



American Postal Workers Union, AFL-CIO

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May 30, 2008

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The Honorable Danny K. Davis
Chairman
Subcommittee on Federal Workforce, Postal Service,
and the District of Columbia
Committee on Oversight and Government Reform
2159 Rayburn House Office Building
Washington, DC 20515

The Honorable Kenny Marchant
Subcommittee on Federal Workforce, Postal Service,
and the District of Columbia
Committee on Oversight and Government Reform
2159 Rayburn House Office Building
Washington, DC 20515

Re: PRC Report on Universal Postal Service and the Postal Monopoly

Dear Sirs:

I am writing in response to a letter submitted for the record of the Subcommittee's hearing on "The U.S. Postal Service, Post-PAEA: What's Next" by Chairman Dan Blair of the Postal Regulatory Commission. I am writing on behalf of the American Postal Workers Union, AFL-CIO (the APWU) and I respectfully request that this letter also be placed in the hearing record.

We pointed out in our testimony at the Subcommittee's hearing that the PRC has selected as its contractors for the Universal Service Obligation study two individuals whose partisan positions are well-known. These include the opinion 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."

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We respectfully submit that any report to the Congress based on the work of these individuals must be viewed with the utmost skepticism.¹

Chairman Blair's letter asserts that the Commission has "hired a consultant to assist the Commission in researching the substantial information and background areas required by the law. ... [A]ny conclusions, findings, recommendations or policy determinations will be those of the Commission..." However, examination of the Commission's RFP on this project must give the Subcommittee cause for concern on this point. In the critical area of the postal monopoly, the RFP requires the contractors to:

"include an estimate of the...value of the postal monopoly, and a discussion of the ability of the current postal monopoly to sustain the current universal service obligation." RFP Section 2.4 Task 4, at p. 6.

The contractors' views of the postal monopoly are on the public record and are stated in the bullet points above. It is disturbing, therefore, and a matter of grave concern that the Commission's RFP also requires that the contractors, when they address the issue of the monopoly:

"shall provide a written document... . The written document shall be suitable for incorporation into the final Report to the President and Congress."

The Commission's RFP identifies 15 separate tasks to be undertaken by the Commission's contractors. In describing those tasks, the RFP uses the phrase "The written document shall be suitable for incorporation into the final Report to the President and Congress" 9 times. In addition, Task 15 (RFP Section 2.15, p. 9) states:

¹ See, for example, Testimony of James I. Campbell, Jr., before The President's Commission on the U.S. Postal Service, February 20, 2003, at 17; and Testimony of Robert H. Cohen, before The President's Commission on the U.S. Postal Service, February 20, 2003, at 11-12. See also, "Universal Service Without a Monopoly," Cohen, Robert H., et al., published in Current Directions in Postal Reform, 69, at 74-77 (1999). For a rebuttal of some of Campbell and Cohen's arguments, see Rebuttal Testimony of the American Postal Workers Union, AFL-CIO, before The President's Commission on the U.S. Postal Service, March 13, 2003. See also Concluding Statement of the American Postal Workers Union, AFL-CIO, before The President's Commission on the U.S. Postal Service, July 8, 2003.

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"The contractor shall blend the written documents from the applicable tasks listed above into a comprehensive report to be delivered to the President and Congress."

In light of this record, no amount of rationalization or polite phraseology that may accompany the Commission's Report should mislead the Subcommittee to believe that the Report has been prepared with an objective or non-partisan view of the issues.

We also wish to place into the record the process by which these contractors were selected. On November 30, 2007, the Commission posted its Request for Proposal (RFP Dated November 29, 2007). The RFP, a copy of which is attached to Chairman Blair's letter, is 20 pages long and requires technical work and analyses on 15 separately-stated tasks.

Proposals to perform the work proposed by this RFP were due to be submitted to the Commission by December 21, 2007 – fifteen (15) working days after the posting of the RFP. The very short timetable for response to the RFP combined with the selection of two individuals with well-known views as contractors should give the Subcommittee reason for serious concern about the way the Commission has undertaken this Report.

Thank you to your attention to these important matters.

Sincerely,



William Burrus
President

cc: The Honorable Dan G. Blair
The Honorable Ruth Goldway
The Honorable Tony Hammond
The Honorable Mark Acton

WB:RB/rr
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