

BEFORE THE
POSTAL RATE COMMISSION

PROPOSED AMENDMENT
TO THE COMMISSION'S RULES

Docket No. RM2004-1

**REPLY COMMENTS OF UNITED PARCEL SERVICE
ON REVISED PROPOSED AMENDMENT
TO THE COMMISSION'S RULE
(March 1, 2005)**

Pursuant to Commission Order No. 1424 (November 12, 2004), United Parcel Service ("UPS") hereby files its reply comments in support of the revised rule proposed by the Commission in Order No. 1424, with one suggested modification.

DISCUSSION

In comments filed on March 9, 2004, UPS expressed its support for the Commission's proposed adoption of a definition of the term "postal service," with two suggested revisions. First, UPS suggested that the Commission modify its initial proposed definition to include the "acceptance, collection, processing, transmission, or delivery" of mail. UPS Comments (March 9, 2004), pp. 2-3. Second, UPS suggested that the definition "explicitly include service offerings that are either partially or wholly electronic." Id. at 3-4. In Order No. 1424, the Commission acknowledged the validity of UPS's points, but decided "to define the term postal service based on statutorily derived terms." Order at 48.

1. Electronic Services

Although the Commission declined to adopt UPS's proposal that the definition of "postal service" expressly include service offerings that are partially or wholly electronic, the Commission stated that "services offered by the Postal Service that provide an alternative to more traditional mail services, such as electronic communication services, would fall within the proposed definition." Order at 33. Since the Commission has made clear that its proposed definition is intended to include electronic service offerings, UPS believes that the definition need not be amended to include them explicitly.

2. "Correspondence"

UPS suggests one modification to the newly proposed definition. A key term in the new definition is the word "correspondence." Many non-package items that are currently handled by the Postal Service are arguably not "correspondence." This includes, for example, catalogs, printed advertisements, and other documents that the ordinary layman would not consider "correspondence." The transmission or delivery of these items clearly constitutes "postal services." By making the definition of non-package "postal services" hinge on the term "correspondence," the Commission may inadvertently invite future debate over what constitutes a "postal service" in areas that are currently not in dispute.

UPS suggests that the language "correspondence, including, but not limited to, letters, printed matter, and like materials" be replaced with "letters, other written and printed matter, and like materials." This suggested revision is consistent with the Commission's desire to use statutorily derived terms. See Order at 33; 39 U.S.C. §§ 101(e), 403(a). Moreover, there should be no doubt that the transmittal or delivery of

printed matter that does not necessarily constitute “correspondence” remains defined as “postal services.”

Respectfully submitted,

John E. McKeever
Laura A. Biancke
Attorneys for United Parcel Service

DLA PIPER RUDNICK GRAY CARY US LLP
One Liberty Place
1650 Market Street, Suite 4900
Philadelphia, Pennsylvania 19103-7300
(215) 656-3300
(215) 656-3301 – Facsimile

Dated: March 9, 2005

CERTIFICATE OF SERVICE

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

John E. McKeever

Dated: March 1, 2005