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Postal Regulatory Commission

COMMENTS ON DOCKET NO. PL2008-3; ORDER NO. 71

Unlike most other nations around the world, the United States has never defined in law what universal postal service means in any degree of detail. The statute states that “the Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities.”

As the Postal Service continues to experience major challenges to its financial situation and viability, an agreed upon definition would help the Congress ensure that the necessary resources and protections are in place to provide all Americans a vibrant postal system. Thus, a critical component of postal reform was to mandate that the independent Postal Regulatory Commission undertake a well-researched and carefully evaluated assessment of universal service and the postal monopoly. In a dispassionate and reasoned fashion, with solicitation of comments from all interested parties and the general public, the goal for the Commission is two-fold:

1. to provide what would be the first specificity on the scope and standards of universal service, and
2. to recommend to policy makers in the Executive Branch and the Congress any appropriate changes to this detailed assessment of universal service and the postal monopoly.

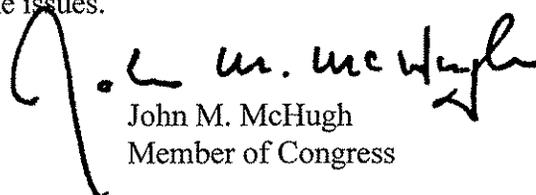
The Commission’s work should, in conjunction with the Comptroller General’s report mandated by section 710 of the Postal Accountability and Enhancement Act, provide Congress the proper foundation to evaluate the appropriate long term business model for the Postal Service, with the goal of ensuring its continued viability.

As the Commission develops its report, I want to provide my own written comments and observations on universal service and the monopoly. I must underscore that these are my personal views and are not necessarily based on extensive research and data on each point. Indeed, that is the Commission’s role: to develop for the first time a factual basis and foundation for defining universal service and the monopoly. That being said, as one of the primary authors of the 2006 postal reform law, and as someone who has been closely involved in postal legislative matters in Congress for nearly 14 years, I submit for the Commission’s consideration the following personal perspectives on the matter of universal service and the monopoly:

- Congress debated the future of the Postal Service for 12 years and during that time a bipartisan consensus formed that held universal service should be broadly defined to serve all Americans, rich and poor, urban and rural, nationwide. That has historically meant six-day delivery, reasonable access to retail services as well as convenient access to collection boxes.

- Segmenting the cost of serving different parts of the country should not be used as an excuse for introducing discriminatory pricing or access provisions. The goal of Congress has historically been to optimize the affordability of the entire postal system, not its individual segments.
- Proposals to limit service in low-volume density areas – whether they are in rural areas or inner cities – would have a very difficult time being accepted by Congress. Such proposals seem discriminatory and would likely undermine future economic development efforts in those locations.
- Affordable service in rural and inner city areas does not just benefit those who live in those locations – it is a benefit to all Americans who pay for the ability to reach every other American or business through the mail.
- Compare the cost of postage stamps in the deregulated markets of Europe with those in the United States: America's postage rates are among the lowest and most affordable in the world, a fact likely made possible by a seemingly natural monopoly on the delivery of mail and the economies of scale in sorting operations. Affordable universal service would appear to exist because of the statutory monopoly.
- As the Commission notes in the Federal Register notice, the Government Accountability Office issued a study in 1997, at my request, entitled U.S. Postal Service: Information About Restrictions on Mailbox Access. The report was the first and only national survey that I am aware of to assess the public's view of the statute restricting use of the mailbox to only the Postal Service. Having in fact proposed in 1996 a very limited test by the Postal Service of allowing consumers the choice to open access to their mailbox, I can attest that the mailbox statute is not only viewed as essential to enforcing the monopoly; it is crucial to American's sense of privacy and the integrity of mail. The Postal Service is traditionally viewed as one of the most trusted federal agencies, and indeed many people believe that an accountable public agency is the only party that should be allowed access to mailboxes.
- As we experienced shortly after the 2001 anthrax attacks on our nation's mail system, mail security is crucial to national security and a viable delivery network is vital to dealing with future emergencies.
- The Postal Service not only provides a valuable infrastructure network while serving many other public service functions (e.g., passports, absentee ballots, political debate, etc.), it also provides solid, middle-class jobs that strengthen America's communities and their families.

Thank you for the opportunity to provide these written comments. As the Commission has done so well to-date in implementing the new law, I am confident that the Commission's final report will be an objective evaluation of the issues.

  
John M. McHugh  
Member of Congress