

**BEFORE THE POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001**

Review of Nonpostal Services

Docket No. MC2008-1(Phase II)

**NOTICE OF PITNEY BOWES INC. REGARDING THE STATUS OF
USPS-BRANDED REPLACEMENT POSTAGE METER INK CARTRIDGES
AND POSTAGE METER SUPPLIES
(November 19, 2009)**

On November 18, 2009, the Postal Service filed notice that it had terminated the license agreement for USPS-branded postage meter ink cartridges and postage meter supplies, effective December 17, 2009. Accordingly, Pitney Bowes no longer has a direct and immediate interest in any of the specific licensing arrangements under consideration in Phase II.

Throughout Phase I and Phase II of this proceeding, Pitney Bowes has taken the position generally that the Postal Service's licensing program is subject to review under section 404(e), and has, specifically, filed numerous pleadings opposing the Postal Service's licensing agreement to provide USPS-branded postage meter ink cartridges and postage meter supplies. Pitney Bowes' position has not changed. We continue to believe that review and oversight by the Commission of USPS licensing activities is required by the PAEA, *see* 39 U.S.C. § 404(e), and is essential as a consumer protection measure and as a means of protecting against unfair competition, especially where the Postal Service is offering licensed products in commercial markets over which it also exercises regulatory authority.

The Commission's authority to review the Postal Service's commercial licensing activities is currently the subject of an appeal pending before the United States Court of Appeals

for the District of Columbia Circuit. *See United States Postal Service v. Postal Regulatory Commission and the United States of America*, Case No. 09-1032 (D.C. Cir.), filed Jan. 16, 2009.

If the appeals court upholds the Commission's authority to review and regulate these activities, Pitney Bowes looks forward to the opportunity to participate in future proceedings regarding the scope and nature of the regulation of approved nonpostal services.

Respectfully submitted,

/s/

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