

**UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001**

Postal Rate Commission
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**Proposed Amendment to the
Commission's Rules**

Docket No. RM2004-1

COMMENTS OF PITNEY BOWES INC.

Pitney Bowes Inc. respectfully submits these comments pursuant to Order No. 1424, which invites comments on the Commission's proposal to revise the proposed amendment to its Rules of Practice and Procedure to include a definition of the term "postal service."¹ Pitney Bowes previously submitted comments pursuant to Order No. 1389.

As stated in its previous comments, Pitney Bowes has long advocated that the Postal Service should focus on its core mission – preserving universal physical mail service by providing universal access and universal delivery at affordable prices. To achieve this mission the Postal Service should work to continuously improve its established role of accepting, collecting, sorting, transporting, and delivering physical mail and packages. Pitney Bowes thus supports the Commission's decision to "define the term postal service by reference to the Postal Service's statutory duties." Order at 3.

Because the Postal Service is a U.S. Government entity with a statutorily defined monopoly and service obligation, regulatory oversight is essential. Independent regulatory oversight is imperative to ensure that these non-core service offerings do not impair the Postal Service's ability to fulfill its statutory mandate and to ensure that the Postal Service does not

¹ See Proposed Rulemaking Concerning Amendment to the Rules of Practice and Procedure, PRC Order No. 1389, dated January 16, 2004.

improperly leverage its monopoly position to compete unfairly against the private sector for competitive services.

Pitney Bowes believes that the Postal Service should not enter commercial markets that can be served by the private sector and that the Postal Service should not compete in commercial markets that it substantially regulates. The Postal Service may nonetheless engage in certain non-core activities. The Commission can only exercise jurisdiction over services deemed “postal services.” Order at 7-8. Pitney Bowes thus supports the adoption of an expansive definition of “postal services.” The proposed definition, as amended, appears sufficiently broad to ensure that the necessary oversight can be achieved.²

Accordingly, for the reasons set forth above and in the prior comments, Pitney Bowes encourages the Commission to move forward with the adoption of a broad definition of “postal services.”

Respectfully Submitted,

_____/s/_____
John Longstreth
Michael F. Scanlon
PRESTON GATES ELLIS &
ROUVELAS MEEDS LLP
1735 New York Avenue, NW
Suite 500
Washington, DC 20006
Telephone: (202) 628-1700
Facsimile: (202) 331-1024
E-mail: johnl@prestongates.com

Counsel for PITNEY BOWES INC.

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² As stated in previous comments, the Commission is to be commended for moving forward with the proposed rulemaking in parallel to the legislative initiatives for postal reform in Congress. Absent legislation limiting the scope of permissible services, Pitney Bowes supports a regulatory definition that provides the Commission with broad jurisdiction to review products and services introduced by the Postal Service.