

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

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE  
CONTRACT 2 (MC2015-24)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2015-32

**NOTICE OF UNITED STATES POSTAL SERVICE OF  
CHANGE IN PRICES PURSUANT TO AMENDMENT TO  
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 2**  
(March 1, 2016)

The Postal Service hereby provides notice that prices under Priority Mail & First-Class Package Service Contract 2, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail & First-Class Package Service Contract 2 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 1, 2016

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL &  
FIRST-CLASS PACKAGE SERVICE CONTRACT 2**

**AMENDMENT 1 OF 1**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
**[REDACTED]**  
**REGARDING**  
**FIRST-CLASS PACKAGE SERVICE**  
**AND**  
**PRIORITY MAIL SERVICE**

This amendment amends the Shipping Services Contract dated December 22, 2014, regarding First-Class Package Service and Priority Mail Service, made by and between [REDACTED] (“Customer”) and the United States Postal Service (“the Postal Service” and such contract, the “Contract”).

WHEREAS, the Parties desire to amend the terms in Sections I.F and I.G.

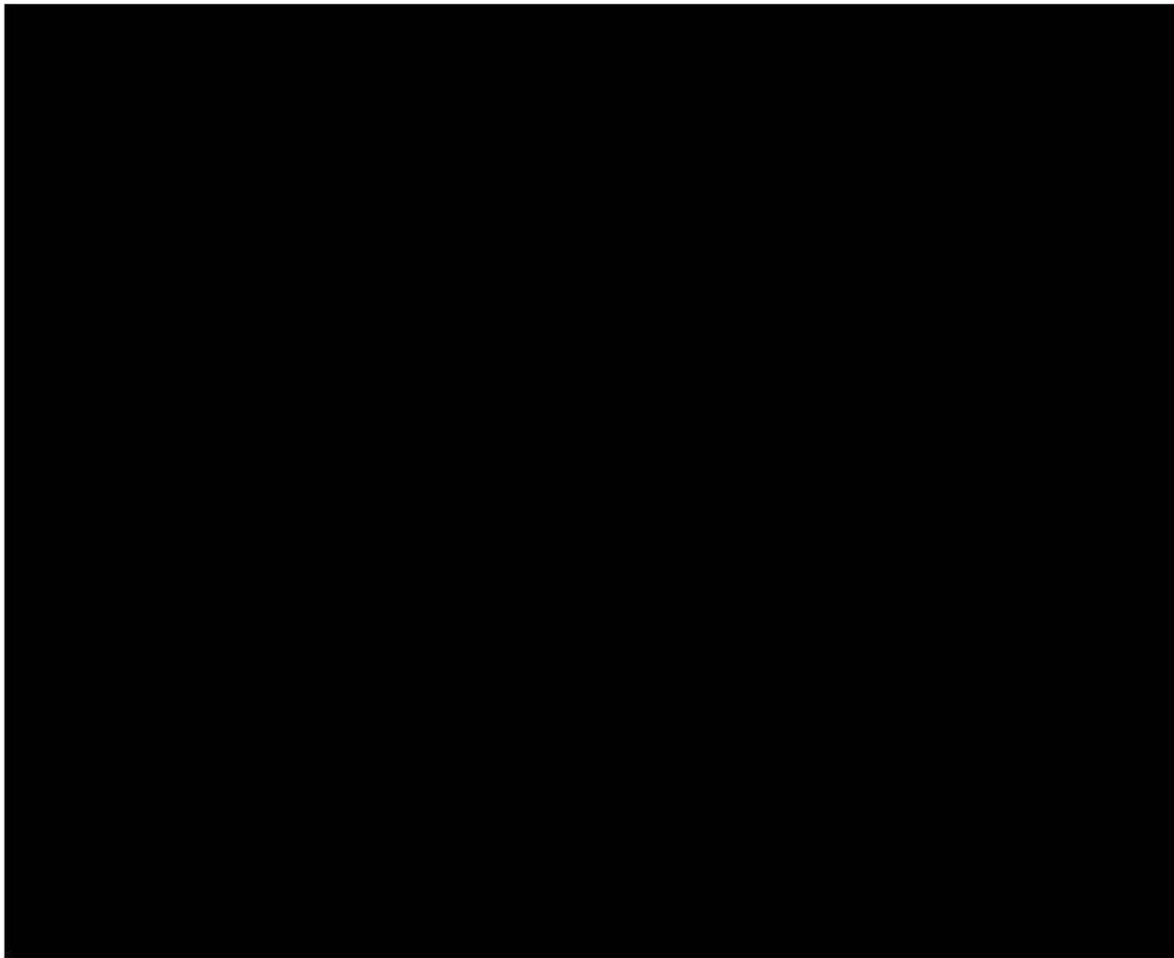
NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.F and I.G in their entirety, as follows:]

**I. Terms**

**F. Contract Prices.**

1. First-Class Package Service Prices. Prevailing First-Class Package Service prices shall apply to Customer’s First-Class Package Service Contract Packages.
2. Priority Mail Prices. The following prices apply to Customer’s Priority Mail Contract Packages.

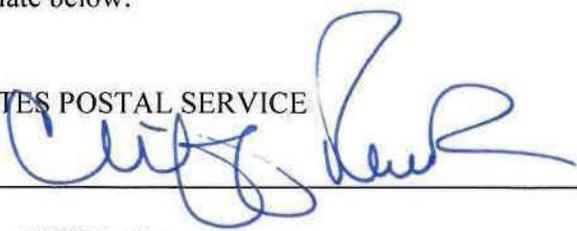


G. Price Adjustments.

1. Prevailing published First-Class Package Service prices shall remain in effect for the term of the contract, for Customer's First-Class Package Service Contract Packages.
2. For subsequent years of the contract, customized Priority Mail prices under this contract will be the lesser of (a) the previous year's prices plus the most recent (as of the anniversary date) average change in prices of general applicability for Priority Mail Commercial Base prices, as calculated by the Postal Service, or (b) the previous year's prices plus [Redacted]
3. Customized prices will be calculated by the Postal Service and rounded up to the nearest whole cent.

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

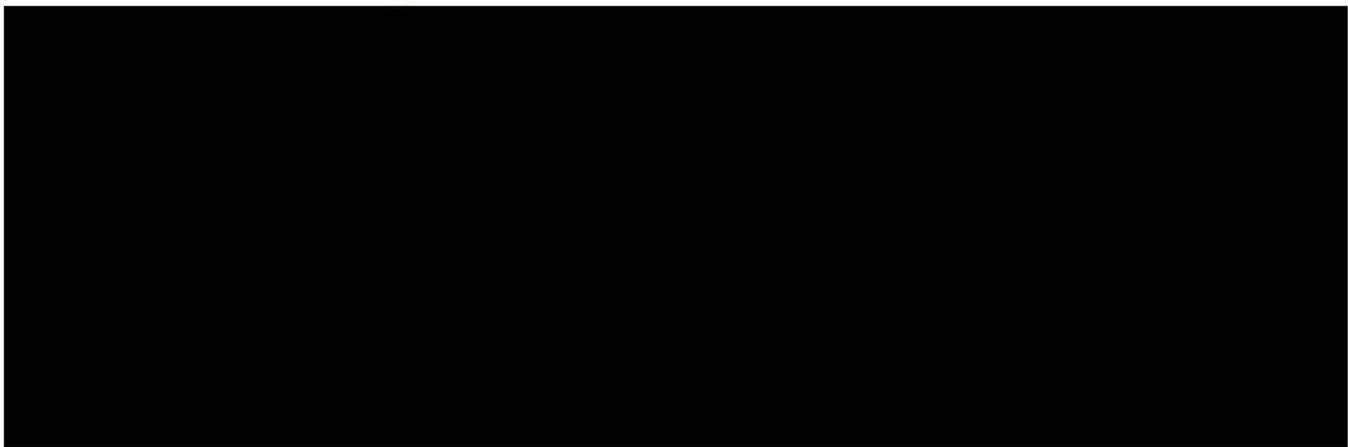
UNITED STATES POSTAL SERVICE

Signed by: 

Printed Name: Cliff Rucker

Title: Vice President, Sales

Date: 2/19/16

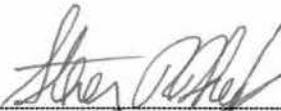


**ATTACHMENT B**  
**SIGNED CERTIFICATION**

**Certification of Prices for Amendment to Priority Mail &  
First-Class Package Service Contract 2**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail & First-Class Package Service Contract 2. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

  
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Steven R. Phelps