



Before the  
Postal Regulatory Commission  
Washington, D.C. 20268-0001

Annual Compliance Report

Docket No. ACR 2008

Reply Comments of  
the National Association of Postmasters  
of the United States  
(February 13, 2009)

On behalf of the approximately 40,000 members of the National Association of Postmasters of the United States (NAPUS), we respectfully submit Reply Comments relating to Comments submitted by the Public Representative on this docket. Specifically, NAPUS wishes to respond to the Representative's remarks, which appear on page 7 of its February 2, 2009, submission. The Comments suggest that the U.S. Postal Service privatize "most of the Postal Service's tens of thousands of retail offices ..." NAPUS strongly believes that the view proffered by the Representative does not reflect the position of the public, nor is it wise public policy. Moreover, the Representative's comments conflict with Title 39 of the United States Code relating to Post Office closures, and flies in the face of the findings of the Postal Regulatory Commission's recent report, *the Universal Postal Service Obligation and the Postal Monopoly* (USO Report). Consequently, NAPUS believes that the Public Representative's suggestion should be disregarded.

**The Position of the Public**

Chapter 5 of the USO Report, entitled "Needs and Expectations of the United States Public", in part, evaluates the importance of Post Offices. NAPUS reminds the Commission of its own statements regarding the public's views of post offices:

- "The Postal Service binds the Nation together through its omnipresence in communities across the United States. It is the physical representative of the United States, and is frequently the

primary contact that many citizens have with the Federal government. The Postal Service fills civic needs in geographically remote or isolated areas ...”

- “The post office remains the center of many people’s mail-related activities.”
- “In general, households do not favor losing their local post office.”
- “Nearly half of respondents oppose or strongly oppose replacing their post office with service at a nearby store in the neighborhood.”
- “More than two-thirds of non-profits and small businesses visit their post offices at least once a month and 20 percent of those visit the post office daily.”

As the Commission knows, a privatized post office, which the Public Representative presently promotes, would in effect absolve the U.S. Postal Service from compliance with the legal requirement to consult with the served community, should the agency or the contractor decide to close the specific retail location. This outcome would be inconsistent with the strong popular support that post offices enjoy. Notwithstanding the financial challenges that presently confront the U.S. Postal Service, it is ironic that the Public Representative should advocate a position so contrary to the actual view of the public.

### **Cost Savings**

The Public Representative asserts that “very substantial savings could be captured” by selling-off post offices. This recommendation conflicts with section 101(b) and 404 (b)(2) of Title 39 of the U.S. Code. Together, these provisions confer a strong presumption in favor of post offices. Specifically, the law prohibits the Postal Service from closing post offices because they are unprofitable. In addition, the law provides specific guidance in the conduct of a post office closing or consolidation. It does not appear that the Public Representative took into account these provisions in making its recommendation. Moreover, it seems odd that the Commission is being asked to look favorably on these recommendations; while at the same time is tasked with serving as the “appellate court” for citizens and communities who wish to contest any action to close or consolidate their local post office.

Notwithstanding the legality of post office privatization, the Commission’s own research concludes that the Postal Service would save only \$586 million if small post offices were to be closed. Within a \$70 billion operating budget, it is doubtful that such a cost reduction would have any impact on the Postal Service’s economic sustainability. Furthermore, the asserted savings assume that the U.S. Postal Service will not lose

revenue by creating post offices that are less accessible to rural communities. It is also possible that such closures would be offset by creating additional, geographically dispersed delivery points to compensate for closed or contracted post offices.

### **Conclusion**

Post Offices are the bedrock of the United States Postal Service's universal service obligation. Our Founding Fathers recognized this fact, when they explicitly referenced the establishment of Post Offices in the U.S. Constitution. In our times, far-flung towns across this Nation understand the economic and societal importance of their Post Offices, sustaining their viability and sense of community. A facility without protection against arbitrary termination, devoid of qualified postal management, and lacking essential postal services to which communities are entitled fails to satisfy this Nation's obligation to provide universal mail service. In sum, post office privatization does not reflect the public's views about the Postal Service.

Respectfully submitted,

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