

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D. C. 20268

Report on USO and the	}	
Postal Monopoly	}	Docket PI 2008-3
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Testimony of Don Cantriel,
Vice President of the National Rural Letter Carriers' Association

My name is Don Cantriel; I am the Vice President of the National Rural Letter Carriers' Association, representing 128,000 rural craft employees. Our craft is a vital & dynamic part of the U. S. Postal Service delivery network. Rural Carriers are a "post office on wheels". We provide all the services found at a post office to all our customers every delivery day.

My route is 71.4 miles with 400 boxes. Approximately 40 of those miles are gravel roads. I deliver ducklings, baby chicks, bees, seeds, farm supplies & parts on my route.

- NRLCA strongly supports the limited monopoly USPS has that enables us to fulfill a Universal Service Obligation (USO) at the World's most affordable rates and most reliable service.
- We agree with Congressional Postal Reform leaders who stated that USO means 6-day delivery to everyone, everywhere, in the largest geographic delivery country in the World.
- We support our customers' strong support of the mailbox monopoly and the resulting security and sanctity it provides for their mail.
- We strongly believe the USO in the USA is a result of collaboration between USPS and our partners. FedEx, DHL, UPS, & R. R. Donnelley are both our competitors and business partners. By working with them we increase their profitability and they increase our reliability. They help us process and transport postal products and we help them collect and deliver the last mile.
- Currently, NRLCA believes there is no reason to consider changing the monopoly, USO, or the mailbox monopoly.

I would like to address the current economic situation. By most economists' assessments we are in a recession. All of the U. S. mailing industry is very sensitive to the economy. The Postal Service acutely feels the loss of volume, hence revenue.

But Rural Carriers share their pain. We have a contractual reimbursement for; providing our own vehicles in order to perform our duties, which the majority of our carriers do. However, the escalator/deflator mechanism is adjusted quarterly, yet gas prices are going up each and every week. So our members are paying the difference out of pocket. Additionally, in the recent mail count (mileage, boxes, stops, and mail piece count) carriers lost between 2 and 12 hours per week. Each hour is worth \$1500 in annual salary. My route lost 2 hours per week.

I would also like you to understand that we work cooperatively with USPS management on necessary changes to the methods we employ in the workplace. We jointly worked on making the Delivery Point Sequence system (DPS) for letters a good system although rural carriers lost work hours as a result.

Currently, we are working with management on implementing a Flats Sequencing System (FSS) which will likely mean a further reduction in our members' work hours.

Lastly, on the economic front, Congress imposed a deadline on this study of the end of the year. However, the U. S. mailing industry expands and contracts with the economy. Therefore, we suggest that any conclusions now would be premature and would only be intuitive, not quantitative. A proper examination of the new law would necessitate a full economic cycle.

My Postal Customers believe that what I put in their mailboxes is safe. It doesn't matter if it is a check, a passport, a new credit card, medicine, or they are simply buying stamps from me, they trust their mailboxes' security. A recent FEC study showed that only 2% of identity thefts occurred through the Postal Service and most of those were customer-caused problems. The Ponemon Institute survey showed for the fourth year in a row 86% of citizens showed USPS to be the most trusted Government Agency. My customers believe we maintain the security and sanctity of their mail with quality of service at affordable rates.

I hope you will not attempt to utilize Europe or developing countries as a model for your conclusions. The USPS in the USA is not comparable because of the following factors:

- 1) Volume
- 2) Geography
- 3) Affordability
- 4) No labor problems
- 5) USO is 6-day delivery everywhere

6) Strictly postal revenue

I believe you know my bullet points but allow me to elaborate:

- 1) USPS collects and delivers 48% of the World's mail
- 2) My state of Missouri is almost the geographic size of Germany
- 3) USPS has the lowest postage prices in the World
- 4) Canada and Europe are full of Postal labor problems; we may have tensions but no strikes, stoppages, or slow-downs
- 5) PAEA's intent was to continue 6-day delivery everywhere in the U.S., documented by the Act's authors in the Congressional Record.
- 6) Unlike the rest of the World's Posts, all of USPS revenue is from Postal Services & Products

I would also like to offer some examples of how Rural Carriers go beyond their daily duties to help their customers and save lives and property.

Brenda Armitage of Brodhead, Wisconsin was nearing the end of her route when movement off the road caught her eye. She spotted a child with a dog walking out of the woods. She could see the boy was wearing a medical alert bracelet. As Armitage approached the child, he did not seem able to respond to her queries and the dog prevented her from getting closer to the boy. The carrier calmed the dog until he trusted her and then coaxed the child into letting her read his bracelet. It stated that he was autistic and provided a telephone number. Armitage called the number and spoke to the child's frantic mother—she had reported him missing more than three hours earlier and local authorities and family and friends had been unable to find him.

After the incident, Armitage was modest about her actions. OIC Fran Black sung her praises though, stating, "I am proud to be part of the Brodhead Postal Team with members like Brenda Armitage. She brings us all up a notch and raises the bar a little higher."

Janesville, Wisconsin rural carrier Mary Murray was delivering a certified letter to a customer when she noticed a barn on fire. Two young girls at home had just discovered the blaze and called 911. Seeing black smoke pouring out of the windows, Murray was not content to wait for the fire department and took matters into her own hands. She immediately found a garden hose and began spraying down the barn until the fire department arrived on the scene. Her heroic actions saved the lives of the pigs and cows that were inside the barn and kept the fire from spreading to the hay, keeping the damage to the barn confined to only one area.

It was one of the hottest days of the year in Columbia, South Carolina—the temperature was hovering around 105—when rural carrier Donna Aiken found a young man collapsed by the side of the road. She moved him to a shady area, wrapped a wet towel around his neck, gave him

water and called a member of the volunteer fire department. He explained that he had left in the early morning to walk from Greenville to Asheville and hadn't eaten all day. She gave him some food and waited with him until the firefighter arrived. Thanks to Aiken, the man was sitting up and talking coherently by the time help arrived.

An elderly man walking his dog in the pouring rain was trying to untangle the dog from his leash when he fell down. His wife was unable to help him up, so she did the next best thing—she flagged down rural carrier Bobby Balderas who was delivering mail nearby. Balderas immediately got out of his vehicle and walked over to the customer. Unfortunately, the man's dog wouldn't let the carrier get close to the customer on the ground. Balderas calmly spoke to the dog, walked around him and secured his leash, allowing him to assist the fallen patron. The appreciative customer wrote a letter to the postmaster stating, "He would take nothing for helping when we offered, even though he put himself in harm's way with the dog. He deserves a commendation."

While delivering mail to a house on her route, Helen Vice, an RCA from Sharpsburg, Kentucky, noticed a small box sitting outside of a garage had caught fire. It had already spread to the corner of the attached garage, causing the siding to melt and the studs to burn. She poured the drinking water she had on the flames, called 911 and summoned the help of a neighbor, who helped her put out the remainder of the fire before the fire department arrived. It was later discovered that a glass candleholder inside the box had started the fire with the help of the sun. The customer was out of state for the weekend, so Vice's quick thinking ensured that they didn't come home to a devastating situation.

You have a very complex assignment. You have been asked to define the Universal Service Obligation/monopoly, after Congress chose not to do it. You have data, but not under the new process. Most of the U.S. industries that were monopolies are now deregulated. The European Union is commercializing their posts. In spite of those facts, the U.S. has the most sophisticated and cheapest mail & parcel delivery network in the world. We believe that the monopoly in mail and our competitive partnerships allow a Universal Service Obligation that is unique in the World. Please be extremely cautious in proposing change to the World's most efficient and effective system.

Thank you for allowing me to testify representing the nation's 128,000 Rural Letter Carrier craft employees. I would be glad to answer any questions you may have.