

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

COMPETITIVE PRODUCT PRICES
GLOBAL EXPEDITED PACKAGE SERVICES 3 (MC2010-28)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2015-75

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
MODIFICATION TWO TO GLOBAL EXPEDITED PACKAGE SERVICES 3
NEGOTIATED SERVICE AGREEMENT**

(March 16, 2016)

In Order No. 2528, the Commission included the agreement that is the subject of this docket within the Global Expedited Package Contracts 3 product.¹ Attached to this notice is a Modification Two to the agreement that is the subject of this docket. The modification amends Annex 1 of the agreement. The Postal Service intends for the effective date of Modification Two to be April 1, 2016.

A redacted copy of the modification and a redacted version of the certified statement required by 39 C.F.R. § 3015.5(c)(2) are included with this filing, as Attachments 1 and 2 respectively. In addition, the Postal Service is filing in separate Excel files redacted versions of the revised supporting financial documents for the contract that is the subject of this docket.

With respect to the nonpublic version of the modification, certified statement and the revised financial workpapers that are filed under seal, the Postal Service hereby incorporates its Application for Non-Public Treatment filed in conjunction with its May

¹ Order No. 2528, Order Approving Additional Global Expedited Package Services 3 Negotiated Service Agreement, Docket No. CP2015-75, June 3, 2015, at 6.

22, 2015, notice in this docket.² The application protects from disclosure the information that has been redacted from the materials that the Postal Service is filing publicly today with this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business and Service Development
Corporate and Postal Business Law Section

Kyle Coppin
Christopher C. Meyerson
Attorneys

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-7820; Fax -5628
christopher.c.meyerson@usps.gov
March 16, 2016

² Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2015-75, May 22, 2015, Attachment 4.

**MODIFICATION TWO TO THE
GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**

[REDACTED]

This Modification amends the Global Customized Mail Agreement ("Agreement") between [REDACTED] ("Mailer") with offices at [REDACTED], and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Mailer on May 12, 2015, and signed by the USPS on May 12, 2015, as amended by Modification One, which was signed by the Mailer on December 10, 2015, and signed by the USPS on December 15, 2015. The Mailer and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to replace Annex 1 to the Agreement.

Annex 1 of the Agreement is replaced by the revised Annex 1 attached to this Modification.

The USPS will notify the Mailer of the Effective Date of this Modification within thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS.

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

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals (hereinafter "Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification may not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the USPS to provide the products or services contemplated under this Modification, no obligation shall exist for the USPS and no benefit shall inure to either Party. In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Mailer prior to the Effective Date of this Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential, or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Mailer acknowledges that the Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2015-75). 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 Modification must be filed. The Mailer further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this Modification (including revenue, cost or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which the Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which ACR201# signifies the USPS fiscal year to which the ACR pertains. 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 Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website at <http://prc.gov/Docs/63/63467/Order225.pdf>.

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

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

ON BEHALF OF THE UNITED STATES POSTAL SERVICE

Signature:

Giselle Valera

Name:

Giselle E. Valera

Title:

Managing Director, Global Business and Vice President

Date

3/3/2016

ON BEHALF OF

Signature:

Name:

Title:

Date:

2/26/2016

REVISED
ANNEX 1

PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL
INTERNATIONAL PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE
CENTER

Confidential

USPS [REDACTED] 02/2016

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**ANNEX 1
PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL EXPRESS INTERNATIONAL
AND PRIORITY MAIL INTERNATIONAL PRESORTED AND TENDERED AT A USPS
INTERNATIONAL SERVICE CENTER (ISC)**

The postage prices for Priority Mail Express International (PMEI) Qualifying Mail and Priority Mail International (PMI) Qualifying Mail set forth in this Annex 1 are only available for PMEI Qualifying Mail and PMI Qualifying Mail that is presorted and that is:

1. paid for through a separate permit imprint using USPS-provided Global Shipping Software (GSS), which is not used for any other type of mail than Qualifying Mail that meets the requirements set forth in this Agreement and Annex 1,

2. [REDACTED]

3. [REDACTED]

4. tendered to the USPS at any of the following USPS International Service Center locations:

- JOHN F KENNEDY AIRPORT MAIL CENTER
US POSTAL SERVICE
JOHN F KENNEDY INTERNATIONAL AIRPORT BLDG 250
JAMAICA NY 11430-9998
- JT WEEKER INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
11600 WEST IRVING PARK ROAD
CHICAGO IL 60666-9998
- LOS ANGELES INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
5800 WEST CENTURY BLVD
LOS ANGELES CA 90009-9998
- SAN FRANCISCO INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
660 WEST FIELD ROAD
SAN FRANCISCO CA 94128-3161
- MIAMI INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
11698 NW 25TH ST
MIAMI FL 33112-9997

[REDACTED]

**ANNEX 1 CHART A
 PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL EXPRESS INTERNATIONAL
 PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)
 RATES FOR COUNTRY GROUPS 1 – 17**

Weight Not Over (LBS)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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ANNEX 1 – PRICE CHART B
PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL INTERNATIONAL
PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)
RATES FOR COUNTRY GROUP 1

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ANNEX 1 CHART C
PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL INTERNATIONAL
PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)
RATES FOR COUNTRY GROUPS 2- 17

Weight Not Over (LBS)	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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USPS / [REDACTED] 02/2016

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Certification of Prices for the Global Expedited Package Services Contract with
[REDACTED]

I, Steven Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Expedited Package Services Contract with [REDACTED]. The prices contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Expedited Package Services Contracts, issued May 6, 2008 (Governors' Decision No. 08-7), which established prices by means of price floor and ceiling formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of in excess of the minimum required by the Governors' Decision, exclusive of pickup on demand and international ancillary services fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Expedited Package Services Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven Phelps