

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

COMPLAINT ON STAMPED STATIONERY

Docket No. C2004-3

**ANSWER OF UNITED STATES POSTAL SERVICE**  
(August 31, 2004)

*Introduction and Background*

On June 24, 2004, the Postal Rate Commission received a complaint filed by Douglas F. Carlson. The complaint is styled as "Complaint on Stamped Stationery," and its stated subject matter is the issuance by the Postal Service of a pad of 12 sheets of *The Art of Disney: Friendship* stationery with 37-cent First-Class Mail postage printed on each sheet. Mr. Carlson bases his complaint on his view that this stationery is a "postal service" which the Postal Service may not offer with first seeking from the Commission a recommended change in the mail classification and fee schedules.

*Answer*

The complaint consists of 39 numbered paragraphs, and includes citations to two exhibits. Pursuant to Rule 84(a) of the Commission's Rules of Practice and Procedure, the Postal Service answers each paragraph of the complaint as follows:

*Paragraph 1*

This paragraph simply identifies the complainant by name; the Postal Service considers this sentence procedural and not requiring a response.

*Paragraph 2*

This paragraph is a paraphrase of a section of the Postal Reorganization Act, to which no answer is required.

*Paragraph 3*

Admitted. The stamped stationery product was issued as one of five philatelic products in conjunction with the issuance of *The Art of Disney: Friendship* postage stamps on that date. See the Postal Bulletin notice cited in paragraph 4 of the complaint.

*Paragraph 4*

Admitted.

*Paragraph 5*

Admitted, in the context of the additional facts that there is Disney character art work on both sides of the stationery and that the sheets have value even when not mailed.

*Paragraph 6*

Denied.

*Paragraph 7*

Denied that stamped stationery is “substantially similar in use and function to aerogrammes” for international mail. The only similarity to aerogrammes is superficial: that both are tri-fold one-piece stationery. Unlike the Disney stamped stationery, however, aerogrammes are a utilitarian product printed on lightweight paper and having little additional artistic value. The Disney stationery is printed on superior paper stock

and displays high-quality graphics and designs, including the Disney characters featured on the postage stamps issued as part of this product line.

*Paragraph 8*

Admitted.

*Paragraph 9*

The Postal Service is unable to admit or deny this allegation, which is a statement of the complainant's desire to buy the Disney stamped stationery.

*Paragraph 10*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 11*

The referenced press release states that "the Postal Service and Disney are making it easy to write home" and also states: "A colorful 37-cent stamped stationery pad containing 12-sheets of the four designs will make it even easier to keep in touch with friends—and it's just \$14.95. The stationery pad will be available in select Post Office locations and at Philatelic Centers."

*Paragraph 12*

Admitted. The referenced Postal Bulletin also indicates as follows:

**Philatelic Products**

There are five philatelic products available for *The Art of Disney: Friendship* stamps:

- Stamped Stationery \$14.95 (Item 566794).
- Cancellation Keepsake \$10.40 (Item 566793).
- Stamped Postal Card \$9.75 (Item 885100).
- Metallic Print (18 x 10) \$14.95 (Item 566782).

- Print set of 4 (8 1/2 x 11) \$14.95 (Item 566788).

These philatelic products will be available while supplies last at postal stores, online at *www.usps.com*, and by telephone at 800-STAMP-24.

*Paragraph 13*

Admitted.

*Paragraph 14*

This paragraph in part states a legal conclusion, to which no answer is required.

The paragraph is otherwise admitted.

*Paragraph 15*

Denied. Stamped envelopes and stamped cards are utilitarian products with little additional artistic value.

*Paragraph 16*

Admitted.

*Paragraph 17*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 18*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 19*

Admitted that the DMCS contains a non-substantive, undefined, generic heading for stamped envelopes and stamped cards entitled “stamped paper.”

*Paragraph 20*

Denied. Both the online dictionary cited in this paragraph and the hard-copy edition contain the following entry under “stationery”:

- 1 : materials (as paper, pens, and ink) for writing or typing
- 2 : letter paper usually accompanied with matching envelopes

*Paragraph 21*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 22*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 23*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 24*

This paragraph relies on a legal conclusion, to which no answer is required. The Postal Service did not seek a recommended decision from the Commission before selling the product which is the subject of the complaint because it was not legally required to do so.

*Paragraph 25*

Admitted.

*Paragraph 26*

Admitted.

*Paragraph 27*

Admitted. In the broad sense, all products issued by the Postal Service may have philatelic value. Any such value is set by the marketplace.

*Paragraph 28*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 29*

Admitted that the complaint accurately calculates the effective price for each sheet of stationery, above postage.

*Paragraph 30*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied. A comparison of the prices for cards and stationery available at private retail stores would indicate that this allegation has no factual basis.

*Paragraph 31*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 32*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 33*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 34*

This paragraph quotes a statutory provision; no answer is required. To the extent that an answer is deemed to be required, it is denied that this provision is directly relevant to the issue at hand. All customers are charged the same amount for the product at issue. No customer need purchase this product in order to use the mail. Once the product is mailed, it is handled no differently from other First-Class Mail letters.

*Paragraph 35*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 36*

The Postal Service admits that the complaint includes a copy of such editorial with the indicated quotations. The Postal Service has no basis to question the accuracy of the copy provided.

*Paragraph 37*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 38*

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

*Paragraph 39*

This paragraph consists of a request for relief, to which no answer is required. To the extent that an answer is deemed to be required, the Postal Service denies that the requested relief is either warranted or appropriate.

*Postal Service Position and Recommended Disposition*

Pursuant to rule 84(b), the Postal Service states its position that the Complaint fails to allege facts showing that the Postal Service is charging rates or fees not in accordance with the policies of the Postal Reorganization Act. The stationery at issue is a philatelic item and mailing product which has much more in common with similar items over which the Commission does not assert jurisdiction than with the utilitarian stamped envelope product which is currently included in the DMCS. Pursuant to rule 84(c), the Postal Service believes that the complainant is not entitled to the relief requested and that the complaint should be dismissed without further proceedings. Elaboration of the Postal Service's position on these matters will be provided in a motion to dismiss that the Postal Service intends to file shortly.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 31, 2004

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Scott L. Reiter

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August 31, 2004