

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

Before Commissioners: Edward J. Gleiman, Chairman;
W.H. "Trey" LeBlanc III, Vice Chairman;
Dana B. Covington, Sr.; Ruth Y. Goldway;
and George A. Omas

Complaint on Post E.C.S.

Docket No. C99-1

ORDER REQUESTING SUPPLEMENTAL INFORMATION

(February 17, 1999)

On October 5, 1998, United Parcel Service filed a formal complaint against the Postal Service pursuant to 39 U.S.C. § 3662, claiming that the Service's introduction of Post Electronic Courier Service (or "Post E.C.S.") violates various procedural and substantive requirements of the Postal Reorganization Act. The Postal Service challenges the merits of each of Complainant's claims, and has moved to dismiss the Complaint.¹ In order to clarify the issues presented by this controversy, the Commission requests that the Service provide information responsive to the following questions by March 1, 1999.

(1) According to a newspaper account contained in Exhibit B to the Complaint, the Postal Service commenced offering Post E.C.S. in a six-month test it began on July 17, 1998.

(a) Has the operations test of Post E.C.S. concluded, and provision of the service discontinued?

¹ Motion of the United States Postal Service to Dismiss, November 5, 1998. As provided in Order No. 1221, Complainant filed the Answer of United Parcel Service in Opposition to Motion of United States Postal Service to Dismiss Complaint on December 16, 1998.

- (b) If the service is still being provided, please describe its status and specify the authority under which it is being provided.
 - (c) Whether or not the service is still being provided, does Postal Service management currently plan to request approval of an extension of Post E.C.S. by the Board of Governors? If so, please specify the contemplated timing of any such request.
- (2) In paragraph 20 of the Answer filed on November 5, 1998, the Postal Service “denies that ‘substantial numbers’ of companies are using Post E.C.S., or that usage of Post E.C.S. can be characterized as ‘nationwide’.”
 - (a) Is the number of U.S. companies the Service has licensed to use Post E.C.S.: (i) fewer than 25; (ii) between 25 and 100; or (iii) more than 100?
 - (b) If this information is available, please specify the percentage of Post E.C.S. document transmissions originated by U.S. licensees to date:
 - (i) directed to recipients within the U.S., and (ii) directed to recipients in other countries.
 - (c) Please provide a quantitative description of the geographic dispersion of U.S. companies licensed to use Post E.C.S. — for example, the number of metropolitan areas, performance clusters, States, or other geographic divisions in which such companies are located.
 - (d) Is it possible and permissible for a U.S. company licensed to use Post E.C.S. to originate document transmissions from: (i) more than one location? (ii) anywhere in the United States?
- (3) Exhibit A to the Complaint, which appears to be a piece of Postal Service promotional material, states: “Post E.C.S. allows you to send and receive your business documents quickly at substantial cost savings compared to overnight and courier services.”
 - (a) Is Post E.C.S. being offered as a substitute for Express Mail or any other service currently provided by the Postal Service?

- (b) To what extent have U.S. companies licensed to use Post E.C.S. substituted use of that service for Express Mail or any other postal service they previously used?
- (4) In paragraph 31 part a of the Answer filed on November 5, 1998, the Postal Service states that it is “conducting a limited test of ... Post E.C.S., under the auspices of the International Post Corporation, in conjunction with the Canada Post Corporation and France’s LaPoste.”
 - (a) Please provide a copy of each convention, memorandum of understanding, contract, or other instrument governing the joint provision of Post E.C.S. service under the international arrangement referenced in this paragraph.
 - (b) Which of the terms and conditions under which the Postal Service has provided Post E.C.S. to U.S. companies, if any, are governed by the referenced international arrangement?

It is ordered:

The United States Postal Service is to provide responses to the questions contained herein by March 1, 1999.

By the Commission.

(S E A L)

Margaret P. Crenshaw
Secretary