

SOMMER BARNARD ACKERSON

ATTORNEYS, P.C.

February 12, 2003

Mr. Dennis Shea
Executive Director
President's Commission on the Postal Service
1120 Vermont Avenue
Suite 971
Washington, D.C. 20005

Dear Sir:

The National Star Route Mail Contractors Association is a not-for-profit Association representing the more than 17,000 contractors who provide surface transportation for the U.S. Mail. The Association seeks to advocate for the legislative and regulatory needs of its members at the state and federal level. The Association is officially recognized by a variety of governmental agencies, including the U.S. Postal Services, the U.S. Departments of Transportation and Labor, as well as by the Congress.

The Association is led by Executive Director John V. ("Skip") Maraney and President Robert B. Matheson. The Association has marshaled support from its members to enable it to offer the Commission valuable insight and information as the Commission pursues its charge. The law firm of Sommer Barnard Ackerson is assisting the National Association President and Board of Directors in this effort. The Indianapolis office as well as the District of Columbia office will be actively partnering with the Association. The Commission will hear from Sommer Barnard Ackerson on a number of issues of importance not only to the Association's members, but to the decision makers who will assess and decide how the current system can be improved to be more efficient and cost effective.

The Association offers the following with respect to its position on the key issues to be considered by the Commission. At this early stage in the Commission's work, we recognize it is difficult to foresee all the issues facing the Postal Service as it seeks to best fulfill its mission in the 21st Century. However, we offer here a set of policy principles which we believe should guide the Commission as it works with all interested parties to fashion a new vision for Postal Service in the United States. We look forward to amplifying these views in field hearings and in Commission deliberations as we move forward toward a July 31st report.

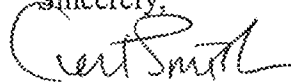
- 1) The basic challenge facing the Postal Service is a current business model with fundamental flaws. The vision behind reform legislation in 1970 has guided the Postal Service well for three decades, but it needs

to be modified in light of the information driven, Internet age in which we live. This is especially critical if overall mail volume continues to decline.

- 2) We support universal mail service, which we define as: USPS mail delivery to all addresses, including Saturday delivery.
- 3) We believe the Postal Service needs pricing flexibility (on its non-monopoly lines of business).
- 4) We believe part of building flexibility into that process is a streamlined, responsive rate-setting procedure for all product lines, including so-called "monopoly" lines.
- 5) We believe that the desire to streamline and simplify contract management should not lead USPS to interfere in the procurement, personnel and general administration of contractors' lines of work. Such a view would end the current practice of USPS managing mail contractor fuel supplies.
- 6) We believe that the current system of meeting Postal Service mail hauling needs with a network of private sector trucking firm resources has worked well and should be examined as a model for additional efficiencies to be gained for the Postal Service and ratepayers alike.
- 7) The Commission may well discover opportunities for our members to provide additional services to the United States Postal Service to recognize our Association members' well-documented success in distributing mail.

With this letter, we also indicate the Association's desire to present testimony at an upcoming field hearing. We believe it would be best to present at the April 4th hearing on Private Sector Partnerships in Los Angeles, California.

We hope that these position statements of the Mail Contractor's Association will assist the Commission in its work.

Sincerely,


Curt Smith
Senior Policy and Legislative Analyst