

John Shirrell
2 Elm Creek Dr., #320
Elmhurst, IL 60126

The Honorable Dan G. Blair, Chairman
United States Postal Regulatory Commission
Washington, DC 20268-0001
By Internet
Re: PI2008-3

Dear Mr. Chairman,

In response to your request for comments dated April 18, 2008, I would like to offer my opinion on some of the recent developments of the USPS which I believe require attention in your upcoming report on Universal Postal Service and the postal monopoly. I am an occasional mailer and I solely use the end-user retail products offered by USPS.

I find that the Postal Accountability and Enhancement Act (PAEA) goes far to protect the most important classes of domestic mail, such as First Class Mail, from elimination. So far as domestic mail is concerned, I believe the USPS adequately meets its obligations with an acceptable degree of efficiency. Also, for domestic services, I have found that USPS has taken many steps to increase efficiency, such as upgrading the automated sorting equipment and enhancing the frequency of scan events for Delivery Confirmation service, and providing an online PC Postage tool known as Click-N-Ship for a limited offering of mail classes (Express Mail and Priority Mail) and offering postage discount incentives for using these services.

I do, however, find that the USPS falls short of its obligation, or at least what I believe its obligation to be, of Universal Postal Service, with regard to two specific areas that I use occasionally: International mail and retail operations.

International Mail

I believe that USPS has an obligation to provide reasonably-priced mail service, not only within the United States, but internationally to be delivered by the postal services of the various destination countries. The USPS is the only organization with access to the destination postal services; all the other major carriers are endpoint to endpoint courier services at much, much higher cost. I am unsure if this monopoly is mandated, but it is a monopoly no less.

USPS has made one very significant change to international mail which I find abusive of its monopoly position. In the sweeping rate and classification changes that took effect on May 14, 2007 (prior to PAEA), USPS unilaterally eliminated all single-item surface mail options, thus taking away the only inexpensive access to international mail for large or heavy items. USPS now only offers expensive airmail options, making it

economically impossible to ship large items that aren't of very high value. I find the change unacceptable, as USPS has a monopoly on access to the international surface mail infrastructure and these options are not available through other carriers. I believe that USPS should be obligated to resume the international surface mail option, covering its costs attributable for that service – and only be excused in the event it can prove that the costs would always exceed the current rates for airmail-only service. I would like to point out that the elimination of international surface mail also had a strong negative effect on humanitarian shipments¹.

Retail Operations

Many improvements are needed at the retail counter. I believe that USPS has an obligation to provide fast, efficient service at its retail locations and it has failed, consistently, for decades, to meet this obligation at most of its high volume post offices. I live in Elmhurst but my nearest post office, in Villa Park, IL, is consistently backed up at the retail counter with an average 30 minute wait, with the line stretching around the office and out the door. It was the same at my previous location in DeKalb, IL. I find that the problem is sometimes due to inadequate staffing, but usually the office is fully staffed and still has excessive wait times. I believe this reflects many missed opportunities to make customer transactions more efficient.

My first example of this is with regard to vending and Automated Postal Centers (APC). Another office near me, in Oak Brook, IL, recently removed both its APC and its coin-operated stamp vending machine from service. I understand that the latter was a system-wide removal, which I find unacceptable as few to none of the removed machines were replaced with equivalent vending outlets. At facilities with an APC, for example, one can still purchase a book of 18 first-class mail stamps, but the APC does not sell any other denominations of stamps, such as additional postage, except as single stamps. Many transactions which were vending transactions have become in-person transactions, making lines that much longer. Although stamps can be ordered online, the \$1.00 handling fee is a deterrent and many people wait in line to avoid it. I believe the efficiency gained through online orders should justify making online stamp orders free – USPS already delivers online supply orders for free so I fail to see the rationale for charging for stamp orders. So to summarize, online ordering and vending for stamp purchases are in need of improvement.

Another issue that will become even more of a sticking point with annual rate increases is this: The Forever stamp is designed to prevent some of the postage rate increase costs associated with re-issuing stamps and selling the new stamps, as well as make-up rate stamps, to customers (and presumably, an additional cost of validating the postage amount with make-up rate stamps). However, the Forever stamp is only good for the one-ounce letter rate. USPS also does not sell coils of Forever stamps; those are re-issued every year at the new rate as well. I strongly urge USPS to create Forever stamps for all common types of stamp, including the one-ounce FCM Flat rate, additional ounce rate, and FCM International one-ounce Letter and Flat rates as well as additional ounce

¹ For one example, see <http://peacecorpsconnect.typepad.com/peacecorpspolyglot/mbag/>.

rates, for common destinations such as Canada, Mexico, and Europe. Denominated stamps should be mostly phased out for use with First-Class Mail services. I think PRC ought to obligate USPS to research the benefits of such a change, and if a benefit is shown, USPS must provide these stamps.

Finally, USPS offers many options to mailers to avoid the retail counter, and I use them to the maximum extent possible. However, there are two types of transaction where I have no option but to go to the retail counter – pickups and international mail. There is little that can be done to improve the flow for pickups, although it is a good practice to have an additional employee without a register designated to handle pickups.

For international mail, USPS security regulations require that certain international mail must be handed over the counter in person, or that I be home at the time of mail delivery to hand the item in person to my carrier (and the latter is not an option for me). I believe that, as the other carriers currently do, this requirement should be removed and I should be able to deposit the mail in a collection box. I think USPS should handle security through x-ray screening and similar techniques rather than relying on a “pretty face” as an assurance of mail safety. The requirement that international mail be presented in person is, in my opinion, an unnecessary bottleneck and a large cost for the USPS. Once again, this is something I think PRC should require that USPS research.

Conclusion

To resolve both of the above issues, I believe stronger regulatory restraint may be sufficient in accomplishing these goals, and I do not see any reason to privatize the USPS at this time. However that decision may only be made with the proper research which I do not believe has taken place yet. I would like to point out, though, that my personal experience with private utility companies has left me dissatisfied with the ability of private industry to replace the government in performing essential tasks. I find that, where the private industry has the freedom to act one way or the other, capital gains rather than customer service are best served. I believe that, now that the USPS has the ability to earn profits, it should be very closely monitored to ensure that this does not also become the case for the USPS.

I hope my comments above prove valuable in demonstrating the areas where Universal Postal Service can be improved upon without a need for privatization.

Sincerely,

John Shirrell