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Founder

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**Postal Regulatory Commission
Reply Comments by Frontiers of Freedom
Regarding Docket #IM2018-1**

To Chairman Taub, and Commissioners Langley, Hammond, and Acton:

Frontiers of Freedom is an educational institute with a mission to promote the principles of individual freedom, peace through strength, limited government, free enterprise, and traditional Constitutional values. Our organization has consistently observed the value in applying astute fiscal responsibility and accountability across the nation's institutions. With these budgetary values in mind, we have regularly observed the immense financial quandaries that the U.S. Postal Service has created for the broader federal system.

Last November, the agency announced a loss of \$2.7 billion, marking the 11th consecutive year in which the Postal Service has lost a billion dollars or more. As part of these losses, Frontiers of Freedom is particularly concerned with deficits suffered through international mailing practices. Since the Commission last considered a case on this subject (Docket No. IM2016-1), the Postal Service's shortfalls on inbound products have accelerated, resulting in an additional loss of \$312 million over this two year period.

As Frontiers of Freedom described during the proceedings of the 2016 case, it is troubling to witness the ongoing the collateral damage that American business suffer as a result of an ill-considered USPS pricing system. For many product-producing companies here in the U.S., there are myriad challenges within launching, sustaining, and growing their businesses. Regrettably, these domestic firms are still forced to compete with sellers from abroad who have access to majorly reduced USPS shipping rates.

In well-document anecdotes, small businesses have pointed out egregious disparities in our mailing system which allow sellers from China to deliver products within the U.S. at much lower prices than what it costs to simply send items from one state to another. This immense competitive advantage is regularly exercised by sellers from abroad who ultimately have the ability to undercut domestic producers on market pricing thanks to the shipping savings that they are able to accrue.

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Optimally, as a government-affiliated organization, USPS should be oriented to facilitate the exchange of goods among individuals within the country and to promote American business overall. However, the status quo has resulted in a discriminatory cost structure and distressing loopholes that allow counterfeit goods and other illicit substances to permeate the mail system and ultimately reach our communities.

The Postal Service's use of the internationally negotiated rate structure may also constitute a palpable infringement of the statutes that govern the agency. Upon review of the records within the IM2016 docket case, it is apparent that the Department of State did not formally endorse the treaties that the Postal Service reached as a part of the most recent Universal Postal Union summit meetings.

Such findings should prompt the Commission to reiterate the importance of the checks and balances within Postal operations and ensure that Postmaster General Megan Brennan is committed to working with the Secretary of State to achieve a favorable rate system.

For too long USPS directives have helped to stimulate foreign commerce and now the agency must be best positioned to support its loyal customers and the engines of commerce within the United States.

Should you have an interest in discussing these matters further, please do not hesitate to contact me by phone: 703-246-0110 or email: GL@FF.org

Best Regards,



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