Congress of the United States
Washington, DC 20515

September 15, 2011

The Honorable Ruth Goldway
Chairwoman
Postal Regulatory Commission
901 New York Avenue NW
Suite 200
Washington, DC 20268

Dear Chairwoman Goldway,

Thank you for the opportunity to comment on the U.S. Postal Service's proposal to close up to 3,653 post offices. We would appreciate your inclusion of this letter in your formal record of comment. We appreciate the dire fiscal condition of the Postal Service and the need to change the Postal Service's business model to protect its viability and the service it provides to American consumers and businesses. Unfortunately, widespread post office closures are the wrong way to deal with the Postal Service's fiscal problems, and they could harm the Postal Service's competitiveness in the long run.

The Postal Service's unparalleled retail network actually is a competitive advantage, as several business representatives noted at a joint House/Senate hearing on the Postal Service. This expansive retail network provides several vital services:

- It fulfills the Postal Service's universal service obligation, providing connections for rural communities which would otherwise be isolated.
- It creates business opportunities for private mail delivery services, which rely on the Postal Service for the last mile of delivery in most parts of America.
- It creates business opportunities for small businesses and online entrepreneurs which deliver their products through the mail, because no other delivery service provides low cost deliveries like the Postal Service.
- It creates business opportunities for the $1 *trillion* mailing industry, which includes suppliers, retailers, advertisers, and packagers.
- It protects the health of seniors by ensuring reliable delivery of prescription drugs through the mail.

The law requires that "the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas." (39 U.S.C. 101(b)). However, the USPS is centering its downsizing efforts on small post offices (its Postal Regulatory Commission filing lists 2,825 post offices that earn less than $27,000 per year). These low-earning post offices tend to be located in rural areas. A reduction of this size would have a

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severe negative impact on rural America, threatening the viability of thousands of small towns across America. Village Post Offices will not fill this void and do not offer all regular postal services, thus, failing to provide the maximum degree of effective service.

Underlying this post office closure proposal is the premise that drastic cuts in costs are the only way to maintain the solvency of the Postal Service. This assumption is inaccurate, and once again we are presented with false choices. The Postal Service would still have positive net revenue today except for the requirement that it prefund 100% of employee retirement and retirement health costs, a requirement that Congress imposed on it in 2006. No other public or private business in America faces this onerous and unnecessary requirement, and Congress could give the Postal Service breathing room to recalibrate its business model simply by repealing this retirement prefunding requirement. So too Congress could allow the Postal Service to use some of the $50-$75 billion that Postal Service employees and customers overpaid to the Treasury during the last thirty years. Simply correcting this overpayment would do far more to protect the solvency of the Postal Service than closing small rural postal facilities. Finally, Congress should remove restrictions which prevent the Postal Service from selling products closely associated with postal products. Thanks to the 2006 Postal Accountability and Enhancement Act, the Postal Service can't even sell postal-related products and services such as wine and beer shipment. Congress should allow the Postal Service to operate like a business rather than punish rural America for the strictures that Congress placed on the Postal Service in 2006.

We greatly appreciate the PRC's careful consideration of this proposal and your longstanding efforts to understand the multifaceted benefits provided by the Postal Service. It is no less valuable today than when Pony Express riders raced across the American frontier. This Constitutional institution must be strengthened, not eviscerated, because it continues to improve quality of life for our constituents while creating more than a trillion dollars of private sector business activity. Widespread closure of post offices should be rejected in favor of more thoughtful reform that fixes the errors of the 2006 Postal Accountability and Enhancement Act and finally allows the Postal Service to behave like a business and ensures the requirement to provide universal service is fulfilled.

Sincerely,

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