
GLOBAL EXPEDITED PACKAGE SERVICES CONTRACTS  
NON-PUBLISHED RATES 3 (MC2012-4)

Docket No. CP2012-8

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**REQUEST OF THE UNITED STATES POSTAL SERVICE TO ADD  
GLOBAL EXPEDITED PACKAGE SERVICES - NON-PUBLISHED RATES 3  
(GEPS - NPR 3) TO THE COMPETITIVE PRODUCTS LIST AND  
NOTICE OF FILING GEPS - NPR 3 MODEL CONTRACT AND APPLICATION FOR  
NON-PUBLIC TREATMENT OF MATERIALS FILED UNDER SEAL  
(December 20, 2011)**

In accordance with 39 U.S.C. § 3642 and 39 C.F.R. § 3020.30 and Order No. 630,<sup>1</sup> the United States Postal Service (Postal Service) hereby requests that Global Expedited Package Services - Non-Published Rates 3 (GEPS - NPR 3) be added to the competitive product list within the Mail Classification Schedule (MCS).<sup>2</sup> The Postal Service also gives notice, pursuant to 39 U.S.C. § 3632(b)(3) and 39 C.F.R. § 3015.5, that the Postal Service has created a GEPS - NPR 3 model contract.

Prices and classifications not of general applicability for Global Expedited Package Services - Non-Published Rates were previously established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classification for Global Expedited Package Services - Non-Published Rates

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<sup>1</sup> Order No. 630, Order adding Global Expedited Package Services - Non-Published Rates 2 to the Competitive Product List, PRC Docket No. CP2011-45, December 30, 2010.

<sup>2</sup> See *id.*, at 3-4.

(Governors' Decision No. 10-2).<sup>3</sup> Subsequently, GEPS - Non-published Rates (GEPS - NPR) 1 (MC2010-29 and CP2010-72) was added to the competitive product list within the Mail Classification Schedule (MCS) on November 22, 2010.<sup>4</sup> Thereafter, on December 30, 2010, Global Expedited Package Services - Non-Published Rates 2 (GEPS - NPR 2) (MC2010-29 and CP2011-45) was added to the competitive product as a new product.<sup>5</sup> The Postal Service filed a substantial number of GEPS - NPR 2 contracts with the Commission.<sup>6</sup>

The Postal Service recently notified the Commission of changes in the non-discounted published postage for Express Mail International (EMI) and Priority Mail International (PMI), as well as Global Express Guaranteed (GXG).<sup>7</sup> In addition, the Postal Service created a GEPS - NPR 3 model contract and accompanying financial model that differs from the GEPS - NPR 2 model contract and its financial model.

Consequently, pursuant to 39 C.F.R. § 3020.30 and in accordance with the procedure

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<sup>3</sup> A redacted copy of this decision dated July 14, 2010, was filed as Attachment 2 to the Notice and Request of the United States Postal Service concerning Global Expedited Package Services – Non-Published Rates and Application for Non-Public Treatment of Materials Filed Under Seal, PRC Docket Nos. MC2010-29 and CP2010-72, July 16, 2010. An unredacted copy of the decision was filed under seal with the Commission with that filing.

<sup>4</sup> Order No. 593, Order Approving Postal Service Request to Add Global Expedited Package Services - Non-Published Rates 1 to the Competitive Product List, PRC Docket Nos. MC2010-29 and CP2010-72, November 22, 2010, at 18.

<sup>5</sup> Order No. 630, Order Adding Global Expedited Package Services - Non-Published Rates 2 to the Competitive Product List, PRC Docket Nos. MC2010-29 and CP2011-45, December 30, 2010. See also Notice of the United States Postal Service concerning Global Expedited Package Services – Non-Published Rates and Application for Non-Public Treatment of Materials Filed Under Seal, PRC Docket No. CP2011-45, December 15, 2010, especially, Attachment 2, Decision of the Governors of the United States Postal Service on the Establishment of Prices for Global Expedited Package Services – Non-Published Rates 2 (Governors' Decision No. 10-7).

<sup>6</sup> See Customer Contract Filing Notice for Global Expedited Package Services - Non-Published Rates Serial Numbers Ending: 0001 through 0021, PRC Docket No. CP2011-45, January 14, 2011, and subsequent similar Customer Contract Filing Notices filed by the Postal Service in PRC Docket No. CP2011-45.

<sup>7</sup> See Decision of the Governors of the United States Postal Service on Changes in Rates and Classes of General Applicability for Competitive Products (Governors' Decision No. 11-8), at 4-5 in Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 11-8, PRC Docket No. CP2012-2, November 22, 2011.

set forth in Order No. 630,<sup>8</sup> the Postal Service seeks to add GEPS – NPR 3 to the competitive product list as a new GEPS - NPR product.

In support of this Request and Notice, the Postal Service is filing the following attachments:

- Attachment 1 – an application for non-public treatment of materials filed under seal;
- Attachment 2A - a redacted version of Governors' Decision No. 11-6, which authorizes management to prepare any necessary product description of nonpublished competitive services, including text for inclusion in the MCS, and to present such matter for review by the Commission;<sup>9</sup>
- Attachment 2B, a revised version of MCS 2510.8 Global Expedited Package Services (GEPS) - Non-Published Rates;<sup>10</sup>
- Attachment 2C, a redacted version of Management's Analysis of the Prices and Methodology for Determining Prices For Negotiated Service Agreements Under Global Expedited Package Services – Non-Published Rates 3 (GEPS - NPR 3 Management Analysis);
- Attachment 2D, Maximum and Minimum Prices for EMI, PMI, and GXG under GEPS - NPR 3 Contracts;

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<sup>8</sup> See PRC Order No. 630, at 3-4,

<sup>9</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6), March 22, 2011.

<sup>10</sup> The revised version of MCS 2510.8 that is included as Attachment 2B to this filing is a revision of MCS 2510.8 Global Expedited Package Services (GEPS) – Non-Published Rates, as it appears in Additional Supplemental Comments of United States Postal Service on Mail Classification Schedule, PRC Docket No. RM2011-8, July 29, 2011.

- Attachment 2E, the certified statement concerning the prices for applicable negotiated service agreements under GEPS – NPR 3 rates, required by 39 C.F.R. 3015.5(c)(2);
- Attachment 3, a Statement of Supporting Justification of Frank Cebello, Executive Director, Global Business Management, which is similar to the Statement of Supporting Justification used to support the classification of GEPS – NPR 1,<sup>11</sup> and which is filed pursuant to 39 C.F.R. § 3020.32; and
- Attachment 4, a redacted version of the GEPS - NPR 3 model contract.

Governors' Decision No. 11-6, GEPS - NPR 3 Management Analysis, the GEPS - NPR 3 model contract, and the GEPS - NPR 3 financial model that includes maximum and minimum prices for GXG, EMI, and PMI that establish 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 documentation for the GEPS - NPR 3 model contract are included with this filing in separate Excel files.

### ***I. Introduction***

The Postal Service's Governors established rates and the classification for GEPS - NPR by Governors' Decision 10-2,<sup>12</sup> and for GEPS – NPR 2 by Governors' Decision

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<sup>11</sup> Notice and Request of the United States Postal Service Concerning Global Expedited Package Services – Non-Published Rates and Application for Non-Public Treatment of Materials Filed Under Seal, PRC Docket Nos. MC2010-29 and CP2010-72, July 16, 2010, at Attachment 3.

<sup>12</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classification for Global Expedited Package Services - Non-Published Rates (Governors' Decision No. 10-2), July 14, 2010, Attachment 2 to Notice and Request of the United States Postal Service Concerning Global Expedited Package Services -- Non-Published Rates and Application for Non-Public Treatment of Materials Filed Under Seal, PRC Docket Nos. MC2010-29 and CP2010-72, July 16, 2010.

No. 10-7.<sup>13</sup> The Commission granted the Postal Service's request to add GEPS - NPR 1 to the competitive products list of the MCS through Order No. 593 on November 22, 2010.<sup>14</sup> Subsequently, the Commission added Global Expedited Package Services – Non-Published Rates 2 (MC2010-29 and CP2011-45) (GEPS - NPR 2) to the competitive product as a new product on December 30, 2010.<sup>15</sup> The Postal Service then filed a substantial number of new GEPS – NPR 2 contracts with the Commission.<sup>16</sup> GEPS - NPR 1 and 2 offer incentive pricing to small and medium-sized business mailers that satisfy prescribed capability requirements and that are willing to enter a contractual commitment to minimum levels of revenue from use of Express Mail International (EMI) and Priority Mail International (PMI) products.

On November 22, 2011, the Postal Service notified the Commission in Docket No. CP2012-2 that it would be changing the published rates for GXG, EMI and PMI effective January 22, 2012.<sup>17</sup> The Postal Service anticipates that the Commission will review these proposed price adjustments for GXG, EMI, and PMI. These changes to the published rates for GXG, EMI, and PMI, as well as the addition of GXG to the GEPS - NPR model contract, will affect more than the inputs page of the GEPS - NPR financial model. In accordance with Order No. 630, the Postal Service is submitting this request

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<sup>13</sup> Governors' Decision No. 10-7, Attachment 2 of Notice of the United States Postal Service concerning Global Expedited Package Services – Non-Published Rates and Application for Non-Public Treatment of Materials Filed Under Seal, PRC Docket No. CP2011-45, December 15, 2010.

<sup>14</sup> PRC Order No. 593, Order Approving Postal Service Request to Add Global Expedited Package Services – Non-Published Rates 1 to the Competitive Product List, PRC Docket Nos. MC2010-29 and CP2010-72, November 22, 2010.

<sup>15</sup> Order No. 630, Order Adding Global Expedited Package Services – Non-Published Rates 2 to the Competitive Product List, PRC Docket No. CP2011-45, December 30, 2010.

<sup>16</sup> See Customer Contract Filing Notice for Global Expedited Package Services – Non-Published Rates Serial Numbers Ending: 0001 through 0021, PRC Docket No. CP2011-45, January 14, 2011, and subsequent similar Customer Contract Filing Notices filed by the Postal Service in PRC Docket No. CP2011-45.

<sup>17</sup> Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 11-8, PRC Docket No. CP2012-2, November 22, 2011.

for the addition of a new GEPS - NPR product, GEPS - NPR 3, to the competitive product list, pursuant to 39 C.F.R. § 3020.30 *et seq.*<sup>18</sup>

**II. GEPS - NPR 3 Model Contract**

Since filing its notice of a revision to the GEPS - NPR 2 model contract in April 2011,<sup>19</sup> the Postal Service has considered and adopted certain changes to the GEPS - NPR 2 model contract that are included in the GEPS - NPR 3 model contract (Attachment 4 of this filing). The differences between the GEPS - NPR 3 model contract in this filing and the revised GEPS – NPR 2 model contract that the Postal Service filed with the Commission on April 19, 2011, include the following.

- Global Express Guaranteed (GXG) is considered as Qualifying Mail in the GEPS - NPR 3 agreement, only when Payment Option B of Article 2 is selected, as stated in Article 1, and as mentioned in paragraph 2 of Article 4 of the GEPS – NPR 3 Agreement.
- The option of using USPS-approved functionally equivalent software in Article 6, paragraph 2 has been deleted.
- Paragraph 1 of Article 8 has been revised to provide for the payment of postage for GXG according to the price chart in Annex 2.
- Article 10, paragraph 3, has been revised so that it has the title “Address Labels and Customs Declarations.” The paragraph states that under Option B, the Mailer must create address labels for GXG, EMI, PMI Qualifying Mail using USPS-provided Global Shipping Software (GSS). In addition, the same paragraph sets forth the requirements for the Mailer to

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<sup>18</sup> PRC Order No. 630, at 3-4.

<sup>19</sup> Notice of the United States Postal Service Concerning Global Expedited Package Services – Non-Published Rates 2 Model Contract, PRC Docket No. CP2011-45, April 19, 2011.

create, under Option B, customs declarations for EMI and PMI Qualifying Mail, as well as for GXG Qualifying Mail.

- Article 14, Modification of the Agreement, is identical to Article 17 in the revised GEPS – NPR 2 agreement that the Postal Service filed on April 19, 2011.
- Article 15, Postage Updates is similar to Article 14 in the April 19, 2011 GEPS – NPR 2 agreement, except that the paragraph refers not only to the prices in Annex 1 that are related to the non-discounted published postage for EMI and PMI, but also to the prices in Annex 2 that are related to the non-discounted published postage for GXG.
- Article 15, No Service Guarantee, of the April 19, 2011 GEPS – NPR 2 agreement has been deleted.
- Articles 17 to 20, concerning Entire Agreement and Survival, Force Majeure, Confidentiality, and Effect of Partial Invalidity have been renumbered.
- An Article 21 concerning Intellectual Property, Co-Branding and Licensing has been added.
- Article 22 concerning Limitation of Liability has been revised and paragraph 3 has been added concerning GXG Qualifying Mail.
- An Annex 2, which includes prices for Global Express Guaranteed, has been added.

With the exception of the addition of GXG, none of these changes to the GEPS – NPR model contract affects the rate design used to generate the rates for GEPS - NPR.

The changes do not affect the market characteristics of the GEPS - NPR product, which continues to be small- and medium-sized business mailers wishing to use international expedited delivery services for their correspondence and order fulfillment.

Two changes distinguish the GEPS - NPR 3 product from the GEPS - NPR 2 product and cause changes in rates and the financial model. The first is the addition of GXG, which is set forth in a minor classification change that is included in this filing as Attachment 2B. The second is the increase in the minimum annualized revenue commitment that a mailer must agree to in order to sign a GEPS –NPR 3 contract, which is reflected in the GEPS – NPR 3 Management Analysis that is included in this filing as Attachment 2C. These changes are also reflected in the updated financial models used to generate the new rates for the GEPS - NPR 3 contract, which are included in this filing. These changes to the model contract are authorized by Governors' Decision No. 11-6, which states that with respect to Outbound International Competitive Agreements, such as GEPS - NPR 3, "management is hereby authorized to prepare any necessary product description, including text for inclusion in the Mail Classification Schedule, and to present such product description to the Postal Regulatory Commission."<sup>20</sup>

The final difference between GEPS - NPR 3 and GEPS - NPR 2 is the rates themselves. The Commission anticipated that notice of new rates for GEPS - NPR would necessitate the addition of successor groupings under this competitive product. Contracts with customers offered rates established for GEPS - NPR 3 will be filed under

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<sup>20</sup> Governors' Decision No. 11-6, at 1-2. Governors' Decision No. 11-6 states that "Outbound International Competitive Agreements consist of negotiated service agreements with Postal Service customers for outbound international services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2)."

that successor product grouping. Unless the Commission indicates otherwise, the Postal Service anticipates filing GEPS - NPR 3 contracts in filings that are similar to the Postal Service's filings of GEPS – NPR 2 contracts.<sup>21</sup>

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

The Statement of Supporting Justification of Frank A. Cebello, Executive Director, Global Business Management, is included as Attachment 3 in accordance with Part 3020, Subpart B, of the Rules of Practice and Procedure. This Statement is a revision of the Statement of Supporting Justification by the same individual, which was included in the Postal Service's request to add the GEPS - NPR product as a competitive product within the MCS.<sup>22</sup> Mr. Cebello's statement provides support for the addition of the GEPS - NPR 3 product 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.

First, as for 39 U.S.C. § 3642(b)(1), the product does not qualify as market dominant. The Postal Service does not exercise sufficient monopoly market power so that it can effectively set the price of EMI, PMI, and GXG "substantially above costs, raise prices significantly, decrease quality, or decrease output without risk of losing a

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<sup>21</sup> In Order No. 630, at 5, the Commission provided the following instructions concerning the filing of GEPS – NPR 2 contracts: "A copy of each contract along with the financial model inputs used to generate rates for each contract must be filed with the Commission within a reasonable time, e.g., within 10 days of the effective date of the contract."

<sup>22</sup> Notice and Request of the United States Postal Service concerning Global Expedited Package Services - Non-Published Rates and Application for Non-Public Treatment of Materials Filed Under Seal, PRC Docket Nos. MC2010-29 and CP2010-72, July 16, 2010, at Attachment 3

significant level of business to other firms offering similar products.”<sup>23</sup> Therefore, the Postal Service is proposing that the GEPS - NPR 3 product be added to the competitive products list and that, consistent with Order No. 630, the Postal Service file with the Commission a copy of each GEPS - NPR 3 customer agreement, along with the financial cost inputs used to generate the rates for the customer, and the effective date of each GEPS - NPR 3 agreement.

Second, as for 39 U.S.C. § 3642(b)(2), and whether the product is excluded because it is subject to postal monopoly, the Qualifying Mail in GEPS – NPR 3 contracts consists of GXG, EMI, and PMI items, which are items that fall outside the scope of the Private Express Statutes. The shipping of merchandise outside of the definition of “letters” using GXG, EMI, and PMI is not subject to the Private Express Statutes. Furthermore, any “letters” as defined by 39 C.F.R. § 310.1(a) that are inserted in such items would likely fall within the suspensions or exceptions of the Private Express Statutes. For instance, the rates at issue here exceed the scope of the reserved area in 39 U.S.C. § 601.

Therefore, there is no need to ponder further whether GEPS - NPR 3 contracts, as defined by the proposed MCS language, 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 of Supporting Justification. Because all of section 3642’s criteria for classification have been met, the Postal Service respectfully urges the Commission to act promptly by adding this product to the competitive products list as requested.

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<sup>23</sup> 39 U.S.C. § 3642(b)(1).

#### **IV. Application for Non-Public Treatment**

The Postal Service maintains that certain portions of Governors' Decision No. 11-6, GEPS - NPR 3 Management Analysis, the GEPS - NPR 3 model contract, and the GEPS - NPR 3 financial model that includes maximum and minimum prices for EMI, PMI, and GXG, as well as related financial information should remain confidential. As Attachment 1 to this Request and Notice, the Postal Service files its application for non-public treatment of materials filed under seal. Consistent with Order No. 630 and as done for GEPS - NPR 2 contracts in PRC Docket No. CP2011-45, the Postal Service anticipates providing to the Commission the mailer agreements memorializing the sale of GEPS - NPR 3. A minimal amount of information in GEPS - NPR 3 agreements is considered to be confidential because of the commercially sensitive nature of the information or its identification of a particular customer. The Postal Service is including with this filing as Attachment 4, the GEPS - NPR 3 model contract, with some information redacted.<sup>24</sup> The application for non-public treatment attached to this notice addresses the redactions to those materials, including some additional information that will be redacted in signed GEPS – NPR 3 agreements. When the Postal Service files actual customer agreements with the Commission in this docket, the Postal Service will rely on the application for non-public treatment included as Attachment 1 to this filing for protection of the information redacted from those materials. A full discussion of the requested elements of the application appears in Attachment 1.

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<sup>24</sup> The Postal Service notes that the model agreement is for nationwide access to its network. Variations for other access options, including "Metro" and "ISC Drop Ship" are familiar to the PRC and the interested public from numerous GEPS 1, GEPS 2, GEPS 3, and GEPS - NPR 2 filings.

**V. Conclusion**

For the reasons discussed, the Postal Service believes that Global Expedited Package Services--Non-published Rates 3 should be added to the competitive product list, to reflect the change in non-generally applicable rates for this competitive product. The Postal Service asks that the Commission add GEPS - NPR 3 to the competitive products list of the MCS.

Respectfully submitted,

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December 20, 2011

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

In accordance with 39 C.F.R. § 3007.21, 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 request that Global Expedited Package Services - Non-published Rates (GEPS – NPR) 3 be added to the competitive product list within the Mail Classification Schedule (MCS), and a notice that the Postal Service has created a GEPS – NPR 3 model contract that differs from the Global Expedited Package Services—Non-published Rates (GEPS—NPR) 2 contract. Governors' Decision No. 11-6, GEPS – NPR 3 Management Analysis, the maximum and minimum prices for EMI, PMI, and GXG, the GEPS – NPR 3 model contract, and the GEPS – NPR 3 financial model and related financial information are being filed separately under seal with the Commission, although redacted copies of the materials are filed with the Notice as Attachments 2A, 2C, 2D, 4, and in separate Excel files.

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)(3) and (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).<sup>1</sup> 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;**

Third parties that may have a proprietary interest in the information in this filing include the designated operators or foreign posts with which the U.S. Postal Service settles accounts, the PC Postage vendors authorized to offer services to contract rate customers, and Federal Express (FedEx), which is involved in the provision of GXG.

The point of contact to provide notice to the foreign postal operators is Guadalupe Contreras, EMS Manager, International Postal Relations. Ms. Contreras's phone number is (202) 268-4598, and her email address is [guadalupe.n.contreras@usps.gov](mailto:guadalupe.n.contreras@usps.gov).

The points of contact for the two PC Postage vendors currently authorized to offer services to contract rate customers are:

For Endicia.com:  
Ms. Candi A. Booth, National Sales Manager  
(650) 321-2640 x183; [candi.booth@endicia.com](mailto:candi.booth@endicia.com)

For Stamps.com:

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<sup>1</sup> 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.

Ms. Ting Huang, Marketing Manager, Shipping Solutions  
(310) 482-5863; [thuang@stamps.com](mailto:thuang@stamps.com)

The point of contact for FedEx, with which the Postal Service has an alliance to offer Global Express Guaranteed, is:

James H. Ferguson  
Corporate Vice President  
Customer and Business Transactions,  
FedEx Corp. & General Counsel,  
FedEx Corporate Services, Inc.  
(901) 434-8600; [jhferguson1@fedex.com](mailto:jhferguson1@fedex.com)

Consistent with the Commission's instructions in Order No. 630, the Postal Service will, in the future, file with the Commission GEPS – NPR 3 customer-specific agreements and performance reports. Concerning those agreements and reports, the customer with which the agreement is made would have a proprietary interest in the materials. Article 19 of the model agreement provides each customer with notice of the Postal Service's intent to file the agreement with the Commission and its intent to seek non-public treatment of the information the Postal Service determines may be withheld from public disclosure. The notice provides the customer with the docket number in which the agreement will be filed and gives the customer information about how to raise its confidentiality concerns directly with the Commission. Each customer will identify a point of contact in Article 30 of the contract, which the Commission may use, should it determine that there is a need to provide notice of information requests or anticipated disclosures in the future.

**(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 the applicable Governors' Decision, a financial model that the Postal Service will use to generate customer-specific rates, a GEPS – NPR 3 Management Analysis, and a model contract. These materials were filed under seal, with redacted copies filed publicly. The Postal Service maintains that the redacted portions of these materials should remain confidential as sensitive business information. Additionally, the model contract includes highlighted sections that may contain information that will be redacted when the customer-specific agreements are filed in this docket in the future.

The three-page Governors' Decision No. 11-6 is reproduced as Attachment 2A and includes as supporting materials an Attachment A. In addition, Attachments 2B through 2E provide information specific to Postal Service management's preparation of the GEPS - NPR 3 product description, including text for inclusion in the MCS. Redactions appear on page two of Governors' Decision No. 11-6, pages one and two of Attachment A of that Decision, throughout the GEPS – NPR 3 Management Analysis (Attachment 2C) and the table of GEPS – NPR 3 GXG, EMI, and PMI minimum and maximum prices (Attachment 2D). These redactions protect sensitive commercial information concerning the incentive discounts and their formulation, the applicable cost-coverage, and the non-published rates themselves.

With regard to the model GEPS – NPR 3 agreement filed in this docket as Attachment 4, some customer-identifying information appears in the highlighted sections of the agreement on page 1, in Article 30, in the signature block, and in the footer of the agreement and its annex or annexes. This information constitutes 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). Therefore, such information will be redacted in signed GEPS – NPR 3 agreements. Additionally redactions appear in Articles 7, 9, 11, 15, and 32. Along with the highlighted section of paragraph 1 of Article 11, which will also be redacted in signed GEPS – NPR 3 agreements, these redactions include various penalties and interest that may be assessed under certain circumstances, the customer's revenue commitment, and the percentage of cost increase which may trigger a consequential price increase. In addition, the prices in Annexes 1 and 2 of the GEPS – NPR 3 contracts will be redacted.

Performance reports that will be filed in this docket will typically show the actual revenue and cost coverage of the customer's completed contract. The Postal Service will redact all of the values represented in these reports as commercially sensitive business information and will also protect any customer identifying information from disclosure.

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

Governors' Decision No. 11-6 and its Attachment A, as well as Attachments 2C and 2D and the accompanying financial models, include the Postal Service's desired cost-coverage for GEPS agreements, specific rate information and a detailed description of the methodology used to establish the rates, which are highly confidential in the business world. If this information were made public, the Postal Service's competitors would have the advantage of knowing the range of prices that may be offered by the Postal Service to its GEPS – NPR 3 customers for EMI, PMI, and GXG with volume incentives applied and the contribution margin used to establish the prices.

Thus, competitors would be able to take advantage of the information to offer lower pricing to the GEPS – NPR customers, while subsidizing any losses with profits from other customers. Eventually, this could freeze the Postal Service out of the expedited package services market.

Potential customers could also take advantage of the information in negotiating the specific rates to be applied to their circumstances, depending upon the downstream access choices they make and their revenue commitment level. They could demand the absolute floor, when it would otherwise be possible in some cases for the Postal Service to offer a higher, but still competitive rate.

If the portions of the contract that the Postal Service determined to be protected from disclosure due to its commercially sensitive nature were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. Redacted information in the model contract (which is included as Attachment 4 to this notice) includes 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, potential customers could use the information to their advantage in negotiating the terms of their 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.

Customer-identifying information redacted from the customer agreements could be used by competitors to target their marketing efforts on current USPS customers.

The redactions in the financial models include commercially sensitive business information from which the particular prices to be offered to specific customers are generated, while maintaining statutory cost-coverage requirements. Public disclosure of this information would give competitors an exact model of Postal Service pricing that could be used to develop lower pricing to present to customers in an attempt to convert them from contracts with the Postal Service.

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

Identified harm: Public disclosure of established rates and the financial model and methodology used to generate the rates would be used by competitors and customers to the detriment of the Postal Service.

Hypothetical: A competing expedited package delivery service obtains a copy of the unredacted version of the Governors' Decision, the financial model, or Management Analysis from the Postal Regulatory Commission's website. It reviews the rates or the model or both and then sets its own rates for products similar to what the Postal Service offers its GEPS – NPR 3 customers under the Postal Service's rates and markets its ability to guarantee to beat the Postal Service on price for international expedited 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 expedited delivery services markets for which the GEPS – NPR 3 product is designed.

Identified harm: Public disclosure of the rate charts in Attachment 2D would provide potential customers extraordinary negotiating power to extract lower rates.

Hypothetical: A customer with the rate information included in Attachment 2D could, on a cell by cell basis, demand the lowest possible rate in every rate cell, knowing that the Postal Service's approved rates include those floor amounts. Armed with the rate information, a customer could threaten that it will not use the Postal Service for its expedited package service delivery needs if it does not receive the lowest possible rates. This would severely threaten the Postal Service's ability to offer competitive but profitable rates to its customers within the minimum and maximum rates established by the Governors' for each rate cell.

Identified harm: Public disclosure of the information redacted from the model contract would provide competitors commercial advantages at the Postal Service's expense.

Hypothetical: A competitor is able to review the Postal Service's penalty clauses and underlying cost increase trigger for pass-through increases in pricing. The competitor takes that information and uses it to differentiate its own product from the Postal Service's product when it sells to potential customers, convincing those customers that the competitor's product is better.

Identified harm: Public disclosure of customer-identifying information and actual performance reports from the contracts would give competitors a marketing advantage.

Hypothetical: A competitor is able to identify Postal Service customers being offered GEPS – NPR 3 rates for EMI, PMI, and GXG from information provided on the PRC's website. The competitor uses this information to contact the customer directly and attempt to undersell the Postal Service and obtain new business from the Postal Service's customer. The competitor could use the information included in the performance reports to "qualify" potential customers, choosing to focus marketing efforts only on those customers that have a mailing profile that is attractive to the competitor, based on its business operations.

**(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 market for international expedited and parcels products (including both private sector integrators and foreign postal administrations), 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.

**(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.**

Consistent with PRC Order No. 630, the Postal Service will file customer agreements and performance reports in this docket. The Postal Service considers this Application sufficient to fulfill its regulatory requirements for justifying its determinations that the information redacted from those materials should be treated as non-public.

***Conclusion***

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

**RESTRICTED AND SENSITIVE BUSINESS INFORMATION - DO NOT DISCLOSE**

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON THE ESTABLISHMENT OF PRICES AND CLASSIFICATIONS FOR DOMESTIC COMPETITIVE AGREEMENTS, OUTBOUND INTERNATIONAL COMPETITIVE AGREEMENTS, INBOUND INTERNATIONAL COMPETITIVE AGREEMENTS, AND OTHER NON-PUBLISHED COMPETITIVE RATES (GOVERNORS' DECISION NO. 11-6)**

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March 22, 2011

**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 for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates. Domestic Competitive Agreements consist of negotiated service agreements with Postal Service customers for domestic services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Outbound International Competitive Agreements consist of negotiated service agreements with Postal Service customers for outbound international services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Inbound International Competitive Agreements consist of negotiated service agreements with foreign postal operators or other entities for inbound international services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Other Non-Published Competitive Rates consist of rates not of general applicability that are not embodied in contractual instruments, but nonetheless arise from other sources, such as the Universal Postal Convention.

**RESTRICTED AND SENSITIVE BUSINESS INFORMATION - DO NOT DISCLOSE**

**Governors' Decision No. 11-6**

**Page 2**

With respect to any product within the above categories, management is hereby authorized to prepare any necessary product description, including text for inclusion in the Mail Classification Schedule, and to present such product description to the Postal Regulatory Commission.

The Postal Accountability and Enhancement Act (PAEA) requires 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. For agreements subject to this Decision, there are hereby established all prices that will cover [REDACTED] [REDACTED] costs for the relevant product and that conform in all other respects to 39 U.S.C. §§ 3632-3633 and 39 C.F.R. §§ 3015.5 and 3015.7. As discussed in the accompanying management analysis, the Chief Financial Officer (or his delegee(s)) shall certify that all cost inputs have been correctly identified for prices subject to this Decision and that all prices subject to this Decision conform to this Decision and to the requirements of the PAEA.

No agreement, grouping of functionally equivalent agreements, or other classification 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 U.S.C. § 3632(b)(3). On a quarterly basis, management shall furnish the Governors with a report on all non-published rate and classification initiatives. Not less than once each year, the Governors shall review the basis for this Decision and make such further determination as they may deem necessary. This Decision does not affect postal management's obligation to furnish to the Board of Governors information regarding any significant, new program, policy, major modification, or initiative, or any other matter under 39 C.F.R. § 3.7(d), including where such a matter also falls within the scope of this Decision.

**RESTRICTED AND SENSITIVE BUSINESS INFORMATION - DO NOT DISCLOSE**

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This Decision does not supersede or otherwise modify Governors' Decision Nos. 08-5, 08-6, 08-7, 08-8, 08-10, 08-20, 08-24, 09-5, 09-6, 09-7, 09-14, 09-15, 09-16, 10-1, 10-2, 10-3, 10-6, and 10-7, nor does it affect the validity of prices and classifications established under those Decisions. Management may also continue to present to the Postal Regulatory Commission for its review, as appropriate, rate and classification changes to succeed the minimum and maximum non-published rates in Decision Nos. 10-2 and 10-6.

**ORDER**

In accordance with the foregoing Decision of the Governors, the prices set forth herein for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates 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 this Decision and the certification process specified herein is followed. 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:



\_\_\_\_\_  
Louis J. Giuliano  
Chairman

## Attachment A

### **Management Analysis of Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates**

This analysis concerns the inbound competitive prices and classifications in the Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (collectively, "competitive instruments"). Competitive instruments are often negotiated with customers and foreign postal operators for better cost coverage, higher overall contribution, and improved service with respect to postal services classified as competitive. They may also arise from other sources, such as the Universal Postal Convention.

The cost coverage for each competitive agreement or grouping of functionally equivalent instruments (collectively, each "product") will be [REDACTED]

[REDACTED]

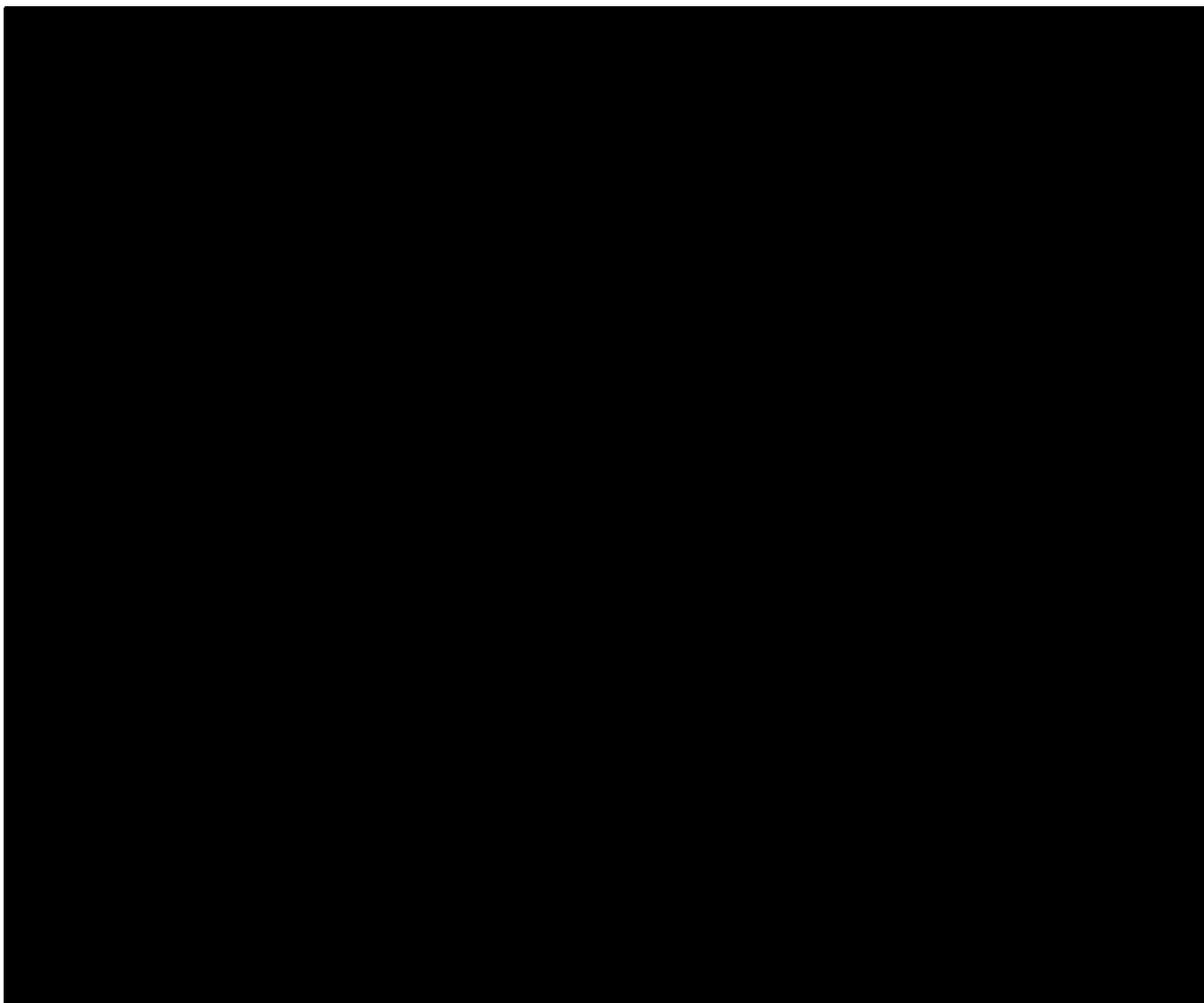
The cost coverage for a product equals [REDACTED]

[REDACTED]

Each competitive instrument may have multiple price categories and negotiated components. Examples of such categories or components would be Priority Mail, Express Mail, Parcel Return Service, Priority Mail International, Express Mail International, International Priority Airmail, International Surface Air Lift, Inbound Air Parcel Post, Inbound Surface Parcel Post, Inbound Direct Entry, and Inbound International Expedited Services. These or other categories may include other services that the relevant customer or foreign postal operator offers to its customers under differing terms, but that nevertheless are processed and delivered in the same manner within the United States Postal Service's network. Such instruments may also establish negotiated rates for services ancillary to such items and for customized competitive services developed for application solely in the context of the agreement.

[REDACTED]

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Prices established by these formulas should not interfere with competitive products' ability as a whole to comply with 39 U.S.C. § 3633(a)(3), which, as implemented by (39 C.F.R. § 3015.7(c)) requires competitive products to contribute a minimum of 5.5 percent to the Postal Service's total institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products should arise (39 U.S.C. § 3633(a)(1)).

**CERTIFICATION OF GOVERNORS' VOTE  
IN THE  
GOVERNORS' DECISION NO. 11-6**

I hereby certify that the Governors voted on adopting Governors' Decision No. 11-6, and that, consistent with 39 USC 3632(a), a majority of the Governors then holding office concurred in the Decision.

  
\_\_\_\_\_  
Julie S. Moore  
Secretary of the Board of Governors

Date: 3/22/2011

## Attachment 2B

### Description of Applicable Global Expedited Package Services – Non-published Rates<sup>1</sup>

#### 2510.8 Global Expedited Package Services (GEPS)—Non-Published Rates

##### 2510.8.1 Description

- a. Global Expedited Package Services (GEPS)—Non-Published Rates provides tiered incentives for Global Express Guaranteed (GXG), Express Mail International (EMI) ~~and/or, and~~ Priority Mail International (PMI) for all destinations served by GXG, EMI xpress Mail International, and PMI and Priority Mail International. GXG is only available if the mailer chooses postage payment through a permit imprint using USPS-provided Global Shipping Software (GSS).
- b. Global Expedited Package Services (GEPS)—Non-published Rates is available through customized negotiated agreements, which depend upon a mailer's revenue commitment and choice of downstream access option.
- c. To qualify for Global Expedited Package Services (GEPS)—Non-published Rates, a mailer must be capable, on an annualized basis, of paying at least \$~~5~~200,000.00 for GXG, EMI, and PMI in international postage to the Postal Service under a Global Expedited Package Services (GEPS) – Non-published Rates agreement.
- d. A mailer must commit to tender varying minimum postage of GXG, EMI xpress Mail International, and Priority Mail International (PMI), ~~PMI, or both,~~ on an annualized basis.
- e. Mail preparation requirements are the same as required for GXG, EMI, and PMI ~~all Express Mail International and/or Priority Mail International~~ shipments with the following exceptions if the mailer selects postage payment through a permit imprint using USPS-provided Global Shipping Software (GSS):
  - The mailer is required to create address labels and customs declarations for EMI and PMI, using USPS-provided Global Shipping Software (GSS). ~~use Postal Service-supplied labeling software, or a non-Postal Service-supplied labeling software that has the same functionality as the Postal Service-supplied labeling software. The software allows for preparation of address labels and Customs declarations and submission of electronic shipment~~

<sup>1</sup> The revisions to MCS 2510.8 in this document are revisions to MCS 2510.8 Global Expedited Package Services (GEPS) – Non-Published Rates, as it appears in Additional Supplemental Comments of United States Postal Service on Mail Classification Schedule, PRC Docket No. RM2011-8, July 29, 2011.

~~information to the Postal Service, as well as prepayment of Customs duties and taxes and pre-advice for foreign Customs authorities by the Postal Service.~~

- The mailer is required to create address labels for GXG using USPS-provided Global Shipping Software (GSS) and to follow the procedures detailed in USPS Publication 141 *Global Express Guaranteed Service Guide*.
  - The mailer may be required to prepare specific shipments according to country specific requirements.
- f. Individual negotiated agreements must comply with the requirements specified in 39 U.S.C. 3633.
- g. Individual negotiated agreements must be on file with the Commission within 10 days of their effective date.

2510.8.2 Size and Weight Limitations Requirements

*Global Express Guaranteed*

Size and Weight Limitations are the same as those which appear at § 2305.2 Outbound International Expedited Services, Size and Weight Limitations, Global Express Guaranteed

*Express Mail International*

Size and Weight Limitations are the same as those which appear at § 2305.2 Outbound International Expedited Services, Size and Weight Limitations, Express Mail International

|         | <b>Length</b>                          | <b>Height</b> | <b>Thickness</b> | <b>Weight</b> |
|---------|--|---------------|------------------|---------------|
| Minimum | none                                   | none          | none             | See Note 1    |
| Maximum | 36 inches                              |               |                  |               |
|         | 79 inches in combined length and girth |               |                  |               |

**Notes**

1. ~~Country-specific restrictions may apply as specified in the International Mail Manual.~~

*Priority Mail International*

Size and Weight Limitations are the same as those which appear at § 2315.2 Outbound Priority Mail International, Size and Weight Limitations

|                      | <b>Length</b>                          | <b>Height</b> | <b>Thickness</b> | <b>Weight</b> |
|----------------------|--|---------------|------------------|---------------|
| Minimum <sup>2</sup> | 5.5 inches                             | none          | 3.5 inch         | none          |
| Maximum              | 42 inches                              |               |                  | 70 pounds     |
|                      | 79 inches in combined length and girth |               |                  |               |

**Notes**

1. ~~Weight and other exceptional size limits based on shape and destination country restrictions may apply as specified in the International Mail Manual.~~
2. ~~Items must be large enough to accommodate postage, address and other required elements on the address side.~~

2510.8.3 Minimum Volume Requirements

Global Expedited Package Services (GEPS)—Non-published Rates customers are required to meet minimum volume or weight requirements established for presentation of a manifest mailing.

2510.8.4 Price Categories

The incentives are based on the revenue commitment and the downstream access option selected by the customer. Optional features are separately charged according to the published prices for each service at the time of mailing.

The following price categories are available for the product specified in this section:

- GEPS – Global Express Guaranteed
- GEPS – Express Mail International
- GEPS – Priority Mail International

2510.8.5 Optional Features

Optional features are separately charged according to the published prices for each service at the time of mailing. The following additional

services may be available in conjunction with the product specified in this section:

- Pickup On Demand Service
- International Ancillary Services (2615)
  - ~~None~~
  - ~~International Certificate of Mailing: PMI flat rate envelope and small PMI flat rate box only (2615.1)~~
  - ~~Outbound Competitive International Registered Mail: PMI flat rate envelope and small PMI flat rate box only (2615.2)~~
  - ~~International Return Receipt: Only for registered items, insured parcels and certain countries when sending EMI items (2615.3)~~
  - ~~International Restricted Delivery: PMI flat rate envelope and small PMI flat rate box only and only when Registered Mail has been purchased (2615.4)~~
  - ~~International Insurance: For PMI Parcels, EMI items containing merchandise (2615.5)~~
- ~~Software-Related Services~~
  - ~~Labeling~~

At the mailer's request, the Postal Service will arrange for labels and Customs declarations to be applied.
  - ~~Harmonization~~

At the mailer's request, the Postal Service will arrange for classification of merchandise according to country specified Customs regulations to determine applicable duties and taxes.
  - ~~Returns~~

At the mailer's request, the Postal Service will contract with a returns center appropriate for the particular country. The returns center inspects the goods it receives from the mailer's customers and returns the goods in bulk to the mailer in the United States. The Postal Service invoices the mailer for appropriate charges. The Postal Service may also charge for certain Express Mail International and Priority Mail International undeliverable as-addressed returns when customs duties have been prepaid.

## 2510.8.6 Prices

Prices are subject to the terms and conditions of individual negotiated agreements. The non-published range of prices that may be offered to mailers are pre-approved and subject to regulatory review.

2510.8.7 Products Included in Group (Agreements)

Each product is followed by a list of agreements included within that product.

- Global Expedited Package Services (GEPS)—Non-Published Rates 2
  - Baseline Reference*
    - Docket No. CP2011-45
    - PRC Order No. 630, December 30, 2010
  - Historical Reference*
    - Docket No. MC2010-29 and CP2010-72
    - PRC Order No. 593, November 22, 2010
  - Included Agreements*
    - TBD

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## Attachment 2C

### **Management's Analysis Of The Prices And Methodology For Determining Prices For Negotiated Service Agreements Under Global Expedited Package Services— Non-published Rates 3**

Through the establishment of Global Expedited Package Services Non-published Rates (GEPS—NPR) 1 and 2,<sup>1</sup> management has streamlined the process for approving GEPS agreements, while maintaining their profitability and competitive positioning in the market. This improvement reduces the administrative time and effort required to navigate the regulatory process and eliminates uncertainty for both the customers and the Postal Service concerning the implementation and activation of the sales agreements.

#### **Overview of the GEPS - NPR 3 product**

The GEPS—NPR 3 product offers discounts based on revenue for Express Mail International (EMI), Priority Mail International (PMI), and Global Express Guaranteed (GXG). The Postal Service offers [REDACTED] based on a mailer's revenue commitments for GXG, EMI and PMI combined.

GXG is only available for GEPS - NPR 3 customers who choose postage payment through a permit imprint using USPS-provided Global Shipping Software (GSS) as one of their shipping software solutions. Customers who do not select postage payment through a permit imprint using USPS-provided Global Shipping Software (GSS) will not have access to the GEPS—NPR 3 discounted rates for GXG.

GEPS—NPR 3 EMI and PMI prices are based on the level of downstream access: Nationwide, Metro, and/or International Service Center (ISC) Drop Ship.<sup>2</sup> Nationwide access does not restrict where a mailer enters, but the mail must be tendered at an approved Business Mail Acceptance Unit. The Metro offering requires that the mailer tenders at designated locations within 200 miles of an ISC to avoid domestic air transportation costs. The ISC Drop Ship service requires the mailer to tender directly to an ISC, thereby eliminating both domestic air and local surface transportation costs to the USPS. In all cases, the mailer assumes responsibility and the costs associated with delivering to the point of tender. The following table summarizes the GEPS—NPR 3 options and potential pricing incentives based on customer revenue commitment level: A GEPS – NPR 3 customer is required to meet an annualized minimum commitment of

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<sup>1</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices for Global Expedited Package Services – Non-Published Rates 2 (Governors' Decision No. 10-7), December 14, 2010.

<sup>2</sup> A few GEPS agreements include a combination of downstream access options, when a customer has multiple shipping locations, one or more of which are in or proximate to cities where the Postal Service maintains an ISC. In such agreements, the mailer's rates are still dependent upon the point of tender, with higher rates applying at the non-ISC drop ship entry points.

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at least two hundred thousand dollars (\$200,000) in postage paid for GXG, EMI, and PMI combined under a GEPS – NPR 3 agreement.

| Minimum Revenue | GXG | Nationwide |     | Metro |     | Drop Ship |     |
|-----------------|-----|------------|-----|-------|-----|-----------|-----|
|                 |     | EMI        | PMI | EMI   | PMI | EMI       | PMI |
| [REDACTED]      |     |            |     |       |     |           |     |

**Minimum and Maximum Prices**

GXG, EMI and PMI published rates are set by country of destination and weight of the article. Currently, GXG has a total of 8 country groups, while EMI and PMI have a total of 17 country groups each. The weight steps range from 0.5 pound to 70 pounds.

The minimum potential price for GXG under GEPS—NPR 3 is an [REDACTED] discount off of the retail rate. The minimum potential prices for EMI and PMI under GEPS—NPR 3 are the prices that may be offered to a mailer making a revenue commitment [REDACTED]

[REDACTED] Under these circumstances, the mailer could potentially be provided incentives resulting in prices [REDACTED]

[REDACTED] The potential minimum prices for each destination country group consist of the [REDACTED] and these establish the floor for prices for GEPS—NPR 3.

For EMI and PMI, GEPS—NPR 3 customers are required to meet minimum volume or weight requirements established for presentation of a manifest mailing and to use USPS-provided software to generate labels and customs declarations. Retail customers using Click-N-Ship™ receive incentives of up to 10 percent off the published rate for GXG, up to 8 percent for EMI and up to 5 percent for PMI. GEPS—NPR 3 customers would qualify for these incentives by using Click-N-Ship, even if they were unable to present the articles using a manifest mailing. Additionally, commercial customers who do not want to make the minimum revenue commitment required of a GEPS—NPR contract 3 but agree to tender a minimum of one hundred thousand dollars (\$100,000) in combined commercial plus postage for GXG, EMI and PMI, exclusive of any special services, may apply for Commercial Plus Pricing (CPP). CPP discounts are published and range up to 17 percent for GXG, up to 15 percent for EMI,

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and up to 10 percent for PMI. Potential GEPS—NPR 3 customers would also qualify for these incentives if they did not wish to sign a GEPS agreement.

The maximum potential price that GEPS—NPR 3 customers will pay for GXG, EMI, and PMI are the prices resulting from Commercial Plus Pricing rates for the highest weight step in each of the destination country groups. These prices represent the ceiling for GEPS—NPR 3 rates. In Governors' Decision No. 11-8,<sup>3</sup> the Governors determined to change the published prices for GXG, EMI and PMI effective January 22, 2011. The prices in this Decision represent a corresponding change to the ceiling prices for the GEPS—NPR 3 product grouping.

The minimum and maximum prices representing the floor and ceiling for GXG, EMI, and PMI prices under GEPS—NPR 3 are expressed in the charts in Attachment 2D. The range of prices included in each cell represents all of the potential prices in one-cent increments which are to be considered for each cell, as if each one-cent increment actually appeared on the table. The potential prices that could be offered for GEPS—NPR 3 for GXG, EMI, and PMI, as authorized in Governors' Decision No. 11-6<sup>4</sup>, are all of the prices, in one-cent increments, between the minimum and maximum prices appearing in each rate cell listed by country group and the weight steps available to the applicable destinations.

As an example, for EMI, a GEPS mailer sending an item weighing four ounces to a destination in country Group 1 could potentially be offered a price [REDACTED] including every price between the two in one-cent increments (i.e., [REDACTED]). The exact price would be determined by applying a consistent methodology to the downstream access option, payment option and revenue commitment choices made by the customer.

### **Pricing Methodology**

Management's pricing methodology begins with the cost coverage evaluation of the Postal Service's published prices. The absolute floor for GEPS pricing is defined by the incentives offered to [REDACTED] for the lowest weight step at each country rate group available. For each of these price cells, the Postal Service determines if there is cost coverage to support the applicable GEPS Non-published Rate.

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<sup>3</sup> Decision of the Governors of the United States Postal Service on Changes in Rates and Classes of General Applicability for Competitive Products (Governors' Decision No. 11-8), October 18, 2011.

<sup>4</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6), March 22, 2011.



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## **Regulatory Review and Contract Implementation**

The Postal Service will submit prices to the Postal Regulatory Commission (PRC) for [REDACTED] in support of its notification to the PRC of these new rates not of general applicability. These prices will represent the price floor for all sales contracts offering GEPS—NPR 3 rate incentives after January 21, 2012. The publicly available discounts off the published rates of up to 17 percent for GXG, up to 15 percent for EMI, and up to 10 percent for PMI, will represent the price ceiling for each country rate group for all downstream access options.

The Postal Service will continue to use a standard contract for GEPS—NPR 3, a product offered to customers in the small to medium sized enterprise market for EMI and PMI, as well as for Global Express Guaranteed. The GEPS—NPR 3 model agreement is included with this analysis and is a modified version of the revised GEPS—NPR 2 model contract that was reviewed by the Commission in PRC Docket No. CP2011-45 in Order No. 728 (GEPS—NPR 2 model contract).<sup>5</sup> Many of the differences between the GEPS—NPR 3 model agreement and the GEPS—NPR 2 model contract represent drafting changes intended to clarify the terms of the agreement. The following changes are substantive changes: the addition of GXG as Qualifying Mail under the agreement when Payment Option B is selected as described in Article 1, Article 2 and paragraph 2 of Article 4; the deletion of the option of using USPS-approved functionally equivalent software in paragraph 2 of Article 6; the payment of postage for GXG in paragraph 1 of Article 8; the revised requirements for the Mailer to create address labels and customs declarations in paragraph 3 of Article 10; the addition of GXG to the Postage Updates provisions in Article 15; the addition of Article 21 concerning Intellectual Property, Co-Branding and Licensing; the revision of Article 22 concerning Limitation of Liability; and the addition of Annex 2, which includes prices for GXG. Although Article 15 of the GEPS - NPR 2 model contract, which concerns No Service Guarantee, has been deleted, paragraph 2 of Article 22 of the GEPS - NPR 3 model contract states that EMI and PMI “mailed under this Agreement are not guaranteed against delay in delivery. Neither indemnity payments nor postage refunds will be made in the event of delay.” The cost and market characteristics of the product grouping do not depend upon the terms of the contract and do not vary by customer.

In accordance with Governors’ Decision No. 11-6, the Postal Service will file the GEPS—NPR 3 product with the PRC. The filing will include this Management’s Analysis. Also, consistent with PRC Order No. 630,<sup>6</sup> the Postal Service will provide a

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<sup>5</sup> PRC Order No. 728, Order Concerning Global Expedited Package Services – Non-Published Rates 2 Model Contract, PRC Docket No. CP2011-45, May 13, 2011.

<sup>6</sup> PRC Order No. 630, Order Adding Global Expedited Package Services – Non-Published Rates 2 to the Competitive Product List, PRC Docket No. CP2011-45, December 30, 2010.

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copy of each GEPS—NPR 3 customer agreement to the PRC, along with the financial cost inputs used to generate the rates for the customer, and the effective date of each GEPS—NPR 3 agreement. All contracts using the GEPS—NPR 3 model customer contract and the rates in this Management’s Analysis will be filed in a single docket and will be reported as a single competitive product in the appropriate Annual Compliance Report. Each GEPS—NPR 3 contract will bear a serial number and subsequent information filed with the PRC concerning a specific contract, such as performance reports upon termination or expiration of the contract, will be filed with reference to the docket and serial number.

With GEPS—NPR 3, the Postal Service provides the prices within the established range to qualified customers applying for the incentives, using the methodology described above. Once a customer signs a GEPS—NPR 3 agreement under this pricing approach, the Postal Service begins the customer’s incentive program as soon as the Postal Service and the customer are ready to implement it.

### **Benefits**

In Order No. 728, the PRC stated that the development of the GEPS—NPR agreements “established an efficient process for the approval of GEPS agreements.”<sup>7</sup> The methodology and process for implementing GEPS—NPR negotiated service agreements has proved advantageous. Under the GEPS—NPR 2 process, the Postal Service has not had to certify the cost coverage of each contract, justify the addition of each contract to the competitive products list, and delay implementation of the customer incentives for mailing pending a positive review of the agreement by the PRC. The PRC, for its part, has not had to establish a docket for each contract, assign a Public Representative to review the contracts and related financial documents, and issue orders to add each contract to the competitive products list. It is anticipated that the GEPS—NPR 3 process will be quite similar to the GEPS—NPR 2 process, providing both the Postal Service and the PRC the means to decrease administrative costs associated with the GEPS contract review process. Since Postal Service revenues fund both organizations, savings to either organization result in overall savings for the Postal Service.

Additionally, the GEPS—NPR process makes it possible for the Postal Service to serve customers more effectively by enabling the Postal Service to promptly enter into sales contracts, instead of waiting for regulatory review of each individual contract and for a determination of each contract’s functional equivalency to the established product grouping. As a result, the Postal Service is positioned better against competitors, and customers now have the certainty of knowing that when they sign a GEPS—NPR

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<sup>7</sup> PRC Order No. 728, at 2.

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agreement with the Postal Service, they have a binding contract, not just a preliminary agreement that is contingent upon final regulatory review.

### **Summary**

The prices and methodology employed in the GEPS—NPR 3 product grouping proposal are appropriate for the highly competitive international expedited delivery service market, which includes small to medium sized enterprises as mailers. When a customer opts to tender mail at a location that reduces costs to the Postal Service, the GEPS—NPR 3 rates reward the customer with pricing incentives. Likewise, when a customer commits to a fixed level of revenue for EMI and PMI (which are strong contribution products) as well as GXG, the Postal Service rewards the customer with pricing incentives that compete with other international expedited delivery service providers while maintaining the cost coverages necessary to make a positive contribution to the Postal Service's institutional costs. This change from the GEPS—NPR 2 price floor and ceiling, which corresponds to the price changes for GXG, EMI, and PMI approved by the Governors in Governors' Decision 11-8, will ensure that GEPS-Non-published Rates continue to make a positive contribution to the Postal Service's bottom line.

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|     | [A]                  | [B]        | [C]        | [D]        | [E]        | [F]        | [G]        | [H]        | [I]        | [J]        |
|-----|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|     | Weight Not Over (lb) | Range      | Group 1    | Group 2    | Group 3    | Group 4    | Group 5    | Group 6    | Group 7    | Group 8    |
| [a] | 0.5                  | min<br>max | [REDACTED] |
| [b] | 1                    | min<br>max | [REDACTED] |
| [c] | 2                    | min<br>max | [REDACTED] |
| [d] | 3                    | min<br>max | [REDACTED] |
| [e] | 4                    | min<br>max | [REDACTED] |
| [f] | 5                    | min<br>max | [REDACTED] |
| [g] | 6                    | min<br>max | [REDACTED] |
| [h] | 7                    | min<br>max | [REDACTED] |
| [i] | 8                    | min<br>max | [REDACTED] |
| [j] | 9                    | min<br>max | [REDACTED] |
| [k] | 10                   | min<br>max | [REDACTED] |
| [l] | 11                   | min<br>max | [REDACTED] |
| [m] | 12                   | min<br>max | [REDACTED] |
| [n] | 13                   | min<br>max | [REDACTED] |
| [o] | 14                   | min<br>max | [REDACTED] |
| [p] | 15                   | min<br>max | [REDACTED] |
| [q] | 16                   | min<br>max | [REDACTED] |
| [r] | 17                   | min<br>max | [REDACTED] |
| [s] | 18                   | min<br>max | [REDACTED] |
| [t] | 19                   | min<br>max | [REDACTED] |
| [u] | 20                   | min<br>max | [REDACTED] |

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [A]                  | [B]        | [C]        | [D]        | [E]        | [F]        | [G]        | [H]        | [I]        | [J]        |
|------|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|      | Weight Not Over (lb) | Range      | Group 1    | Group 2    | Group 3    | Group 4    | Group 5    | Group 6    | Group 7    | Group 8    |
| [v]  | 21                   | min<br>max | [REDACTED] |
| [w]  | 22                   | min<br>max | [REDACTED] |
| [x]  | 23                   | min<br>max | [REDACTED] |
| [y]  | 24                   | min<br>max | [REDACTED] |
| [z]  | 25                   | min<br>max | [REDACTED] |
| [aa] | 26                   | min<br>max | [REDACTED] |
| [ab] | 27                   | min<br>max | [REDACTED] |
| [ac] | 28                   | min<br>max | [REDACTED] |
| [ad] | 29                   | min<br>max | [REDACTED] |
| [ae] | 30                   | min<br>max | [REDACTED] |
| [af] | 31                   | min<br>max | [REDACTED] |
| [ag] | 32                   | min<br>max | [REDACTED] |
| [ah] | 33                   | min<br>max | [REDACTED] |
| [ai] | 34                   | min<br>max | [REDACTED] |
| [aj] | 35                   | min<br>max | [REDACTED] |
| [ak] | 36                   | min<br>max | [REDACTED] |
| [al] | 37                   | min<br>max | [REDACTED] |
| [am] | 38                   | min<br>max | [REDACTED] |
| [an] | 39                   | min<br>max | [REDACTED] |
| [ao] | 40                   | min<br>max | [REDACTED] |
| [ap] | 41                   | min<br>max | [REDACTED] |
| [aq] | 42                   | min<br>max | [REDACTED] |

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [A]                     | [B]        | [C]        | [D]        | [E]        | [F]        | [G]        | [H]        | [I]        | [J]        |
|------|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|      | Weight Not<br>Over (lb) | Range      | Group 1    | Group 2    | Group 3    | Group 4    | Group 5    | Group 6    | Group 7    | Group 8    |
| [ar] | 43                      | min<br>max | [REDACTED] |
| [as] | 44                      | min<br>max | [REDACTED] |
| [at] | 45                      | min<br>max | [REDACTED] |
| [au] | 46                      | min<br>max | [REDACTED] |
| [av] | 47                      | min<br>max | [REDACTED] |
| [aw] | 48                      | min<br>max | [REDACTED] |
| [ax] | 49                      | min<br>max | [REDACTED] |
| [ay] | 50                      | min<br>max | [REDACTED] |
| [az] | 51                      | min<br>max | [REDACTED] |
| [ba] | 52                      | min<br>max | [REDACTED] |
| [bb] | 53                      | min<br>max | [REDACTED] |
| [bc] | 54                      | min<br>max | [REDACTED] |
| [bd] | 55                      | min<br>max | [REDACTED] |
| [be] | 56                      | min<br>max | [REDACTED] |
| [bf] | 57                      | min<br>max | [REDACTED] |
| [bg] | 58                      | min<br>max | [REDACTED] |
| [bh] | 59                      | min<br>max | [REDACTED] |
| [bi] | 60                      | min<br>max | [REDACTED] |
| [bj] | 61                      | min<br>max | [REDACTED] |
| [bk] | 62                      | min<br>max | [REDACTED] |
| [bl] | 63                      | min<br>max | [REDACTED] |
| [bm] | 64                      | min<br>max | [REDACTED] |

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [A]                  | [B]        | [C]        | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     | [J]     |
|------|----------------------|------------|------------|---------|---------|---------|---------|---------|---------|---------|
|      | Weight Not Over (lb) | Range      | Group 1    | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 |
| [bn] | 65                   | min<br>max | [REDACTED] |         |         |         |         |         |         |         |
| [bo] | 66                   | min<br>max |            |         |         |         |         |         |         |         |
| [bp] | 67                   | min<br>max |            |         |         |         |         |         |         |         |
| [bq] | 68                   | min<br>max |            |         |         |         |         |         |         |         |
| [br] | 69                   | min<br>max |            |         |         |         |         |         |         |         |
| [bs] | 70                   | min<br>max |            |         |         |         |         |         |         |         |

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Minimum Rates**

| [A]                  | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 |
| [a] 0.5              |         |         |         |         |         |         |         |         |
| [b] 1                |         |         |         |         |         |         |         |         |
| [c] 2                |         |         |         |         |         |         |         |         |
| [d] 3                |         |         |         |         |         |         |         |         |
| [e] 4                |         |         |         |         |         |         |         |         |
| [f] 5                |         |         |         |         |         |         |         |         |
| [g] 6                |         |         |         |         |         |         |         |         |
| [h] 7                |         |         |         |         |         |         |         |         |
| [i] 8                |         |         |         |         |         |         |         |         |
| [j] 9                |         |         |         |         |         |         |         |         |
| [k] 10               |         |         |         |         |         |         |         |         |
| [l] 11               |         |         |         |         |         |         |         |         |
| [m] 12               |         |         |         |         |         |         |         |         |
| [n] 13               |         |         |         |         |         |         |         |         |
| [o] 14               |         |         |         |         |         |         |         |         |
| [p] 15               |         |         |         |         |         |         |         |         |
| [q] 16               |         |         |         |         |         |         |         |         |
| [r] 17               |         |         |         |         |         |         |         |         |
| [s] 18               |         |         |         |         |         |         |         |         |
| [t] 19               |         |         |         |         |         |         |         |         |
| [u] 20               |         |         |         |         |         |         |         |         |
| [v] 21               |         |         |         |         |         |         |         |         |
| [w] 22               |         |         |         |         |         |         |         |         |
| [x] 23               |         |         |         |         |         |         |         |         |
| [y] 24               |         |         |         |         |         |         |         |         |
| [z] 25               |         |         |         |         |         |         |         |         |
| [aa] 26              |         |         |         |         |         |         |         |         |
| [ab] 27              |         |         |         |         |         |         |         |         |
| [ac] 28              |         |         |         |         |         |         |         |         |
| [ad] 29              |         |         |         |         |         |         |         |         |
| [ae] 30              |         |         |         |         |         |         |         |         |
| [af] 31              |         |         |         |         |         |         |         |         |
| [ag] 32              |         |         |         |         |         |         |         |         |
| [ah] 33              |         |         |         |         |         |         |         |         |
| [ai] 34              |         |         |         |         |         |         |         |         |
| [aj] 35              |         |         |         |         |         |         |         |         |
| [ak] 36              |         |         |         |         |         |         |         |         |
| [al] 37              |         |         |         |         |         |         |         |         |
| [am] 38              |         |         |         |         |         |         |         |         |
| [an] 39              |         |         |         |         |         |         |         |         |
| [ao] 40              |         |         |         |         |         |         |         |         |
| [ap] 41              |         |         |         |         |         |         |         |         |
| [aq] 42              |         |         |         |         |         |         |         |         |
| [ar] 43              |         |         |         |         |         |         |         |         |

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Minimum Rates**

|                      | [A]     | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|-----|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 |     |
| [as] 44              |         |         |         |         |         |         |         |         |     |
| [at] 45              |         |         |         |         |         |         |         |         |     |
| [au] 46              |         |         |         |         |         |         |         |         |     |
| [av] 47              |         |         |         |         |         |         |         |         |     |
| [aw] 48              |         |         |         |         |         |         |         |         |     |
| [ax] 49              |         |         |         |         |         |         |         |         |     |
| [ay] 50              |         |         |         |         |         |         |         |         |     |
| [az] 51              |         |         |         |         |         |         |         |         |     |
| [ba] 52              |         |         |         |         |         |         |         |         |     |
| [bb] 53              |         |         |         |         |         |         |         |         |     |
| [bc] 54              |         |         |         |         |         |         |         |         |     |
| [bd] 55              |         |         |         |         |         |         |         |         |     |
| [be] 56              |         |         |         |         |         |         |         |         |     |
| [bf] 57              |         |         |         |         |         |         |         |         |     |
| [bg] 58              |         |         |         |         |         |         |         |         |     |
| [bh] 59              |         |         |         |         |         |         |         |         |     |
| [bi] 60              |         |         |         |         |         |         |         |         |     |
| [bj] 61              |         |         |         |         |         |         |         |         |     |
| [bk] 62              |         |         |         |         |         |         |         |         |     |
| [bl] 63              |         |         |         |         |         |         |         |         |     |
| [bm] 64              |         |         |         |         |         |         |         |         |     |
| [bn] 65              |         |         |         |         |         |         |         |         |     |
| [bo] 66              |         |         |         |         |         |         |         |         |     |
| [bp] 67              |         |         |         |         |         |         |         |         |     |
| [bq] 68              |         |         |         |         |         |         |         |         |     |
| [br] 69              |         |         |         |         |         |         |         |         |     |
| [bs] 70              |         |         |         |         |         |         |         |         |     |

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Maximum Rates**

| [A]                  | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 |
| [a] 0.5              |         |         |         |         |         |         |         |         |
| [b] 1                |         |         |         |         |         |         |         |         |
| [c] 2                |         |         |         |         |         |         |         |         |
| [d] 3                |         |         |         |         |         |         |         |         |
| [e] 4                |         |         |         |         |         |         |         |         |
| [f] 5                |         |         |         |         |         |         |         |         |
| [g] 6                |         |         |         |         |         |         |         |         |
| [h] 7                |         |         |         |         |         |         |         |         |
| [i] 8                |         |         |         |         |         |         |         |         |
| [j] 9                |         |         |         |         |         |         |         |         |
| [k] 10               |         |         |         |         |         |         |         |         |
| [l] 11               |         |         |         |         |         |         |         |         |
| [m] 12               |         |         |         |         |         |         |         |         |
| [n] 13               |         |         |         |         |         |         |         |         |
| [o] 14               |         |         |         |         |         |         |         |         |
| [p] 15               |         |         |         |         |         |         |         |         |
| [q] 16               |         |         |         |         |         |         |         |         |
| [r] 17               |         |         |         |         |         |         |         |         |
| [s] 18               |         |         |         |         |         |         |         |         |
| [t] 19               |         |         |         |         |         |         |         |         |
| [u] 20               |         |         |         |         |         |         |         |         |
| [v] 21               |         |         |         |         |         |         |         |         |
| [w] 22               |         |         |         |         |         |         |         |         |
| [x] 23               |         |         |         |         |         |         |         |         |
| [y] 24               |         |         |         |         |         |         |         |         |
| [z] 25               |         |         |         |         |         |         |         |         |
| [aa] 26              |         |         |         |         |         |         |         |         |
| [ab] 27              |         |         |         |         |         |         |         |         |
| [ac] 28              |         |         |         |         |         |         |         |         |
| [ad] 29              |         |         |         |         |         |         |         |         |
| [ae] 30              |         |         |         |         |         |         |         |         |
| [af] 31              |         |         |         |         |         |         |         |         |
| [ag] 32              |         |         |         |         |         |         |         |         |
| [ah] 33              |         |         |         |         |         |         |         |         |
| [ai] 34              |         |         |         |         |         |         |         |         |
| [aj] 35              |         |         |         |         |         |         |         |         |
| [ak] 36              |         |         |         |         |         |         |         |         |
| [al] 37              |         |         |         |         |         |         |         |         |
| [am] 38              |         |         |         |         |         |         |         |         |
| [an] 39              |         |         |         |         |         |         |         |         |
| [ao] 40              |         |         |         |         |         |         |         |         |
| [ap] 41              |         |         |         |         |         |         |         |         |
| [aq] 42              |         |         |         |         |         |         |         |         |

Global Pricing

GEPS NPR3

**Global Express Guaranteed - Maximum Rates**

| [A]                  | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 |
| [ar] 43              |         |         |         |         |         |         |         |         |
| [as] 44              |         |         |         |         |         |         |         |         |
| [at] 45              |         |         |         |         |         |         |         |         |
| [au] 46              |         |         |         |         |         |         |         |         |
| [av] 47              |         |         |         |         |         |         |         |         |
| [aw] 48              |         |         |         |         |         |         |         |         |
| [ax] 49              |         |         |         |         |         |         |         |         |
| [ay] 50              |         |         |         |         |         |         |         |         |
| [az] 51              |         |         |         |         |         |         |         |         |
| [ba] 52              |         |         |         |         |         |         |         |         |
| [bb] 53              |         |         |         |         |         |         |         |         |
| [bc] 54              |         |         |         |         |         |         |         |         |
| [bd] 55              |         |         |         |         |         |         |         |         |
| [be] 56              |         |         |         |         |         |         |         |         |
| [bf] 57              |         |         |         |         |         |         |         |         |
| [bg] 58              |         |         |         |         |         |         |         |         |
| [bh] 59              |         |         |         |         |         |         |         |         |
| [bi] 60              |         |         |         |         |         |         |         |         |
| [bj] 61              |         |         |         |         |         |         |         |         |
| [bk] 62              |         |         |         |         |         |         |         |         |
| [bl] 63              |         |         |         |         |         |         |         |         |
| [bm] 64              |         |         |         |         |         |         |         |         |
| [bn] 65              |         |         |         |         |         |         |         |         |
| [bo] 66              |         |         |         |         |         |         |         |         |
| [bp] 67              |         |         |         |         |         |         |         |         |
| [bq] 68              |         |         |         |         |         |         |         |         |
| [br] 69              |         |         |         |         |         |         |         |         |
| [bs] 70              |         |         |         |         |         |         |         |         |

Global Pricing

GEPS NPR3

**Express Mail International - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|     | [A]                  | [B]        | [C]        | [D]        | [E]        | [F]        | [G]        | [H]        | [I]        | [J]        | [K]        | [L]        | [M]        | [N]        | [O]        | [P]        | [Q]        | [R]        | [S]        |
|-----|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|     | Weight Not Over (lb) | Range      | Group 1    | Group 2    | Group 3    | Group 4    | Group 5    | Group 6    | Group 7    | Group 8    | Group 9    | Group 10   | Group 11   | Group 12   | Group 13   | Group 14   | Group 15   | Group 16   | Group 17   |
| [a] | 0.5                  | min<br>max | [REDACTED] |
| [b] | 1                    | min<br>max | [REDACTED] |
| [c] | 2                    | min<br>max | [REDACTED] |
| [d] | 3                    | min<br>max | [REDACTED] |
| [e] | 4                    | min<br>max | [REDACTED] |
| [f] | 5                    | min<br>max | [REDACTED] |
| [g] | 6                    | min<br>max | [REDACTED] |
| [h] | 7                    | min<br>max | [REDACTED] |
| [i] | 8                    | min<br>max | [REDACTED] |
| [j] | 9                    | min<br>max | [REDACTED] |
| [k] | 10                   | min<br>max | [REDACTED] |
| [l] | 11                   | min<br>max | [REDACTED] |
| [m] | 12                   | min<br>max | [REDACTED] |
| [n] | 13                   | min<br>max | [REDACTED] |
| [o] | 14                   | min<br>max | [REDACTED] |
| [p] | 15                   | min<br>max | [REDACTED] |
| [q] | 16                   | min<br>max | [REDACTED] |
| [r] | 17                   | min<br>max | [REDACTED] |
| [s] | 18                   | min<br>max | [REDACTED] |
| [t] | 19                   | min<br>max | [REDACTED] |
| [u] | 20                   | min<br>max | [REDACTED] |

Global Pricing

GEPS NPR3

**Express Mail International - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [A]                  | [B]        | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     | [J]     | [K]     | [L]      | [M]      | [N]      | [O]      | [P]      | [Q]      | [R]      | [S]      |  |
|------|----------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|--|
|      | Weight Not Over (lb) | Range      | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |  |
| [v]  | 21                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [w]  | 22                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [x]  | 23                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [y]  | 24                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [z]  | 25                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [aa] | 26                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ab] | 27                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ac] | 28                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ad] | 29                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ae] | 30                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [af] | 31                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ag] | 32                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ah] | 33                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ai] | 34                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [aj] | 35                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ak] | 36                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [al] | 37                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [am] | 38                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [an] | 39                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ao] | 40                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ap] | 41                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [aq] | 42                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |



Global Pricing

GEPS NPR3

**Express Mail International - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [A]                  | [B]        | [C]        | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     | [J]     | [K]     | [L]      | [M]      | [N]      | [O]      | [P]      | [Q]      | [R]      | [S]      |
|------|----------------------|------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
|      | Weight Not Over (lb) | Range      | Group 1    | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |
| [bn] | 65                   | min<br>max | [REDACTED] |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bo] | 66                   | min<br>max |            |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bp] | 67                   | min<br>max |            |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bq] | 68                   | min<br>max |            |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [br] | 69                   | min<br>max |            |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bs] | 70                   | min<br>max |            |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |



Global Pricing

GEPS NPR3

**Priority Mail International - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [T]                  | [U]        | [V]     | [W]     | [X]     | [Y]     | [Z]     | [AA]    | [AB]    | [AC]    | [AD]    | [AE]     | [AF]     | [AG]     | [AH]     | [AI]     | [AJ]     | [AK]     | [AL]     |  |
|------|----------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|--|
|      | Weight Not Over (lb) | Range      | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |  |
| [v]  | 22                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [w]  | 23                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [x]  | 24                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [y]  | 25                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [z]  | 26                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [aa] | 27                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ab] | 28                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ac] | 29                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ad] | 30                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ae] | 31                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [af] | 32                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ag] | 33                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ah] | 34                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ai] | 35                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [aj] | 36                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ak] | 37                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [al] | 38                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [am] | 39                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [an] | 40                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ao] | 41                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ap] | 42                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [aq] | 43                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |

Global Pricing

GEPS NPR3

**Priority Mail International - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [T]                  | [U]        | [V]     | [W]     | [X]     | [Y]     | [Z]     | [AA]    | [AB]    | [AC]    | [AD]    | [AE]     | [AF]     | [AG]     | [AH]     | [AI]     | [AJ]     | [AK]     | [AL]     |  |
|------|----------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|--|
|      | Weight Not Over (lb) | Range      | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |  |
| [ar] | 44                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [as] | 45                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [at] | 46                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [au] | 47                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [av] | 48                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [aw] | 49                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ax] | 50                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ay] | 51                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [az] | 52                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [ba] | 53                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bb] | 54                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bc] | 55                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bd] | 56                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [be] | 57                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bf] | 58                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bg] | 59                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bh] | 60                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bi] | 61                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bj] | 62                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bk] | 63                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bl] | 64                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |
| [bm] | 65                   | min<br>max |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |  |

Global Pricing

GEPS NPR3

**Priority Mail International - Minimum and Maximum Rates**

Minimum Rates: [REDACTED]

Maximum Rates: [REDACTED]

|      | [T]                  | [U]        | [V]        | [W]     | [X]     | [Y]     | [Z]     | [AA]    | [AB]    | [AC]    | [AD]    | [AE]     | [AF]     | [AG]     | [AH]     | [AI]     | [AJ]     | [AK]     | [AL]     |
|------|----------------------|------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
|      | Weight Not Over (lb) | Range      | Group 1    | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |
| [bn] | 66                   | min<br>max | [REDACTED] |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bo] | 67                   | min<br>max | [REDACTED] |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bp] | 68                   | min<br>max | [REDACTED] |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bq] | 69                   | min<br>max | [REDACTED] |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [br] | 70                   | min<br>max | [REDACTED] |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |

Global Pricing

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**Express Mail International - Minimum Rates**

|                      | [A]     | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     | [J]      | [K]      | [L]      | [M]      | [N]      | [O]      | [P]      | [Q]      | [R] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|-----|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |     |
| [a] 0.5              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [b] 1                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [c] 2                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [d] 3                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [e] 4                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [f] 5                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [g] 6                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [h] 7                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [i] 8                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [j] 9                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [k] 10               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [l] 11               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [m] 12               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [n] 13               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [o] 14               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [p] 15               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [q] 16               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [r] 17               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [s] 18               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [t] 19               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [u] 20               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [v] 21               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [w] 22               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [x] 23               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [y] 24               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [z] 25               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [aa] 26              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ab] 27              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ac] 28              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ad] 29              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ae] 30              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [af] 31              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ag] 32              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ah] 33              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ai] 34              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [aj] 35              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ak] 36              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [al] 37              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [am] 38              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [an] 39              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ao] 40              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ap] 41              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |

Global Pricing

GEPS NPR3

**Express Mail International - Minimum Rates**

| [A]                  | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     | [J]     | [K]      | [L]      | [M]      | [N]      | [O]      | [P]      | [Q]      | [R]      |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |
| [aa] 42              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [ar] 43              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [as] 44              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [at] 45              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [au] 46              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [av] 47              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [aw] 48              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [ax] 49              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [ay] 50              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [az] 51              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [ba] 52              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bb] 53              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bc] 54              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bd] 55              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [be] 56              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bf] 57              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bg] 58              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bh] 59              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bi] 60              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bj] 61              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bk] 62              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bl] 63              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bm] 64              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bn] 65              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bo] 66              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bp] 67              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bq] 68              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [br] 69              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |
| [bs] 70              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |

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|                      | [S]     | [T]     | [U]     | [V]     | [W]     | [X]     | [Y]     | [Z]     | [AA]    | [AB]     | [AC]     | [AD]     | [AE]     | [AF]     | [AG]     | [AH]     | [AI]     | [AJ] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |      |
| [a] 1                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [b] 2                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [c] 3                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [d] 4                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [e] 5                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [f] 6                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [g] 7                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [h] 8                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [i] 9                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [j] 10               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [k] 11               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [l] 12               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [m] 13               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [n] 14               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [o] 15               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [p] 16               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [q] 17               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [r] 18               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [s] 19               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [t] 20               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [u] 21               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [v] 22               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [w] 23               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [x] 24               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [y] 25               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [z] 26               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [aa] 27              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ab] 28              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ac] 29              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ad] 30              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ae] 31              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [af] 32              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ag] 33              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ah] 34              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ai] 35              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [aj] 36              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ak] 37              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [al] 38              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [am] 39              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [an] 40              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ao] 41              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ap] 42              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |

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|                      | [S]     | [T]     | [U]     | [V]     | [W]     | [X]     | [Y]     | [Z]     | [AA]    | [AB]     | [AC]     | [AD]     | [AE]     | [AF]     | [AG]     | [AH]     | [AI]     | [AJ] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |      |
| [aq] 43              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ar] 44              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [as] 45              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [at] 46              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [au] 47              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [av] 48              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [aw] 49              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ax] 50              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ay] 51              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [az] 52              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ba] 53              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bb] 54              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bc] 55              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bd] 56              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [be] 57              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bf] 58              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bg] 59              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bh] 60              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bi] 61              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bj] 62              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bk] 63              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bl] 64              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bm] 65              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bn] 66              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bo] 67              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bp] 68              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bq] 69              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [br] 70              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |

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**Express Mail International - Maximum Rates**

|                      | [A]     | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     | [J]      | [K]      | [L]      | [M]      | [N]      | [O]      | [P]      | [Q]      | [R] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|-----|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |     |
| [a] 0.5              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [b] 1                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [c] 2                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [d] 3                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [e] 4                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [f] 5                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [g] 6                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [h] 7                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [i] 8                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [j] 9                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [k] 10               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [l] 11               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [m] 12               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [n] 13               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [o] 14               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [p] 15               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [q] 16               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [r] 17               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [s] 18               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [t] 19               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [u] 20               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [v] 21               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [w] 22               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [x] 23               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [y] 24               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [z] 25               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [aa] 26              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ab] 27              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ac] 28              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ad] 29              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ae] 30              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [af] 31              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ag] 32              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ah] 33              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ai] 34              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [aj] 35              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ak] 36              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [al] 37              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [am] 38              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [an] 39              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ao] 40              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ap] 41              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |

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**Express Mail International - Maximum Rates**

|                      | [A]     | [B]     | [C]     | [D]     | [E]     | [F]     | [G]     | [H]     | [I]     | [J]      | [K]      | [L]      | [M]      | [N]      | [O]      | [P]      | [Q]      | [R] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|-----|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |     |
| [aq] 42              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ar] 43              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [as] 44              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [at] 45              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [au] 46              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [av] 47              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [aw] 48              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ax] 49              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ay] 50              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [az] 51              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [ba] 52              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bb] 53              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bc] 54              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bd] 55              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [be] 56              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bf] 57              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bg] 58              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bh] 59              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bi] 60              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bj] 61              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bk] 62              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bl] 63              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bm] 64              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bn] 65              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bo] 66              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bp] 67              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bq] 68              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [br] 69              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |
| [bs] 70              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |     |

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|                      | [S]     | [T]     | [U]     | [V]     | [W]     | [X]     | [Y]     | [Z]     | [AA]    | [AB]     | [AC]     | [AD]     | [AE]     | [AF]     | [AG]     | [AH]     | [AI]     | [AJ] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |      |
| [a] 1                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [b] 2                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [c] 3                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [d] 4                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [e] 5                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [f] 6                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [g] 7                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [h] 8                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [i] 9                |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [j] 10               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [k] 11               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [l] 12               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [m] 13               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [n] 14               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [o] 15               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [p] 16               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [q] 17               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [r] 18               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [s] 19               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [t] 20               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [u] 21               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [v] 22               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [w] 23               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [x] 24               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [y] 25               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [z] 26               |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [aa] 27              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ab] 28              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ac] 29              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ad] 30              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ae] 31              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [af] 32              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ag] 33              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ah] 34              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ai] 35              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [aj] 36              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ak] 37              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [al] 38              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [am] 39              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [an] 40              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ao] 41              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ap] 42              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |

Global Pricing

GEPS NPR3

**Priority Mail International - Maximum Rates**

|                      | [S]     | [T]     | [U]     | [V]     | [W]     | [X]     | [Y]     | [Z]     | [AA]    | [AB]     | [AC]     | [AD]     | [AE]     | [AF]     | [AG]     | [AH]     | [AI]     | [AJ] |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|------|
| Weight Not Over (lb) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |      |
| [aq] 43              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ar] 44              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [as] 45              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [at] 46              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [au] 47              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [av] 48              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [aw] 49              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ax] 50              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ay] 51              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [az] 52              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [ba] 53              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bb] 54              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bc] 55              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bd] 56              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [be] 57              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bf] 58              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bg] 59              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bh] 60              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bi] 61              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bj] 62              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bk] 63              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bl] 64              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bm] 65              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bn] 66              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bo] 67              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bp] 68              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [bq] 69              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |
| [br] 70              |         |         |         |         |         |         |         |         |         |          |          |          |          |          |          |          |          |      |

## Attachment 2E

### **Certification As To The Prices For Determining Prices For Applicable Negotiated Service Agreements Under Global Expedited Package Services - Non-published Rates 3**

I, Joseph Moeller, Manager, Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices that establish the price floor and the price ceiling for negotiated service agreements under the Global Expedited Package Services - Non-published Rates product grouping, which are presented in Attachment 2D. I am also familiar with the methodology described in Attachment 2C for determining the prices for customer-specific agreements.

I hereby certify that these prices are determined in a manner that satisfies applicable pricing criteria, using appropriate and accurate data. If the Postal Service were to enter into agreements and offer services that set prices at or above the price floors using the methodology described in Attachment 2C, the Postal Service would be in compliance with 39 U.S. C. § 3633(a)(1), (2) and (3). The minimum prices that establish the price floor and the methodology for determining the rates for individual customers provide that the agreements under Global Expedited Package Services—Non-published Rates should cover the product grouping's attributable costs, based on a distribution of historical customer volumes, and preclude the subsidization of competitive products by market dominant products. Even if all the agreements under Global Expedited Package Services - Non-published Rates were assigned prices at the price floor for the corresponding downstream access option, the prices and methodology used should prevent the product group from impairing the ability of competitive products on the whole to cover an appropriate share of institutional costs.

  
Joseph Moeller

## Statement of Supporting Justification

I, Frank Cebello, Executive Director, Global Business Management, am sponsoring the Request that the Postal Regulatory Commission (Commission) add the Global Expedited Package Services (GEPS) Non-published Rates 3 (GEPS - NPR 3) product filed in Docket Nos. MC2012-4 and CP2012-8 to the competitive products list for prices not of general applicability. The proposed revised Mail Classification Schedule (MCS) language for GEPS - NPR 3 describes the requirements for this product. My statement supports the United States Postal Service's (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.*

The addition of this new product is in accordance with the policies and applicable criteria of the Act, because GEPS - NPR 3 is a product designed to increase the efficiency of the Postal Service's processes and enhance its ability to compete in the marketplace, while assuring that the product is not subsidized by market dominant products, covers the costs attributable to it, and does not cause competitive products as a whole to fail to make the appropriate contribution to institutional costs.

(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.

- (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.*

GEPS - NPR 3 is a product designed to enable the Postal Service's Global Business sales force to quickly establish, based on customer revenue commitments, selection of downstream access option, and projected mailing profile, whether a GEPS-type agreement will be profitable enough to justify entering into an incentive-based mailing plan with that customer for Express Mail International (EMI) and Priority Mail International (PMI) (and Global Express Guaranteed (GXG) if the customer selects postage payment through a permit imprint using USPS-provided Global Shipping Software (GSS)). To accomplish this goal, the product design for GEPS - NPR 3, which is a revision of the product design for GEPS - NPR 1 approved by the Governors in Governors' Decision No 10-2, and the product design for GEPS – NPR 2 approved by the Governors in Governors' Decision No 10-7, includes actual rates that, on a cell-by-cell basis, cover their costs or default to the lowest published rate, which the customer could get, even without a specific arrangement with the Postal Service.

Governors' Decision No. 11-6 authorized Postal Service management to prepare, for any product within the Outbound International Competitive Agreement grouping, a product description, including text for inclusion in the MCS, and present such product description to the Commission. The product description for

GEPS - NPR 3 is set forth in Attachments 2B, 2C, and 2D which establish the prices and classifications for GEPS NPR 3.

The Postal Service's financial modeling in support of the GEPS - NPR 3 product included a cost-coverage analysis for a 12-month forward looking period that was based on the actual mail volume and profile of the GEPS - NPR 2 customers for a period of 12 months prior to the projected period. This modeling demonstrated that GEPS - NPR 3, approved by the Governors and applied to the historical mailing profile of GEPS - NPR 2 customers resulted in adequate cost coverage to ensure that no cross subsidization of this product by market-dominant products should occur. It also demonstrated that this new product should be able to contribute to institutional costs in addition to covering its own attributable costs.

(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 addition of the GEPS - NPR 3 product to the competitive products list will not result in classifying a product over which the Postal Service has market dominance as a competitive product. The GEPS - NPR 3 product consists of sales of EMI, PMI and GXG, which are a small part of all international revenue received by the Postal Service. International revenue makes up a tiny fraction of total Postal Service revenue. In their 2010 annual reports, two of the Postal Service's competitors in the international package delivery market, Federal

Express and United Parcel Service, reported international revenue of \$7.08 billion and \$11.13 billion, respectively. The Postal Service does not maintain a position of dominance in this market.

- (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.*

The GEPS - NPR 3 product consists of Express Mail International and Priority Mail International (and Global Express Guaranteed (GXG) if the customer selects postage payment through a permit imprint using USPS-provided Global Shipping Software (GSS)), all of which are classified as competitive products, falling outside the scope of the Private Express Statutes.

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

As noted in part (d) above, major competitors in the market for Express Mail International and Priority Mail International include Federal Express and United Parcel Service, which are widely available to customers in the United States. Private consolidators, freight forwarders, and integrators also offer international shipping arrangements whereby they provide analogous delivery services under similar conditions.

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

Customers using the GEPS 1, GEPS 2 and GEPS 3 products have commented on their frustration with the regulatory process associated with implementing the agreements. Until their agreements are added to the competitive products list of the Mail Classification Schedule, they encounter risks

if they make changes to their businesses and processes prior to receiving confirmation that the rates are available for them to use. When they do business with the Postal Service's competitors, they are able to commit to a discounted shipping solution and immediately begin receiving the benefits.

Additionally, customers express frustration if they receive a provisional offer of prices from the Postal Service, which later must be rescinded because the customer's projected mailing profile shows that the GEPS agreement will not be able to cover its attributable costs.

The GEPS - NPR 3 product, like the GEPS - NPR 1 and GEPS - NPR 2 product, should address these problems by eliminating the need for each agreement to be added to the competitive products list individually and by making the rates for each weight step and country group destination based on certain factors and downstream access option available immediately for the customer's consideration.

I am not aware of any negative views from users of EMI and PMI, GEPS 1, 2 and 3, and GEPS - NPR 1 and 2, concerning the proposal to add GEPS - NPR 3 to the competitive products list.

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

The business concerns that engage in international package delivery services typically are not small business concerns, because of the resources necessary to compete in the industry. Large shipping companies, consolidators, and freight forwarders serve this market, particularly with respect to the type of

customers represented by the GEPS - NPR 3 product; the Postal Service is unaware of any small business concerns that could offer comparable service for these volumes.

The small business concerns utilizing the GEPS - NPR 3 product will likely observe a positive impact. By offering GEPS - NPR 3, the Postal Service will be able to more quickly provide the small businesses access to pricing incentives that will help them reduce their own cost of doing business.

(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.*

None of the numerous contracts presented to the Commission as GEPS 1, GEPS 2, and GEPS 3 contracts were rejected by the Commission. For each of these contracts that was added to the competitive product list, the Postal Service also filed a notice of the effective dates of the contract and a financial report of the contract's performance.

The GEPS-associated administrative costs to both the Postal Service and the Commission are substantial in comparison to the individual contribution that each GEPS agreement can produce. Collectively, the GEPS agreements make a substantial contribution to international revenue and are certainly worthwhile to both the Postal Service and its customers. By refining the reformulation of the product into a niche classification as GEPS - NPR 3, the Postal Service loses a minimal amount of pricing flexibility to capture more significant investment of time and resources and brings a better product to its customers.

**GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN  
THE UNITED STATES POSTAL SERVICE AND  
COMPANY NAME**

This Agreement ("Agreement") is between Company Name ("Mailer"), with offices at Street, City, ST 00000-0000, and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998. The Mailer and the USPS may be referred to individually as a "Party" and together as the "Parties."

**INTRODUCTION**

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

WHEREAS, the Parties 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 Express Guaranteed only when Payment Option B is selected, Express Mail International, and for Priority Mail International.

**ARTICLE 2. CHOICE OF PAYMENT METHOD**

By initialing one of the following two options, the Mailer hereby selects a postage payment method. This Agreement is not valid unless either Option A or B is selected.

\_\_\_\_\_ **Option A** Postage Payment through a PC Postage Provider

The Mailer shall pay postage to the USPS through the intermediary of a USPS-approved PC Postage Provider that the USPS has authorized to offer services to contract rate customers. The Mailer agrees to use only one USPS-approved PC Postage Provider at a time. The Mailer retains the right to change from one PC Postage Provider to another provided that the new PC Postage Provider has been authorized by the USPS to offer services to contract rate customers.

Initially, the Mailer chooses Endicia / Stamps.com as its USPS-approved PC Postage Provider.

\_\_\_\_\_ **Option B** Postage Payment through a Permit Imprint using USPS-provided Global Shipping Software (GSS).

The Mailer shall pay postage to the USPS through the use of a permit imprint subject to the conditions stated in IMM 152.4 and DMM 604.5.

### **ARTICLE 3. DEFINITIONS**

As used in this Agreement:

1. "IMM" means the *International Mail Manual* as found on the USPS website [pe.usps.com](http://pe.usps.com) on the date of mailing.
2. "DMM" means the *Domestic Mail Manual* as found on the USPS website [pe.usps.com](http://pe.usps.com) on the date of mailing.
3. "Effective Date" means the first date on which the USPS is willing to accept Qualifying Mail.
4. "PC Postage Provider" means a provider of software-based management of postage accounts, authorized by the USPS to offer services to contract rate customers.
5. "Qualifying Mail" means mail that meets the requirements set forth in Article 4 of this Agreement.
6. "Non-Qualifying Mail" means mail that does not meet the requirements set forth in Article 4 of this Agreement. Express Mail International and Priority Mail International tendered to the USPS at a Business Mail Entry Unit, at a USPS retail window, or at any commercial mail receiving agency are Non-Qualifying Mail under Option A above.

### **ARTICLE 4. QUALIFYING MAIL**

1. Under Option A above, only mail that meets the requirements set forth in IMM 220 for Express Mail International, with the exception of any Flat Rate item, and in IMM 230 for Priority Mail International, with the exception of any Flat Rate item, shall be considered as Qualifying Mail, except as those requirements conflict with the applicable specific preparation requirements set forth in Article 6.
2. Under Option B above, only mail that meets the requirements set forth in IMM 210 for Global Express Guaranteed, in IMM 220 for Express Mail International, with the exception of any Flat Rate item, and in IMM 230 for Priority Mail International, with the exception of any Flat Rate item, shall be considered as Qualifying Mail, except as those requirements conflict with the applicable specific preparation requirements set forth in Article 6.

### **ARTICLE 5. TREATMENT OF NON-QUALIFYING MAIL**

1. Under Option A and under Option B above, the USPS, at its option and without forfeiting any of its rights under this Agreement, may refuse to accept Non-Qualifying Mail or may accept Non-Qualifying Mail at the applicable published prices.
2. Under Option A above, the USPS may accept Non-Qualifying Mail at the applicable published prices and impose a penalty upon the Mailer.

## ARTICLE 6. SPECIFIC PREPARATION REQUIREMENTS

1. Under Option A above, mailings processed using software provided by a USPS-approved PC Postage Provider that the USPS has authorized to offer services to contract rate customers, must be accompanied by a PS Form 3152 Confirmation Services Certification, or a PS Form 5630 Shipment Confirmation Acceptance Notice, or an equivalent form produced by the PC Postage Provider's software.
2. Under Option B above:
  - a. Mailings of Qualifying Mail must be kept separate from any other type of mail the Mailer tenders.
  - b. International mailings must be separated from domestic mailings.
  - c. Mailings processed using Global Shipping Software (GSS) must:
    - i. Be accompanied by a postage manifest;
    - ii. Be paid for through the use of a Permit Imprint.

## ARTICLE 7. OBLIGATIONS OF THE USPS

The USPS hereby agrees:

1. Transportation To arrange with carriers to transport Qualifying Mail to international destinations where the proper authority will effect delivery.
2. Undeliverable Items To return:
  - a. Express Mail International items refused by an addressee or that are undeliverable, to the Mailer via Express Mail [REDACTED]
  - b. Priority Mail International items refused by an addressee or that are undeliverable, to the Mailer according to the provisions of IMM 771.
3. Postage To provide prices for Qualifying Mail paid for and tendered as required by this Agreement.
4. Pickup To provide pickup service for Qualifying Mail according to the applicable local agreement, if any, as amended from time to time.
5. 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.
6. Penalties for Non-Qualifying Mail under Option A To provide the Mailer with an invoice for any penalties imposed as a result of the improper tender of mail.
7. Technical Assistance under Option B To provide the Mailer with technical assistance necessary to prepare information linkages, electronic data files, and data exchanges as required for the proper functioning of USPS-provided Global Shipping Software (GSS).

## ARTICLE 8. OBLIGATIONS OF THE MAILER – GENERAL

The Mailer hereby agrees:

1. Postage To pay postage:
  - a. For Express Mail International and Priority Mail International Qualifying Mail according to the price charts in Annex 1; and
  - b. For Global Express Guaranteed Qualifying Mail according to the price chart in Annex 2.
2. 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 the sender.
3. 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.
4. 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 9. ADDITIONAL OBLIGATIONS OF THE MAILER UNDER OPTION A

The Mailer, having selected Option A above, hereby agrees:

1. Advance Notification To provide the Manager, Customized Mail, USPS, via e-mail to [icmusps@usps.gov](mailto:icmusps@usps.gov) with notification of the Mailer's intent to change PC Postage Providers and the name of the new PC Postage Provider the Mailer intends to use at least twenty (20) days in advance of the anticipated change from one PC Postage Provider to another.
2. Tender To present the mailings to the USPS using any means of tender the USPS authorizes for items for which postage payment is through a PC Postage Provider, with the exception of the following means of tender: tender at a USPS retail window, or a commercial mail receiving agency.
3. Software To apply address labels and Customs declarations to Qualifying Mail using the software provided by the USPS-approved PC Postage Provider which the Mailer has identified as its selected postage payment intermediary.
4. Postage Due To pay any postage due to the USPS as a result of discrepancies between the actual PC postage applied to the mailings and the postage required under this Agreement.

5. Penalty for the Improper Tender of Mail To pay:
- a. Any penalty the USPS may assess under the terms of Article 32 for the improper tender of mail provided that the USPS has provided the Mailer with notice of the number of pieces of Non-qualifying Mail and an invoice for the total dollar amount of the penalty due;
  - b. 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 [REDACTED] Any invoicing discrepancies will be resolved subsequent to payment of the invoice. In addition [REDACTED] the USPS reserves the right to pursue other available remedies.

**ARTICLE 10. ADDITIONAL OBLIGATIONS OF THE MAILER UNDER OPTION B**

The Mailer, having selected Option B above, hereby agrees:

1. Advance Notification To provide:
  - a. The Manager, Customized Mail, USPS, via e-mail to [icmusps@usps.gov](mailto:icmusps@usps.gov), with notification of new permit numbers used for Qualifying Mail one week in advance of using the new permit numbers. The message should include the permit number, the city, state, and ZIP Code where the permit is held, the name of the permit owner, and the requested implementation date.
  - b. The appropriate USPS acceptance site(s) with notice of intent to mail.
2. Tender To present the mailings at a Business Mail Entry Unit (BMEU) approved by the USPS to receive Qualifying Mail in accordance with the scheduling procedures in place at the appropriate acceptance site(s).
3. Address Labels and Customs Declarations. To create
  - a. Address labels for GXG, EMI, PMI Qualifying Mail using USPS-provided Global Shipping Software (GSS);
  - b. Customs declarations:
    - i. For EMI, and PMI Qualifying Mail using USPS-provided Global Shipping Software (GSS);
    - ii. For GXG Qualifying Mail using USPS-provided Global Shipping Software (GSS) and the procedures detailed in USPS Publication 141 *Global Express Guaranteed Service Guide*.
4. Information Link To establish the necessary linkages with the USPS so that:
  - a. The Mailer and the USPS can exchange data transmissions concerning the Mailer's packages;
  - b. The USPS can, at the Mailer's request, extract information by scanning the Mailer-provided barcode on each package.

5. Data Transmission To exchange electronic information with the USPS according to the instructions the USPS provides.

#### **ARTICLE 11. MINIMUM COMMITMENT**

1. The Mailer is required to meet an annualized minimum commitment of XXXXX thousand dollars (\$X00,000) in postage paid for Qualifying Mail. The postage commitment is for postage after all discounts have been applied.
2. In the event that the Mailer does not meet its minimum commitment as set forth in Paragraph 1 of this Article, the Mailer agrees to pay the USPS [REDACTED]  
[REDACTED]
3. The USPS will provide the Mailer with an invoice for any postage due for the failure to meet the minimum commitment stated in Paragraph 1. All amounts due are to be paid within thirty (30) days of the date of the invoice. Any invoice that is not paid within thirty (30) days will incur [REDACTED]  
[REDACTED] Any invoicing discrepancies will be resolved subsequent to payment of the invoice. In addition [REDACTED] the USPS reserves the right to pursue other available remedies.

#### **ARTICLE 12. TERM OF THE AGREEMENT**

The USPS will notify the Mailer of the Effective Date of the Agreement as soon as possible, but no later than thirty (30) days, after receiving the signed Agreement from the Mailer. The Agreement shall remain in effect for one calendar year from the Effective Date unless terminated sooner pursuant to Article 13 or Article 14.

#### **ARTICLE 13. TERMINATION OF THE AGREEMENT**

1. Either Party to this Agreement, in its sole discretion, may terminate the Agreement for any reason, without cost, fault, or penalty, except as provided for in paragraph 2 below, regardless of whether either Party is in default, upon 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.
2. In the event that this Agreement is terminated for any reason before the termination date provided for in Article 12, any penalties arising under Articles 9, 32, and 33, or any one of them, shall be enforceable, and the minimum commitment in Article 11 shall be enforceable but shall be calculated on a *pro rata* basis to reflect the actual duration of the Agreement.

#### **ARTICLE 14. MODIFICATION OF THE AGREEMENT**

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 shall have no obligation to notify the Mailer of the status of the approval process or of potential fulfillment of the approval process.
6. Any changes to or modification of the local agreement referred to in Article 7, Paragraph 4 are not subject to the provisions of this Article.

#### **ARTICLE 15. POSTAGE UPDATES**

1. In the event that the USPS incurs an increase in costs [REDACTED] [REDACTED] associated with providing this service, the USPS shall notify the Mailer and modify the prices established under this Agreement. [REDACTED]  
[REDACTED]
2. The prices in Annex 1 are related to the non-discounted published postage for Express Mail International and Priority Mail International. The prices in Annex 2 are related to the non-discounted published postage for Global Express Guaranteed. In the event that the non-discounted published postage for these services should change, the prices in Annex 1 and Annex 2 will also change. Such increases to the prices in Annex 1 and Annex 2 shall be calculated using the same assumptions and constraints used to determine the prices in the existing Annex 1 and Annex 2.
3. The USPS will give the Mailer thirty (30) days notice of changes to the prices in Annex 1 and Annex 2.
4. Any revision of prices in Annex 1 and Annex 2 shall not be retroactive.
5. No price shall increase beyond the non-discounted published price for the affected service.

#### **ARTICLE 16. CUSTOMS DUTIES AND TAXES**

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

#### **ARTICLE 17. ENTIRE AGREEMENT AND SURVIVAL**

This Agreement, including all Annexes thereto and any corresponding written local pickup agreement, shall constitute the entire agreement between the Parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either Party except to the extent incorporated in this

Agreement. The provisions of Article 7, Paragraph 5; Article 8, Paragraph 4; and Article 19 shall expire ten (10) years from the date of termination or expiration of this Agreement.

#### **ARTICLE 18. 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, 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 19. CONFIDENTIALITY**

The Mailer acknowledges that this 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 in which information related to this Agreement must be filed. 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](http://www.prc.gov). In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost, or volume data) in other Commission dockets, including PRC Docket Numbers ACR2012, ACR2013, and/or ACR2014. 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/63/63467/Order225.pdf](http://www.prc.gov/Docs/63/63467/Order225.pdf). The docket number in which this Agreement will be filed is CP2012-8.

#### **ARTICLE 20. 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 21: INTELLECTUAL PROPERTY, CO-BRANDING AND LICENSING**

The Mailer is allowed the use of the words "Global Express Guaranteed," "Express Mail International," and "Priority Mail International" and the acronyms "GXG," "EMI," and "PMI." The Parties acknowledge that in the service of marketing the products under this Agreement that such product marketing may be enhanced through the use of co-branding or the use of each Party's trademarks, logos or intellectual property. In such instances, the Parties acknowledge and agree that any use shall be subject to separate written agreements. The Parties acknowledge and agree that neither Party shall use the other Party's trademarks, logos or intellectual property until such time that a license for such use has been executed by the Parties and all laws and regulations required for

such license's effectiveness have been perfected, which shall include but not be limited to any recordation requirements.

## **ARTICLE 22. LIMITATION OF LIABILITY**

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 a result of late delivery or non-delivery of any Qualifying Mail.
2. Express Mail International and Priority Mail International Qualifying Mail mailed under this Agreement are not guaranteed against delay in delivery. Neither indemnity payments nor postage refunds will be made in the event of delay.
3. Global Express Guaranteed Qualifying Mail mailed under this Agreement is insured against delay in delivery in accordance with USPS Publication 141 *Global Express Guaranteed Service Guide*.
4. The USPS bears no responsibility for the refund of postage for Qualifying Mail in connection with actions taken by Customs authorities.

## **ARTICLE 23. 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 or its agents(s) 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 24. GOVERNING LAW**

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

## **ARTICLE 25. SUSPENSIONS OF MAIL SERVICE**

In the event that a suspension of either Express Mail International or Priority Mail International service from the United States to a country would prevent delivery of Qualifying Mail to addressees in that country, the Mailer shall not tender Express Mail International or Priority Mail International, as appropriate, to the USPS until service is restored. The annualized minimum commitment for Qualifying Mail set forth in Article 11 shall be recalculated *pro rata* to reflect the reduction in available service time.

## **ARTICLE 26. 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.

### **ARTICLE 27. 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 28. 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 section(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 29. MAILABILITY AND IMPORTABILITY**

All items mailed under this Agreement must conform to the mailability requirements of the USPS as detailed in IMM 130 and conform to the importation restrictions of the destination countries. The Mailer is solely responsible for the importation status of the products mailed under this Agreement as detailed in IMM 112.

### **ARTICLE 30. NOTICES**

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

#### **To the USPS:**

Managing Director, Global Business and Vice President  
United States Postal Service  
475 L'Enfant Plaza SW Room 1P830  
Washington, DC 20260-0830

#### **To the Mailer:**

Name  
Title  
Company Name  
Street  
City, ST 12345-6789

or via e-mail:

**To the United States Postal Service at:** [icmusps@usps.gov](mailto:icmusps@usps.gov)

**To the Mailer at:** [name@XXXXX.com](mailto:name@XXXXX.com)

**ARTICLE 31. COUNTERPARTS**

The Parties may execute this Agreement in one or more counterparts (including by facsimile or by electronic means such as .pdf format), not all Parties need be signatories to the same documents, and all counterparty-signed documents shall be deemed an original and one instrument.

**ADDITIONAL ARTICLES WHICH APPLY UNDER OPTION A ABOVE**

**ARTICLE 32. PENALTY FOR THE IMPROPER TENDER OF MAIL**

The penalty for the improper tender of mail under Option A shall be [REDACTED]

**ARTICLE 33. FRAUD**

Under Option A above, the Mailer understands that providing false information with the intent to access discounted rates through the use of a PC Postage Provider may subject the Mailer to criminal and/or civil penalties, including fines and imprisonment.

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In witness whereof, each Party to this Agreement has caused it to be 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 COMPANY NAME:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Annex 1 PRICES FOR EXPRESS MAIL INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL

Annex 2 PRICES FOR GLOBAL EXPRESS GUARANTEED

**ANNEX 1**  
**PRICES FOR EXPRESS MAIL INTERNATIONAL**

**RATE GROUPS 1 – 9**

| Weight Not Over (LBS) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 0.5                   |         |         |         |         |         |         |         |         |         |
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| 13                    |         |         |         |         |         |         |         |         |         |
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| 19                    |         |         |         |         |         |         |         |         |         |
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**ANNEX 1  
PRICES FOR EXPRESS MAIL INTERNATIONAL**

**RATE GROUPS 1 – 9**

| Weight Not Over (LBS) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 36                    |         |         |         |         |         |         |         |         |         |
| 37                    |         |         |         |         |         |         |         |         |         |
| 38                    |         |         |         |         |         |         |         |         |         |
| 39                    |         |         |         |         |         |         |         |         |         |
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| 41                    |         |         |         |         |         |         |         |         |         |
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| 49                    |         |         |         |         |         |         |         |         |         |
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**ANNEX 1  
PRICES FOR EXPRESS MAIL INTERNATIONAL**

**RATE GROUPS 10 – 17**

| Weight Not Over (LBS) | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 0.5                   |          |          |          |          |          |          |          |          |
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| 11                    |          |          |          |          |          |          |          |          |
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| 13                    |          |          |          |          |          |          |          |          |
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| 19                    |          |          |          |          |          |          |          |          |
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| 22                    |          |          |          |          |          |          |          |          |
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| 30                    |          |          |          |          |          |          |          |          |
| 31                    |          |          |          |          |          |          |          |          |
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**ANNEX 1  
PRICES FOR EXPRESS MAIL INTERNATIONAL**

**RATE GROUPS 10 – 17**

| Weight Not Over (LBS) | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 36                    |          |          |          |          |          |          |          |          |
| 37                    |          |          |          |          |          |          |          |          |
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**ANNEX 1  
PRICES FOR PRIORITY MAIL INTERNATIONAL**

**RATE GROUPS 1 – 9**

| Weight Not Over (LBS) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1                     |         |         |         |         |         |         |         |         |         |
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| 3                     |         |         |         |         |         |         |         |         |         |
| 4                     |         |         |         |         |         |         |         |         |         |
| 5                     |         |         |         |         |         |         |         |         |         |
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| 10                    |         |         |         |         |         |         |         |         |         |
| 11                    |         |         |         |         |         |         |         |         |         |
| 12                    |         |         |         |         |         |         |         |         |         |
| 13                    |         |         |         |         |         |         |         |         |         |
| 14                    |         |         |         |         |         |         |         |         |         |
| 15                    |         |         |         |         |         |         |         |         |         |
| 16                    |         |         |         |         |         |         |         |         |         |
| 17                    |         |         |         |         |         |         |         |         |         |
| 18                    |         |         |         |         |         |         |         |         |         |
| 19                    |         |         |         |         |         |         |         |         |         |
| 20                    |         |         |         |         |         |         |         |         |         |
| 21                    |         |         |         |         |         |         |         |         |         |
| 22                    |         |         |         |         |         |         |         |         |         |
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| 24                    |         |         |         |         |         |         |         |         |         |
| 25                    |         |         |         |         |         |         |         |         |         |
| 26                    |         |         |         |         |         |         |         |         |         |
| 27                    |         |         |         |         |         |         |         |         |         |
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| 30                    |         |         |         |         |         |         |         |         |         |
| 31                    |         |         |         |         |         |         |         |         |         |
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| 33                    |         |         |         |         |         |         |         |         |         |
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**ANNEX 1  
 PRICES FOR PRIORITY MAIL INTERNATIONAL**

**RATE GROUPS 1 – 9**

| Weight Not Over (LBS) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 36                    |         |         |         |         |         |         |         |         |         |
| 37                    |         |         |         |         |         |         |         |         |         |
| 38                    |         |         |         |         |         |         |         |         |         |
| 39                    |         |         |         |         |         |         |         |         |         |
| 40                    |         |         |         |         |         |         |         |         |         |
| 41                    |         |         |         |         |         |         |         |         |         |
| 42                    |         |         |         |         |         |         |         |         |         |
| 43                    |         |         |         |         |         |         |         |         |         |
| 44                    |         |         |         |         |         |         |         |         |         |
| 45                    |         |         |         |         |         |         |         |         |         |
| 46                    |         |         |         |         |         |         |         |         |         |
| 47                    |         |         |         |         |         |         |         |         |         |
| 48                    |         |         |         |         |         |         |         |         |         |
| 49                    |         |         |         |         |         |         |         |         |         |
| 50                    |         |         |         |         |         |         |         |         |         |
| 51                    |         |         |         |         |         |         |         |         |         |
| 52                    |         |         |         |         |         |         |         |         |         |
| 53                    |         |         |         |         |         |         |         |         |         |
| 54                    |         |         |         |         |         |         |         |         |         |
| 55                    |         |         |         |         |         |         |         |         |         |
| 56                    |         |         |         |         |         |         |         |         |         |
| 57                    |         |         |         |         |         |         |         |         |         |
| 58                    |         |         |         |         |         |         |         |         |         |
| 59                    |         |         |         |         |         |         |         |         |         |
| 60                    |         |         |         |         |         |         |         |         |         |
| 61                    |         |         |         |         |         |         |         |         |         |
| 62                    |         |         |         |         |         |         |         |         |         |
| 63                    |         |         |         |         |         |         |         |         |         |
| 64                    |         |         |         |         |         |         |         |         |         |
| 65                    |         |         |         |         |         |         |         |         |         |
| 66                    |         |         |         |         |         |         |         |         |         |
| 67                    |         |         |         |         |         |         |         |         |         |
| 68                    |         |         |         |         |         |         |         |         |         |
| 69                    |         |         |         |         |         |         |         |         |         |
| 70                    |         |         |         |         |         |         |         |         |         |

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**ANNEX 1  
PRICES FOR PRIORITY MAIL INTERNATIONAL**

**RATE GROUPS 10 – 17**

| Weight Not Over (LBS) | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1                     |          |          |          |          |          |          |          |          |
| 2                     |          |          |          |          |          |          |          |          |
| 3                     |          |          |          |          |          |          |          |          |
| 4                     |          |          |          |          |          |          |          |          |
| 5                     |          |          |          |          |          |          |          |          |
| 6                     |          |          |          |          |          |          |          |          |
| 7                     |          |          |          |          |          |          |          |          |
| 8                     |          |          |          |          |          |          |          |          |
| 9                     |          |          |          |          |          |          |          |          |
| 10                    |          |          |          |          |          |          |          |          |
| 11                    |          |          |          |          |          |          |          |          |
| 12                    |          |          |          |          |          |          |          |          |
| 13                    |          |          |          |          |          |          |          |          |
| 14                    |          |          |          |          |          |          |          |          |
| 15                    |          |          |          |          |          |          |          |          |
| 16                    |          |          |          |          |          |          |          |          |
| 17                    |          |          |          |          |          |          |          |          |
| 18                    |          |          |          |          |          |          |          |          |
| 19                    |          |          |          |          |          |          |          |          |
| 20                    |          |          |          |          |          |          |          |          |
| 21                    |          |          |          |          |          |          |          |          |
| 22                    |          |          |          |          |          |          |          |          |
| 23                    |          |          |          |          |          |          |          |          |
| 24                    |          |          |          |          |          |          |          |          |
| 25                    |          |          |          |          |          |          |          |          |
| 26                    |          |          |          |          |          |          |          |          |
| 27                    |          |          |          |          |          |          |          |          |
| 28                    |          |          |          |          |          |          |          |          |
| 29                    |          |          |          |          |          |          |          |          |
| 30                    |          |          |          |          |          |          |          |          |
| 31                    |          |          |          |          |          |          |          |          |
| 32                    |          |          |          |          |          |          |          |          |
| 33                    |          |          |          |          |          |          |          |          |
| 34                    |          |          |          |          |          |          |          |          |
| 35                    |          |          |          |          |          |          |          |          |

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**ANNEX 1  
PRICES FOR PRIORITY MAIL INTERNATIONAL**

**RATE GROUPS 10 – 17**

| Weight Not Over (LBS) | Group 10 | Group 11 | Group 12 | Group 13 | Group 14 | Group 15 | Group 16 | Group 17 |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 36                    |          |          |          |          |          |          |          |          |
| 37                    |          |          |          |          |          |          |          |          |
| 38                    |          |          |          |          |          |          |          |          |
| 39                    |          |          |          |          |          |          |          |          |
| 40                    |          |          |          |          |          |          |          |          |
| 41                    |          |          |          |          |          |          |          |          |
| 42                    |          |          |          |          |          |          |          |          |
| 43                    |          |          |          |          |          |          |          |          |
| 44                    |          |          |          |          |          |          |          |          |
| 45                    |          |          |          |          |          |          |          |          |
| 46                    |          |          |          |          |          |          |          |          |
| 47                    |          |          |          |          |          |          |          |          |
| 48                    |          |          |          |          |          |          |          |          |
| 49                    |          |          |          |          |          |          |          |          |
| 50                    |          |          |          |          |          |          |          |          |
| 51                    |          |          |          |          |          |          |          |          |
| 52                    |          |          |          |          |          |          |          |          |
| 53                    |          |          |          |          |          |          |          |          |
| 54                    |          |          |          |          |          |          |          |          |
| 55                    |          |          |          |          |          |          |          |          |
| 56                    |          |          |          |          |          |          |          |          |
| 57                    |          |          |          |          |          |          |          |          |
| 58                    |          |          |          |          |          |          |          |          |
| 59                    |          |          |          |          |          |          |          |          |
| 60                    |          |          |          |          |          |          |          |          |
| 61                    |          |          |          |          |          |          |          |          |
| 62                    |          |          |          |          |          |          |          |          |
| 63                    |          |          |          |          |          |          |          |          |
| 64                    |          |          |          |          |          |          |          |          |
| 65                    |          |          |          |          |          |          |          |          |
| 66                    |          |          |          |          |          |          |          |          |
| 67                    |          |          |          |          |          |          |          |          |
| 68                    |          |          |          |          |          |          |          |          |
| 69                    |          |          |          |          |          |          |          |          |
| 70                    |          |          |          |          |          |          |          |          |

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**ANNEX 2  
 PRICES FOR GLOBAL EXPRESS GUARANTEED**

**RATE GROUPS 1 - 8**

| Weight Not Over (LBS) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1                     |         |         |         |         |         |         |         |         |
| 2                     |         |         |         |         |         |         |         |         |
| 3                     |         |         |         |         |         |         |         |         |
| 4                     |         |         |         |         |         |         |         |         |
| 5                     |         |         |         |         |         |         |         |         |
| 6                     |         |         |         |         |         |         |         |         |
| 7                     |         |         |         |         |         |         |         |         |
| 8                     |         |         |         |         |         |         |         |         |
| 9                     |         |         |         |         |         |         |         |         |
| 10                    |         |         |         |         |         |         |         |         |
| 11                    |         |         |         |         |         |         |         |         |
| 12                    |         |         |         |         |         |         |         |         |
| 13                    |         |         |         |         |         |         |         |         |
| 14                    |         |         |         |         |         |         |         |         |
| 15                    |         |         |         |         |         |         |         |         |
| 16                    |         |         |         |         |         |         |         |         |
| 17                    |         |         |         |         |         |         |         |         |
| 18                    |         |         |         |         |         |         |         |         |
| 19                    |         |         |         |         |         |         |         |         |
| 20                    |         |         |         |         |         |         |         |         |
| 21                    |         |         |         |         |         |         |         |         |
| 22                    |         |         |         |         |         |         |         |         |
| 23                    |         |         |         |         |         |         |         |         |
| 24                    |         |         |         |         |         |         |         |         |
| 25                    |         |         |         |         |         |         |         |         |
| 26                    |         |         |         |         |         |         |         |         |
| 27                    |         |         |         |         |         |         |         |         |
| 28                    |         |         |         |         |         |         |         |         |
| 29                    |         |         |         |         |         |         |         |         |
| 30                    |         |         |         |         |         |         |         |         |
| 31                    |         |         |         |         |         |         |         |         |
| 32                    |         |         |         |         |         |         |         |         |
| 33                    |         |         |         |         |         |         |         |         |
| 34                    |         |         |         |         |         |         |         |         |
| 35                    |         |         |         |         |         |         |         |         |

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**Note:** For items not in USPS-supplied GXG envelopes, the chargeable weight is determined by comparing the dimensional weight (Length x Width x Height)/166 versus the actual weight. Whichever cost is greater of the two is the one that will be charged for a Global Express Guaranteed shipment.

**ANNEX 2  
 PRICES FOR GLOBAL EXPRESS GUARANTEED**

**RATE GROUPS 1 - 8**

| Weight Not Over (LBS) | Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 36                    |         |         |         |         |         |         |         |         |
| 37                    |         |         |         |         |         |         |         |         |
| 38                    |         |         |         |         |         |         |         |         |
| 39                    |         |         |         |         |         |         |         |         |
| 40                    |         |         |         |         |         |         |         |         |
| 41                    |         |         |         |         |         |         |         |         |
| 42                    |         |         |         |         |         |         |         |         |
| 43                    |         |         |         |         |         |         |         |         |
| 44                    |         |         |         |         |         |         |         |         |
| 45                    |         |         |         |         |         |         |         |         |
| 46                    |         |         |         |         |         |         |         |         |
| 47                    |         |         |         |         |         |         |         |         |
| 48                    |         |         |         |         |         |         |         |         |
| 49                    |         |         |         |         |         |         |         |         |
| 50                    |         |         |         |         |         |         |         |         |
| 51                    |         |         |         |         |         |         |         |         |
| 52                    |         |         |         |         |         |         |         |         |
| 53                    |         |         |         |         |         |         |         |         |
| 54                    |         |         |         |         |         |         |         |         |
| 55                    |         |         |         |         |         |         |         |         |
| 56                    |         |         |         |         |         |         |         |         |
| 57                    |         |         |         |         |         |         |         |         |
| 58                    |         |         |         |         |         |         |         |         |
| 59                    |         |         |         |         |         |         |         |         |
| 60                    |         |         |         |         |         |         |         |         |
| 61                    |         |         |         |         |         |         |         |         |
| 62                    |         |         |         |         |         |         |         |         |
| 63                    |         |         |         |         |         |         |         |         |
| 64                    |         |         |         |         |         |         |         |         |
| 65                    |         |         |         |         |         |         |         |         |
| 66                    |         |         |         |         |         |         |         |         |
| 67                    |         |         |         |         |         |         |         |         |
| 68                    |         |         |         |         |         |         |         |         |
| 69                    |         |         |         |         |         |         |         |         |
| 70                    |         |         |         |         |         |         |         |         |

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**Note:** For items not in USPS-supplied GXG envelopes, the chargeable weight is determined by comparing the dimensional weight (Length x Width x Height)/166 versus the actual weight. Whichever cost is greater of the two is the one that will be charged for a Global Express Guaranteed shipment.