Postal Regulatory Commission

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Press Release

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PRC Orders USPS to Terminate Two Nonpostal Services and Clarifies Guidelines for the Sale of Licensed and Nonlicensed CDs and DVDs

Washington, DC – The Postal Regulatory Commission today ordered the Postal Service to terminate two nonpostal services and issued guidelines for the sale of licensed CDs and DVDs by the Postal Service. <u>Order No. 392</u> is available on the Commission's website, <u>www.prc.gov</u>, and has been submitted to the Federal Register.

This action is a follow-up to <u>Order No. 154</u>, which implemented section 404(e) of the Postal Accountability and Enhancement Act (PAEA) requiring the Commission to define and rule on the continuance of nonpostal services offered by the Postal Service as of January 1, 2006.

The Commission ordered the termination of these two nonpostal services:

- Licensing of Postal Service trademarks to enable third parties to sell "USPS-brand" mailing and shipping products related to Postal Service operations (USPS may continue to license its trademarks for display on *other* brands of products), and
- Performing warranty repairs on equipment owned by third parties because the service was not being offered on January 1, 2006.

In addition, the Commission ruled that the Postal Service may continue to sell CDs and DVDs, but only if:

- They are licensed and comply with the Postal Service's "Officially Licensed Retail Program," or
- Nonlicensed CDs and DVDs related to stamps, postal themes and postal events may be sold as part of the Philatelic Sales program, a nonpostal service, if packaged with philatelic materials.

In Order No. 154, the Commission authorized the continuance of 14 nonpostal services, determined that certain revenue generating activities were not services and therefore not subject to review, and also determined, pursuant to the PAEA, that six activities, for the first time, met the definition of a postal service.

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The Postal Regulatory Commission is an independent federal agency comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Goldway, the other Commissioners are Vice Chairman Tony Hammond, Dan Blair, Nanci Langley, and Mark Acton.