



NEWS from

U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

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FOR RELEASE: SUNDAY A.M.'s CONTACT: JANET ANDERSON
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DOLE COMES TO AID OF "AUNT MINNIE"

WASHINGTON, D.C.--Senator Bob Dole (R-Kans) will introduce legislation to freeze the price of a first class postage stamp for private citizen mailers at the present level of ten cents.

Dole, who said he will introduce his bill early next week, said the freeze would be for an indefinite period and would apply only to "all first-class mail -- such as notes, messages, cards, payments, etc. -- which is of domestic origin and which is mailed by private citizens."

This category of mail -- as distinct from other 1st class, or 2nd, 3rd and 4th class mail -- is often characterized as "Aunt Minnie" mail.

The bill, in Dole's view, does not represent a full or final solution to the financial difficulties of the Postal Service. Dole said the bill, if passed, would be a Congressional recognition of "the fact that the solution does not lie in constantly increasing postage rates for Aunt Minnie."

(A full text of Dole's prepared remarks on the bill follows.)

POSTAL RATE RELIEF FOR THE PRIVATE CITIZEN

MR. DOLE: Mr. President, last week the U.S. Postal Service filed a request with the Postal Rate Commission to increase first class postage rates to 13¢ within the next four months. This is the third postal rate increase proposed by the Service since Congress passed the Postal Reorganization Act in 1970, and it will reflect a 117% increase in the price of first class postage stamps in less than five years. In January, 1971, the American public was paying 6¢ to mail a letter weighing up to one ounce; by January 1976, the public will pay 13¢ for the same purpose. Fortunately, few other consumer products or services have registered quite such a dramatic increase -- percentage wise -- in so short a space of time.

Each time the postage rate has risen, the public has breathed a sigh of resignation and renewed its hope that this would be the final plateau, at least for the foreseeable future. But no sooner has the public exhaled, it seems, and the postage rates have gone up again. At this point, it can honestly be said that there is no end in sight to rising postal costs for the private citizen. Some observers now predict that the price of a first-class stamp may well rise to 15¢, 17¢ or 20¢ within the next few years.

In blunt recognition of the possibility of "mail rates getting out beyond the reach of a large spectrum of the citizenry of this country," the General Counsel of the U.S. Postal Service suggested to the House Subcommittee on Postal Service last March that it "might want to give some thought to what could be called a citizen mail subsidy, a subsidy for individual mail, rather than for company mail, for what is so often called in this room 'Aunt Minnie' mail..." The Counsel speculated that Congress might "have a very interesting time analyzing the possibilities of that. And I suggest it in case you want to give it further consideration."

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PUBLIC INTEREST AT STAKE

Mr. President, I too have been concerned about the impact of ever-increasing postage rates on "Aunt Minnie" -- on every private citizen in this country who still uses the mail to communicate with others and to handle his private business. The drastic inflation of postage rates has hit the individual hard, particularly those in rural areas who rely heavily upon mail service to keep in touch with distant kin and to perform daily business transactions. The citizen who regularly orders products and pays his bills by mail; who still sends greeting cards to relatives and friends; and who takes the time to write his Senator or Congressman, knows full well the value of the postage stamp today. As one commentator keenly observed; "Nowadays, when a person begins his letter with 'Dear' he really means it."

For years, Congress has regularly subsidized certain types and classes of mail for commercial and institutional mailers, to "soften" the impact of rate increases. Such "phase-in" subsidies for second-class rates, third-class nonprofit mailers, and fourth class special and library rates are authorized through 1980 and 1988, depending upon subclass. Whether or not first-class postage rates serve to subsidize reduced commercial rates -- as some have speculated -- there is no question about the fact that the taxpayer has helped subsidize these discount mailers indirectly through annual appropriation.

My purpose is not to criticize special-rate mailers; the Postal Service established rate structures with the purpose of maintaining an adequate volume of business from these sources. Many of them provide valuable services to the public. But I do think it's time that equal consideration be given to the interests of private mailers as well. It is with that intent that I am today introducing legislation to call a halt to unending increases in postage rates for the private individual.

RELIEF FOR PRIVATE MAILER

The "Private Individuals" Postal Rate Relief Act of 1975" will establish a maximum rate of 10¢ per ounce for letters of private individuals which are sealed against inspection. This will include all first-class mail -- such as notes, messages, cards, payments, etc. -- which is of domestic origin and which is mailed by private citizens. Corporations, companies, associations, partnerships, institutions, organizations, and governmental units are specifically excluded from its provisions.

This legislation is designed to be just what its title implies: a "relief" measure for private citizens who are becoming increasingly burdened because they are expected to bear the brunt of rising postal costs. We are all aware of the financial difficulties encountered by the semi-independent Postal Service, and I believe it is a problem which both Congress and the Service must confront together, in seeking a practical solution. It is time we all face up to the fact that the solution does not lie in constantly increasing postage rates for the individual. Five years of experience, and a ballooning postal deficit, have taught us that. The fact is that every time postal rates rise, mail volume goes down, thus adding to the Service's financial problems. The seriousness with which both Congress and the Postal Service are currently searching for solutions is clearly evident in the preoccupation by the House with a postal reform bill of sorts (HR 8603), and in the Postmaster General's recent remarks before the National Postal Forum IX here in Washington.

There are several reasons for the drastic increase in the Postal Service budgets. Certainly, the inflationary rise in labor and capital costs have been major factors. Labor costs, which account for approximately 85% of the Postal Service's annual budget, recently soared even higher with the promulgation of a new three-year contract for postal employees. Under the terms of this contract, employees receive a flat \$1500. raise over the duration of the contract, in addition to six cost-of-living raises of undetermined value. Furthermore, the continuation of a "no lay-off" clause for all 600,000 postal workers adds up to a reasonable conclusion that we cannot expect any decrease in Postal Service labor costs during the next three years.

RURAL SERVICE DETERIORATES

At the same time that rates have risen, the public has been asked to accept certain sacrifices in service. Rural areas, in particular, have been the victims of post office closings, delayed mail deliveries, route consolidations, suspension of weekend service, and other curtailments -- at the same time that rural residents are expected to bear their full share of postage costs and tax payments for Postal Service appropriations. It is not difficult to understand the outrage of constituents

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who are powerless to influence the policies of a service which is so vital to their daily activities.

I believe that this legislation, if approved by Congress, will be a first step toward restoring the traditional concept of postal service as a "public service." Congress will be taking a look at many aspects of current postal problems in the months ahead, but it can begin to rectify matters in the public interest by stabilizing postage costs for the "little guy," who accounts for some 15% of the total mail volume each year.

Some of the technical mechanisms for implementation and administration of the "Postal Rate Relief Act" can best be devised at a later stage through discussions between Congress and Postal Service officials. Whether the Postal Service deficit should be met through increased Congressional subsidies or through redistribution of postage costs is a matter best left to later discussions focused on the financial situation of the Postal Service. The immediate and primary purpose of this legislation is to provide a measure of relief from unending postal rate increases for the private citizen.

With respect to enforcement of this special-rate mailing privilege, I have included in my bill a provision to establish civil penalties for unauthorized use of the private citizens' rate. The Postal Service is thereby empowered to bring civil action against any non-authorized use of the privilege, and the violator is subject to a fine for each violation. In some respects, enforcement of this restriction is governed by an "honor code," much as the use of any other special permit or discount mailing rate is subject to assumed integrity of the mailer. But the ratio of monetary risk at stake -- a 3¢ savings as compared to a possible \$2500 fine -- should serve to discourage willful violation by unauthorized persons or institutions. Furthermore, either the recipient of such mail, or postal officials -- by means of ordinary "cover scanning" -- would be capable of pointing out violations.

This bill is not designed to enter or to resolve the continuing debate over the wisdom of Congressional appropriations for postal service. Neither is it designed to once again put Congress in charge of rate-making responsibilities. The Postal Service and the Postal Rate Commission will still have the authority under Public Law 91-375 to recommend and implement various postage rates for various types of mailers and classes of mail. Only materials mailed by private individuals, and sealed against inspection according to postal regulations, will be regulated as a result of this measure.

AUNT MINNIE LOSING PATIENCE

I hope that the Members of this Congress are ready to face the problem of soaring private mailing costs. If I judge the mood of "Aunt Minnie" correctly, she is rapidly losing her patience with ever-increasing postage rates. Only a drastic loss in mail volume, and more serious economic straits lay in store for a postal system that pushes her to her limits of tolerance. I am hopeful that the Senate Post Office and Civil Service Committee will take early and favorable action on this legislation to protect the interests of the individual mail user.

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