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

MARKET DOMINANT PRODUCT PRICES INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS WITH FOREIGN POSTAL OPERATORS CHINA POST GROUP-UNITED STATES POSTAL SERVICE MULTI-PRODUCT BILATERAL AGREEMENT (MC2010-35) NEGOTIATED SERVICE AGREEMENT	Docket No. R2011-7

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION TWO TO MULTI-PRODUCT BILATERAL AGREEMENT WITH CHINA POST GROUP
(December 30, 2011)

On August 16, 2011, the United States Postal Service (Postal Service) gave notice of filing, in the above-referenced docket, the inbound portion of a Multi-Product Bilateral Agreement with China Post Group (China Post 2011 Agreement).[1] On September 30, 2011, the Postal Service filed a Modification One of the China Post 2011 Agreement.[2]

A Modification Two to the China Post 2011 Agreement was recently signed. For the products listed in Article 23 of the China Post 2011 Agreement as having an intended effective date of January 1, 2012, the modification satisfies the requirement set forth in Article 3 of the China Post 2011 Agreement that China Post and the USPS sign a separate accord concerning the Accounting Business Rules related to the China Post 2011 Agreement before the China Post 2011 Agreement comes into effect.

[1] Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement, Docket No. R2011-7, August 16, 2011.
[2] Notice of the United States Postal Service of Filing Modification to Multi-Product Bilateral Agreement with China Post Group, Docket No. R2011-7, September 30, 2011.

A redacted version of the modification is filed publicly as Attachment 1, and an unredacted version of the modification is filed under seal. With respect to the non-public version of the modification that is filed under seal, the Postal Service hereby incorporates its Application for Non-Public Treatment filed in conjunction with its August 16, 2011 notice in this docket.[3]

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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December 30, 2011

[3] Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement, Docket No. R2011-7, August 16, 2011, at Attachment 1.

Modification Two to the China Post Group – United States Postal Service Multi-Product Bilateral Agreement

This Modification amends the Agreement between the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the Government of the United States with offices at 475 L'Enfant Plaza SW, Washington, DC 20260, and China Post Group ("China Post"), the postal operator in the People's Republic of China, organized and existing under the laws of the People's Republic of China, and having a place of business at No. 3A Financial Street, Xicheng District, 100808, Beijing, China, which was signed by the USPS and China Post on August 15, 2011 ("China Post - USPS Agreement"). The USPS and China Post may be referred to individually as a "Party" and together as the "Parties."

For the products listed in Article 23 of the China Post – USPS Agreement as having an intended Effective Date of January 1, 2012, this Modification satisfies the requirement set forth in Article 3 of the China Post – USPS Agreement that China Post and the USPS sign a separate accord concerning the Accounting Business Rules related to the China Post - USPS Agreement before the China Post - USPS Agreement comes into effect.

The Parties agree that an Annex 7 – Business Rules for International Mail Settlement is now added to the China Post - USPS Agreement. A copy of Annex 7 is attached to this Modification.

All other terms and conditions of the China Post - USPS Agreement shall remain in force.

China Post acknowledges that this Modification and supporting documentation will be filed with the U.S. Postal Regulatory Commission ("Commission") in a docketed proceeding. (Docket No. R2011-7 and Docket No. CP2011-68). China Post authorizes the USPS to determine the scope of information that must be made publicly available under the Commissions' rules. China Post further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, 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. China Post 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 Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Commission's website. www.prc.gov/Docs/63/63467/Order225.pdf.

The Parties understand that USPS may also be required to provide copies of this document to the U.S. Department of State.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Modification.

China Post	United States Postal Service
Name	Giselle Valera Managing Director, Global Business, and Vice President
12/27/2011 Date	12/27/2011 Date

ANNEX 7 – Business Rules for International Mail Settlement

Business Rules for International Mail Settlement of Products Listed in Article 23 of this Agreement as Having an Intended Effective Date of January 1, 2012

For certain EMS and Parcel flows from China to the United States, this Agreement established new bilateral rates for EMS and Parcel. Below is a summary description of the business rules that will be used by the USPS to implement the terms shown in this Agreement for the products listed in Article 23 of this Agreement as having an intended Effective Date of January 1, 2012.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]