

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

COMPETITIVE PRODUCT PRICES
PARCEL SELECT CONTRACT 20 (MC2017-78)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-105

**NOTICE OF UNITED STATES POSTAL SERVICE OF
AMENDMENT TO PARCEL SELECT CONTRACT 20,
WITH PORTIONS FILED UNDER SEAL**

(March 20, 2017)

The Postal Service hereby provides notice that the terms of Parcel Select Contract 20, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select Contract 20 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Parcel Select Contract 20. Therefore, the supporting financial documentation and financial certification previously provided in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 20, 2017

ATTACHMENT A

REDACTED AMENDMENT TO PARCEL SELECT CONTRACT 20

**AMENDMENT
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING PARCEL SELECT SERVICE**

This Amendment ("Amendment") amends the Shipping Services Contract dated December 9, 2016, regarding Parcel Select Service, made by and between [REDACTED] ("Customer") and the United States Postal Service ("the Postal Service" and such contract, the "Contract"). The Contract was reviewed by the Postal Regulatory Commission (the "Commission") in its Docket Nos. MC2017-78 and CP2017-105 as Parcel Select Contract 20, and became effective on January 30, 2017.

WHEREAS, the Parties each desire to amend the Contract by replacing Section B, replacing Section G., replacing Tables 3 through 7, adding new Table 8, and fixed Section numbering for Sections I. through N.

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

[Section B of the Contract is hereby amended and restated in its entirety, as follows:]

B. This Contract applies to the following packages shipped by Customer (collectively "Contract Packages"):

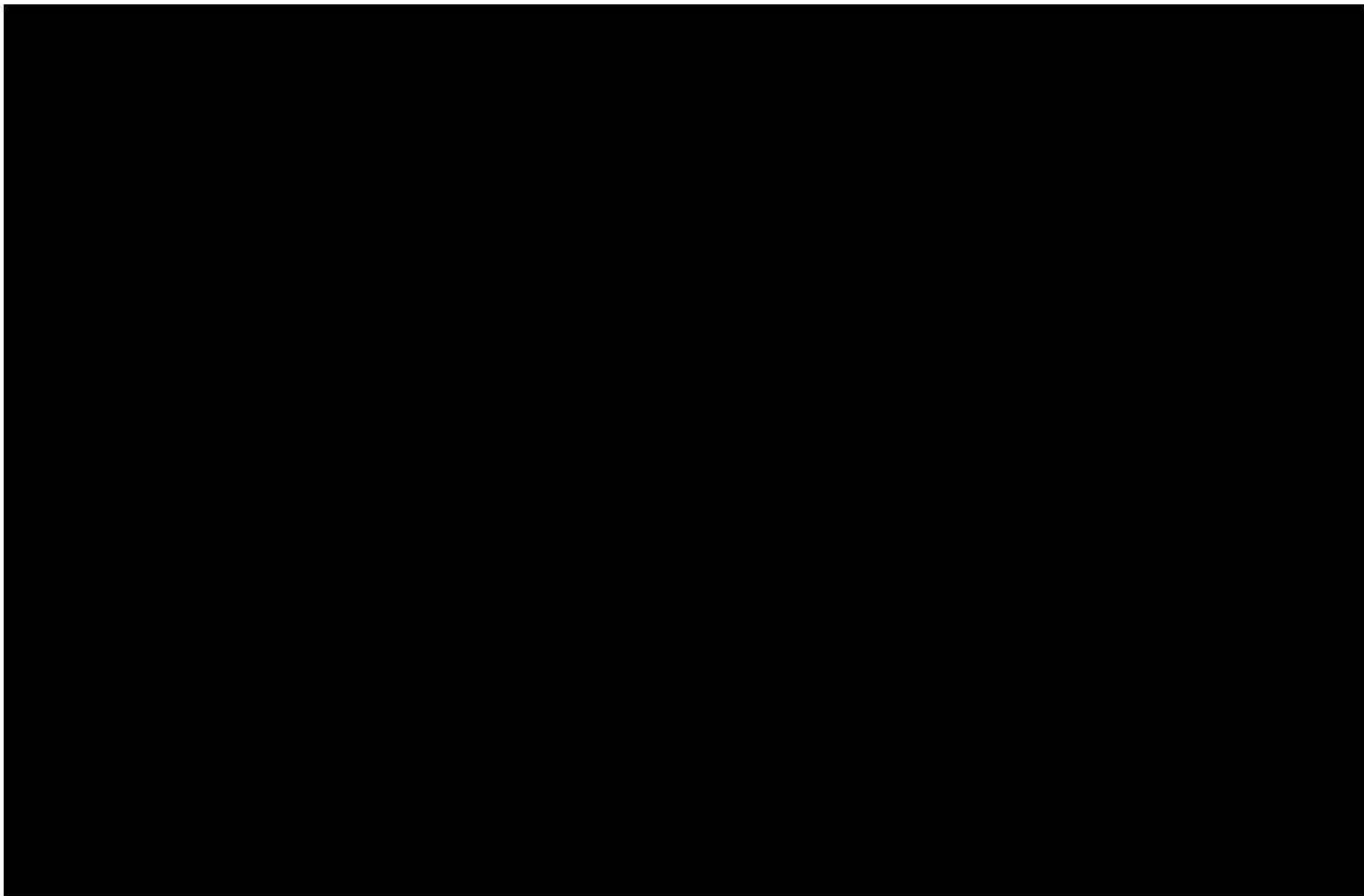
1. Parcel Select DDU pieces ("DDU [REDACTED] pieces") [REDACTED] and are not addressed to any ZIP code in Attachment A;
2. Parcel Select DDU pieces ("DDU [REDACTED] pieces") [REDACTED] and are addressed to any ZIP code in Attachment A;
3. Parcel Select DSCF 3-Digit pieces ("DSCF [REDACTED] pieces") [REDACTED] and are not addressed to any ZIP Code in Attachment A;
4. Parcel Select DSCF 3-Digit pieces ("DSCF [REDACTED] pieces") [REDACTED] and are addressed to any ZIP Code in Attachment A;

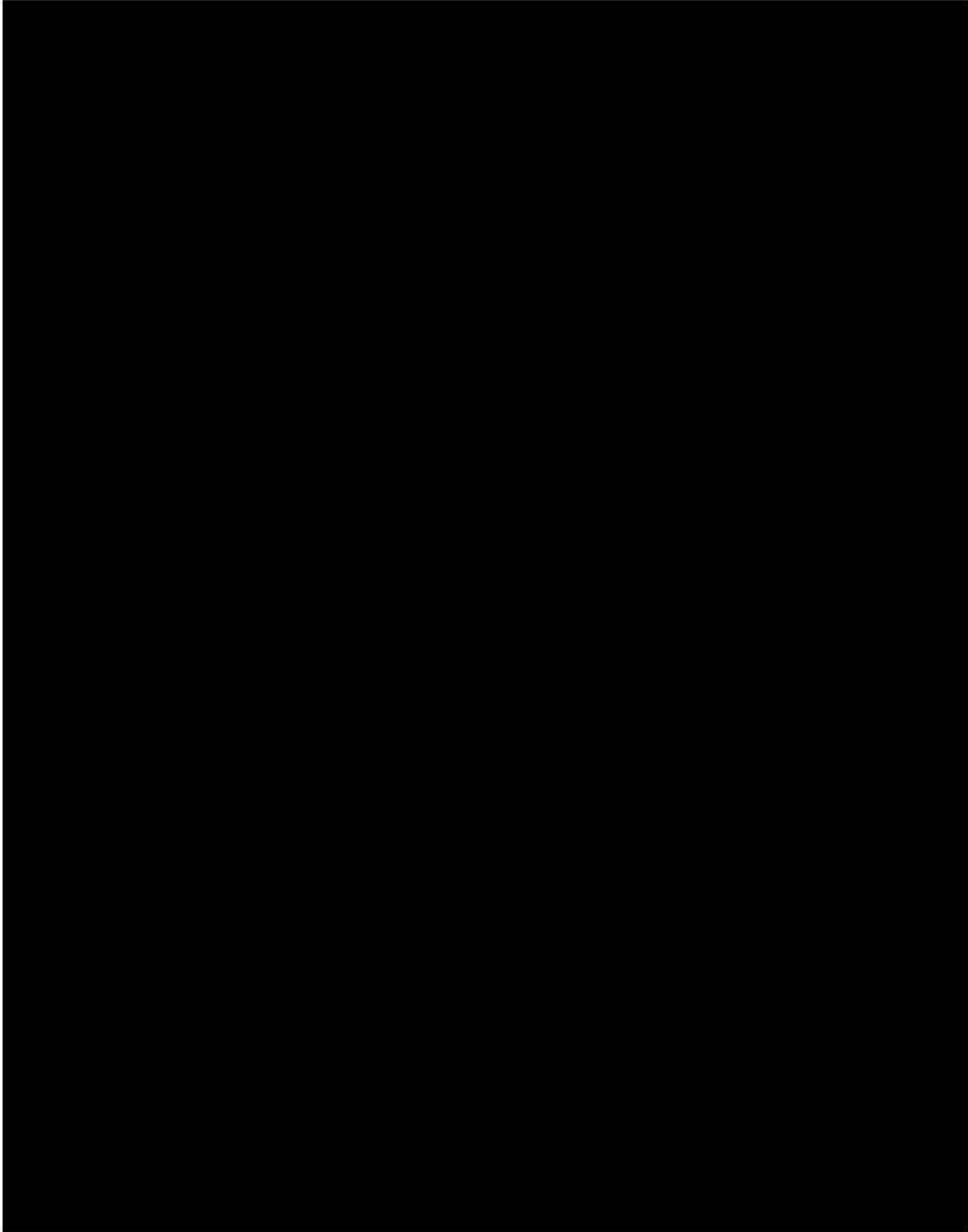
5. Parcel Select DSCF 5-Digit pieces (“DSCF [REDACTED] pieces”) [REDACTED] and are not addressed to any ZIP Code in Attachment A;
6. Parcel Select DSCF 5-Digit pieces (“DSCF [REDACTED] pieces”) [REDACTED] and are addressed to any ZIP Code in Attachment A;
7. Parcel Select Lightweight pieces.

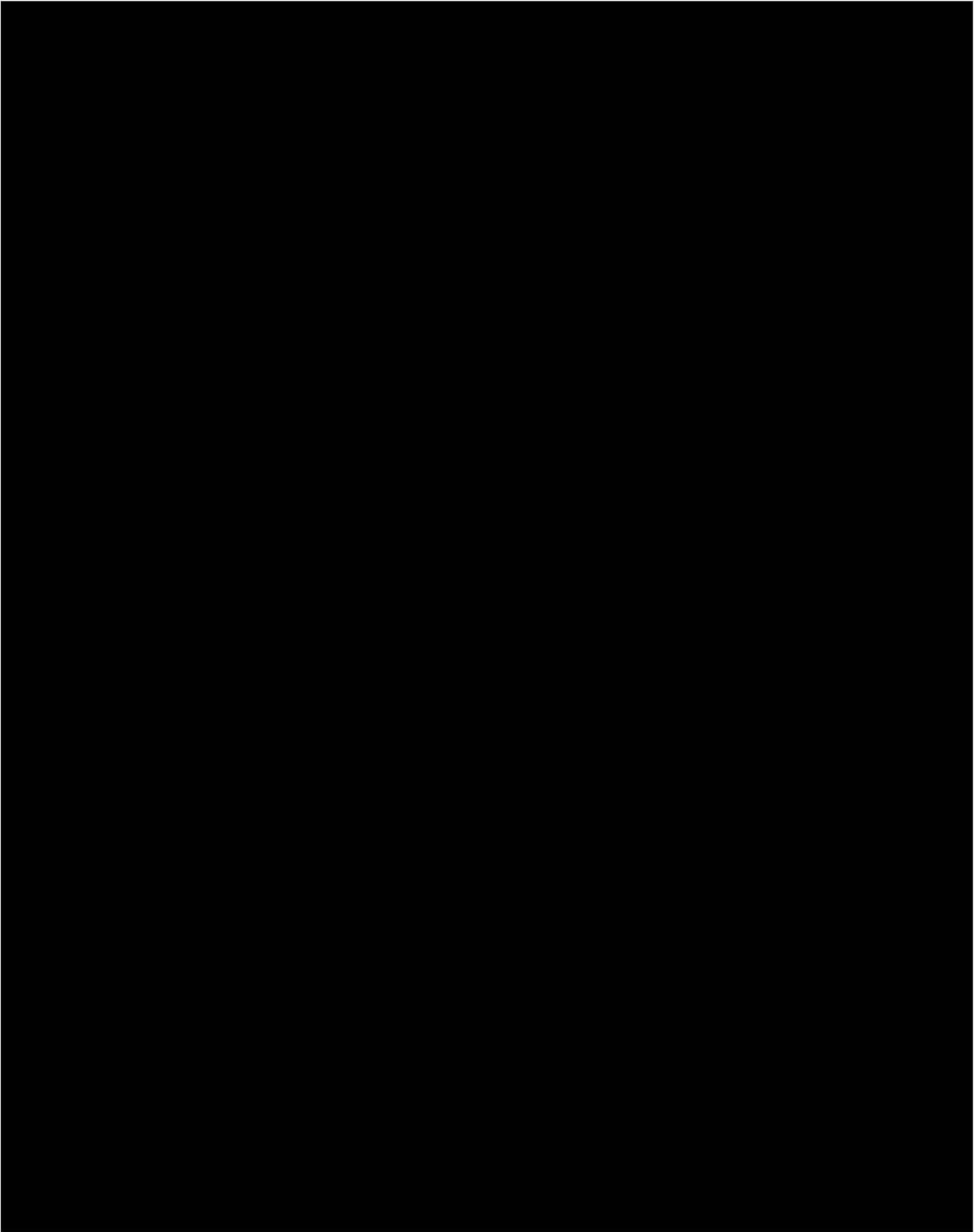
[Section G of the Contract is hereby amended and restated in its entirety, as follows:]

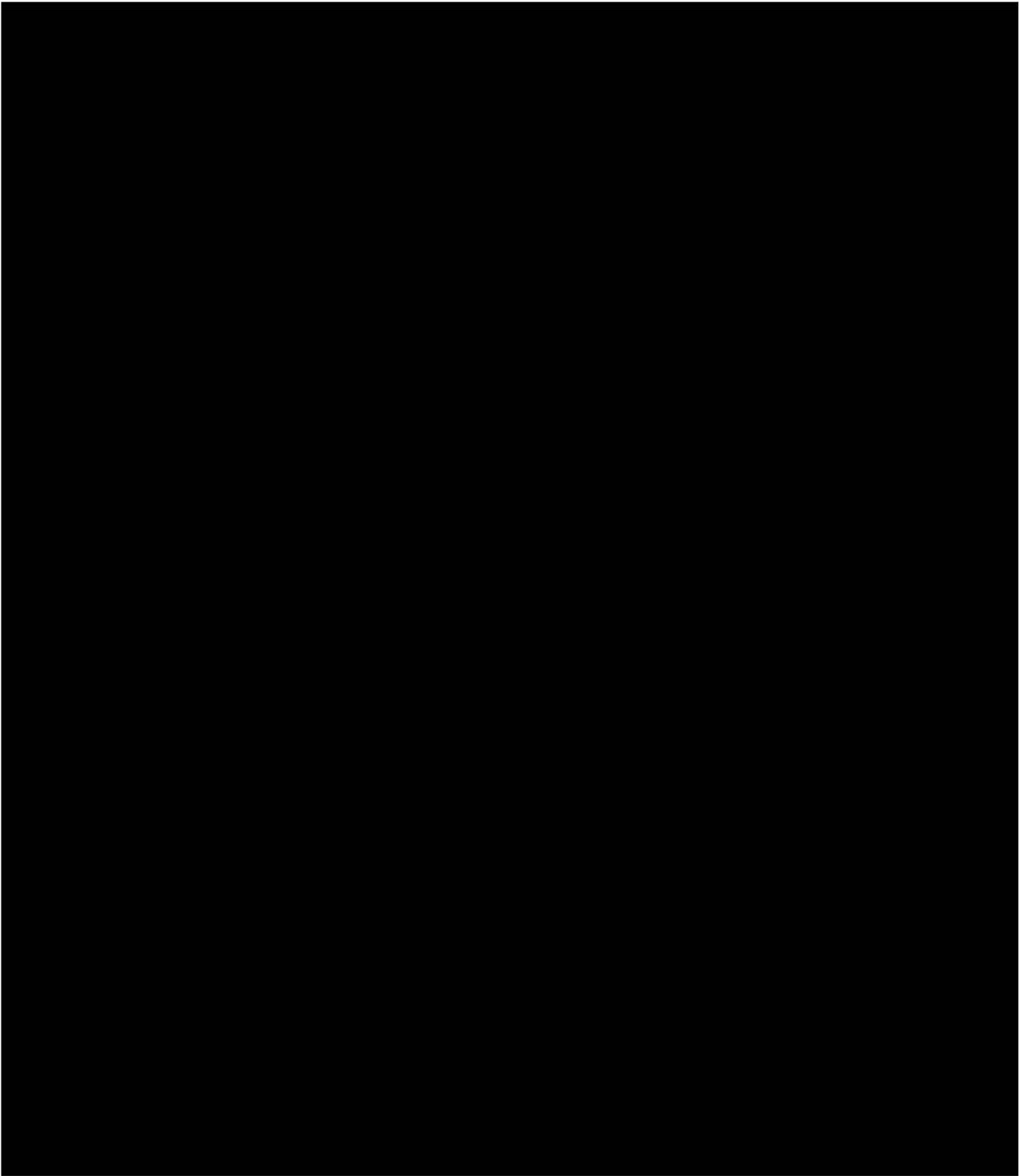
- G. Contract Prices. From the Effective Date of the Contract until the end of the third full Contract Quarter (Implementation Period), Customer shall pay the Tier 4 Contract prices contained in Table 6 below. Customer will be exempt from the minimum average defined in Table 1 during the Implementation Period. Throughout the term of the contract, customer will pay prevailing published prices for Parcel Select DDU pieces (“DDU [REDACTED] pieces”), Parcel Select DSCF 5-Digit pieces (“DSCF [REDACTED] pieces”) and Parcel Select Lightweight pieces.

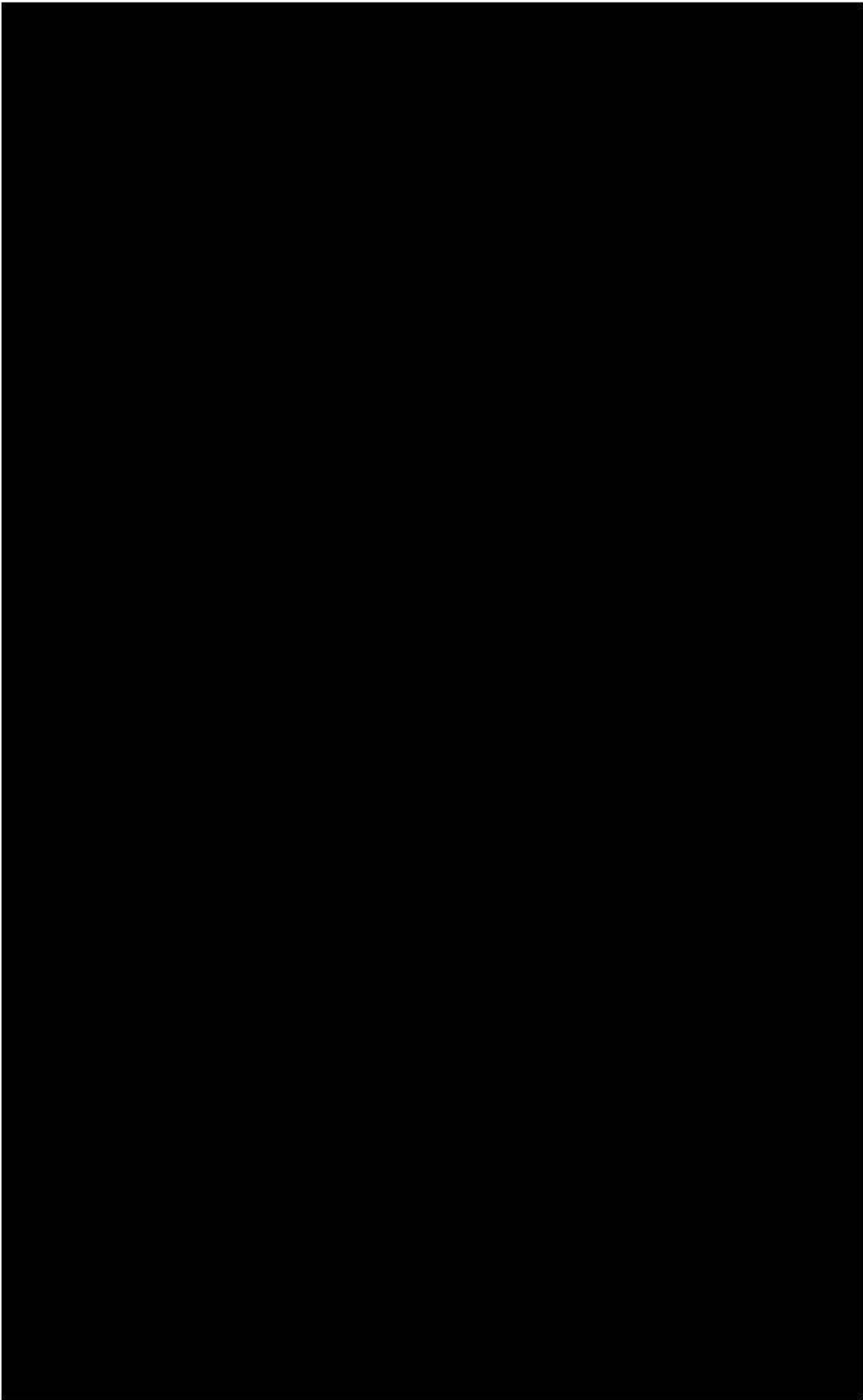
[Tables 3 – 8 of the Contract are hereby amended and restated in their entirety, as follows:]

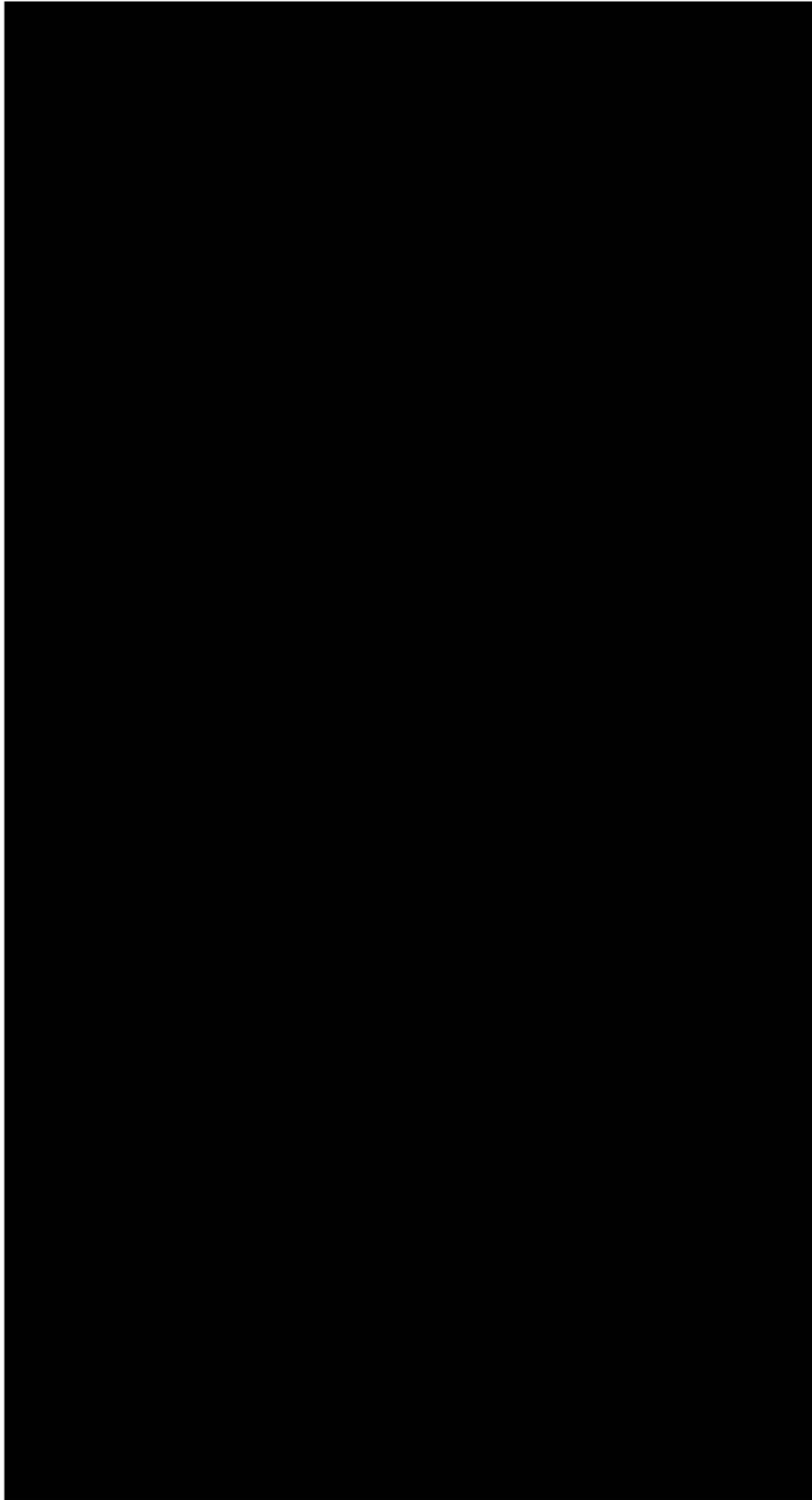












I. Pricing Adjustments

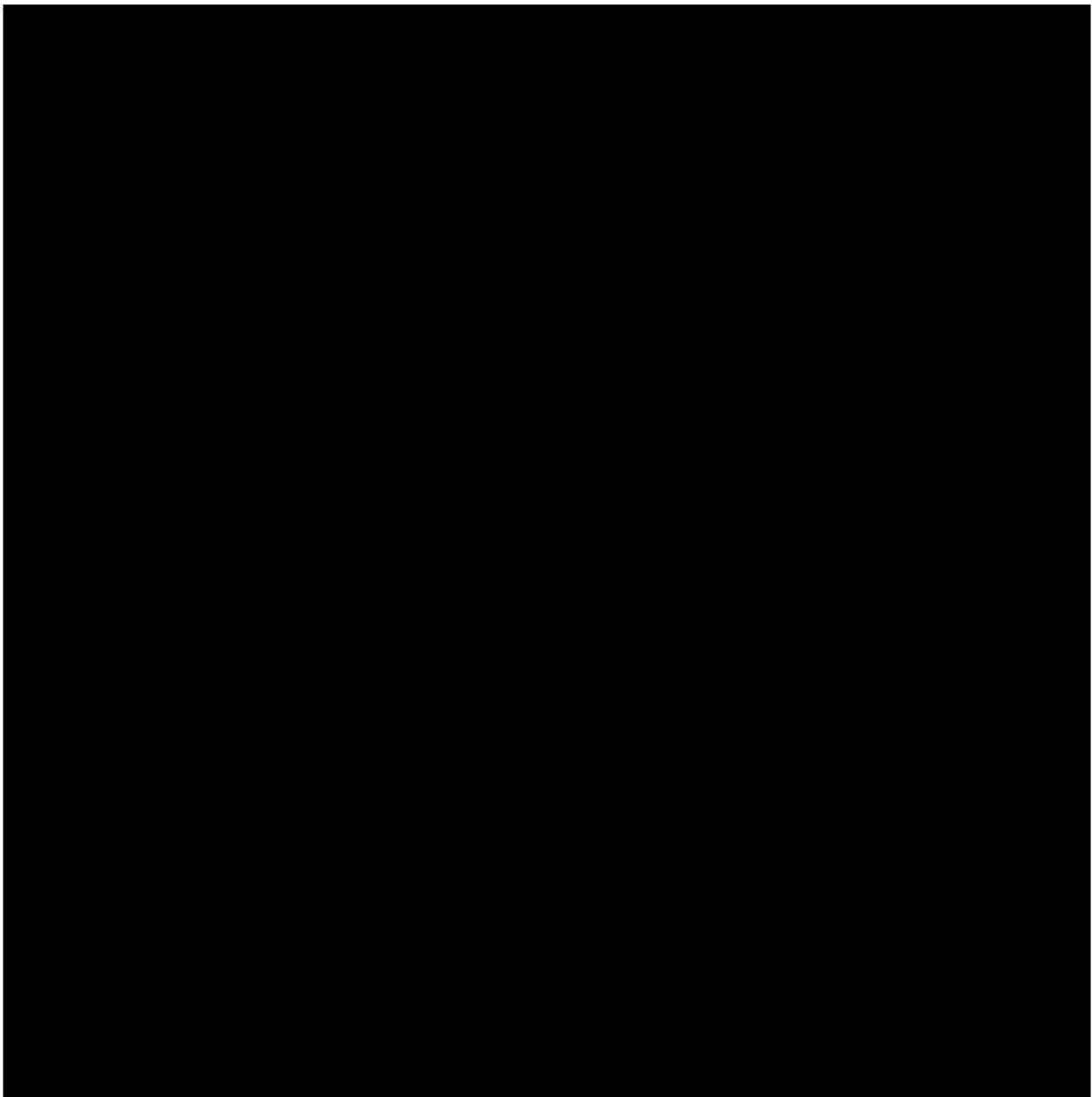
1. For the remainder of the contract, prices will adjust on the effective date of any change in prices of general applicability for Parcel Select. Customized prices will be the lesser of: a) the previous year's prices plus the most recent average increase in prices of general applicability, as calculated by the Postal Service, for Parcel Select DSCF non-lightweight and Parcel Select DDU non-lightweight or b) the previous year's prices plus [REDACTED] for Parcel Select DSCF non-lightweight and Parcel Select DDU non-lightweight.
2. Throughout the term of the contract, Sunday Premium Fee in Table 8 will increase based on the average percentage increase for Parcel Select DDU non-lightweight.
3. Contract prices for subsequent Contract Years will be calculated by the Postal Service and rounded up to the nearest whole cent.

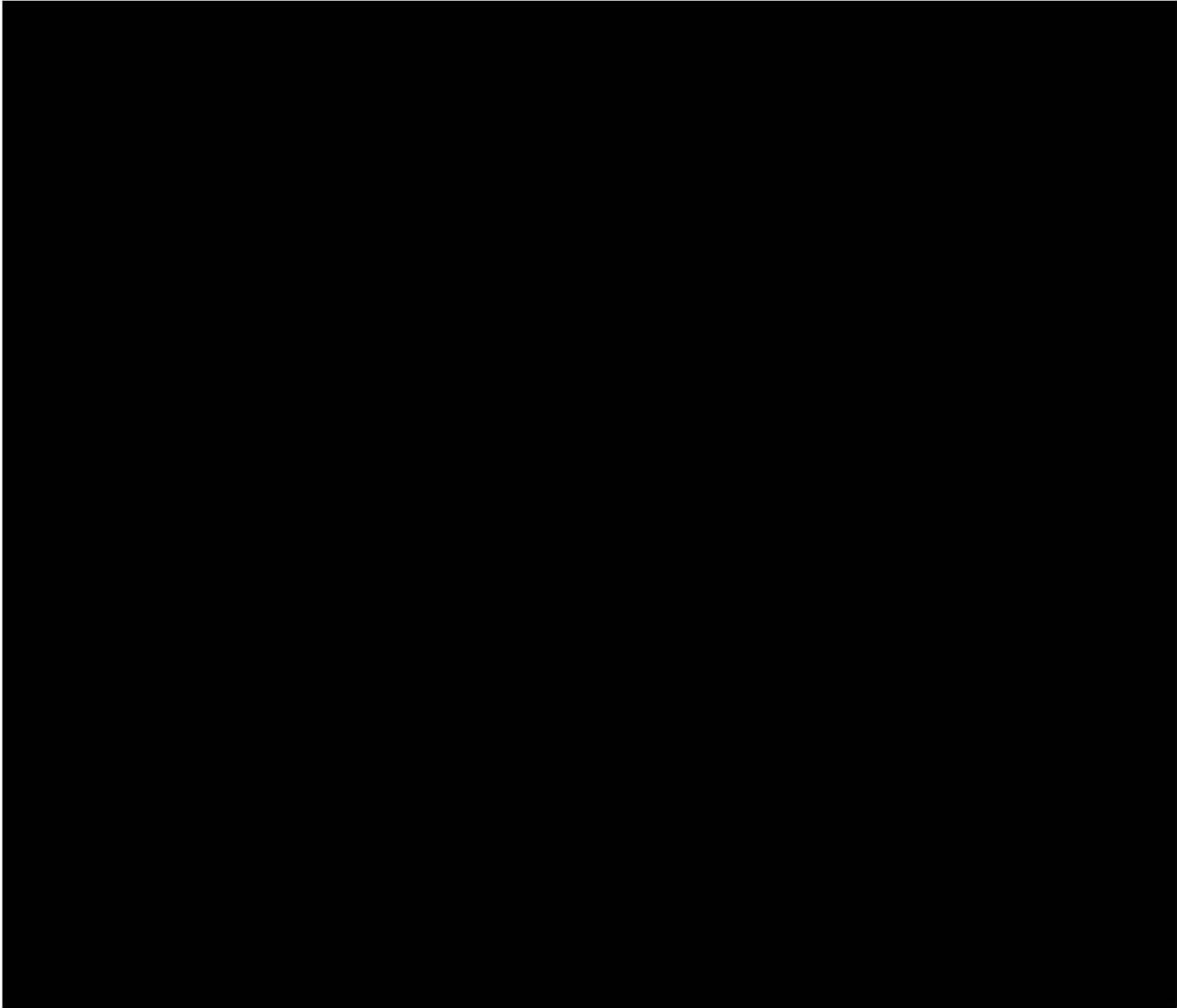
[The following Sections are being renumbered and replaced in their entirety, as follows:]

- J. Sunday Delivery. The Postal Service will provide delivery of Customer's Contract Packages, including Parcel Select Lightweight, on Sunday to those ZIP Codes identified in Attachment B, or such additional ZIP Codes that may be mutually agreed upon by the Parties in writing including, but not limited to facsimile(s) and email(s), projected to be [REDACTED] of total Parcel Select volume. Customer's volume of Parcel Select packages for Sunday delivery will be evaluated on a quarterly basis. If, at the conclusion of a calendar quarter, the Parcel Select Lightweight volume tendered for Sunday delivery during such calendar quarter exceeds [REDACTED] of the total weekly Parcel Select volume over [REDACTED] the Postal Service will notify Customer of the discrepancy promptly following the end of such calendar quarter. Customer will have until the conclusion of the following calendar quarter to remedy the overage to achieve the [REDACTED] threshold on a year-to-date basis by achieving less than the [REDACTED] threshold in the aggregate for the subsequent two (2) calendar quarters. At the conclusion of the second such calendar quarter, if the volume is not in compliance, Customer will pay the difference between the [REDACTED] Parcel Select contract price and the originally paid weighted average Parcel Select Lightweight published price for all pieces mailed in each calendar quarter above the [REDACTED] threshold. Payment will be made within forty-five (45) calendar days of the conclusion of the calendar quarter. Such Parcel Select packages for Sunday delivery will be dropped at designated facilities during a designated time window and prepared in the manner specified. Utilization of this Sunday Drop Window requires initial pre-advice to the Postal Service of shipment data in a format mutually agreed upon by both Parties, to be received by 1:00 a.m. the morning of delivery, with final data received prior to arrival at the destinating delivery facility.

K. Premium Services

1. Upon meeting all operational and technical requirements, Customer is eligible for the following Premium Services upon payment of a Premium Service Fee (PSF): DDU Same Day and DSCF Next Day Contract Package delivery service.
 2. The PSF for each Contract Year will be [REDACTED] for the duration of this contract.
- L. Customer will pay any published additional fees and surcharges, if any, associated with Parcel Select DSCF and Parcel Select DDU as published in the Domestic Mail Manual.





N. Quarterly Business Reviews. The Parties shall, within fifteen (15) calendar days after the conclusion of each Calendar Quarter in each Contract Year, jointly conduct a business review of Customer's Contract Packages and other performance expectations under this Contract either in person, by telecom or by webinar. If either Party is unable to conduct a business review within fifteen (15) calendar days after the conclusion of the each Calendar Quarter, it shall notify the other Party in writing (i.e. email or mail) of that fact and propose a date as soon as practicable thereafter.

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: CR
Cliff Rucker (Mar 6, 2017)

Printed Name: Cliff Rucker

Title: Senior Vice President Sales and Customer Relations

Date: Mar 6, 2017

