

Before the Postal Regulatory Commission  
901 New York Avenue NW, Suite 200  
Washington, DC 20268-0001

Statutory Review of the System  
For Regulating Rates and Classes  
For Market Dominant Products

Docket No. RM 2017-3

COMMENTS OF THE ALLIANCE FOR RETIRED AMERICANS; CATHOLICS IN ALLIANCE FOR THE COMMON GOOD; CENTER FOR COMMUNITY CHANGE ACTION; CENTER FOR MEDIA AND DEMOCRACY'S PR WATCH; CENTER FOR STUDY OF RESPONSIVE LAW; CONSUMER ACTION; FARM AID; IN THE PUBLIC INTEREST; HIGHTOWER LOWDOWN; NATIONAL COALITION ON BLACK CIVIC PARTICIPATION; NATIONAL ORGANIZATION FOR WOMEN; NEW PROGRESSIVE ALLIANCE; PEOPLE DEMANDING ACTION; VOTE VETS ACTION FUND

Dear Commissioners:

This letter is in response to the Postal Regulatory Commission's (PRC) request for public comment on whether or not the current system for regulating rates and classes for market dominant products is achieving the objectives of the 2006 Postal Accountability and Enhancement Act (PAEA). We, the undersigned, believe in a strong, public Postal Service that collects revenue adequate to provide affordable, universal mail service to all. The Postal Service's shortage in revenue over the last 10 years has led directly to cuts in service and the threat of privatization.

Under the current system the Postal Service has not had adequate revenues to meet all of its operational and statutory obligations. Tying postal rate increases to the increase in the Consumer Price Index (CPI), while not allowing the Postal Service to expand services and requiring the Postal Service to pre-fund decades of future retiree health benefits, has put the Postal Service into an impossible bind.

The Postal Service has responded to the constraints listed above by slowing mail service, closing community-based Post Offices and mail processing facilities, slashing hours of operations, trying to end six-day service as well as door-to-door delivery, and eliminating hundreds of thousands of living wage jobs. Over the last few years nearly all of Postal Service management's focus has been on ways to cut more costs, rather than a balanced business approach of improved service, expanded products and services, including basic financial services, and cost efficiency. Should financial pressure from CPI-based rates continue, the Postal Service could be at risk of further service erosion. If service and usage decline significantly, the Postal Service could then become a target for privatization. Under a privatization of the Postal Service, mail users of all types can be sure that shareholders would demand much higher postal prices.

The Postal Service binds the nation together. It provides universal service to people from all walks of life – rich and poor, rural and urban, without regard to age, gender, race or nationality. The current status quo of a pre-funding mandate, restrictions on new products and services, and a lack of flexibility in setting rates puts the Postal Service at risk. In this proceeding, we believe the PRC has the ability to make an important change in the rate setting process in order to support a strong, public Postal Service.

Sincerely,



Katherine E. Isaac on behalf of

Alliance for Retired Americans  
Catholics in Alliance for the Common Good  
Center for Community Change Action  
Center for Media and Democracy's PR Watch  
Center for Study of Responsive Law  
Consumer Action  
Farm Aid  
In the Public Interest  
Hightower Lowdown  
National Coalition on Black Civic Participation  
National Organization for Women  
New Progressive Alliance  
People Demanding Action  
Vote Vets Action Fund