



U.S. DEPARTMENT OF JUSTICE
Antitrust Division

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Acting Assistant Attorney General

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December 13, 2016

Kathleen M. Porter
Robinson & Cole
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Dear Ms. Porter:

This letter responds to your request, made on behalf of your clients, Amadeus Group LLC ("Amadeus") and Mystic Logistics LLC ("Mystic"), for the issuance of a business review letter pursuant to the Department of Justice's Business Review Procedure, 28 C.F.R. § 50.6. You have requested a statement of the Antitrust Division's current enforcement intentions with respect to a proposal to operate a pricing aggregation service that would allow subscribers to calculate costs and transportation options using a pricing algorithm for bulk commercial mailings. For the reasons discussed below, the Division has no present intention to challenge the operation of the proposed pricing aggregation service.

Factual Background

You have made the following representations to the Division. Amadeus is a Delaware limited liability company and Mystic is a Connecticut limited liability company. Amadeus and Mystic are wholly owned subsidiaries of Mystic Logistics Holdings LLC, a Delaware limited liability company. Mystic only provides transportation support services for commercial mailings.

Amadeus has developed a service that would allow subscribers to calculate different postage, packaging, and transportation scenarios for bulk commercial mailings. As we understand it, the service would work as follows: a subscriber to the Amadeus service would upload to the service information and parameters for a particular job. This information would include public information, subscriber data for the specific job request, and third party data, including pricing and other information, related to the job request. Once the subscriber has uploaded the data and pricing information, the Amadeus

pricing algorithm would calculate different postage, packaging, and transportation scenarios specific to the subscriber's job request. The service therefore would allow the subscriber to choose the most efficient logistics and pricing for its bulk commercial mailing.

Some of the information that a subscriber uploads to the Amadeus service may be from Mystic and/or third parties that compete with Mystic in the provision of transportation support services.

Legal Analysis

Based on your representations and the documents and information submitted in support of your request, the Department of Justice, Antitrust Division, has no present intention to challenge the operation of Amadeus' pricing aggregation service.

Although the aggregation and exchange of price and other competitive information can facilitate anticompetitive coordination among competitors, there does not appear to be a substantial risk of that result in this case. As set forth below, as we understand it, the service would not be used to compile, communicate, or disseminate pricing, transactional, or other competitive information among subscribers or third parties.

First, we understand that any nonpublic information and parameters that a subscriber uploads to the Amadeus service related to a particular job request would not be shared with or made available to other subscribers, or to third parties. In short, other subscribers and third parties would not have access to the specifics of a job request, third party prices, data, or other competitive information. Some nonpublic information would be available to Amadeus and Mystic, but, as set forth below, Amadeus and Mystic would not have access to any data and pricing relating to transportation support services from third parties that compete with Mystic.

Second, we understand that the postage, packaging, and transportation scenarios that the Amadeus pricing algorithm calculates based upon a subscriber job request and the uploaded data only would be available and accessible to that subscriber. Other subscribers or third parties would not be able or allowed to access those results.

Third, Amadeus and Mystic will institute and maintain firewalls that would prevent subscribers and third parties from accessing any information about other subscribers. We understand that the Amadeus and Mystic employees who work with the service will be held to a strict standard of confidentiality.

Finally, for subscribers and input providers, participation in the service would be nonexclusive. There will be no restrictions on the ability of a subscriber or input provider to join or participate in competing services.

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Because Mystic itself provides transportation support services, subscribers may upload data and pricing from Mystic and from third parties that also provide transportation support services. We understand that Amadeus and Mystic would encrypt any such transportation support services data and pricing information, and limit access to unencrypted data to a third party service provider with which Amadeus would contract. The encryption would prevent Amadeus and Mystic from having access to or the ability to access any data and pricing from third parties that compete with Mystic.

Conclusion

For the reasons discussed above, the Department has no present intention to challenge the operation of Amadeus' proposed pricing aggregation service.

This letter expresses the Division's current enforcement intention and is predicated on the accuracy of the information that you have presented to the Division, as well as any additional qualifications set forth in this letter. In accordance with its normal practice, the Division reserves the right to bring an enforcement action in the future should the Amadeus service or any agreement or activities in which Amadeus or Mystic may engage prove to be anticompetitive in purpose or effect in any market.

This statement is made in accordance with the Department's Business Review Procedure, 28 C.F.R. § 50.6. Pursuant to its terms, your business review request and this letter will be made publicly available immediately, and any supporting data will be made publicly available within thirty (30) days of the date of this letter, unless you request that any part of the material be withheld in accordance with Paragraph 10(c) of the Business Review Procedure.

Very truly yours,



Renata B. Hesse