

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Review of Nonpostal Services

Docket No. MC2008-1 (Phase II)

PRESIDING OFFICER'S INFORMATION REQUEST NO. 1

(Issued March 23, 2009)

To clarify the Postal Service's activities regarding its sale of music CDs and DVDs and licensing of mailing and shipping products, the Presiding Officer requests the Postal Service to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than April 3, 2009.

1. Are the Postal Service's ink fluorescence standards mandatory for all postage meter ink cartridges used by authorized postage meter manufacturers? If not, please explain.
2. Please explain how the Postal Service enforces (or ensures compliance with) its ink fluorescence standards for postage meter ink cartridges used by authorized postage meter manufacturers.
3. For each mailing and shipping product, please identify (by product) all Postal Service standards that relate to the Postal Service's processing of the mails, e.g., specifications for envelopes.

4. Are the Postal Service's standards for its mailing and shipping products, including those for ink fluorescence, adopted by the Postal Service in its sole discretion? If not, please explain.
  
5. The following questions relate to the licensing of mailing and shipping products licensed by the Postal Service and sold, or to be sold, under the United States Postal Service brand through non-Postal Service retail channels.
  - a. Please identify each mailing and shipping product licensed by the Postal Service and sold, or to be sold, under the United States Postal Service brand through non-Postal Service retail channels that is related to operations of the Postal Service or to postal services in general, including postage scales, stamp dispensers, and other postal-related items.
  - b. For each item identified in response to subpart a, please provide the revenues received by the Postal Service in FY 2007 and FY 2008.
  
6. Thuro identifies various Licensed Articles apparently produced by LePage's 2000, Inc. (LePage's). Supplemental Sworn Statement of Gary A. Thuro, January 30, 2009, at 2 (Thuro Statement).
  - a. Does LePage's manufacture the Licensed Articles? If not, please explain.
  - b. Does the packaging of each Licensed Article:
    - (i) Clearly identify the manufacturer? If not, why not?
    - (ii) Clearly identify the country of origin?
    - (iii) Indicate that the item is produced under license with the Postal Service or otherwise indicate that the Postal Service is the licensor? If not, why not?
  - c. Please identify all other mail preparation Licensed Articles offered for sale by LePage's under the current license with the Postal Service.

- d. Please identify all other Licensed Articles that are not mail preparation items (such as mattress covers) offered for sale by LePage's under the current license with the Postal Service.
  
7. Thuro identifies various Licensed Articles apparently produced by Clover Technologies Group (Clover). *Id.*
  - a. Does Clover manufacture the Licensed Articles? If not, please explain.
  - b. Does the packaging of each Licensed Article:
    - (i) Clearly identify the manufacturer? If not, why not?
    - (ii) Clearly identify the country of origin?
    - (iii) Indicate that the item is produced under license with the Postal Service or otherwise indicate that the Postal Service is the licensor? If not, why not?
  - c. Please identify all the "supplies...categorized as Mailing and Shipping Supplies." *Id.*
  - d. Please identify all other Licensed Articles, if any, offered for sale by Clover under the current license with the Postal Service categorized as Mailing and Shipping Supplies.
  - e. Other than the items identified in the Thuro Statement, please identify all other Licensed Articles that are not categorized as Mailing and Shipping Supplies offered for sale by Clover under the current license with the Postal Service.
  
8. Thuro identifies various Licensed Articles apparently produced by Measurement Limited (Measurement). *Id.* at 3.
  - a. Does Measurement manufacture the Licensed Articles? If not, please explain.
  - b. Does the packaging of each Licensed Article:
    - (i) Clearly identify the manufacturer? If not, why not?

- (ii) Clearly identify the country of origin?
    - (iii) Indicate that the item is produced under license with the Postal Service or otherwise indicate that the Postal Service is the licensor? If not, why not?
  - c. Please identify all other mail preparation Licensed Articles, if any, offered for sale by Measurement under the current license with the Postal Service.
  - d. Other than the items identified in the Thuro Statement, please identify all other Licensed Articles that are not categorized as Mailing and Shipping Supplies offered for sale by Measurement under the current license with the Postal Service.
  
- 9. Thuro identifies various Licensed Articles apparently produced by U.S. Stamp and Sign (U.S. Stamp). *Id.*
  - a. Does U.S. Stamp manufacture the Licensed Articles? If not, please explain.
  - b. Does the packaging of each Licensed Article:
    - (i) Clearly identify the manufacturer? If not, why not?
    - (ii) Clearly identify the country of origin?
    - (iii) Indicate that the item is produced under license with the Postal Service or otherwise indicate that the Postal Service is the licensor? If not, why not?
  - c. Other than the items identified in the Thuro Statement, please identify all other Licensed Articles that are categorized as Mailing and Shipping Supplies offered for sale by U.S. Stamp under the current license with the Postal Service.
  - d. Other than the items identified in the Thuro Statement, please identify all other Licensed Articles that are not categorized as Mailing and Shipping Supplies offered for sale by U.S. Stamp under the current license with the Postal Service.

10. Thuro identifies various Licensed Articles apparently produced by Deluxe Enterprise Operations (Deluxe). *Id.* at 4.
  - a. Does Deluxe manufacture the Licensed Articles? If not, please explain.
  - b. Does the packaging of each Licensed Article:
    - (i) Clearly identify the manufacturer? If not, why not?
    - (ii) Clearly identify the country of origin?
    - (iii) Indicate that the item is produced under license with the Postal Service or otherwise indicate that the Postal Service is the licensor? If not, why not?
  - c. Other than return labels, please identify all other Licensed Articles that are categorized as Mailing and Shipping Supplies offered for sale by Deluxe under the current license with the Postal Service.
  - d. Other than the bank checks and checkbook covers, please identify all other Licensed Articles categorized as Stationery and Paper Goods offered for sale by Deluxe under the current license with the Postal Service.
  
11. Thuro states that “a postal-branded mailing or shipping item offers customers some measure of reassurance that they meet the Postal Service’s standards for durability, legibility, and quality.” *Id.* at 5.
  - a. Please describe the Postal Service’s standards for durability, legibility, and quality.
  - b. Please explain how the Postal Service measures its standards for durability, legibility, and quality.
  - c. Please state how frequently the Postal Service tests postal-branded mailing or shipping items for durability, legibility, and quality. If different items are tested more or less frequently, please explain how the appropriate schedules are determined.

- d. Please explain how the Postal Service enforces (or ensures compliance with) its standards for durability, legibility, and quality.
  - e. Please discuss the actions the Postal Service has taken when it has determined its standards were not being met.
  - f. Please identify each mailing and shipping item for which meeting the Postal Service's standards for durability, legibility, and quality are important for the Postal Service's receipt, processing, transportation or delivery of the mail.
  - g. Do customers gain some measure of reassurance only if the packaging of the item appears to convey that the item is manufactured or licensed by the Postal Service? If not, please elaborate.
12. What criteria (or standards) does the Postal Service apply to determine whether to license the use of the Postal Service's brand on items that are unrelated to the mails (such as mattress covers)?
13. Does the Postal Service offer any items for sale with prepaid mailers or with other types of postage prepaid packaging? If so, please describe.
14. With respect to the sale of items by the Postal Service:
- a. Is it the Postal Service's position that it may sell any item as a postal service provided the item is sold with a stamped mailer on which a personalized message may be written? Please elaborate.
  - b. Is it the Postal Service's position that it may sell any item as a postal service provided the item is sold at a retail postal facility including, without limitation, main post office, station, branch, or contract unit? Please elaborate.
  - c. Is it the Postal Service's position that it may sell any item as a postal service provided the item is sold at a retail postal facility including, without

limitation, main post office, station, branch, or contract unit with stamped packaging? Please elaborate.

15. Is it the Postal Service's position that it may license any item for sale, *e.g.*, shoes or golf clubs, as long as the item contains the Postal Service's brand? If so, please elaborate. If not, please discuss any limitations that may apply.
16. Aside from this proceeding, has the Postal Service received or been advised of any complaints concerning mailing and shipping products licensed by the United States Postal Service and sold through non-Postal Service retail channels from (a) manufacturers, (b) distributors, (c) retailers, and (d) the general public. If so, please describe the complaints and the Postal Service's response.
17. The Postal Service has sold in retail lobbies occasional CDs and DVDs tied to stamp releases, certain seasonal events, or part of a mutual brand placement arrangement. Supplemental Statement of Carrie A Bornitz on Behalf of the United States Postal Service, January 29, 2009, at 3.
  - a. Does the Postal Service currently sell or plan to sell any CDs or DVDs that are not related to the sale of any stamp, seasonal event, or Postal Service event or ceremony? If so, please list the products, the dates of the sales, and locations where these items are sold.
  - b. With respect to each CD and DVD listed in response to subpart a, if any, please indicate:
    - (i) Whether each is considered to be an Officially Licensed Retail Products (OLRP) product. If not, please explain.
    - (ii) Whether the packaging includes any indication that the item is sold by the Postal Service or sold under license from the Postal Service? Please explain.

- (iii) If the packaging does not include any indication that the item is sold by the Postal Service or sold under license from the Postal Service, please explain how the sale of such items leverages the Postal Service brand.
  
- 18. Bornitz indicates that the Postal Store (at USPS.com) offers some CDs and DVDs that are not within the OLRP program, and that the Postal Service plans to merge the merchandising strategy for these two channels in the future. *Id.*
  - a. Please identify each similar item offered via the Postal Store that is not within the OLRP program.
  - b. Please elaborate on plans to merge the merchandising strategy for the Postal Store and the OLRP program.

Dan G. Blair  
Presiding Officer