

Who Has The Advantage?

By Azeezaly S. Jaffer

(NAPSA)—Because only the Postal Service can deliver letter mail, some people feel it has an unfair advantage over private sector competitors. In fact, the Postal Service operates under far more restrictions than any private company, which hampers its ability to compete effectively.

Most people do not realize that the Postal Service is self-supporting and receives no taxpayer funding for its operations. Under the law, it is mandated to break even over time and not earn a profit. It is not allowed to retain earnings from year to year. And by law it can't close offices solely because they are not profitable. These are restrictions no private competitor must operate under.

While its private sector competitors arbitrarily raise their rates every year, the Postal Service does not have the ability to adjust its rates as needed. In order to change its rates, the Postal Service must petition the Postal Rate Commission. This requires the preparation of 100,000 pages of documentation and 10 months of hearings. Ultimately, it takes about 18 months before a rate change can be put into effect.



Postal Service operations are not funded by tax dollars.

This tedious, lengthy process hinders the Postal Service's ability to adapt to a rapidly changing marketplace. The lack of pricing flexibility and the inability to offer volume discounts to large mailers to grow the business are constraints no private company has to endure.

Private companies have no mandate to provide service to every community in the country at a uniform rate. We charge the same price to everyone for the same level of service no matter where they live. This is an obligation no competitor has shown the ability or desire to bear. But it is a duty we proudly accept as our commitment to the American people.

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