

**BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON DC 20268-0001**

UNIVERSAL SERVICE OBLIGATION

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Docket No. PI2008-3

**WRITTEN STATEMENT OF  
STEVE W. SMITH  
ON BEHALF OF  
THE CHRISTIAN SCIENCE PUBLISHING SOCIETY**

June 19, 2008

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**I. INTRODUCTION**

My name is Steve Smith. I am the Distribution Director for the Christian Science Publishing Society, headquartered in Boston, Massachusetts. I very much appreciate the opportunity to testify before the Commission on this important topic.

The Christian Science Publishing Society serves as the publishing arm of The First Church of Christ, Scientist in Boston, Massachusetts. The publishing activities include a daily and weekly newspaper, and periodicals issued in a variety of frequencies and formats. We are publishers of books and other related collections and materials in support of the general public and members worldwide. The Christian Science Publishing Society has maintained a long-standing relationship with the United States Postal Service, beginning after 1875. Our daily newspaper, *The Christian Science Monitor*, is among the last nationally available newspapers distributed primarily (87% of total circulation) through the

US mail. Approximately 83% of our subscribers and commercial outlets receive their newspaper by the date of issue. We depend on the mail as a necessary service for our readership.

In my position at Christian Science Publishing, I plan the worldwide distribution strategy of our periodicals, products and written communications. During the past 22 years, my responsibilities have included direct management of the pre-press, printing, mailing and distribution roles. All of this activity was performed with the clear goal of understanding, negotiation and continual improvement in the construction of our wide variety of products and the subsequent delivery through the mail.

The Christian Science Publishing Society uses every class, subclass and mail product available from the USPS. Just to highlight a few examples, our mail consists of First Class letters expressing Thanks and Welcome to the members and general public. First Class Invoices for periodical subscriptions are a requisite of the publishing business, and an important acknowledgement of the subscribers' value to the publisher. Standard Mail is used to support our renewal efforts and to communicate updates to the domestic audience. Media Mail and Library Rate are integral to the cost effective delivery to addresses we serve throughout the United States.

The Commission's study of the universal service obligation and the postal monopoly is of great interest to mailers like the Christian Science Publishing Society. We rely on the Postal Service to:

- Deliver our publications, newsletters, documents, and written communications to urban and rural addresses throughout the United States and internationally through contractual relationships with foreign posts to the extent possible.
- Deliver our mail to all addresses on a regular and predictable basis.
- Provide service at affordable prices that do not increase faster than the Consumer Price Index.

We support the continuation of the postal monopoly over delivery of letter mail, at least for the foreseeable future, to ensure that the Postal Service has necessary revenues to continue to provide essential services. The potential threat of "cream-skimming" that could result from relaxation of the postal monopoly is of significant concern to The Christian Science Publishing Society and all nonprofit organizations. We also support continuation of the mailbox monopoly, which protects the actual and perceived privacy and security of the mails as a medium for transmitting bills, statements and other confidential and personal information.

Universal service should continue to have its generally recognized attributes: (1) geographic scope; (2) range of product offerings; (3) access to postal facilities and services; (4) frequency of delivery; (5) rates and affordability;

and (6) quality of service. We believe that the current dimensions of universal service are generally appropriate, and do not advocate changing them now. At the same time, however, the Postal Service needs to retain sufficient flexibility to change its operations in response to future changes in economic conditions.

For our organization and nonprofits generally, universal reach to everyone is of paramount importance. The inclusion of all is inherent in the mission of the nonprofit community. At the same time, we recognize that the Postal Service must have some flexibility to adopt reasonable economies (e.g., delivery to cluster boxes and college mailrooms rather than to individual houses or apartments) when more personalized delivery to the ultimate addressee would not be cost effective. Any review of universal service must take into account the economic constraints on the size and scope of the postal infrastructure. Furthermore, the optimum tradeoff between the cost and the level of universal service is likely to change if Postal Service mail volume continues to decline or (in the opposite direction) if advances in technology improve the Postal Service's financial health. For these reasons, the Commission (and Congress) should avoid freezing the current level of universal service in place by prescribing detailed and rigid rules governing the geographic scope of universal service.

Similarly, we believe that six-day delivery is of great value to publishers and readers, and should be provided to virtually all addresses, as occurs today. Nevertheless, one can imagine future circumstances that might warrant broader (or narrower) departures from the six-day delivery requirement, and the

Commission should avoid recommending rules that would tie the Postal Service's hands.

Affordability is another critical component of tomorrow's postal system. With substantial cost reduction initiatives throughout the industry, postage costs are becoming a greater and greater portion of the prices that we must pass along to our subscribers. Those rising costs make it quite challenging to maintain, much less grow, our subscriber base. Hence, continuation of the existing universal service model cannot be at any cost. The industry must be allowed to participate, examine and co-develop standards and alternatives when we experience the continued diminishment of affordability with any mail service.

Thank you for your time and attention. I would be pleased to answer any questions you may have.