

Commission Completes Hearings On Universal Service – Report Next

On Thursday, July 10, the Postal Regulatory Commission (PRC) concluded its fourth and final public hearing on universal post services and the USPS's obligation to provide it. Postal management associations and unions, a First Amendment attorney, a veteran postal activist, a regulatory economist, and representatives from a consumer advocacy and senior citizen's group testified at the 4½-hour hearing.

At outset of the hearing, PRC Chairman Dan Blair referenced major themes that the Commission has heard during its three field hearings (Flagstaff, AZ, St. Paul, MN; and Portsmouth, NH). One theme that Chairman Blair singled-out was the significance of post offices. Specifically, Blair cited the value of post office accessibility, and the vital link between community identity and its post office. The Chairman also mentioned widespread opposition to opening up mailboxes to private couriers. Commissioner Ruth Goldway mentioned that the PRC's universal service proceedings promoted "a new openness to dialogue" and the PRC seeks to "build solid relationships" with the employee groups. In his remarks, Commissioner Tony Hammond mentioned the importance of small town post offices. Commissioner Hammond hails from a small Missouri town, where his father was a rural letter carrier, and then a Postmaster.

NAPUS President Dale Goff, in his testimony, acknowledged the input of four NAPUS members (Dennis O'Neill, Jeannie Schnell, Mike Larson, and Lyle Puppe) who have provided valuable information to the PRC regarding the role of post offices to communities throughout the nation. He also outlined the Constitutional, statutory, and political justification for post offices being the "bedrock" of a universal Postal Service. Dale warned that "economic expediency" cannot be the poison that destroys universal service, or the Postal Service's obligation to provide it. President Goff emotionally spoke about the pivotal role that post offices play in communities decimated by natural disasters. He identified the heroic postal efforts in the Gulf Coast in the wake of Hurricane Katrina, and in Midwest communities inundated by Mississippi River flooding. Dale cautioned the PRC about replacing post offices with "privatized" or "depersonalized" postal units. This includes aggressive attempts to expand contract postal units (CPUs) to locations where post offices ought to be. President Goff concluded his remarks by thanking the PRC for "taking a keen interest in Postmaster vacancies and [post office] suspensions", and how these ill-considered USPS decisions are impacting universal service and the quality of postal services. The full text of President Goff's testimony can be viewed at <http://prc.gov/Docs/60/60457/Dale%20Goff%20Statement.pdf>.

During the hearing, the Commission questioned the postal employees on a



NAPUS President Dale Goff Testifies at PRC Hearing (to his right, Rural LC Vice President Don Cantriel)



PRC Listening to President Goff's Testimony

number of issues, including, the importance of post offices, the frequency of mail delivery and access to the mail box. Vice Chairman Mark Acton queried President Goff on the importance of post offices in the recovery of Louisiana communities after Katrina. Dale explained how post offices became the staging area for communities. Since mail delivery to decimated communities was problematic, post offices were crucial in the distribution of necessities such as Social Security checks and mail order pharmaceuticals. Commissioner Goldway questioned the postal witnesses on whether the PRC should recommend a specific definition of “universal postal service.” All of the postal groups thought that a statutory definition would be unwise. Finally, newly-minted Commissioner Nanci Langley asked the postal panel about CPUs and their impact on postal services. Dale and NLPM President Charlie Mapa pointed out that CPU personnel are generally ill-trained, and “you get what you pay for!” Moreover, postal customers do not have the same level of trust for CPU workers as they do for postal professionals.

While the employee association panel tread over familiar ground, the second panel encountered rocky terrain and produced some sparks. Specifically, Prof. Murray Comarow, former Director of President Johnson’s Commission on Postal Organization, locked horns with Cornell University Economics professor Richard Geddes. Prof. Geddes has written extensively in support of a deregulated postal marketplace, where there would be no mailbox restrictions and private couriers could compete with the USPS for letter mail. Geddes maintains that it is desirable to decouple the USPS universal obligation from the postal monopoly on letters and mailboxes. He then believes that cost efficiencies and service will improve the product. Geddes argued that the European and New Zealand “postal liberalization” experience was successful. Comarow disputed Geddes’ analysis and conclusions. Geddes conceded that the disparate impact of labor costs within a liberalized postal market versus the US model needs further exploration. After all, in Europe, social costs (e.g., retirement and health) are borne by the governments, as a societal benefit; however, in the US, such costs are covered by the Postal Service and its customers. In addition, deregulated posts compete with private companies in non-postal areas (e.g. banking, and telecommunications). Geddes, again, demurred that more study is necessary. In addition, Prof. Comarow inquired as to how a deregulated for-profit post could be encouraged to provide service to an unprofitable area. Geddes suggested a “government-funded subsidy.” Indeed, Prof. Geddes’ economics does not account for the political complexity of securing a Congressional subsidy for postal services to small, isolated, rural, or even some urbanized communities. Prof. Comarow concluded his rebuttal of Geddes by getting the Syracuse professor to concede that some of his analysis was based upon private sector monopolies – *not government regulated public monopolies* – an important point if you ask me.

The final panel included James Martin, President of the 60 Plus Association, a politically conservative senior citizens’ group that is promoting the elimination of the mailbox monopoly. Under Commission questioning on the vulnerability of senior citizens to identity theft and deceptive advertising, Mr. Martin backtracked and thought that mailbox access should be restricted to “established couriers”. The final witness was noted First Amendment attorney Robert Corn-Revere. He testified to the Constitutional hurdles that “Do Not Mail” legislation would confront if enacted. He suggested that mail content is protected speech and that courts would invalidate legislation to restrict mail.

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