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Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

SIX-DAY TO FIVE-DAY CARRIER DELIVERY
AND RELATED SERVICE CHANGES

Docket No. N2010-1

Testimony of
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1 I am Ed Luttrell, President of the National Grange, the nation's oldest general
2 farm and rural public interest organization. Founded in 1867 today the Grange
3 represents nearly 200,000 individual Grange members affiliated with 2600 local, county
4 and state Grange chapters across the nation. I appreciate this opportunity to address
5 the Postal Regulatory Commission on the potential impacts of proposals to allow the
6 United States Postal Service to reduce scheduled mail delivery to fewer than six days a
7 week.

8 For 143 years, the National Grange has been a strong supporter and frequent
9 innovative utilizer of the services offered by the United States Postal Service. Today,
10 even in an age of emerging and rapidly evolving electronic communications
11 technologies, the efficient and reliable functioning of the mail delivery provided by the
12 United States Postal Service is a bulwark of personal communication, commerce and
13 participatory democracy in tens of thousands of farming, tribal and rural communities
14 across the nation. In our view, reducing Postal Service delivery is the wrong way to
15 address pressing financial issues facing the post office and will create a
16 disproportionate hardship on rural communities across the nation.

17 At the 143rd Annual Convention of the National Grange, held last November in
18 Grand Rapids, Michigan, the grassroots delegates adopted the following policy
19 regarding maintenance of six day mail delivery to farming, tribal and rural communities
20 across the nation:

21
22 *"The National Grange continues to support Rural Free Mail Delivery Service*
23 *as an essential part of universal mail service. We support the continuation of*
24 *rural Saturday mail delivery and all other mail services to rural areas."*

25
26 Similar expressions of support for continuation of six-day mail delivery services to
27 rural areas have been regularly adopted by the Grange's Grassroots delegates at their
28 annual convention for the past 13 years.

29 Grassroots Grange members located in farming, tribal and rural communities
30 across the nation have made clear to their state Grange and national Grange delegates,
31 of their on going support for six-day mail delivery service to rural areas. During

1 committee sessions at state Grange and National Grange conventions over the years,
2 as well as during the various debates on the delegate floors of the state and National
3 Grange conventions where this issue has been raised, the following concerns are most
4 often raised to reflect the need for continued six day mail service to rural America.
5

6 While Broadband Internet Services and Wireless PDA Services are Reshaping
7 the Communications Landscape Across the Nation, Actively Competing with Some of
8 the Communications Services Provided by the Postal Service, a Major Digital Divide
9 Still Exists for Many Rural Communities that do not have Access to Reliable Cost
10 effective High Speed Internet or PDA Services Because of Various Reasons.
11

12 While some day the transition to electronic communications may allow a
13 reconsideration of these proceedings, today rural communities are not in a place to
14 replace mail delivery with electronic communications. The U.S. Department of
15 Agriculture has estimated from data on the Regional Bell Operating Companies
16 (RBOCs) that in 2009 more than 56 percent of all cities with populations above 100,000
17 had DSL available, but less than 5 percent of cities with populations less than 10,000
18 had DSL service. The Federal Communications Commission (FCC) has found that while
19 broadband is generally available someplace in nearly 100 percent of ZIP Codes in the
20 United States, service remains relatively scarce in those ZIP Codes with very low
21 population densities and large geographic area. The FCC has estimated that 8 percent
22 to 10 percent of the nation's rural and tribal households have no access to high-speed
23 Internet service.

24 The reasons for this disparity are obvious. According to research conducted by
25 the Phoenix Center, the cost of providing a broadband connection differs across users,
26 largely due to the geographic location of the user—*i.e.*, it typically costs more to serve a
27 rural customer than an urban one due to loop lengths, population density, and the
28 lumpiness of investments. Even wireless based communications systems for PDAs and
29 computers are more expensive in rural areas. The FCC determined in 2009 that in
30 order to achieve ubiquitous national mobile broadband and cell phone coverage,

1 approximately 16,000 new wireless towers will need to be constructed,
2 disproportionately in rural areas.

3 The practical effects of these disparities are also obvious. Although mobile
4 broadband networks cover 95.6 percent of the total U.S. population, they cover only
5 82.8 percent of the U.S. rural population compared with 99.0 percent of the non-rural
6 population. This results in adoption rates for broadband that reflect the lack of service
7 option in rural communities in the current environment. According to the FCC, the
8 National Telecommunications Industry Association, and the Pew Broadband Adoption
9 Study, while 54 percent of urban households had broadband in the home in 2007-2008,
10 only 39 percent of rural households did. States with disproportionately higher rural
11 populations also have disproportionately lower levels of broadband coverage.
12 According to the non profit group, Connected Nation, about 19 percent of West
13 Virginia's residents are unserved by broadband.

14 Grange members strongly support universal access to affordable, reliable and
15 competitive advanced telecommunications technologies for rural communities. As of
16 yet, that goal has not been reached. Whether or not universal access to advanced
17 telecommunications services can some day replace part of our national commitment to
18 universal six-day postal service is a policy discussion that is premature at this time
19 because for far too many remote rural and tribal communities, reduction in six-day
20 postal delivery service will not be supplemented by electronic communications services
21 any time soon.

22

23 Rural Small Businesses Disproportionately Rely on Affordable and Consistent
24 Six Day Postal Services as Part of their Business Plans.

25

26 Rural America has the highest proportion of individuals (compared to urban and
27 suburban communities) who are either self employed or who work for someone who is
28 self employed. These businesses disproportionately benefit from the predictability of six
29 day postal delivery service. In fulfilling orders, in receiving payments, in complying with
30 responses for legal, accounting and other basic services, the Postal Service provides
31 unique and irreplaceable service advantages to micro entrepreneurs operating in rural

1 communities. Six-day rural delivery services also bring all of the inherent advantages of
2 the Postal Service, over its private competitors, to the door steps of rural small business
3 owners. Postmarks are recognized as evidence of legal compliance. Statutes related
4 to postal fraud provide additional levels of legal protection to rural commercial postal
5 customers that private carriers can not match. Innovative, single and small unit batch
6 parcel post, package and bulk mail pricing policies, available on a six-day basis, create
7 an effective competitive environment that disproportionately benefits small, rural, micro
8 businesses that otherwise would not be able to negotiate favorable service concessions
9 from for-profit competitors, as those competitors have no legal obligations to fairly and
10 universally serve rural, farming and tribal communities.

11 Grange members believe that rural small micro businesses such as family
12 farmers can not absorb the extra time costs of visiting local post offices, delays in the
13 delivery of payments or products critical to their business or loss of the inherent
14 statutory protections that postal delivery provides to these engines of rural economic
15 prosperity.

16

17 Rural Consumers Rely on the Postal Service for Delivery of Discretionary as well
18 as Critical Need Products in a Timely Manner that Only Six-Day Service Can Provide.

19

20 Since the days when Chicago entrepreneur Montgomery Ward began his
21 nationwide mail order catalogue business as a contractor, to the National Grange, rural
22 consumers have disproportionately relied on the Postal Service to help them obtain
23 personal items they need in their lives at competitive prices. While admittedly, much of
24 the discretionary mail order commerce to rural consumers could be successfully
25 conducted with a less than six-day delivery system, a small minority of critical items that
26 farm and rural customers regularly purchase by mail order cannot effectively be delayed
27 in order to meet basic needs for human or animal health or safety. Many of these items
28 are pharmaceutically related. Others are agriculturally related.

29 Rural America has the highest proportion of residents age 65 or older, compared
30 to suburban and urban areas. This age group is the highest proportion consumers of
31 medicines. Access to health care facilities in many rural, farming and tribal communities

1 is limited by geographically remote situations in many rural counties. Travel of 30 miles
2 one way to reach a community where there is a doctor's office or a pharmacy is not
3 unusual. Mail order of medical devices/equipment and medicines is often the most cost
4 effective way to serve many rural patients. These items also often have critical delivery
5 deadlines that could be disrupted by reduced mail delivery service in rural areas.

6 While private carriers can, in some instances, serve these markets, the lack of
7 six-day delivery will impact the ability of rural consumers to receive time sensitive
8 materials. For small-scale community and organic farmers, there is no cost effective
9 alternative to the postal service for delivery of live poultry chicks. Private carriers simply
10 will not carry these shipments. Reducing mail delivery service could increase the risks
11 of baby chicks arriving dead or in a malnourished state to the family farmers, spreading
12 disease among other live poultry shipments.

13 For customers seeking the delivery of certain medications, again, time sensitivity
14 can be critical to the effectiveness and potency of many human or animal
15 pharmaceutical products. While private carriers do offer some competitive services for
16 some of these items, Grange members believe the lack of competition from the USPS
17 will reduce the level of competition among the various carriers for time sensitive critical
18 materials that need to be delivered to rural consumers and businesses.

19 As with rural small business, rural mail order customers disproportionately benefit
20 from legal protections and criminal investigative powers inherent in the mail fraud
21 statutes. These protections are especially important in combating use of the US mail to
22 distribute counterfeit or expired medicines, a growing problem through out the nation.
23 Grange members believe that it is currently impossible to segregate critical delivery
24 items from the general delivery items among the postal service's deliveries every day.

25
26 Reducing Mail Delivery Service from Six Days to Five will Have a Negative Impact on
27 the National Trend to Encourage and Require Greater Mail Voting and Participation in
28 Elections and Referendums.

29
30 One of the most consistent trends in participatory democracy over the past 15
31 years has been a move toward encouraging and requiring the casting of ballots in

1 elections by mail. Ballot by mail measures in many states are seen as increasing
2 participation in the democratic process, reducing the costs of elections and reducing the
3 incidents of voter intimidation and fraud.

4 There are more than 40,000 local governmental agencies in the United States,
5 most of them operating in rural areas. Not just general municipal or tribal governments
6 but special purpose governmental entities dot the political landscape in rural America.
7 School districts, fire districts, water districts, conservation districts, agriculture districts,
8 public utility districts, and public telephone districts are just some of the special purpose
9 local governmental organizations that serve rural citizens. Each of these organizations
10 rely on some form of public participation through voting, either to elect public officials to
11 oversee provision of public services or through direct referendum to make critical
12 decisions regarding the budgets and operations of these entities. Increasingly, all of
13 these organizations rely on the US mail to conduct these votes.

14 In addition, private, self-governing entities are proliferating in urban, suburban
15 and rural communities. Rural communities have long relied on private, self-governing
16 entities to provide basic services and commercial services, such as rural electric
17 cooperatives, rural water cooperatives, rural telephone cooperatives, credit unions, and
18 farm supply cooperatives. Outside of rural areas, private self governing entities have
19 proliferated among home owner and condominium associations as well. By law in most
20 states, these entities must conduct their business utilizing postal voting.

21 Nearly all public or private elections still have critical deadlines that must be met
22 for individual votes to count. Reducing mail delivery service from six days to five days
23 risks disenfranchising some voters because of missed delivery or postmarking
24 deadlines. This is especially true in two critical areas that have been identified by
25 Grange members. The first area is members of our Armed Services who are serving
26 their nation far away from home. It is critical that our men and women in uniform have
27 access to vote in their communities in elections back home. While special exceptions
28 could no doubt be carved out for major electoral events like national elections to assure
29 that the votes of our members of the Armed Forces are received and counted, it is just
30 as important to assure that the members of our Armed Forces can participate in any of
31 the tens of thousands of municipal, tribal, public special purpose districts or private, self

1 governing entities they are affiliated with if their service defending our nation is to have
2 its full meaning and value.

3 Second, the Grange is deeply concerned that the impact of reducing six-day mail
4 delivery on local and state elections will have a disproportionate impact on states and
5 local governments that are still affected by special federal protections administered by
6 the U.S. Department of Justice under the provisions of the Voting Rights Act of 1964.
7 There has been almost no discussion on the impact of reducing mail service in the
8 various Southern states that have increased use mail balloting in recent years. These
9 states must submit specific plans related to election infrastructures and procedures to
10 the Department of Justice to assure that their minority citizens have full participation in
11 the electoral process. The Grange is concerned that minority rural voters could be
12 disproportionately affected by reductions in mail delivery services in these states. We
13 are also concerned that unless the Postal Regulatory Commission explores this issue
14 thoroughly and addresses it explicitly in its final decision, that any reduction of service
15 could be legally challenged in these states as a violation of the provisions of the Voting
16 Rights Act.

17 The National Grange strongly urges the Postal Regulatory Commission to
18 proceed with caution on any change in six-day mail delivery service that would 1)
19 generally discourage continued expansion of mail balloting among public or private
20 entities; 2) reduce the opportunity for members of our armed services to cast their
21 ballots in a timely manner or 3) be seen as discouraging minority rural residents in
22 southern states from casting ballots in local, state and national elections.

23 In summary, for reasons outlined in this testimony, the National Grange strongly
24 opposes reducing mail delivery services in rural areas from six days to five, based on
25 the current record before the Commission. On behalf of the nearly 200,000 members of
26 the National Grange, I want to thank the Postal Regulatory Commission for allowing the
27 National Grange to present this testimony.