

BEFORE THE
POSTAL REGULATORY COMMISSION

Before Commissioners:

Dan G. Blair, Chairman;
Mark Acton, Vice Chairman;
Ruth Y. Goldway;
Tony L. Hammond; and
Nanci E. Langley

Report on Universal Postal
Service and the Postal Monopoly

Docket No. PI2008-3

TESTIMONY OF WILLIAM BURRUS, PRESIDENT
AMERICAN POSTAL WORKERS UNION, AFL-CIO
(July 10, 2008)

Good morning Mr. Chairman and Commissioners. Thank you for scheduling this hearing on the subject of the postal monopoly and thank you for inviting me to testify on behalf of the American Postal Workers Union and its 300,000 members. The original law that established our nation's postal system and each subsequent modification decreed that the Postal Service is "a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people." Despite the fact that commercial communications such as advertising now dominate postal volume, the "basic function"

of the Postal Service is still the “obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people and is required by law to “provide prompt, reliable, and efficient services to patrons in all areas and [to provide] postal services to all communities.”¹

As postal workers, we bring to the Commission our views on universal service from a unique vantage point. We are average Americans, residing in every community, and because of our employment we have a thorough inside knowledge of postal operations. We work on a daily basis to bring prompt, reliable, efficient and trusted postal services to every citizen in America. As postal employees we see and understand on a personal level how important our services are to individuals and to communities. The general theme of my testimony this morning is to urge the Commission to consider the universal service obligation, the role of the postal monopoly, and the importance of the privacy of mail boxes from the vantage point of the recipients of the mail – the average individuals (who may be technologically challenged), churches, community associations, and small businesses.

I am certain the Commission appreciates the importance that the business community and ordinary people alike attach to postal services and to their local post offices. Time and again during the consideration of Area Mail Processing surveys that questioned the economic viability of particular postal facilities, local communities rallied in impressive numbers to attend town hall meetings in support of retaining their local postal services. Even though the law provides that “[n]o small post office shall be

¹ 39 USC § 101(a)

closed solely for operating at a deficit,"² more compelling than these words were the reactions of people who learned that their postal facilities might be closed. Scores of individual citizens rallied to the preservation of "their" Post Office. These protests also took place in larger cities where individuals and political leaders expressed deep concern about the location and continued viability of their postal facilities.

The point that I make is illustrated by events that ensued when the Postal Service proposed to close the old and rather dilapidated post office in McCausland, Iowa, a town of approximately 300 residents. The plan was to close the local post office and provide the residents rural delivery only, with no post office in the community. The citizens of McCausland rallied and purchased a building at a cost of \$55,000 to house and to retain a community postal facility. The building needed an additional \$55,000 in renovations, so the citizens organized fundraisers for that purpose. As McCausland City Council Member Lloyd Claussen said, funds were raised "one pork sandwich at a time." In response to these efforts, the American Postal Workers Union made a substantial contribution to assist in the renovations. It is my understanding that to date sufficient funds have been raised and the Postal Service has agreed to lease the new post office. The citizens of McCausland will retain local postal services.

The commitment of ordinary citizens to preserve their postal service is summarized by Representative John M. McHugh of New York in his testimony to this Commission. Mr. McHugh was one of the staunchest supporters of postal reform

² 39 USC § 101(b)

legislation and is well respected for his knowledge and commitment to a viable Postal Service. He said:

“Congress debated the future of the Postal Service for 12 years and during that time a bipartisan consensus formed that held universal service should be broadly defined to serve all Americans, rich and poor, urban and rural, nationwide. That has historically meant six-day delivery, reasonable access to retail services as well as convenient access to collection boxes.”

Representative McHugh also strongly supports the postal monopoly and has referred to the mail box monopoly as “crucial to America’s sense of privacy and the security of the mail.”

For these and many other reasons the American Postal Workers Union respectfully submits that your review of the universal obligation and the monopoly should be influenced by the history and role of postal services in the fabric of our country.

In addition to sharing our views on these matters, I will take this opportunity to express our concerns about the process the Commission used in undertaking the preparation of its Report on these issues. I have shared our views in a letter to the House Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, which I requested be included in the record. We are concerned about the published opinions of the contractors who have been selected to draft the Commission’s Report. Included in their writings are the following opinions:

In testimony before the presidential commission James Campbell characterized the monopoly as having “insidious effects,” stating that the postal monopoly:

- *Makes the Postal Service a victim*
- *Corrodes labor relations*
- *Intimidates customers*
- *Excuses endless political interference from members of Congress; and*
- *Is the ‘chain that binds the Postal Service hand and foot.’*

I find their writings in to be short on original analysis and long on ideological wishful thinking. I disagree that this is the time and universal service is the vehicle to tinker with the postal monopoly.

The effects of the nation’s economic stagnation has caused a slow but steady erosion of First Class mail volume, but these developments only emphasize the importance of maintaining the monopoly to ensure that universal service can be sustained even in hard economic times.

Advocates of dismantling the monopoly are fond of pointing to changes in European postal services as an example for change. I make two responses to those comparisons. The first is that the geography, history, experience and performance of European postal systems have been so different from ours that the differences are more significant than any similarity. The Europeans have found a need to coordinate a variety of different postal services across international borders; by contrast, the United

States Postal Service has operated as a unified service in a geographically large and very populous single country. Our delivery obligations range from large urban centers to sparsely populated and remote locations. Unlike the European system, we have provided door-to-door service and, despite all of the challenges that we have faced the USA, postal rates have tracked overall inflation trends for the entire history while service standards and public satisfaction have risen and remain high. There is no need or reason for this country to mimic a European model to cure problems we do not have.

I also point out the inconsistencies of those who would argue that systems adopted by other countries should serve as our models. As a nation we continue to engage in healthy debate about national health care, and it is often cited that the European and Canadian models are examples of superior service. But despite this healthy debate, it is generally accepted that the European health care model is not adaptable to the American system and should not be afforded serious consideration. We suggest that the European postal model is equally non applicable to our country.

The APWU urges the Commission to do all that it can to preserve the monopoly and preserve mail services for the American people.