



National Association of Retail Ship Centers

2637 E Atlantic Blvd. # 210, Pompano Beach, FL 33062

DOCKET No MC2010-20

Order # 423

Date: 31 March 2010

To: Postal Regulatory Commission

Dear Sirs/Madam:

Background: The private mailbox rental and retail shipping industry was created in the late 1970's [to a large extent] out of a public need to receive mail and packages at non-Post Office Box addresses. Private mailbox rentals have always been the foundation for these businesses--all other products and services have been added as ancillary profit centers. Retail Shipping store owners are responsible for *creating this industry*. These stores epitomize small business--approximately 14,000 retail pack and ship centers currently operate in the US, employing 100,000+. These small businesses rely to a significant extent upon revenue generated directly by private mailbox rentals and associated products and services.

The National Alliance of Retail Ship Centers (NARSC) represents the retail shipping industry. As such we are filing the following comments in objection to the requested test of moving PO Boxes from the Market Dominant to Competitive Products classification. While we have many concerns, the lack of specificity as to the future plans for PO Boxes is paramount to our objections. If the intended goal of the USPS is to raise PO Box rates by having them compete with Private Mail Boxes (PMB) then why go to the trouble of reclassifying these PO Boxes as a competitive product when in fact they are very unique and are not anything like PMB's. Just raise the rates on all existing PO Boxes. Without definition of what the USPS plans to do with these PO Boxes how can the PRC rule or the public properly evaluate how this will affect them and allow a rational discussion. Does the PRC give the USPS carte blanche to do whatever they want under the guise of offering a service that competes with the PMB sector? That would give the Post Office the ability to offer every service offered in any of our stores.

How are these services different? The only obvious purpose of a PO Box is to act as a paid receptacle for the Post Office to place incoming mail. PMB services differ from location to location, with the main differences between the PO Box and the PMB being the acceptance of alternative carrier packages, the flexible forwarding services, notification of receipt and acceptance of accountable mail. There may be other services but these are the most directly related to the PMB or PO Box. Other store services that are not directly related to the acceptance of mail and placement therein should be outside the parameters of this request. The PAEA and prior legislation already has set the base for the services the Post Office may offer. Additional products and services must be requested, evaluated and reviewed by the PRC or be given through legislative actions.

In the Post Office's request they have redacted the information pertaining to revenue and occupancy rates due to their fear of the competition learning too much detail about the revenues. This is obviously unnecessary as the rates for PO Boxes are posted and readily available and are a matter of public record. Additionally what could an alleged competitor do with this information that would be damaging to the USPS? Most PMB rates are much higher than PO Box rates, as the services are more extensive. The redacting of this information is more of an attempt to create a perception of competition where there is not competition. By moving the PO Boxes from the Market Dominant Product List to the Competitive Product List the PO has created the perception that they offer a similar product.

PMB's are regulated under the set of rules for Commercial Mail Receiving Agencies (CMRA) these rules are meant to stifle competition under the guise of added security and increased regulation. While the rules are not subject to this request it is important to note that they are onerous and actually give identity thief's a six month head start, they provide the USPS with details of every rented PMB we have and therefore, if the request is granted the PO actually has the advantage in knowing everything about our customers and our PMB business. Also of note is the fact that as CMRA's our customers lack the basic right of free mail forwarding. Inmates in every prison in the country and college students receive this service for free. If the PO wants the Competitive Products classification they need to level the playing field and should not be given the advantages that they deny their supposed competitors.

From the USPS web site on five-day delivery the PO has stated the following:

<http://www.usps.com/communications/five-daydelivery/ata glance.htm>

“How will five-day delivery work?”

Simply put, our five-day delivery plan calls for five days of delivery to street addresses and six days of service at Post Offices and P.O. Boxes.

Under five-day delivery, there will no longer be delivery of mail to street addresses — residences or businesses — on Saturday. Post Offices will remain open on Saturdays, continuing to provide normal customer services, including the sale of stamps and other postal products. Mail addressed to P.O. Boxes will continue to be available Saturday.”

This will have an even larger impact on the stores. With the PO Boxes receiving six-day mail service and PMB's receiving five-day mail service the PO is exerting its power of Market Dominance over the very sector they claim they want to compete with. This is not competition it is monopolistic practices being forced down a small business owners throat under the guise of providing a paid receptacle for receiving mail.

Storeowners are reporting requests from local postmasters as to the total number of PMB's in inventory and the total number that are rented. This is not level competition and the PO must not be allowed to regulate its competitors, do harm to the many small businesses who are working hard to survive and thrive in a very difficult economic environment.

In closing I request that, at a minimum, the PRC send this request back to the PO for clarification and definition of the products and services they wish to offer as proof of the right to move PO Boxes from the Market Dominant to Competitive Products classification. What we hope the PRC will do is send this request back to the Post Office with DENIED stamped across the request. PO Boxes are not Private Mail Boxes and PO Boxes should remain in the Market Dominant category.

Thank you for your consideration.

Sincerely,

Bruce Bernstein

For the National Alliance of Retail Ship Centers.