



June 30, 2008

The Honorable Dan G. Blair
Chairman
Postal Regulatory Commission
901 New York Avenue, NW
Suite 200
Washington, DC 20268-0001

Dear Chairman Blair:

Thank you for the invitation to attend the Postal Regulatory Commission's ("PRC") recent workshop on the universal service obligation. I commend you and your fellow Commissioners for engaging the mailing community and the broader public on this vital national issue.

Currently, I serve as Vice President, Government Affairs – Americas for Pitney Bowes. From 2002-2003, I had the opportunity to serve as Executive Director of the President's Commission on the U.S. Postal Service (the "President's Commission"). Pitney Bowes will be submitting comments in response to PRC Order 71, *Notice of Request for Comments on Universal Postal Service and the Postal Monopoly Laws* (Docket No. PI2008-3). This letter is being submitted in addition to these comments in order to highlight some of the conclusions of the President's Commission on this important subject.

As you know, the President's Commission was established by President Bush to "ensure the efficient operation of the United States Postal Service while minimizing the financial risk of the American taxpayers." The nine members of the Commission, representatives of both political parties with extensive experience in business, academia, and public policy, believed that the Postal Service's role in binding the nation together was as relevant today as it has ever been. In fact, the very title of our final report, *"Embracing the Future: Making the Tough Choices to Preserve Universal Mail Service" (2003)*, puts the continued provision of universal postal services front-and-center as the desired objective of the group's recommendations.

In Order 71, the PRC lists "affordability" as an essential feature of universal service. The President's Commission shared this view. In its report, the President's Commission envisioned a more efficient Postal Service that aggressively sought to expand its partnerships with the private sector to reduce overall postal system costs and maintain the affordability of postal services in the process. To highlight the direct link between Postal Service efficiency and universal service, the President's Commission

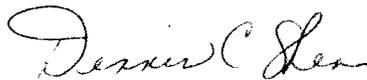
specifically recommended that the Postal Service's mission be clarified to provide "high-quality, essential postal services to all persons and communities *by the most cost-effective and efficient means possible* at affordable and, where appropriate, uniform rates (italics added)." The report of the President's Commission was quite explicit in stating that private-sector companies should be deployed to assist the Postal Service in finding the most cost-effective and efficient means of delivering affordable universal service.

In Order 71, the PRC also describes "access to postal facilities and services" as an important feature of universal service. Likewise, the President's Commission recognized that a key component of universal service was easy access to facilities and services through the expansion of access points beyond the traditional brick-and-mortar post office. In fact, in its report, the President's Commission called for nothing less than a "revolution" in customer service that would be achieved in part by bringing postal services directly to the customer. As a result, the President's Commission specifically urged the Postal Service to "expand and accelerate" its efforts to bring a wider array of services to consumers through partnerships with grocery stores, pharmacies, banks, and convenience stores, and through the development of a more robust Postal Service website. In addition, the President's Commission urged the Postal Service to place automated postal centers in convenient locations throughout local communities and deploy "sophisticated self-service kiosks" that could provide postal services on an around-the-clock basis.

The President's Commission recognized that expanding access to postal services would not only reduce Postal Service costs but also enhance the value of mail to both senders and recipients. Taking these steps, the President's Commission believed, would enable the Postal Service to compete more effectively in a world where businesses and consumers have multiple communications options beyond the use of the mailstream. To underscore the importance of taking these measures, the President's Commission urged the Postal Service to "set clear annual targets for moving a greater percentage of postal transactions out of the post office to less expensive and more accessible retail outlets" and to "make achieving these targets a management priority." To its credit, the Postal Service has made progress in expanding retail access to postal services, as outlined in its recently-released report, "*Postal Accountability and Enhancement Act Section 302 Network Plan.*"

Mr. Chairman, thank you for giving me this opportunity to highlight some of the recommendations of the President's Commission as they relate to the important issues raised in Order 71.

Sincerely,



Dennis C. Shea
Vice President, Government Affairs -- Americas