

United States Senate

July 3, 2018

The Honorable Robert Taub
Chairman
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, D.C. 20268

Re: Docket No. IM2018-1

Dear Chairman Taub:

Thank you for accepting public comments ahead of the upcoming Universal Postal Union (UPU) Extraordinary Congress scheduled for September in Ethiopia. During this meeting, the UPU's 192 member countries will agree on a new World Postal Strategy that will bind the United States to its rules, rates and international exchange agreements.

These international postal agreements have a very real impact on American consumers, businesses and workers. Currently, foreign businesses enjoy discounted postal rates on goods they ship to the U.S., putting American entrepreneurs at a disadvantage. In a global economy with razor-thin margins, a flawed UPU agreement can mean the difference between success and failure for an American employer. We must make sure that any new agreements do not harm American workers.

According to the Postal Regulatory Commission's Fiscal Year 2017 Annual Compliance Determination Report, the United States Postal Service (USPS) lost \$170 million on inbound mail from foreign countries. This is due to unfair inbound international mail rates set by the UPU, forcing American taxpayers to subsidize foreign businesses at the expense of American companies. It is simply unacceptable that Americans must pay more to mail items within our own borders than sellers in foreign countries must pay to mail items to the U.S.

U.S. law requires that the Postal Regulatory Commission, in revising a system for regulating rates and classes for market-dominant products, "shall take into account the desirability of special classifications for both postal users and the Postal Service in accordance with the policies of this title, including agreements between the Postal Service and postal users, when available on public and reasonable terms to similarly situated mailers, that do not cause unreasonable harm to the marketplace."¹ I believe the current unfairness in the terminal dues system causes unnecessary and unreasonable harm to the marketplace.

¹ 39 USC § 3622(c)(10)(b)

That is why I am urging American representatives to exercise their plenipotentiary powers at the UPU Extraordinary Congress in September to put the wellbeing of American workers first in any negotiations of terminal dues agreements. The Postal Regulatory Commission must ensure any negotiations in the Extraordinary Congress are conducted with the best interests of the U.S. domestic marketplace in mind. Thank you for your diligent attention to this matter.

Sincerely,

Bill Cassidy, M.D.

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U.S. Senator