



April 7, 2020

Comments of: Pete Sepp, President
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Before the: Postal Regulatory Commission
901 New York Ave., NW, Suite 200

On the: Advance Notice of Proposed Rulemaking to Consider Regulations to Carry Out the
Statutory Requirements of 39 U.S.C. 601

Docket No: RM2020-4

Dear Members of the Commission:

On behalf of the supporters of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to submit comments in response to the Commission's revised notice of proposed rulemaking aimed at possible regulations to fulfill the requirements of 39 U.S.C. 601, "Letters carried out of the mail" as a component of the Universal Service Obligation (USO).

NTU and its supporters have long been concerned about the financial management of the United States Postal Service (USPS) and the impact of USPS's business practices on the economy as a whole. While we have serious concerns about USPS's operations, NTU is steadfast in our commitment to helping build a future for the USPS that is sustainable for consumers and taxpayers. As you may be aware NTU has been involved in postal reform issues since the late 1970s, advocating for taxpayers, consumers, and businesses on issues such as: pension liabilities from USPS's existence as a federal department, the First Class monopoly, impediments to private-sector competition, managerial improvements, and rate-setting accountability mechanisms.

We believe that taxpayers have a direct interest in many aspects of USPS, including operations, personnel compensation policies, and infrastructure acquisition. All of the decisions associated with these practices can impact the long-term financial health of USPS – in turn, impacting the likelihood that someday taxpayers may be unfairly saddled with liabilities the Postal Service is unable to pay. This is not idle speculation, in light of recent federal bailouts of Government-Sponsored Enterprises such as Fannie Mae and Freddie Mac. Although their structures are different from that of USPS, Fannie Mae and Freddie Mac's officials insisted that there was no explicit or implicit federal guarantee behind their finances. Taxpayers discovered otherwise during the Great Recession.

It is our firm belief that seeking to expand the definitions for what constitutes a letter will not increase any value proposition for consumers above what they are already receiving for completion of services. The current framework in place is sufficient and is allowing the USPS to serve the American people and consumers properly.

NTU believes that letter mail pieces remain universally distinguishable and the current requirements are sufficient in maintaining expectations for consumers and commerce. Revisions and the expansion of the definition of letters would have only nominal benefits, while possibly introducing unknown repercussions. In these current times of uncertainty, maintaining a narrow definition for letter delivery is the most logical choice. Substantial changes to what consumers understand to be a letter would only cause confusion and chaos during a time in which the USPS is already facing extreme uncertainty in regard to its fiscal future.

It should also be noted that any momentum behind expansion of the current scope of letter mail pieces should still carry a tremendous burden of proof for required change, for which there is none. The present definitions of letter mail pieces have been satisfactory in addressing taxpayers' postal needs and there is at best limited evidence that points toward a need to expand the scope of definition for letter mail pieces. There are more critical issues facing the USPS that must be addressed first.

NTU would be remiss if it did not also address mounting concerns about the financial health and fiscal management of the USPS and the impact it has on the American economy. We remain committed to advocating for taxpayers, consumers, and businesses alike on issues ranging from the First Class monopoly to rate-setting accountability mechanisms.

Our increasing concerns for the viability of the USPS are derived from the long-term accumulation of unfunded liabilities and debt, and now further financial duress presented by the threat of COVID-19. The upshot is a serious set of implications for taxpayers, especially if the allowances to USPS are presented without any conditions.

NTU would also like to highlight that substantial authority over these matters lies with the legislative branch, as Members of Congress deliberate and make evaluations of the postal needs of those that they represent. This decision-making process is not perfect, and can lead to directives for USPS to provide service that is not financially sustainable. Nonetheless, leadership is a two-way proposition. Additional reforms that are necessary for the salvation of the USPS lie in sorely needed action by its own leadership team, thereby demonstrating to Congress that postal management is focused on the proper priorities. In so doing, USPS may encourage Congress to become more thoughtful in its own postal reform policies.

In closing, NTU maintains that preserving current definitions for letter mail pieces is consistent with consumers' needs and with their general understanding of letter pieces. There is no need for adjustments of regulation and further complexities to disrupt postal services, which also consume valuable time and energy that must be expended on protecting taxpayers. Thank you for your consideration of these views, and if we can answer any questions, we are at your service.

Respectfully,

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