

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

Before Commissioners:

Robert G. Taub, Chairman;  
Tony Hammond, Vice Chairman;  
Mark Acton; and  
Nanci E. Langley

Public Inquiry on the  
Classification of the  
Inbound Letter Post Product

Docket No. PI2018-1

COMMISSION INFORMATION REQUEST NO. 1

(Issued July 12, 2018)

To better understand the Inbound Letter Post product and the market in which it resides, the Postal Service is requested to provide written responses to the following questions. Answers to the questions should be provided as soon as possible, but no later than July 26, 2018.

1. This question requests data concerning the Inbound Letter Post product.<sup>1</sup>
  - a. For the Inbound Letter Post product, please provide Fiscal Year (FY) 2017 volume, revenue, and weight data for: (1) letters and cards (format P); (2) large letters or “flats” (format G); (3) bulky letters and small packets<sup>2</sup> (format E); and (4) comingled Inbound Letter Post mailpieces.

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<sup>1</sup> As defined by section 1130 of the Mail Classification Schedule.

<sup>2</sup> Bulky letters are Universal Postal Union (UPU) format E letter post items containing only documents and weighing up to 4.4 pounds. Small packets are UPU format E letter post items containing goods and weighing up to 4.4 pounds. The physical specifications for format E bulky letters and small packets are defined in Article 17 of the Universal Postal Convention and Articles RL17-003 and RL17-004 of its Regulations.

- b. For FY 2017, please provide the percentage of format E Inbound Letter Post mailpieces that was bulky letters (documents only) and the percentage that was small packets (goods).
  - c. For FY 2017, please provide the percentage of co-mingled Inbound Letter Post mailpieces that was: (1) format P, (2) format G, and (3) format E. Within the percent of co-mingled Inbound Letter Post mailpieces that were format E, please provide the percentage that was bulky letters and the percentage that was small packets.
2. Please refer to the Postal Service's Motion for Reconsideration.<sup>3</sup> The Postal Service states that the Inbound Letter Post product "is subject to competition from [c]ompetitive Postal Service products, and the products of competitors that compete with competitive Postal Service products, both of which serve as substitutes for Inbound Letter Post." Motion for Reconsideration at 7-8.
  - a. Please list the competitive Postal Service products that the Postal Service is referring to that may serve as substitutes for the Inbound Letter Post product. For each product, please provide a product description, including any minimum or maximum size or weight restrictions and any additional service features, such as tracking or delivery confirmation. Please identify if the corresponding products compete on price or service or both.
  - b. Please list the products of competitors that the Postal Service is referring to that may serve as substitutes for the Inbound Letter Post product. For each product, please provide a product description, including any minimum or maximum size or weight restrictions and any additional service features, such as tracking or delivery confirmation. Please identify if the corresponding products compete on price or service or both.

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<sup>3</sup> Docket No. ACR2017, United States Postal Service Motion for Reconsideration of Order No. 4451, April 6, 2018, at 7-8 (Motion for Reconsideration).

3. This question requests data concerning the market(s) in which the Inbound Letter Post product resides.
  - a. Please state whether the Inbound Letter Post formats (formats P, G, and E) reside in a single market or if the Inbound Letter Post formats reside in multiple markets. If all formats of the Inbound Letter Post product reside in the same market, please answer question b. If the Inbound Letter Post formats reside in multiple markets, please answer question c.
  - b. Please provide the following information relating to the market in which the Inbound Letter Post product resides:
    - i. Please identify the market in which the Inbound Letter Post product resides.
    - ii. Please provide a volume and revenue estimate for the entire market in which the Inbound Letter Post product resides.
    - iii. Please provide the Postal Service's market share (for Inbound Letter Post and for competitive products separately) by volume and revenue for the market in which the Inbound Letter Post product resides.
    - iv. Please provide the approximate market share by volume and revenue of each competitor for the market in which the Inbound Letter Post product resides.
  - c. Please provide the following information relating to the markets in which the Inbound Letter Post product resides:
    - i. Please identify those distinct markets in which the Inbound Letter Post product resides.
    - ii. Please provide a volume and revenue estimate for each distinct market identified above.

- iii. Please provide the Postal Service's market share by volume (for Inbound Letter Post formats and competitive products separately) and revenue for each distinct market identified above.
    - iv. Please provide the approximate market share by volume and revenue of each competitor for each distinct market identified above.
    - v. Please provide the cost characteristics for those markets.
    - vi. Please provide the percentage of commercial versus non-commercial customers for those distinct markets.
4. Please refer to the Motion for Reconsideration. The Postal Service states that it "committed substantial time and resources to the study of the potential transfer of Inbound Letter Post [small] packets to the competitive list by undertaking internal study of the matter." Motion for Reconsideration at 6.
  - a. Please provide all analysis that resulted from the Postal Service's study of the potential transfer of Inbound Letter Post small packets to the competitive product list including the results of any market research conducted.
  - b. The Postal Service states that the "UPU [2016] Congress considered proposals that might have more easily facilitated a transfer of inbound packets containing only goods from the market-dominant list to the competitive list (leaving letters, postcards, and flats in the market-dominant classification)." *Id.* at 6-7. Please provide the referenced UPU 2016 Congress proposals and explain how they would have facilitated the transfer of Inbound Letter Post small packets containing goods to the competitive product list.
  - c. The Postal Service alleges that its study of the potential transfer of Inbound Letter Post small packets to the competitive product list was "stymied by changes to proposals ultimately adopted by the [2016 UPU Congress] and subsequent meetings of the Postal Operations Council

[(POC)].” *Id.* at 6. Please provide the amended proposal(s) ultimately adopted by the UPU 2016 Congress and/or POC and explain why these proposals stymied the transfer of Inbound Letter Post small packets to the competitive product list.

5. In Docket No. ACR2017, the Postal Service filed four non-public attachments with its Motion for Reconsideration.<sup>4</sup> The Postal Service alleged that these attachments support its claims that the Inbound Letter Post product is subject to competition.
  - a. Please file the four non-public attachments in this docket. If the attachment is a portion of a larger presentation, report, or other such document, please provide the remainder of the document.
  - b. For each non-public attachment, the Postal Service shall provide the following information:
    - i. Who prepared the attachment – *i.e.*, the Postal Service or a third-party. If the attachment was prepared by a third-party, please provide the name of the third-party.
    - ii. Date the document was finalized or provided to the Postal Service. If the document was presented, please provide the presentation date.
    - iii. If the attachment was provided to an audience, please identify the audience.
    - iv. For each page of the attachment, if there is a reference to products that compete with the Inbound Letter Post product, please identify the competing products.

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<sup>4</sup> Docket No. ACR2017, United States Postal Service Notice of Filing Nonpublic Annex to the Motion for Reconsideration of Order No. 4451 and Application for Nonpublic Treatment, April 6, 2018 (Docket No. ACR2017, Notice).

6. Please refer to Docket No. ACR2017, Notice, Attachment 1. The Postal Service provides information on the “US Cross-Border Package Market.”
  - a. Please define “the US Cross-Border Package Market.”
  - b. Please identify the Postal Service and private competitor products that are included in “the US Cross-Border Package Market” and provide a comparison of their product features.
7. Please refer to Docket No. ACR2017, Notice, Attachment 1. The Postal Service references “small packages.”
  - a. Please define “small packages.”
  - b. Please identify the Postal Service and private competitor products that are included in the definition of “small packages” and provide a comparison of their product features.
8. Please refer to Docket No. ACR2017, Notice, Attachment 1. The Postal Service estimates the average price for “cross-border e-Commerce transactions.”
  - a. Please define “cross-border e-Commerce transactions” and specify the product features.
  - b. Please provide the data source of this estimated average price for cross-border e-Commerce transactions and explain how it was calculated.
  - c. Please provide separate estimated average prices for “cross-border e-Commerce transactions” for products offered by the Postal Service and private competitors. For each estimate, please include the data source, any market research, the method of calculation, and products included.
9. Please refer to Docket No. ACR2017, Notice, Attachment 2 at 1 for the weight distribution of “packages” and “parcels.”
  - a. Please provide the definition of “packages.”
  - b. Please identify the products that are included within this definition of “packages” and provide a comparison of their product features.

- c. Please confirm that these weight distributions reflect data relating to only Postal Service products. If not confirmed, please provide the weight distributions for packets delivered by the Postal Service.
  - d. If these weight distributions include data for more than one Postal Service product, please provide the weight distributions for each Postal Service product separately.
10. Please confirm that the Postal Service plans to offer tracking for Inbound Letter Post mailpieces. If confirmed, please indicate when the Postal Service intends to begin offering tracking and please identify the types of Inbound Letter Post mailpieces for which the Postal Service will offer tracking. If not confirmed, please explain.
11. Please confirm that the Postal Service has the capability to track the volume, revenue, and weight of Inbound Letter Post small packets containing goods. If not confirmed, please discuss whether the Postal Service will have this capability in the near future. If so, please provide an approximate timeline. If not, please discuss whether the Postal Service is taking any action or planning to take any action towards achieving this capability.

By the Commission.

Stacy L. Ruble  
Secretary