

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

Proposed Amendments to the  
Commission's Rules

Docket No. RM2004-1

STATUS REPORT OF THE UNITED STATES POSTAL SERVICE  
IN RESPONSE TO ORDER NO. 1449  
(February 17, 2006)

On January 4, 2006, the Postal Rate Commission issued Order No. 1449, amending its rules and asking the Postal Service to take certain other specified actions. One such request was the submission of a status report on what were enumerated as 14 services in the original 2002 OCA/Consumer Action petition that triggered the long sequence of succeeding events. Order No. 1449 at 29. Without prejudice to its rights and authorities with respect to any other portions of Order No. 1449, the Postal Service hereby provides updates regarding the status of these services, to the limited extent necessary.

As enumerated in the OCA/Consumer Action petition, the programs in question were:

1. Liberty Cash
2. Sure Money
3. Online Payment Services
  - a. eBillPay
  - b. Pay@Delivery
  - c. USPS Send Money
4. ePayments

5. NetPost CardStore
6. NetPost Certified Mail
7. Electronic Postmark
8. Unisite Antenna Program
9. Returns@Ease
10. Mall Package Shipment Program
11. First Class Phone Cards
12. Retail Merchandise

The Postal Service has previously given the Commission status reports on these items in several contexts. In the exchange of materials in response to the OCA/Consumer Action petition, our first report was filed on March 10, 2003. We provided updated information regarding several programs on November 14, 2003. Information on many of them was also provided in the last rate case, Docket No. R2005-1, in response to OCA interrogatories.

Reproduced below is the relevant information most recently provided for each item listed. To the limited extent necessary, updated status information is provided as well. If (as in most instances) no new information is provided, the previously provided information remains accurate:

1. Liberty Cash

In our November 14, 2003 Update to the Report on Nonpostal Initiatives, we stated:

This initiative involved consideration of a stored value card for use in purchasing postage and related products. The Postal Service has terminated this initiative.

2. Sure Money

In Docket No. R2005-1, in Attachment Two to OCA/USPS-53, we said:

Sure Money is the umbrella title for the Postal Service's international funds

transfer service offered through 2,800 postal retail units with high concentration of Hispanic immigrants. The service is branded Dinero Seguro at retail, and provides service to 10 countries in Latin America and the Caribbean. It operates through a strategic alliance with Bancomer Transfer Service. Primary users are retail customers who are immigrants of the countries served by the service. The Postal Service collects the name of the recipient and sender, the amount of funds to be sent, the funds and service fee, and provides the data to Bancomer Transfer Service to complete the transaction. The service fee and the foreign exchange amount (to convert dollar-denominated funds into local currency) are combined and shared between the Postal Service and Bancomer Transfer Service.

### 3. Online Payment Services

In our March 2003 Report on Nonpostal Initiatives, we noted that Online Payment Services, which had formerly been known as ePayments, was an umbrella category which included a service (USPS eBillPay) and two features of that service (USPS Send Money and USPS Pay@Delivery) that had been separately enumerated in the OCA/Consumer Action petition. In our November 14, 2003 Update to the Report on Nonpostal Initiatives, we stated:

- USPS eBillPay

USPS eBillPay enables customers to receive, view and pay their bills electronically via the Postal Service web site. From inception, this service was largely operated by CheckFree Corporation, with the Postal Service retaining a role relating to marketing, promotion and customer service activities. The Postal Service has decided that it will not renew the contract with CheckFree upon its expiration in April, 2004, and has so informed CheckFree.

- USPS Send Money

USPS Send Money is a service feature available to customers wanting to send money to anyone with a transfer between bank accounts. Since this is provided as a feature under the agreement with CheckFree, it will also

no longer be offered by the Postal Service after April 2004.

- USPS Pay@Delivery<sup>TM</sup>

This feature allows customers to combine USPS Send Money with the Postal Service's Delivery Confirmation service offering. Since this is provided as a feature under the agreement with CheckFree, it will also no longer be offered by the Postal Service after April 2004.

In Docket No. R2005-1, in Attachment Two to the Response to OCA/USPS-53, we stated:

The USPS Online Payment Service, also known as USPS eBillPay, was an online service for bill payment. The service was offered through a strategic alliance with CheckFree Corporation. It was discontinued on May 1, 2004.

#### 4. ePayments

As noted with reference to No. 3 above, ePayments was simply a previous name for the Online Payment Services program, for which the status has been provided above.

#### 5. NetPost CardStore

In Docket No. R2005-1, in Attachment Two to the Response to OCA/USPS-53, we stated:

NetPost Card Store allows customers to create high-quality, personalized greeting cards that are printed and mailed the next business day. Customers may also choose to insert a retail gift card inside their greeting card and schedule the date and time they would like it to be printed and mailed. Services are provided by Touchpoint Inc. The primary purchasers of the service are consumers, and small to medium sized businesses. The role of the Postal Service is program management/development of service and new enhancements. Service is not provided by the Postal Service, but is accessed through [www.usps.com](http://www.usps.com).

## 6. NetPost Certified Mail

In Docket No. R2005-1, in Attachment Two to the Response to OCA/USPS-53, we stated:

NetPost Certified Mail allowed customers to create a document on a computer and transmit it electronically through usps.com along with the mailing list. The service then verified the mailing addresses, added the appropriate barcode, printed and folded the letter, and completed the certification forms electronically. This program was terminated in April 2004.

## 7. Electronic Postmark

In Docket No. R2005-1, in Attachment Two to the Response to OCA/USPS-53, we stated:

The USPS Electronic Postmark (EPM) is an out-sourced all-electronic service giving customers a way to time-stamp electronic files. The EPM provides evidence that a document or file existed at a specific time and date and detects changes made to the postmarked document. Since January of 2003, the service has been performed entirely by an outside vendor, Authentidate, under postal direction, policies, and branding. The Postal Service shares a portion of the EPM fees collected. Enrollment, payment, software installation and use are all web-based. Fees are on a per transaction basis. The primary uses are for time date stamp integrity authentication of faxed doctor's orders and end user documents, such as contracts or patient notes. The role of the Postal Service is to set policy, establish pricing, and perform security certification of any software that is USPS branded. The service is sold over the internet via online sales, or via a hardcopy sales agreement.

## 8. Unisite Antenna Program

In Docket No. R2005-1, in our Expanded Response to OCA/USPS-43, we stated:

This no longer exists as a discrete alliance program. (Even when it did exist, of course, it would never have been considered a "retail" program by any definition of that term.) While the Postal Service still leases space on its property for antenna towers, such arrangements are done on an *ad hoc* basis, and the associated revenue is treated as other lease revenue.

## 9. Returns@Ease

In our March 2003 Report on Nonpostal Initiatives, we stated:

Returns@ease is an umbrella name for a developmental effort to provide Internet access to the existing Merchandise Return Service. The user can go to the web site of a shipper to download a postage prepaid Merchandise Return Label. This service makes returning merchandise to the participating companies easy and convenient for customers and allows businesses to process returns online, thereby lowering costs, cutting cycle times, and providing more control on how returns are handled. It is basically equivalent to the stamps online program. It was decided that this did not require a filing with the PRC because the service is simply an access channel to an existing postal service for which the Postal Service does not charge a fee (other than the Merchandise Return Service fee previously recommended by the Commission.)

Currently, while the Postal Service generally continues to engage in the activities described above, the term "Returns@ease" is not, at this time, used to define either any organizational structure under which any particular set of such activities is conducted, or any particular set of such activities themselves.

## 10. Mall Package Shipment Program

In our November 14, 2003 Update to the Report on Nonpostal Initiatives, we stated:

This program, known as the "All Malls Valet Shipping Program," was a limited pilot test of a variation of free centralized collection service in shopping malls. As we explained in the Report on Nonpostal Initiatives, this program had been discontinued due to limited use during the experiment. It has now been terminated.

## 11. First-Class Phone Cards

In Docket No. R2005-1, in Attachment Two to the Response to OCA/USPS-53, we stated:

This is program involving pre-paid cards bearing philatelic images, sold at post office retail counters and in vending machines. They enable users to place domestic and international phone calls up to the value of the card. The Postal Service and its long-distance telephone service alliance partner (AT&T) share revenue. The primary purchasers of the service are retail customers who purchase as a gift or on an impulse, or travelers without access to cell or land phones. Phone cards are placed on consignment by the vendor until sold over the counter, at which point they are activated and funds are remitted to the vendor. Vending machine cards are batch activated prior to placing into the machine.

To update, phone cards currently are sold only at the counter, as sale in vending machines was terminated in FY04.

## 12. Retail Merchandise

In our March 2003 Report on Nonpostal Initiatives, we stated:

The retail merchandise mentioned in the Petition may refer to either of two separate initiatives. First, the Postal Service sells certain items in postal lobbies for customer convenience to support mailing needs. These items include stationery and packaging supplies such as padded bags, boxes, envelopes, labels and tape. Some of the packaging material and mailing products (stationery, etc.) bear philatelic images or the corporate signature, *e.g.*, Postal Service logos. While this merchandise facilitates mailing, the completion of a mail service transaction is not required in order to purchase it. Accordingly, the Commission has not treated the sale of such merchandise as a postal service subject to recommended decisions on charges and classification. The Postal Service also offers licensed postal theme merchandise, such as toys and clothing, incorporating philatelic images or historical aspects of the Postal Service. These sales also help to realize the value of intellectual property derived from postal resources. These sales are not related to the mailstream; therefore, it was determined that they did not involve the offering of a postal service.

In summary, there have been no material changes in status relative to previously provided information.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice.

Eric P. Koetting

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