

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

REPORT ON UNIVERSAL POSTAL SERVICE)
AND THE POSTAL MONOPOLY)

Docket No. PI-2008-3

**WRITTEN STATEMENT OF
MICHAEL S. LARSON
UNITED STATES POSTAL SERVICE**

June 5, 2008

Good morning, Mr. Chairman, Commissioners, Ladies and Gentlemen.

My name is Mike Larson, and I am the Postmaster of the Saint Paul, Minnesota Post Office. I welcome you to St. Paul. Thank you for choosing to visit our wonderful city and for giving me the opportunity to speak with you today.

The Northland District is the largest of the Postal Service's 80 customer service districts, providing all mail processing and distribution operations for the entire State of Minnesota, except for a small portion in the northwest corner of the state that is served by the Dakotas District. The Northland District also serves approximately the western third of the state of Wisconsin. The total population served is nearly 5.8 million. The St. Paul Post Office is the second-largest in the Northland District.

More than 16,200 Postal Service employees work in more than 900 Northland District facilities, bringing mail to 2.4 million street delivery points six days a week and more than 313,000 P.O. Boxes. While mail volume is in decline, the number of deliveries in the Northland District continues to grow at a rate of approximately 0.9 percent each year. Northland employees collect mail from more than 5,300 designated collection points.

Our employees process and deliver mail for a diverse range of customers. The Twin Cities area of St. Paul and Minneapolis is the 16th-largest metropolitan area in the nation and continues to steadily grow. We also serve a mix of smaller communities and rural areas in the outlying parts of the district. There is even a seasonal water route providing dockside delivery service in northern Minnesota.

Northland District employees serve our communities even in the face of a variety of challenges. This past April, spring blizzards dumped upwards of 30 inches of snow across north-central Minnesota. Our employees persevered and the mail went through. Late last summer, a line of thunderstorms stalled over

southeastern Minnesota and southwestern Wisconsin. The result was more than 20 inches of rain in a one-day period. Roads were washed away, homes and businesses destroyed, lives changed forever. Yet Northland employees, often dealing with huge losses in their own lives, stepped up and worked to restore mail service as quickly as possible. This gave the residents of these devastated areas one small bit of normalcy in lives that had been turned upside down.

On August 1, 2007, the unthinkable happened and the Interstate 35W bridge spanning the Mississippi River collapsed. The tragedy occurred in the early evening, as outgoing mail was first coming into two major mail processing centers in Minneapolis. After first assuring that all postal employees were safe, personnel from mail processing, customer service, transportation and support pulled together to establish alternate routes to bring the mail in for processing, and send it across the city and across the nation. The next day, customers noticed no changes in their service as mail was delivered as always, despite the loss overnight of a major transportation link.

Through it all, our employees do an outstanding job of getting the mail delivered to all of our customers in timely fashion. The Northland District is a top performer, ranking 2nd of the 80 customer service districts in overall performance as measured by the National Performance Assessment. Service measurement scores are excellent and continue to improve. Northland's overnight First-Class Mail delivery score is at 97 percent. And 96 percent of our customers rate the service we provide in a positive manner.

On May 17, even the weather cooperated and thousands gathered on the grounds of the Minnesota State Capitol, just a few blocks from here, to celebrate the 150th anniversary of Minnesota's Statehood. As part of the celebration, the U.S. Postal Service dedicated the Minnesota Statehood commemorative stamp. It was an opportunity to celebrate both what we do and the unique connection that we maintain with the communities that we serve.

We are committed to providing great service and continued improvement in Northland. I am proud of each and every employee. They are the ones who make great service happen each day.

The Postal Service's mission is to provide trusted, affordable, universal service. The universal service obligation has enabled a diverse range of communities to receive postal services at uniform and affordable prices. The postal monopoly has helped provide the funding necessary for the Postal Service to carry out its universal service obligation and bind the nation together. Changes to the postal monopoly could impact the Postal Service's ability to serve an ever-growing delivery network and provide customers with universal service at affordable and uniform prices. And changes to the mailbox monopoly would potentially create service concerns for our customers. The safety and security of the mails – a cornerstone of our commitment to the American people -- could be compromised.

In the end, our business is about providing a connection, one that cannot be matched by any other medium, be it hard copy or electronic. We provide a service that is both special and intensely personal. I am incredibly proud of the work that we do and of the contributions that each of our employees makes both on the job and in their communities. Our success is a result of our employees providing the best service they can and of the Postal Service being a wonderful place to work.

Again, thank you for your time today and for providing this opportunity. I'd be happy to answer any questions that you may have.