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MAIL SERVICE IN RURAL AMERICA

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HEARINGS



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BEFORE THE
SUBCOMMITTEE ON POSTAL SERVICE

OF THE

COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

SECOND SESSION

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MAIL SERVICE IN RURAL AMERICA

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MAIL SERVICE IN RURAL AMERICA

TUESDAY, NOVEMBER 19, 1974

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON POSTAL SERVICE,
Washington, D.C.

The subcommittee met at 9:40 a.m., in room 210 of the Cannon House Office Building, Hon. James M. Hanley (chairman of the subcommittee) presiding.

Mr. HANLEY. Today we are opening 2 days of hearings on mail service in nonmetropolitan areas. With us are the members of the Family Farms and Rural Development Subcommittee of the Agriculture Committee. Chairman Bill Alexander of that subcommittee has expressed a great deal of interest on this subject and at his request we are holding these joint hearings.

This subcommittee has been holding a series of hearings and investigations into the quality of mail service nationwide. During those hearings we have touched on some of the problems involved in rural mail delivery. However, this will be our first opportunity to concentrate on this area, and we are very appreciative of the assistance of Congressman Alexander's subcommittee on putting this hearing together.

Our first witness will be Chairman Alexander of the Family Farms and Rural Development Subcommittee who will join me on the podium after his testimony.

It is a pleasure to have you aboard this morning.

STATEMENT OF HON. WILLIAM ALEXANDER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS, ACCOMPANIED BY MS. ANN PRIDE

Mr. ALEXANDER. Thank you very much, Mr. Chairman, and members of the subcommittee.

First, let me express my appreciation to each one of you members of the Postal Service Subcommittee for your cooperation in this joint effort to determine the effects of the U.S. Postal Service policy in nonmetropolitan areas.

The ranking minority member of the Subcommittee on Rural Development, Mr. Sebelius, and I have long been concerned with the neglect exercised by the post office in providing service to the Nation's countryside.

In the 6 years I have been in Congress such issues as impeachment, busing, abortion, prayer in schools, energy and tax reform have at

times brought an overwhelming volume of mail to my office. However, no single issue has brought a steadier influx of complaints than the operation of the U.S. Postal Service.

With the passage of the Postal Reorganization Act which created USPS, I had great hopes for improvement of service. This has not been the case. I believe three years is sufficient time for this new organization to prove itself. There is little doubt in my mind as to the direction in which the USPS is headed and I do not agree with it.

It is time to stop giving them just one more chance and start affirmative action to correct the inequities being inflicted on the people of the countryside by this agency.

The citizens in my congressional district are tired of haphazard mail service and they, too, are frustrated at the lack of responsiveness of this organization. In an effort to channel their energies, talents, and frustrations in a positive manner, I took two actions this summer which I shall describe here today.

First, I sent out a congressional questionnaire, prepared with the assistance of the Congressional Research Service and the Library of Congress to the 170,000 postal patrons in the First Congressional District.

The response to this poll was overwhelming. We have just finished reading each of the comments on the 12,000 returned questionnaires in an effort to define specific problem areas.

My personal cost of tabulating each of the questionnaires makes it necessary to draw a random sample for the final tabulation. This sample should be completed this week.

My next step was to appoint a Congressional Advisory Committee on the U.S. Postal Service. The committee was composed of members from each of the 21 counties that comprise the First Congressional District in Arkansas. The committee members were from various segments of society and included several who had been affiliated with the Postal Service in one position or another before retirement. In fact, we even had one lady who was vice chairman and one time president of the National Postmistresses organization. Some members were former postmasters from both large and small post offices. The committee was equally balanced with executives from private business.

Since Postal Service policies limit the amount of input we could expect from present employees, the group had to depend on the expertise of former members of the Service for much of their information.

I had hoped to have at least one or two current postmasters serving on this Citizens Advisory Committee, Mr. Chairman, but frankly, they were so intimidated by the present policies of this Government agency that they were fearful of their jobs to do so.

In fact, I had even contemplated a bill to reenact the First Amendment of the Constitution for employees of the U.S. Postal Service.

I might add that before this hearing there were two other meetings, one in September, at which time the 21-member committee divided itself into three subcommittees dealing with local, regional and national problems respectively, and then met again in October for a full day's meeting to hear and discuss problems and solutions, after which we concluded our hearings in West Memphis this last week.

Although their statement will be a part of the permanent record, I

wish to summarize their suggestions in my testimony today since I will be using them as the basis for drafting of new postal legislation.

I might also mention that the people serving on the committee gave of their own time and money, getting up early on Saturday mornings to drive several hours across the State for meetings of the committee. I remember a group of people who were there one Saturday who drove 4 hours from one side of my district to the other side. It is not like going across Manhattan. It is over 200 miles in mountains and over rivers and in the delta region from one side to the other, and it was quite an imposition on some of these people.

Some took whole work days from their businesses to contribute to this undertaking. People such as these and the citizens who testified before our committee have further underscored my belief that people want to do more than criticize and that if we give them the chance, they can do more than anyone else in deciding the type of laws that should govern them.

I have adopted a practice that where the system fails, I go to the people for a solution, and in my judgment the system has at least partially failed up to this point in producing the type of postal service that the people of this country need and deserve.

In this instance, especially, it is only right to give them this opportunity to say how their tax money is to be spent. After all, the Postal Service is one of the few Government agencies, if not the only one, that comes in contact with every citizen every day. The daily operation of American free enterprise is dependent upon an efficient handling of the mail.

At the West Memphis meeting we heard complaints from a representative from Blue Cross-Blue Shield who had spent weeks redoing applications which had been lost in the mail or taken 5 months to get delivered. This same representative testified that policies had been canceled when renewal notices failed to make it to the right place in time even though they were mailed well in advance.

I had a personal experience with nondelivered mail which was brought to my attention during the campaign. A great big husky Arkansan came up to me and said, "I'm mad as hell at you."

I said, "What for?"

He said, "You didn't answer my letter."

I said, "You are not one of the remaining persons who assumed that if you post a letter it is delivered, are you?"

He said, "You're right. We can't assume if a letter is posted it will be delivered."

At the West Memphis hearing, a school superintendent testified to the strain increases in postage had put on the budget of a small school system. Retired postal employees expressed their outrage at the service they were now receiving. One even remarked he felt like a "second-class" citizen even though he paid the same in taxes and the same for stamps as anyone else.

Delegates from several communities outlined the frustrations they had encountered in trying to secure adequate postal service for the rapidly growing communities. They found there were simply no guidelines for establishment of new or upgraded services.

And then there was testimony from the residents of another small community, who feel they were not consulted in the decision to build

a new post office building in their town. The new post office is being built out of walking distance of many of the town's elderly citizens on a busy highway where it will be hazardous for the major portion of the town's citizens to use it. These people felt that they should have some say in where their tax money is being spent.

I remember distinctly one elderly lady who was proud of the fact that she was 81 years old and had lived in the city of Oxford all her life. She said, "I pay taxes, and I expect to have some say in my government."

In addition to the suggestions received from these people, which will be a part of the permanent record, I think it is important that special attention be paid to the recommendations of the Congressional Advisory Committee. After reading their statement, you will realize the great amount of work and study this group put in in order to make these suggestions.

All of their recommendations are aimed at one thing, making the Post Office more responsive to the people whom it was created to serve. The operated under the premise that since Federal law has created a monopoly on first class mail, the Postal Service has the distinct responsibility to insure that its customers are receiving first-rate service at reasonable cost.

To do this, the Advisory Committee requests that the Postal Service again be made answerable to the people it serves through the people's elected Representatives in Congress.

It asks that more authority and responsibility be put into the hands of the local postmasters, believing that nobody knows who to deliver the mail better than the people at the local level. Yet it is these people at the local level that are rarely asked about new policies. In fact, one postmaster/sectional center manager says he is never consulted "until after the fact" on policies which will affect his operation.

In order to improve the attitudes and deteriorating moral of the Postal Service's local employees, the Advisory Committee recommends several actions:

1. Base promotions on merit rather than strictly on seniority.
2. Allow the local postmaster more authority in hiring and firing as well as disciplining those who work under him.
3. Return to the use of a local register system for those available and qualified for jobs rather than using the area register system.
4. Whenever possible, employ residents of the community as postmasters and clerks rather than bringing in nonresidents. I know of several instances where people were brought from as far away as Little Rock to serve as postmasters in small towns where they had no knowledge of the community and expressed little concern for the people there.
5. De-emphasize the importance of the civil service exams in hiring practices. These do not represent a true guide as to whether or not a person can carry the mail.

If the postmaster is given more responsibility in the hiring area, he will select the people he feels he can best rely on since to a great extent his own performance will be judged on the performance of those working under him.

In short, the committee, and I as well, believe that the authority should be placed where the responsibility is, just like a Member of Congress.

The committee also recommends that certain qualifications be laid down that make the establishment of post offices a matter of fact. These standards should be the responsibility of the regional offices, which brings the decision as close to the people as possible.

The other major area of recommendations concerns the routing of mail. The people of Arkansas think it is a bit ridiculous that mail from Brinkley to Wheatley, a distance of 5 miles, has to go to Little Rock, a distance of 70 miles, from Little Rock back through Brinkley and Wheatley, to Memphis, another 70 miles, and then to Wheatley from Memphis. I have a little trouble understanding this myself.

The committee makes two recommendations on routing:

When mail is picked up at a mail dropping point, it should be dropped at the nearest point to the destination, not a larger city for sorting.

Since the sectional center concept of mail delivery and routing that was in effect prior to USPS is a more logical and efficient method of operation than the regional concept being utilized at present, the committee asks reestablishment of a sectional center, preferably at the trade center in each county, or multicounty, for sorting and distribution of mail.

Mr. Chairman, before concluding, I would like to emphasize two points. Despite how I may sound at times, I do not believe that the Postal Service can't do anything right. I recognize that with such a large volume of mail handled daily, there are bound to be mistakes and legitimate mistakes.

Postal servants at the local level in most cases are to be commended for their work and the extra unpaid hours they put in to insure that the people in their communities get the mail that is so important to them.

However, the attitude at the top level of command has been one of insensitivity to, if not ignorance of, the needs of nonmetropolitan America. It is this attitude and the policies it has nurtured that must be changed.

I believe that postal officials at the national level who continue to exhibit such an uncaring attitude and callousness toward these people living in the heartland of this country should be removed from their positions in order to prevent this attitude from spreading down to those employees at the bottom level of the Postal Service ladder.

As we say in Arkansas, we need a good housecleaning in the head office.

Mr. Chairman, no one realizes better than the members of your subcommittee that all of these problems are not unique to the people of rural America. However, I believe it is clear that the Postal Service, as almost every other Government agency, has developed an "urban bias" in their policies. They tend to overlook the needs of those citizens who live outside the crowded metropolitan areas.

While spending millions of dollars on complex machinery and cost overruns on constructing and furnishing new buildings in urban areas, they are closing small post offices, reducing the number of postal jobs in rural areas and generally cutting back on the quality of service offered to the people of the countryside, in order to pay for the mistakes in the metropolitan areas.

Your committee is charged with the responsibility of legislation concerned with postal service, mine with the oversight of affairs and pro-

grams affecting rural America. Together I believe we can come up with a postal service which will once again reliably and efficiently serve all the people of this Nation. I look forward to working with you in obtaining this goal.

Thank you very much, Mr. Chairman.

Mr. HANLEY. Thank you very much, Bill, and on behalf of the committee I want to say that your testimony is indeed comprehensive and enlightening, and as I had anticipated, it will go a long way in assisting this subcommittee in its deliberations.

You are one of the Members of Congress who, on a continuing basis, has evidenced a great concern about the deterioration of our mail service, and in particular in rural areas, and I commend you for that interest, and concern, and beyond the interest and concern, your recommendations for improving and eliminating some of the shortcomings which prevail.

You can be assured that the recommendations of the advisory committee you referred to will be given every consideration through the course of this committee's deliberations. It is disheartening to me to have you say that the gag rule continues to restrict the ability of postal employees to speak out objectively. This is most disappointing. We have called this to the attention of the Postmaster General time after time, and he has given this committee the assurance that long ago the directive issued by his predecessor was put to rest.

So we will call your observation to his attention once again and hope that more definitive messages will be transmitted to postal personnel reaffirming that they are not second-class citizens, and by all means have the fundamental right to refer to their Representative in Congress. I commend you for the suggestion that you have made related to the possibility of legislation associated with the first amendment in this regard.

I would hope that that would not be necessary. The Postmaster General will again, perhaps by the route of another directive to all personnel, put to rest that fear that apparently still prevails subsequent to Mr. Blount's directive.

The committee certainly welcomes your input and your willingness to assist its deliberations. As you know, our intention is to put together a major piece of legislation. We have already introduced a vehicle, and on the basis of that vehicle, we are conducting these hearings, and we hope that early in the 94th Congress we will run with impressive and extensive amendments to the Postal Reorganization Act.

These amendments will encompass all of the better recommendations that this committee has picked up through the course of its 18-month period of hearings.

So we will look forward to working closely with you in this regard. Bill, with regard to the fundamentals associated with the Postal Reorganization Act, and that is the "break-even" concept, what would the attitude of your constituents be with regard to it? Do you believe that the traditional quality of postal service can prevail under the "break-even" concept?

Mr. ALEXANDER. Well, first of all, Jim, I am one who believes that

the Postal Service is so important to the efficient functioning of commerce in this country that it is worth subsidizing this function if a "break-even" concept cannot be proven out.

I reiterate that I am willing to vote for subsidies to the Postal Service if that is the only way that we can make it work. We employ this concept in other areas of our commerce. We are all familiar with the subsidies to the airline industry, the railroads and so forth, and it may be that from the standpoint of dollars and cents, the Postal Service just cannot pay for itself.

Now, I hasten to add that the waste which I have seen demonstrated by the Postal Service in the 3 years of its existence is outrageous, and I have pointed out to this committee and its counterparts on Mr. Nix's committee, of the huge excesses, and the blundering, unnecessary expenditures of taxpayers' money that have been paid out on occasions, which indicates to me that the performance of the Postal Service over the past 3 years is certainly not a test of the rule of "pay as you go."

If you and I were guilty of one one-thousandth of the waste the U.S. Postal Service is guilty of, we would be routed from office, and it is just beyond my comprehension that we in this Congress can sit back and allow this sort of thing to go on without affirmative action, such as congressional investigations, maybe even prosecutions by the Justice Department. So I say to you, gentlemen, I am willing to subsidize it, but I think we have to clean it up first.

Mr. HANLEY. Contained in the legislation is a provision whereas the Postal Service could enjoy a subsidy up to 20 percent of its overall operating costs, but of course, this accommodation would be subject to the authorization process, and through the authorization process, the Service itself would have to appear before the Congress to rationalize various expenditures. At that point, if the committee was aware of instances, waste, et cetera, it would then be called to the attention of the Postmaster General, who will have to rationalize what is happening.

Mr. ALEXANDER. Yes, sir.

In other words, you are saying that the Postal Service needs to be accountable to the people of this country for the money it spends.

Mr. HANLEY. Exactly.

Mr. ALEXANDER. I support it one thousand percent.

Mr. HANLEY. Mr. White?

Mr. WHITE. Thank you very much, Mr. Chairman.

Bill, thank you very much for coming today.

First, I think all the Members should be appreciative to your committee for proposing to Congress the very innovative legislation for help to the rural areas.

When we passed the Postal Corporation Act, much to our dismay now, we did provide that service to rural communities must be maintained, and I feel in my own opinion that this has been violated.

In the studies of your particular committee, do you feel that the present structure of the Post Office should be continued, or do you believe that there should be some return to the umbrella of Congress, maintaining some of the good features, like the elimination of the political system we had last time?

Mr. ALEXANDER. The last thing I want to get into is the business of appointing postmasters. The last thing I want to get into is the business of trying to run the Postal Service.

So I want to depoliticize that agency as much as possible to whatever extent that it is competent to accept responsibility.

But it is obvious to me from watching the performance of this agency over the past 3 years that this young child needs some supervision from papa, and that we in the Congress have the responsibility to our people to see that it is accountable to this Congress for the money it spends and for the policies it promulgates.

In other words, if they are throwing away money, we can go in and say, "Why are you spending 200 percent for this, when it only should be 100 percent?"

If they don't give us the right answer, maybe through the process, we can get them removed.

That is the way it should work, if policies are inactive, which in my belief, as I have demonstrated here today, they are.

I think the policies that the USPS has today are providing a mail service to the wheel that squeaks the loudest. Those wheels are in the metropolitan areas. They have come in here with this disastrous, expensive bulk mail concept which have resulted in great cost overruns, in many cases. You know the story about Secaucus and Memphis and all around the country of all these huge cost overruns, which in some cases were nothing in the world but political payoffs.

Then they have to pay for these things some way. Of course, we upped their subsidy this year by a billion dollars—doubled it—but what they are doing is, taking manpower in post offices out of the rural areas, in order to cover up the huge cost overruns in the cities.

So in effect they are taking their mistakes out of the hides of the rural people of this country, and I resent it, and I am not going to stand for it, and I will be here next year; and I am going to be one that they will have to account for one way or the other.

Mr. WHITE. Then you feel some of the autonomy we have built into the law should be removed for oversight, and more oversight exercised by Congress?

Mr. ALEXANDER. Yes. I think we should remove their autonomy, that they should be accountable to this Congress just like every other Government agency.

They need to walk that line every year. They need to be subjected to congressional oversight by this committee and by the Government Operations Committee.

I think we need to institute a thorough congressional investigation of all the money spent by that agency over the last 3 years, and we need to deliver to the Justice Department those cases that need to be prosecuted.

I will help them do the job, if they need some help.

Mr. WHITE. As a friend of the court?

Mr. ALEXANDER. Yes, sir.

Mr. WHITE. OK. Have your constituents complained about the sale of food stamps?

Mr. ALEXANDER. No, sir.

Mr. WHITE. Mine have. Mine have really objected to this.

Do you feel that your particular constituents have objected to the

loss of their identity, because they have been unable to stamp their envelopes?

Mr. ALEXANDER. There is some of that, but that is minimum. There is an identity factor that especially the small towns like to maintain, but I would say that that would even give way to the need for efficiency and economy, should it be shown to them that is the thing that needs to be done.

Mr. WHITE. Some of your recommendations are very good—most of them are. There is one feature that I would like to point out to you that I may disagree with to a certain extent. You say that the Service should base promotions on merit, rather than strictly seniority. I think that is what we were doing when Congress still had surveillance over the Postal Service.

Then you say that we should deemphasize the examination, and yet I felt that at the examinations, if they were targeted to the type of work the person was supposed to be doing, were in a sense insuring that the U.S. Government got the best employee available for performance of his job.

You really wouldn't want to downgrade the Service?

Mr. ALEXANDER. I must reemphasize at this point that these recommendations are the recommendations of the Citizens Committee, one-half of whom were former postmasters. I don't know anything about this, you know, screening people for postal jobs, and I can't testify expertly to that question.

I only say that we should do whatever is necessary, in order to get the best possible service for the least possible cost.

Mr. WHITE. The one other recommendation of the committee that I think maybe would result in the worsening of conditions, and that is where the postmaster would have the more or less absolute right to hire and fire. If everyone exercised idealistic behavior, I don't think you have to worry, but I think, under the facts of human nature, that you would find postmasters appointing their cronies instead of looking strictly for the meritorious individual.

Mr. ALEXANDER. Well, we talked about this issue at length, and that was certainly one of the points that was debated. It was concluded, however, that if you place the authority where the responsibility is, with the postmaster, then, if the postmaster doesn't do a job, you remove him.

If you don't do a job, they get rid of you. We all know that. We are accountable for every member of our staff, and if they goof up, you don't tell the people in El Paso, "Look, Joe Schmoe up here goofed up."

I think that is the same way with employees in the postal system.

I am not an expert on this subject and don't pretend to be, but the evidence that came to us from current—I mean from retired postmasters—and voluntarily, but confidentially, from current postmasters, is that they have too much dead weight. One man told me that conscientiously, he could do without one-third of the people in his post office and could do the same amount of work, if they weren't even there.

Apparently, he is saying that some sort of politics has crept into the system through the examination method which was not intended to be there.

So, I would think it would be a very good area of investigation by this committee to determine how this happens.

We need safeguards to see it doesn't happen.

Mr. WHITE. The safeguard would be the reevaluation of the employee and his role, and you could probably use that throughout the Federal Government.

I get the feeling that in the postal organization we have predicated this organization on a fallacious concept, and that concept is one that can never be attained and realized, in that this cannot be a self-sustaining organization. There has been no postal organization in the world that has become self-sustaining unless they have incorporated as well telephone and telegraph service within their system, and I am not advocating that. But I don't think the Postal Organization can ever be self-sustaining.

Mr. ALEXANDER. May I add one other thing?

We also assumed, when we voted for that reorganization bill, that good business practices would be incorporated by the people that were given the authority to make it self-sustaining, and we saw that that was not the case; that they threw away the money; they wasted it, and that maybe there is no way to establish a Government agency which is totally responsible without some accountability to the Congress.

Mr. WHITE. I agree.

Thank you very much, Mr. Chairman.

Mr. HANLEY. Thank you very much, Mr. White.

Mr. Mallery?

Mr. MALLARY. Thank you, Mr. Chairman.

I certainly want to echo what everybody else has said about the importance I think we all attach to the work which your subcommittee is doing in protecting the interests of the rural areas. As one who comes from a state that is defined by the USDA as being the most rural of all, I am conscious of the needs of rural development and the needs of rural mail service.

There are a couple of questions here I would like to clarify in your testimony. I gather that these are the recommendations of your advisory committee, and you don't necessarily, for yourself, adopt them.

Mr. ALEXANDER. Well, yes, I think for openers that I stand by my advisory committee.

We all worked together for 3 months to produce this package. It is a consensus, the same as any act of Congress, and I think I should respect it as such, although this is the first effort, and certainly anything that I recommended is subjected to debate and negotiation as we progress in trying to bring about reform in the system.

Mr. MALLARY. I recognize, as you mentioned, that in any organization, especially a large one, deadwood does creep in and inefficiencies do develop. Some of the problems your committee addresses itself to in the first two recommendations are questions of the responsibility for hiring; questions of seniority; questions of the ability of transferring personnel from one area to another. These questions largely relate to established policy or to contractual arrangements made between the Postal Service and the employee unions.

Is it your suggestion that some of these provisions for the continua-

tion of service of existing employees and providing them protection of their jobs and transfer rights be derogated in order that local postmasters, or local post offices, be permitted to have greater hiring and firing authority?

Mr. ALEXANDER. I am not trying to give the impression, in any way at all, that a certain degree of job protection is not essential, especially in government service where you always have the risk of politics, and you always have the risk of intervening forces which are not anticipated by legislation. So I am not saying that we shouldn't have some job protection.

However, I am saying that with these recommendations, that especially at the local level, that we need to give more authority to the local postmaster who has the responsibility for doing the job, the same as you have got the authority in your office to hire or fire any staff member at will, and I don't say that it needs to go that far.

I think maybe you do need some job protection in there, you need to have some reasons. I don't think that a postmaster should arbitrarily have the authority, because he had a bad day, just to dismiss somebody because he doesn't like the way he parts his hair, or didn't like the way—didn't like who you support on the football field, or some capricious reason of that type.

But certainly I think, based upon the evidence that we have received, that we need to examine the so-called job protection that now exists in order to determine if it really is job protection, or if it is something else.

Mr. MALLARY. Essentially, your feeling, then, is that our present provisions for job protection are excessive?

Mr. ALEXANDER. I would say my committee concluded, and I support the committee, that they are excessive as of this time.

Mr. MALLARY. Let me shift gears.

We are talking about the chairman's question about whether the Postal Service should be, in essence, self-sufficient and self-sustaining through postal fees.

I think this year the total subsidy for the Postal Service is going to be approaching \$2 billion. Theoretically, it is phasing out, but we have extended the phasing beyond the time initially anticipated.

You are saying you believe that it is desirable that we depoliticize the Postal Service. I guess my question is: How can we depoliticize the Postal Service at the same time that we make it compulsory each year that it comes back here to the Congress for handouts?

Mr. ALEXANDER. I don't think it is possible, as a practical matter, to totally depoliticize any Government agency, and I think we are theorizing when we indulge in this concept.

If we base our consideration only on the performance of the Postal Service over the past 3 years, there is going to be some politics. I am saying that what we need to do is to try to achieve the best balance between the two, because accountability and politics are in some respects related.

Mr. MALLARY. You would say, then, in essence, that we have insufficient accountability at the present time?

Mr. ALEXANDER. Yes.

Mr. MALLARY. I see.

Mr. ALEXANDER. I am also saying that I don't want to appoint any postmasters or any employees, and I think we could write into the law that we can't do that.

Mr. MALLARY. You would be willing to move a little bit toward the side of politics to get accountability, but not too far?

Mr. ALEXANDER. Yes.

Mr. HANLEY. Thank you, Mr. Mallary.

I have no further questions, Bill, and again I want to reiterate my commendation to you for your input. Believe me, it is most helpful. We are grateful for you taking the time this morning to appear before the committee and spend this time with us.

Unless Mr. Mallary has any further questions, we will say thank you again.

Mr. ALEXANDER. Before you conclude, I neglected to introduce Ann Pride, who is a staff member in my office. She came to me as a congressional fellow from the University of Arkansas some years ago. She has been project manager of this effort, and is totally responsible for its organization, lock, stock, and barrel.

You might say that she is the committee or the staff of the committee, and I would like to introduce her at this time.

Mr. HANLEY. It is Ann?

Mr. ALEXANDER. Ann Pride.

Mr. HANLEY. We are glad to have you aboard with us, and thank you for your effort.

Bill, will you join us up here?

Our next witness is our friend and colleague, Congressman Keith Sebelius of Kansas. He is the ranking minority member of the Joint Committee on Family Farms and Rural Development.

We are glad to have you aboard with us this morning. We are confident that your testimony will prove most interesting.

STATEMENT OF HON. KEITH SEBELIUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. SEBELIUS. Thank you, Mr. Chairman.

I do appreciate this opportunity to make these brief remarks on the joint hearings. I wish to commend my colleague and chairman, the Honorable Bill Alexander from Arkansas, for his interest and leadership in this particular area. I also wish to thank the chairman of the Postal Service Subcommittee of the Post Office and Civil Service Committee, the Honorable James M. Hanley from New York, for this opportunity to hold joint hearings with the Family Farms and Rural Development Subcommittee.

I have had the privilege of testifying before Mr. Hanley's subcommittee previously on this same subject and wish to thank the chairman for his courtesy and assistance.

Rather than go into lengthy remarks at this time, let me simply say it is my intention to make a general statement and then when these hearings convene again November 26 submit for the record a more detailed statement regarding postal service problems in the First Congressional District of Kansas and in our rural and small town areas.

In the spring of 1973, my office conducted a special listening and inspection tour relative to postal service in the big First District. In

brief, we found at that time that postal service in rural areas in Kansas, while not getting any worse, seriously deteriorated from the service standard prior to postal reorganization.

The service in terms of posing a hardship to rural patrons was bad enough but it appeared at that time discriminatory in comparison to that received in urban and suburban areas and in areas in close proximity to sectional centers.

According to the rural patrons who made their complaints very public during this tour, and postal employees, who made their complaints for the most part in private, the policy directive that "the Postal Service shall provide prompt, reliable and effective and regular postal service to rural areas, communities and small towns where post offices are not sustaining," was simply not being met.

The basic point I would like to make today is that while I think there is some evidence that mail service nationwide is improving, especially from the standpoint of the ever increasing amount of mail that must be handled, I see no conclusive evidence service in our rural area has improved. Moreover, I am not aware of any program that is being implemented or even considered that specifically applies to rural areas.

To the contrary, it is my understanding that our postal employees in Kansas are being forced to try and improve service and handle an ever increasing load with a budget that has been reduced from last year. The end result of this cost dictate has been further route consolidation, personnel cutbacks and reduction in window service, especially on Saturday.

Since our postal study was completed in 1973, my Washington office has become more or less a court of last resort for folks experiencing postal problems in my district. And, in working with our postal officials in Kansas my staff and I have become very sympathetic to the problems they are experiencing.

Mr. Chairman, as I said, I will be submitting a more detailed statement next week, but I think the key to this problem really boils down to the fact postal service in rural areas simply cannot pay for itself. Since the reorganization act of 1970 we have a situation where an independent Federal agency has the responsibility of delivering an ever-increasing mail load on a break even basis while at the same time facing ever-increasing costs and political pressure against rate increases.

I am very well acquainted with the problem. Citizens in my district have seen postal service deteriorate and some are not getting service on an equal basis with their city counterparts. These problems have directly affected personal lives and the economy of our rural areas and, as a result, rural development. I must admit, however, I do not have the answers. I do have several suggestions, however, and I will be summarizing them in my later statement. I again thank my colleagues for the opportunity to make these comments and for their leadership in trying to find answers to this problem.

Mr. HANLEY. Keith, again on behalf of the committee, our appreciation for your keen interest and efforts on this subject. I take it from your testimony that you would be constrained to support the subsidy feature contained in the legislation that has been introduced along with that accommodation.

Would you probably support the authorization requirement? Is that a correct assumption?

Mr. SEBELIUS. That is very definitely correct, and I acknowledge that our end of this body politic, called the Postal Service, doesn't sustain its own weight. By the same token, I think this Government has pledged to them the equal type of service within reasonable bounds.

Mr. HANLEY. That is true. The Reorganization Act contained a provision which assured that in every instance, regardless of geography, the quality of mail service would be identical, hopefully good.

I asked Bill, and I will ask you, if you could provide for the committee the number of post offices contained in your congressional district, and along with that information advise us as to how many, if any, post offices have been closed during the past 2 years.

Mr. SEBELIUS. I will do that, and submit it in the very, very near future.

Actually, there have not been too many post offices closed. We have done a good job of protecting ourselves there. There has been a diminution in service, and there has been a discontinuation of rural routes.

Mr. HANLEY. Have there been a lot of consolidations?

Mr. SEBELIUS. Yes. It isn't all bad. Don't get me wrong. They faced up to some good problems in our district. The basic complaint is the discrimination that is taking place when you get out on the end there, the end of the line, so to speak.

Mr. ALEXANDER. Would the chairman yield.

Mr. HANLEY. Yes.

Mr. ALEXANDER. It has been my experience that there haven't been so many post offices closed as there has been a cutback in manpower in existing post offices where actually jobs were eliminated and work hours were reduced, et cetera.

I wondered if the Chair would allow his question to be expanded to include the number of manpower hours reduced as compared to the level of manpower that existed 3 or 4 years ago, or whatever, and I would further ask for some assistance as to how to determine that factor, because I have not been able to gain the information from the only institution that has it, which is the Postal Service.

Mr. HANLEY. Your suggestion is an excellent one, certainly well-taken, and we do expand upon the question, and, therefore, we are now asking for a comparison of the man-hours today as opposed to what it was 2 years ago.

If you have any difficulty in getting that information from the USPS, please call it to our attention.

Mr. ALEXANDER. Thank you, sir.

Mr. SEBELIUS. I will be happy to do that. Our office has a very good relationship with the regional post office head, and they are making every effort now to work with us, and I am sure I can get those figures.

Mr. HANLEY. Fine.

Mr. Mallary?

Mr. MALLARY. Thank you, Mr. Chairman.

Again, we appreciate your interest in the preservation of equitable services to rural areas. When you responded to the chairman's question about subsidy, I think I assume you are recognizing the obvious differential in costs that there is going to be between delivery of mail in a rural area and delivery of mail in a more densely populated area.

When you answer the question on subsidy, I gather—first, may I

say that I gather you are going to submit some further detailed recommendations later, so we are not quizzing you on that.

Mr. SEBELIUS. Yes. We did a study, and a report of about 70 pages is on file with this committee and with the Postmaster General. We will be summarizing from that.

Perhaps I didn't get the full import of the chairman's question. I personally feel that the General Treasury should subsidize the new Postal Service for any loss it sustains in the rural areas which cannot carry their own weight. I don't ask the city individual to subsidize our delivery system. I think that is an obligation of the Federal Government.

Mr. MALLARY. Under the Postal Reorganization Act, the theory at least was that postal rate payers would pay similar fees for the same service regardless of the cost of delivering that service, and whether you are delivering in New York City or whether you are delivering in Nome, Alaska, the price of a first-class letter was going to be the same. So the theory was that we would subsidize through charging higher postal rates, higher than cost, to people in the more easily served areas, and lower postal rates, lower than cost, in the more expensive areas.

Is it your feeling that this should be done through general revenues rather than totally being paid for from postal revenues?

Mr. SEBELIUS. I don't ask a city person to subsidize our district. It is an overall obligation. If they could show greater progress than they have so far, it would be desirable, I presume, but I don't see it coming, and, therefore, for this pledge that was made, I think I would have to call upon the Treasury to help out in that respect.

Mr. MALLARY. Do you have any general feeling as to the extent to which they should help out? There is presumably a continuum of cost, from the lowest cost areas to the highest cost areas.

At what point are you going to say you will subsidize from general revenues?

Mr. SEBELIUS. I don't know. That is something we will have to study and arrive at something that is just and equitable. I don't want the people in my rural areas discriminated against in postal service. I voted for postal reorganization. I think I made a good vote though I haven't found much evidence to justify that to this date. But I do think so. But they haven't been able to keep a handle on it because of the independence declaration, I guess, that was in it, to make it function the way we envisioned when we did vote for it.

Mr. MALLARY. I fully agree with you on the importance of maintaining equitable postal service, and I don't think there is a person that I know of in the Congress that doesn't feel this is important. I guess the question we will address ourselves to later is who should pay the price and whether it should be paid by postal ratepayers or by general taxpayers?

Again, I appreciate your testimony. Thank you.

Mr. HANLEY. Thank you, Mr. Mallary, and again, Keith, our appreciation for your interest and efforts, and if you will, we will be delighted to have you join us at the dais.

Our next witness this morning is Mr. Rial Rainwater, who is president of the National Rural Letter Carriers' Association.

STATEMENT OF RIAL RAINWATER, PRESIDENT, NATIONAL RURAL LETTER CARRIERS' ASSOCIATION, ACCOMPANIED BY LESTER MILLER, VICE PRESIDENT, NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

Mr. HANLEY. It is a delight to have you on board with us this morning, and I am confident that your testimony is going to be meaningful.

If you would, introduce your associate.

Mr. RAINWATER. Thank you, Mr. Chairman.

To my left here is the vice president of the National Rural Letter Carriers' Association, Mr. Lester Miller.

Mr. HANLEY. Lester, we are delighted to have you on board again. I have great regard for your expertise in this subject matter.

Mr. RAINWATER. Mr. Chairman, and Congressman Alexander, who is chairman of the Subcommittee of Family Farms and Rural Development, and members of this subcommittee, my name is Rial M. Rainwater. I am president of the National Rural Letter Carriers' Association, representing approximately 65,000 regular, substitute and retired rural letter carriers.

Our association welcomes these hearings which will provide the opportunity to evaluate the changes which have been made under the Postal Service Reorganization Act. The hearings will properly afford the Congress data for review and evaluation of the quality of mail service in nonmetropolitan areas in order to determine whether the new Postal Service is accomplishing the goals it was intended to achieve.

The Postal Reorganization Act won approval of the Congress on the basis that it could result in an improved Postal Service. This was based on the anticipation that the improvements desired could be accomplished with an improved balance between the cost of the operation and the revenue generated by postal rates and service charges.

We read occasionally that rural delivery is a money loser in the overall postal operation. This analysis has usually been based, primarily, on the revenue generated on the rural routes. Using such analysis fails completely to recognize many other important factors. A survey made several years ago by a professional firm employed by the Post Office Department noted the important fact that eight times more mail is delivered on rural routes than is collected. We believe that this ratio is greater today.

Quite simply, this highlights the importance of the delivery service provided and it would seem to adequately note that the business which is generated outweighs the statistical analysis of the value of R.F.D. based solely on revenue. The Postal Service must continue to carry out the mandate to serve as nearly as practical the entire population of the United States.

I feel it is also quite pertinent to note for this committee some other very important statistics which highlight the value of the rural delivery service. The rural letter carriers of this Nation presently serve almost 42 million citizens of this Nation, approximately one-fifth of our entire population. To provide this service, they travel each day more than 2 million miles of our highways, rural roads and streets. At

each mail box, the rural carrier provides a complete postal service, permitting any rural customer to transact any postal business which any citizen of Washington, D.C., for example, can transact in the main post office of this city.

In addition to providing the postal service for one-fifth of our population, they serve many thousands of businesses, schools, and commercial firms. In addition, rural carriers provide the transportation of incoming and outgoing mail at several thousand post offices, and, in many cases, at no additional cost to the Postal Service.

Mr. Chairman, there are several matters which have given us some concern relative to the service provided in rural areas. Historically, the determination of whether rural territory is served by a rural route or by contract service—star route—has been based upon the criteria of one box per mile of travel. If the population of an area exceeded that density, it was considered to qualify for rural delivery service.

Over the years, however, many box delivery star routes have either been established or have grown beyond the one box per mile criteria. Today, there are star routes which closely resemble a rural route in relation to boxes per mile. We believe such routes should be converted to rural routes to afford a higher degree of service to the rural customer than is normally provided by a contract carrier.

There is another area which has given us much concern since the enactment of the Postal Reorganization Act. Prior to that time, there was a postal law which prohibited the consolidation of rural routes except when a vacancy existed.

The consolidation law was repealed with enactment of the PRA. The vacancy requirement for effecting consolidations no longer existed. With the shackles of the consolidation law thrown off and the desire to effect quick economies, some postal managers in the field overreacted and began consolidating rural routes in mass proportions. This overreaction caused grave hardships to many rural carriers whose routes were consolidated and who were declared excess and reassigned up to 100 miles from their homes to other rural routes or to other crafts.

In the Postal Service's anxiety to accomplish their goals quickly, some unrealistic consolidations were made without regard to terrain, road or weather conditions. These occurred, generally, in mountainous regions or in areas where road and weather conditions were adverse. What looks like a feasible route consolidation on paper often proves to be a nightmare on a treacherous hill or mountain road. What may be a feasible consolidation of routes in the summer and fall months may be very impractical in the winter and spring months when roads are clogged with snow or mud. Obviously, such a situation causes serious problems for the affected carrier but it also results in a lower quality of service to the rural customers.

In response to our vigorous protests of such unrealistic consolidations, the Postal Service officials finally began applying a more reasonable approach to route consolidation in the spring of 1973. Such improper consolidations have been further reduced by the protective language included in the 1973 National Agreement. One of its provisions states:

In any consolidation, current evaluation of the route shall not be the sole consideration; other factors which must be considered include, but are not limited to, terrain, type of roads, actual time needed to serve the route throughout the

year, and the impending retirement of the rural carrier on the route, or other routes involved in the consolidation.

This provision has greatly relieved the situation. We hasten to add that we do not oppose all route consolidations—only those which are unnecessary, unrealistic, and impractical.

Mr. Chairman, we are also deeply disturbed by the growing tendency which threatens the continuation of the private express statutes. We believe that repeal of these statutes would jeopardize the Postal Service as we know it today. To permit private mailing firms to serve only the more profitable segments of the delivery system without an equal responsibility to serve everyone would be a serious mistake. Anyone can skim the cream off the top and show a profit.

The Postal Reorganization Act requires that:

The Postal Service shall provide a maximum degree of effective and regular postal service to rural areas, communities, and small towns where post offices are not self-sustaining * * *

We believe the Postal Service is complying with that provision of the law in a commendable manner. In fact, I am pleased to report that effective August 1, 1974, Postmaster General Klassen approved the change in the criteria for rural route extensions. This change authorized extensions to an average of one family per mile of additional travel. Previously, the criteria had been one family for 0.67 mile of travel. Such a liberalization order will provide mail delivery service for the first time to more than 100,000 rural customers. I feel this new change is a further indication of the Postal Service's deep concern that they provide good mail service to all our customers.

In conclusion, we believe the Rural Delivery Service is still providing an excellent mail service to the rural people of this Nation. The rural carrier is the only Federal employee with whom many rural families come in contact. We believe the rural carriers of this Nation continue to represent the U.S. Government well in providing an excellent postal service to rural America.

Mr. Chairman, again we appreciate the opportunity of expressing our views on the quality of mail service provided to rural America.

Thank you, Mr. Chairman, and I apologize for my throat problem here this morning, but I have had a very, very bad cold in the last week.

Mr. HANLEY. Well, Mr. Chairman, on behalf of the committee, our appreciation for your testimony. Candidly, it is inconsistent with the testimony provided the committee by the previous witnesses this morning. You were present and you heard that testimony. In the opinion of members of that subcommittee, the quality of service is not consistent with the language of the Postal Reorganization Act as it affects rural areas.

As in all this, there are always two sides to the story.

May I ask—I believe your testimony cites that there are about 65,000 rural routes; is that right?

Mr. RAINWATER. We have 30,500, or 30,600 positions.

Mr. HANLEY. How many consolidations have taken place during the course of the last 2 years?

Mr. RAINWATER. Well, it would be difficult to say how many have taken place. Two years ago our rural position did decline, but now it has leveled off as a result of adjusting routes and implementing new routes. They are pretty well leveling off with the status quo.

Mr. HANLEY. Apparently the negotiations that you were able to effect with the Postmaster General in August—was it—that remedies the consolidation problems that you have?

Mr. RAINWATER. It improved it under the current contract. The main problem started under the initial contract, and we certainly made improvements in the current contract.

Mr. HANLEY. So that, as I understand it now, there is a consultation process; is there?

Mr. RAINWATER. There is more or less consultation and guidelines they follow.

Under the first contract, I think in some areas, maybe, they overreacted, so we protested these areas, and we seem to have better guidelines, consultation, and better control methods at this time.

Mr. HANLEY. So in your opinion consolidation is no longer a problem?

Mr. RAINWATER. Only in isolated, individual cases, it may be a problem due to the road conditions, the weather conditions, or something in a particular area.

Mr. HANLEY. I see.

Do you feel that the language in the 1973 national agreement is sufficient?

Mr. RAINWATER. Yes.

Certainly, there are always clarifications and improvements that should be made, and, certainly, we are hopeful that we can make those improvements in the next contract.

Mr. HANLEY. Subsequent to that agreement, have there been any grievances at all?

Mr. RAINWATER. Under the two contracts, we have only had 125 step 4 grievances, 2 expedited arbitration cases, and 2 arbitration cases.

Mr. HANLEY. I see. That is certainly heartening to hear.

What is your observation of the provisions contained in the legislation where the USPS would enjoy a subsidy up to 20 percent?

Mr. RAINWATER. Mr. Chairman, it is obvious that out in the rural areas, the rural routes and the small post offices certainly could not survive if they had to be self-sustaining. I think the mail service is so important to these particular areas—it is important to each individual—that I guess if it is necessary to continue the proper mail service, that a subsidy should be considered.

Mr. HANLEY. Are there any particular problems that your association has with the USPS that have not been resolved?

Mr. RAINWATER. No, sir, Mr. Chairman. We have differences, naturally, and problems come up, but we call over and we get an appointment. They have never refused me, and we sit down and resolve them.

I am very appreciative and very happy of the results on the few problems that we have had.

Mr. HANLEY. That is certainly very heartening to hear.

Mr. Mallery?

Mr. MALLERY. I have nothing in particular.

I am delighted to hear of the relationship that does exist between you and your organization and the Postal Service, and the apparently cooperative direction in which that relationship has gone. I think that certainly bodes well for the future of the Postal Service in the rural areas that we are all concerned with.

Thank you, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. Mallary.

Mr. Alexander?

Mr. ALEXANDER. Thank you very much, Mr. Chairman.

Mr. Chairman, I would like to thank Mr. Rainwater for his testimony this morning, and based upon my observations over the past 6 years in the Congress, I would observe that his testimony is entirely compatible with the situation which I have described.

In my testimony, quite the contrary of being inconsistent or incompatible, we are talking about the same thing, I believe.

In fact, I observed that one of the parts of my testimony which I could have elaborated on and drawn focus to would deal with consolidation of rural routes, and I know of one instance where just last week a poor fellow came to me in Leachville, Ark., and he was scared to death. He wouldn't even meet with the committee because he was afraid he would lose his pension, and his rural route was consolidated and he told me he has 68 additional miles to already existing route, however many miles it was, and after a year and a half, it produced a heart attack for him, and he applied for workman's compensation, and he can't even get an answer on his application.

So I don't think we are inconsistent at all.

I would like, Mr. Chairman, if I could, to say that the rural mail delivery is only one small part of our problem, and the situation in Arkansas is not vastly different from the situation in New York State which, I believe, the U.S. Bureau of Census reveals has the largest rural population of any State, and close behind New York State is Pennsylvania.

More than one-half of the people in Arkansas and in my district live in the small towns and cities, and which, combined with the other small towns and cities in the nonmetropolitan areas produce one-third of the manufactured goods in this country. We are not going to get into the goods we produce, but I know of one instance, which would be consistent with what Mr. Rainwater said about privately expressed authorizations, one of the world's largest manufacturers of greeting cards which has two of its large manufacturing and assembling plants in my district, they had to go to private carriers 2 years ago because they could no longer depend upon parcel post delivery, which was a terrific loss of income for the Postal Service.

So I hope to make that distinction so that the committee doesn't think that I am only talking about rural delivery.

We are certainly concerned about that and we appreciate Mr. Rainwater's testimony, and I applaud your testimony, Mr. Rainwater. I think you know what you are talking about.

Thank you very much.

Mr. RAINWATER. Thank you.

Mr. HANLEY. Well, thank you, Bill. I appreciate the clarification, and Mr. Rainwater, I have no further questions. I take this opportunity to commend you and the members of your association for the excellent service they provide our Nation, and it is especially heartening to make note of your observation of the rapport which exists between your membership and the USPS. This is indeed heartening, and we all wish we could hear more of this nature.

So I commend you for your excellent leadership. Obviously you are providing your membership with an excellent administration, and I commend you.

Thank you very much for being with us this morning.

Mr. RAINWATER. Thank you.

Mr. HANLEY. Our next witness this morning is Dr. O. B. Copeland, vice president and member of the board of The Progressive Farmer, and I believe associated with Dr. Copeland this morning will be Mr. Frank R. Cawley, Washington representative of the Agricultural Publishers Association, Inc.

Gentlemen, on behalf of the committee, we are delighted to have both of you before us and we look forward to your testimony.

STATEMENTS OF DR. O. B. COPELAND, VICE PRESIDENT AND MEMBER OF THE BOARD, THE PROGRESSIVE FARMER, AND FRANK R. CAWLEY, WASHINGTON REPRESENTATIVE, AGRICULTURAL PUBLISHERS ASSOCIATION, INC.

Mr. CAWLEY. Mr. Chairman, my name is Frank Cawley. It is a pleasure to be here.

Mr. Chairman, we have offered for the record testimony of Mr. Emory Cunningham, who is the president of the Agricultural Publishers Association, and president of the Progressive Farmer Co.; and also testimony of Bert Lund, publisher of The Farmer, St. Paul, Minn.

Our testimony does not have very much to do with the physical aspects of rural delivery.

Since its inception in 1890 we have joined forces with them. Dr. Copeland will expand on that a little later.

Our real concern is fiscal. Are we going to be able to continue to supply the farmers of American these very important documents, our State and regional farm magazines, which have been described as an important conduit from the laboratory to the land?

We have ample evidence of Government requirements for our publications, as well as the farmers' need for them.

So I want to explain that we offered this testimony not only for this record, but also, Mr. Chairman, to be included in your consideration of H.R. 15511.

The testimony is applicable in both instances.

Mr. HANLEY. Well, without objection, Mr. Cunningham's testimony will be included in the minutes of this hearing in full, and Mr. Lund's.

Mr. CAWLEY. Also, Mr. Chairman, in speaking to your counsel this morning, I told him that in my research I had run across a rather valuable report on the development of rural delivery, made to the Congress several years ago.

I will reproduce that article and turn it over to counsel for the committee's consideration. You may want to include that in the record.

Mr. HANLEY. Fine. I will certainly look forward to the receipt of it and reading it, and perhaps it, too, can be contained in the minutes of the hearing.

Mr. CAWLEY. Thank you.

Mr. Chairman, I now turn the meeting over to our principal witness, Dr. Copeland.

Dr. COPELAND. Mr. Chairman, my name is O. B. Copeland. I am vice president of the Progressive Farmer, and I have been a member of our board of directors since 1964.

I have been in this business for about 20 years. Four of these years I was associate executive editor of Progressive Farmer magazine.

We have a million subscribers in the rural South. For 3 years I was editor of Southern Living magazine.

We have about a million Southern Living subscribers in the urban and suburban South.

I have been in our administrative offices in Birmingham 5 years and 2 of those years I have been chairman of the circulation committee of our magazines.

It is an honor to summarize this presentation for you this morning.

Let me say at the start that we have no major quarrel with the collection and the delivery of our magazines by rural carriers. And I will elaborate on that later.

Our complaint is that we are being priced out of business. The unrealistic postal rate increases are driving the farm magazines toward bankruptcy and making magazine subscription prices too costly for small farmers.

Please allow me to review the farm magazine situation in about this way.

First, what is the scope of the farm magazine industry? There are about 30 to 35 farm magazines closely allied with the Agricultural Publishers Association. They represent 2 percent of the Postal Service's second-class volume.

About 85 to 90 percent of these magazines are delivered to rural-oriented subscribers, and practically all farms and farm homes in the United States are covered by one or more.

These publications are devoted to the "how to do it," the "why to do it," and "when to do it" phases of agriculture, and we think we do this better than any other medium, and some of our publications have been around for over 100 years.

That is why they are still in existence.

We think we serve rural communities in a fine way all over America when most national publications are drawing back circulation in rural areas and concentrating their circulation in urban centers.

The farm magazines' whole existence depends on rural mail delivery. There is no other way we can get to our customers.

There are nearly 3 million farmers, as you well know, and about 9 million people out in the rural parts of the country.

May I telescope for just one moment? I think it will be more effective.

One county I will address myself to, and the committee members have similar counties in their districts.

I grew up in Carroll County, Ga. I still own a little farm over there. We have eight post offices. We have one town of 10,000 people, and 6 or 7 smaller villages or towns.

One of those post offices is a first-class post office. Two are second class. The others are third and fourth class. There are 19 rural routes going out of those towns serving several thousands of rural-oriented people.

These people have access to radio. They are only 70 miles from Atlanta. And they have access to television. There are four weekly newspapers published in the county. But almost all of the "how to do it," "why to do it," "when to do it" information on agriculture that they get from the media will come from farm magazines to which they subscribe.

If you multiply that many, many times all over the rural counties of America, then I think you have something of the scope of the farm magazine industry.

No. 2, what is the farm magazine industry like as a business?

It is a low-profit industry—from 0 to about 4 percent on sales after taxes.

You are fortunate if you get up to 4 or 5 percent.

Second-class postal rates amount to about 6 or 7 percent of the total cost of delivering these magazines to readers, but if postage rates continue to increase, that figure of 6 to 7 percent will be about 13 or 14 percent of our total costs.

Paper, printing, binding, and labor costs, as you well know, have skyrocketed in the last year. So, in spite of the role that farm magazines are playing in rural America, some of them are having difficulty surviving now.

Two have gone out of business in the last year, and three in about a year and a half.

Since the advent of the computer, we have made, as an industry, every effort to help the Postal Service with its delivery problems, and we spend a considerable amount of money on this.

Our Progressive Farmer is sorted, tagged, labeled, and sacked by towns, by rural routes, and by zip codes.

It goes directly by commercial carrier to re-entry points—to Little Rock, Lubbock, and Charlotte—rather than through the local post office. It goes direct from the printer to an entry point.

I am sure all of you are familiar with this.

There is very little handling by the Post Office, and in almost every instance the rural carrier can deal our magazines off the top of the stack when he runs the route.

In spite of these efforts, second-class postal costs have more than doubled for the farm magazine industry since 1971. Our own magazine postal costs have just about doubled, and we reduced our page size almost one-third in order to cut postage and paper costs during that period.

We raised subscription prices of our magazine from \$2 to \$5 a year in 5 years.

Of course we met significant resistance among small farmers. We believe the trends in this direction, if unchecked, would lead to a time when magazines, newspapers, and books sent through the mails would be published by and for people who are rich.

So this is a quick analysis of the farm magazine business.

Third, what is the mission of farm magazines? There is a need for efficiently produced food. We all know this. Secretary Butz detailed last week how important this is going to be in the years ahead.

He was saying, and we agree with him, that to produce this food—and keep some for ourselves and provide some for the less fortunate people in the world—then the farmers of America must continue to be the best informed farmers in the world.

But possibly even more important, in my opinion, than food production increases is the fact that the farming industry must have available an easy, inexpensive flow of information from a variety of sources if this republic is to survive.

Our whole system of government was built on this, and thoughtful Government leaders have advocated this principle for 200 years now.

In the past we have documented to this committee the principles set forth by the Founding Fathers of our Nation in determining that the masses of people in the rural areas should be well informed. Farm magazines occupy, we think, a unique position in helping rural America to be what it is.

Literally dozens of surveys show that farm magazines rank as the No. 1 source of farming information, and we can document this for this committee in many, many instances if you wish us to do that.

We sometimes are almost frightened when we consider the rapport we have with these rural people, the responsibilities are so great.

Going back to my home county again for just a moment to tie this in: If the day ever comes when the farm people in Carroll County, Ga., are shut off from low-cost educational and informational material, if the day ever comes when the rural delivery is too costly to make it possible and practical to provide this information for them, and if that situation develops in thousands of other counties, then some Government program will have to be brought into play to fill the void, and the cost will be tremendous.

It will be so much more costly than maintaining the service-oriented Postal Service that we are talking about here this morning.

So the mission of farm magazines is to educate and to inform rural people.

Mr. Chairman, here are some recommendations that our group would like to suggest to this committee to help solve farm magazine problems.

No. 1, let's continue rural mail delivery at reasonable rates, and with the present efficiency.

Postal Service carriers do a fine job of delivering our magazines, because we work with them, do the presorting and tagging, and we take a teamwork approach.

Rural postmasters tell us, that they don't have a lot of problems in delivering our magazines to subscribers, and of course, they only have to do this once a month.

No. 2, we recommend a minimum of 20 percent for public service in the Postal Service budget, and we hope this can be based on current costs, not on 1970 costs.

No. 3, we urge continued study and improvement of Postal Service procedures.

No. 4, we deplore the attitudes and actions of those persons who seem to forget the purposes for which the post office was founded—and that was to help bind the Nation together—to help inform and educate the people.

No. 5, we submit that rural mail delivery was never intended to pay its way, and that there is no reasonable method to make it do so now.

Finally, we argue earnestly and desperately for reasonable postal rates for those publications that can help the Congress, and can help all citizens, to lead our country toward the worthy goals we all search for.

Thank you, sir.

Mr. HANLEY. Dr. Copeland, thank you very much for your fine testimony. You have said essentially what I have been saying for a long, long time. It is imperative that we continue to make available to all Americans, regardless of their social or economic status, a free flow of all publications, and that is our fundamental goal. We hope to accomplish this through the amendments that the 94th Congress will be considering.

Can you tell the committee how many magazine publishers are members of your association?

Dr. COPELAND. If I can answer with closely allied, the figure is between 30 and 35. There are actually 28 member publications. There are two or three fairly important publications to us, which maintain a membership in the Magazine Publishers Association.

Mr. HANLEY. This would be representative of what kind of circulation?

Dr. COPELAND. 115 million per year.

Mr. HANLEY. About 115 million per year?

Dr. COPELAND. Yes, sir.

Mr. HANLEY. You mentioned hiking the subscription rate from \$2 to \$5 in 5 years. Did this result in subscription cancellations?

Dr. COPELAND. We can detect some resistance, Mr. Chairman, but not a great deal yet. We think we still give these people a bargain. Our current issue has 140 pages in it. It is about half advertising and half editorial material. It is the equivalent of a book, really.

At this point, I would like to admit personally, and I am not speaking now for APA, that we gave our magazine away, for too many years. I imagine Congressman Alexander's father subscribed to our magazine for \$1 a year. So we needed to make adjustments.

Mr. HANLEY. Is this a monthly publication?

Dr. COPELAND. Yes, sir.

Mr. HANLEY. Well, in an effort to assist the problem that you refer to, of course, as you know, the Congress has approved S. 41 to extend the phase-in period. I am sorry to say that at this point it has not been funded.

We are very hopeful that the President will seek funding in a supplemental appropriations bill prior to the demise of the 93d Congress.

We feel that that is most important, and the will of the Congress is on record, and hopefully the President will move in the direction of seeking the necessary appropriation for the initial year. Otherwise, the USPS would have no other alternative, but to proceed with the first year rate hike.

So we hope that will not be necessary.

Dr. COPELAND. Mr. Chairman, you cannot imagine how grateful we are to you for your leadership in S. 411, and we are hopeful, of course, that this can be funded.

Mr. HANLEY. I appreciate your kind comment, and, as I say, we are hopeful that the President will see fit to do what is necessary insofar as funding under a supplemental appropriation provision.

May I ask, have you seen any decline or improvement in service, at the same time you have experienced the steady increase in postage rates? What is your comment? I know you paid tribute to the rural

carriers for their dedication and their quality of service. So, essentially, does the service, in your judgment, is it about what it was prior to the enactment of the Postal Reorganization Act, or has it declined, or has it improved?

Dr. COPELAND. Mr. Chairman, I don't think it has deteriorated a great deal—possibly, slightly. Again, we are improving our techniques almost continuously in working with the Postal Service.

The computer is a wonderful instrument to help us help the Postal Service.

I couldn't emphasize too much that our main problem is the rate issue.

Mr. HANLEY. On the rates again, can you tell us during the past 2-year period, have any of your member publications terminated their operations?

Dr. COPELAND. Yes, sir. We had one beef publication to go out of business, and the statement I got was that it was as a result of postal rates.

Farm Quarterly went out of business, and I know rates were important in that instance. The Alabama Farmer went out of business this year and rates were a big factor.

Chairman Alexander, as I look at the South, we have had about five or six—some of them over in your part of the South—State farm magazines that have capsized in the last few years.

Some of those were not members of the Agricultural Publishers Association.

Mr. HANLEY. One of the traditions we have introduced, would have the decision of the Rate Commission final.

Would you approve, or disapprove such a procedure?

Dr. COPELAND. Could I defer to Mr. Cawley on that?

Mr. HANLEY. Yes.

Mr. CAWLEY. Mr. Chairman, we don't look with favor on that. Again, we think there ought to be some higher review of their findings and results. I am not criticizing their operation at the moment, but when you have had 180 percent increase in the past 2 years, and they are currently considering a 200 percent increase and another one possibly coming up next July 1, these are successive rate cases, which throw a lot of fear into the hearts of publishers, because they constantly hike our operating costs.

Mr. HANLEY. Mr. Alexander?

Mr. ALEXANDER. Thank you, Mr. Chairman.

Dr. COPELAND. Mr. Cawley, thank you for your testimony this morning.

You are right, Dr. Copeland, as an Arkansas farm boy, I did read your magazine. I haven't seen one in a long time. I hope you have a sample there.

Mr. COPELAND. I brought a copy for you, sir.

Mr. ALEXANDER. I would like to compliment you, Dr. Copeland, for stating your view of the responsibility that you have to communicate with people in the rural areas.

There are so many people who live in rural areas who have lost confidence in much of the media that they have come to know in the past, and among the things that I hear of most, is the disenchantment with the way things are submitted to them through the media.

I hasten to add that you have maintained your credibility with the people, and that is an accomplishment in this day and time.

Thank you very much for appearing here today. I appreciate your testimony.

Mr. HANLEY. Gentlemen, I add to what my colleague has said. I commend you for the quality of your publications, which I think serve an excellent purpose in our American society. This committee will do everything in its power to make sure you do not suffer economic jeopardy.

Again, our appreciation to both of you for your appearance here this morning.

Mr. CAWLEY. Thank you, Mr. Chairman.

Mr. HANLEY. With that, the committee stands in recess until Tuesday morning, November 26, at 9:30 a.m.

[Whereupon, at 11:20 a.m., the hearing was adjourned, to reconvene at 9:30 a.m., on Tuesday, November 26, 1974.]

[The prepared statements and supplementary material follow:]

PREPARED STATEMENT OF EMORY CUNNINGHAM, PRESIDENT, PROGRESSIVE FARMER COMPANY AND PRESIDENT, AGRICULTURAL PUBLISHERS ASSOCIATION, INC.

Mr. Chairman. I am Emory Cunningham, President and Publisher of Progressive Farmer and Southern Living magazines. I am also President of the Agricultural Publishers Association, Inc.

The Agricultural Publishers Association is an organization comprised of 14 firms which publish and circulate 28 farm magazines throughout the United States. The Congress is well aware of the contributions of the "Science of Agriculture" magazines to the farm economy of this Nation.

Mr. Chairman, we welcome this opportunity to discuss with you and members of your Subcommittee the provisions of your forward-looking Bill H.R. 15511, in terms of the threatening impact of mounting postal costs on the existence of agricultural publishing in the United States. Of course, I shall relate the problem to my own publishing experience with Progressive Farmer.

The Progressive Farmer was founded in the South in 1886 and in 1974 has more than a million subscribers in the South and Southwest. It is the most widely circulated farm monthly in this region.

Southern Living also has more than a million Southern subscribers, but this magazine is only 8½ years old. It is designed for a more urban audience than Progressive Farmer, and its editorial format includes gardening and landscaping, homes and buildings, foods and entertaining, travel and recreation, Southern personalities, urban planning, conservation and education.

Progressive Farmer's subscription price is \$5 a year and all renewals are sold at the full price. In recent times 80 to 85 percent of Progressive Farmer subscriptions have been sold by mail.

Southern Living's subscription price is \$6 a year. About 98 percent of Southern Living subscriptions are sold by mail. All renewals are sold at full price.

In addition to being a large customer of the Postal Service's 2nd class mail facilities, our company mails a significant volume of 1st class and 3rd class mail annually. For the past three or four years we have averaged mailing and/or receiving nine million to ten million 1st and 3rd class letters annually. The volume is increasing steadily, and the 1974 volume will be something over eleven million.

As publisher of our two magazines and as president of our company, which includes a commercial printing facility near Birmingham and a book publishing and marketing unit, I am concerned about communicating with our more than 2,500,000 customers. We believe we contribute in a significant way to improve living standards and better farm business practices in the South.

I want to testify about the effect which higher postal rates already approved and those now being requested by the Postal Service will have on my publications, my readers and the Postal Service. Speaking more generally, but based on my experience in the industry, I also want to express some strong views I hold concerning the Postal Service and its proper role in our society which I

believe are relevant and material to this Subcommittee's consideration of H.R. 15511.

Freedom of communication is basic in our society and under our system of government. This freedom must be preserved if our system of government is to continue to be the model for this world that it now is. Only an enlightened and fully informed electorate can insure its preservation.

The electorate can be kept fully informed only by an economical system for the distribution of information concerning every facet of our society—financial, political, cultural, agricultural and the everyday business of living and earning this living.

The focal point of all this is the rapid and exorbitant increases in postal rates since the system was changed from a service organization to one which is supposed to be a self-supporting business.

These rate increases will have three devastating effects:

(1) They are among the most dramatic and visible price increases in a mounting sea of inflation. And isn't it something when a supposedly business-like government agency leads the way on inflation at a time when every thoughtful citizen is concerned about this problem.

(2) They will inhibit freedom of communication by killing some publications and crippling others.

(3) They will exert a strong influence on the type of magazines and books that will be published in the future. Obviously those with affluent subscribers i.e., Palm Beach Life, Wall Street Journal and Fortune will be able to pass along the rate increases. Perhaps not so obvious is the tremendous competitive advantage this will give to the girlie and other sensational publications which are largely sold on newsstands versus those which have relied on mail distribution and have no alternative. A glance at the following July-December 1973 figures confirms this:

Newsstand sales as a percent of total circulation

Magazine:	Percent newsstand sales
Viva	97.7
Penthouse	96.5
Oni	92.3
Playboy	76.3
Time	6.4
Southern Living	4.5
Intellectual Digest	4.4
Sports Illustrated	3.9
Horticulture	1.7

First class letter mail rates recently increased 25 percent—from 8 cents to 10 cents. Additional increases will be large and frequent under the present system. Far more inflationary, however, is the hidden cost to taxpayers of soaring second-class postal rates. Rate increases of about 130 percent have been approved; the proposed new increases will make the total as much as 200 percent higher than in 1971. The annual difference between the postage we are currently paying under the rates effective in March 1974 and what we will pay under the proposed rates effective in July 1976 represents more than half of our current profits for Progressive Farmer and Southern Living. Listed below is the second class postage which my two publications have paid and will pay if the proposed rates requested by the Postal Service are approved:

	Approved and requested increases					Estimated additional increases, July 1976
	Pre-May 1971	March 1974	July 1974	July 1975	July 1976	
Southern living	\$688,000	\$1,019,000	\$1,175,000	\$1,355,000	\$1,600,000	\$2,000,000
Progressive farmer	251,000	471,000	572,000	711,000	892,000	1,115,000

Based on the present trend in Postal Service costs, I expect further increases by July 1976 of about 10-12% a year. If this happens, the total second-class postage as of July 1976 for Southern Living will be \$2,000,000 and for the Progressive Farmer, \$1,115,000.

Some publishers will be able to pass these higher postal costs along and I intend to be one of them. Others will die because they cannot. But for me, as a businessman, to survive, I will have to raise my subscription prices to the point where the small farmer and others who live in small, rural areas can no longer afford to subscribe to my magazines. I will continue to make money—perhaps even more than I make today—because I will be sending my magazines only to large, rich farmers. I will be publishing agricultural information that will be specifically directed to them. I will eliminate the types of information that have proved over the years to be useful and essential to the small farmer. In effect, I will have to abandon and change our publishing philosophy which has always been to provide the widest dissemination of information to the people who live on farms and in rural areas at the lowest possible cost to them.

The drastic consequences I am predicting will result from the postal rate increases requested and the much larger future increases which are inevitable under the present system. The concept of exclusivity in postal service has not yet become an institutional government process. It is still reversible. But in a few more years there will be no turning back. Basically, the present U.S. Postal Service philosophy is an attack on the communications system that made American self-government possible and is contrary to the concept of the post office as a service to the people.

It is strange that we find it necessary to argue that easy access to information is an essential ingredient of self-government. This principle of freedom was given the highest possible priority by the founding fathers; it was enshrined in the Bill of Rights; its implications have been expounded by wise men for 200 years.

John Adams, second President of the United States, expressed it this way, "The preservation of the means of knowledge among the lowest ranks is of more importance than all of the property of rich men in the country."

Our fourth President, James Madison, said, "Knowledge will forever govern ignorance, and a people who mean to be their own governors must arm themselves with the power that knowledge gives. A popular government without popular information is but a prologue to a tragedy."

Alex deTocqueville, the most profound foreign observer of American democracy, showed that he understood what made this country great when he wrote, "The more I consider the independence of the press in its principal consequences, the more I am convinced that in the modern world it is the chief, and, so to speak, the constitutive element of liberty."

During the nineteenth century and the first two-thirds of this century, Congress frequently reaffirmed the principle that there was a strong national interest in the circulation of magazines, newspapers and books at low cost. During these years our elected officials in Washington did not see the postal system as a business, nor as a means of raising revenue for the government. They saw it in its higher role as a fundamental weapon in the armory of an informed public. Their philosophy stimulated an extraordinary increase in the diversity of magazines, books and newspapers, and in the size and reach of their circulation. This historic approach had and still has particular significance for Alabama and the South, where libraries, bookstores and newsstands are few and far between. The South's educational lag will be perpetuated if we continue on our present course of raising postal rates and curtailing postal service.

For many years now, our government has striven to narrow the financial, educational and cultural gap between lower income families, blacks and inner-city dwellers and the upper income, predominantly white, suburban population. High postal rates will be a strong centrifugal force that will move them further apart.

In the unprecedented turmoil of the last few years, whether for good reasons or bad, we seem to have lost sight of many of the values treasured by our founding fathers. Congress relinquished direct control of what had been a fundamental ingredient of self-government in turning the system over to the U.S. Postal Service. This Postal Service freely admits that its decisions and policies are based on its balance sheet.

U.S. Postal Service claims, in national advertising which we help pay for, that mail users are charged exactly what it costs to process and deliver their mail. This is simply not true; and I believe Postal Service management knows that this is misleading. A college freshman with one course in accounting knows that cost allocation is not an exact science. Every businessman knows that numbers of this kind are subject to extreme variations depending upon the cost accountant's viewpoint and motives.

I understand that various proposals either have been or will be made to base postal rates on a fully allocated cost basis, or one that closely approximates such

a costing methodology. The Kappel Commission condemned the fully allocated cost system which the Postal Service had maintained for many years. The Postal Service itself has now quite properly rejected fully allocated costs. I mention them for two reasons. First, if second-class postal rates are based on such costs, I seriously doubt that any consumer magazines, including my own, could survive. If any do, their character, content and audience would be radically changed. Moreover, their circulation would be drastically reduced and there would be very few magazines being delivered through the mails. And I doubt that Postal Service costs would decline much, if any, even with fewer publications being handled by the Postal Service.

Postal rates based on fully allocated costs, coupled with the present break-even obsession, will eventually lead to the closing of post offices that lose money—the small, rural post offices in Alabama and other southern states where most of my magazines are sent. I can't imagine what the cost of handling a parcel to the more remote regions of the country would be, assuming that there will still be post offices left in those regions. With the Postal Service running "like a business", with fully allocated costs, why not close those money-losing post offices? Large profit oriented companies would do it that way. Is it in the public interest to keep those post offices open? Of course it is. The public would not and should not accept their being closed.

The perspective of history may reveal that this Administration and the Congress will make their greatest mistake if higher postal rates are allowed to destroy the unique "easy-dissemination-of-information" feature of the American way of life.

It will be tragic to see this trend toward restraining the flow of information to the masses continue unbridled. About ten years from now here is what is likely to happen: Some congressman will introduce a bill calling for government action to fill the information void. And he will be able to make a strong case. The facts will support his contention that the written press is controlled by and read by the elite who can afford to pay exorbitant prices for good magazines, out-of-town newspapers and books. He will propose that the government fill that void.

There will be no way to separate politics and propaganda from the material designed to fill the information void when the government steps in, at that future date, to correct the problems created by short-range thinking during this present cynical era which I do not expect to last forever. And the cost of such a government information program will be staggering in comparison to what it would cost right now to preserve a two-centuries-old system of easy-flowing information.

I sincerely urge this Subcommittee to give serious consideration to some of these broader effects which higher postal rates will have, not only on the magazine industry, but also on the people and the Postal Service. Postal rates that are based on cost factors, to the exclusion of the matters I have discussed, are not in the public interest. For example, we fully support the 20% public service subsidy as a step in the direction of restoring the public service concept to our Postal Operations. This will ensure the continuation of the necessary but uneconomic Post Offices. It will also ensure deliveries of mail to remote regions at prices the postal patrons can afford.

We believe the work of this Subcommittee will ensure that rates and fees in the future will be more carefully considered to give full consideration to "(4) the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters"; (title 39 U.S.C. § 3622 (b) (4)).

Thank you.

PREPARED STATEMENT OF BERT LUND, PUBLISHER, THE FARMER, ST. PAUL, MINN.

Mr. Chairman, my name is Bert Lund. I am Vice President of The Webb Company, St. Paul, and Publisher of The Farmer Magazine. I have been actively engaged in agricultural publishing for 25 years and have experience in the advertising, editorial, circulation, and production aspects of farm magazine publishing.

Mr. Chairman, I welcome this opportunity to discuss with you and members of your Subcommittee the current role of the Postal Rate Commission and its devastating impact on Paid Circulation, Agricultural Magazines. The introduction of H.R. 15511 was well timed if we are to prevent serious problems for a very small, but highly significant and vital segment of American magazine publishing. During the course of lengthy proceedings before the Postal Rate Commission, that body also suggested that we seek the kind of special treatment

implicit in our pleas, from the Congress itself. We thought the legislative intent had been clearly established, but somehow it got lost in the shuffle.

Mr. Chairman, the Post Office and Civil Service Committees of both Houses of Congress have reviewed the plight of agricultural publishing for the past several years, and, based on this evidence, have taken what we consider to be appropriate action. However, the newly formed Postal Rate Commission has placed an entirely different interpretation on the legislative intent of the Congress, much to our dismay and perhaps much to our chagrin at not presenting a more formidable case.

A dark cloud of the possible demise of some vital farm magazines hangs over us. We need not await the final decision of the Commission or the institution of their exorbitant rates to speak of our plight.

Mr. Chairman, in this past year The American Beef Producer went out of business. After 53 years of service to the livestock industry this publication is being suspended "because of sky-rocketing postal rates, printing costs, and budget cuts on the part of agri-business advertisers . . ." Farm Quarterly, a highly respected publication, ceased publishing just over a year ago, citing the same basic reason for its demise. Gentlemen, unless we can put the brakes on mounting costs, there will be more farm magazines making this same announcement in the not-too-distant future.

I don't propose to elaborate upon the vast amount of testimony presented to the Postal Rate Commission over the past years. Permit me, however, to summarize the plight of our industry. These are facts taken from the Hearings Record. Paid Circulation, Agricultural publishing comprises less than 2% of all second-class mail. According to the U.S. Department of Commerce, there are currently about 36 publications engaged in this business. Since 1960 the number of such farm publications has declined from 49 to 36. Total circulation has also declined by 4,500,000 copies in that same period of time. Advertising revenues in farm publications on an annual basis have declined from \$55 million per year in 1960 to \$47 million in 1971. This decline has continued through 1972 and 1973.

In the course of the proceedings the Agricultural Publishers Association engaged Ernst & Ernst to conduct a financial survey of our industry for the calendar year 1970. Data compiled on 15 companies representing 24 farm magazines showed an operating profit before taxes of \$781,237 and a net loss of \$498,970 after taxes. This was based on total publishing revenue of \$41,231,623. This same report revealed that second-class postage totaled \$2,059,956 on a volume of 115,750,287 copies mailed annually, 88 percent of which were delivered to rural areas. Two other statistics developed by the Ernst & Ernst survey reveal that the average post office haul of these agricultural magazines was 153 miles, and the average length of subscription was 45 months.

Against this background the first second-class rate increase of 180 percent, or a \$3,700,000 addition to costs on an annual basis at the end of 10 years, is an impossible burden for the Agricultural Publishing Industry. This is the equivalent of a 10 percent hike in advertising revenues and advertising revenues are actually declining along with our farm magazine circulation. Increases in income from subscription prices are difficult to realize because of the almost 4-year average subscriptions now in existence.

The heavy and unnecessary impact of the recent 180 percent hike on Paid Circulation, Agricultural Magazines, we believe, can be and should be alleviated. We find fault with the Rate Commission's decision in two respects:

- (1) Their absolute refusal to grant full Preferred status to Agricultural Magazines shipped for delivery in Zones 1 and 2; and
- (2) Their failure to make allowances for serious impact upon this tiny segment of second-class mail.

We submit that in 1967 when the Congress froze the advertising pound rate on "Science of Agriculture Magazine" at 4.2 cents and placed this provision under "Rates of Postage Preferred" it was intended that Paid Circulation, Agricultural Magazines shipped for delivery in Zones 1 and 2 were to be considered Preferred in their entirety. This recognition was clearly established in the Congressional Record of Thursday, June 18, 1970, in response to the question raised by Congressman Scherle. Mr. Chairman, I recall that Report No. 93-369 of the 93rd Congress, First Session, dated July 10, 1973 on page 3 resolved this problem with the following language: "The editorial content of publications devoted to the science of agriculture will receive the same phasing and preferred rate as will apply to the advertising content of these same publications, that is, nine-year phasing in biennial increments. This will correct an anomaly rising under former postal rate provisions and continued under the Postal Reorganization Act which granted the

preferred second-class phasing and rate only to the advertising content of such magazines when mailed to Zones 1 and 2. Without this adjustment nonadvertising content would have been charged a higher rate than advertising content. This language merely provides that all of the contents of an agricultural publication will receive the same rate treatment."

Mr. Chairman, the Rate Commission has granted Preferred status only to the advertising content of Agricultural Magazines shipped for delivery in Zones 1 and 2. The editorial content of these magazines has been classed as Regular and results in the editorial content costing more than the advertising content in the very near future. We believe the entire magazine should be placed in the Preferred category so that attributable costs become a ceiling as was intended by the Congress. If the whole magazine shipped for delivery in Zones 1 and 2 will be classed as Preferred, then any portion of the surcharge that is identified with institutional costs is unlawful.

We respectfully submit that the per-piece rate (surcharge) as it affects "Science of Agriculture" should be dropped. There is no basis for a proration of institutional costs between the editorial content on a "Regular" basis and the advertising content on a "Preferred" basis. Postal accounting has not attained this kind of refinement and probably never will.

Our second objection deals with the devastating threat to the continued circulation of Paid Circulation Agricultural Magazines. If the power to tax is the power to destroy many vital and necessary Agricultural Magazines face certain destruction. Under the last increases in rates (180 percent) our total Second-Class postage rate bill will amount to almost \$6 million at the end of the 10-year phasing. This \$4 million increase in Second-Class rates alone is more than three times our annual profits before taxes in 1970. We believe this impact is intensified with the addition of the 1.1 cent surcharge on each copy of the magazine, and the surcharge is scheduled to reach 1.6 cents in the future, whereas several years ago there was no per-piece charge whatsoever. Without this surcharge, and granting the "Science of Agriculture Magazine" (Zones 1 and 2) full "Preferred" status, our rates would increase approximately 100 percent over a 10-year period. Certainly the 180 percent increase proposed will seriously cripple a vital publishing effort extending back over 100 years. Even a 100 percent increase is a heavy burden as the agricultural magazine industry searches for sources of new revenues, and as the industry attempts to hold down other rapidly rising costs, particularly paper. We are doing our best to maintain high editorial standards and to continue to be the American farmers' main source of farming information. Our burden would be considerably lightened if an annual ceiling could be placed on Second Class increases. Such a ceiling should be limited to the percent of overall increased costs per piece in any one year, certainly not more than 6 percent per year.

We have previously documented to the Congress the outstanding contributions farm magazines have made to U.S. Agriculture. We now return to the Congress with our serious plight and have confidence that the Congress will make equitable adjustments through appropriate legislative action in its consideration of H.R. 15511.

Mr. Chairman, I know that your Subcommittee will be advised of many serious threats to industries that rely on the U.S. Postal Service, and in some instances, for their very existence. The big challenge to the Congress would seem to be a restatement of Postal Policy more clearly defining the role of our U.S. Postal Service as a Public Service. Accordingly, I urge your Subcommittee to give serious consideration to recommending the creation of a Joint Congressional Committee to continue this study throughout 1975 and provide the Congress with positive legislative directions by early 1976. It is not too late to halt the steep climb of ruinous postal hikes until this study can be completed and future adjustments be modified accordingly.

[The following information was received by the subcommittee for inclusion in the record, and is excerpted from a report of the Senate Post Office and Civil Service Committee pursuant to S. Res. 49, March 24, 1954, regarding rural delivery service:]

RURAL DELIVERY SERVICE—A SUBSIDIZED SERVICE FOR 60 YEARS

Rural free delivery of mail and its collateral postal service, complete in every detail, was provided in 1952 to over 9 million families, or approximately

34 million individual persons. This constitutes an alltime high in patrons served as well as in total cost since the service was inaugurated almost 60 years ago.

Expenditures in 1952 amount to \$189 million, in contrast to \$14,840 reported by the Post Office Department in 1897, the first year the service was in effect.

At its inception there were some highly vocal advocates in Congress who believed rural free delivery would ultimately pay its way, but there were also many others who vehemently expressed the opinion that it would always be operated at a loss.

Rural families who benefited by the service in 1952 comprise about 15 percent of the population and live along 1,500,000 miles of roads and highways beyond the limits of cities, towns and villages. In the performance of this service to an average of 1,000 persons daily, 32,500 routes each were traversed by 36,000 carriers working 6 hours every day except Sunday. These carriers receive annual compensation averaging \$5,492, of which \$4,200 is salary, the rest comprising a mileage allowance of 9 cents per mile for use of their privately-owned vehicles, the highest allowance for mileage in all the other Government services. Rural free delivery is now virtually a lifetime job for carriers, Congress having guaranteed this fact by including job rights in a statute which reads: "No consolidation of rural routes shall be made otherwise than on account of the resignation, death, retirement or dismissal on charges of carriers in the rural mail delivery service."

This statutory restriction continues in the hands of Congress the absolute power to prevent any appreciable further reduction in the number of postal routes as has occurred over the past 25 years. During that period, the widespread betterment in the Nation's roads and highways, among other things, made possible the consolidation of some short routes, the result being a decrease from 45,315 in the year 1925 to 32,500 routes as of today. Accompanying the reduction has been a lengthening of routes in service from a 26-mile average in the year 1920 to the present 46-mile average.

Instead of further reductions for any reason, rural free delivery seems more likely to expand, regardless of cost, to provide a continuing alternative service in areas where the Post Office Department manages to abolish fourth-class post offices whose operating losses are sizable, and a lack of necessity can be effectively demonstrated, to the Congress and to the patrons affected as well.

Rural free delivery was first proposed in 1891 as a means of bringing city life to the farmer, to relieve the drabness, loneliness, and isolation of existence in rural areas. The consensus of advocates was that adequate relief could be brought about by making it easier for farmers to receive and read weekly newspapers and national periodicals. The service was proposed by the National Grange soon after the census of 1890 had noted with alarm that hordes of loney farming families were rapidly migrating to the cities. At that time approximately 40 million people, or two-thirds the population were shown to be living in rural areas.

In 1890 Postmaster General John Wanamaker had met the issue halfway by extending city mail service to towns of less than 10,000, but after 2 years the experiment had proved less than decisive in results and was abandoned upon instructions of the Congress.

The issue was revived in 1893 with Congress appropriating \$10,000 for use by Postmaster General Bissel in conducting a broader experiment, that of extending daily mail deliveries to a select number of rural areas. Beyond providing these limited funds, Congress went no further in suggesting any particular area in which the experiment might be undertaken. Flaunting the will of Congress, the Postmaster General refused even to undertake the experiment, viewing the project as impracticable because it could never pay its way and might lead to an ultimate annual cost as high as \$20 million without prospect or possibility of recovering even a fraction of the expenditure.

Stunned by such apathy and utter disregard of its directions, representatives of large rural southern areas in Congress poured forth a daily barrage of oratory, espousing the cause of rural free delivery and the benefits the Government could thereby bring to the farming communities. In the words of one enthusiastic congressional advocate:

"There is much need to make the country life agreeable and to gain information that it is a small expenditure for the people of the country districts to ask Congress to make the experiment."

In his peroration assailing the Postmaster General for his expressed unwillingness to undertake the experiment in rural free delivery. Congressman Williams, of Mississippi, commented:

"Half the people outside the villages in my country have to ride at least 6 miles for the purpose of getting their mail. I do not think it is dealing fairly with them to treat a mandatory appropriation as a trifle."

Numbers of other Congressmen opposing the experiment hung their main arguments first on the oft-repeated conviction that rural free delivery would never pay its way, declaring further that primary necessity was further to improve the postal service as it then existed.

Among these vigorous opponents of rural free delivery was Congressman Canon, Illinois, who commented in part:

"The mail used to come once a week or 2 weeks and the postage upon the letter to be collected from the receiver was 25 cents. I have seen it reduced to 5 cents, to 3 cents, and now to 2 cents.

"The system of collecting postage upon newspapers was changed. The law had been to collect of the receiver of the paper, but the rule was that the postage was not collected.

Another participant in the running fight to block the inauguration of rural free delivery was Congressman Combs, whose skepticism is revealed in one of the numerous House speeches he made at intervals assailing the project:

"I have not been in the way of knowing that there is an extensive demand for rural free delivery from the rural districts. I think the farmers would laugh at it. Let us wait and perfect what we have already tried, and by and by when the country becomes more thickly settled, we can go ahead with these experiments in rural delivery."

Other opponents voicing disdain for large-scale Government largess inherent in the inauguration of rural free delivery were private citizens who expected thereby to lose some or all of their existing perquisites. Although most of this type of opposition was privately voiced over the cracker barrel or around the pot-bellied stove of the village store, their views filtered through from time to time to reach the ears of their representatives in Congress. These various opponents included fourth-class postmasters with offices usually located in general stores in small communities where some trade was derived from people who came in to get their mail. Also opposing the measure with no less vigor were saloonkeepers and merchants who feared the result of rural free delivery largely on the ground that it would keep farmers away from town and cause a reduction in expenditures made in their local communities.

When every one of the conceivable pros and cons had been vehemently and effectively voiced on the floor of the House and the heat of oratory subsided, the final vote was for Congress to appropriate another \$10,000 and to issue new directions to the Postmaster General to conduct an early and comprehensive experiment in rural free delivery. But again the Postmaster General refused to be swayed and so rural free delivery was forced to await another Congress and a more amenable Postmaster General.

The turning point came 2 years later in 1896 when a third congressional appropriation was voted, 27 to 25, and Postmaster General William L. Wilson reluctantly agreed to make the test. The first experimental rural delivery service was begun on three 20-mile routes in West Virginia. Five carriers were employed to cover the routes, their salary being \$200 annually each. It was next extended to Maryland, then to a total of 29 States and over 44 routes. The service was subsequently further extended in response to popular demand, with Congress stepping up the appropriation from year to year so that in 1901 the total reached \$1,750,000.

By the turn of the century when the original 44 routes had been increased to approximately 1,300 and free mail delivery service was being provided daily to over 4 million persons in rural communities, the objective of an ever greater service, without thought of profit or loss, was enthusiastically espoused by two of the most ardent advocates of that era.

One was by Postmaster General Charles Emory Smith in his report for the year, 1900:

"Free delivery in rural communities has been regarded as too costly and burdensome to be admissible. On these grounds the movement encountered great opposition when first proposed, and even when Congress authorized the experiment there was reluctance in trying it. It took time and experience to develop and

enforce the more just view, first, that the great body of people who live outside cities and towns are entitled to share in advanced mail facilities, even if the cost exceeds the returns, and second, that the barrier of unbalanced expenses is not as formidable as was apprehended."

The other statement on this topic was made on the House floor by Congressman Henry C. Smith, of Michigan:

"R. F. D. has come to stay. This tardy recognition of the rights and the intelligence of the farmer should not be curtailed but should be extended. The real object of the post office ought to be quick and effective transmission of mail matter from addressor to addressee in the shortest possible time from posting to delivery.

"The United States has never looked upon its postal department as an institution for taxing the people. It has always considered it as one for the general use and benefit of the people and, therefore, as one which should not make a business of taxing them.

"Accommodation to the public is the first consideration, and the means for paying for it the second. We have never attached much importance to profit or loss on the transaction. Such, for many years at least, has been our policy. And so long as service to the public and not profit is the supreme test it cannot well be seen why the farmer, the representative of the largest and most important business of our land, the most extensive reader of any class, the most appreciative and best deserving, should not receive fair, adequate, and equitable mail facilities."

The political potentialities of this free service to farmers were duly recognized by each succeeding Congress which consistently appropriated ever-increasing amounts for rural free delivery. By 1917 the yearly appropriation had grown to \$53 million, an increase of sizable dimensions and effectiveness over a period of 20 years.

Thirty years after Congressman Smith so eloquently set forth his views on the subject of free mail service to the farming communities, another exponent and acknowledged authority on postal matters reemphasized the attitude of recent and former Congresses with respect to the values inherent in rural free delivery to the entire rural population. Following is a quotation taken from United States Postal Policy which this latter-day exponent, former Congressman Clyde Kelly, published in 1931:

"Congress has never wavered in its determination to expand this service to the full extent. It enacted that "rural mail delivery shall be extended so as to serve as nearly as practicable the entire rural population of the United States."

"Such a service cannot be measured in dollars and cents and Congress has made no attempt at the measurement. The service was established when there was a deficit in the Department and it has been continuously extended without regard to revenues.

"It is the natural outgrowth of the policy adopted and maintained by the law-making body that the primary objective of the post office establishment is complete and comprehensive service to the American public.

"A private business enterprise, bent on money making, would instantly abolish this free delivery of mail in rural sections and require the rural dweller to come to town for his mail.

"That method is used by the express companies and they save money through it. Congress has acted from the beginning on a different policy. Under the most generous apportionment of costs, there is a deficit each year of \$50 million in the rural free delivery service. It is unfair to contend that this is a postal deficit to be made up from exaction on users of the mails. It is the sum paid by the Government in the accomplishment of a wise purpose and the money it has cost has been among the best expenditures of the Republic.

"The cost of delivering mail to the American home every day was assumed by the United States in the same spirit it assumed the cost of good roads, light-houses, educational activities, and other great projects for the common good. No reasonable American would urge the abandonment of any of these forms of direct delivery."

The foregoing series of commentaries, along with studies made of a vast amount of other records dealing with debates and discussions in and out of Congress over the past 60 years, lend overwhelming evidence that rural free delivery came into being solely to promote a free service. As has already been shown, this particular service was inaugurated just before the turn of the century for the benefit of the Nation's rural population, who were believed to be in dire

need of a closer relationship with cities, towns, and villages, and the rest of the outside world. During the ensuing years rural free delivery has been continued and expanded for the purpose of providing an even greater and more valuable service to the Nation's rapidly growing rural population, reaching beyond the limits of cities, towns, and villages.

Rural free delivery can unqualifiedly be called the legitimate offspring of Congress, enjoying continuing paternal favoritism, as the following record of yearly appropriations so eloquently testify :

RURAL FREE DELIVERY

Fiscal year	Routes	Increase in routes	Total length of routes (miles)	Total annual appropriations	Audited expenditures
1897	82		1,843	\$40,000	\$14,840
1898	153	71	2,960	50,250	50,241
1899	412	259	8,929	150,432	150,012
1900	1,259	847	28,685	450,000	420,433
1901	3,761	2,502	100,299	1,750,796	1,750,321
1902	8,298	4,537	186,252	4,089,075	4,089,041
1903	15,119	6,821	322,618	8,580,364	8,051,599
1904	24,566	9,447	552,725	12,926,905	12,645,275
1905	32,110	7,544	721,237	21,116,000	20,864,885
1906	35,766	3,656	820,318	25,828,300	25,011,625
1907	37,728	1,962	899,249	28,200,000	26,661,555
1908	39,277	1,549	943,075	34,900,000	34,371,939
1909	40,628	1,351	979,624	35,673,000	35,661,034
1910	41,079	451	993,068	37,260,000	36,914,769
1911	41,656	577	1,007,772	38,860,000	37,125,630
1912	42,199	543	1,021,492	42,790,000	41,859,422
1913	42,805	606	1,038,076	47,000,000	45,642,810
1914	43,652	847	1,060,679	47,500,000	47,380,959
1915	43,866	214	1,076,235	53,000,000	52,565,811
1916	42,927	-939	1,091,852	53,000,000	51,952,326
1917	43,464	537	1,112,556	53,000,000	52,423,090
1918	43,453	-11	1,127,110	53,000,000	52,552,996
1919	43,210	-243	1,143,467	65,800,000	65,020,836
1920	43,445	235	1,151,832	68,800,000	75,795,110
1921	43,752	307	1,163,896	78,000,000	83,030,128
1922	44,186	434	1,180,448	86,800,000	84,738,595
1923	44,439	254	1,190,534	86,900,000	86,090,187
1924	44,760	321	1,205,714	86,900,000	86,339,093
1925	45,189	429	1,227,654	89,250,000	95,130,751
1926	45,315	126	1,249,978	88,350,000	103,443,973
1927	44,730	-585	1,270,746	105,360,000	104,484,115
1928	44,288	-442	1,289,613	105,506,000	104,958,439
1929	43,840	-448	1,316,420	106,000,000	150,906,171
1930	43,278	-562	1,334,842	107,000,000	106,338,341
1931	42,412	-866	1,354,759	107,550,000	106,470,948
1932	41,602	-810	1,358,030	107,550,000	106,358,018
1933	40,013	-1,589	1,365,712	106,000,000	93,786,791
1934	37,108	-2,905	1,359,895	95,000,000	81,636,000
1935	34,848	-2,260	1,355,078	82,902,500	90,424,740
1936	34,118	-730	1,368,083	94,300,000	92,436,575
1937	33,601	-517	1,377,088	93,200,000	91,798,963
1938	33,144	-457	1,387,445	92,125,000	91,195,761
1939	32,839	-395	1,392,657	91,610,000	91,170,000
1940	32,646	-193	1,401,690	91,500,000	91,440,974
1941	32,445	-201	1,411,573	91,840,000	91,501,965
1942	32,292	-153	1,420,971	91,200,000	91,635,920
1943	32,179	-113	1,425,860	96,744,900	96,513,444
1944	32,112	-67	1,428,475	105,062,417	104,690,671
1945	32,106	-6	1,435,059	107,690,000	106,852,798
1946	32,161	55	1,441,538	117,415,000	117,403,478
1947	32,249	88	1,449,767	130,126,000	128,582,483
1948	32,412	163	1,465,198	132,292,000	131,119,428
1949	32,559	147	1,480,710	153,178,000	152,704,409
1950	32,619	60	1,493,365	163,500,000	159,386,748
1951	32,513	-106	1,486,775	169,002,500	168,856,449
1952	32,546	33	1,499,910	190,000,000	188,785,405

It is thus clear that R.F.D. has reached an all-time high in point of public funds provided by Congress, patrons serviced, mileage covered, and in reported overall cost. As to the enormous volume of mail now being handled, as well as the diversity of types and special services performed to rural communities, the table which follows provides the answer. The figures have been taken from the official records and reports of the Post Office Department for the year 1952 :

ESTIMATED NUMBER OF PIECES OF MAIL DELIVERED AND COLLECTED AND SPECIAL SERVICE TRANSACTIONS
HANDLED ON RURAL ROUTES

Class of mail or service	Fiscal year 1952		
	Delivered	Collected	Total
First class.....	2, 187, 000, 000	759, 200, 000	2, 946, 200, 000
Domestic air mail:			
Letters and cards.....	91, 900, 000	55, 100, 000	147, 000, 000
Air parcel post.....	1, 400, 000	200, 000	600, 000
Second class.....	1, 918, 600, 000	4, 400, 000	1, 923, 000, 000
Third class.....	2, 129, 500, 000	30, 200, 000	2, 159, 700, 000
Fourth class.....	122, 800, 000	10, 500, 000	133, 300, 000
Foreign:			
Letters and cards.....	7, 900, 000	2, 600, 000	10, 500, 000
Other articles.....	1, 400, 000	100, 000	1, 500, 000
Parcel post.....	200, 000	100, 000	300, 000
Air mail (including air parcel post).....	7, 200, 000	3, 500, 000	10, 700, 000
Penalty.....	198, 300, 000	6, 200, 000	204, 500, 000
Franked.....	13, 500, 000		13, 500, 000
Free for blind.....	300, 000	100, 000	400, 000
Registry.....			4, 300, 000
Insured (excluding minimum fee).....			7, 800, 000
Cash on delivery.....			9, 200, 000
Money orders.....			27, 000, 000

These services are performed today without regard for cost or expectation of producing revenue sufficient to offset costs. In this respect the concept of rural free delivery remains unchanged since its inauguration just before the turn of the century.

Despite this indisputable service characteristic, indispensable to rural families but having only tenuous relationship to factors of mail collection, handling and transportation from points of origin by steamship, the railroads, airplanes, and trucks, rural free delivery has regularly appeared in Post Office Department reports as one of the many other expenditures which combine to reflect its total operating costs. In the year 1952 reported expenditures for rural free delivery were \$189 million, while the year's deficit for the entire postal operation amount to \$727,050,218. The Department's accounts show the 1952 deficit apportionment for the handling of four classes of mail—first, second, third, and fourth, and the excess of cost to provide an assortment of special and free services. Nothing is shown, however, as to what portion of the deficit is attributable to rural free delivery, one of the most obvious of all the free postal services enjoyed by the public.

It appears that, for the amount of mail handled, rural delivery costs are about three times as expensive as urban delivery costs. The inescapable conclusion is that nothing but continuing yearly losses are possible, evidence being lacking that whatever the actual revenue might be, the amount is insufficient to offset any appreciable part of even the direct expense of rural free delivery.

THE STAR ROUTE SERVICE

The star route service, which preceded the pony express in origin within the United States postal system, reflected a substantial increase in service as recently as 1952. Within this 1 year annual travel increased 10.11 percent and, second only to the railroads as carriers of the mail, provided 244.8 million miles of transport over the 26,891,000 miles of the Nation's star routes. At the close of the year, there were 11,945 star routes, including 270 truck routes, operating at a total cost of \$44,011,000, as compared to \$640,043 in the year 1862, after 17 years of operation.

Today the average American, well able to define terms such as "rural mail service," "airmail service," and "railway mail service" would be at a loss to present a definition of the "star route service," one of the most important units of the postal system today. Thousands of post offices serving towns and villages and rural routes over a substantial country area would not operate at all but for the star route service. In the concise vernacular of the Post Office Budget Digest:

"The star route service is maintained primarily for post offices not afforded other means of mail transportation and to provide supplemental service for a large number of offices which are not otherwise afforded adequate mail supply. Some routes are maintained exclusively for the purpose of providing box delivery and collection service, and approximately 70 percent of those supplying post offices also provide some box delivery and collection service, but the function of star routes is primarily transportation."

The star route service has provided some of the brightest and most dramatic pages in the postal history of the country. There are also instances in which a few greedy and corrupt individuals have permitted considerations of personal gain to influence their actions so as to bring considerable discredit to the operation. It was the pioneer in mail transportation supporting the opening of the great West. Even today over the broad and difficult reaches of Alaska, often at hazard to carrier and at great cost in relation to revenue obtained, the star route service is still pioneering to provide regular mail communication—the established right of the American citizen everywhere.

Contract service was officially recognized as early as 1802 when Congress authorized the Postmaster General to have the mails conveyed between Petersburg, Va., and Louisville, Ga., "in mail coaches suitable to carry passengers provided the expense should not be greater by one-third than the cost of horseback service." The star route service was originated on the contention that effective transport should be the objective in movement of the mail whatever the means utilized. Early contracts issued for mail transport were established on the pretense that it was advisable in letting certain routes to have regard to mode of transportation. The act of March 3, 1845, establishing the star service, condemned this and required only that the lowest bidders engaging to carry the mail with "celerity, certainty, and security" should be accepted. The corresponding clerks of the contract division designated these bids on the route registers by three stars, and thus they became known as star bids. Method and purpose was for handling mail entirely by sack or pouch under lock to places not reached by railroad. During the same year that the star route service originated, Postmaster General Cave Johnson reported that transportation over the 143,940 miles of United States post routes was provided as follows:

	Annual miles	Cost
Horseback and sulky	11, 225, 631	\$548, 482
Stage and coach	17, 924, 046	1, 476, 079
Steamboat and railroad	6, 484, 592	843, 430
Total	35, 634, 269	2, 905, 504

The length of post routes serviced by star route alone increased to 163,415 miles in 1869, and 239,299 miles in 1880, with consequent increase in cost.

At the turn of the century two changes were in process which were to have a profound effect upon the star-route service. The most significant with respect to the eventual size of the service was the disappearance of the stagecoach and the emergence of the railroad after 50 years of operation as primary carrier of the mail. Although at the outset the major impact of railroad development upon star service was to reduce its size and expense somewhat as the extended routes were eliminated, the long-term trend continuing to the present time has served to increase its importance as a medium of mail transportation. As early as 1888, Postmaster General A. Leo Knott properly appraised the effects as follows:

"The extension of railroad construction has enabled the Department to dispense with many long lines of this branch of the service, especially in the Western States and Territories, and to replace them with the superior facilities which railroad transportation furnishes; but, while doing this, this great extension of the railroad system of our country has contributed to spread and build up the populations in those regions of the country to such an extent as to very greatly augment the demand not only for new and short lines of star service, but for a great increase of frequency in the number of trips, thus entailing very considerable and additional expenditures."

Today star-service truck routes are expanding yearly, and largely because of withdrawal of railroad branch-line service. This substitution of star route

for discontinued rail service is not likely to reduce in the future, and undoubtedly will continue to expand. Such changes have been accomplished at consistent savings to the Post Office Department. The schedule below obtained from the Post Office Digest for 1949 is enlightening in reflecting growth of the service and its economy over expense for similar railroad transport. Since 1951 star-truck service has reduced transportation time 24 hours or more on trips in excess of 75 miles.¹

COMPARISON OF ANNUAL RATE OF STAR-ROUTE SERVICE ESTABLISHED IN LIEU OF RAILROAD SERVICE DISCONTINUED

Fiscal year	Railroad service discontinued			Star-route service established	Net decrease
	Space, mail messenger, and side service	Clerical	Total		
1938	\$1,014,355	\$224,432	\$1,238,787	\$376,348	\$862,439
1939	541,654	132,881	674,535	229,134	445,401
1940	360,559	100,572	461,131	158,331	302,800
1941	540,344	158,299	698,643	223,481	475,162
1942	748,732	116,146	864,878	308,341	556,537
1943	213,296	17,210	230,506	133,110	97,396
1944	66,568	8,851	75,419	47,265	28,154
1945	277,146	99,387	376,533	173,094	203,439
1946	110,260	42,588	152,848	77,642	75,206
1947	369,376	100,236	469,612	278,918	190,694
1948	657,863	129,046	786,909	383,185	403,724
1949	1,623,928	417,963	2,041,891	761,617	1,280,279
1950					

A review of these figures leads inevitably to the question of the savings which might result if the Post Office Department would extend the competitive and more economical contract system to other forms of transportation now employed for movement of the mails.

The second factor of profound implication to star route was the establishment of a new and powerful competitor in rural areas—the rural free delivery service. The years 1897 to 1900 saw the birth and early extension of this new public-service instrument, which once started, inevitably advanced despite clear indications that its cost probably would always greatly exceed revenues. As the new program caught the public and official imagination and support, it became a matter of Post Office policy to eliminate star rural routes in lieu of the new service. From 1899 to 1910 the value of star-route contracts eliminated largely because of the new rural free delivery system was \$18,807,126.

Although star routes operating in rural areas were required to perform rural pickup and delivery service as early as 1907, it was not until 1918 that star rural routes assumed the full schedule for post office service identical to rural free delivery service including selling of stamps, supplies, delivery of registered matter, money order sales, c. o. d., etc. The transition in many areas from star route to rural free delivery was not made without strong opposition on the part of star-route contractors. Postmaster General Charles Emory Smith in his report for 1899 stated:

"Those who have petitioned and agitated for the continuance of star routes in territory served by rural delivery are usually subcontractors to whom work has been sublet at prices below the rates awarded by the Post Office Department in the original contracts, but who still find sufficient profit in their subcontracts to cause them to labor successfully for a continuance of their employment. This has resulted in some instances in a duplication of service."

Similarly, and as the rural free delivery service advanced, the two services came into conflict on another issue which is still very much alive today—the better salaries paid for and working conditions of rural free delivery service over star route. The first indication of a situation which was to prove detrimental to the morale of star-route carriers appeared in Postmaster General Payne's report for the year 1903:

"Within the past 4½ years the rural free delivery service has been largely extended, for which Congress has fixed a salary of \$600 per annum to the carrier, and bidders for star service in support of the reasonableness of their bids fre-

¹ Assistant Postmaster General Redding at national convention of star-route carriers, 1951.

quently make comparison with the higher rates paid the rural carriers in the same vicinity. This tends to increase the rate paid for star service."

On July 2, 1918, Congress, committed to rural free delivery over the competitor service, enacted the following law:

"No part of the appropriation for inland transportation by star routes shall be expended for continuance of any star-route service the patronage of which shall be served entirely by the extension of rural-delivery service, nor shall any of said sum be expended for star-route service for a patronage a major portion of which has been served by rural-delivery service, unless the services of a qualified rural carrier cannot be secured (39 U.S.C. 451)."

Accordingly, star rural service can develop in new areas at the discretion of the Post Office Department, as well as areas served previously by rural free delivery as long as a regular and qualified rural mail carrier cannot be obtained. With regard to new sparsely settled areas star-route service has something of an advantage in that no limitation exists as to minimum patrons per mile, whereas for rural free delivery there must be a minimum of 4 patrons to the mile. At the present time approximately 4,000 of approximately 11,000 star-route carriers wholly or partially perform rural delivery service, whereas prior to 1918 well over one-half were required for these purposes.

The early history of the star-route service, according to Postmaster General reports, does not reflect much concern on the question of whether or not it would pay its own way. The authors of the yearly reports to the President appear not only to accept, but to insist, that star route rural and output service was justified in the public interest irrespective of cost, and that the excess of expenditure over revenue was a proper and, in view of a developing country, a profitable charge against the United States Treasury. Certainly, with respect to its rural and outpost service, this attitude has continued to the present time. Shortly after establishment of the service it was not unusual for a letter to the Far West to cost the Government well over a hundred dollars as compared to revenue obtained. Similarly, as recently as the establishment of the first airmail routes in Alaska (which were also star routes) the first letters carrying normal airmail stamps cost the Government \$450 each for delivery.² No amount of narrative can as well express the consideration these sincere men gave the problem, or their convictions therefrom derived, as the following excerpts culled from their reports to the President of the United States:

Postmaster General Alexander W. Randall report for 1866: "It has always been an erroneous theory in the history of the postal service of the United States that it was established or sustained on the principle of wholly defraying its own expenses out of its own revenues; or, in other words, on the public necessity, to accommodate private citizens, and it will not do to say that no mail route shall be opened, or post office established, until the business on the proposed route or of the proposed office shall pay all expenses. Large sums of money are paid every year to contractors for carrying mails beyond our frontier, across the central wilderness, to the Pacific States; and other large sums are paid for service on lines tributary to the main lines, to accommodate as yet sparse settlements. From these, comparatively small returns come back in the shape of postal revenues. Yet these very agencies invite settlement and encourage enterprise in material development, so that there comes back to the people in real wealth, almost as many million of dollars as the Government expends thousands in this particular branch of service."

Postmaster General Marshall Jewell report for 1875: "Important as it is to reduce the deficiency, it must not be forgotten that in the sparsely settled portions of the South and West the expenditures for mail service must, in many instances, exceed the receipts two or three, and sometimes ten fold. It is desirable on all accounts that our country should be settled by intelligent people, and with this end in view, the pioneers should enjoy frequent and regular mail communications with the more populous sections."

Postmaster General James N. Tyner report for 1876: " * * * Whatever theories may be advanced to relieve it (the Post Office Department) from chronic deficiencies, they must yield to the ever-present necessity for supplying abundant mail for the whole country by liberal appropriations and reasonable expenditures. * * * So long as the Post Office Department must follow the pioneer to the remotest settlements, and put him in communication with the centers of trade and business, and also carry the mails to towns and cities in the first years of their existence as frequently as they are conveyed to

² United States Postal Policy, by Clyde Kelly.

those of larger population and more matured growth, so long the General Treasury will probably have to bear a part of the cost."

Postmaster General Horace Maynard report for 1879: "From every quarter of the West and Southwest, and much of the South, came urgent and incessant demands for increase in the facilities and greater celerity in the carriage of the mails * * * it was determined to enter upon a new departure in policy of no less proportions than the assumption by the Department of the responsibility of increasing the efficiency, and thereby the cost of this service, beyond the pro rata limits of the appropriation, trusting to the wisdom and patriotism of Congress for relief in the form of a supplemental appropriation * * *."

Postmaster General A. S. Burleson report for 1916: "One feature of postal activity to which this administration has given particular attention is that which has to do with the provision of mail facilities by way of star-route service to the citizens who are doing pioneer work in settling the undeveloped mining, timber, and agricultural regions of the country. To these people postal facilities are of the utmost importance, and the Department, realizing this necessity, has rapidly extended service to these far sections at an expense which seems excessive when compared with the actual postal revenue produced in return, believing that it is the duty of the Government to aid in this way in the development of these natural resources and that the eventual contribution, through such development, to the wealth of the country makes the investment a profitable one, even though it seems most unprofitable when viewed from the standpoint of postal revenue alone."

In the earlier days of the star-route service, the laws governing the issuance and administration of contracts were not adequate to prevent deception and dishonesty. Speculative bidders determined the amount of their bids, not so much from any personal knowledge of the service to be performed, but on the knowledge of the amount of the previous contract. They would bid substantially less, take the risk of subletting at a profit, and often used deceit and misrepresentation in securing subcontracts from poor and ignorant men as principals and sureties. Inadequate service resulting would often require the Post Office Department to reinstitute service at a much greater cost. "Straw bidding" was much practiced. This method was to procure a number of dummies to submit bids on certain routes each a little lower than the other. The contractor himself put in a bid which would give him a large profit. When the lowest bid was accepted the bidder failed to respond, and so on with all the rest until the bona fide bid of the contractor was reached, whereupon he accepted and entered into the contract. During President Garfield's administration, a national scandal known as the star-route frauds was brought to light by the secret service of the Post Office Department. A ring, including Second Assistant Postmaster General Brady and certain public officials together with certain mail contractors, was alleged to have been formed to defraud the Government by increasing payments to certain mail contractors. Operations included 135 mail routes wherein compensation for carrying the mail was raised from over \$143,000 to over \$622,000. This was accomplished by securing petitions from localities interested for an increase in the number of trips, the schedule time for each trip being shortened, and contracts increased in number and cost. Prosecutions followed, the laws were changed, and such instances became a thing of the past.³

From inception of the service the contractual form of operation has been productive of abuses, inequities, and complex administrative problems. In a very real sense it can be said that the contract method within the star-route service has never been fully satisfactory although the primary disadvantage at one time would mitigate against the Government, another the contractors, and always, of course, inconveniences would be suffered by the user of the service. Today, and from inception of the service, the four sections of the country are advertised consecutively every fourth year inviting proposals for carrying the mail over designated routes. Awards now go to "the lowest bidder tendering sufficient guaranties for faithful performance in accordance with the terms of the advertisement." A major factor which had contributed to the fact that the star-route service as a whole is less expensive than any of its competitor services, was well expressed in a speech by Robert E. Lambert, clerk of the Committee on Post Office and Post Roads in October 1940:

"* * * no one comes forward to defend the competitive bidding system as applied specifically to star-route carriers, and there is one very great reason why they do not. That reason is that after the first competitive bidding which gives the successful bidder at most a 4-year contract, there is never again an

³ Star Route Carriers Association.

open and free competitive bidding. No doubt that statement will be challenged, but it is my contention that after the first contract has been performed the price of that contract establishes a price beyond which no bidder can go with any expectation of securing the contract. The result is that the contractor if he desires to retain the route, submits a bid lower than his previous bid, and any new bidder who seriously expects or hopes to secure the contract submits a bid lower than the present known contract price. Thus over a period of a few years the amount paid for the route becomes less than a reasonable amount for the services performed."

There is a real measure of truth in Mr. Lambert's statement. Star-route service over the years has offered a measure of prestige to the carrier and of honorable public service, but has not been generally rewarding financially. Between the years 1924 to 1939, although living costs and expense for other forms of transportation for carrying the mail increased, the average rate of cost per mile of star route scheduled travel decreased from 13.85 cents to 6 cents. During the period 1940 to 1948 a total of 5,000 out of the average of 11,000 star routes failed. Amounts paid for approved contracts were insufficient for the contractor, the majority of small means, to live and support their routes without bankruptcy. The present average yearly payment (1953), on the basis of 11,600 contracts in force, approximates only \$3,146, whereas contracts in size vary from \$1,000 for a rural route to well over \$200,000 for a large truck route from Portland, Oreg. to Seattle, Wash. The star-route carrier is not under civil service as is the rest of the postal department, must post a performance bond in lieu of the bond required of other postal workers, exacting thousands of dollars in toll annually in excess of that necessary for other postal units handling the same mail, and has little assurance of continuity in the service. He must purchase his own equipment and the tendency is toward heavier, more highly specialized and expensive motortrucks. The majority of carriers work 6 day a week and many 7 days without holidays or payment in lieu of time off. The present situation appears to so little favor the star-route carrier over other employees of the service, that it is possible to explain his willingness to continue faithful service despite heavy performance demands, small reward, and considerable financial risk only in terms of his feeling for responsibility in the public service.

Despite the fact that the Government is not overly generous to the star-route carrier, a substantial portion of the service revenue cannot possibly cover expense. Information as to star-service subsidies, however, is most difficult to obtain exactly, and in isolation from other factors. Certainly to the extent that star routes serve rural areas, a substantial portion of cost involves subsidy, and the subsidy factor is clearly apparent in the Alaskan service. To the extent, however, that service is rendered in mail transport between post offices, and because of the withdrawal or reduction in frequency of train service, no subsidy element appears applicable. In its report on matters under Senate Resolution 49, dated November 20, 1953, Price, Waterhouse & Co., using information provided by the Post Office Department calculated the public-service aspect of star-service expense for fiscal year 1952 to be a minimum of \$7,724,633, or about 20 percent of the entire expenditure for the service. The estimate involves restricted (delivery only) rural service, full (delivery and sales) rural service and star-route service in Alaska. Much of this work is performed in remote areas by trucks where regular rural delivery service would not be justified. However, since a considerable portion of the star route truck service also provides pickup and delivery service to rural areas, some question would exist as to whether such values should not have been properly included in the above service.

Despite difficulty of evaluating the exact amount that the American citizen is paying above revenue obtained for star rural and outpost service—or has paid for 108 years—there is no doubt of the investment in public good. In the interest of sound business practice, however, the value of that portion of these services which exceed revenues can and should be regularly developed as essential factors for consideration in connection with Post Office Department financial problems. Otherwise a large deficit item serves to confuse the interested official and the general public. The postage stamp should purchase delivery to addressee within its cost providing the postal service is efficiently managed and unusual conditions do not apply in mail handling or delivery. But no part of any postal revenue should, nor was ever intended to be, imposed as taxation for a public-service purpose. Because of unusual conditions in areas served, star route rural and outpost service demonstratively cannot, and probably never will pay their own way. However, no reasonable objection can be foreseen to placing the evaluated public service (excess over revenues) amount as a direct charge to the general funds of the United States Treasury.

MAIL SERVICE IN RURAL AMERICA

TUESDAY, NOVEMBER 26, 1974

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON POSTAL SERVICE, AND
COMMITTEE ON AGRICULTURE,
SUBCOMMITTEE ON FAMILY FARMS AND RURAL DEVELOPMENT,
Washington, D.C.

The joint hearing in the above-entitled matter was convened, pursuant to adjournment, at 9:35 a.m., in room 210 of the Cannon House Office Building, Hon. James M. Hanley (chairman of the Subcommittee on Postal Service) presiding.

Mr. HANLEY. This morning we convene for the purpose of resuming hearings on mail service in rural America.

Our first witness this morning is Mr. Stanford Smith, as president of the American Newspaper Publishers Association.

STATEMENT OF STANFORD SMITH, PRESIDENT, AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION

Mr. SMITH. Good morning.

Mr. HANLEY. Good morning, Mr. Smith, it is nice to have you with us this morning. I am confident that your testimony will prove most interesting and helpful to the deliberations of our committee.

Mr. SMITH. Thank you, sir.

My prepared statement is rather short, but even so, perhaps you might prefer to put it in the record and let me just very quickly highlight it, and then, if we have a bit of time, we could have questions from you or Mr. Alexander.

Mr. HALEY. Fine, without objection, the entire text of your testimony will be incorporated into the minutes of this hearing.

Mr. SMITH. Our association represents daily newspapers only. More than half of our members have circulations under 25,000, and about three-fourths have circulations under 50,000, and these are the newspapers that face the most difficult problems of delivery to readers in rural areas.

These rural citizens expect their daily newspaper to be delivered every day, but unfortunately, that is not what happens. I am sure every Member of Congress has something of the same experience receiving daily newspapers here in these office buildings, with two or three papers arriving at one time and then several days passing by without getting any newspaper at all.

We made some surveys that put some numbers on this situation, showing a steady decline in newspaper circulation in the mails over a period when total newspaper circulation has been increasing.

I mentioned the figures in my prepared statement. We also measured the amount of newspaper circulation on rural mail routes in 1970 and in our 1973 survey, our last two, and that showed a rather startling development in that, in 1970, we had circulation on rural routes of 1,480,000, and in 1973, that figure had dropped by more than 200,000.

That tells us something about the problems of rural citizens getting newspapers, and we conclude that since total newspaper circulation was increasing over this period of time, it is rather logical for us to believe that these rural citizens remain just as anxious to be daily newspaper readers as their city friends, but they are being driven from the ranks of newspaper readers by inadequate delivery service and higher prices.

We asked the members of our ANPA postal committee for help in preparing for these hearings, and the comments I am sure are not surprising to any of you. I won't bother to read them, but the problem of the rural reader is quite clear. The solution is not as clear.

I believe that the most encouraging development to us in the last year or so has been the increasing interest on the part of the Congress in taking a fresh look at the Postal Reorganization Act and making such changes as experience might indicate we need.

In my testimony some months ago, Mr. Hanley, I referred to some history of the Postal Service, so I won't bother to repeat that here, but this idea of total break-even has been tried from time to time and always it has been found wanting as an unattainable objective. I feel confident that the Congress will this time determine it to be totally unattainable as an objective, and the subject matter of these hearings, in our judgment, is one of the things that will lead you to that conclusion. This, of course, brings us to the other legislation in which you are now holding a series of hearings at which we have already testified in support of that legislation.

I want to say that the Postal Service management is not entirely to blame for this problem. They have been very cooperative in many instances when specific problems are isolated and brought to their attention, but this is an enormous operation, the Postal Service. Confronted with a decision by the Postal Rate Commission that the intent of the Congress was that we should have a total break even within all classes of mail—and no recognition of the historic congressional intent that there should be lower rates for the delivery of second class mail with some considerable expedited delivery—the Postal Service had nothing to do except make every economy that they could make, and that is what they have been trying to do.

The inevitable result is simply an inability on the part of the system to make expedited daily deliveries of an item like a daily newspaper.

Now, I wouldn't try to contend that a newspaper traveling at second-class postal rates is entitled to exactly the same treatment that a first-class letter gets that has a check for \$2,000 in the envelope, but we would like to see it get something better than what it now gets. I think we inevitably wind up in considering this problem with the same old problem of whether the Postal Service can be adequately financed to

render the kind of service that the people expect. We should be still committed in this country to a belief that every citizen is entitled to the same quality of mail service, whether he lives on a farm or whether he lives in a high rise apartment building.

I am open to questions, sir.

Mr. HANLEY. Thank you very much, Mr. Smith.

Do I interpret correctly: Has the circulation actually declined amongst your membership?

Mr. SMITH. No, sir. Total circulation has been increasing. While total circulation has been increasing, circulation in the mails has been decreasing, and the worst decreases of all are readers on the rural routes.

Mr. HANLEY. I see. To what do you attribute the decline? Is it related to the increased postal costs, or a decline in the quality of service?

Mr. SMITH. It is both, sir. It is both.

Mr. HANLEY. Some of both?

Mr. SMITH. Yes. Readers in rural areas have fewer dollars of income, and we might say, they have a greater problem paying for the higher prices that afflict newspapers, the same as everything else in our economy. But they are less inclined to pay those increased prices, when they don't get the Sunday paper until Tuesday, as one of these letters quotes, and the Monday paper on Thursday. That kind of service is not compatible with the prices that the publishers are forced to charge today.

Mr. HANLEY. So there is an inequity in the sense that the rate has been hiked, and there isn't any improvement in the quality of the service subsequent to the implementation of the Postal Reorganization Act?

Mr. SMITH. I am afraid that is right; yes, sir.

Mr. HANLEY. With regard to the private express statute, and as you are aware, they are having some overtures which suggests that should be repealed, does your association have a position on this?

Mr. SMITH. Well, we testified on that problem earlier. We would like to see the provision with respect to newspapers embodied in a statutory amendment, although the Postal Service has gone as far as it can go now in making it clear that they have no intention of enforcing any private express statute as to newspapers.

We would feel a lot more comfortable if it were embodied in the statute. There is simply no possibility that the Postal Service could deliver 63 million newspapers every day.

It is just an utter impossibility, and so the private express statute has no real meaning, insofar as newspapers are concerned. But we would feel a lot more comfortable if the statute made this clear, rather than an interpretation which might be subject to future change.

Mr. HANLEY. In accordance with what you said, the position of your association on the subsidy matter would be in support of that. As you know, there is a provision in the bill we have introduced, whereas the agency could be reimbursed up to 20 percent, and you are in support of that?

Mr. SMITH. Yes, sir, at least that amount. It is simply a matter of economics. Absent some kind of provision, such as that, whether 20 percent or some other figure you arrive at in the legislation—and this

is what you are dealing with in the other hearings you are now holding—but as for some provision of that nature, I see no possibility for achieving the level of service that was envisioned by the Congress when the Postal Reorganization Act was enacted.

Some economies can be effected within the system, but not enough to bring about service that will be equal for all citizens.

Mr. HANLEY. Yes. Then, of course, in line with the accommodations we seek in this legislation related to such idea, we have a provision for authorization which we feel is fair. What is your opinion of that? That is, that the USPS would be subject to the authorization process, and it would be called before the Congress to rationalize its fiscal matters?

Mr. SMITH. I see two sides to that problem.

Unless the management of the Postal Service, whoever it might be, could have some reasonable assurance in its planning and budgeting cycle that it would have these funds available, I see great difficulty on the part of the management in planning, or in making its own budget. If the Congress could keep this on an expedited basis, yes, fine.

On the broader issue, the Postal Service should not be exempt from oversight responsibility of the Congress any more than the Federal Communications Commission or the Interstate Commerce Commission or any other quasi-independent body created by the Congress.

So the more the Congress exercises this oversight, the better I think it will be for the people, because the Congress provides the most direct representation of the people that are being served by the Post Office, far more so than the Postal Rate Commission, on which I have made adverse testimony earlier before your Postal Service Subcommittee.

Mr. HANLEY. Well, of course, the intent of the authorization requirement is to prevent the blank check sort of thing, and in this way the Congress would be fulfilling this responsibility to the American taxpayer. That is the intent associated with it.

Thank you, Mr. Smith.

Mr. Alexander?

Mr. ALEXANDER. I wish to thank Mr. Smith for his testimony. As a matter of curiosity, Mr. Smith, how do you define the word "rural"?

Mr. SMITH. In this testimony?

Mr. ALEXANDER. Yes, sir.

Mr. SMITH. We refer to the rural routes of the Postal Service itself. When we asked how much circulation newspapers have on rural routes, this was a circulation-in-the-mails survey, and therefore, by definition, this was entirely circulation of newspapers through the mails on postal rural routes.

Mr. ALEXANDER. Would that expression that you made with reference to the decline of service on the rural routes apply equally as well to small towns and nonmetropolitan areas?

Mr. SMITH. I suspect that it would. We didn't precisely measure that. Logic tells us that the same problem would exist because of the methods that the Postal Service has used to effect its economies, with the sectional centers and the mail taking circuitous routes to go short distances and that sort of thing.

In fairness, however, we did not actually measure that. However, I am sure that some of the comments that came back to you from our

members did, in fact, reflect that the problem is not confined to those people who live on rural routes, but also to those people who live in the very small towns, where no newspaper has enough density of circulation to be able to afford carrier routes.

In those circumstances, the only possibility for delivery to the reader is through the mails. That would be true in very small towns the same as on rural routes.

Mr. ALEXANDER. Have you made an effort to determine at what level of population the service has not declined?

Mr. SMITH. Unfortunately for our membership, there is no such area, for the reason that in the densely populated areas the newspaper can well afford to operate its own delivery system, which is cheaper than the Postal Service. Anytime it is cheaper, the newspaper is going to operate it and stay out of the mails.

Mr. ALEXANDER. When you refer to densely populated areas, are you referring to areas with population of a million or more, or what?

Mr. SMITH. Much, much smaller than that. The density really is the density of subscribers, and if a newspaper has as many as four or five subscribers per mile traveled, they can afford to put on what we call a motor route, which is motorized drivers delivering the paper to the individual subscriber.

So, it is not really metropolitan in the sense of a big city. It is density of circulation.

Mr. ALEXANDER. That would apply to an area like Fairfax County, or Saint Charles County, which may by other definitions be classified as rural?

Mr. SMITH. Yes, sir, but the daily newspapers serve their readers in those areas by carrier routes, and not by mail. Even the small dailies in the surrounding counties around Washington have very little circulation in the mails, and then only to those people in the most rural areas of the counties.

Mr. ALEXANDER. Mr. Chairman, the constraints of time preclude me from pursuing this further, but I would like to, at a future time, if we have the opportunity.

Thank you very much.

Mr. SMITH. Thank you very much.

Mr. HANLEY. Thank you, Mr. Alexander.

Mr. Smith, the questionnaire, as I understand it, that the association circularized through its members—

Mr. SMITH. We sent it to all daily newspapers.

Mr. HANLEY. Yes. For the record, would it be possible for the results of that questionnaire to be made available to this committee?

Mr. SMITH. Yes, sir. It is a tabulation which I believe was attached to my July testimony before your subcommittee, but we can make some additional copies now. We had it broken down by circulation brackets, and by morning and evening publication, and then these other breakdowns as to services rendered by the newspapers in processing that mail.

It is easy to do, and we will be glad to do so.

Mr. HANLEY. Fine. That information could be very helpful to the committee, so without objection, it would be recorded in the minutes of this hearing.

[The following response was received:]

CIRCULATION

ANPA-ICMA SURVEY SHOWS FURTHER DECLINE OF NEWSPAPERS IN SECOND-CLASS MAIL

Skyrocketing postal rate costs and deteriorating service have led to a further decline in newspapers in Second-Class mail. A new national survey by ANPA and ICMA shows that the percent of U.S. newspapers in Second-Class mail has declined from 6.2 percent in the 1970 survey to 5.4 percent in 1973.

This bears out the predictions of ANPA in testimony before the Postal Rate Commission in 1971. The details of this survey, printed in this Bulletin, were submitted by ANPA June 5 as evidence in the current Postal Rate Commission proceeding involving USPS requests for still further Second-Class rate increases.

While the overall percentage of newspaper circulation in the mails continues to decline, the survey also shows continued dependence on the mails by many small daily newspapers and their readers, particularly those on rural routes. Newspapers under 5,000 daily circulation still depend on the mail for more than 30 percent of their circulation, and newspapers of 5,000 to 10,000 circulation depend on the mail for more than 20 percent of their circulation.

More than half of all the newspapers in Second-Class mail go to readers on rural routes.

The survey also points out that newspapers are still performing many costly services for the Postal Service in handling their Second-Class mail while paying full rates for services not rendered.

Of the total mail circulation of U.S. daily newspapers, 23.2 percent or 571,365 copies are delivered in county; 53.7 percent or 1,316,878 are delivered in postal zones 1 and 2. Additionally, the 1,267,636 copies delivered on rural routes represent 51.7 percent of the total mail circulation; 16.8 percent is delivered to outlying post offices by newspapers, and 7.0 percent is delivered to star routes, making a total of 23.8 percent delivered in part by newspapers for the mails.

The percentage of U.S. daily newspapers in the mails was 8.8 percent in 1966, then declined to 6.2 percent in 1970 and to 5.4 percent in 1973. From 1966 to 1973 mail circulation has decreased 35 percent or an average of 5 percent a year over the seven years.

ANPA-ICMA SURVEY OF DAILY NEWSPAPERS IN SECOND-CLASS MAIL IN 1973

Circulation group	Number of newspapers replying	Total circulation	Total mail circulation	(a) In county	(b) Zones 1 and 2	(c) Other zones	Percent of circulation in mail	Number of copies delivered to outlying Post Office	Copies delivered to Star routes	"Outside" mail	Mail circulation on rural routes (any postal zone)
Up to 5,000:											
Morning.....	8	31,978	10,225	5,746	2,415	2,058	32.0	337	1,265	1,544	4,157
Evening.....	54	197,912	65,423	39,320	18,677	8,785	33.1	11,939	275	983	30,493
Subtotal.....	62	229,890	75,648	45,066	21,092	10,843	32.9	12,276	1,540	2,527	34,650
5,000 to 10,000:											
Morning.....	20	133,329	55,615	30,811	17,606	4,572	41.5	7,982	4,791	1,376	31,349
Evening.....	182	1,329,948	249,669	130,754	81,802	38,029	18.8	32,027	6,906	5,836	131,613
Subtotal.....	202	1,463,877	305,284	161,565	99,408	42,601	20.9	40,009	11,697	7,212	162,962
10,000 to 25,000:											
Morning.....	41	730,518	131,349	63,851	51,885	15,613	17.8	35,147	4,766	4,840	70,243
Evening.....	267	4,402,596	373,028	124,201	166,423	71,163	8.5	44,123	8,545	18,122	177,410
Subtotal.....	308	5,133,114	504,377	188,052	218,308	86,776	9.8	79,270	13,311	22,962	247,653
25,000 to 50,000:											
Morning.....	51	1,861,450	235,744	51,576	155,743	30,184	12.7	62,328	20,016	16,741	168,893
Evening.....	140	4,905,731	170,670	39,262	95,535	35,328	3.5	17,523	3,350	4,004	73,237
Subtotal.....	191	6,767,181	406,414	90,838	251,278	65,512	6.0	79,851	23,366	20,745	242,130
50,000 to 100,000:											
Morning.....	40	2,656,711	278,986	45,229	206,769	25,653	10.5	91,592	29,494	8,057	181,074
Evening.....	49	3,183,811	60,289	9,438	36,462	14,398	1.9	1,996	1,262	3,965	31,687
Subtotal.....	89	5,840,522	339,275	54,667	243,231	40,051	5.8	93,588	30,756	12,042	212,761
Over 100,000:											
Morning.....	52	14,912,226	697,875	28,082	425,215	210,435	4.7	98,129	86,859	33,674	326,355
Evening.....	49	10,911,486	123,678	3,095	58,346	63,740	1.1	8,750	2,945	4,367	41,125
Subtotal.....	101	25,823,712	821,553	31,177	483,561	274,175	3.2	106,879	89,804	38,041	367,480
Total.....	953	45,258,296	2,452,551	571,365	1,316,878	519,958	5.4	411,873	170,474	103,529	1,267,636
Results of survey in:											
1970.....	907	42,678,775	2,641,953	554,296	1,405,462	682,195	6.2	407,346	136,740	151,820	1,480,464
1966.....	956	47,916,677	3,788,861	-----	-----	-----	8.8	868,474	-----	-----	174,563

Mr. HANLEY. Mr. Gross?

Mr. GROSS. Thank you, Mr. Chairman.

Mr. Smith, in your opinion, has the quality of mail service increased, or decreased, since the institution of the famous, or infamous, postal reorganization?

Mr. SMITH. Decreased.

Mr. GROSS. Are you qualified to speak, or have you been questioned concerning the closing of a large number of fourth class post offices in relation to service?

Mr. SMITH. No, sir, I am not qualified to speak on that subject. I am not sufficiently well informed, and I have not been questioned on it.

Mr. GROSS. Thank you, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. Gross.

Mr. Smith, specifically, can you tell us how the service has been curtailed in rural areas?

Mr. SMITH. Consolidation of routes, fewer sortings and fewer deliveries to rural post offices, I believe, inevitably result in delays in delivery of mail to the ultimate recipient. There still are some problems that may or may not be solved in the use of the sectional centers and the new distribution system.

I have heard all the arguments about how this is an improvement, and it may be that it is going through transition pains, but I remain to be convinced.

Mr. GROSS. Would you yield?

Mr. HANLEY. Yes.

Mr. GROSS. The abandoning of rural routes and the substantial increase in mileage of other rural routes, do you feel qualified to speak to that? That is, the extension of rural routes to the point where mail is delivered in late afternoon?

Mr. SMITH. No, sir, not really. I couldn't pose as an expert on that. I am only reflecting the comments that have come to us from newspapers who, in turn, have had many thousands of complaints from readers and a rather high percentage of these reader complaints are from people in rural areas.

There has been a decrease in level of service, and ultimately cancellation of subscriptions because of the inability of the publisher to serve the reader through the mail.

Mr. GROSS. Do you agree there is scarcely anything more perishable than the printed word in terms of a newspaper?

Mr. SMITH. I certainly do, yes, sir.

Mr. GROSS. From the standpoint of timeliness on the part of the public.

Mr. SMITH. Yes. I mentioned earlier that when a reader gets a newspaper 2 or 3 days old in the mail, obviously it has already sufficiently perished.

Mr. GROSS. Or at 2:30 or 3 o'clock in the afternoon, a newspaper that has been published the evening before.

Mr. SMITH. That is exactly the problem we face, Mr. Gross.

Mr. GROSS. Thank you again, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. Gross.

Mr. Alexander?

Mr. ALEXANDER. No further questions.

Mr. HANLEY. I am delighted to note the arrival of Congressman Johnson, and possibly he may have some questions for you, Mr. Smith.

Mr. Johnson, the witness is Mr. Smith, president of the American Newspaper Publishers Association.

Mr. JOHNSON. We want to welcome you here. You have done a great job for America, there is no question about that, especially in my rural area. I don't know what we could do without those little country newspapers.

I am sorry I was delayed getting here and didn't hear your testimony, but I certainly shall read it.

Mr. SMITH. Thank you, sir.

Mr. GROSS. Would my friend from Pennsylvania yield?

Mr. JOHNSON. Yes.

Mr. GROSS. I came late myself.

Do you have any proposals, Mr. Smith, with respect to the Postal Reorganization Act; any legislative proposals with respect to the act?

Mr. SMITH. We testified in the summer, I believe, on the legislation that Mr. Hanley had introduced to make some policy changes with respect to the Postal Reorganization Act, and we support in principle that legislation.

Mr. GROSS. Would your organization, Mr. Smith, support an end to this present setup?

Mr. SMITH. You mean a total repeal of the concept of the Postal Service?

Mr. GROSS. Yes.

Mr. SMITH. I don't think, Mr. Gross, that it is necessary to go that far. The idea has much to commend it. I remember when it was first proposed, we were one of the few mail user organizations that did not endorse the concept at the outset.

We never did. It was enacted without any testimony from our association in support of it.

However, having embarked upon this course of action within the Government, it does seem to us that it would be more prudent to try to amend it and make it work satisfactorily rather than giving up on the entire concept at this time.

Mr. GROSS. As one who opposed it, I appreciate that.

I did then, and do now appreciate the position your organization took with respect to the Reorganization Act, but if we are unable, or Congress is unable—I will strike the word "we" because I won't be here very much longer, a matter of days now—what position would you take then, failing to make any input into a change in this present system? Would you not think that the Postal Reorganization Act might well be repealed?

Mr. SMITH. Well, if we reach that ultimate Rubicon, I feel we would have to prefer total repeal to leaving it in its present state of affairs.

As I mentioned in my previous testimony last summer, we feel terribly frustrated by the system at the Postal Rate Commission. This goes on and on like Tennyson's brook. There are hundreds of lawyers involved, and interrogatories that would fill this room. We much preferred the old system where the Congress examined this, and I did mention, I believe, before you came in, Mr. Gross, that the Congress still has all the oversight responsibility toward the Postal Service that

it has toward other agencies. The more the Congress exercises that oversight, the better we think it will be.

Mr. GROSS. But, Mr. Smith, we could have hearings by this committee; we can sit in sessions of this kind and talk about this thing, but it must go further than talk, as you well know, and unless Congress moves in and forces some changes, hopefully for the betterment of the Postal Service, I don't know what they can do short of repealing it.

Thank you.

Mr. HANLEY. Thank you, Mr. Gross.

Mr. Smith, short of repeal of the Postal Reorganization Act, is it fair to assume that your association supports essentially H.R. 15511?

Mr. SMITH. Yes, sir.

Mr. HANLEY. Thank you.

Mr. JOHNSON. May I ask you some questions?

This apparently is a day for rural people, is that right?

Mr. HANLEY. That is correct.

Mr. JOHNSON. What would you say is the condition of the average rural newspaper today in the United States? Are they still, let's say, going out of business like they did 10 years ago, quite rapidly, or are new ones starting up, and just what is the picture?

Mr. SMITH. Our association, Mr. Johnson, represents daily newspapers only, and with respect to the daily newspapers, the greatest growth is in the smallest circulation newspapers. This has been quantified in some recent research done for us at the University of Wisconsin. This is reflected both in circulation growth and in newsprint consumption. The total number of daily newspapers in the United States has remained relatively constant. We actually have a few more daily newspapers in the United States now than we had at the end of World War II. That is surprising information to a lot of people who hear about the bad cases of mergers and suspensions, but our business is doing very well.

Later in the hearing you will hear from representatives of the National Newspaper Association, who can respond with respect to the weekly newspaper segment of our business, and they are better informed as to that. But on the daily newspaper side, we are doing very well.

Mr. JOHNSON. It seems to me that I read where the Washington Post's earnings for 1973 were 243 percent above 1972. That is because of the Watergate syndrome, and so forth, and in my district, no newspapers have failed. All seem to be flourishing. Thank goodness, they are.

Mr. SMITH. I think that is the general condition in the country.

Mr. ALEXANDER. Would the gentleman yield?

Mr. JOHNSON, representing a district in a State that has the second largest rural population in America, is it your observation that the rural newspapers of your State are flourishing as well as daily newspapers?

Mr. JOHNSON. Well, they seem to be, yes. They seem to have a vigor and a vitality and seem to be answering the needs of their local communities, and people are pretty generally supporting the rural newspapers in Pennsylvania. It just appears that way.

Mr. ALEXANDER. Thank you very much.

Mr. HANLEY. Thank you, Mr. Alexander.

Mrs. Schroeder?

Mrs. SCHROEDER. I have no questions, Mr. Chairman.

Mr. HANLEY. Thank you.

Mr. GROSS?

Mr. GROSS. Thank you, Mr. Chairman. No further questions.

Mr. HANLEY. Mr. Alexander?

Mr. ALEXANDER. No further questions.

Mr. HANLEY. Mr. Johnson?

Mr. JOHNSON. No further questions.

Mr. HANLEY. Mrs. Schroeder, you don't have any questions?

Mrs. SCHROEDER. No.

Mr. HANLEY. Thank you.

Again, Mr. Smith, in behalf of the committee, our deep appreciation for your appearance here this morning, and your input. We recognize members of your association as one of the great customers of the USPS, and this is designed to alleviate if not eliminate many of the shortcomings that prevail in our U.S. Postal Service. So, again the information you have provided the committee is most meaningful, and we are most appreciative for it.

Mr. SMITH. Thank you, sir.

[The prepared statement follows:]

PREPARED STATEMENT OF ANPA PRESIDENT STANFORD SMITH

We appreciate the opportunity to discuss with you today the problems of mail service in rural areas from the perspective of the rural citizen who depends on the U.S. Postal Service to deliver his daily newspaper.

For the record, let me state that my name is Stanford Smith. I am President and General Manager of the American Newspaper Publishers Association, the national organization of daily newspapers with more than 1,100 members having more than 90 percent of the total daily newspaper circulation in the United States. More than half our members have daily circulations under 25,000 and about three-fourths of our members have daily circulations under 50,000. These are the newspapers which face the most severe problems of mail service to rural subscribers.

These rural citizens expect their daily newspaper to be delivered by mail every day. Unfortunately, this is not the kind of service the rural citizen is getting today. There are a variety of reasons for the problem, and possibly more than one solution, but first I would like to give you enough figures to place this problem in perspective.

Primarily because of sky-rocketing postal rates with deteriorating service, daily newspaper circulation in the mails has been steadily declining. Surveys by our association and by U.S. Postal Service confirm this fact. Our latest survey covering the year 1973 showed that daily newspaper circulation in the mails had declined to only 5.4% of total daily newspaper circulation. As late as 1966, we had 8.8% of total newspaper circulation in the mails. Incidentally, we had predicted this kind of decline in mail circulation in our testimony before this Subcommittee and also before the Postal Rate Commission.

In our last two surveys—those covering 1970 and 1973—we measured the amount of mail circulation of daily newspapers on rural routes. Those figures tell an interesting but sad story from the standpoint of rural citizens who have no other way to get their daily newspaper. In 1970 newspapers in the survey had total circulation on rural routes of 1,480,464. In our 1973 survey that figure had dropped by more than 200,000 to a total of only 1,267,636. One survey in 1973 covered 953 daily newspapers having a little more than 45,000,000 total daily circulation. Our figures on the decline in circulation on rural routes are somewhat understated because newspapers in the smallest circulation brackets did not respond quite as well to the survey as the medium and larger circulation newspapers.

These declines in newspaper circulation in the mails, particularly on rural routes, took place over a period when *total* daily newspaper circulation was in-

creasing. It is logical to conclude, therefore, that rural citizens remain just as anxious to be daily newspaper readers as their city friends but they are being driven from the ranks of newspaper readers by the economics of higher and higher prices for inadequate delivery service.

In preparation for these hearings, we asked members of the ANPA Postal Committee to tell us about the service problems of their rural readers. The result was a barrage of quotes from letters to the newspapers from rural subscribers. You can get the flavor—and the economic meaning—of these letters by a few excerpts:

"I would like to inform you I have been receiving my papers as much as 3 to 4 days late, and do not receive all of my copies for each week. If I cannot receive all of the copies any earlier, I would like my subscription stopped, and a refund."

"I received my Sunday paper on Tuesday, Monday's paper on Wednesday, Tuesday's paper on Thursday."

"I still haven't received a paper dated October 6. What in the world has happened??? I recently renewed my subscription and have the canceled check back."

"Since starting my subscription about three weeks ago I have been having trouble getting delivery. As an example this past week I received the issue dated Monday Sept. 23 and one dated Friday Sept. 27 but no issue in between. I have complained to my Post Office and the situation does not improve. Can you accomplish something? If not I have no recourse except to terminate the subscription."

Thus the problem of rural readers is clear. The solution is not quite as clear, but we think some signposts do point in the right direction. An important signpost is the level of interest in the Postal Service on the part of both these subcommittees. When the Congress created the quasi-independent U.S. Postal Service, it did not abandon its oversight responsibilities. The Congress still has the same oversight authority and responsibility toward the Postal Service as toward any other so-called independent agency of the government. We are delighted to see evidence of increasing Congressional concern expressed in hearings such as these and in public statements. You represent the public directly and more effectively than any other body to whom you might delegate such responsibility.

History teaches us many lessons. When I testified before this subcommittee on July 16, 1974, I appended to my testimony some historical excerpts from a Congressional report prepared in 1957. Among other things it traced the several attempts at a self-supporting postal service, the repeated failure of the experiment and its eventual rejection by the Congress as national policy.

We believe the same idea will have to be rejected again by the Congress.

For purposes of this hearing on rural mail service, it is appropriate to remind ourselves that the original words Rural Free Delivery embody the concept of a national obligation to serve the citizen in rural areas with the same kind of service the city dweller gets.

When the present U.S. Postal Service was created, the Postal Rate Commission interpreted Congressional intent that the Postal Service should be totally self-supporting with no recognition of the past history of low second class postal rates to facilitate dissemination of reading material to all citizens, rural and city alike. This interpretation has placed a burden on management of a break-even Postal Service which I believe to be utterly unattainable. In its desperate efforts to cut costs, the Postal Service management has apparently resorted to the only economies available to it—namely reduction of payroll, experiments in automation, route consolidation and the like. The inevitable result has been curtailed service. This has been particularly true in the rural areas.

I cannot fault the Postal Service for these efforts. They have been forced upon the management. The only realistic remedy is a recognition in new legislation of the long-standing national policy that every American citizen is entitled to efficient mail service. The Congress must legislate a system to provide an appropriate portion of postal financing from general revenues to cover these inevitable costs of maintaining the Postal Service as a national communications system.

Fortunately, Mr. Chairman, you have already introduced such legislation and begun a series of hearings to refine its provisions. As I have previously testified, we support that legislation as the only feasible solution to the problems of mail service to rural citizens and to city dwellers alike.

Mr. HANLEY. At this point, I defer to my friend and colleague from Arkansas, Congressman Alexander, to introduce our next witness.

Mr. ALEXANDER. Thank you very much.

Mr. Chairman, the next witness is Mr. Frank Robins, publisher of the Log Cabin Democrat, of Conway, Ark., which is not within my district, but the newspaper is widely circulated within my district, and I would like to welcome Mr. Robins as our next witness.

STATEMENT OF FRANK ROBINS III, PUBLISHER, LOG CABIN DEMOCRAT, ACCOMPANIED BY THEODORE A. SERRILL, EXECUTIVE VICE PRESIDENT OF THE NATIONAL NEWSPAPER ASSOCIATION, AND WILLIAM G. MULLEN, CORPORATE SECRETARY AND GENERAL COUNSEL OF THE NATIONAL NEWSPAPER ASSOCIATION

Mr. ROBINS. Thank you, Mr. Alexander.

Mr. HANLEY. Mr. Robins, and your associates, we are confident that your input will be quite meaningful.

For the purpose of the record, if you would, introduce your associates, please.

Mr. ROBINS. On my right is Theodore A. Serrill, and on my left is William G. Mullen.

Mr. HANLEY. I am delighted to have you gentlemen with us this morning. I take great pride in your association, inasmuch as the president of it happens to be one of our constituents. We are delighted to have you with us.

Mr. ROBINS. Mr. Chairman, and other members of the Postal Service Subcommittee. My name is Frank E. Robins III and I publish the Log Cabin Democrat in Conway, Ark. My newspaper has a circulation of about 2,000 and is entered in the mails at second-class postage rates. I depend upon the U.S. mails for delivering almost my total circulation. I am also chairman of the National Newspaper Association's Postal Affairs Subcommittee and it is in that capacity that I appear today on behalf of NNA and its 6,000 community newspaper publishers across the country. I am accompanied by Theodore A. Serrill, NNA executive vice president, and William G. Mullen, its corporate secretary and general counsel. These gentlemen will assist me in responding to any questions you might have at the conclusion of my statement.

As a matter of interest, Mr. Chairman, you might like to know that my newspaper filed the first formal complaint on mail service with the Postal Rate Commission under procedures set forth in the Postal Reorganization Act. As a result of the filing of the formal complaint, we were able to achieve through an informal settlement the objectives which were needed to improve mail service in my part of the country. Incidentally, our legal fees in this action were \$1,000.

Let me say at the outset that we appreciate the interest of the Postal Service Subcommittee in this subject as well as that which has been expressed by Congressman William V. Alexander of my home State

and his Subcommittee on Family, Farms and Rural Development. We believe the subject to be an important one, and one which affects a great number of NNA members.

To give you an idea of the numbers involved, there are 7,641 weekly newspapers in the United States, with total circulation of 35 million. Of these, 800 suburban weekly newspapers with circulation of approximately 9 million are members of the NNA-affiliated Suburban Newspapers of America. The balance of more than 6,800 weekly newspapers with circulation of 27 million plus circulate in nonmetropolitan areas. NNA's total nondaily member newspapers number about 5,300.

In addition, NNA counts more than 900 daily newspapers in its membership. These are primarily smaller city newspapers. Their circulation would average about 10,000 or a total of approximately 9 million or a grand total of about 36 million newspapers being circulated to subscribers in rural areas, 9 million of them every day.

The rural nondaily newspapers of which I speak circulate almost exclusively by mail, while rural dailies use the mail to varying degrees, some hardly at all, and others a great deal. Morning dailies use the mails more than evening dailies. Weeklies use the mail for delivery of local as well as more distant subscriptions. Small dailies can use carriers as we do for local distribution, but use the mail to deliver copies to subscribers on rural postal routes and to subscribers in more distant towns.

Our testimony today will be limited to discussing mail service in nonmetropolitan areas, in view of the fact, Mr. Chairman, that you have agreed to hear further testimony from NNA on December 11 on your bill, H.R. 15511, proposing substantial amendments to the Postal Reorganization Act. We would appreciate deferring any questions you may have about NNA's position on that legislation until our testimony on December 11 at which time, NNA President Walter W. Grunfeld of Marathon, N.Y., will be here to testify.

Before proceeding further, Mr. Chairman, I would like to say that the Office of the Consumer Advocate of the U.S. Postal Service has been particularly responsive to problems presented by NNA. Thomas Chadwick, with the cooperation and encouragement of the Postmaster General, has established a very close working relationship with NNA's Washington headquarters which has been fruitful. Through Mr. Chadwick's efforts, many complaints which before may have gone unattended have led to corrections of serious service deficiencies. We find that we can get good results for our members by bringing their problems to the attention of Mr. Chadwick and his capable staff where they receive immediate attention. Oftentimes problems are solved before the ink on the publisher's signature to a letter is totally dry. For this, we express appreciation and gratitude.

This should not be taken as a blanket endorsement of all postal policies and of mail service in all parts of the country, particularly in rural areas. The results of a recent NNA survey showed that there are some very specific problems, many of which have a common thread and which may need some new directions from top postal management or the Congress before they can be fully corrected.

Late last summer after Congressman Alexander's subcommittee announced that it was going to investigate this subject and invited NNA to provide it with evidence, NNA conducted a survey with the coopera-

tion of its 50 affiliated state, regional and national newspaper associations. The results of that survey are significant, not only with regard to the specific complaints which came to NNA's attention through it, but also because relatively few publishers responded with complaints about mail service in rural areas. This small response could mean that people are satisfied with their mail service. If true, it would indicate that the top management of the Postal Service has met with some success in improving service levels for all of the people. Of course, it could also mean that people have given up, feeling that their complaints do no good.

Let me recite for you a few of the specific examples of mail complaints which came to our attention through this survey:

OHIO

"Saturday issues not received until Tuesday by subscriber."

"Many issues not received."

"It takes three days for mail to travel between Bellevue and Westerville." (80 miles)

A daily newspaper reports: "The town 16 miles away failed 12 times in 8 months to get its bundle of our newspapers on time. (For example, they arrived 2-4 days after publication.) No results from tracers. Newspapers ordinarily routed through Columbus plus two other towns before reaching destination city."

MICHIGAN

"A news release mailed August 24 was received on August 29 from 14 miles away."

VIRGINIA

"The great rural areas of the U.S.A. serve a people who will not, and in many cases, actually cannot, afford a subscription price that is astronomical."

"We today are doing everything but carrying our newspapers to the doors of the subscribers. Every sack has to be labeled, every bundle carefully marked, and delivery to the Post Office must be by a certain time and even then we have to send our own trucks to three or four post offices in the county to get delivery the following day of publication. This extra cost which involves considerable mileage twice a week of course is in no way affected by the postal rates we pay."

KENTUCKY

"Our mail is routed on a 250 mile trip to be delivered 15 miles away."

GEORGIA

"Feature articles mailed from New York Sept. 13 arrived in our office September 24 . . . not an uncommon occurrence."

ALABAMA

"Newspapers sent outside the local area must go through large terminals in Birmingham and subscribers complain they get only two or three of six papers mailed each week . . . complained repeatedly."

"When we rely on the post office, it often takes as long as from Wednesday to Monday for newspapers to be delivered to a community within five miles . . . therefore, we deliver our newspapers on our own truck to make sure subscribers receive them the next day . . . expensive since we must pay the regular postal rates and then provide our own transportation."

"It takes from Wednesday p.m. until Saturday a.m. to get newspaper delivery to subscribers 35 mile away. It take from Wednesday p.m. until Monday or Tuesday a.m. to get newspapers to subscribers 200 miles away . . . Several years ago we had two or three mails coming in and two mails going out daily. Now we have one in and one out."

"Our paper is received in Birmingham, 120 miles away sooner than it is received in town and on rural routes.

WASHINGTON

"Newspapers put into mail Wednesday evening before 5:00 are delivered 28 miles away on Saturday, many times even on Monday."

"We put our mail in the Post Office about 11:00 a.m. Wednesday, but subscribers receiving mail from the post office next to our town do not get their papers until Monday."

"Sometimes four and five Seattle Times pile up and arrive all at once. The Aberdeen World will stack up in some sectional center and we will get three or four at once."

"Newspaper always ripped up."

"One of our Florida subscribers who has subscribed for 15 years used to get delivery of our paper mailed Wednesday on Saturday. He now gets it regularly the following Tuesday. He has not moved. We have not moved."

"Many problems getting mail from correspondents. Arrives one to several days late."

Mr. ROBINS. These complaints indicate several patterns. For example, mail to publishers in rural parts of the country from metropolitan areas seems to arrive with no degree of consistency. Often-times, there appears to be an inordinate delay between the date of postmark and the date of arrival in the recipient's office.

Second, there is a total lack of consistency in the mail service accorded to publications being mailed beyond local delivery areas. They arrive in bunches, several issues the same day, and then none for a few days. Then the pattern is repeated.

Third, publishers object to the lack of what they consider to be an adequate number of dispatches from the local area. That is, in many cases there is only one dispatch of mail per day from one town to a sectional center or other nearby towns.

Fourth, many copies of publications seem to never arrive, presenting publishers with a complete mystery and an inability to determine reasons for no delivery.

Fifth, publishers continue to be dismayed by postal policies which require the routing of mail destined for nearby cities or towns through sectional or regional mailing centers which are usually many, many more miles away; such mail often passes through the town of ultimate destination on its way to the sectional center and then in many cases is routed back over the same highway to the town of ultimate destination, but only after having been delayed for up to 3 or 4 days.

While we do not intend to take the time of the committee today to discuss the need for congressional attention to the matter of ever-increasing postal rates, this subject cannot be completely neglected in a discussion of mail service affecting nonmetropolitan areas. I would especially like to call to this committee's attention the failure to date of both the Postal Service and the Postal Rate Commission to recognize the extent of mail preparation engaged in by newspaper publishers in order to achieve adequate delivery. There is no recognition in the postal rate structure for publishers who do a great deal of the work of the Postal Service. NNA believes that this question should be given serious consideration and that the possibility of rebates or lower overall rates to publications and other major mail users who help the Postal Service save money should be studied. NNA believes that there should be some monetary encouragement in addition to the present sole expectation of adequate service. Many of these publishers are in effect performing the job of the U.S. Postal Service and they feel very strongly that there should be some compensation for the

amount of labor and extra out-of-pocket costs which are incurred in order to enable subscribers to receive their publications on time.

Rising postal rates are feared by all of our members, Mr. Chairman, but publishers serving readers in rural areas such as your own congressional district fear them the most since they have no viable alternative to the Postal Service for delivering their publications to subscribers. The suggestions we have made would be helpful in reducing the impact of rate increases.

We know, Mr. Chairman, that you are well aware of recommendations recently made by the Permanent Select Committee on Small Business of the House of Representatives after studying the effects of the Postal Service's policies on small business. The committee's October 16, 1974 report made several findings and recommendations which we hope will receive serious consideration by your Postal Service Subcommittee.

For example, the Small Business Committee's report stated that—

The Postal Service should immediately stop the sale of printed envelopes which contain the return address of the sender printed in the upper left-hand corner. The sale of such envelopes directly competes with the business of private printers and the volume of business obtained by using post offices throughout the nation as procurers enables the Postal Service to achieve savings which enable it to offer a price substantially below that which could be offered by private enterprise, and, thus, the Committee believes that this too constitutes an unwarranted and unfair method of competition with small business (p. 30).

This finding and recommendation was reached as a result of testimony provided by the National Newspaper Association.

The report of the committee went on to say that:

... the economic, educational, social and political functions provided by small newspapers and magazines are vital to the continued success of this Nation's economic and democratic institutions. The vast majority of these publications are small businesses and rely almost exclusively upon the U.S. Postal Service to deliver their publications. As postage costs absorb increasing amounts of their incomes, and thereby jeopardize their ability to remain viable financial units, the Subcommittee believes that the Congress should reexamine the legislative requirement that all classes of mail be self-supporting and consider reinstating the subsidy for second-class which existed when the postal system was operated by the U.S. Post Office.

The Subcommittee believes that small newspaper and magazine publishers are deserving of special consideration, not simply because they face severe competitive problems which are different from those faced by their larger competitors, but because other small businesses rely upon these publications to advertise their products and services. Consequently, the failure of any of these publications could seriously jeopardize the financial position of those businesses which advertise in them, and thus create a crippling effect which would bring about the collapse of numerous businesses which not only help support but which are also dependent upon these publications.

The committee's report also expressed the opinion:

... that many of the problems being inflicted upon small businesses by the Postal Service and the agency's persistence in these activities are a direct result of the Postal Service's lack of accountability to any elected body. The 1970 attempt to isolate the operation of the postal system from political influence has resulted in the creation of an agency that is non-responsive to the general public or their elected officials. The intransigence of the Postal Service in responding to complaints regarding its unfair competition, and the lack of any recourse which could effectively insure that this agency fairly treats small business, together with its continuing inability to achieve goals originally desired, demonstrate that the agency is in need of more effective supervision, and it is the opinion of this subcommittee that the appropriate committees in Congress would be best suited to exercise this responsibility.

The Subcommittee believes that were the Postal Service made accountable to these committees, rather than accountable only to an appointed Board of Governors for its ultimate performance, these committees could responsibly fulfill this function without becoming deeply involved in the inner working of the system, and thereby avoid the problems of the past. Consequently, the Subcommittee recommends that the Congress consider legislation making the Postal Service responsible to the Congress of the United States to evaluate its ultimate performance of its responsibility so that the representatives of the people can annually evaluate how well this agency serves the people.

The National Newspaper Association agrees with these stated findings and recommendations of the Small Business Subcommittee although it does take issue with at least one of the committee's recommendations in other areas.

We believe that continuing attention by the Congress to the Postal Service is of the utmost importance and we urge this committee to continue its vigilant supervision over the agency which it has created. Hearings such as this are an important part of that vigilance.

Mr. Chairman, let me reiterate again our appreciation to your subcommittee and to the Subcommittee on Family, Farms and Rural Development for the interest in this subject and for your invitation to appear here today to share our views with you. We will be happy to answer any questions which you may have at this time as well as providing any information subsequently for the record which we may not have at our fingertips today.

Thank you, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. Robins, for your very fine testimony. Your testimony on page 4 with regard to the prior response to the questionnaire on the part of your members was indeed heartening. It would indicate that generally speaking there is satisfaction.

Yet, that result is inconsistent with the expression on page 6 of your testimony, where you cite a number of complaints on the part of your members.

It seems strange that we would not have responded to that questionnaire in a larger degree in recognition of the example of complaints outlined on page 6 of your testimony.

Beyond responding to the questionnaire, were there any comments such as "Well, what's the use?" or "Why bother?"

Mr. ROBINS. Mr. Hanley, I am not proposing to speak for the organization, and perhaps Mr. Mullen and Mr. Serrill can answer your question.

I did not respond to the survey for that reason.

Mr. HANLEY. You felt it an exercise in futility?

Mr. ROBINS. Yes. I have my own battles with local and regional post office people.

Mr. SERRILL. Mr. Chairman, may I comment on this?

We had a meeting in Kansas City recently, in September, to which we invited a representative of the Postal Service, a former representative of the Postal Rate Commission, and a representative of this committee to appear before a rather sizable group of our membership, and I got the impression there that there were a lot of people from the audience who had had that attitude, "What's the use?"

It was an interesting presentation, and well received.

There is one other factor involved, though. A great number of our smaller papers are getting the same kind of service they had before postal reorganization. That is, adequate service within the community

of publication, and on those immediate rural routes. And that would involve probably half of our membership.

These would be newspapers with a weekly circulation of less than 4,000. There are a number of them in Mr. Johnson's area, as he is well familiar.

Mr. HANLEY. Did you say they are, or are not, getting the quality?

Mr. SERRILL. Getting about the same quality of distribution that they had before postal reorganization, which in many respects is adequate, if these newspapers do a certain amount of presorting and directing their bundles to the respective rural route by number and by destination.

Mr. HANLEY. Mr. Robins, as a typical member of the association, what is your rapport with your local postal people?

Are they responsive?

Mr. ROBINS. Yes, they are, and we have maintained good communication throughout what I term to you our difficulties with the Postal Service; and I do not blame our local authorities.

They seem to be willing, but powerless to do what they can to help us.

Mr. HANLEY. I see.

Mr. ROBINS. They are apologetic, even, and certainly sympathetic.

Mr. HANLEY. Are they willing to listen to your problems and hopefully remedy them on the local level? Is that correct?

Mr. ROBINS. Yes, sir, this is true.

Mr. HANLEY. But there are problems related to mandates that flow from the top on down; is that it?

Mr. ROBINS. Yes.

Mr. HANLEY. Many of the complaints from your members appear to be a result of the mail system which was initiated by the Postal Service back with the reorganization implementation.

Do you feel the Postal Service should be more flexible and perhaps tailor its needs to existing situations as opposed to a kind of an umbrella mandate?

Mr. ROBINS. This is what precipitated our suit, our complaint with the Postal Rate Commission, Mr. Chairman.

We went through every authority we could to try to show that we needed relief, and in the first class mail service, as well as second class mail service; and we were told that this was impossible, that the provisions did not call for any special passes from rural area into town, and they were going to have to go literally by the book.

And privately postal officials in our area said:

The only way you are going to solve your problem is to keep your mail out of the Little Rock sectional center. That is where the problem is.

I said, "I understand that, but what do I do about it?"

And they threw up their hands.

Mr. HANLEY. That action which you initiated, as I understand it, allowed you the ability to achieve a settlement. Is that right?

Mr. ROBINS. Yes. They made the necessary changes and asked that the complaint be dismissed.

Mr. HANLEY. Mr. Johnson?

Mr. JOHNSON. We want to welcome you here, Mr. Robins.

Mr. ROBINS. Thank you, Mr. Johnson.

Mr. JOHNSON. And Ted Serrill, whom I have known for a good many years, welcome to you, too.

Mr. SERRILL. Thank you.

Mr. JOHNSON. How large a town is Conway, Ark.?

Mr. ROBINS. Approximately 17,000.

Mr. JOHNSON. What day of the week do you publish?

Mr. ROBINS. Our weekly, which is the smallest of our two weeklies, is printed on Wednesday, and it has a Thursday publication dateline on the nameplate.

It is put into the mails Wednesday afternoon.

Mr. JOHNSON. When you put them into the mails, do you take all 2,000 copies to the post office at 4 o'clock or something like that on Wednesday?

Do you have them all bound and in boxes, and you bring them to the post office on Wednesday night or Thursday morning?

Mr. ROBINS. Yes, sir.

They are capable of being sent according to either the address on the sack or the wrapper, to a route or to a post office, or to a sectional center for distribution.

Are you inquiring about the presorting and the packaging? Yes, sir, this is extensive on our part.

Mr. JOHNSON. It is what?

Mr. ROBINS. It is extensive.

Mr. JOHNSON. In other words, the R.F.D. 2 rural routes are all in one box, so that the carrier when he gets them in the morning or later that afternoon can sort them.

Mr. ROBINS. That is all you have to do.

Mr. JOHNSON. He has to put them in the logical sequence so he can put them in the mail boxes?

Mr. ROBINS. Yes.

Mr. JOHNSON. This town of 17,000 people, how many of the 2,000 copies are distributed in Conway itself, in your home town?

Mr. ROBINS. You mean in the residential areas?

We are talking about our weekly now, not our daily.

Mr. JOHNSON. Does that go out into the countryside?

Mr. ROBINS. There are not a handful of weekly subscribers within our corporate limits. Most of those people take our daily paper, which is 6 days a week.

The other 2,000, the majority of them go into the rural areas. That is for whom the paper is designed, our rural readers.

Mr. JOHNSON. How many miles, let's say, from the post office in Conway does your rural circulation encompass?

Does it go out and extend 25 or 30 miles?

Mr. ROBINS. 20 to 25 miles would be the extent of it.

Mr. JOHNSON. The average rural carrier comes in in the morning and he picks up his mail for the morning and sorts it and puts it in the bag and goes on his way before noon.

That local rural newspaper ought to be delivered almost the same day that the local post office gets it, isn't that true?

Mr. ROBINS. No, sir.

Mr. JOHNSON. The next day?

Mr. ROBINS. Yes, the next day, and by virtue of agreement with our local post office officials, we are—or they are—holding up our mail sacks there in Conway and not sending the mail sacks, which are pre-sorted and all, to Little Rock, but the mail which is destined for our

particular circulation area is held at the Conway post office for a truck which will come from Little Rock to Conway and then distribute our mail into the various rural post offices within our county.

Mr. JOHNSON. Your weekly newspaper—if it is put into the mail on Thursday morning, is it delivered on Friday?

Mr. ROBINS. No, sir. It is delivered on Thursday.

Mr. JOHNSON. Do you have any complaint with the way those rural newspapers are being delivered? Is your service with that particular distribution worse than it was before the Postal Reorganization Bill was passed, or is it about the same?

Mr. ROBINS. It was, Mr. Johnson, and it is as good as it is ever going to be right now, but it is not the fault of the U.S. Postal Service; that it is.

We literally had to take a club and force the people to do the things which their instructions and their manuals and procedures did not call for. They are in violation right now of a blanket sectional center edict which would require our locally distributed papers to be taken from our Conway post office, taken to Little Rock and brought back in the morning, 60 miles—30 miles each way.

They are not doing this. They are cooperating by leaving our papers for distribution in our county in our local post office.

Mr. JOHNSON. Even though they are supposed to send them to Little Rock and have them sent back?

Mr. ROBINS. That is true.

Mr. JOHNSON. Would you say that maybe is the real fault of the system, that they are sending them long distances to these sorting centers and then shipping them back?

Mr. ROBINS. I can't speak for the rest of the system, but it has been a problem in our area, Mr. Johnson.

Mr. JOHNSON. You say it is a problem?

Mr. ROBINS. It has been a problem, and if you are asking me is our service better or worse, after we took the measures that we took, and after we got the cooperation from USPS officials that we did, our service is the equivalent of what it was prior to the Postal Reorganization Act.

Mr. JOHNSON. I see.

I am thinking of my home town in Pennsylvania. We are 1,800 people, and we have the same number of people in the post office that we had before. No, I think we did away with the assistant postmaster, because he didn't have anything to do, and the rest of them are working, and the newspapers and the mail out of my country post office is delivered as good today as it was 10 years ago.

I won't say it is any better, but it certainly isn't any worse.

I would like to ask one further question. In the overall rural areas, are there any less workers working on rural mail now as a result of the Postal Reorganization Act, or more?

Mr. ROBINS. I am not qualified to answer that.

Mr. SERRILL. I think that is a question for the Postmaster General. I don't have the answer.

Mr. JOHNSON. You don't have the answer, either?

Mr. SERRILL. I understand there have been efforts to consolidate rural routes, but I don't know how successful they have been.

Mr. JOHNSON. Do you have any suggestion about what this committee can do to improve the distribution of mail in rural areas?

After all, that is what the rationale of these hearings is.

Mr. ROBINS. Perhaps if the higher officials in the U.S. Postal Service would apply reason rather than band-aids to some of these problems—

Mr. JOHNSON. Do you think the sending of the mail to the regional centers and then sending it back is a mistake?

Mr. ROBINS. It has been a disaster in my area, and I think nationwide. The trade-off of transportation versus sorting is a poor swap in my estimation.

Mr. JOHNSON. Perhaps this committee should hold exhaustive hearings on this particular question. Perhaps you already have, Mr. Hanley.

Mr. HANLEY. If you will yield, that has a part in one of the areas we have covered through the course of these hearings.

Mr. JOHNSON. Thank you very much.

Mr. HANLEY. Thank you, Mr. Johnson.

Mr. Alexander?

Mr. ALEXANDER. Thank you very much, Mr. Chairman.

I would like to begin by answering Mr. Johnson's question.

Manpower has been significantly reduced in the rural areas with which I am familiar in Arkansas and some parts of southern Missouri.

It has been my observation that the manpower reduction was necessitated by an economic problem within the Postal Service which required the reduction of budgets in some areas, and that that reduction of budgets and the economic problem were caused by poor judgment on the part of the top management of the Postal Service in its cost overruns and its endeavors to purchase new, sophisticated electronic sorting equipment in the urban areas, which has not worked. They have attempted to make up for the loss in—make up for the added cost in the urban areas—by reducing the manpower available in the rural areas.

This has brought about the example which the gentleman from Arkansas has given us, where a city which serves a rural area is required to send its mail to an urban sorting center to be redistributed to a rural population.

It doesn't make sense. But I think it has been mandated by the poor judgment of the top management of the Postal Service, and that same poor judgment has produced some of the findings of the gentleman's testimony that he refers to on page 6 of the delays, inconsistencies, inadequate number of dispatches from local areas, routing problems that don't make sense, inability to determine reasons for no delivery and a host of other small problems that to me add up to a reduction in manpower.

It is a simple reduction in manpower and a restructuring of the routing and delivery systems which shortchanges the people in the non-metropolitan areas of this country.

I would like to agree with Mr. Robins that numerous people in the countryside have given up on the Postal Service, but I haven't given up, and he obviously hasn't given up; and that is not our nature in Arkansas.

We believe that the Postal Service is essential to commerce, and I have come to the conclusion that the attitude of the management of the Postal Service is unacceptable to me as a Member of Congress, that their remoteness, that their attitude of being unconcerned about the people I represent is unacceptable, and they are going to deal with me. That is the way I feel about it.

If I should go to the Appropriations Committee next year, they are going to have to deal with me a lot more than they have in the past.

I want to congratulate you for your testimony, for the work you have given this subject. It is extremely important to us in the rural areas and the nonmetropolitan areas to have a reliable Postal Service.

We have not had it in the past.

We cannot ignore the fact that manpower has been reduced, that our service has declined, that the attitude of the Postal Service is unworkable, and therefore hinders our commerce; it becomes a liability to us, and in the long-run it will cost us in terms of dollars and population and industry and other things which are critical to our survival. And, what we are dealing with here, I believe, is the survival of the countryside.

Mr. JOHNSON. Would the gentleman yield for a question?

Mr. ALEXANDER. Yes.

Mr. JOHNSON. If you are going on the Appropriations Committee, the whole thrust of these hearings is, shall we destroy the break-even concept as written into the law. If we do that, it is going to require a substantial appropriation from Congress.

Are you feeling disposed as a prospective member of Appropriations to grant the future appropriations, the huge appropriations that will be necessary?

Mr. ALEXANDER. I dealt with that subject at length in our first hearing, and the record will show that I am willing to subsidize the Postal Service.

However, I would insist upon efficiency, and I don't think we have had that, and I would insist upon the elimination of waste and the elimination of these ridiculous decisions, management decisions, that have produced excesses within the system.

I can take the gentleman right now to some regional offices in Memphis, Tenn., which are leased by the Postal Service, and they are the most expensive, plush, executive offices in the city of Memphis.

That is unnecessary.

I can take the gentleman for 10 minutes down to L'Enfant Plaza and show him the same thing in Washington, D.C.

I can show the gentleman properties that were bought at excessive prices in order to build postal facilities that were totally unnecessary.

If I had been in the position of the President of the United States, I would have fired the man on the spot who had made these decisions which produced such gross waste in our Government.

So, yes, I am willing to subsidize the Postal Service, but I am not willing to go along with the waste we have seen in the last 6 years.

Mr. JOHNSON. That makes sense.

Mr. HANLEY. Mr. Gross?

Mr. GROSS. I have no questions, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. Gross.

Mr. White?

Mr. WHITE. Thank you, Mr. Chairman.

Mr. Robins, I certainly agree with your premise. I hope you don't mind my asking you direct questions.

Mr. ROBINS. No, sir.

Mr. WHITE. During the time that the campaign was undertaken to create the postal reorganization, many of the newspapers fell in step with the scheme. Did you yourself advocate the creation of the postal reorganization. That is, in your editorial section?

Mr. ROBINS. Yes, sir, personally we did. We felt that it was an opportunity for service to improve, and we were for any concept conceived by the Congress to promote this idea.

It was a sad day when we did.

Mr. WHITE. What was the condition at that time that you felt should compel the people to accept the postal reorganization?

Mr. ROBINS. In our own area there had been some deterioration in mail service, and the concept was that it was going to be put on its own feet and pay its own way.

Mr. WHITE. What was the date? Do you remember the date of the year that the service began to deteriorate?

Mr. ROBINS. We began to have some problems with our service in the late 1960's.

Mr. WHITE. About 1968 or 1969?

Mr. ROBINS. I would say it would be back prior to that, probably 1966 and 1967, when the sectional center concept began. We were required in our town to sort our papers a certain way and send them. The newspapers were sent to the various areas for distribution, and then we began receiving complaints from subscribers about late deliveries of papers.

This was in a remote area. Not in our local area. We did not begin to have our local problem until the early 1970's within our own county.

Mr. WHITE. About the time the administration was advocating postal reorganization?

Mr. ROBINS. Yes, sir.

Mr. WHITE. That is what I figured.

Did you and the other newspapermen think you would get a better rate from the postal rates if you had a postal reorganization?

Mr. ROBINS. I don't think rates had a great deal to do with it, Mr. White. Our postal rates now in our own organization—I went to work for our firm in 1949. I was in charge of postage at the time for both our daily and weekly. It was less than \$100. Today it is \$400. So it has quadrupled, and that is not surprising.

Mr. WHITE. What do you feel would be accomplished by changing the postal organization back to the surveillance and the control of the Congress? What do you specifically hope to accomplish by that?

Of course, I agree with you on that, but I am trying to get your thinking.

Mr. ROBINS. It could become responsive, Mr. White, to somebody's authority and somebody's directions.

I was encouraged early in our problems with the Postal Service to appeal to the Congress, to appeal to my own Congressman and Senators, to try to get some relief.

I did not pursue this because I felt like they were not in power to help me in any way. So my relief, my conduit, was through the powers in the USPS.

Of course, I got no satisfaction from them in a direct approach.

Mr. WHITE. What would you retain under the USPS that was enacted into law in the Postal Reorganization Act if Congress did resume its controls over the Postal Service?

Mr. ROBINS. Mr. White, I am not qualified to answer that. You want my opinion?

Mr. WHITE. Just generally. I won't ask you specifically, but from your own experience and your study?

What about ratemaking power? Who do you think should have this?

Mr. ROBINS. I would prefer that the Congress have it.

Mr. WHITE. More than the ratemaking board?

Mr. ROBINS. Yes, sir.

Mr. WHITE. What was the cost of the handling of an individual newspaper at the time the Postal Reorganization Act was enacted?

Mr. ROBINS. I am not qualified to answer that. Maybe Mr. Mullen or Mr. Serrill could.

Mr. SERRILL. It would vary from newspaper to newspaper. We could get you examples.

Mr. WHITE. I was thinking of his own paper.

Mr. ROBINS. Oh, of our own? It was something under \$300. It is possibly one-third higher now than what it was.

Mr. WHITE. That is what I was interested in, anyway, the increase.

Does this keep pace pretty much with the price index increase, or do you think this was caused partly by inefficiencies or by rulings within the Postal Service that you felt were not fair?

Mr. ROBINS. The thing that stuck in everyone's craw is that you could stand the increase in the rates if the service remained constant.

Mr. WHITE. But your complaint today is not so much the rates themselves, but the service, delivery and the consistency of delivery?

Mr. ROBINS. Yes. If we had an excellent delivery service, I don't think there would be justifiable cause for complaints about rates.

Mr. WHITE. To get this delivery service, are you indicating to us that you feel that some of the programs and the doubling back and elimination of local cancellations and the processing within each particular area as the mail comes in should be eliminated and we should restore processes that we had prior to the Reorganization Act?

Mr. ROBINS. Since we are speaking about rural mail, Mr. White, the Little Rock postmaster directed special pouches from our rural areas be made. If it would help you, I have a road map showing our county and our city and its relationship to Little Rock.

These special pouches are gathered at our rural post offices and the people on duty at the various post offices will take mail destined for Conway and put it in a sack specifically for Conway, or a pouch, a special pouch, and all other mail, whether it goes to Hong Kong, Timbuku, or wherever, goes to Little Rock.

When the dispatch truck comes and picks up the mail, they can take the mail for Conway and leave it at the Conway Post Office. They have not had to add additional personnel at the rural post offices in our area to accommodate this.

It not only serves our newspaper, but all commerce, industry, and business in our area, and it prevents that mail from going to the sectional centers being lost and misrouted.

Mr. WHITE. I don't know if this particular question serves any purpose, but the American people made the error in the first place in recommending a Postal Reorganization Act.

Mr. GROSS. What?

Mr. WHITE. I said the American people made an error in recommending to Congress, and most of them did, the Postal Reorganization Act which we passed a few years ago. That is my own opinion, and I apparently share the opinion of the gentleman who is testifying.

Are you sure that restoring what we had before would be the answer, or do you feel that we should try to think about what we have done in the Postal Reorganization Act and look at what we had prior to the passage of the Reorganization Act.

In other words, you wouldn't like restoration of what we had before, would you?

Mr. ROBINS. I would take that in preference to what we have now. If it is easier—take me back to where we were.

Mr. WHITE. Do you have an organization that is continuing on the study of this? I believe you said you were a member of a committee or something.

Mr. ROBINS. I am chairman of the National Newspaper Association's postal affairs subcommittee.

Mr. WHITE. Could your organization make a recommendation to Congress—I know Mr. Alexander presented some points.

Mr. MULLEN. Congressman, as our testimony indicates, we will be returning here next month to testify specifically on Chairman Hanley's bill, H.R. 15511, and at that time we will give you our views.

Mr. WHITE. Thank you.

Mr. HANLEY. Thank you, Mr. White.

Mr. Robins, you relate to the bills of the Small Business Committee as far as the Postal Service is concerned. You appear to have a reservation with one of that committee's recommendations. Can you tell us what recommendation we fail to agree with?

Mr. MULLEN. Chairman Hanley, if I understand the report correctly, they would want to abolish the postal monopoly as it now exists, protecting first class mail, or letter mail, and while we have some problems with the private express statutes with regard to newspapers, we do believe the monopoly as it now exists for letter mail should be preserved, and to that extent we would disagree with their recommendations.

Mr. HANLEY. Fine. I personally am pleased with your position in this regard, because it is vital to the USPS that that provision be retained, and I think that probably the best example of the importance of it was the recent United Parcel strike in New York.

Had it not been resolved, dumped upon the USPS during the forthcoming Christmas season there would have been a volume of parcel business that just in no way could be coped with by them.

I think that is one of the better examples of the necessity for retaining that private express statute.

Mr. Robins, the subcommittee believes that increased postal rates seriously affect rural areas where many subscribers are elderly and on fixed incomes.

Can you document any fall-off in subscription rates subsequent to the rate increases?

Mr. ROBINS. Mr. Chairman, are you asking about our own newspaper, or the NNA and the newspapers it represents?

Mr. HANLEY. The newspapers it represents.

Mr. ROBINS. Let me ask Mr. Mullen or Mr. Serrill.

Mr. HANLEY. If you are not equipped to answer that at this time, hopefully on the occasion of your reappearance on December 11 you would be equipped to give the committee that information.

Mr. MULLENS. We would like to address that question at that time, Mr. Chairman.

Mr. HANLEY. Thank you.

Mr. Johnson?

Mr. JOHNSON. No questions.

Mr. HANLEY. Mr. Gross?

Mr. GROSS. Thank you again, Mr. Chairman. I must reluctantly disagree with my friend from Texas that the American people were holding mass meetings and demanding postal reform.

In my opinion, if they were, and they were not, a great many newspapers in this country stimulated that, and certainly the magazine publishers, in their campaign, stimulated whatever interest there was on the part of the public in so-called postal reform.

I just don't know of any mass meetings or importuning on the part of the public that came my way in those days, and I went all through it.

Mr. WHITE. Would the gentleman yield?

Mr. GROSS. Yes.

Mr. WHITE. Let me present my experience, then.

At the time the Postal Reorganization matter was before this committee, some of the members were resisting, including myself. Mr. Blount had formed in my district committees agitating for passage of the Postal Reorganization Act. Newspapers were agitating for it.

I received great volumes of mail urging this and wondering why in the world I would impede progress.

This, in my notion, was a response from the American people. I am not saying everybody in the street was writing a letter to me, but it was a calculated program by the administration, slowing down service to the American public that caused them to agitate. This is my well held and, I think, somewhat justified opinion.

Mr. GROSS. I am glad to hear my friend say the public was duped and I agree. I thought the gentleman was talking in terms of spontaneous demands.

Mr. WHITE. If the gentleman would yield further, let me state that the members of this committee resisted this action until such time as they not only got the total complaints from their business communities and newspapers, but then finally the carrot was dangled in front of the postal employees themselves and it appeared the only ones standing in the way of this progress were the members of this committee. We said, "OK, if everybody wants it, we will give it to them."

We at the time had great misgivings. To the credit of the gentleman from Iowa, you never succumbed, and you were right.

Mr. GROSS. Leaving out the position of the gentleman from Iowa, it seemed to me that it ought to have been perfectly obvious as to what we were looking at in the manner of department of Mr. Winton Blount;

what he proposed and how he went about proposing it, and the support he got from the Citizens Committee for Postal Reform to the tune of some \$300,000 to \$400,000 to push for postal reform.

I would say to you, Mr. Robins, that Congress is in many respects an awfully poor reforming organization. You can take a second look at just about any reform measure that Congress espouses. I think we will see that in the reforms Congress has enacted with respect to the budget, and with respect to elections, I would not be surprised if in the Election Reform Act, which I opposed, if that won't result in the first long step in 4-year terms for members of the House of Representatives: 2 years as a Member of the House and 2 years in jail if they strictly enforce the laws they have written with respect to the collection, reporting, and the acceptance of campaign funds, and so on and so forth.

So I would hope in the future the newspaper editors and magazine publishers would take a good, hard, second look at reforms in the Post Office Department. They leave much to be desired.

With respect to the Chairman's statement that we could have had a very disastrous situation in connection with the Christmas mail had the United Parcel strike not been settled, it leaves me wondering why the Postal Service spent all those millions on Secaucus? What was the purpose of Secaucus and that huge setup in the swamp in New Jersey if it was not to provide adequate facilities for the handling of parcels, and Christmas mail is largely parcels.

Mr. HANLEY. If the gentleman will yield.

Mr. GROSS. Yes, I yield.

Mr. HANLEY. The purpose of Secaucus is, of course, to process the ordinary volume of parcels, and it is not at all equipped from the standpoint of facilities or people to carry the load now carried by United Parcel Service.

Mind you, there are about 6,000 people involved in the New York City United Parcel operation. Would it have been fair for the USPS to all of a sudden, overnight, shift that burden upon its shoulders? I think not.

So what I am saying is that if the private express statute was repealed, and private entrepreneurs were allowed the opportunity to skim the cream off the crop from the standpoint of first class letter mail, and then for one reason or another came upon hard times, and all of a sudden said that they couldn't do it, then the American people would be deprived of the use of that, what has often aptly been described as our main artery of commerce.

Mr. GROSS. I don't want to chase United Parcel out of business. That would be the last thing I would advocate, nor do I want to see first class letter mail go out of the Post Office Department.

But I insist that there is, or there should have been long ago, adequate facilities at Secaucus to handle parcels. They certainly have the space. They have spent enough money on mechanization, and they ought to have been able to have picked up any slack in New York City, and that contiguous area, to handle parcels if USPS was doing its business as it was intended by a misled Congress.

Mr. HANLEY. Well, if there are no further questions—Mr. Johnson, Mr. Gross?

Mr. GROSS. No, I have no further questions.

Mr. HANLEY. We again express our appreciation to you, Mr. Robins, and your associates for your appearance here this morning. Certainly

your contribution has been meaningful and every consideration will be given to the recommendations that you have suggested.

Thanks again. We look forward to December 11 and the reappearances, as I understand it, of your president, Walter Grunfeld.

Mr. JOHNSON. May I ask a question?

When you appear on December 11, do I understand you are going to make a recommendation whether Congress should take back the postal management again, and destroy the corporation? Are you addressing yourself to that point?

Mr. MULLEN. We will be addressing ourselves to the general subject of the chairman's bill.

Mr. JOHNSON. Improving the present law?

Mr. MULLEN. Yes, sir.

Mr. JOHNSON. I was one of the strong proponents of postal reorganization. I am still a strong advocate of the independent system. There is an analogy in my district.

About 20 years ago, we had a mining town of Force, Pa., and the mining housing had nothing but outdoor rest rooms, and so the Department of Health came there and they decided that was a very bad thing. So they went after the Pittsburgh and Shawmut Railroad Co. who owned the mines and said they were going to have to put rest rooms into these mining houses.

Well, the railroad couldn't do it. They were broke. So, somebody got the bright idea that they bankrupt the railroad. So they pulled up the railroad all the way from Wayland, N.Y., down to below Shawmut, Pa. But after that great economic waste of destroying the railroad, they still had outdoor rest rooms.

I think there is a point here. Sure, say the Congress takes it back. We still will have the same problem. For instance, when President Nixon was elected, there were some 26 postmaster vacancies in my district. What a tremendous plum that was to miss. Maybe it would have been a bad thing. I don't know.

Well, all of a sudden, Mr. Nixon decided to do away with patronage in the Post Office Department. So we were denied the right to appoint those postmasters. Politics was not to raise its head.

But I say that system made for good postmasters, and good rural carriers, because Congressmen, whether Democrats or Republicans, didn't appoint a bunch of dopes for those jobs.

We have nothing to say about it now, but there is a political entity somewhere doing it, because the oddest types of people end up with those big jobs. We just transferred the political power to somebody else.

If we are going to take back the Postal System, which I don't think we should—I agree with Mr. Hanley's bill. We should try and reform what we have.

If we take it back, then Congressmen should get the power of patronage back, if we are going to run it.

I was the Republican chairman of the Rate Committee along with Arnie Olson, the Democratic chairman, 4 years ago. We spent 1 whole year on that rate bill, day after day, hearing testimony from everybody, and I mean if the Post Office Committee is willing to take the system back then it will be necessary to have those rate hearings again.

We had many hearings on whether we were going to raise the pay of the postal worker or not. They didn't have the right to bargain collectively. We fixed the salaries of the postal workers.

Does the Congress of the United States want to get back into that kettle of fish again? I doubt it.

So I say I am not in favor of pulling up that railroad. I think we should keep what we have got, and listen to your testimony. We have had excellent testimony all year on the subject. There is no reason why we can't come up with some amendments which will really, really make the type of a public service corporation that was intended.

This business of poor service makes me sick, just as it does Mr. Alexander, because I have it in my district, and I think one of the worst ideas we had was to have a system that would break even. We have overlooked the huge public service nature of the Postal Service.

With this corporation, the Appropriations Committee is going to have to appropriate huge sums of money to keep it going. Otherwise, we are going to shut down every small country newspaper in the United States. They are going to have to pay through the nose to distribute the papers. Instead of \$300 or \$400, you will pay \$800 or \$900 to distribute your newspapers. That is the real problem, and to say that we are going to take this thing back, it is not that easy, but if we do take it back, I say the Members of Congress, if we have to go through with it, should have the right of patronage.

That is the way I feel about it. I don't know whether you agree.

Mr. ROBINS. In principle, I do.

Mr. HANLEY. Thank you, Mr. Johnson.

You might slip a little amendment into our bill that would give you the right to ride herd over those 26 post offices in your district.

Mr. JOHNSON. It is too late for that.

Mr. HANLEY. Thank you again, gentlemen. We look forward to further testimony on December 11.

Mr. ROBINS. Thank you for the opportunity to appear.

Mr. HANLEY. Our next witness this morning is Mr. Eugene B. Dalton, past president of the National League of Postmasters, and I understand with Mr. Dalton is Mr. Kenneth Jennings, as sitting president of the National League of Postmasters.

Gentlemen, we are delighted to have you with us this morning.

STATEMENTS OF EUGENE B. DALTON, PAST PRESIDENT, NATIONAL LEAGUE OF POSTMASTERS, AND KENNETH JENNINGS, PRESIDENT, NATIONAL LEAGUE OF POSTMASTERS

Mr. DALTON. I hope to address some of our remarks to Mr. Johnson, also.

I would ask a correction first in the testimony on page 3, the very first line, "that of selling an 8 cent postcard" should read "that of selling a 8 cent postal card."

There is a difference, and with the committee's permission, I will explain when I reach that point.

Mr. HANLEY. Thank you.

Mr. DALTON. Mr. Chairman and distinguished members of your committee, I am Eugene B. Dalton, immediate past president of the National League of Postmasters and Postmaster at Baldwin, Ga., a small rural community.

I have with me today Mr. Kenneth Jennings, president of the National League of Postmasters and Postmaster at Powell, Tenn. He has just been elected to this office.

I wish to express our sincere thanks to your committee for affording us the opportunity to appear before you today.

I sincerely believe we are in a good position to give testimony on the mail service in rural areas. No facet of our Government touches the lives of as many people as that of the Postal Service in the rural area. In many small rural communities the Post Office is the Federal Government. This is their only touch, or lifeline, so to speak, with Washington, D.C., because the postmaster in that area is Uncle Sam.

When postal reorganization first came into being it was mandated by Congress to reach a break-even point by 1980, thereby bringing its costs within its revenues.

This was certainly commendable of both the Congress and the U.S. Postal Service.

This mandate was given to the U.S. Postal Service to accomplish without curtailment of service.

Let me preference my remarks by saying I personally feel this was the intention of our distinguished Postmaster General Mr. E. T. Klassen. In coming to the U.S. Postal Service from the private sector, I feel he was unaware of the free service given by the Postal Service.

I feel great strides have been made in some areas, while others have been overlooked.

The rural areas are the backbone of our Nation and I personally feel these people are entitled to the same service as provided the metropolitan areas.

In the past 3 years we have seen many changes in the Postal Service. I ask you: where would the people in the large metropolitan areas get their food were it not for the rural farm? Also, it takes the mail from the small post offices throughout this land to complete the entire postal picture.

Post Offices in rural communities are just as important a part of that community as the post office in New York City.

In a small office in a rural community services are rendered that are unique to the large metropolitan areas. A postmaster in a small rural community must know all the facets of the Postal Service from that of registering a letter containing thousands of dollars, to the smallest transaction—that of selling a 8 cent postal card to a customer.

A postcard is something you can buy at a variety store, but a postal card is something sold by the U.S. Postal Service.

He must be familiar with accounting procedures, be the custodian, public relations man, and marriage counselor.

Mr. HANLEY. Would the gentleman yield?

How many marriages head for destruction were you able to salvage?

Mr. DALTON. One, Mr. Chairman; my clerk, and I wasn't the cause. [Laughter.]

Mr. DALTON. When postal reorganization was born, many changes took place in the policy of our Postal Service. The hardest hit were the postmasters in the small rural areas.

The mail was taken from their office and hauled many miles to be processed by mechanization. Clerical assistance was taken from these small offices and transferred to the sectional centers at a higher level

of pay than they were receiving in the local post office. We saw our local postmark disappear from our letters.

We have seen many cases where post offices in the rural areas have been closed whereby eliminating the identity of that community.

While we realize the workload of our mail has increased tremendously, making it necessary to work the large volumes of mail on machines, we must never reach the point where the personalized service is removed from our Postal Service.

In many of the rural areas of our country the postmaster is given the responsibility of the distribution of food stamps. He is charged with accountability from \$50,000 to \$100,000 of accountable paper, yet receives no credit as far as revenue is concerned for his individual office.

In many cases, no additional clerical assistance is given.

The U.S. Postal Service receives from the Federal Government 80 cents for each transaction on food stamps. It is our contention the local postmaster in these communities should receive revenue credit for his individual office. This would help to bring the cost of operation of his office closer to the revenue generated.

In the past few months many rural routes have been consolidated. In many cases when consolidation takes place, the rural carrier is moved to a larger office leaving his rural post office with only an intermediate route.

The postmaster's workload remains the same with the exception of preparing the rural carrier's time card.

When this takes place, the postmaster's pay is reduced three levels, with the exception that he has saved rate for 2 years.

We feel, Mr. Chairman, this is extremely unjust on postal managers in rural areas.

We have experienced competition in the parcel post business costing millions of dollars of revenue.

One thing that has brought this about in many respects is the courtesies extended the customers in small offices were not given in the large metropolitan areas. Post Offices in the rural area are still delivering 80 percent of all parcels in their community.

Mr. Chairman, for your information, as of July 1, 1974, there were as follows: 5,239 first-class offices, 7,471 second-class offices, 12,190 third-class offices and 6,100 fourth-class offices.

This is a breakdown from Postal Service.

We contend all post offices are manned by postmasters who are first-class.

A total of 31,000 post offices in the United States. One can readily see by these figures the lower classes of post offices in rural areas constitute the vast majority of our postal facilities.

Our membership, Mr. Chairman, constitutes 90 percent of these offices; therefore, I feel this committee can understand why we welcome the opportunity to testify.

Just as no one expects the Army and Navy to make a profit, neither should we expect the Postal Service as a service organization to American people to produce a profit.

Our distinguished Postmaster General has expressed on several occasions—and I emphasize—the fat in the Postal Service is within the 100 large offices in the United States.

It would appear a wide communication gap exists between top management in the Postal Service and the field managers.

Postmasters in small rural communities are continually harassed to curtail window service and are forced into agreeing to route consolidations which are not in the best interest of the local customers.

We sincerely believe the final decision on any consolidations should be with the rural manager.

Each of us realize it is impossible for a rural post office to generate revenue to meet its cost. Therefore we sincerely feel the U.S. Postal Service will have to continue to receive a subsidy from Congress in order to provide the best possible service to rural areas.

If we are to continue to have the best postal system in the world, we must provide service to the American people.

In conclusion, Mr. Chairman, we sincerely believe that the success of the new Postal Service rests in the hands of the local postmasters in the small rural communities.

Again, we appreciate the opportunity of expressing our views on the quality of mail service provided to rural America.

We will be happy, Mr. Chairman, to try to answer any questions from your committee.

Mr. HANLEY. Thank you very much, Mr. Dalton, for your very fine testimony.

I take this opportunity to extend my congratulations to your successor, President Jennings.

Mr. JENNINGS. Thank you.

Mr. HANLEY. With my wish for a most successful administration.

Mr. JENNINGS. Thank you.

Mr. HANLEY. I am confident that that will be the case.

Mr. DALTON. I find myself in agreement with most all of what is contained in your testimony, and in particular in the final paragraph relating to the responsibility of local postmasters and their ability to assure the success of the overall operation of a postal service.

I agree that on a local basis that individual knows what is best for the implementation of the service in that area.

I feel that this is probably one of the shortcomings that—one of the administrative shortcomings—that we have, where mandates originate at the top and are funneled down into an area that is not necessarily appropriate to the intent of that mandate.

Mr. DALTON. That is correct, Mr. Chairman.

Mr. HANLEY. With regard to consolidation, when such an overture is about to be made, is this matter negotiated with the local postmaster? Is there a meeting, and is there any agreement as to the appropriateness or the inappropriateness of such consolidation?

Mr. DALTON. Mr. Chairman, in the majority of the cases that we have come in contact with, the local postmaster is asked to submit his recommendations.

The sectional center and district also prepare their recommendations. It is very easy to see that the postmaster's recommendations in the majority of the cases are not the ones that are accepted.

There is a reason behind this, as the distinguished Congressman from the State of Pennsylvania brought out a little bit ago when he mentioned in his remarks that of removing the political plum from the Congress out to the Postal Service.

There has been a transfer of political patronage from the Congress to this. We refer to it as the buddy system.

For example, a post office which has three rural routes, or we will use another example, two rural routes in that office, after the postmasters and post offices came under the job evaluation program, part of the criteria for establishing a level of pay for this postmaster was how many rural routes he had out of his office.

A post office with one rural route was a level 15. A post office with two rural routes was a 17.

Conceivably, a rural carrier in an office of the level 17 retires. That postmaster, being a personal friend of the sectional center manager, instead of taking part of the route out of his office and giving it to a neighboring office, they take the rural carrier out of that office and bring him into the level 17 office, where he remains a 17, thereby dropping the level of the other office to a 12 from a 15.

The postmaster in the office who has been dropped in level from 15 to 12 still has the same workload, the same number of customers, but his pay cut is three levels, and the only thing that the other office does is prepare the timecard.

This is where we contend it is unjust, Mr. Chairman, because not only that, but you heard the gentleman who preceded me this morning speak of the delay in mail.

It adds to the mileage and workload of the rural carrier. Statistics will show the accident rate runs much higher in your heavy-duty rural routes than that of a regular rural route.

So for that reason, we contend that another look should be made at these things before consolidation takes place.

Mr. HANLEY. Once the postmaster's recommendation is rejected, is there any recourse that he or she has?

Mr. DALTON. Mr. Chairman, there is through his organization. That is our organization. He has no further recourse as far as he is concerned personally, but if he feels that he has a point and he brings it to our attention and we look at all the plans for consolidation and we concur with him, then we do take it further.

We are not always successful, but in many cases we are successful.

We contend this should not be necessary, that this man knows his route, his customers, best; and he will not always be right. We will contend that immediately.

I think that each of us will agree where three people sit down and come up after discussion with a plan, that it is better than just one person doing it.

Still, we regret very much that in many cases this buddy system takes place on route consolidation. It is not in the best interest of customers.

Mr. HANLEY. Did I understand you correctly in that you said that generally speaking the recommendation of that postmaster ultimately does not prevail?

Mr. DALTON. Yes, sir, that is correct.

Mr. HANLEY. I see.

With regard to rural post offices, can you provide for the committee the number of rural post offices that have been closed?

Mr. DALTON. Mr. Chairman, that is extremely hard to do, and let me explain why.

Mr. HANLEY. If it is a problem, we can get the information from the USPS.

Mr. DALTON. That would be hard, too, Mr. Chairman. They do not count closing of a post office when they make a contract station out of one.

The community still has something of a mail service; but they do away with the postmaster, and it becomes a contract station, which they secure with a much smaller salary. But your service deteriorates, also, when this comes about.

Mr. HANLEY. So the actual physical concept is changed so that it no longer is a post office per se, but it is usually a contract office contained in another, perhaps, business type establishment?

Mr. DALTON. This is correct, Mr. Hanley, and in the majority of the cases—in fact, all cases—it is on a bid basis.

Many times people will bid these off at a smaller amount than they can accomplish it and run for 6 or 7 months, and it has to be done away with because they can no longer do it.

Mr. HANLEY. According to the Act of 1970, if I recall correctly, the post office couldn't be closed on a purely economic basis.

There had to be some other reasons associated with it. The intent back then was to assure that that local post office would continue to serve that community because of the spinoff enjoyed by the residents of that community.

A rural post office serves a purpose far beyond that of a simple mail distribution center. I know in many areas the post office is in essence the town hall. It is kind of a meeting place for the citizenry who plan to go there and enjoy a little comradery with their fellow citizens, and I have always contended that this is one of the little pieces of action that our people in the rural communities enjoy.

They are shortchanged from the standpoint of enjoying so many of the Federal programs. This is one of the little programs that they do enjoy, and in my judgment should not be deprived of.

So I would hope very much that closures have not resulted purely on the basis of economics, and if that has been the case, then there is a question related to the legality of the action on the part of the USPS.

So be assured that we will be taking a hard look at this.

Mr. DALTON. Mr. Chairman, if I might institute here—this is still a policy of the U.S. Postal Service, that no post office will be closed purely for economic reasons.

In many cases, the people of that community have been oversold with the thinking that they could get the same service of the rural route or by a star route carrier.

This is not the case, as each member of this committee knows. There is no way that the star route carrier can sell bird stamps, that we sell, there is no way he can tell his customers when the social security man will be in town, and other things.

It is also very unfair to a customer on a rural route not knowing exactly what time the carrier will come by, depending upon the weather. They have to stand out in the weather in order to purchase a money order to pay his utility bill.

If all of the offices of the fourth class were closed in the United States today, and all the clerical assistants taken out of the third class offices in the Postal Service today, the deficit of the Postal Service would only be reduced by 1 percent.

Mr. HANLEY. That is very interesting.

Mr. DALTON. I feel, Mr. Chairman, that the American people for that 1 percent are entitled to this service.

Mr. HANLEY. Again, I was impressed at the outset with your remark where, essentially, I believe you said that post office is a link between the people and their Government.

I think essentially that is what you said. I concur with that. I have always felt that that was the one link that the average citizen had with his or her Government.

I am advised of a directive issued a day or two ago by the USPS, whereas the custom of having on display in a post office the photo of the President and the Postmaster General, the directive requires that this custom be abandoned.

It will be interesting to determine what the rationale for that is. Were you gentlemen aware of that?

Mr. GROSS. Yes.

Mr. JOHNSON. Is that right?

Mr. HANLEY. It will be interesting to note what the rationale is for that directive, and if it is just an effort to again attempt to completely sever the association of the USPS with the Government per se.

So as the chairman of this committee, and it has not been officially called to my attention—

Mr. GROSS. Would the chairman yield?

Mr. HANLEY. I yield to the gentleman from Iowa.

Mr. GROSS. The edict states that in consideration of the costs involved and the complaints, and so forth, "to the conduct of our retail business."

I emphasize "relative to the conduct of our retail business, effective immediately," and so forth. And, "Further, such photographs will not be supplied to or purchased by such postal installations. Section 243.213, Postal Services Manual will be amended accordingly."

Mr. JOHNSON. I thought the FBI had "WANTED" signs. Are they permitted?

Mr. GROSS. I wouldn't know about that.

Mr. HANLEY. That is interesting. I believe the intent of Congress is that the USPS provide purely a postal service.

Mr. GROSS. While we are on that subject, if the chairman would yield for one further question.

Mr. Dalton or Mr. Jennings, either of you, has it been your experience that photographs of a President of the United States and the Postmaster General in the past have in any way hindered retail sales in post offices?

Mr. JENNINGS. To my knowledge, they haven't, Mr. Gross.

In fact, I came up under the political system myself, and I have no qualms whatsoever with it, so I was always proud to hang the picture of the President of the United States in my lobby, and also the Postmaster General's picture.

Mr. GROSS. That in no way interfered with sales?

Mr. JENNINGS. In fact, I have had requests as to when I would be placing President Ford's picture in my lobby.

Mr. HANLEY. That is interesting.

I defer to Mr. Johnson.

Mr. JOHNSON. I rather enjoyed your testimony, Mr. Dalton, and I am glad to have you here, Mr. Jennings.

I notice, Mr. Dalton, in your statement, you point out how commendable it is to point out to the Congress and the Postal Service that they seek the break-even point by 1980, but on the last page of your testimony you seem to depart from that where you say no one expects the Army and Navy to make a profit, and that we shouldn't expect the Postal Service to do the same.

I guess your feeling is that the objective was commendable, but difficult to achieve?

Mr. DALTON. "Impossible" would be a better word, Mr. Johnson.

Mr. JOHNSON. You can't conceive of any situation where postal rates would be raised so high and efficiency put in to such a great extent that it would be a break-even corporation?

Mr. DALTON. Mr. Johnson, if I might be permitted, we did a private survey. This was not done by any college or any professional institution, just a quick calculation with the help of a calculator some few months ago.

As you recall, there was some talk of curtailment of Saturday delivery service.

If rural delivery service, to the rural area, and let me preface my remark by saying that I am not in favor of it, but I am giving you statistics now.

If rural delivery services were stopped on Saturday alone, and all the rural carriers in the United States were still paid their annual rate of salary, the only savings that you would have would be the relief carrier for that Saturday, a savings of \$20 million, which could be realized from 1 year.

As long as we provide this service to the American people, which I am in full favor of, in my own opinion there can never be a time, irregardless as to efficiency or anything else, that we are going to reach a break-even point.

Speaking of efficiency in the Postal Service, and I touched on this briefly in my testimony, to me, there is no efficiency in taking a clerk from a small second- or third-class office, paid at a level 3, moving him to a sectional center to work at a level 5, sorting mail that could have been presorted in that office or origin. That does not mean efficiency, as far as I am concerned.

I think, and I hasten to add this, I am not one that is in favor of seeing the Post Office Department come back into being under Congress. But I do think it behooved each of you Congressmen in the bill that Mr. Hanley has now pending, that you are going to have to subsidize the Postal Service, and I feel that you should be in closer contact with it, and some provisions should be made so that you would have some of the say so far as policy is concerned with it.

I, like Mr. Jennings, was appointed by a Congressman. I am proud I was chosen. He was a Democrat, and I am a Democrat. Maybe this has something to do with it. But under the Civil Service Commission, I was the top man on the examination list. We got many, many good postmasters under the political appointment basis.

We have many good postmasters today under the promotion system, and I am happy to see a person have a chance for advancement in the Postal Service.

There are many facets of the new Postal Reorganization that are good. As some of you who will recall at the time the postal reorganization came into being—Mr. Gross happened to be one of them—we were the only organization, as far as managers were concerned, that was opposed to postal reorganization, not as a whole, but we were opposed to some of the writings in the bill, because it took away some of the benefits that had been given to us by Congress as postal management.

Through the efforts of our organization and with the help of some of the distinguished committee, such as Mr. Gross, we were able to get some of these things written back into the Postal Reorganization bill, and I would hope that if it comes to a point where you are taking another look at this bill, to repeal it, or to replace it with something better, or to make amendments to it, that some of the management organization might be called in to give input to this.

I think this is the only way that we are going to boost the morale of our postal employees in the field to the point that we will be as proud to be a part of the Postal Service as we once were.

Mr. JOHNSON. Thank you very much. Under the present system that prevails—well, I take it when you became postmaster, were you a clerk? Had you had lots of experience?

Mr. DALTON. No, sir. I was a businessman.

Mr. JOHNSON. You talked today with a great clarity. You have a fine mind, I would say, and you certainly have been honored by your organization by their naming you their president, and I think by and large in the old system we, the Members of Congress, did pretty much single out a fellow like you, and recommend him.

As I say, there were very few misfits that ever got into the Postal Service by reason of the patronage system.

I know that there are organizations in this Nation that strongly advocated doing away with the patronage system and so forth, and the newspapers had everybody succumb to it, but looking back, it was a pretty good system.

Mr. DALTON. If I might state, it is like one of the great people in past history said about democracy. It was not perfect, but it is the best we have.

I would behoove any Congressman to choose someone who would represent him in a community, who would not represent him badly. If I were a Congressman, I would be careful who I placed in a post office.

Mr. JOHNSON. Thank you.

Mr. HANLEY. Mr. Gross?

Mr. GROSS. Thank you, Mr. Chairman.

Mr. Dalton, and Mr. Chairman, the Postal Service does issue quarterly a list of post office closings. This is to be found in the Bulletin No. 21, which lists the States, the numbers of offices discontinued, the class or type of office, and the disposition of the business. So there is a list available. It may need some amplification for the purposes of the committee, but the quarterly reports, if obtained, will show the closings.

Mr. Dalton, you touched on the provision in title 59 of the Postal Service, section 101, paragraph B, which states in part that "No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities."

Now, is it your experience that in closing post offices or consolidation of post offices that this title, section, and provision in the law has been observed?

Mr. DALTON. Not to the full extent, Mr. Gross. I think anytime you are well aware that we like to step around issues or put a different meaning on what is actually written.

While the U.S. Postal Service is aware of this provision in here, their claim is that they are giving the same service by a star route carrier or by a rural route as was being given the people by a post office in that community.

So maybe within their own mind, they are in line with that provision, whereas in my opinion, they are not in line with it.

Mr. GROSS. But, Mr. Dalton, most of these offices are closed on the basis that they operate at a deficit. Is that not true?

Mr. DALTON. No, sir. What happens, Mr. Gross, in this is the fact that an office very seldom is closed until such time as the postmaster retires. Then, it is just not a real diligent search made for someone to replace that postmaster, and they sell the people on the idea of just the same service on a rural route.

I know of no instance where a post office has been closed, where a postmaster was in office, except where they transferred the postmaster at his own request to a larger office.

Sometimes this happens. If a man is receiving \$6,000 compensation, and he is offered a position 5 or 10 miles away at \$10,000, he is going to take it in the majority of cases. The old residency requirement that a postmaster has to live on the delivery route of his post office has been discontinued. So they would make moves that heretofore under Congress they would not move, because they would have had to have sold their home and move to a different location.

Mr. GROSS. Where were you a postmaster?

Mr. DALTON. In Baldwin, Ga. I am still postmaster for the time being.

Mr. GROSS. Are you aware, and I am sure you are, because it is not particularly new, of the consolidations that are taking place on rural routes? Some of them are already more than 100 miles long, and are being increased. Out of your experience is it possible in areas of the country, where there is bitter winter weather, that anything resembling service can be maintained when rural routes are boosted to 130 or 150 miles?

Mr. DALTON. If I might be permitted to use a personal example, a post office, Demorest, Ga., approximately 10 miles from my office, has a heavy duty rural route. For the past year and a half, I know the present postmaster has tried to get some relief by another carrier for that office.

He has not been able to do so, but approximately 1 month ago, the rural carrier had a serious automobile accident. He is still flat on his back today. The investigation by the inspection service disclosed that the man through fatigue was driving too fast and trying to cover too much route. He was trying to get his mail out of the bundle, while he was driving the car, and had a head-on collision with a gravel truck.

So this would bear out what you are talking about. I personally feel that in many instances that the carriers are being overworked through

the consolidation. Therefore, they are losing efficiency, plus the high cost of the accident rate.

Mr. GROSS. Well, out of your experience, don't you think that farmers are entitled to decent mail service?

I can recall the old days when the attempt was made to deliver the mail to the last patron on a rural route during the lunch hour. In other words, between 12 and 1 o'clock. Today, with these long routes of 100 miles-plus, mail is being delivered at 2 and 2:30 in the afternoon.

Mr. DALTON. Mr. GROSS, as I said in the beginning, I come from a rural community. I am proud to state that I know what it looks like to walk behind a mule in a field, and I know as a child on a farm in a rural area that we looked forward to receiving our daily paper, so that it might be there when we came in for lunch each day.

I concur in what you just said. There is one other point that I don't think the committee even realizes; on some of these rural routes that have been consolidated, they are so long, some of the mail does not even get back to the office to be processed in order to make the dispatch in the afternoon in inclement weather.

Mr. GROSS. That is exactly right.

Mr. DALTON. In our rural areas, you are not talking about paved roads all the way.

Mr. GROSS. We are not talking exclusively about delivery, but also about the collection and dispatch of the mail. When rural carriers return to their post offices at 2:30 in the afternoon, or even later, mail they have collected is not going to be dispatched in many instances.

Mr. DALTON. On Saturday, they have curtailed the service so that no one will be there for Saturday afternoon. The carrier puts his mail in a locked pouch for the truck to pick up. This does not expedite the money orders for utilities. Presumably, a man's electricity could be turned off on Monday morning, because the mail did not reach the office on Monday morning.

That mail is held over until Monday before it is worked.

So, looking at it from this standpoint, I would have to say that in the rural areas, there has definitely been a curtailment of service and the service has deteriorated.

I would like to at this point add to my remarks. It has been my experience, as the president of this organization, on many occasions to sit down and to talk with Mr. Klassen, our Postmaster General.

I have yet to have the opportunity, when I pointed some of the inequities out to this man, that he did not try to take action to correct them at that time, and I say this in behalf of the newspaper people who have preceded us here this morning.

But I say that honestly, he has surrounded himself with some cadre that know absolutely nothing of the workings of the postal facilities, and many of the policies that come out from postal headquarters have not been gone over with people who have the experience to know what is best and what is not best.

I think a perfect example of this was the picture of the President of our country not being in our post offices. This policy has come out. No one was consulted on this. We hold a regular consultative meeting once a month. This was never consulted with with us. We could have

told them that in the rural areas people expect to see the picture of the President of the United States in the post office.

So they are missing the boat in many areas by not bringing the policies to the people in the field, before they go out.

Mr. GROSS. I noted in your statement on page 2 that you said "In part, I feel he was unaware of the free service given by the Postal Service."

He was Deputy Postmaster General to Mr. Blount. It would seem to me that with the long experience he has now had and knowledge he should have acquired at the time that he was Deputy Postmaster General, much less Postmaster General, he should have known of the free services provided. He could obtain that information and assimilate it over any weekend, if he did not have time during the week. I must mildly disagree with any defense, if it may be called that, of the Postmaster General, on the fact that he was or is unaware of the free services provided by the Post Office Department.

Mr. DALTON, do you believe the quality of mail service is good enough at the present time for the U.S. Postal Service to take on additional responsibilities such as the selling of food stamps and the distribution of food stamps, processing passport applications and the selling of commercial items?

Mr. DALTON. Mr. GROSS, that is an extremely hard question to answer, and please let me explain why.

First of all, I think that the U.S. Postal Service could handle the job, provided that these items were sold in the offices where the adequate clerical assistance was provided for that.

What has happened over the past few months and years, as I said in my testimony, clerical assistance has been removed from the smaller offices. Yet, we are required to do the same things as they are in New York, Cleveland, Chicago, and other places.

So in answer to your question, no, sir, it is not set up to handle these things throughout. In some offices, yes, sir, I would say that it is.

I realize that is a very evasive answer, but this is an evasive situation, really, whenever you have one person in a post office doing all the work, versus an office with 200 employees.

Mr. GROSS. Thank you, sir.

Mr. HANLEY. Thank you very much, Mr. GROSS, and again, Mr. Dalton and Mr. Jennings, our deepest appreciation for your appearance here this morning.

Your testimony has indeed been meaningful and enlightening, and with regard to you, Mr. Dalton, I would say that Baldwin, Ga., is indeed very fortunate in enjoying your talent as its postmaster, and for that matter, the USPS is indeed very fortunate in enjoying your services.

I salute you.

Mr. DALTON. Thank you.

Mr. HANLEY. Thank you very much for your appearance.

Our next witness this morning is Mr. David Stewart, Jr., manager of the National Association of Conservation Districts.

Mr. Stewart, it is a pleasure to have you with us this morning, and I am confident that your testimony, too, will prove informative.

STATEMENT OF DAVID STEWART, JR., MANAGER, NATIONAL
ASSOCIATION OF CONSERVATION DISTRICTS

Mr. STEWART. Thank you, Mr. Chairman.

I am David Stewart, Jr., the manager of the service department of the National Association of Conservation Districts, NACD.

Our Service Department, located near Houston, in League City, Galveston County, Tex., is the printing, mailing, and supply center for the nearly 3,000 conservation districts and their State associations in the fifty States, Puerto Rico, and the Virgin Islands.

I am here today to express the interest of these conservation districts and their national association in the delivery of mail to nonmetropolitan Americans.

The NACD service department began its operation 1952 with a very small mailing list of less than 2,000. Today we have mailing lists for member conservation districts totaling over three-quarters of a million, plus NACD has about 40,000 addressees on its mailing lists.

NACD communicates regularly and prolifically with conservation leaders throughout the United States. It publishes a weekly "Tuesday Letter" and distributes it to the 17,000 conservation district officials, as well as almost 15,000 other persons who have asked to be placed on the mailing list. Most of these addressees are in the countryside.

In addition, NACD produces publications and brochures on key issues facing leaders of the conservation and development of soil, water, and related resources of this Nation, that these resources may be used within their greatest capability to produce the needed food and fiber.

The several State associations of conservation districts and hundreds of the individual conservation districts also use our printing and mailing facilities. Most of this is permit mail, and the majority is sent at bulk rate. We certainly do not classify it as junk mail. Our records reveal that for the 1-year period July 1, 1973 through June 30, 1974, we addressed and mailed 3,277,763 individual pieces with imprinted permit. In this same period we spent \$33,700 for postage in our postage meter. Our total postage bill for those 12 months was \$151,515. I do not want to prolong the hearing with statistics, but I simply want to give you an idea of the amount of business our facilities generate.

In our little city we have good relations with the U.S. Postal Service employees. For many years most of the mail handled by the League City Post Office has come from our facility. As a matter of fact, the U.S. Post Office was located in our building for about 10 years, and they moved out when it got to the point that both entities had to expand. The local employees have been conscientious and helpful in serving our needs. I am confident that our mail leaves League City every working day.

At this point I would also say that we have been cooperative with the post office. As soon as the ZIP code program came into being, we immediately undertook to ZIP code all of our address plates, refile all of the addresses, and to do whatever other tasks necessary to conform to the new system. We tie our mail in bundles and accomplish the other jobs necessary to conform to the Postal Service guidelines every day.

Postal authorities have visited our facilities, gone over our procedures, and offered suggestions which we adopted.

To some sections of the Nation our mailings are apparently handled in a very fine manner. The delivery is consistent and prompt. In other portions of the country they are neither prompt nor consistent. Prior to 1963 we had very few complaints concerning receipt of our mailings. For the last decade it has been a problem. I have passed on innumerable complaints to the local postmaster and/or to the customer service representative for our area. Our files indicate that mail delivery often takes 3 to 4 weeks just in the continental United States. It is inconsistent in that some recipients get as many as three pieces of mail, mailed at weekly intervals, in 1 day's delivery. Even worse, all or portions of mailings have been completely lost.

Some specific examples are:

1. Mailing date December 27 not received at various locations in our neighboring State of New Mexico on January 9.

2. Mailed on December 20 to various addresses in California not received on January 9.

3. Mail sent on December 12 and December 19 delivered on January 18 in California.

4. Mail sent on December 5 and December 19 delivered on January 16 in Boerne, Tex.

5. Mail sent on January 2 delivered on January 22 and sent on January 9 delivered on January 23 in Boerne, Tex.

6. Mail sent on December 15 delivered in Indiana, Pa. on January 29.

7. Mail sent on February 27 delivered in Auburn, Calif. March 15.

8. Mailed on March 27 delivered April 18 in Santa Cruz, Calif.

9. Mailed on May 29 delivered June 19 in Sacramento, Calif.

10. Mail sent on June 22 delivered July 16 in Richmond, Va.

I could go on and on with examples. As mentioned earlier, these complaints and many others were forwarded to post office officials. In some cases they have been followed up and the complaints have ceased in some areas. In some other cases no reply has been received.

I would like to quote a portion of the reply to a complaint we sent to the customer service representative at our section center:

Reference your letter of May 21, 1974, to the League City, Texas, Postmaster concerning your conclusion of "Degradation of the Mail Service" as a result of Mr. Owen Boyd, of 11 Esterich Road, Poughkeepsie, NY 12603, experiencing late receipt of your Non-Profit, Tuesday Letter:

1. Mr. Boyd complained because the newsletter of April 23, 1974 was not received until May 17, 1974; and

2. The newsletter of March 30, 1974, was received on May 9, 1974.

3. The receipt of the April 30, 1974, newsletter on May 9, 1974, is consistent with the United States Postal Service "Service Standards" for third-class mail going to Zone 7 from Houston, Texas District.

If these Service Standards are not satisfactory for Mr. Boyd, I would suggest that his newsletters be sent by first-class mail. It is rather obvious that there was an inordinate delay in the receipt of the April 23, 1974 newsletter attributable, I am sure, to the imponderable factor which is inescapable in an organization which handles 90 billion pieces of mail annually.

I am well aware that this is not the first time Mr. Boyd has complained. His newsletters of March 5, 1974 and March 12, 1974, were both received on March 21, 1974. The March 12, 1974, newsletter was consistent with our Service Standards. His newsletters of October 9, 1973, and October 16, 1973, were both received on October 25, 1973. Once again the October 16, 1973, newsletter was consistent with our Service Standards.

Mr. Chairman, we are concerned with good postal service. It is the practical means of communicating with the producers of food and fiber of this Nation. In our age of supersonic travel it seems inconceivable that 9 or 10 days time lag is within service standards for mail traveling only halfway across the Nation, and even those low standards are met only part of the time.

Mr. Chairman, I hesitate to point out problems without knowing the solutions. I do not know the steps that would improve mail service. I was hopeful that the creation of USPS as an independent agency might lead to a more expedient service. With 3 years of experience, I am not aware of improvement. I have suspicions. My prime suspicion is that the lack of expedient movement of mail through the centralized sectional centers is the cause of many of the problems. The multi-handling of mail, poor management and scheduling, and neglect, coupled with employment and promotion quotas, add up to poor service.

Recently the Postal Service announced a new national bulk mail system to use more mechanized equipment for sorting of parcels, catalogs, books, films, circulars, weekly papers, trade journals, and nontime value magazines. The media quoted the Postmaster General:

To most customers a one-day difference in delivery standards is not critical, so long as the service is consistent, packages are not damaged, and the price is right.

We do not agree with the nontime value terminology, nor are we one of the customers who would want to accept the 1-day difference theory. One day difference may mean 2 or 3 more with weekends and holidays. And the 1-day difference may not be a practicality in fact.

Further, it seems that since the institution of regional sectional centers has failed to speed mail service, that these giant processing centers would also be of no help in expediting mail. The experiment of sorting and dispatching mail regionally at some faraway place has not proved to be superior to the working of the mail by the local post office. It just doesn't make sense to send mail several hundreds of miles away to have it processed when its destination is within walking distance.

We also use the private United Parcel Service. We find that their service is faster, economical, dependable, and offers many other advantages such as tracing ability and pickup and delivery service.

So whether the kind of Postal Service this Nation needs and deserves lies with independent postal concerns or with giving the U.S. Postal Service more money and additional time to make things work are questions that should be addressed at this time. We are certainly for progress, but the track record for the U.S. Postal Service toward centralization does not seem to be the track to better service. Handling 90 billion pieces of mail undoubtedly is a tremendous task, but not an impossible one in the 1970's.

Rather than haul the mail to some far-off spot to cancel and route it, we would rather have the task done by our friends and neighbors where the mail originates.

Bigness, sir, does not necessarily mean better, nor does it necessarily mean more economical.

For example, we operate five printing presses in our shop, and we could have only one that costs 10 times as much as all five of them

combined. Yet it would not do the many small jobs that we must do every day.

So I say that possibly it might be more economical to gear up the local post office to do the job piece by piece.

Certainly there is equipment that can speed the service there rather than massive equipment that the post office is going into in these massive centers.

Mr. Chairman, again let me thank you for the opportunity to be here to present these views, and I am ready to answer any questions you may have, sir.

Mr. HANLEY. Thank you, Mr. Stewart, for your very fine testimony.

On page 3 of your testimony you relate to other portions of the country whose service is neither prompt nor consistent.

What areas would you be referring to?

Mr. STEWART. Mr. Chairman, it seems that westwardly we have tremendous problems. Throughout the South, generally, our problems are much less than they are in other parts of the country.

Mr. HANLEY. Are your problems mainly in the rural or urban areas?

Mr. STEWART. Rural, since most of our recipients are rural people, sir.

Mr. HANLEY. I see.

You mention that you do use the United Parcel Service. Do you also use the USPS for parcel delivery?

Mr. STEWART. Yes, sir, because United Parcel Service doesn't go nationwide.

Mr. HANLEY. Yes.

In areas where you have the alternative, USPS or United Parcel Service, which do you choose?

Mr. STEWART. We choose United Parcel Service, sir.

Mr. HANLEY. Obviously for the reasons stated in your testimony.

Mr. STEWART. Yes, sir.

One of the big ones is tracing ability. Speed and tracing ability would be, I would say, the primary reasons.

Mr. HANLEY. Is it reasonable to assume that you would consider any kind of postal concerns delivery of all classes of mail a solution to the postal problem? The use of independent concerns?

Mr. STEWART. Sir, I am not an authority on it, but I would consider it, yes, sir.

Mr. HANLEY. I see.

Are you familiar with the provisions of H.R. 15511?

Mr. STEWART. Sir, I am not at this time. I plan to become so.

Mr. HANLEY. Fine. We would be interested in your observations on it, and that, of course, is the vehicle for these hearings; and hopefully we will be able to move in the direction of correcting many of the problems that have occurred since the implementation of the act.

Mr. JOHNSON?

Mr. JOHNSON. I just have a short question.

First of all, we are very grateful to you, Mr. Stewart, for coming all the way from League City, Tex., here to testify, and I know you came because you want to see an improvement in the mail service of the United States.

Isn't that right?

Mr. STEWART. Yes, sir, absolutely.

Mr. JOHNSON. I think you made a very significant statement on page 5 of your testimony in the first paragraph where you say that the multiple handling of mail, poor management in scheduling, neglect, coupled with employment and promotion, add up to poor service.

That kind of puts it all in a nutshell, doesn't it?

Mr. STEWART. I tried to, sir.

Mr. JOHNSON. At least you think so?

Mr. STEWART. Yes.

Mr. JOHNSON. These promotion quotas, do you think this business of reducing forces through attrition and all the other new things that have been brought into the service by reason of the sectional managers and so forth, that this is creating let's say, a labor unrest throughout the system?

Mr. STEWART. I visited our regional sectional center at various times of the day—not necessarily in the daytime, but sometimes at night—mostly on their invitation.

I don't find that the morale and the real interest in moving the mail to be the same in sectional centers as I find in our local post office, and in other local post offices.

Those are people that we know, particularly in the rural areas, the smaller post offices. They know everybody in town, and we know all the people who work in the post office, and they have a self-interest, really, in seeing that the mail moves, and once it gets out of their hands, I find that the interest dwindles, the further it gets away.

Mr. JOHNSON. I know your statement indicates that unrest is coupled with employment and promotion quotas. What did you mean by that statement?

Mr. STEWART. I am not sure that I understand all the ramifications, and I probably am basing it on hearsay and not personal knowledge, Mr. JOHNSON, but I understand that—and we do in all businesses now have to have certain quotas of hiring, of promoting people and so forth, and that is what I am referring to, sir.

Mr. JOHNSON. All right. Thank you very much.

Mr. HANLEY. Thank you, Mr. JOHNSON.

Sir, when you call complaints to the attention of your local Postmaster, what is his reaction?

Mr. STEWART. He forwards them to the regional sectional center, sir.

Mr. HANLEY. You absolve him of any blame? That is, do you feel that it is being processed properly at the local level, and that the trouble there is beyond his jurisdiction?

Mr. STEWART. I do, sir. As a matter of fact, we do most of the sorting and tying in bundles and labeling of the mail before he ever receives it under the system, and he simply forwards it on to the sectional center where it is worked.

Mail that is actually addressed back to our building, and it goes to the sectional center before it goes to us.

Mr. HANLEY. I assume you enjoy a personal relationship with the postmaster?

Mr. STEWART. Yes, sir. Not a close one.

Mr. HANLEY. As a fellow citizen of the community?

Mr. STEWART. Yes, sir.

Mr. HANLEY. Is there an indication that he is somewhat frustrated in his efforts?

Mr. STEWART. I would say that describes it perfectly, sir.

Mr. HANLEY. Does the customer service representative, does he respond directly to you, to your complaints?

Mr. STEWART. Yes, sir.

Mr. HANLEY. He does?

Mr. STEWART. Yes, sir.

Mr. HANLEY. What is your experience? Is it satisfactory, or is it sort of a futile thing?

Mr. STEWART. I would say it varies, sir.

Mr. HANLEY. It varies?

Mr. STEWART. Yes, sir. I think in general, for awhile, I felt he was trying to help, and did help. I felt it was useful. Lately I have not felt the same.

Mr. HANLEY. Is it usually the same person you are dealing with?

Mr. STEWART. Most of the time, yes, sir.

Mr. JOHNSON. May I ask a question?

Mr. HANLEY. Mr. Johnson?

Mr. JOHNSON. How large a place is League City?

Mr. STEWART. We have a population of about 13,000. We are near the Johnson Manned Spacecraft Center, and we were only about 3,000 until the space center came in and we have grown rather rapidly.

Mr. JOHNSON. Did I understand you to say you would mail a letter to another office in your building and that it would be delivered to a sectional center and come back and be delivered?

Mr. STEWART. Third-class would, yes, sir.

Mr. JOHNSON. Would first-class?

Mr. STEWART. I was speaking about third-class.

Mr. JOHNSON. Where would the sectional center be; in Houston?

Mr. STEWART. It has been in Pasadena, Tex., a suburb of Houston. But my understanding is that it has now been moved to Houston.

There was one in Houston and one in Pasadena. It is my understanding that they are being combined.

I am not sure I am accurate about this.

Mr. JOHNSON. So mail generally goes from League City to this sectional center and then would come back to League City?

Mr. STEWART. Yes, sir.

Mr. JOHNSON. Thank you.

Mr. HANLEY. Thank you.

Mr. Stewart, where the United Parcel Service is available, do you find it a cheaper way?

Mr. STEWART. In general the economics is not an overriding factor with them. But, in general, it is slightly more economical, yes, sir.

Mr. HANLEY. It is?

Mr. STEWART. Yes, sir, for my location.

Mr. HANLEY. Well, again, Mr. Stewart, on behalf of the committee, our deep appreciation for your effort, and I know that you have traveled from Texas to be with us this morning. Believe me, your input is meaningful and it will go a long ways toward assisting the deliberations of this committee.

Again, you are a major customer of the U.S. Postal Service, and we would like to have you a satisfied customer. That is the ultimate goal of our activity here.

Our deep appreciation to you for being with us this morning. Mr. STEWART. Thank you, Mr. Chairman, and thank you, Mr. Johnson.

Mr. HANLEY. We will place in the record the statement of Congressman Sebelius.

[The statement follows:]

STATEMENT OF HON. KEITH G. SEBELIUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. Chairman, let me express again my appreciation to the Chairman and the members of the Postal Service Subcommittee for their willingness to hold these hearings in cooperation with the Subcommittee on Rural Development. This marks the third time I have had the opportunity to testify before this subcommittee and I think the record should show that Chairman Hanley has been most gracious and has shown keen interest in the problems we are experiencing pertaining to postal service in our rural areas.

Last year, in testifying before this same subcommittee, I submitted for the record a special report regarding postal service in the First Congressional District of Kansas. The report was the result of a listening and inspection tour conducted in the spring of 1973.

The task of restoring and improving postal service in rural areas is most complex and related to national goals and policy. Our study was not intended to represent an in-depth study of postal service from the standpoint of making a thorough and complete inspection of all phases of postal operations or to recommend how specific changes in postal policy should be implemented. Obviously, postal experts and veteran postal employees can best determine how to implement specific policy suggestions and changes.

However, despite obvious problems involving service in rural areas, postal officials continue to state the problem is not as serious as patrons say and insist the situation is improving as the national system improves. Our report in 1973 offered evidence to the contrary and complaints we have received since that time continue to indicate to me that while the situation has not worsened, it certainly has not improved.

I would like to emphasize that I am not an expert in postal matters and have become directly involved in this particular subject area primarily due to the number of constituent complaints received since enactment of the Postal Reorganization Act. By the fall of 1972, the "postal problem" became the number one concern within the First Congressional District if one uses the volume and consistency of mail as a yardstick.

I do not think it would be useful for me to submit for the record the entire postal study conducted in 1973, but I do think it would be helpful to submit at this time our conclusions and summary. Following this, I would like to comment in regard to the kind of problems we are continuing to experience and offer several suggestions.

POSTAL SERVICE IN THE FIRST CONGRESSIONAL DISTRICT OF KANSAS—A SPECIAL REPORT BY CONGRESSMAN KEITH SEBELIUS—1973

Conclusions

Information from this tour has led to the following general conclusions:

(A) *Service.*—Service, as compared to what rural patrons received prior to the current Postal Corporation, has deteriorated. The complaints are so numerous, widespread and similar, that the veracity of the ODIS test (Origin-Destination-Information system) or any other test now utilized to measure mail service in the rural areas is questionable. Next day delivery claims of 95% to 100% simply do not convince the patron whose mail has been lost or delayed. That error is a 100% error as far as the patron is concerned. The ODIS test does not measure time for mail to be (1) collected, (2) transported, (3) prepared for postmarking, (4) sorted for delivery by carriers or clerks and (5) delivered because it is assumed most mail is postmarked the same day it is mailed and that a carrier delivers the mail on the day he receives it. In addition, the Postal Service does not consider Sundays and holidays in computing the average number of days to deliver first class mail.

It should be stressed that while approximately 2,000 complaints were received as a result of this tour, that figure is not indicative of the extent of the problem. It would have been a simple task to increase the number of complaints to four or five times that amount. After obtaining some 2,000 complaints, it was felt additional comment would be redundant and unnecessary.

(B) *Service in Outlying Areas.*—Service in outlying rural areas as compared to service within sectional or regional centers is discriminatory, primarily due to cost cutting and rules and regulations that apply to rural areas. The rural patron in Kansas does not receive mail service on an equal basis with his "town" counterpart.

(C) *Cutback in Personal Service.*—The cutback in personal service (door service, window service, hours of operation, access to local building, new regulations on rural route patrons relative to post office boxes, etc.) has caused significant inconvenience for patrons as well as resentment.

(D) *Employee Morale.*—The problem of morale and many complaints from personnel within the Postal Service is most serious. While the great majority of postal employees state repeatedly that reform and reorganization were needed and that *part* of what has been done has been needed for some time, most are bitter and resentful over "going too far." It was extremely difficult to obtain candid statements from postal employees in that most frankly do not believe the so-called "gag rule" has been lifted and fear reprisal. Upon assurance that their remarks would be "off the record" and kept confidential, most talked at length itemizing "problem" areas.

(E) *Area Preferential Mail System.*—The Area Preferential Mail System (the processing of mail through the sectional center facilities) is most unpopular despite the fact postal authorities claim the system works within their own prescribed time goals. The system is resented both by local citizens and local postal employees. It is synonymous with "big government" and "Washington bureaucracy." The system may be justified due to the fact the Postal Service must now rely on highway transportation, but cannot be justified on the basis of integrating rural postal delivery systems into the nation's computerized and mechanized system. Equipment of this type does not exist in rural sectional centers, not to mention rural post offices. The sectional center process also places time and regulation problems upon local postal employees that are resented and impossible to explain to local patrons.

(F) *Junk Mail.*—There is significant support for so-called "junk" mail to pay increased rates.

(G) *Newspaper Delivery.*—There has been a notable deterioration of service relating to newspapers, periodicals, magazines, church and organization bulletins and other non-first class mail. Most of the complaints involve the delivery of the community newspaper. In most cases, patrons will receive several newspapers on one day and none on other days. Second class mail, according to postal employees, is simply not moved when time and workload become a problem. In several instances, postal authorities have caused serious economic problems for local newspaper publishers regarding decisions involving postal rate errors. The publisher, though not responsible for the error in computing postal rates, is being charged on a retroactive basis to the extent the fee could endanger his business operation.

(H) *Postal Policy.*—The Postal Service's often quoted and widely believed policy that the service must "pay for itself" is not accepted or understood in rural areas. It is generally accepted by postal employees and patrons that cost cutting has directly led to deterioration of service. It is also generally accepted that the Postal Service cannot pay for itself and still provide adequate service to rural areas. There is strong support for Congress to subsidize the difference in cost. In addition, there is considerable opposition to another postal rate increase.

(I) *Public Relations.*—The current public relations and publicity program of the Postal Service, instead of helping to improve the image of the Postal Service, is looked upon with skepticism to the point of ridicule and resentment. (The day the tour met with citizens complaining of postal service in a community 60 miles from the sectional center, the sectional center postmaster announced in the press that patrons receive next day delivery 95% of the time within that sectional center. Many citizens brought that particular news clipping to the meeting referring to same with anger and ridicule.) The current "Madison Avenue" public relations program conducted by the post office through paid advertisements and press statements issued by local postal employees (some against their wishes) is doing more harm than good in Kansas.

(J) *Good Local Service.*—In roughly 3% of the comments received, patrons said they were receiving good service. In virtually all of these cases, credit was given to the local postal employees. The attitude, with a few notable exceptions, on the part of patrons toward their local postal employees was good. The great majority of complaints stem from poor service that is attributed to a new system imposed in a dictatorial fashion in rural areas without support or approval by either patrons or postal employees.

(K) *Elimination of Local Postmarks.*—The elimination of local postmarks and local post office cancellation of mail has created serious problems for businessmen and is resented by local citizens.

Suggestions

(A) *Service.*—The Postmaster General and the postal management team in Washington, D.C., should publicly stress service as opposed to cost and what action, if any, is being taken regarding specific improvements and plans for rural areas. As far as rural patrons are concerned, none of the modernization and reorganization plans now underway within the Postal Service applies to rural areas. It is suggested some acknowledgment be given to the fact problems in rural postal service do exist and that specific programs to correct these problems are receiving equal consideration as the much publicized problems in our nation's cities.

(B) *Test for Rural Delivery.*—Some additional form of testing should be tried to measure more accurately the mail delivery time in rural areas.

(C) *Sectional Centers.*—The Area Preferential Mail System, if not terminated, should be much more flexible in rural areas. Local postmasters, in almost every case, indicated better service could be restored if they had the authority to set up an "in pouch delivery system" within the existing system. The current practice of not using vehicles on return trips for in-county delivery is most difficult to explain or justify to the patron.

(D) *Local Authority.*—The policy of transferring local authority in almost every area of postal operations to sectional centers should be reviewed. More authority should be given to local postmasters, not only in terms of setting up local delivery systems, but in all phases of the local operation. When possible, local post offices should cancel and postmark their own mail. There should be more flexibility and local authority regarding door service, window service, hours of operation and regulations such as new regulations regarding box holders and rural route patrons. Sectional center post offices, while cutting back on services of this type, offer better service to their patrons and by doing so, the rural or small community patron receives discriminatory service.

(E) *Newspaper, Magazine Delivery.*—Greater priority should be placed upon timely delivery of newspapers, magazines and periodicals—mail solicited and paid for by the patron. Again, if given the authority and man hours to do the job, most local postmasters make every effort to work out a satisfactory working arrangement with local publishers.

(F) *Retroactive Charges.*—The Postal Service should make it official policy not to hold publishers, or any other business operation, responsible for retroactive rate charges based upon misinterpretation or lack of proper guidance or information on the part of local postal officials. This current practice is bitterly resented. It is my recommendation that if publishers are not treated fairly with a problem of this nature, they take the case to court.

(G) *Public Relations and Advertising.*—The latest report from the General Accounting Office stating the U.S. Postal Service spent \$1 million falsely advertising improved air mail service is the latest in a series of public relations efforts that are having an adverse public reaction. It is recommended the Postal Service stop spending public funds for public relations other than financing an information service. This suggestion also applies to "in house" postal publications and press statements released through local postal employees.

Whatever cost savings have been gained as a result of cutbacks in personnel, service, termination and consolidation of routes, closing small post offices and increased postal rates have also cost the Postal Service more in public relations than any advertising agency can correct.

(In a recent issue of the "Memo to Mailers" publication, published monthly by the Public Affairs Department of the U.S. Postal Service, the lead story concerns a business firm that now enjoys "better postal service at less cost." This article was brought to the attention of the Congressman by a businessman who has had to spend in excess of \$6,000 to install his own delivery system to insure

the same level of service to his customers that he used to take for granted from the Postal Service.)

(H) *Employee Moral.*—Continued effort must be made on the part of the Postmaster General and the postal management team to improve the morale of postal employees. A realistic and long term effort should be made to get what will be blunt and outspoken advice from local postmasters who must face the public on a day to day basis and try to answer their justifiable complaints. While there have been much publicized meetings between management and local postmasters, it is interesting to note that many who attended these meetings state "off the record" they felt the meetings were more for public relations than for substance.

(I) *"Gag" Rule and Hiring Freeze.*—Related to the morale problem, the Postmaster General should make public through official channels that the so-called "gag" rule and the hiring freeze do not represent current postal policy. In trying to arrange for an appointment with district postal officials in Wichita, my office had difficulty in getting the receptionist to accept the call. It is also interesting to note many of the sectional center postmasters were publicly very much in favor of the current system. Off the record, the story was quite different. Each sectional center "competes" with other sectional centers in a cost cutting and performance "game" which in turn is "played" by district and regional officials.

While fully appreciating the legitimate and obvious need for postal officials to provide service at a cost that is fair to the taxpayer and while postal officials have made commendable progress in achieving this goal, it is suggested service to postal patrons receive equal priority.

The current "cost cutting" and "big brother" environment is evident to the point employees and union spokesmen went to great lengths to arrange for private meetings in which they felt they could air their grievances without repercussion.

Congressional oversight responsibility and possible legislation

As stated previously, while there has not been sufficient time for the Postal Service to implement the needed reforms and technology necessary to provide adequate service, Congress is becoming increasingly aware of its oversight responsibility in making sure national mail service operates so that all citizens receive prompt service at the lowest possible cost. Within this oversight responsibility, hearings on postal service are continuing in both the Senate and the House of Representatives. Upon conclusion of these hearings in the fall, legislative and administrative proposals will be forthcoming.

Legislation has already passed the House of Representatives requiring annual authorizations for appropriations to the Postal Service. The authorization for these appropriations was on a permanent basis. The bill also requires the Postal Service to keep Congress fully informed as to its activities. The purpose of the bill is to allow Congress to thoroughly review the amount of money needed from the Federal Treasury to be used to cover the cost between postal revenues and total postal costs. Hopefully, this bill will enable congress and the Postal Service to better work together to restore and improve service in rural areas where postal service cannot pay for itself.

While various legislative proposals and administrative recommendations will be forthcoming as a result of current Senate and House hearings, it should be stressed that to date, legislation that would "tell the Postal Service how to run its own shop" has not received serious consideration. However, the following legislation has been introduced :

(A) Legislation that would set minimum standards for mail delivery and require Congress to appropriate the funds necessary to meet those standards (strongly endorsed by me) ;

(B) Legislation that would provide rural mail delivery to all people without regard to the number of families residing in a specified area (strongly endorsed by me) ;

(C) Legislation and various amendments that would limit and "spread out" proposed rate increases for second, third and fourth class mail ;

(D) Legislation that would prohibit a postal rate increase as recommended by the Postmaster General to the Postal Rate Commission ;

(E) Legislation that would repeal the Postal Reorganization Act and place the U.S. Postal Service back under the jurisdiction of the Congress ;

(F) Legislation that would end government postal monopoly.

Summary

Postmaster General E. T. Klassen, when testifying before Congress in March of this year, stated:

"We were so hell bent on costs that we didn't pay enough attention to service."

He also insisted the so-called "gag" rule no longer applies to postal managers and employees and that they are entitled to talk with their elected representatives. He stated he was also critical of those within the postal management team who withheld facts as to the seriousness of service related problem.

In essence, the testimony of the Postmaster General acknowledges and mirrors the complaints received from patrons in Kansas. Postal service in rural areas in Kansas, while not getting any worse, seriously deteriorated from the service standard prior to postal reorganization. The service, in terms of posing a hardship to rural patrons, is bad enough but it appears discriminatory in comparison to that received in urban and suburban areas and in areas in close proximity to sectional centers. In the eyes of the public, postal service does not meet the requirements of postal policy:

"The Postal Service shall provide prompt, reliable and effective and regular postal services to rural areas, communities and small towns where post offices are not sustaining . . . it being the specific intent of Congress that effective postal services be insured to residents of both urban and rural communities."

According to rural patrons, who have made their complaints quite public, and postal employees, who have made their complaints for the most part in private, this policy directive is not being met in the First Congressional District in Kansas. Just as important, there is no evidence that any program is being implemented or even studied that would specifically apply to postal problems in rural areas. There is evidence, however, of some improvement in mail service nationwide and of determined efforts by the U.S. Postal Service to go ahead with the "big brother" reforms in process. How this modernization, computerization, and reorganization will affect rural areas is subject to question.

Since conducting our postal study, I have asked my staff to update this report in terms of the number and kinds of complaints we have continued to receive. I might add we have endeavored to work closely with our district postal officials, sectional center managers, individual postmasters and postal employees, not to mention community officials and citizens concerned with postal problems.

While postal service complaints vary, I think we can place them into four categories: Service, Extension of rural mail delivery. Cost dictates and related cutbacks in personnel and Window service, and a feeling among postal employees that an unofficial gag rule is still in existence. I think it would be helpful if I use actual cases to illustrate.

Mail Service.—The common complaint is that while rates go up, service is inconsistent and unpredictable. These complaints are widespread and are on a daily basis. Obviously the number of reported problems could be increased dramatically. When my office asked for specific complaints during the postal tour covering only a portion of the district, we received over 2,000 complaints in a very short time.

However, this kind of patron complaint is in direct conflict with information obtained from the Original Destination Information System, the ODIS test often quoted by postal officials in Washington and local postal officials. According to the ODIS test, next day service within sectional center limits occurs anywhere from 93% to 100% of the time and in most cases, the service averages 98% or better. This conflict has caused obvious problems. The patron complains to my office. My office makes an official inquiry and more often than not is told the patron should check with his or her local postmaster and that mail in the patron's sectional center is being delivered on an overnight basis.

However, the ODIS test does not measure time for mail to be (1) collected, (2) transported, (3) prepared for postmarking, (4) sorted for delivery by carriers or clerks and (5) delivered because it is assumed most mail is postmarked the same day it is mailed and that a carrier delivers the mail on the day he receives it. In addition, Sundays and holidays are not computed. I received a letter from the Government Relations Department of the Postal Service the morning these hearings were convened last week stating again that ODIS measurement is from the time of postmarking until receipt at the delivery office.

I wish there were some way we could measure service from the time the patron "mails" the letter to the time the recipient receives it. That is the time period of interest to the patron. The following case summarizes this very well:

"I sent a first class letter on Friday, September 13 to a nearby community. It did not arrive until late Monday. The overnight service took three overnights. I know it did not arrive on Saturday or Sunday as my mother is Postmaster! What really burns me up is the continued propaganda coming from the Post Office Department of how good their service is and my knowledge of how bad the service is. Just this month, the regional office has reduced the number of hours in our post office and they were already shorthanded by a reduction earlier of one less employee. Saving money seems to be the Post Office Department's main concern and service an afterthought."

The above comments taken from a case I received this fall are typical of the kind of complaint we receive from patrons throughout the district: some involving very serious problems and others simply involving dissatisfaction over the delay in personal correspondence.

Extension of Rural Mail Delivery.—As the members of this subcommittee may know, along with several colleagues, I have been most interested in extending rural mail delivery and recommended this action in our 1973 report. I recognize the decision by the Postal Service to extend the limit on rural mail delivery from .7 to 1 mile during a period of fuel conservation and other cost dictates represented a conscious effort to improve and extend personal service to rural patrons. Upon receiving this good news, I was pleased to make this announcement in conjunction with postal officials. As a result, we had many requests from folks who live under the 1 mile limit. Unfortunately, many of these requests were denied when it was determined extensions could not be granted on dirt roads which were defined as not passable the year round.

I cannot emphasize enough what this policy decision and follow-up explanation did in terms of frustration and poor public relations for the Postal Service. First, we announced rural mail delivery would be extended to patrons living within a 1 mile limit. Many patrons asked for extension only to be told the extension was not applicable to dirt roads. It is my estimate that of the folks concerned, at least 80% live on dirt roads; roads currently serviced by rural carriers.

To make matters worse, some Postmasters granted the extensions based primarily upon the good will and dedication of many carriers who could see no reason why they could not "go the extra mile" on the same road. The decision is really determined by local cost dictates involving fuel conservation although I readily agree that in some isolated cases, the dirt roads involved are not maintainable the year round.

Now we have a situation where some rural patrons are granted rural mail delivery and others are not, depending on the decision of the local Postmaster whose decision is really affected by cost dictates and fuel conservation guidelines that have come to him from higher authority. That is not what postal authorities tell us or the patron, however, as illustrated by the following case:

"We have been turned down for extended mail service although it is under the one mile limit for the carrier to return to his normal line of travel. The reason for turning down the application was that the last part of the mile is not gravelled. Now the carrier assured me he is willing to carry the mail and it would not be inconvenient for him as 54 miles of his route are already on dirt roads.

"Because of my parents' ages, 82 and 72, it would be very much appreciated if the service would be supplied."

My office received that letter in August and in mid-October received the following reply:

"One requirement for an extension of rural delivery service is that the roads must be maintained in good condition and passable for vehicles throughout the year. While it is true the carrier serves some of his route over dirt roads, no further dirt road extensions are being approved due to the fact such roads easily become impassable in rainy weather."

With all due respect, Mr. Chairman, I submit to you the rural patrons of my district are aware of the fact that dirt roads become muddy and in many cases, impassable during rainy weather. I am also aware of that fact and so is the rural carrier who delivers the mail despite these conditions. What I would like to know is why other extensions are being granted? I would also be much easier to get along with if my office were simply told an ever increasing volume of mail, labor contracts, fuel conservation, rising costs and efforts by Postal authorities to further cut costs make such an extension impossible at this time. That is what the local Postmaster told me. I understand this kind of explanation and

so did the rural patrons involved, although they feel their turndown was discriminatory.

Cost dictates and related cutbacks in window service and personnel.—Several months ago, there was an effort made in the district office that services my Congressional district to further cut costs deemed unnecessary by sectional center managers and to standardize Saturday morning window service. These efforts were in good faith.

The result was, however, a host of telephone calls, letters and other forms of communication from postal employees and citizens complaining of further cuts into rural service. Typical of these comments were the following complaints:

"Why must we lose our post office and rural carrier? This carrier has 70 miles and 84 boxes to service. He does a great job. His home is in our community. His family's departure will further tear down our town. We don't want mail delivery at 5 p.m. and post office service 20 miles away. Although the numbers of local folks who use the Post Office on Saturday are not great, many cannot get to the Post Office on any other day. Please help us keep our service."

"The postal department has apparently reduced the number of employees and the hours worked where it is drastically affecting the business community. For instance, the Federal Reserve Bank has adopted a policy of eliminating 'float.' Each day they charge our bank account for the amount of the cash letter which we receive that day. The Fed and other banks have a cutoff time for which they will accept items for that business day's work. When we do not receive our mail until late morning or almost noon, it means that the credits which we receive are too late to be of assistance to us for that particular day. We receive many cash letters in the \$200,000 to \$300,000 range. When we have credits that might be used to offset these charges and they are not received in time for that day's work, this means we have to absorb the so-called 'float' or inactivity of the funds for that day. Poor service is vitally affecting this community in this fashion in every business concern."

Obviously, consolidations and cutbacks and personnel affect the postal employee adversely, but it has also been our experience these types of actions also add more delay in getting the mail delivered. Where many patrons used to receive mail early in the morning, they now receive it in the late afternoon. Again, this type of delay is not measured by the ODIS test.

I made specific mention of the cost dictate decision within my Congressional district for another reason. As I stated earlier, we have tried to work with our local postal employees from the district office down to the rural carrier. In doing so, I realize some officials were somewhat surprised at the number of complaints they received from folks more inclined to spell out their problems to a member of Congress than to local postal officials or, in many cases, their superiors within the Postal Service. As a result, an unfortunate reminder was mailed to all postal employees stating the number of Congressional complaints had increased dramatically and postal employees should remember to go through channels with their complaints.

I quite agree with the logic of this directive, but the practical result was a dramatic increase in anonymous complaints to my office along with complaints of an "unofficial gag rule" as illustrated by the following case:

"I am a rural carrier. I guess according to regulations, I am not supposed to contact my Congressman without going through channels, but in this case, I thought I should let you know what is happening. I would appreciate it if you could help me, but please do not let any postal officials know I have written you."

I am probably oversimplifying the facts, but I think we have a situation whereby the following takes place: Postal authorities here in Washington face locked-in labor costs, an ever increasing volume of mail, a directive from Congress to make the postal service pay for itself and political opposition to raising postal rates. The managers here in Washington insist the USPS can be run like a big business and have their own figures to prove it.

We are embarked upon a national postal system that is geared to moving the tremendous mail load in our urban areas via new equipment and computers. This system is complete with a testing arrangement that in fact tests the success of the system, not actual mail delivery time. Armed with these figures and with a sharp pencil, cost dictates filter down through regional, district and sectional center offices with success being measured by how much costs can be cut and standardized.

It is a beautiful system, Mr. Chairman, but I submit to this subcommittee that it is not working in our rural areas. There is no way rural postal service can pay for itself. And, by using the ODIS system of measurement and by unintentionally

discouraging candid complaints from postal employees in the field, rural problems simply do not exist! Well, they do exist and I would be more than happy to schedule another postal tour for the benefit of postal experts who state they do not exist or turn over our postal casework to those who disbelieve.

I would conclude with the following suggestions:

I believe this subcommittee should continue exercising its oversight responsibility through periodic hearings in reference to service. I commend Chairman Hanley in this regard for his continued leadership.

I believe Congress must closely scrutinize all authorizations and appropriations to thoroughly review the justification and amount of money needed from the Federal Treasury to cover the cost between postal revenues and postal costs.

I believe the Postal Service must become more aware of service problems and more flexible in terms of whatever appropriate response may be necessary to find answers to these problems and very candid in terms of spelling out to the Congress the hard choices that must be made to improve service.

I believe it is time for Congress to agree on minimum standards for mail delivery and appropriate the funds necessary to meet those standards.

I favor legislation that would provide rural mail delivery to all people without regard to the number of families residing in a specified area.

I am supportive of legislation that would limit and "spread out" proposed rate increases for second, third and fourth class mail.

I believe some additional form of testing should be tried to measure more accurately the mail delivery time in rural areas.

I strongly believe the postal management team in Washington should stress service along with cost and weigh carefully any further cost dictates.

I believe the Area Preferential Mail System (Sectional Centers) should be much more flexible in rural areas. Local postmasters should have authority to set up an "in pouch delivery system" within the existing system. The current practice of not using vehicles on return trips cannot be justified.

The policy of transferring local authority in almost every area of postal operations should be reviewed. There should be more authority regarding door service, window service, hours of operation, etc., with the local postmaster.

I believe a realistic and long term effort should be made to get blunt and outspoken advice from local postal employees who face the public on a day to day basis. Off the record comments need to get on the record. Given the current atmosphere of cost cutting and "big brother" policy from Washington, postal employees are not telling it like it is.

In conclusion, let me say I have not taken the time of this subcommittee to discuss other miscellaneous complaints of concern to citizens in my district such as the elimination of local postmarks, competition with private business regarding the sale of stationery items, and the effect of rates and delivery upon our community newspapers. I wish to point out, however, the above mentioned complaints are of very real concern to patrons and customers in my district.

I again thank the Chairman and the members of this subcommittee for this opportunity to bring these concerns to your direct attention.

Mr. HANLEY. With that, the committee stands recessed, subject to the call of the Chair.

[Whereupon, at 12:20 p.m., the committee was recessed, subject to the call of the Chair.]

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MEETING ON RURAL MAIL DELIVERY IN ARKANSAS
HELD IN CONJUNCTION WITH THE SUBCOMMITTEE
ON FAMILY FARMS AND RURAL DEVELOPMENT OF
THE COMMITTEE ON AGRICULTURE

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]
DATE: [Illegible]

MAIL SERVICE IN RURAL AMERICA

FRIDAY, NOVEMBER 15, 1974

SUBCOMMITTEE ON FAMILY FARMS AND RURAL DEVELOPMENT
OF THE COMMITTEE ON AGRICULTURE, SUBCOMMITTEE ON
POSTAL SERVICE OF THE POST OFFICE AND CIVIL SERVICE
COMMITTEE,

West Memphis, Ark.

The subcommittee met, pursuant to notice, at 10 a.m., in the Eugene Woods Civic Center, 212 West Polk Street, West Memphis, Ark. Representative Bill Alexander (chairman of the subcommittee) presiding.

Present: Representative Alexander, Richard Barton, staff director of Postal Service Subcommittee, Ray Coultrap, minority staff member of Post Office and Civil Service Committee.

Mr. ALEXANDER. The subcommittee will come to order.

Before we begin, I would like to introduce several people who are here today, that have come long distances for the purpose of this hearing.

First, the people from my staff that have been responsible for organizing this hearing and for causing it to be arranged here in West Memphis, is Ann Pride to my right, who is our legislative assistant and the project officer for this particular hearing. In addition to Ann, I don't see—Henry Woods is in the back over here. Henry, raise your hand so that everybody can see you. Henry is also in the legislative department, and the lady by him is Joyce Williams, who is our field secretary in Jonesboro. She is here to help with any problems that occurs to anyone who have come from out of town that need arrangements, special arrangements. If you run into any particular problems that you can't handle, Joyce Williams is the one to see, back in the back.

In addition to those people from my staff, I'd like to introduce from Washington, Mr. Richard Barton, who is the staff director of the Postal Service Subcommittee, and who has come a long distance, together with Mr. Ray Coultrap, the minority staff member of the Post Office and Civil Service Committee. Gentlemen, welcome to Arkansas, and we appreciate very much your interest here.

I noticed a little earlier, Mayor Tilden Rodgers, the mayor of West Memphis, who has been very gracious. Would you stand and be recognized.

Mr. RODGERS. Mr. Alexander, I would just like to point out our new mayor-elect just walked in.

Mr. ALEXANDER. Yes. Mrs. Ferguson, would you come up here and join us so that we can let everybody see you. We have the mayor and the mayor-elect of West Memphis. Mayor Rodgers and Mayor-elect Ferguson have made available to this subcommittee the services of the

administrative assistant, Mr. Jay Woods, who is around here somewhere trying to help with the accommodations, and we would like to recognize Mr. Woods and express our appreciation for his efforts, together with Mr. Bill Egbert, the electrical inspector on my far right, who has gone to some great deal of trouble to acquire all of this acoustical equipment and the public address system this morning.

Mrs. Sharlyn Phillips is our reporter, down here on the end, we welcome her and appreciate her assistance.

I point out in particular all of these people, particularly the local people, because this committee effort has come about largely as a result of volunteer services. The people who have put this hearing together are all citizens who are concerned about the service, or the lack of service, I should say, of the U.S. Postal Service. Because of their concern, they have given of their time, spent their own money to buy gasoline and drive various places where we have conducted hearings, and have taken away from their business enterprises in order to assist us with this effort.

I guess, it would be appropriate before I start my opening statement, I will change the schedule just a little bit, to introduce to you the Postal Service Committee, at least those members who are present that certainly should be recognized at this point to receive the appreciation of those in attendance, together with the applause of the citizens of this State, and maybe even the Nation, of giving of their time. These people are just listed in random order. First on the list is Miss Lillian Fordyce, our secretary from West Memphis. Miss Fordyce, would you stand and be recognized. I will just call on each of you. I'll just call on each of you individually and we will hold any applause until after everyone is introduced. Bobby Miller, from Weldon, Ark., a member of the committee. Mr. B. G. Rogers, from Sharp County. Mr. Rogers. J. R. Jackson, from Pocahontas, up in Randolph County. Mr. J. K. Sutherland of Batesville, in Independence County. Mr. Ray Barcus, of Izzard and Horseshoe Bend, Ark., and Mr. H. J. Pillow of Corning. Mr. Pillow, and he is accompanied by his wife, Mrs. Pillow. Also Mr. Harold Henry of Monroe County, Brinkley, Ark., and Reverend O. W. Weaver of Blytheville, in Mississippi County. He usually brings Mrs. Weaver, but she—

Mr. WEAVER. She had to work today.

Mr. ALEXANDER. She had to work today. Mrs. Doris Beasley, the vice chairman of our group, from Cherry Valley, up in Cross County, and Mr. R. H. Rose who is here from Paragould. Mr. Rose. I forgot to mention Margaret Woolfolk, who is one of our very own here in West Memphis.

There are others who have given of their time who, for one reason or another, either are late or can't attend today, but I would like to say for the record that I am deeply grateful to all of you who have participated in this effort. When government fails to function, when it fails to perform the services for which it is created and which are designated to it, I have found that the best substitutes for corrective action is to go to the people, and I think that this method is one that will be more widely used in the future than it has been in the past, because certainly the efforts of you people will demonstrate the effectiveness of this approach.

OPENING STATEMENT OF HON. BILL ALEXANDER

Mr. ALEXANDER. Today we begin a series of hearings on the U.S. Postal Service policies as they affect the development of our Nation's nonmetropolitan areas.

The U.S. Postal Service is one of the few, if not the only, Governmental departments that comes in contact with every citizen every day. The daily operation of the American free enterprise system is dependent upon an efficient handling of mail.

I thought it vital to begin these hearings in the field in order that the public would have an opportunity to sound off about policies that govern them.

I'm afraid that all too often we in Washington are guilty of striking out blindly in an effort to solve the problems as we perceive them, with programs that look good from a national perspective, but which prove unworkable at the local level.

I have found that the best solutions come from the people at the local level, the people who are directly affected.

Due to the vast number of people the Postal Service deals with every day, a certain amount of criticism would not be unusual. We all expect criticism if we deal with the public. However, in the 6 years that I have served in the U.S. Congress, I would say without equivocation, that the complaints on the Postal Service have constituted the largest volume of mail and complaints to my office of any single issue.

Such a volume of complaints convinces me that it is time for action. When Congress passed the Postal Reorganization Act of 1970, we thought we had created a quasi-independent Government agency that would help solve many of the existing postal problems by employing sound business practices to promote efficiency and economy.

We found instead that we had created a monster that is either ignorant or insensitive, if not both, to the needs of the American people.

This seemingly go-to-hell attitude demonstrated by the Postal Service has especially taken its toll on those Americans who reside in the countryside and who are particularly dependent upon mail for communication and information.

In the writing of the Postal Reorganization Act, we in the Congress took great pains to prevent such discriminatory actions which would result in the neglect of the people of rural areas for the sake of cost-efficiency.

The act specifically states:

The U.S. Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities. The Postal Service shall provide a maximum degree of effective and regular services to rural areas, communities and small towns where post offices are not self-sustaining . . . it being the specific intent of Congress that effective postal services be insured to residents of both urban and rural communities.

The act also made it clear that no post office should be closed because it was operating at a loss and that monies would be appropri-

ated by Congress to provide for viable postal services in rural communities.

However, it is clear that the Postal Service has not lived up to these goals. USPS, as almost every other Government agency, has developed an urban bias—a tendency to overlook the needs of those citizens who live outside the crowded metropolitan areas.

In a sense, the community post office in today's small town is like the general store in the Old West. It has been more than just a place where the mail is handled, more than a communications link between neighboring communities. It is a place where citizens can obtain information on many other Government services, such as social security and the Internal Revenue Service, particularly in towns which are too small to have their own offices. It is a place that puts a postmark on your letter and gives your town an identity. It is a place where one can get change or purchase a money order when the bank is closed, or where there is no bank. It is a service that is still personalized enough that an employee will make a second effort to determine the correct address on an unreadable envelope or notify you quickly that postage on an item is insufficient. However, such personal service is no more, as national policies have cut personnel to the bone, let alone the number of hours of operation each day.

I am not going to elaborate further on this particular subject, for I believe we will have witnesses that will come later today who can tell you much better than I the importance of a convenient postal facility to a community.

Our task now is to outline the most pressing problems and suggest reasonable solutions to them. We all recognize that the Postal Service's budget is not unlimited. It, like all Federal agencies and like every business, will be subject to belt-tightening even more in the future. Yet it appears that when these cutbacks are ordered, they always begin in rural America. I question budget priorities which 1 year will allocate thousands of dollars for use in advertising the air mail service, even though there are no competitors in the market, and the next year announce discontinuance of air mail completely, since first class gets there in almost the same length of time anyway.

I question priorities which allocate almost \$1 million for the creation of a coloring book for elementary students at the same time stamp prices are being increased.

I question investments of millions of dollars in complex machines and new buildings constructed at great cost overruns while eliminating postal manpower and service in the countryside and in rural areas.

Ladies and gentlemen, the time has come for us to do more than question these actions. Since the USPS refuses, or does not know how, to meet the requirements of its citizens, we must take the initiative ourselves and show them how to do it.

Toward this end, I have asked a group of twenty-one citizens from the First Congressional District to serve on a Congressional Advisory Committee on the Postal Service. This group, whom you have met just a few minutes ago, is composed of men and women from all segments of the business world, including several who were at one time associated with the Postal Service in varying capacities. This group has been at work for 3 months studying the postal needs of their communities and drawing up proposals for change. Their varied backgrounds, experience, and expertise has enabled them to come up with recom-

mendations that I think will be a sound starting point for new substantive legislation to change the postal service.

I also, with the assistance of the Library of Congress, sent out a postal questionnaire to nearly 170,000 households in the First Congressional District.

The overwhelming response I received is indicative of the general dissatisfaction of the people with their service. We have just completed reading each of the individual comments on some 12,000 returned questionnaires, noting the general problem areas. By the end of next week, we will have completed the tally of the random sample. A random sample is necessary because I was advised it would personally cost me between \$4,000 and \$5,000 which is not allowed in any congressional budget, to tabulate these questionnaires.

The establishment of the rural free delivery system in the 1890's was perhaps one of the greatest communication breakthroughs in our Nation's history. As Postmaster General John Wanamaker put it then,

The regular arrival of the papers and magazines will not only keep many of the boys and girls home and make them more contented there, but we will add to their ambition and determination to make the old farm pay.

Are we once again to allow the citizens of our hinterlands to become separated from the other parts of the Nation by allowing our communications network to deteriorate to such an extent that it is either too unreliable or too expensive to use?

I believe that with the cooperation of citizens such as those who have taken the time to be with us today, some hard work on the part of the Members of Congress, and the assistance of the U.S. Postal Service, we can develop a mail service which will serve all of the people of this great Nation all the time, and with dependability and with efficiency. We have the resources, we have the talent. Now it is time for us to commit our energy to this effort. It is time to stop talking and start working constructively toward this goal.

I would ask at this point, before we hear from our first witness, if Mr. Barton or Mr. Coultrap, the staff members of the Postal Service Committee from Washington, want to say anything at this time.

Mr. BARTON. It is a real pleasure to be down here.

As Congressman Alexander pointed out, the Postal Service Subcommittee of the House of Representatives is jointly holding a series of hearings with Congressman Alexander's subcommittee. These hearings will continue in Washington next Tuesday and a week from next Tuesday.

We will hear many witnesses who represent people and organizations in nonmetropolitan areas all over the country. I am only sorry that the chairman of the subcommittee, Congressman Hanley could not be down here today, but he asked me to send his greetings and to assure you that this hearing will be in the record of the hearings. It will be a very valuable addition to the work of the Postal Service Subcommittee.

Mr. ALEXANDER. Thank you very much, Mr. Barton. Mr. Coultrap, would you like to amplify?

Mr. COULTRAP. I'm also glad to be here. I think it's going to help us a lot in our actions back in Washington, particularly when we start working on H.R. 15511, which has been introduced by Mr. Hanley

for some reorganization in the Postal Service, and we hope that it goes through, and I will tell you that one side, the Republican side, is going to support it.

Mr. ALEXANDER. Thank you very much, sir, I appreciate that.

Before I begin with the next witness, I would like to hold up a questionnaire which is available at the back table which asks some questions for people who have come here attending the hearings that have not been a part of the hearing before this time. This is an open hearing. We believe in running our Government in public and if anybody has anything to say about the Postal Service, if you want to put your two bits in, there is a questionnaire at the back of the room. We will welcome any comments which you would like to make a part of this hearing record, and this includes the students from Marion High School, who are here. You are all welcome to participate in the hearing, and if you want to get a questionnaire, and answer it, we would be pleased to hear from you and to hear your comments.

The next witness is Margaret Woolfolk, who is the chairman of one of the Subcommittees on the Postal Service Advisory Committee on Regional Affairs, was it, Margaret?

Miss WOOLFOLK. Yes.

Mr. ALEXANDER. We would be pleased to hear from you at this time.

I will say in explanation, while Miss Woolfolk is getting herself arranged at the table, that this 21 member subcommittee was divided into three subcommittees, local, regional, and national affairs, respectively, and Margaret Woolfolk was gracious to chair one of the committees, and she will present the findings that have resulted from a discussion of these findings before her subcommittee and before the full committee.

Miss Woolfolk.

Miss WOOLFOLK. Thank you very much. I would like to express appreciation to the members of our Subcommittee, and the assistance they gave in gathering this material.

STATEMENT BY MARGARET WOOLFOLK, EDITOR, WEST MEMPHIS EVENING TIMES

Miss WOOLFOLK. I would also like to thank the Rural Development and Postal Subcommittees for the attention they have given to a situation that affects all of us daily. Congressional review of national postal policies as they affect the local postal operation is long overdue.

As a member of the First Congressional District Advisory Committee, I would like to supplement the recommendations of our full committee. The recommendations I shall outline deal mainly with the sorting and routing of mail in non-metropolitan areas.

It makes no sense to those of us who live in eastern Arkansas that mail from Brinkley to Wheatley (a distance of 5 miles) has to go to Little Rock, a distance of 70 miles, from Little Rock back through Brinkley to Memphis, another 70 miles, and then to Wheatley from Memphis.

The above is very representative of the sorting system employed by our postal service today. Mail from community to community in the First Congressional District, and I'm sure it's not confined to this

district, either goes to Little Rock, Memphis, or both for sorting before delivery to its destination.

I think you can imagine the problems this system has caused a daily newspaper operation such as mine. We have lost numerous subscriptions, as I am sure other papers have also, since the news is old before the postal service delivers them to their destinations and many complain that they don't get their papers at all.

When mail is picked up at a mail dropping point, it should be dropped at the nearest point to the destination, not a larger city, for sorting.

It is also our belief that the sectional center concept of mail delivery and routing that was in effect prior to the USPS is a more logical and efficient method of operation than the regional concept being utilized at present.

We, therefore, recommend reestablishment of a sectional center, preferably at the trade center, in each county for sorting and distribution of mail.

Now, we are well aware that the volume of mail processed each day by the Postal Service continues to increase, making even larger demands on personnel and equipment. However, when mail that used to take 2-3 days to arrive at its destination now takes 5-7 days, the system is not efficient and needs to be changed.

It is almost inconceivable that it takes 2 days or more to get a letter from West Memphis to Marion, a distance of 5 miles, and say that the delivery is supplied by a "service."

It is our opinion that many of the practices of the old Post Office should be reinstated, and that along with the return to these former procedures, which did, in fact, work, adequate personnel be made available to post offices in nonmetropolitan areas to handle the reassigned workload.

I would echo the sentiments of other members of our subcommittee that local postmaster authority be maximized to insure the most effective means of handling our mail. The local postmaster now is just a figurehead.

Those of us in business and professions who rely so heavily on predictable postal services, as well as all postal users, and we have been shortchanged by the current postal administration in Washington. Each hike in postal rates seems to result in a lapse in service. I don't believe people are opposed to postal rates, if they get the service in exchange. But, we would like to cooperate with the Postal Service. At this point, however, I believe we're doing much more than a service to hold up our end of the deal.

I want to thank the subcommittee for anything they can do to help obtain the service back.

Thank you.

Mr. ALEXANDER. Marget, we might have a few questions. If you will remain seated just a minute, and it could be that we might have that any member of the subcommittee would like to participate in, some questions for some of your subcommittee. If we ask a question we would appreciate it if you would just come forward. I know Bobby Miller is well acquainted with this problem. Bobby, why don't you just come up here and take a seat, and we will spend a minute on this subject to see if—is there anyone else on your subcommittee?

Mr. MILLER. Mr. Sutherland from Batesville.

Mr. ALEXANDER. Mr. Sutherland, would you mind stepping forward. We might ask a few questions which would clear up any ambiguities that may be here. This is Mr. Bobby Miller from Weldon, Ark., and Mr. J. K. Sutherland, from Batesville, Ark.

I will ask these gentlemen to ask the questions first.

Mr. BARTON. You mentioned newspaper delivery. I realize that is not necessarily the most important thing throughout the District, but it is a bellwether, I think, of how the Postal Service is operating. Newspapers are supposed to get what we call "red tag" treatment, that is to receive the same treatment as first-class letters, and also, it's probably more important to a lot of people that they get their newspapers on time than it is that they get some of their letters on time, because of the time value of the news. I just wondered if you could tell us whether delivery of newspapers, as well as the rest of the mail, has been slowed down significantly since 1970, and the passage of Postal Reorganization Act—if so, do you feel that this is mostly because of the routing problems that have been described? Also, are people complaining principally about price or service?

Miss WOOLFOLK. I don't think the price factor is involved in this particular problem. For example, I cited Marion because it is only 5 miles north of here, and the county seat. Prior to this change in the system, for example, we used to take the papers over to the post office and get them to weigh them, and carry them to Marion ourselves, and the customers got them up there that day. But now we have to take them to the post office, and with all due respect to the local post office, we have a very cooperative postmaster, the papers go out of here and they sit on a loading dock in Memphis for 2 or 3 days. So, a guy who takes a newspaper here, that lives in Proctor, which is a big rural distribution center about 10 miles west of here and Marion, they just cancel their subscriptions. I can't get the paper, they say, so there is no use in me subscribing—I'll just pick up one maybe when I come to West Memphis.

There is a little grocery store up in Marion that is peddling them now because the people can't get them at the post office. But, when you go beyond Marion and the people can come into town and pick a paper up by some arrangement, we are just stymied. There is no sense in the kids who are going to school at the University of Arkansas, in trying to subscribe to a paper, because they can't get it.

Mr. BARTON. They are 3, or 4, or 5 days late?

Miss WOOLFOLK. If then, at all.

Mr. BARTON. All right.

So, they do no local sorting here in West Memphis?

Miss WOOLFOLK. No. Everything goes—Well, if there is local delivery, it is locally sorted, but otherwise, it goes to Memphis.

Now, we used to be a regional center, and everything was sorted out of here.

Mr. BARTON. And they have moved that all over to either Memphis or Little Rock?

Miss WOOLFOLK. That's right.

Mr. BARTON. One more question. Do you know personally whether there has been a cutback in post office personnel in West Memphis and elsewhere in the area?

MISS WOOLFOLK. There has been a considerable cutback in West Memphis. They didn't do anything but transfer them over to Memphis. They didn't cut back, they didn't cut the staff, they just moved them to Memphis. So, now they have to drive back and forth to Memphis to their jobs, or sell their homes over here.

MR. ALEXANDER. Would the gentleman yield on that question. Margaret, would you say that it was our understanding from these hearings that most people that we interviewed considering this particular point of manpower and personnel, advised that manpower had been substantially cut in nonmetropolitan areas in small towns, all over the district. Was that your understanding?

MISS WOOLFOLK. That was my understanding. I can only speak from knowledge of West Memphis, but I know that the West Memphis office was cut considerably in its personnel, and as I say, they didn't do a thing but transfer them to Memphis.

MR. ALEXANDER. It would be appropriate just to add at this point that I have heard statements of this type from postmasters all throughout the First Congressional District, most of whom had been intimidated by the "gag rule" of the Postal Service, and they are scared to death to even say anything to their own representative in Congress for fear that they will lose their jobs. So, I am holding their names confidential, and I will state publicly to the Postal Service that if one of them loses their job because of it, that they have got me to answer to, and I am going to start with the regional section center and go all of the way up the line from that point forward. This is not an American way for the Government to tell its employees that they cannot communicate with their Representative in Congress. I don't like it, and we are going to change it with this legislation.

But, the point is, that apparently the sectional centers, the regional centers in Memphis and the other nine centers in the country are so expensive that they are having to cut their manpower requirements in the rural areas in order to pay for this expensive equipment and for these expensive buildings and these exorbitant land prices that have been a ripoff to the American taxpayer, and we are paying for it in the rural areas. They can't get any more money from the Congress, although they have doubled their estimates, their original estimates of costs from \$1 billion a year to \$2 billion a year, and they are taking it out of the sides of the people of rural America in order to pay for these white elephants that we have got in these regional centers. Now, if they worked, it would be one thing, but they don't work. So, what we have got is less service in the rural areas, and less efficient handling all across the board.

I give it back to the gentleman.

MR. BARRON. I just wanted it on the record that by concentrating on larger and larger sectional centers, as Congressman Alexander pointed out, that whatever you can say for the efficiency of it in the metropolitan areas, and some people don't have very polite things to say about that either, that it certainly hurts people in nonmetropolitan areas. We are getting general complaints throughout the country of mail slowing down. So, it is not necessarily reflected in the overall figures that we are getting nationwide.

Just one more question because of your eminent knowledge of the postal situation here. I wonder if you could give us some of your views in regard to the morale of the Postal Service employees themselves—if they are pleased with the job that they are doing, and they feel that things are going to improve or if they are unhappy, too.

Miss WOOLFOLK. Well, this would be hearsay as far as I am concerned. I do have friends who are employed in the Postal Service, not only in West Memphis, but in the new regional centers in Memphis, and they tell me that the morale situation is extremely poor. As you well know, there used to be a little—I forget what the slogan was, that the mail goes through regardless of sleet, snow, or something of this nature, that the personnel that are now being employed by the Postal Service are a group of people who have an "I-don't-care" attitude. So, that the dedicated Postal Service worker that we used to know in years past, who tried to live up to the terms of this slogan that the postal department had, really endeavored to provide a service. The incentive that he had to do a good job has been undermined, so that he has now got the "I-don't-care", and you can understand that. If a guy can get paid for doing a job slipshod, what is the incentive for a man to beat his brains out.

Mr. BARTON. That brings to mind one more question. I don't want to monopolize your time, but you also made the recommendation, that we drop the huge center idea, and bring more of the sorting back to local post offices, and this brings up the question of the authority of local postmasters to really run their office the way they see fit.

Now, one of the purposes of the Postal Reorganization Act was to encourage that kind of management, delegation of management authority to local postmasters, more than they ever had under the old Post Office Department. Do you think that has happened, or that—

Miss WOOLFOLK. No, sir, I don't think it has. You have got your Civil Service organization in the post office. I know where there have been instances where we have complained about various service and we have been told that there is really nothing the postmaster can do. He can merely go to an employee and tap him on the hand, and say look, you made a mistake, but he has no authority to chastise this employee. He has no authority to penalize him, and God knows, he can't fire him. But, Mr. Miller, I think, can tell you about some of the experiences that he had had up in his area, at least outlined in our committee meeting, and I think are very apropos.

Mr. MILLER. I said so many things, that I don't recall what you are talking about, Margaret, but it is really unreal. I want to mention what you said about the postmaster, though, having no authority.

A fellow in Newport told me that they had to cut their work hours there.

I want to mention another thing. In Tuckerman, approximately 10 miles from Newport, if I want to mail a letter to Tuckerman, it catches a truck and goes to Little Rock, 80 miles, to Jonesboro, 120 miles, which is 200 miles, and goes to Tuckerman, about 40 miles.

And there is a feud in Little Rock now, where a lot of the money that you were talking about, to put a center out in North Little Rock around the Silvan Hills area, or somewhere out there, and there is a big dispute about it. I think we can have better service going back like it was at a more economical figure than what we are talking about

now, where there is x amount of money being used to purchase this kind of property.

Sometime our mail might be 2 or 3 days late, and I have mail that I have never gotten. I never have filed any suit against it.

We used to have good mail service back under the rules that we used to have, and we could talk to our Congressman about it if we didn't get the service. We have talked to him now, but he is trying to help us.

MR. ALEXANDER. Excuse me. I noticed that Mr. Sutherland nodded his head a minute ago when we talked about the attitude to the personnel in the Postal Service. Mr. Sutherland is an executive in north central Arkansas that has achieved success through hard work and knows personnel and the requirements of people in order to get a job done.

Mr. Sutherland, we would like to hear from you on this subject.

MR. SUTHERLAND. Thank you, Mr. Congressman, and Margaret. I talked with a postmaster this week, and I shall not mention the name, and he says he is short of help.

And I said, "Are you really short of help, do you have any efficiency around there, what are you doing, with your help. Can you motivate them?"

And he said: "We have no morale, it is very low. Our ability to lay out and plan and carry through our assignments is nil."

I said: "Well, how much of your crew is efficient?" and he said, "I think I've got about a third of them that I can do without. If I could remedy the situation, I would be as well off without a third of them." That is a pretty high percentage.

Also, Monday, a fellow in Cave City told me that if he wanted to correspond with his customer across the street, he would mail it today, it would go to Batesville and come back tomorrow and have to be put up in the window in the box. He doesn't know why that when it is put in the post office, it can't be put in the man's box.

I'm not a familiar spokesman, but I do appreciate the Congressman, the work that he has done and I think that all of us together can solve some of these problems. They are economical, they are psychological.

MR. ALEXANDER. Thank you very much, Mr. Sutherland.

Mr. Coultrap.

MR. COULTRAP. I would like to make a comment, I hope it's not out of order.

MR. ALEXANDER. Anything here is in order.

MR. COULTRAP. I believe that the morale problem, a great deal of it, goes back to the no-cut policy in postal contracts. In other words, if a man knows that he is not going to get laid off regardless, and he just has an "I-don't-give-a-damn" attitude. Now, we found that in Washington, too, in the main post offices in Washington. One of them is standing there working, and the other one is standing in the back having a sandwich, a cup of coffee, or something of this kind. And I think a lot of that, as I say, are the contracts with the local service people, they know they can't be laid off.

MR. ALEXANDER. I think that's also true of the Postmaster General, but we're going to see if we can't do something about that.

MR. COULTRAP. I think so, too.

Miss WOOLFOLK. If you have no other questions, I'd like to thank you again.

Mr. ALEXANDER. Thank you very much, we appreciate your testimony.

The next witness that we have is Mr. Harold Henry, who will present the findings and the recommendations of his subcommittee, and Mr. Henry, why don't you sit over here in the middle and there are other members of your committee here.

Reverend Weaver, would you step forward, and Mrs. Beasley, you were helpful to us. It may be that we can expedite matters, if you just get the subcommittee at the witness table, and we can go from there. Were there other members of this committee? Mr. Barcus, were you going to appear later?

Mr. BARCUS. Later.

Mr. ALEXANDER. All right, in that event, we will hear from Mr. Harold Henry of Monroe County, who lives over in Brinkley.

Mr. Henry.

STATEMENT OF HAROLD HENRY, CHAIRMAN OF THE FIRST CONGRESSIONAL ADVISORY COMMITTEE ON THE POSTAL SERVICE, MONROE COUNTY, BRINKLEY, ARK., ACCOMPANIED BY REV. O. W. WEAVER, MEMBER OF THE FIRST CONGRESSIONAL ADVISORY COMMITTEE ON THE POSTAL SERVICE, BLYTHEVILLE, ARK.; DORIS BEASLEY, MEMBER OF THE FIRST CONGRESSIONAL ADVISORY COMMITTEE ON THE POSTAL SERVICE, CHERRY VALLEY, ARK.; AND ROBERT ROSE, RETIRED POSTAL EMPLOYEE, PARAGOULD ARK.

Mr. HENRY. Thank you. We appreciate the opportunity to appear here today. I might add that we appreciate Washington bringing us this sunshine that we are having here today. If it meets with your approval we would have you stay over a few days.

Mr. BARTON. It's warmer up there than it is down here right now.

Mr. HENRY. Well, we promise you warmer weather. Today, it will be higher at noon, and warmer tomorrow, just stick around.

As I said, we appreciate the opportunity to share with you our committee's recommendations for improvement of postal service. Although our discussions and studies have dealt mainly with service in the smaller towns and communities in which we live, for the most part our recommendations apply to postal service in all areas.

Our committee was composed of representatives from all segments of business and from each of the 21 counties that comprise the First Congressional District. Several of our members have worked with the post office in one capacity or another. Through their knowledge, and from our talks with our own postmasters and citizens in the First Congressional District, we were able to obtain a fairly general idea of the operation of the Postal Service and some of the areas where we could suggest improvements.

It is our intention in this formal statement to set out these recommendations. Members of our committee will then welcome the opportunity to elaborate on any of these suggestions in response to questions from the committee.

All of our suggestions are aimed at merely one thing—making the post office more responsive to the needs of the people whom it was

created to serve. Because Federal law has created a monopolistic system for the delivery of first class mail, we have no alternative but to rely on USPS, but we believe that because of its corner on the market, USPS has a distinct responsibility to insure that its customers are receiving first-rate service at a reasonable cost.

Since its creation as a quasi-independent corporation, USPS has not functioned in this manner. Therefore, it is our contention that the first step in returning responsibility to this organization is to make the Postal Service completely answerable to the people, through the people's elected representatives in Congress. The post office has become too independent and Congress should resume control of these reins. We believe this will be the first step in correcting the uncaring attitude of the postal officials at the Federal level, an attitude which we are afraid has begun to infiltrate down the ladder to local offices.

Second, we believe that more authority and responsibility should be put into the hands of the local postmasters. As I have said before, several members of the advisory committee were formerly connected with the Postal Service. We all agree that nobody knows how to deliver the mail better than the people at the local level. They are familiar with the problems of routing, serving rural patrons, and employment needs. Allowing decisions at the local level to replace the dictating of policy from Washington might eliminate many potentially bad situations while at the same time cutting through some of the red tape in which the Post Office, like many other Federal agencies, seems to be hopelessly entangled.

Third, we have noticed a marked decline in the attitudes of many postal officials and employees since the establishment of the U.S. Postal Service. In some cases, we cannot blame them for developing bad attitudes since those at the local level who are most hindered in performance of their jobs by the cutbacks and Federal postal policies which are so discriminatory toward rural areas, are having to bear the brunt of the criticism from the people they serve. And, although we believe there are certainly many underpaid employees in rural areas from whom the U.S. Government is getting more than its money's worth, in some cases, salaries of overpaid employees could be cut enough to warrant adding staff to the payroll.

I might add here, something in reference to the attitude. We believe that somewhere, United Parcel learned about this thing. We would just like to remind you of the problems that the railroad had versus air lines.

This situation will remain unchanged as long as promotion is continued on a seniority basis and the local postmaster is prohibited from hiring and firing or otherwise disciplining those who work under him as is the job of responsible employers in any successful business.

As we understand it, USPS was formed as a quasi-independent corporation and was to be operated as a business. Most of us are businessmen, and we know of few successful businesses which are so limited in their authority to deal with the personnel who work under them. We must provide for promotion on merit, I underline merit, and a method of disciplining those employees who are not fulfilling their jobs.

While we are discussing the subject of personnel, we have some other suggestions as to employment policies. As many of the employment decisions as possible should be made at the local level. We believe

promotions from within is a most efficient incentive to all workers. We would suggest that the Post Office go back to using the local register system for those available and qualified for jobs rather than the area register system. Registers should be used in small towns as well as large ones.

We believe it is totally unsatisfactory to bring in out-of-town people to act as postmasters in small communities over the head of qualified employes already residing in the community. To be quite honest, we do not think it is good public relations or a service to the community to have postmasters who do not choose to make their home where they work. Certainly a better job can be done by a person who knows the community and its inhabitants rather than by someone who only spends a few hours a day there.

We question, also, whether some of the civil service examinations are a true reflection of whether or not a person should carry the mail. At the local level, we believe these exams should be deemphasized. If the postmaster is given more responsibility in the hiring area, he will select the people he feels he can best rely on since to a great extent his own performance will be judged on the performance of those working under him.

In short, we are asking that the authority be placed where the responsibility is.

We all know that if you don't have a successful football team, you blame the coach, and sometimes, and his contract. But in most cases, the coach has the unshared responsibility for recruiting his assistants and players, whipping the team into shape, and to some extent, scheduling the teams he is to play. If rural post offices are ever to be allowed to compete in the big leagues, the postmasters must be given the responsibility they require to carry out their assignments.

Before closing this part of our statement, I would like to mention one other problem area which was brought to the attention of the group and will be discussed in more detail, I understand, in our afternoon session.

We have many rapidly growing areas in our State. Some areas with 1,500 people or more we find still unserved by a post office of their own. The frustrating thing is that the citizens of these communities are offered no standards they should meet before they can expect to see a first-class or second-class post office established there. Instead, they fight endless battles to keep the contract tations or minimal service they're presently receiving.

Although our committee did not have the time to get into this problem in detail, we do recommend that certain qualifications be laid down that make the establishment of post offices a matter of fact. These standards should be the responsibility of the regional office, which brings the decision as close to the people as we believe possible.

Mr. Chairman, in conclusion, on behalf of the committee, I would again like to express my thanks for the opportunity to appear here today. We certainly believe that the people of the heartland of this country should be given more opportunities to express their views to the men and women who represent them in the Congress. At this point, I would like to leave a little story that a postman left with me. He said he was thinking very deeply on our situation and made an observation that if the price of eggs had advanced in the past 10 or 15 years, as

that of postage, that eggs would be just slightly less than \$3 a dozen, except much, much fresher.

Thank you again for letting us appear.

Mr. ALEXANDER. Thank you, Mr. Henry, for being a good citizen to take the time from your business to help us see if we can't untangle the mess that we now have, which is generalized as the United States Postal Service.

Mrs. Beasley has great experience with the Postal Service. I would like to ask her to account for us the experience that she has had as a member of this committee, this congressional committee in receiving mail from Washington that we have forwarded to her.

Mrs. BEASLEY. I received four letters from Congressman Alexander, and three of them had been missent. One of them was sent through Arizona, one of them to Louisiana, another to Crawfordsville, Ark.

Now, these letters were correctly addressed, the Arkansas was spelled out in full, the ZIP code was right.

Mr. ALEXANDER. Mrs. Beasley, do you have those letters with you? It may be of value to include those letters as part of the subcommittee's record, which would show the postmark, the type of address, and so forth and so on, the kind of envelope, and I am sure that there are 434 other Members of Congress that would like to know the kind of mail service that this Member of Congress is receiving from this area.

Mrs. BEASLEY. I might say that we in Arkansas do have a lot of our mail that is sent to Arizona because of the abbreviation of the two States, in this case, the State was written out in full.

Mr. ALEXANDER. I have here three letters from my office, from me, under my frank, in an official Congressional envelope to Mrs. Howard Beasley, Highway 42 East, Cherry Valley, Arkansas, 72324, and I would just like to submit all three letters with postmarks and so forth for the use of the subcommittee. I would like for the staff members to examine them to see if they have any questions about them. I think they fairly well illustrate the type of service that we get here in this part of the country.

Mrs. BEASLEY. Mr. Congressman, I would like to say that I think that a lot of our problems are due to the machines not working, and perhaps not the operator.

Mr. ALEXANDER. It is due to the machines and not the operators?

Mrs. BEASLEY. Well, perhaps some of them.

Mr. ALEXANDER. That is a possibility, and certainly something that the committee ought to look into at the proper time.

Mr. HENRY. Congressman?

Mr. ALEXANDER. Yes.

Mr. HENRY. Could I make this observation with reference to the mis-sent mail. If Congress would like, I would say, based on the present performance, that within the next 6 months, our observation is that we can give you 100 of those, sent to Blytheville, Batesville, anything that starts with a "B" except Brinkley.

Mr. ALEXANDER. Thank you very much.

Mr. Barton, and we will hear from Reverend Weaver along with all of this.

Mr. BARTON. On the machine problems, we have been traveling all over the country conducting investigations and studies of many of the centers, and we have found, in some cases, spotty performance

of letter-sorting machines. In some cases you might be absolutely right, without criticizing postal employees, but a postal employee at some point has got to operate that machine, and unless it is a very sophisticated type of machine, if they look at the letters, it drops down in a slot, and types out a code on it, and it is sorted in that way. So, ultimately the postal employee wouldn't make a mistake, but the speed of the machine is pretty high, and if you have ever been in a large sectional center and watched those machines operate, it's not exactly the most exciting job in the world. But, in some areas of the country, the machine error rate is rather high. So, I would hope that the Postal Service could solve this problem.

I couldn't help but be interested in your comment about the monopoly of the Postal Service over first class mail. I don't know whether the rest of the audience knows that, it's against the law for anybody to handle what is a normal letter other than the Postal Service, except under the strictest circumstances.

Do you think that it would be any advantage to you in this area and in other areas of the country to drop that monopoly and start handling mail by other companies, private companies?

MR. HENRY. Well, I would say that our very Nation was founded on good competition, and I'm not sure where it should begin. It seems to me that we have solved the problem in other aspects. I fully believe that we can change the rules, almost without incident, that surely to God we can solve our mail problems, that in previous years, back when we rode horses, outperformed what we are doing today.

MR. BARTON. You mentioned the United Parcel Service. Do they give you good service in this area?

MR. HENRY. Our experience has been magnificent. I called some people, almost clear across the United States on Tuesday, and asked if they could deliver a package, a 50-pound package. It was delivered to our office yesterday morning.

MR. BARTON. That is good service.

MR. HENRY. And the merchandise was advertising materials, if I may elaborate, and we could use it in our business the next week, and I didn't dare just mail the normal order, because the letter wouldn't have gotten there in the first place.

MR. BARTON. We are very interested in this on that subject, gentlemen, because part of the legislation that Mr. Coultrap mentioned does go to the question of the monopoly statute. We have had some fairly extensive hearings and studies on it, and I'd like to get the views of the people as we go around the country.

You also mentioned that the Postal Service had become too independent and that Congress should reassert some control. One of the purposes of the Postal Reorganization Act was to take Congress out of what had literally become almost day-to-day control, because Congress was not only exercising its fiscal control, which it does and should do, but it was also appointing the postmasters, and taking a great hand in personnel activities. I wonder if you have any ideas about how Congress could resume control, without going back to maybe some of the excesses in the past.

MR. HENRY. One shouldn't attempt to run a business—Postal people should be permitted to run that business, because they know that business. But, I would like to draw your attention and discuss further in

reference to the Little Rock office. I won't comment any further, I'm sure everybody knows what we're talking about, when we're talking about hiring and firing persons, this just isn't true. The Civil Service is another governmental organization. So, Civil Service shouldn't be criticized for that fully because an organization of which I belong to, its older employees are covered by Civil Service. Now, the Civil Service does not enter into it, but we in our own organization enter into it and have to determine.

Mr. BARTON. There were two or three other questions that I wanted to get your opinion on. On the question of merit promotion. Again, one of the purposes of the Postal Reorganization Act was to institute a good merit promotion system. I don't know whether you are aware of it, but something roughly close to 80 percent of the people who work for the Postal Service are hired and retired 25 or 35 years later, in the same level. They are not promoted. They weren't, prior to the Postal Reorganization Act, and I take it that you are saying that you don't really think that that situation has improved, and that there is not much in the way of real merit promotion. It is still based on old concepts of an old system that we had before the Postal Reorganization Act.

Mr. HENRY. Well, I think it's a general feeling of the public, and certainly, of mine, that if you stay, you get promoted now. Some other agencies of Government also have that, whether you are qualified or not.

Mr. BARTON. Do you have a significant number of outside people coming in and taking postmaster slots or supervisory slots, in this area?

Mr. HENRY. From my own knowledge, I would say no, and we may not have discussed that as much as we may have.

Mr. BARTON. And also, I would just like your comments, too, maybe you have already covered it, on the Civil Service examination system. You apparently feel that the examinations are not really very reflective of the kind of person that might do a good job for the Postal Service. Do you want to expand on that anymore?

Mr. HENRY. Civil Service examinations that deal with the post office, ask three questions dealing with the post office. It's a preprinted examination for many kinds of Government employees. And when you take one, if you have a good examination, and it's quite high, you immediately get a letter from the IRS, or all of the people from the Government.

Mr. WEAVER. On that same question, I don't want to take up too much time, but on the examinations that de-emphasize—you said you didn't want to use too much time on it, but I—

Mr. BARTON. Take as much time as you want to.

Mr. WEAVER. Well, I was hoping that you would use just a little bit more time and bring out a little bit more concerning it. Personally, like I said, I don't like the computers, and I think that is what you were talking about, the machines, may always be the right thing. There was one question that I wanted to ask you, you said that they were evaluated high. By whom?

Mr. BARTON. Evaluated what?

Mr. WEAVER. You said they were evaluated high, or rated high, you said.

Mr. BARTON. On the machines?

Mr. WEAVER. Yes. By whom?

Mr. BARTON. By the Postal Service, and also we sent out teams from the General Accounting Office, which is an investigative arm of the Congress. They went out to several areas, several cities in the country where they have large letter sorter machines, and they evaluated what the error rate is, and in many cases, disagreed with the Postal Service. The General Accounting Office generally thinks that the Postal Service has a higher error rate than the Postal Service itself indicates.

But, on the examinations, you bring up—

Mr. WEAVER. I believe that the postmaster that works there can do a much better job than the Civil Service.

Mr. BARTON. The reason I was interested in your answering the question, is that on a national level, even outside of the Postal Service, there are serious questions that have been raised about the adequacy of some Civil Service examinations, and particularly for the beginning level jobs, as to whether they really do reflect the ability of a person to do a job.

Mr. WEAVER. I just wanted to go back to—

Mr. BARTON. I'm sorry, somebody back there wanted to make a comment.

Miss PRIDE. Mr. Rose, would you like to come forward. Mr. Rose is a member of the advisory committee.

Mr. ROSE. We are not getting down to what is wrong. I worked for the post office 40 years, and through this Postal Service and so on, I eventually became postmaster. We were sold a bill of goods by the U.S. Postal Service. We were told that we would be managers. It didn't take very long before disillusionment set in. We were sent to seminars in Memphis and Jonesboro and various places, and we were receiving not input, but dictation from them. The man who was our postmaster general here was a retired Marine major, and he knew nothing about the Postal Service. He talked to us about the austerity that was going to be instituted and how we were going to deal with our employees, and he would drive up in a limousine with a chauffeur, and that just didn't go over too well with a country boy like me, and I told Mr. Curtis, the Postmaster General, that I was not going to do what we were told, and he said we would have to. Now, the Postal Service is predicated on three very simple basics, the distribution of mail, the transportation of mail, and the dispatching of mail. If any of those three elements are down, you cannot give service, and quite often they have broken down.

In Paragould, Ark., we have a highway that goes within 15 feet of the post office. We used to get three or four trucks out of St. Louis and two or three out of Memphis, and the trucks, then soon after this postal reorganization, would bypass our post office. I could almost reach out and touch them. They would go on to Jonesboro, and they would bring back postals the next day, if not, the next day. Now, the transportation element was the breakdown. Now, the civil service examinations that you're talking about, I have taken several of them, and I have given several of them, and especially of management, they have very rarely anything to do with the post office. They are dreamed up by some psychologist on the aptitude and attitude and your mental capacity for quick thinking, and this sort of thing. And basically,

they really amount to nothing, insofar as the ability or comprehending the post office. I don't know what psychologist dreamed them up, they are tough, real tough, very few people can pass them, and they have nothing whatsoever to do with the Postal Service.

Now, in comparison, on the local level, for the carrier and clerks, there is some relationship, but they are too general, they are too far out, and they need to get down to basics. Anybody with common intelligence can learn to deliver the mail and can learn to dispatch mail. The Postal Service in the local community, out of a town of about 12,000 or 13,000 is very personal, but that is about all gone now. The complaints, of course, come to the postmaster, and Bill, I think you remember when you congratulated me on my appointment and I served about a year and a half, and that is the reason that I retired, and I think they were glad I did, because I was too hard-headed.

Mr. ALEXANDER. Well, you were trying to do a job.

Mr. ROSE. At that time, we operated on what we called MPD's, men per delivery. We had to reduce those MPD's to 16, I believe, percent, was the criteria it was based on. Terrell, Ark., had the lowest MPD level in three States. We were below the required standards, and they still said we had to reduce our 16 percent, even though we were taking half of the time of some other office, and quite frankly, that is the reason I quit.

Mr. ALEXANDER. Mr. Rose, I want to congratulate you on being the kind of man that we need to run the post offices of this country and whatever you are saying must be of great influence, because the White House is calling me out here on the telephone. I'm going to go in there and talk to them, but you just go on and testify.

Mr. ROSE. Well, if they take away my retirement pay, Bill, I might ask you to speak for me.

Mr. ALEXANDER. They won't. You just continue to sit there and these gentlemen might like to ask you some more questions.

Mr. WEAVER. That was essentially what I was hoping that he would try to say in regard to this section right here, that the examinations should be de-emphasized.

Mr. ROSE. Somebody mentioned United Parcel Service. These boys that get these jobs done do it much cheaper than our boys do it. We damage five parcels to their one.

Mr. BARTON. The Postal Service is spending a billion dollars to build a number of bulk mail centers for packages and third class mail and they have shown, even before they are built, that they are still going to slower than United Parcel Service, and still have more damages.

Mr. ROSE. Yes. If you have ever seen one of those at work, those conveyor belts, if one of them happens to be down, and the other is supposed to be kicked off, everything will just start piling up behind it. This, of course, is a malfunction of the machinery, it has nothing to do with the personnel. The L & M machine that you are talking about is no more efficient than the person that is working it and pushing the buttons. I never did work one of them, but it is quite a laborious job. The man will work 2 hours and off about an hour, because it is quite boring.

Mr. WEAVER. You said we have plenty of time a while ago, and I have a subject that I would like to bring up, this word, "discrimina-

tory", over here on the first page, at the bottom there, I would like to tie that same word into what we are discussing now, and that is not only discriminatory in support of the rural areas are concerned, but there is concern about discriminations in our postal service when it comes to a racial standpoint, and I think maybe this has, this examination business has to do with that.

Mr. BARTON. Well, as I said, there has been a lot of concern expressed about examinations in general. However, I would like to emphasize that the Postal Service does not have to use them anymore, and apparently, they still do.

Mr. WEAVER. Use what, now?

Mr. BARTON. The civil service examinations. They are not required to do that anymore.

Mr. ROSE. The only time we would ever get a waiver on this would be in a dire emergency, where an examination could not be given in time to fill a vacancy.

Mr. BARTON. I was just taking Congress off the hook on that a little bit, because one of the purposes of the Postal Reorganization Act was to give the Postal Service the right and the ability to establish its own personnel system aside from the regular civil service system and examinations. They haven't chosen to do it yet, but they can.

Mr. ROSE. I think in fairness, they did break down—One of the big problems we had was that we would get a roster from the civil service people and we would send out these inquiries as to their availability and some of them would be in Florida, some of them were in Colorado, and different places. Naturally, I know Arkansas is the best place in the world to live, and Paragould is the best town in Arkansas, but we had so many people wanting to transfer that had originally lived in Paragould, that rather than take a man that you couldn't do anything about, and knew nothing about the machines, we'd transfer a man from St. Louis or Memphis, somebody that already knew the machines.

Mr. BARTON. You had a lot of people who wanted to come into Arkansas to work?

Mr. ROSE. This is true.

Mr. WEAVER. You do have to take this examination to get into the Postal Service.

Mr. BARTON. Yes, I know you do. I wasn't saying that you don't have to, I was saying that Congress had, gave, in 1970, the Postal Service the right to change the system, and they haven't done it yet.

Mr. WEAVER. Maybe we should go back to Congress.

Mr. BARTON. I would like to ask another question, and then we will let Ray and Ann get their two cents in, if they want to.

On the question of contract stations and the failure of the Postal Service to recognize the new communities that are developing by approving first and second class post offices. It appears that you have a battle just to keep your contract stations. Are they really making an effort to get rid of contract stations or giving people difficulty in renewing contract stations or having difficulty getting a contract station where they need it?

Mr. HENRY. We have alluded to it here in our statement. There are those present who are more familiar with it than I am, that have a tremendous post office problem, and they have been present at all

of our meetings, and they have brought this problem to our attention, along with others, and they will be aired this afternoon, their whole problem, and perhaps they can express that better than I can, sir.

Mr. COULTRAP. I would just like to make one comment on the one paragraph there, where you said it was totally unsatisfactory bringing out of town people to make local postmasters. We had a case that we went down in Florida earlier this year to check on. A gentleman there had been in the service for 29 years, and started as a rural carrier and worked his way up all the way through the ranks, and he became assistant postmaster. The postmaster then retired, and in the meantime, they abolished the job of assistant postmaster. So, he was put in as the officer in charge. He held that job for eleven months, as officer in charge, although the regulations say that it could not be over one hundred and twenty days. Then they bring in a man from Miami, Fla., and put him in as postmaster, and the sad part of this thing was, that this gentleman did not know about it until after about an hour and a half after the fellow had showed up, he got word. He was out checking on a rural route when the new man came in. Now, can you imagine the letdown on a fellow like that. I have seen people that felt bad, but this is the first time I ever saw a broken man; and I think it was a lousy trick.

Mr. ROSE. For a man that had given a lifetime of service.

Mr. COULTRAP. 29 years of service.

Mr. ROSE. Should have some rewards.

Mr. COULTRAP. Superintendent of the mails or something like that, and he just said the hell with it, and went back as a rural carrier in order to complete his 30 years. I just quoted that, to let you know that that kind of thing does happen.

Miss PRIDE. I might mention that Reverend Weaver ran random samplings of mail service in Blytheville, Ark., and that will be made part of the committee file.

Are there any other members of the Advisory Committee that want to speak at this time?

Mr. WEAVER. I would like to ask these two gentlemen, or one of them, if they would comment on that discriminatory situation that I mentioned some time ago. I brought the subject up a time or two before in some other meetings, and it seems like it is always evaded by someone, but it's true whether or not you want to talk about it, and I don't mean about the errors involved, but from a racial standpoint, and it goes right back to the same thing about the exams.

Mr. BARTON. We could pursue this at great length afterwards, but Congress, of course, is very interested in this problem. We have another subcommittee, a Subcommittee on Postal Facilities, Mail, and Labor Management, which has been going into the areas of discrimination in very great lengths. Discrimination varies from post office to post office, but you can be assured that we on the committee are looking at it very carefully, and in fact, after the meeting is over, we can discuss it further.

Mr. WEAVER. After the meeting is over?

Mr. BARTON. Yes.

Miss PRIDE. Thank you all very much.

Mr. ALEXANDER. The next witness is Mr. Henry Helm, the city councilman from Oxford, Ark. That is up in IZARD County, for those

of you who don't get beyond Crawfords Ridge, and Mr. Helm and I visited a minute ago, and advised that it took he and his fellow townsmen 4 hours to drive over here this morning from Izard County. We didn't realize how big this district really is.

Mr. Helm, we appreciate the effort that you have made to be here and would you introduce your fellow townsmen, and then we will be glad to hear from all of them.

Mr. HELM. Thank you. Should I stand?

Mr. ALEXANDER. Well, you just keep your seat and speak into the microphone so people can hear you and introduce the people with you, and we will proceed from that point.

STATEMENT OF HENRY HELM, CITY COUNCILMAN FROM OXFORD, ARK., AND IZARD COUNTY, ACCOMPANIED BY MRS. DOCKINS, MRS. LEE MORGAN, MRS. JOE McVEY, CARL McVEY, ARTIE MORGAN, MRS. THELMA GILSTRAP, HARRY GILSTRAP, COLENE DOCKINS, AND LEONARD WYATT

Mr. HELM. Thank you, Mr. Chairman.

To my extreme left is Mrs. Dockins, next is Mrs. Morgan. To my right, is Mrs. McVey, further to the right, Mr. McVey, Earl McVey, and to the far left, here in the back, is Mr. Morgan, to the right, Mr. Gilstrap, Mrs. Gilstrap, Miss Dockins, and Mr. Wyatt. Ten, I believe, in all.

Mr. ALEXANDER. Thank you very much, Mr. Helm, I will set the stage for you, if I may. I believe you contacted me up in Guion, Ark., a week or two ago.

Mr. HELM. Yes.

Mr. ALEXANDER. Describing in further detail, a problem that you had in your city of Oxford, Ark., concerning the post office in your city. Would you just like to explain the situation to us, in your words, so we will make your case a part of this record, a part of this hearing.

Mr. HELM. I'd appreciate the opportunity, Mr. Chairman, and to the interested committees, as I am not familiar with them, I will not call them by name.

We are the representative group that was sent down by the interested parties in our town, which are served from the post office that is going to be in question here. I am not familiar with the very beginning, as I was on vacation, and returned just to witness the first segment of the business in question.

Mr. ALEXANDER. Let me interrupt you, if I may, Mr. Helm, for the benefit of the people from Washington who are not as familiar with the situation as I am, as presented by the secret announcement of the construction of a new post office, approximately one third of a mile from the center of town, away from the hub of the community in a position, in a location which is not accessible to a majority of the residents of the city of Oxford because of the fact of their age and conditions of health. If I understand it, there are no sidewalks to the proposed location of the new post office, correct me if I'm wrong.

Mr. HELM. Right.

Mr. ALEXANDER. Is this not true, that the proposed new post office was announced without consulting with the town and talking with the people in the town about where it should be, and that people gener-

ally in Oxford are very upset about the prospects of moving the post office from its present location, which is in the center of town, to a location that is outside of town, and inaccessible to the majority of the residents of your community? Is that correct?

Mr. HELM. That's correct.

Mr. ALEXANDER. Would you just proceed from that point forward and tell us what you know about the way it was selected and the manner in which the postal officials treated the citizens of Oxford in this prospect.

Mr. HELM. Well, first, I am not familiar with the business transaction, only hearsay of that portion, but the parties that is in the front, in the lead, of the moving of the post office, seemingly, to the majority of the citizens have kept the information up or down to the extent that very very few grasped the details.

Mr. ALEXANDER. In other words, the announcement was made that the post office would be moved without anybody knowing about it.

Mr. HELM. At the very beginning, yes; but we did learn later.

Mr. ALEXANDER. After the decision had been made?

Mr. HELM. Yes. Yes.

Mr. ALEXANDER. And the people of your community, had no say whatever, in the selection, the site selection, of this post office?

Mr. HELM. We were not aware of it whatsoever, no information concerning the movement.

Now, I would like to mention this fact. We are not against the movement of the post office, or we are not against the construction of the new one. We are only against the distance that they are moving it and the location, too, as it is, by investigating, is hazardous for the people that it serves to patronize the new location in the community. The bulk of the community there is made up of elderly people, people that never has driven and never will. They walk to and from the post office to get their mail. We don't have a city or town delivery, and they have to go there. There is no rural delivery on two-thirds or more of it. It is just a rural route, running up Beech Highway. But the surrounding town doesn't have any delivery, whatsoever. We are going to have to depend on going to and from the post office. This new site is located approximately one-third a mile north of the present site.

Mrs. MORGAN. On Highway 9.

Mr. HELM. On Highway 9, and I don't know how the Federal Government measured, whether they measured according to the way the crow flies or whether they go like we'll have to go to reach the point of the new location. I have, as close as without just taking it, the distance to and from the present site to the new site. It's 589 yards from the new site. Now, the new site, or the old site to the new or the new to the old, would be 1,767 feet. Now, that is the way you got to go to get to these, because it's like this [indicating] and like that [indicating], and you can't go over here, because it's residences and business houses, and gardening and what-have-you, some working area. So, there is no way you can go through there, you've got to go through somebody's house or through a business establishment, if you want to have a near approach to the new site. There are no sidewalks leading to or from, in any direction to the new site. This is a State highway, it's blacktopped, no sidewalks alongside of it. They will have to walk on the highway-roadway to get there and they would have to cross it twice, some-

where on the route out there. They could either cross it right there after the intersection of No. 9, or at the new site to get to the post office. Then they will have to cross it back to get back to their homes.

Now, we are speaking only in behalf of the immediate patrons to the general delivery or to the post boxes, post office boxes. We are not speaking in behalf of the rural patrons.

Mr. ALEXANDER. Yes, sir. Mr. Helm, you mentioned a minute ago that most of your citizens are elderly?

Mr. HELM. Right.

Mr. ALEXANDER. And that they would have to cross a busy Arkansas State highway twice to get to the proposed new location.

Mr. HELM. Twice, getting there and back.

Mr. ALEXANDER. There and back, and that there are no sidewalks. Are you saying to the committee that this would present a hazard, that this would present a hazard for the citizens of Oxford?

Mr. HELM. There is no doubt about that, whatsoever.

Mr. ALEXANDER. Would you describe how it would present a hazard?

Mr. HELM. All right.

As people get older, and I can tell that, I'm not as active as I once was. I can stumble and fall right now very easy, and if they have to walk on the roadway out there, and there is ice on it, or it is hazardous with the sun shining in July. It is hazardous.

Mr. ALEXANDER. Mrs. McVey, would you like to speak on that?

Mrs. McVEY. No; I think Mr. Helm has covered that part of it. With the traffic, you know, it's just a lot of traffic.

Mr. ALEXANDER. Are you further saying that you fear that some of the elderly people would be injured by automobile traffic traveling along that highway when they have to go to the new site to get their mail?

Mr. HELM. I think that would apply to each and every elderly person that would have to undertake such a trip.

Mr. ALEXANDER. Would any of you other ladies or gentlemen like to add anything to what Mr. Helm has said?

Mr. GILSTRAP. I endorse what Mr. Helm has related to you. I am very familiar with the town, I have lived there all of my life, and I went to the post office there all of my life, and it was only about 2 feet from where you are sitting right now, and we're not speaking against anyone, and we're not trying to get anything done, only the right thing, that is all we want, and I would like to emphasize what Mr. Helm and Mrs. McVey has already said. It is a hazard, this proposition, we can very plainly see that because it's old people. I'm not very old, but I'm old enough and I'm going to get older in a few days, and it's going to be hard to get to the post office. Unless I have a car license or something, how am I going to get my mail. That lady who is running the post office, I'm not calling no names, that is their problem, that is the problem of these old folks. That's what we're interested in, we're interested in getting the building built.

Now, that is the sum and substance of what I have to say, and we're not agin' that new post office. We are willing for a new post office, a new building to be built, but we're not willing for it to be moved, to be placed plumb out of town. It's plumb out of the main part of town. It's right on the highway, right where these folks will have to cross it, and to me it is a hazard.

Mr. ALEXANDER. In other words, you are saying that the post office has told you that it's the problem of the old people to get to the post office the best way they can, what they are concerned about is the new building?

Mr. GILSTRAP. That's right. I tell you what I was related, that that is their problem, right there, that is what they said.

Mr. ALEXANDER. You are saying that the post office is in effect saying they are not concerned about the manner in which the people get to the post office.

Mr. GILSTRAP. That's right.

Mr. ALEXANDER. They are only concerned about a new building.

Mr. GILSTRAP. Getting it built.

Mrs. MORGAN. She is only concerned with the money she is going to get out of it. She don't care for us people. She doesn't even live in our town.

Mr. ALEXANDER. Your postmistress doesn't live in Oxford?

Mrs. MORGAN. No. She drives back and forth from Violet Hill.

Mr. ALEXANDER. How long has she been postmistress?

Mr. HELM. Approximately 7 months.

Mr. ALEXANDER. About 7 months.

Mr. HELM. I rather think that would be approximate.

Can I elaborate?

Mr. ALEXANDER. Yes, sir.

Mr. HELM. We don't want the people who have the authority to take information of this situation as concerned is, and consideration that we are trying to tell them what to do. We are not about to do that. If it sounds that way, please ignore it, because that isn't our intention. Our intention is to protect the elderly people of the post office box holders, and the general delivery patrons, is all that we're here for. We feel that we have been tough in this move and not knowing about it, not being aware of it—We was aware of the consideration in moving of it, but not in the application, until they were actually, about a couple or 3 days before they began tearing down the fence and starting construction, that is when we actually knew.

Mr. ALEXANDER. You learned about the decision 3 days before they started construction?

Mr. HELM. Yes; we learned about the new location about three days or thereabouts, before they actually started construction. We passed by there and saw them tearing down the fence, and that is how we came to know, asked about the new post office.

Mr. ALEXANDER. We are going to have some questions here in just a minute by members of the staff, but before we do, I would like to ask if anyone else from Oxford would like to add anything to what has been said.

Mr. HELM. May I?

Mr. ALEXANDER. Yes, sir.

Mr. HELM. I think as far as the postmaster, the previous postmaster lived in our town. She has never lived in our town and it's readily known, by I understand from her mother, that she has never liked our town, and that she has had the impression that she was going to come up there and use it to her convenience, not to the people of the town.

Mr. GILSTRAP. That is the reason that we came here today.

Mrs. McVEY. We did hear that when she first took over the post office that she said she was going to build a new post office and then later on we found out where she was going to put the post office, that is when we got together and started this petition.

Mr. HELM. And we started it on the 9th of October, about 4:30 on the afternoon, and how many names do you think that we got that afternoon from 4:30 to 9?

Mrs. McVEY. Fourteen or fifteen, somewhere along there.

Mr. HELM. Fourteen or fifteen, and we had all of the 10th to work on it, and we turned it in on the 11th that morning.

Mr. ALEXANDER. I have a copy of that petition and I would like to make a copy of this petition a part of the record at this time, as a part of your testimony. So, I would like to ask my staff if they would reproduce that document and insert it as a part of the record.

[The petition follows; however, the list of signatures is not included.]

RAYMOND BLAIR,
Melbourne, Ark., October 16, 1974.

HON. BILL ALEXANDER,
Member of Congress, Washington, D.C.

DEAR REPRESENTATIVE ALEXANDER: Charles Cheatham and I called your office in Washington last week concerning the possible location of a new postoffice building at Oxford. It was my understanding that the new, proposed site is one-half mile north of the present postoffice. In fact, a deed has been recorded—it being my understanding that the new building would be built on it. This would be awfully unhandy, especially for the older citizens.

Mr. Barber of your Jonesboro office called Charles this morning and said that the Memphis office had informed you that the new site is to be no farther away than 1500 feet. Of course, this would be O.K.

Bill, we are enclosing a petition which has been signed by a number of the people at Oxford asking that the new office be built near, or at, the present site.

Sure hope everything works out. Any way you can be of assistance will be greatly appreciated.

Very truly yours,

RAYMOND L. BLAIR.

PETITION

We, the undersigned patrons of Oxford postoffice, IZARD COUNTY, ARKANSAS, do hereby petition and request that the new postoffice building be constructed at the present site, or very near the present site.

A large portion of the patrons of Oxford postoffice are elderly people, quite a number being widows. To move the office away very far from the present location would work hardships on a great number.

We understand that a new, proposed site or location is some one half mile away. Many of the patrons do not have transportation or cannot drive.

Mr. HELM. I would like to back up and make a statement concerning the postmistress. We are not objecting, I haven't heard anyone objecting to her being postmaster. We are satisfied so far with her service. We don't want to attack the postmaster, we are only objecting to her coming out of another district, coming there and changing it without consulting us, to her benefit, of the location and the surrounding few boxholders. We would like to have had a voice in it.

Mrs. McVEY. About the only thing that we have about the way that she runs the postoffice, is sometimes she closes, she locks the front door and we can't get in to get our mail. A lot of people drive distances to work and they don't get off until 4:30, and by the time they get home,

she closes the post office at 4:30, and she locks the door. She closes it at 4:30 and of course they can't get their mail. There are a lot of patrons that want to stay open to 5, if it's possible, but by locking the front door, we can't get to our boxes. That is unreasonable. The week before last the postoffice door was locked.

Mr. HELM. That's right. I want to say that we're not trying to put any one out. All that we're interested in is a safe location for a site on the building. Mr. Bill Blevins, of Mountain Home, came into the picture some weeks ago or maybe longer, and kept coming on until they conferred with him. His name is spelled B-l-e-v-i-n-s. Well, anyway, they conferred on the possibility of repairing the old post office. Mr. Belvins tells me this, and he has told some others there that he offered to practically overhaul the old post office, making it modern, at least, and putting air conditioning in it, restoring the interior and some on the outside, and remodeling the front of it. We understand that they condemned the site, due to the room that was available for it, to maintain it. I have been in other areas in towns within at least 200 miles of Oxford, and there is one or two places that I can think of that is larger than the little town of Oxford, that has a building. I would like for the Government to look at that area, there is no parking area whatsoever adjacent to it, it's right on the square with another building going up on one side of it and going to the back of it, and a business building on the other side and it's a much littler town, you know, than Oxford. I can't see why they would rule out the present site.

There is one other thing I would like to mention. This petition, that you took up there, was only circulated in the town of Oxford. It wasn't circulated outside in the rural areas. We understand that they are circulating a petition, probably in the town, and throughout the rural areas, and we understand that they have much more signatures than ours. We didn't think that it was necessary to go out there in the rural area and mention the facts to those people of the benefits of our problems to and from the post office.

Mr. ALEXANDER. Thank you very much, Mr. Helm.

At this point, I'd like to ask Mr. Barton if he would like to ask some questions.

Mr. BARTON. I did have a few questions, and as a result of your testimony, they were cleared up in your responses. But, the building is under construction now?

Mr. HELM. It is, yes.

Mr. BARTON. Does the post office handle mail for other towns, does it receive mail from any towns around?

Mr. HELM. No. Oxford is all that I'm familiar with.

Mr. BARTON. Is there any reason, in your opinion, to move it a little bit out of town?

Mr. HELM. No. I have lived at this town, or within 2 miles of it my entire life, this far, and I can't visualize any advantages to moving to the designated new site.

Mr. BARTON. Is there anything else around it but the post office?

Mr. HELM. There is—well, no.

Mr. BARTON. OK.

Now, it would be moved from the central part of the district, and you went into this a little bit. I had only one question down here, what was wrong with the present space, and it was answered that the

new site was bigger, but other than that it appears that the present location was adequate to serve the people.

Mr. HELM. There were three considerations, it wasn't a major problem at all.

Mr. BARTON. Was the building itself adequate?

Mr. HELM. It was in my mind. It looked fairly desirable to me, and there has never been any offer to let anyone overhaul it. And further, Mr. Heflin, did offer this to the parties, that was offered by him, but he tells me, he told just—well, 3 or 4 days ago, as a matter of fact, that he would have sold as much as 2 acres of vacant land right to the back of the present location.

Mr. BARTON. What was their response?

Mr. HELM. They wouldn't even look at the offer. They said it was too close to the other buildings to build a new building there.

Mr. BARTON. Do you know, I guess this is a question for the Postal Service, but do you know when a new building is ordered by the Postal Service, whether it's customary to consult with the community about the acquisition of land?

Mr. HELM. I couldn't tell you, I don't know.

Mr. BARTON. There was, at least in your opinion, land available that they could have used for a new post office, land available that would have been more accessible for your town than the present location?

Mr. HELM. Absolutely, yes. There were two lots in particular, and one of them was highly beneficial, far more than the selected site. It's on the corner of where the two highways cross. This lot was available for sale, and they said it was too small. I don't know the reason they said it was too small. But, either one of them, they had another one just south of this one and that was a better location for the community than the present site.

Mr. BARTON. If they constructed a sidewalk to the new building, would that help?

Mr. HELM. No, sir, because we'd still have to cross this Highway 9.

Mr. BARTON. Has the Postal Service said anything about the possibility of, in view of the fact that it's moving out of town, giving Oxford city delivery or rural type of delivery in place of the box service, and if they did, would that be of any advantage to you?

Mr. HELM. I'm not aware of any offer of this nature. We would have requested that, except, we didn't figure it was feasible to request that because it's too small a community.

Mr. BARTON. How big is it?

Mr. HELM. Two hundred and seventy-one.

Mrs. McVEY. And we hear that she has already ordered over 200 new post office boxes. I don't know how many we have now in our post office, but we hear that she has ordered new post office boxes.

Mr. HELM. You mentioned there would be a hearing of certain things. We are aware today of certain facts—in fact, unmentionable facts—but we followed this up and have followed this through from the starting point to the present point. There is a relationship involved—throughout the entire matter on the parties—that is particularly involved in the moving, that is affected from way back to right up to today. A petition is being circulated, the last petition is being circulated right now, but this is what we want: we want the community to be considered, and not the individual. We feel that we're

paying for taxes to support such organizations, and we feel they should consider the community as a whole, and this is what we are concerned about.

Mr. BARTON. How many people work in the post office?

Mr. HELM. Two.

Mr. BARTON. You have already said the postmistress does not live in Oxford; does the other one come from Oxford?

Mr. HELM. Yes; she is hired by the postmistress.

Mr. BARTON. I believe those are all of the questions that I have.

Mr. ALEXANDER. I have a telegram here that I would like to read into the record. It is dated November 5, 1974, from Bill Alexander, Member of Congress, to E. T. Klassen, Postmaster General, U.S. Postal Service, and I'll read it:

It has been brought to my attention that a new post office building is being constructed in the town of Oxford, Ark. Construction is going on despite the opposition of a majority of the residents of Oxford, who were apparently not consulted in the matter of site selection and were in fact unaware of plans until construction was almost underway. The new facility will be on a busy highway one-third of a mile from the center of town, where it will be dangerously inaccessible to the town's large elderly population who must be within walking distance of all services. I ask immediate cessation of all construction on the new building until the facts which led to the selection of this particular site can be determined. Continuation of this building would be a gross disregard of the desires of the people the facility is to serve. In these inflationary times, it would be an unpardonable misuse of taxpayers' money to build a postal facility in a location so strongly opposed by the community. Your immediate action in this matter will be appreciated.

Mr. Coultrap, would you or Mr. Barton like to add anything or ask any further questions on this matter?

Mr. COULTRAP. I think we have covered it pretty thoroughly.

Mr. ALEXANDER. Is there anything that any of the people from Oxford would like to say before we close?

LADY FROM OXFORD. I would like to know if she can force us to rent a box if she moves on out there?

Mr. ALEXANDER. Well, we are going to do what we can.

LADY FROM OXFORD. She thinks she can, but she's got another think coming.

Mr. ALEXANDER. The people of Oxford, the people in Arkansas, I think, have benefited by you nice people from Oxford, who are not going to take something like this any further. Rest assured, that while I have a breath left in me in Washington, I'll press it about the mismanagement and gross negligence of the U.S. Postal Service and rest assured that I'm going to pursue the matter as long as we have got a Washington, I promise you that. [Applause.]

Mr. HELM. I'd like to take this opportunity to express our appreciation for taking an interest in our affairs, and I'd like to say to the hearing committee, that this business, that we didn't intend none of the people intended to do any wrong, what we intended was to come up here and represent, just for all of us, to represent the individual, and we thank you very much.

Mr. ALEXANDER. Well, thank you very much, Mr. Helm, for bringing your story to the committee and I hope we can provide you with the type of result that you are looking for.

Mr. HELM. Thank you very much.

Mr. ALEXANDER. One of my staff members had an interesting conversation with a representative of the U.S. Postal Service regarding the Oxford situation. I'm going to ask Ann Pride to tell us about her conversation at this point.

Miss PRIDE. The Monday after the Congressman visited in Oxford on Saturday, I talked with the legislative liaison of the Postal Service to tell him that Congressman Alexander was preparing a telegram to send Postmaster General Klassen asking that work be suspended in this project until more information could be secured. He told me that you couldn't do that. As a Member of Congress, Congressman Alexander couldn't interfere.

Mr. ALEXANDER. Who did you talk with?

Miss PRIDE. I talked with Grant Shotwell.

Mr. ALEXANDER. What else did he tell you?

Miss PRIDE. I asked him if the Postal Service had made any effort to find out what the people of the community wanted in instances like this. He said that no effort had been made, that the Postal Service couldn't operate like that and that they weren't required to seek these opinions and take them into consideration.

Mr. ALEXANDER. Thank you.

The next witness that we come to is Mr. Loyce Anderson from Prescott, Ark., who is a former postal employee. He is accompanied by his wife, Mrs. Loyce Anderson, who tells me that Loyce has not missed any of the details.

**STATEMENT OF LOYCE ANDERSON, RETIRED POSTAL EMPLOYEE,
PRESCOTT, ARK.; ACCOMPANIED BY MRS. LOYCE ANDERSON**

Mr. ANDERSON. Thank you, Mr. Chairman. I'm real proud to be invited here to give testimony on the effect of the postal service today. It is not my purpose to be here to cast doubt on any employees. I have worked with these employees in Arkansas for a number of years, and I know most of them to be conscientious and efficient, only they are, in effect, hampered by all that are handed down to them.

This statement reads that my name is Loyce Anderson, my address is now 1028 West Walnut, Prescott, Ark., and I retired from the Postal Service January 5, 1973, after serving 25 years as a city letter carrier, and 7 years as postmaster, both in Prescott, Ark., which is a first class office. During these years I served as an officer in the National Association of the Letter Carriers and in the National Postmasters Association of the United States. Therefore, I feel that it is my duty to speak out against the poor postal service that we have today.

Personal experience with the mail service, such as a letter to my son taking a year to arrive, my retirement check due on the 1st of the month arriving on the 11th, and a letter from Little Rock taking 2 months to reach my wife, makes me feel that something should be done to improve the mail service. One of my reasons for retirement was that I was unable to provide the services to the people of that area that they are entitled to. The two primary reasons for the inability of postmasters to supply adequate services is the lack of man-hours which have been cut beyond a reasonable level, and the lack of any place that will listen to carry their complaints. While I am a firm believer in economy, it is false economy to cut service to attain this

end. The mail service is the lifeline of this Nation and should be considered a service instead of a moneymaking enterprise. There seems to be no more extensions of hardship cases on rural routes and their Representative in Congress is no longer able to represent them. His opinion is completely ignored.

I would like to use a specific case from my own experience. I have a house at Albert Pike, a recreation area, 6 miles north of Langley, Ark. This house is in the mountains and T.V. and radio reception is very poor, and although we need a daily paper to keep up with what is going on in the Nation, lo and behold, we only receive mail three times a week, even though there are four families involved. I appealed my predicament to Senator Fulbright who did everything that he could to no avail. Therefore, we at Albert Pike remain second class citizens, since we do not receive equal service as the rest of their customers. This is raw discrimination. We would very much, therefore, like to have 6-day delivery.

I have contacted many businessmen, farmers, laborers, and they all consider the mail service severely deteriorated. In my opinion, Congress has the power and should correct this condition as soon as possible.

A case of poor judgment of the U.S. Postal Service was in the dismissal of Mr. Roy L. Sharp, postmaster of Little Rock, Ark., who in my opinion and in the opinion of most postmasters in Arkansas, was the most qualified and knowledgeable administrator in the State, if not the Nation. Mr. Sharp has been fully reinstated after a long and costly appeal to the Civil Service Commission. Most postal employees are fully aware of the poor quality of mail service but cannot speak out for fear of reprisal.

Improvement in mail service can and must be made by restoration of adequate man-hours, better transportation of the mails, an awareness of the public need, a consideration of the customers needs and delivering the mail instead of a merchandising agent for gadgets.

This concludes my statement and I earnestly look forward to better mail service in the near future.

Mr. ALEXANDER. Thank you, Mr. Anderson.

Do you have any questions, Mr. Barton?

Mr. BARTON. Yes. Thank you, Mr. Anderson. I appreciate your statement and also I appreciate the opportunity to be able to talk with the person who has such long service in the Postal Service. Would you comment on whether since 1970, after the Postal Reorganization Act, the service has improved or deteriorated?

Mr. ANDERSON. It has deteriorated.

Mr. BARTON. In regard to employee promotions and the ability or lack of ability of the employees to perform because their hours had been cut back. Do you think there has been any improvement in their promotional rates from the Postal Service in the past?

Mr. ANDERSON. I think basically they have made improvements, though, in many cases, there are not. For example, the man that is sent to a different office in charge, and it is inadequate, and it doesn't work out. A good man ought to have a chance for improvement, and in many cases, they do. I was promoted myself, and I think that the postmaster is always blown up as the main man, not how he was made postmaster, it is what he has accomplished for weeks and days.

Mr. BARTON. When did you receive your promotion?

Mr. ANDERSON. In 1973 I received my promotion. Under the new Postal Service for some time, our director was out of Shreveport, La.

Mr. BARTON. You said that local postmasters don't have the kind of authority they need.

Mr. ANDERSON. They certainly do not. One of the purposes for the Reorganization of the Postal Service was for the purpose to give the postmasters more authority, and in some cases, it has, and in some things they haven't, but they are still restricted by the number of hours they are allowed and by the number of directors, with the exception of the rural districts and in other areas that hamper the operation of their office.

Mr. BARTON. You also spoke in one paragraph about the problem of man-hours being cut beyond a reasonable level. There are a lot of offices that we have gone into, that from 1970, and even before that, there was a movement to cut hours and employees. I don't know whether you remember 1972 when I think everyone admitted that Christmas was a disastrous time for the Postal Service. Even the Postmaster General admitted that the reason was overzealous cost cutting at the expense of service.

Mr. ANDERSON. Now, of course, I left in 1973, and after that time, but before I left, they had sent out a order to cut a certain percentage of hours, to cut a certain more percentage and you began to wonder if you were going to have enough hours to complete your work. Of course, they moved much of it over to your sectional centers rather than the postmasters' offices, but there still is the matter of man-hours taken away from the postmasters. But, I think that the burden on the postmaster today is on box work and he can't be the kind of executive that he should be. When I was there the problem was in man-hours, and, of course, as I say, it may have improved to many, but I never saw any evidence of it. The manager of Thriftway, a large supermarket, told me when he opened yesterday that he sent his orders to Little Rock, and they would go in 1 day this time, and they would go in 3 days another time. If he can't determine how long it will take to get there, he can't know how to run his business, so he telephones his orders in, and I believe the only thing the Postal Service has helped, has been the telephone company. They have a WATS line and they have called their orders in rather than trust the mail service when it has to be there at a certain time.

Mr. BARTON. I believe you mentioned that in one Arkansas town, that there was no area of the town receiving 5-day-a-week delivery, is that right?

Mr. ANDERSON. This is a rural area.

Mr. BARTON. Even though you would like to get it 6 days a week.

Mr. ANDERSON. I don't understand this because it isn't inaccessible. I used to walk 1 mile to deliver mail. That was all right, but this was cut from 6 days a week back to 3 days. They cut it from 6 days to 3-day delivery, and that was some time ago. Now, in the summertime when all of the people come to camp, they do run 6 days a week, the other 9 months for the residents, they run 3 days a week, and I wrote the sectional center in Little Rock and asked them why they cut it those 3 days. Of course, their story was service, but I wrote him and asked him the reason and told him I was going to take it to Washington, and he was a little bit arrogant.

Mr. BARTON. Just one last comment. In regard to your comment about the Postal Service being in business to deliver the mail, the subcommittee has been investigating the Postal Service merchandising program a good bit, and is concerned about it. The subcommittee will be coming out with a report on it soon. I was wondering what, if any, comment you might have on this program.

Mr. ANDERSON. Of course, the one thing that I had objected to while I was employed was the incoming staff records. They sent me about 200. I might have used one, and they called me and told me to burn the others. To me, that was a waste. Otherwise, I would like to have burned them all.

Mr. BARTON. This is not the direct reason that I brought this up, but since we have brought the subject up, I'll ask you one last question. There was some discussion earlier about the changing policies of the Postal Service and particularly with respect to stationery items and one comment that we have gotten from the postal centers is that it is really successful in rural areas in which there are no stationery stores to provide these items that people might want.

What is your feeling about this?

Mr. ANDERSON. In my area, and I knew all of these people, and spoke to them at least once a week, if not more, they think the public suffers for it. Now, it seems to me that we are not in this business to make money, which to my idea, is what we need to do, is to deliver the mail. And the employees that I came in contact with, and I have been in the Postal Service for a long time, and most of them that I met or came in contact with at that time, put the public first. They actually wanted to make the Postal Service one of the best services that people could get, and I admired that, and the postmasters, all of them, seemed to be dedicated, most of them that I have come in contact with. Now, there are some of them that did whatever they wanted to do.

Mr. BARTON. I appreciate your comments very much. I have no further questions.

Mr. ALEXANDER. I appreciate the facts that you commented on here today because that has been one of the factors that I have been concerned about for many years.

Mr. ANDERSON. And I heard some complaints where some of the businesses say it's cutting into their business.

Mr. ALEXANDER. Yes, and I have read myself where I believe the businesses, those that have complained about taking their business away from them, and that it was holding costs down, evidently it's not holding it down much, because it's come to my attention that over the last 5 years that we have paid 50 percent more than we did 5 years ago and there is a breakdown of service.

Mr. BARTON. I might add that we have run a study, a survey over the country on the effect or damages on small business and so forth, and we are following that up.

Mr. ANDERSON. That is one of the things I feel like is time that could be spent to put out the mail. Transportation is a big factor. When we had vans that came in three or four times a day. I don't know about the effect of getting mail out on rural routes, but it would be a big help if we had better transportation. It comes in one time a day and if it goes into the large service centers, it doesn't go nowhere.

Mr. ALEXANDER. We appreciate the fact that you have taken your time to appear here today, Mr. Anderson.

Before you leave, I would like to present in the record this letter from Mr. E. W. Godwin.

Mr. ANDERSON. Yes. He was with the Postal Service 43 years and 4 months.

Mr. ALEXANDER. He was a postal employee with the Postal Service for 43 years and 4 months, and we will make this a part of the record as part of your testimony.

We will make this letter a part of the record.

[The letter follows:]

HOT SPRINGS, ARK.

Oct. 29 two (2) absentee Ballots were mailed to E. W. & Goldie L. Godwin % 6 Motel Shreveport, La. Mrs. Godwin's arrived Nov. 2 but E. W.'s Ballot has not been found as of this date. E. W. was therefore deprived of the privilege of voting in the Nov. Gen. Election. In Oct. 1972 I mailed two Local Elks Bulletins to addresses in Portland, Oregon. I left Hot Springs Oct. 9 driving to Portland arrived there Oct. 12 the Bulletins had not then arrived. These Bulletins did arrive on Oct. 21—20 days enroute. Upon returning to Hot Springs I wrote the local postmaster complaining about the service—he completely ignored my complaints. On Nov. 28 I mailed a small package, to my son-in-law, Portland, Oregon—this package arrived there Dec. 22—24 days enroute. After this experience I wrote direct to the P.O. Dept. Wash complaining about the poor service here again I was completely ignored. Sometime in Jan. or Feb. I wrote Senators McClellan & Fulbright & Congressman Hammerschmidt—shortly thereafter I got positive replies both from the Dept. in Washington and the local Postmaster by telephone questioning the reason for my complaint—much arrogance and no apology for the extremely poor service.

The Postal set up as now constituted is rotten to the core.—Klassen and his cronies should be removed now before their five (5) year term is complete. Thus avoiding a Civil Service Annuity something they most assuredly do not deserve.

E. W. GODWIN.

Mr. ALEXANDER. Our next witness today will be Mr. Peter Miller of Cleburne County, Ark.

STATEMENT OF PETER MILLER, PAST OWNER AND OPERATOR OF ARKANSAS SUN, CLEBURNE COUNTY, ARK.

Mr. MILLER. Thank you, Mr. Chairman.

Gentlemen, I appreciate your giving me the opportunity to address this gathering and to recount some of the experiences we had while associated with the Arkansas Sun, a weekly newspaper in Cleburne County, Ark. Let me preface my comments by saying that I now speak from a partisan, though not vested, interest, since our corporation is no longer affiliated with the Arkansas Sun or any other publication. Today I speak more as a concerned citizen who has had some first-hand experience in the areas this conference is addressing.

During the year and a half of our ownership of the Arkansas Sun, the Sun was discriminated against by the U.S. postal laws governing the classification of mail into first, second and third class permits. In addition to these practices, we continuously found ourselves at the mercy of rather autonomous rural carriers and an aloof postal department whose primary interest has consistently been in cutting costs rather than in providing the services it professes to offer. It is to these two areas that I wish to address myself today.

The Arkansas Sun is a weekly tabloid. While owned by our corporation, The Group, Inc., the Sun averaged 24 pages per issue and

the advertising to news ratio was always 50-50. At no time did we run less than 50 percent news in our paper and frequently ran more. Our primary purpose in establishing the Sun was to provide a newspaper for Cleburne County which would better meet the needs of the county's citizens. We determined that we would send the paper to all homes in Cleburne County at no charge to the readers. As a result of this policy, we had a readership of approximately 5,800 families, more than three times that of our competitor, the Cleburne County Times.

The Sun was a lively, informative and interesting newspaper which relied heavily on local news and features of general interest. I personally spent not less than 60 hours per week in news gathering, photography, and darkroom procedures unrelated to advertising. Within a year, the Sun became the popular choice of Cleburne County's readers and moreover, we began to receive numerous requests for out-of-county subscriptions. Our readers liked the idea of a newspaper which had their interests at heart. They also liked the fact that it was free. Our reasoning was simply this: A person does not pay to watch advertising on TV, nor does he pay to hear it on the radio. Why then should they pay to read it in a newspaper if revenues could be generated from the advertisers who support radio and TV stations? It proved to be a viable format and the Sun was a journalistic success from the beginning.

Financially, however, the Sun did not fare so well. And this brings me to my first point.

Because we did not have a large list of paid subscribers, we were ineligible for a second-class permit. We were therefore obligated to pay 6.1 cents per copy per week resulting in an average mailing cost of \$355 per week. When I had inquired about obtaining a second class permit from the post office, I was informed of the rules governing the issuance on such permits. The result of this, in essence, was that the Sun was put in essentially the same category as what is commonly known as "junk mail"—direct mail shoppers, department store advertising, and promotional throwaways—when in fact we were a newspaper.

The Arkansas Sun was discriminated against simply because we were given away free and not sold.

Why is this a discriminatory practice? Because those papers holding second-class permits are classified by law as "legal" papers. This means simply that legal notices required by law can, and sometimes must, be run in them. But we did not qualify as a legal newspaper. Legal notices, the letting of government bids, et cetera, could not be run in our paper. All right—but it did not conform to the law. Our question, then, is how is the spirit of the law fulfilled if a so-called legal newspaper with 1,200 subscribers publishes these notices and an equally informative and viable newspaper with three times the circulation of the "legal" newspaper is prevented by law from doing so. It would appear that, if the law requiring the publication of these notices is to be fulfilled in its truest sense, the reverse should be true: The paper with the largest circulation should be considered the medium through which legal notices are funneled. It is here, after all, they they would be read by the greatest number of citizens. In the instance of the Arkansas Sun and newspapers like it, the regulations

are not only hypocritical, but actually counterproductive to the aims they profess to achieve.

A fringe disability of the inability to qualify for a second-class permit, apart from the obvious expense involved, is that because we were not a "legal" paper, we could not be full members of the Arkansas Press Association and benefit from the statewide advertising placed by political candidates and public utilities through the association.

The situation of the Arkansas Sun is not unique. The requirements for qualifying as a "legal" newspaper, which hinges primarily around the presence or absence of a second-class permit, makes it virtually impossible for a small newspaper to run in the black for the first few years of its existence until it has established a substantial subscriber base. As a result, many fine, but underfinanced, newspapers die a premature and unnecessary death. It is our contention that the regulation governing the qualification for a second-class mailing permit, inure to the benefit of the large established newspapers and serve to discourage and choke off competition from new enterprises. We further contend that this is discriminatory and arbitrary and that a more suitable alternative would be to base the issuance of second-class permits on the percentage of news rather than the number of subscribers.

We agree that shoppers and advertising throwaways are not entitled, and should not be entitled, to the benefits of a second-class permit. To lump legitimate newspapers which happen to have an innovative approach (such as free subscriptions) into this category is decidedly discriminatory.

Third-class permits also result in another type of discrimination. This comes through the virtually autonomous rural carriers. Our spot checks have revealed that on any number of occasions, people on rural routes did not receive the Sun. Why? They were people who had rural routes at the beginning of the route, the middle of the route, and the end of the route. We talked to one party in Higden who had, in 1½ years, received only one issue of the Sun. Only two possibilities present themselves: (a) the rural carrier did not happen to have any other mail for that particular box and simply didn't stop, or (b) the postal system is too overloaded to provide the services for which it quite willingly accepts money. A spot survey of rural postal patrons will support the former supposition, and a look at the number of postmasters in the Heber Springs Post Office in the last few years will tend to support the latter.

From what we have been able to observe, the post office is understaffed and in some cases undersupervised. It is common knowledge that in Heber Springs, post office employes have been working "off the clock" for years to fulfill the growing workload. They are afraid to protest for fear of losing their jobs, and intense pressure from the post office higher-ups tend to strongly discourage any postmaster from taking strong remedial steps to correct this travesty.

In summation, therefore, we urge the following: (1) Reevaluation of the criteria by which second-class permits are approved to permit legitimate free newspapers a fair chance in the free enterprise system and (2) a reevaluation of internal pressures that exist within the postal system that result in poor service for the sake of economy.

Again, let me thank you for allowing me to speak. I will be happy to answer any questions or clarify any remarks made in this presentation. Thank you.

Mr. ALEXANDER. Thank you very much, Mr. Miller, I will defer to Mr. Barton.

Mr. BARTON. This is an issue that has come up before. We have had many cases, not only such as yours, in which obviously under the present laws and regulations, a newspaper or magazine without a subscription base, cannot receive a second class permit, the purpose being, as you know, to avoid having advertising shoppers sent under what is really a very favorable rate. I don't know that we have really come to grips with the kind of question that you have described, which really describes a new kind of news service, and I think it is a very valid question to go into.

I wanted to clarify a point. I thought I heard you say that second class classification, according to the Federal Law, is based on whether or not a paper could carry legal notices. Actually, it's the other way around. You can't carry legal notices unless you have the second class permit.

Mr. MILLER. Unless.

Mr. BARTON. Since the permit is based on the existence of subscriptions.

Mr. MILLER. Right.

Mr. BARTON. And I just wanted to emphasize, that that point about legal notices not being carried in papers with second class permits, is probably a State regulation and not a Federal regulation.

Mr. MILLER. That may well be.

Mr. BARTON. I don't know that for a fact, but I suspect it is.

Mr. MILLER. But, the problem, whether it's a State law or a Federal law, I'm sure it's a State law, still stems from the initial classification of the paper as a second class or a third class paper.

Mr. BARTON. Right, I wasn't denying that, I just wanted to make sure that I got that straight in my mind.

In the Postal Reorganization Act of 1970, one of the things that Congress did was to turn over the questions of classification of mail to a joint effort between the Postal Service and an independent Postal Rate Commission, and together they are supposed to come up, or may come up, with a new classification system. I just wondered whether or not you had contacted the Postal Rate Commission in Washington regarding this question, and if you haven't, I would suggest that you also pursue it with them. I think you definitely should pursue it with Congress because there are things that we are going to do in the terms of Postal Service legislation. But, I just wondered if you had contacted them.

Mr. MILLER. No, we didn't. We contacted our local postmaster, and he passed the buck to the State postal service, or the State postmaster, and we talked to him, and he said that there was nothing that he could do about it. He didn't mention that there was any interest in possible legislation, he just said simply that you need a certain percentage of your readership to be subscribers, and then you can get a permit.

Mr. BARTON. Well, maybe we can talk about this after the hearing, because I think it would be good for the Postal Rate Commission to also know of your interest in this area, as well as Congress.

I am very concerned about what you said about the nondelivery of your newspaper, partially because you said that it had a third-class permit on it. That is against the law.

Mr. MILLER. I realize that.

Mr. BARTON. What kind of response did you get from the Postal Service on it when you brought it up?

Mr. MILLER. Well, we brought it up to the local postmaster, who is a new postmaster, and because he is new, I can't evaluate his efficiency. He is a new man. But, he said well, he would look into it, and he said, to the best of my knowledge, that everything has gone fine, just have the people who didn't get their papers drop in and tell us or write us a letter. Well, as you know, it is very hard to get people to write letters, and so all we could do, was each week, agitate it a little bit, and we were always afraid that by agitating, we would fall in disfavor of the post office and incur more problems with that.

Mr. BARTON. I have heard that from other people, too, and that gives us a lot of concern, too, because you shouldn't have to be afraid of something like that.

Mr. MILLER. I realize that.

Mr. BARTON. But that does concern us, the nondelivery of any type of mail—well, it just shouldn't happen, and if you specified and pinpointed it, the people ought to be told.

Mr. MILLER. I think that a lot of this is because the general vibrations of the post office, is that third-class mail is junk mail, it receives the last treatment. Even though the rate is very high, the treatment is the opposite of preferential. So if the attitude is that in the Post Office Department in Washington and on down to the post office in Little Rock, down to the local post office, it is understandable that the rural carrier would feel that same way.

Mr. BARTON. In the case of your papers that did get delivered, being 1 week late would affect the value of the paper to its recipients. Did you notice any very particularly slow delivery?

Mr. MILLER. No. We had excellent delivery. What was delivered, was delivered on time. The papers would be at the post office at 7 o'clock, on Tuesday morning, and they would arrive in every home on Wednesday, and that was fine.

Mr. BARTON. How did you address these people, to occupant with the address on them?

Mr. MILLER. No. To all of the city deliveries, we addressed them the specific names and addresses and post office boxes, we addressed them with boxes and for the rural routes, we addressed them in bundles of 25, with rural route number so-and-so, rural county such-and-such. Six bundles, each with 25, and we were very, very careful about that, very conscientious, and we have never been criticized for that. I should say that our first week of operation we were criticized for it, but after that, you know, we figured it out. But after that, our addressing was done that way.

Mr. BARTON. Why did you not want to go to a paid subscription list, even if it were a very low-paid subscription? Did you feel that it would cut your circulation significantly?

Mr. MILLER. Well, see, our primary interest in establishing the newspaper, was to reach the large majority of the people. We created our newspaper at a break-even proposition. We said that if we could pay our printing costs and pay our expenses, that is what we wanted to do, and we felt that if we had to go to pure subscriptions, it would take us 1 year or 2 to achieve 2,000 or 3,000 readers. We wanted all of the

readers that we could, to have the benefit of our newspaper, primarily because the only other newspaper in our town was below quality. It was a very old paper and they maintained the same format that they had back in the 1930's. So, we felt that the best way to get to all of these people was to give the paper away, and we were then able to sell advertising to pay for the paper and honestly say to our advertisers that this paper goes to every home in the county, which was a good selling point, and the fact is that in the year and a half operation of the Arkansas Sun, was basically a break-even proposition. If we had a 20-page newspaper, we would lose \$200, and if we had a 28-page newspaper we would make \$200. So, we were really, you know, break-even, and that is why we decided that we wanted to give it away free.

Mr. BARTON. The paper is not operating any more?

Mr. MILLER. Yes; it is. My wife and I decided to move to Little Rock, and we would sell it to Group, Inc., which owns the paper, of which my wife and I are a part, sold the paper, and it is now functioning as it had before.

Mr. BARTON. Mr. Coultrap.

Mr. COULTRAP. No questions, that is a very good idea, though.

Mr. ALEXANDER. Well, Mr. Miller, thank you very much for coming here today. We will, of course, make your statement a part of the record, and we hope that this will be reviewed in favor by the full committee when it meets this month. It appears that everyone has gotten a little white bag from the hamburger stand. It will take about a 15-minute break to eat our lunch, and so everyone can relax a few minutes before we proceed.

[Fifteen minute recess.]

Miss PRIDE. We are going to start up again. Congressman Alexander had to leave. He hopes to be back with us shortly, but he had to attend a funeral of one of his best friends, and so we are going to go on.

Our first witness this afternoon is going to be Mr. Jack McNeil. He is with McNeil Insurance Agency in Parkin.

STATEMENT OF JACK McNEIL, OWNER AND OPERATOR OF McNEIL INSURANCE AGENCY, PARKIN, ARK.

Mr. McNEIL. Let me identify myself by saying that I am Jack McNeil from Parkin. I own and operate a general property and casualty insurance agency there, and because of the very nature of insurance, I am vitally connected with the Post Office Department. We have many communications with the various companies that we represent, and of course, we use the facilities of the U.S. Postal Service very much. We have found that the cost and services provided by the U.S. Postal Service are very unsatisfactory and are going downhill day by day.

To review just a moment, when I went into the insurance business in 1961, the cost of a first class letter was 5 cents. Shortly thereafter, it went to 6 cents. At that time, we had a guaranteed overnight delivery to any point in Arkansas. This is what I would call good postal service at a reasonable cost. Since that time, the service has steadily worsened, and the cost continues to increase. Now it is my understanding that the Postal Service is considering increasing the cost of a first-class letter from the present 10 cents to 13 cents. This represents a 30 percent

increase only 1 year after a 25-percent increase was effected. If this sort of increase is being made by a private concern, Congress would attempt to assert itself and demand action by the President to put an end to "price gouging" of the consumer. However, in this case, there are no profits—only losses, and the losses are increasing by the day and must be made up with tax dollars. But, and an even more important point, is that the service is worsening to the point of total breakdown. I have in my folder here several envelopes that I received in the past 3 days. It takes 2 to 3 days in some instances for mail to be delivered from Little Rock to Parkin, from Pine Bluff to Parkin, from other Arkansas cities to Parkin, and even Memphis to Parkin. I even have one letter that took 2 days to get from Earle to Parkin, which is a distance of 5 miles. I have quite a lot of communication with insurance companies in New York and in New Hampshire, and it takes 5 to 6 days for a letter to be delivered from New York to Parkin at times, and I often think that the Jews fought a war in 6 days, but the post office can't deliver a 1-ounce communication in 6 days.

We could go on and on pointing out the failings of the Postal Service, and they are legion. However, our purpose here today is to find a solution to the problem, and I have one to propose.

I would propose that Congress take a look at the U.S. Postal Service and realize the importance of prompt, economical mail delivery to the American way of life. I heard just a while ago about these people complaining about the elderly people in their community having difficulty getting their mail. This is very important, and I realize the importance of their complaints, and I hope something can be done about it. Congress should realize that the Postal Service has failed miserably to do its job, and it continues to fail. I propose that Congress pass legislation that would allow private enterprise to enter into the business of delivering first-class mail. This would end the monopoly that is now held by the Postal Service. Then, competition, and I underline that word competition, would come into play, and the best and cheapest services would survive. I know of no endeavor that is done by the Government, that cannot be done cheaper and with more efficiency, by private, profit-making groups. I shudder to think what were to happen if I should operate my insurance agency like the Post Office operates itself. I would be hungry in 3 months. The profit system is what built this country to the greatest nation that time has ever known. Let the chance of profit enter into the picture, and we will have organizations like the United Parcel Service enter the field. They will make a profit, pay income taxes, they will pay State and local taxes, and then will pay a dividend to the stockholders to those who have invested in their company.

There are those that would like to see the end of the profit system in this country, but look where you will, there has never been a better system devised by the mind of man. By applying this same idea to the delivery of first-class mail, we can have efficient, prompt mail delivery and stop the practice of voting untold millions each year for post office subsidies. Competition can give us what we are looking for here today, and all that is needed is enabling legislation to allow this to take place.

That is the end of my statement. Thank you for your time and the opportunity to appear. I would be glad to answer any questions, if there are any.

MISS PRIDE. Thank you, Mr. McNeil. For those of you who came in later, I think I ought to reintroduce Mr. Barton, who is the staff director of the House Subcommittee on Postal Service, and Mr. Coultrap, who represents the minority of the Republican side of the House Post Office and Civil Service Committee, and I am Ann Pride. I am the Congressman's legislative assistant.

Do you have some questions?

MR. BARTON. I would like to open up with a comment that maybe you have heard, that back in the days when there was considerable agitation around Washington to try to end the Vietnam war as quickly as possible, there was a little joke going around. Your comment about the 6-day war brought it to mind. There was a comment going around that we could solve all of the problems of the country by turning the war in Vietnam over to the Postal Service and turning the post office over to the Defense Department.

I don't know whether you were here earlier when we brought up the question about the monopoly statutes very briefly. No one took a position on it one way or another.

MR. McNEIL. No, I'm sorry.

MR. BARTON. I just wanted to emphasize again that the Postal Service Subcommittee has been, for the past year, looking pretty extensively into the whole question of the monopoly statutes—the private express statutes—that basically give a monopoly on first-class letter mail. There is no monopoly of course, for delivery of newspapers and magazines or packages or unaddressed third-class mail, in fact.

MR. McNEIL. Right.

MR. BARTON. And we haven't come to a conclusion, in fact, to be quite frank about it. We do have a report out stating that at that point, this was about 1 year ago, that the subcommittee wasn't prepared to eliminate the statutes, but we were prepared to try to move ahead with some legislation to clarify them and to make it more understandable. We do, in fact, have legislation which deals with the question of monopoly statutes right now, but it does not eliminate them. One of the concerns that the subcommittee has, and maybe you can address yourself to this, is the feeling that as much as we support the private enterprise system in this country, that what would actually happen if we eliminated the private express statutes, is pretty much the opposite of what these hearings are trying to do. That is, that it would really cause mail rates to rural areas to skyrocket. The most expensive piece of mail to deliver is the piece of mail to a rural area. A letter from Washington to Oxford or Parkin, the cost to the Postal Service to deliver it, is considerably higher than 10 cents. And so, if we went to a private enterprise system, you would have to do a couple of things. You would have to allow that business, as you pretty much allow any business now, to charge what the traffic will bear and what will give them an adequate profit and the easiest mail and the most profitable mail to deliver is the mail in metropolitan areas.

Do you have any comments, any comment on that general statement, and I'm just playing the devil's advocate here. I'm not taking sides.

MR. McNEIL. I understand, and perhaps I should have clarified it a little bit more in my previous statement. I'm not real familiar with all of the rules and regulations of the Post Office Department, but as I understand it now, some of these haulings done from point to point,

are done on a contract basis. In other words, I have seen advertisements for bids, invitations for bids, posted in the post office, wanting people to bid to carry mail from say, Parkin to Memphis to the central offices there. It seems to me that there could be a system worked out where periodically people could advertise with the Post Office Department or some department, and I prefer the Post Office Department, the Postal Service, I would like to say, the Post Office Department might advertise for bids in Parkin for someone to service the Parkin post office. This would be a local person that would bid, possibly, or it could be some other person that might hire local people, but they would take this on a bid basis annually, or bi-annually, or whatever, and that would be subject to the will of the people in that if they were not doing too well, their bid might not be met so favorably the next time. If they were making too much money to conserve costs, or someone felt they could do it cheaper, they would have the opportunity to bid. Some private enterprise, something that would make a person want to do this job better and cheaper, and I'm not smart enough to really tell you what it is. I know that we need to look for it, and I can't make any suggestions other than that.

But, the present system that we have is failing, and we must look to other areas, and I believe that the private enterprise system has served us so well in many other areas, that we should examine this. Maybe it should be limited, maybe the service should be closely guarded and the way that they handle the mail, like this gentleman mentioned a while ago, in not delivering newspapers. This, of course, must be guarded and watched closely. But, there must be another way to do this job.

There must be another way to reduce some of the waste. There is just untold waste that goes into the delivery of mail. I can't understand for the life of me, if I mailed a letter from Parkin to Earle, 5 miles away, down Highway 64, that they have to pick this letter up in Parkin, haul it all the way back up to Memphis, run it through a service center in Memphis, and handle it there, bring it back out by this same truck, and drop it off in Earle. Our people in Parkin are quite capable of sorting this mail, saying this little package goes to Earle, drop it off as you go by from Parkin to Earle. I don't understand why they have to haul this mail all around. It is inefficiency and this is just one little mode of inefficiency, and when you multiply this a zillion times, it develops into millions of dollars.

Mr. BARTON. We certainly share some of the concern on some of the routing patterns of the Postal Service. The general accounting office, in one of their studies of this new bulk mail system, which is designed for packages and third class mail, found one case, I have forgotten what it was, in which an item would have to travel 1,700 miles before it, you know, in the same connotation that you are talking about, as opposed to it having to go only 30 or 40 miles, but I hope the Postal Service is trying to improve that.

Mr. McNEIL. It is just costing money, but, of course, it takes time, of course, and these things are important.

Mr. BARTON. The only reason I brought these things up about the private express statutes, is that there are an awful lot of factors involved in the monopoly of mail which really go beyond the economic factors, the security of the mail and things of that nature. We are

looking at it very carefully, and we really appreciate comments that you have made on it.

Just one other question. You have mentioned that in 1961 there was a standard that mail within Arkansas or within any State would be delivered overnight. Had you found, back in the 1960's, before the Postal Reorganization Act of 1970, that you generally didn't have a problem of delayed or longer delivery than overnight?

•• Mr. McNEIL. Not like it is today, no.

Mr. BARTON. And you feel that the 5 or 6 days that your letters are taking to get to New York is also considerably extended from what it was 8 or 10 years ago?

Mr. McNEIL. Right. I'm told, I read in the papers, that first class mail that goes, I believe, beyond 600 miles, goes airmail.

Mr. BARTON. Generally, yes.

Mr. McNEIL. There are untold numbers of airplanes between Memphis and New York every day. It's beyond me to understand how it takes 6 days.

Mr. BARTON. Well, just for the record, there is no letter within the continental limits of the United States that should take more than 3 days, according to the Postal Service standards. You should be able to get any letter within the United States within 3 days.

Ray, do you have anything?

Mr. COULTRAP. I was just saying, that they are using 3 days in some places in some cities getting across town.

Mr. McNEIL. That is true. Being from a small town, of course, we don't have that problem.

Mr. COULTRAP. In Washington, if you take a downtown merchant that sends you a bill, of course, I am thankful for that. They send you a bill, and you may not get it for 3 or 4 days.

Mr. BARTON. The check gets back faster.

Mr. COULTRAP. Yes, the check gets back faster, oh, yes.

Mr. BARTON. Well, thank you very much.

Mr. McNEIL. Thank you.

Miss PRIDE. Our next witness is Miss Mary Nell Cockrell. Miss Cockrell is representing the district office of Blue Cross-Blue Shield.

STATEMENT OF MARY NELL COCKRELL, SERVICE REPRESENTATIVE IN WEST MEMPHIS OFFICE OF BLUE CROSS-BLUE SHIELD, WEST MEMPHIS, ARK.

Miss COCKRELL. I'm Mary Nell Cockrell, and I am the service representative in the West Memphis district office. I didn't know until yesterday, actually until about 1:30, that I was going to be here, so I don't have a formal statement. I'm just going to bring to your attention a few of the things that I still have in my possession.

I would like to say that there are eight district offices in the State of Arkansas to expedite service to the people of Arkansas with their contracts, claims and any problems that they might have with Blue Shield-Blue Cross insurance. When the mail is certainly our only means of getting these things to our home office in Little Rock, and when our mail service fails, besides causing much unhappiness to our Blue Cross-Blue Shield members, whom we care about, it also causes

us excessive days of work to go back and go all over the State getting duplicate applications and so forth, which has happened to us recently.

Mr. House, from the Jonesboro office, who is our northeast regional manager, sent these things to me. This is an envelope that was mailed from Corning, Ark. to the Jonesboro office, and it was postmarked June 14. It was received in the Jonesboro office November 13.

Mr. COULTRAP. The same year?

Miss COCKRELL. Yes, 1974.

This envelope was mailed to the Little Rock office by the Post Office Department. It has a note attached to it, and says,

The enclosed article, which appears to belong to you, has been found loose in the mails without an envelope or a wrapper.

This was application for insurance. It was mailed from Searcy, Ark., to the Jonesboro office. It was mailed back to the Little Rock office by a note by the U.S. Postal Service in Little Rock.

On September 16, we had just enrolled the school systems here, the West Memphis Schools, which is—I don't know exactly how many, but I would say as many as a dozen schools are involved in this group, and the Earle school group. There were other things in the envelope that I mailed on September 6. In order for applications to be effective the first of the next month, they have to be in Little Rock by the 10th of the month. So, I mailed these on September 6 so they would get a 10-1 effective date, and I don't exactly remember when it was called to my attention. Someone called in about their application, and I checked in our Little Rock office, and this had not been received. Each day when I mail my mail, I mail it in an envelope like this, with a return address on it, and I log in everything that I mail to Little Rock in my envelope. So, I went back and I checked on my log, and I began checking with other departments in our Little Rock office to see if the other mail had been received, and not any of the mail on this particular day had been received on September 6. So, because there were so many applications, which meant about another week's work going around to these schools to enroll them, I went to the post office, and filed a "lost" complaint in hopes that they would find it, and I never heard anything more from it. We went around to the schools and lost another week getting the applications again, and last week—of course, this was sent to our Little Rock office, and our mail clerk signed it and marked "not received." Last week I received this back in the mail from the post office, and it just had a check mark and says, "Investigation has disclosed that the article described on the other side was received by the addressee." But, it was never received. We got duplicates of all this work, and this just came back to my desk.

There have been numerous incidents—this has not just happened with the Blue Cross mail, this has happened with my personal mail in West Memphis. Our payroll checks—there are two employees in the office here—are mailed from Little Rock on Wednesday, every other Wednesday, and for several months I didn't receive my check and Mr. Moreland didn't receive his more frequently than I did. But, 4 or 5 days later I would still be looking for my payroll check that was mailed to my home, and in August I got a post office box, hoping that would eliminate the problem because I need my paycheck.

Mr. BARTON. Where was that going, to West Memphis?

Miss COCKRELL. Yes, sir, and on two or three occasions, I would go to the post office and ask them to look and see if it had come in, and I was told that it was being held up in the Memphis Post Office, and on two or three occasions, Mr. Hundhausen, the postmaster, was very kind, and I went to him, like on a Tuesday or Wednesday of the following week, asking if I should stop payment or call so I could have them stop payment on this check, so they can send me another one, and on two occasions that I do know of, he went back to go look, and he went back and found my mail. The last time there was four or five pieces of my personal mail that I should have received a week prior, that were back in the post office. Mr. Hundhausen told me that they were doing a survey and pulling every tenth piece of mail. He said, I know you're not going to believe that it fell on you.

Mr. BARTON. You must get a lot of mail.

Miss COCKRELL. But, it was my paycheck. But, I know this problem is not just in the West Memphis office, because I called Little Rock, "Were our checks mailed?" and I have been told by the secretarial sales manager in Little Rock, we have had calls from the El Dorado office, we have had calls from other offices, that they haven't received theirs either, and all the envelopes I have saved and carried down to the post office to Mr. Hundhausen, that they would be postmarked in Little Rock with the correct date, and it would be 4 or 5 days later before I would receive them. I have called the Memphis Post Office looking for things that were important, and they have sorted through mail over there looking for things, that they said they didn't have it, and this is also happening. For example, Baptist Hospital, in Memphis, will file claims for our Arkansas members, and they are never received. Two months later the member will call me and say I haven't received anything on my claim. Well, I have to go back to the Baptist Hospital and they say yes, we filed it on such-and-such a date, and then this takes another month for me to get a duplicate bill from the hospital or to get them to refile it and to get this member's money. This is causing, the mail situation is causing, much unhappiness with our members, and there is just so much of it now that, you know, I don't know—I have no idea how to correct it, because I don't even know how a post office system really works, but I know that our problems are so great in all of the offices, that it is causing a double workload, it is causing much unhappiness.

Miss PRIDE. Miss Cockrell, for the record, do you want to tell us what was stamped on that envelope that was returned to you that the contents were spilled out of?

Miss COCKRELL. Yes, it was stamped, "postage due, 16 cents."

Miss PRIDE. On your own material that they are mailing back to you.

Mr. BARTON. Is there any statement that you would like to make?

Miss COCKRELL. I would only like to make one statement here. I have only lived in one place when I came to West Memphis 2½ years ago, and I have only had one address, and as I said, I got a post office box in August trying to eliminate this problem of not getting my mail, and my bank statement from First National Bank, my sister happens to work there, and is able to catch these things, it has been returned, "addressee unknown." My son's birthday card was returned to his

father in Nashville, "moved, left no address," and I have never lived but one place since I have lived here.

All of these things I took in to our postmaster and gave him the envelopes, and he asked me to hold these things for him, and to bring them to him and I did.

Mr. BARTON. Mr. Coultrap has something to say.

Mr. COULTRAP. This is concerning a comic strip that appears in the Star News in Washington, and it's called "The Born Loser." I don't know whether you get it out here or not. Anyhow, this chap goes to the door and the postman is there, and he says I've got an envelope for you, 15 cents due. So, he gives him 15 cents and starts looking in the envelope, as he goes back in the house, it is addressed to occupant.

Mr. BARTON. I just have a couple of questions to clearly outline your problem. Does Blue Cross-Blue Shield to your knowledge have any problems of people losing their coverage because of slow or late premium notices or premium payments?

Miss COCKRELL. Yes, sir. I suppose that I get about 25 or 30 calls each month, right here in the town of West Memphis saying that they did not receive their billing notice. We understand—this is set up on a computer, and we understand that this might be some of our problem, but we feel it is the mail situation. So, I have to tell these people, go ahead and send your check in, and write your contract number on it, and it will be credited, because if they wait on this bill, we cancel them. We have to reinstate them. As I said, this is causing a volume of work for us, repetition work for us. We have to reinstate these people. There is a claim involved, maybe, in the time that their insurance has been cancelled, and we have to take their word that they didn't get their bill, we reinstate them and pay their claims, because we know the mail situation being what it is, that we don't doubt these people's word. They are sitting at home waiting on this computer card to come to them for their bill, and they don't receive it.

Mr. BARTON. But, to your knowledge, is this a common problem with Blue Cross-Blue Shield programs throughout the country or is it a local problem?

Miss COCKRELL. I have discussed it with the Jonesboro office, and I have discussed it with the Little Rock office. You know, every Blue Cross plan is different, in each State. We are all a different company, actually. We have our separate presidents and so forth. Every plan is different because they have different lengths and benefits, and so. I'm not too concerned with the other plans. But, I do know that it is happening in all of our district offices in Arkansas and I just received a letter today, I didn't bring it, but I received a letter from our administrative assistant, the sales manager in Little Rock, and she has actually changed a time, a regulation, and she wrote in the letter, "due to the mail being what it is, try to get this back by November 20," and so we are actually having to change our policy, to meet the mail situation.

Mr. BARTON. Well, I appreciate your comments, those are the only questions I have.

Miss PRIDE. Thank you.

Miss COCKRELL. Would you like to have those?

Miss PRIDE. Yes, we would like to have those for the subcommittee record.

Our next group of witnesses have a common problem, not often thought about, and that is the problem that growing communities have in getting postal service. The first witness is going to be Mr. Ray Barcus from Horseshoe Bend.

**STATEMENT OF G. RAY BARCUS, REPRESENTING IZARD COUNTY
ON THE POSTAL ADVISORY COMMITTEE**

Mr. BARCUS. My name is G. Ray Barcus, and I represent IZARD County on the Postal Advisory Committee, the city of Horseshoe Bend as Postal Service commissioner and the Horseshoe Development Corp. as director of Special Projects.

I have this prepared statement with me here today as well as 16 or 18 exhibits which will validate the statements that I make in my statement.

My assignment today comes under the "Subgroup Topic III—National Problems—Classification Standards," as well as presenting the problems of the Horseshoe Development, Horseshoe Bend, the city of Horseshoe Bend. In order to get to you what I want, I'm going to have to go into this national problem deal just shortly, in order to bring about, because it represents our problems in Horseshoe Bend, and that is the reason that I am going into this area.

MISS PRIDE. All right.

Mr. BARCUS. Number one, is (1) Are the criteria necessary for being included on rural routes, star routes, city deliveries reasonable? (2) Are the needs of the people in rural areas being met by these deliveries? And (3) can services previously performed by rural post offices that have been abolished be effectively fulfilled by rural carriers or contract stations?

Now, I have two comments to make regarding these three questions, and these also pertain to the city of Horseshoe Bend.

We moved to IZARD County in November of 1968, and have had an opportunity to evaluate the postal services. It is my studied opinion that since the creation of the USPS as a quasi-independent agency approximately 3 years ago, there is a decisive evidence that a sharp deterioration of postal services to the rural and small town people is taking place.

Number two, as a new community of approximately 150 people in 1969 to 1,400 permanent residents today, it is imperative that full service local post office facilities and adequate postal service be available for the growth and development of not only new communities, but also the towns, villages, and cities that were established years ago. Unsatisfactory postal services will stifle the growth of any area in an extremely short period of time. The comments that pertain to Horseshoe Bend are also applicable to our very good neighbors in Cherokee Village and Fairfield Bay, both relatively new communities.

Now, I know of no better way of proving these statements valid than to state the experiences that we have been forced to live with in the past in Horseshoe Bend.

In 1964, a rural contract branch was established, and incidentally, there is an exhibit here, obviously. The postmaster was paid \$500 per year and the mail messenger paid \$100 per year. Three years ago the mail messenger's salary was cut to \$50 per year for unknown reasons.

Now, this mail messenger travels 10 miles per day on every day that the post office is open for \$50 a year.

We, the private contractor, Horseshoe Development Corp., furnished the building, the personnel, we paid all the personnel, insurance, maintenance and taxes, until the 28th of June 1974, when the postmaster and the messenger resigned. I'm not sure, but I think they starved to death. At this time, it was costing us, Horseshoe Development Corp., \$9,400 a year to furnish limited, inadequate service to our patrons, with compensation from the Postal Service in the amount of \$550 per year.

Through the vigorous combined efforts of numerous civic clubs, including the city council, the corporation and other interested individuals, an agreement was reached with the U.S. Postal Service to establish two rural routes to deliver mail to residents of Horseshoe Bend who desired this type of service. Arrangements were made for rural carriers from Franklin and Ash Flat to case mail at the Horseshoe Bend branch, effective early June 1974, and there is an exhibit for this.

Effective July 1, 1974, a postal contract was negotiated between the U.S. Postal Service, Mr. Ben Karpowicz, and Arthur Inman, as contractors, for \$5,000 per year. This is not in the statement, but we started, we submitted bids of \$16,000, for \$15,000 and went on down, and we were told, you either take it for \$5,000 or you lump it. We took it. On September 30, 1974, Ben Karpowicz became the local contractor at the same amount, \$5,000 per year, and I have exhibits three and four for that. We, the Horseshoe Development Corp., are now furnishing the building, with no charge, no rent, with adequate square footage and parking. This building has an appraised rental value of \$3,000 per year. In addition, we are furnishing all utilities, insurance, maintenance and taxes, at no cost to the contractor or the U.S. Postal Service. Now, we have a lease with the contractor, that lease is a part of the contract, which states that there will be no utility rent, no rent, and so forth, as suggested above here. Now, although Mr. Karpowicz' contract calls for 24 hours per week, he is actually working 70 hours per week for a total of 3,564 hours per year. His hourly compensation amounts to \$1.40 per hour, which is far below minimum standards. To add to this, we still do not have a full service postal facility. It is quite apparent that the city of Horseshoe Bend, with 1,400 permanent residents, the largest community in Izard County, would be void of a community post office without subsidization from Horseshoe Development Corp. I have an exhibit on this and I will read excerpts from that in just a moment.

Now, with this background that I have given you, I am going to read to you excerpts from exhibits, relative to our efforts to obtain adequate postal facilities.

I am going to take you back to 1971 and I'm just going to read excerpts.

October 31, 1971, and this letter was sent to Mr. John Dee, because after several weeks or days of investigating, I found out that this was the man to send this letter to, who was the regional director of U.S. Mails in St. Louis, Mo.

Dear Mr. Dee:

We are writing you at this time because of the extremely critical condition of our postal facilities. Our present facilities consist of a fifteen by eighteen

motel room in which is included a commode and lavatory room. The sorting and postal box area takes up ten by ten point six of this space. Consequently, there is a very small area left for the patrons to get to their boxes and the service window. We have one hundred and ninety-eight boxes installed and an additional seventy-two boxes for which no space is available. The seventy-two boxes are spoken for, as well as many more requests over and beyond this amount. We have utter confusion at mail time. In addition to this, the parking facilities are entirely inadequate, and a hazardous traffic condition exists. With our present population, and inadequate parking and postal facilities, we have a condition that is untenable, notwithstanding the fact that new families are moving into Horseshoe Bend daily.

We are incorporated as a second class city, and have been since October, 1969. As of October 15, 1971, we had a population of six hundred and thirty-two permanent residents. We have three hundred and six homes completed, and eight-four under construction. Ninety percent of these will be completed and occupied in 1971.

I go on to tell here where the projection, that we are building 200 homes each year, that is our projection schedule, for 1972, 1973, 1974 and 1975. The schedule for mobile home units is 125 units per year through 1975.

We have forty-two businesses located here, including five light manufacturing plants.

Now, remember, this is back in 1971.

The anticipated population is as follows:

Seven hundred by December 31, 1971; twelve hundred by the end of 1972; seventeen hundred by 1973; twenty-two hundred by 1974, and three thousand by the end of 1975. All factors have been coordinated with the utility company.

I have worked very close with the light companies, the power companies, the gas companies, the water companies, the telephone companies, and they are using this projection and have used it in order to install facilities in order to take care of our population growth, and this has been done.

All factors have been coordinated with the utility company, sales potential, manpower and building equipment departments, as well as capital investment programs.

In light of these facts and conservative projections, we ask you to favorably consider the location of a first class post office at Horseshoe Bend, Arkansas. If this request is an utter impossibility, in lieu thereof, we ask that you consider moving the present postal facilities to the shopping center and mall where adequate space and ample parking is available for some time to come. At this time there is one space available which is twenty by seventy-two in size, air-conditioned and heated, toilet facilities and a loading dock at the rear with sixty by eight feet double doors. The interior is now completely redecorated, including floor, walls and ceiling tile. We realize that this situation affects us as much as it does the postal system, consequently we are willing to allow you this space, including heating and air conditioning paid for in the sum of one hundred and fifty dollars per month.

This offer is subject to negotiation and we certainly would appreciate the opportunity of discussing either or both of the proposals with you in the very near future. Please rest assured of our full cooperation.

Signed Ray Barcus, Coordinator.

Now, let me show you what happened here. We went to John Dee at St. Louis, that was on October 31. On November 15, I received a letter from the Southern Region in Memphis, Tenn., from a gentleman by the name of Carl C. Ulsaker, Regional Postmaster General.

And it goes on to say that:

The postal facility at Horseshoe Bend is a rural contract branch, operated by a private contractor, and administratively attached to the post office at Franklin, Arkansas. The Franklin postmaster is responsible for the operation of this branch.

That is wonderful, but we already knew that.

Oh, yes, oh, yes, another paragraph in here.

Since authority for all changes in contract postal facilities in Arkansas has been delegated to our District Manager in Little Rock, we are referring this matter to him for necessary attention and further reply.

Thank you for your interest in the Postal Service.

Well, we have been to Memphis, from St. Louis, and we have been to Little Rock, now comes in an inspector from Batesville, Mr. John Milum, postmaster. Mr. Milum's statements were thus, stated that this was a critical area and stood high on the priority list for consideration. That was back in 1971. These exhibits, by the way, are confirming some of the statements that I have made, and I will get to one more which I am interested in having you hear about.

This year, I wrote on May 24, 1974, Congressman Bill Alexander.

During the past four years, Dick Pratt and I, as well as the Mayor, Edwin Baldwin, and the City Council and other interested parties, have attempted to work with the Regional Postal Department to secure facilities that would give the fourteen hundred people in Horseshoe Bend adequate postal service.

You will recall that I was talking about 600, now we are talking about 1,400.

We are a substation or branch of the Franklin, Arkansas, post office. We only have two hundred and sixty-five postal boxes, and many of these are shared by two families, which means that we have approximately eight hundred people obtaining their mail through general delivery. Now, the Development furnishes, without cost of the Postal Department, a building, all utilities and all wages for all of the four postal employees. We are still on that old contract, remember.

Our past efforts to alleviate this extremely bad situation has been directed through the regular postal channels, starting with the Franklin office and on to Batesville, Little Rock, Memphis, St. Louis, et cetera. We recently had a promise that an RFD route out of Ash Flat will be initiated June 22, 1974, for those people that might desire this type of service.

And incidentally, that type of service came into being as well as a route from Franklin. Now, I have a few comments on that in a minute.

Horseshoe Bend, an incorporated city, is the largest city in IZARD County. It has been stated that over ninety percent of the business handled by the Franklin office consists of Horseshoe Bend incoming and outgoing mail. There are several rural post offices located in service stations and small grocery stores, contiguous to Horseshoe Bend, such as Agnos, Glencoe, Wiseman, Old Joe, Band Mill, and so forth.

We feel that our present population, the forecast for growth in the next ten years, and the business emanating from the City of Horseshoe Bend, deserves a long, hard look by the postal authorities rather than a piecemeal approach to the problem. Our population projection is as follows: Sixteen hundred by 1975, three thousand by 1980, six thousand by 1985. Again, we are working with the utility companies in servicing the needed equipment for power, light and water and so forth, telephone service, we urgently solicit your advice and help to direct us to the people and departments that will give us a hearing. It is our sincere belief that once the full facts are presented, a conclusion can be effected that will be mutually beneficial to both parties. If the powers that be indicate that Horseshoe Bend is the logical site for a postal facility, the Horseshoe Development Corporation will donate to the city a plot of ground of sufficient size and location to adequately meet the needs of both the city and the postal authorities, not only now, but in the future.

I am quite aware that it is impossible to cover a project of this magnitude in a single letter. As a member of the Horseshoe Development staff and recently appointed Postal Service Commission for the City of Horseshoe Bend, I offer my services and full cooperation to bring this mutual problem to a successful conclusion.

Well, on May 29, I got a letter from Bill. He said that he had sent a letter on to the Honorable E. T. Klassen, Postmaster General.

On the 25th of June, I got another letter from Bill which includes a letter from the Honorable E. T. Klassen, stating that:

Careful attention will be given to services available to residents at Horseshoe Bend.

On August 6, I received another letter from Bill with a letter attachment from Norman S. Halliday, Assistant Postmaster General, Government Relations Department, I'm not reading all of Bill's letter, but I will read the part that is of interest right here.

I know you are as disappointed as I that it has been determined there is no need for an independent Post Office in Horseshoe Bend; however, you may be assured of my continued interest and efforts in this matter.

Here is Mr. Halliday's letter.

Dear Congressman Alexander:

This is in further response to your letter of May 29 to Postmaster General E. T. Klassen on behalf of Mr. G. Ray Barcus of Horseshoe Bend, concerning mail service available there.

A new rural route was established at Franklin, which is five miles from the Horseshoe Bend customers. The carrier will case mail at the Horseshoe Bend branch so customers may use that address.

I have a few comments to make on that, too.

Arrangements have also been made for the rural carrier at Ash Flat to case mail at Horseshoe Bend so the customers served by that route would have the option to use Horseshoe Bend as their address.

In addition, a new contract is being set to upgrade the rural branch and provide for more lock boxes. These changes should provide adequate service to Horseshoe Bend. In view of these changes and the current needs for postal service in the Horseshoe Bend area, it has been determined that there is no need for an independent post office in Horseshoe Bend.

Now, in the meantime, prior to July 31, the two rural routes started. They do handle some of the people. But, one of the promises that we had from the postal facility, from the Postal Service, was that they would give us new boxes to replace the antique boxes that we had, and that they would case mail at Batesville and send the mail to Horseshoe Bend where it would be picked up by the rural carrier and delivered to the homes. Such isn't the case. They couldn't find the boxes, they lost them someplace. This was the answer that we were getting. The mail is not cased to this day, and it has been 4-and-one-half months. Now, I just mentioned the fact that Mr. Karpowicz, the contracting officer, was working 70 hours a week. He is casing the mail for the rural carrier because they do not know that area and they are incapable of doing it at this time. Now, I want to bring this to your attention, too. On August 12, 1974, the contractors, we will call them, came and asked for an interview one afternoon, after postal hours, and said that we do not want to move the old building since the rural deliveries have started. We have plenty of room, we have ample parking, we are in good shape and we don't want to move. I said fine, you don't have to move, I don't care whether you move or not. I said go see your postmaster at Franklin.

The postmaster came into my office that same afternoon and he told me in words—Well, I'm going to read the letter, because the letter is a very watered-down—Is a watered-down—What is the word I'm looking for? It's watered down from what his original statement was, let's put it that way.

“As per your request, this letter is to confirm”—

This is Mr. Ray Barcus, 15th of August. Incidentally, I said you're going to tell me that you are going to jerk the postal facilities out of Horseshoe Bend. He says that I'm going to do, I said give me a letter on it. I thought that would bluff him. You know, it didn't bluff him, he wrote the letter. Here it is, it's evident.

As per your request, this letter is to confirm my position with regard to the Community Post Office at Horseshoe Bend, Arkansas, which is currently being operated by Art Inman and Ben Karpowicz, under terms of the contract which was negotiated with an effective date of 7-1-74.

And which they are not living up to their terms—I did.

As you will recall, during the time this contract was being negotiated, you made a verbal commitment that Horseshoe Development Corporation would make the building previously occupied by the City Hall and Library, available to Ben and Art for utilization as the postal facility, as a result of the quarters where the postal facility is presently located being too small and inadequate.

The people that work for him say that it is plenty adequate and plenty big enough, that we need no more space, that we don't want to move it. But, that is all right.

I now understand that there is some question about this building being made available for use as a postal facility.

And he is right, I did make that statement. I said if you have adequate space, there is no reason why I should give you a building that we could get \$3,000 a year rent off of.

If this building is not going to be made available, per your verbal agreement, then I see no way that we can continue to honor the recently negotiated contract for a community post office, as the building which is presently occupied is too small and inadequate for the operation.

If arrangements cannot be made for the provision of adequate quarters in line with requirements of the contract, then I have no alternative but to give the contractors thirty-day written notice that contract will be cancelled.—Postmaster, Franklin, Arkansas.

Now, I am of the opinion that by this time you can in some way understand our frustrations and exasperations, and feelings of hopelessness and helplessness, and I would like to add that three or four representatives of this fair city were sympathetic with our needs, but admitted that all that they could do would be to make recommendations, and I must presume that these recommendations were made over the past 4 years. However, no action was taken by their superiors, at least that have been apparent, and the only exception was the dictatorial attitude taken by Mr. Kelley, as revealed in exhibit 14. The Franklin Post Office, population 179, of latest census, of which we are a branch, population 1,400, with a projection of 6,000 people by 1985, have been without a postmaster since the first of July, 1974. There is not even a postmaster at our prime post office, there is an acting postmaster that doesn't want the job. Mrs. Kathline Clint is acting postmistress, and has asked to be relieved of her duties. The availability of stamps has deteriorated to the point where our contracting postmaster has asked patrons to put in their orders for stamps, if they need books or rolls of 100 stamps. We cannot register mail, there are no c.o.d. classes. We are open 4 hours a day. As a consequence, many patrons are now purchasing stamps outside the Franklin-Horseshoe Bend area.

I have a letter here from Mr. Congressman, William Alexander, signed by Mr. Cal Kepner, president of the Horseshoe Development Corp.

In the past several years it has been the policy of the Horseshoe Development Corp. to make several million mailings each year promoting Horseshoe Bend and Northern Arkansas. Because of the complete lack of postal handling facilities at Horseshoe Bend and Franklin, mailings were made at points such as Memphis, Ocean Springs and Dallas, where adequate facilities were available. The postmarks, of course, carried the name of the mailing point, not Arkansas.

Now, we are planning one mailing of several million mailings this year, and most of those are first class mailings.

Now, as a result of what we have encountered up to this point, and since we have talked to Congressman Alexander, about a week ago, we at that time thought we were going to put these mailings through the Horseshoe Bend post office. But, we have thought better, because it is a physical impossibility.

As a result, much thought has been given recently to mailing from Horseshoe Bend, Franklin or some point close to Horseshoe Bend Estates. A thorough and careful study has revealed that due to the same obstacles encountered in the past, plus the excessive cost that would be incurred to mail from Horseshoe Bend, that we defer mailings from Arkansas until adequate volume mail facilities, including equipment and manpower, are available.

I might warn, that we are going to dump that 100,000 letters on that post office, and we will see what happens, and they are coming all at once.

It is only practical and good business practice that mail-handling priorities be given to metropolitan centers where the bulk of mail is concentrated. However, there are still several millions of people that reside in rural areas, villages, and small towns, that have apparently been neglected in the overall scheme of postal handling, causing a deterioration of service to these areas. In discussing this problem with several rural postmasters and employees in North Central Arkansas, I sense a feeling of futility and an apparent morale problem which can only result in still greater problems for the U.S. Postal Service and mail patrons in this area. We are not asking that the guidelines for metropolitan centers be minimized, but we are asking for some degree of recognition greater than that that has been evidenced by the U.S. Postal Service for the rural areas in the past 3 years.

Now, I am going to bring this subject up again and I think probably Mr. Barton will answer me again, but the United Parcel Service has made a tremendous impact on the State of Arkansas, as to the delivery of packages. Now, this is done by private industry, and I'm going to tell you that if it wasn't for them, we would never get any packages into that place. I just got a package yesterday that came from Atlanta, Ga. from the J. C. Penny Co., and it took 26 days to get here by parcel post.

In view of this, Richard, I am going to again make this statement, I would like to suggest, I am not recommending, but I would like to suggest that Congress or the Postal Service or somebody give some consideration, and you tell me they have, through hearings or some study hearings, a feasibility study, or studies such of this type that you could accept on the possibility of postal services being handled by private enterprise. Now, this is just a suggestion, but my last and closing statement, and I have been here long enough, I agree, unequivocally, with the statement made this morning by the District Advisory Committee, which is a part of this evidence that you have over here at the present time, of the First Congressional District sign.

That is the end of my statement.

Miss PRIDE. We certainly thank you for putting together such a complete one, and including all of the exhibits. I think rather than ask you questions, now, we are going to listen to the other two statements from the new communities, and then we can question all three of you.

Let's hear now from Mr. Carter Johnson, who is from Fairfield Bay.

STATEMENT OF CARTER JOHNSON, PRESIDENT OF PROPERTY OWNERS' ASSOCIATION, FAIRFIELD BAY, ARK.

Mr. JOHNSON. Thank you, Miss Pride, and members of the subcommittee, and ladies and gentlemen.

I am Carter Johnson from Fairfield Bay. Fairfield Bay is a private development on Greers Ferry Lake in north central Arkansas. The development has grown from zero population in 1967 to approximately 600 people by October 1, 1974. I might add there that the majority of that increase has been within the last 3 years.

In 1969, the developing company, which is Fairfield Communities Land Co., entered into contract with the U.S. Postal Service department for a contract post office to service the people in Fairfield Bay. That contract post office has continued to serve and is serving the people at the present time.

The mail is delivered to the contract post office by a rural route mail carrier—supposedly around 9 a.m. each weekday plus Saturday. The rural mail carrier also picks up the outgoing mail at that time, once a day delivery and once a day pickup. The rural mail route originates from a second-class post office in the town of Shirley, Ark., which is approximately 8½ miles from Fairfield Bay. At the present time, because of the large amount of mail, the rural carrier has been as late as 12 o'clock noon in delivering and picking up the mail. Then the mail is picked up from the Shirley, Ark. post office, and goes to the Little Rock sorting center each evening.

Now, in order for the residents of Fairfield Bay to pickup their mail, or to post their mail, they must go to the contract post office—where they must pay box rent for a box, which rent, incidentally, goes to the U.S. Postal Service Department. The post office window is open from 8 a.m. to 4 p.m. each weekday and from 8 a.m. to 12 noon on Saturdays. There is no delivery whatsoever from the post office for the people living in Fairfield Bay. However, the post office does provide or give excellent service within the limits or capabilities of the contract of the Fairfield Communities Land Co.

Now, in my case, as in the case of the majority of the people living in Fairfield Bay, I must drive at least 5 miles to the post office to pickup my mail, and 5 miles back, a total of more than 10 miles each day.

Also, if I have a letter to mail, it will mean that when I go to the post office around 11 a.m. to pick up my mail, I will deposit that letter in the post office—it will not be picked up until the following day, and delivered to the sorting station in Little Rock the night of that following day—in other words, nearly 2 days after I have dispatched my letter, it will still be laying in the sorting station in the Little Rock post office.

Because of the increase in the cost of gasoline and also because I am interested in conserving our natural resources, in this case, gasoline or oil—and because most of the 60 residents in Fairfield Bay need to drive several miles each day just to pickup their mail, it would seem a great conservation of natural resources as well as helping the people of Fairfield Bay, and I might add, most of whom are retired and on a limited and/or fixed income, and who also are taxpayers and are paying for postal services through their taxes, to establish a post office in Fairfield Bay with a route delivery to the houses.

So, in summary, certainly mail service is a necessity to every home, and there are new fast-growing communities in rural areas such as Fairfield Bay—therefore, it would seem logical and reasonable, that the Postal Service would have a plan and would make provisions for the servicing of new, fast-growing communities, so that the people living in those communities would receive reasonable mail delivery and mail dispatch that would be comparable to other communities through a regular established post office.

I thank you for your interest and consideration in this matter.
Miss PRIDE. Mr. Coffman.

**STATEMENT OF ROSS COFFMAN, ADMINISTRATIVE ASSISTANT TO
THE PRESIDENT OF FAIRFIELD BAY, AND ASSISTANT OPERATIONS
MANAGER**

Mr. COFFMAN. I am Ross Coffman, administrative assistant to the president of Fairfield Bay, and assistant operations manager. On May 27, 1969, Fairfield Bay was authorized to establish and operate a contract personnel rural branch post office, effective July 16, 1969. Since that time, Fairfield Bay has continued to provide this service at an annual rate of compensation of \$600. This service includes sale of stamps, money orders, acceptance, delivery and dispatch of ordinary, registered, insured, certified and c.o.d. mail.

Since its inception, the Fairfield Bay branch has grown to where it is now serving 304 boxes and general delivery mail at no increase in compensation to Fairfield Communities Land Co.

In March 1974, the post office building was remodeled to accommodate 60 additional combination boxes. I might add that we had to pay for the changing of the combinations. The staff of the post office has increased from one full-time employee to two full-time and one part-time. The mail footage of the Shirley post office, class two, is approximately 6 to 8 feet per day, of which 3 to 4 feet is for Fairfield Bay Branch Post Office. Additionally, there is an average of \$600 per month revenue from box rental, the sale of stamps, money orders, and so forth from Fairfield Bay Branch going to the U.S. Postal Service.

The annual operating costs are as follows: Salaries, \$10,920; rent, \$960; utilities, \$1,000.

In view of the above, Fairfield Bay Branch requests relief in order to provide a satisfactory and adequate service to our patrons, we recommend: That Fairfield Bay Contract Post Office be changed and established as a class 3 post office and that a rural route be established from that post office to serve Fairfield Bay patrons. As an alternative, that a rural route be established from the Shirley Post Office to serve

Fairfield Bay patrons and Fairfield Bay Branch Contract Post Office contract be renegotiated to reflect the increased cost of operation.

Thank you.

Miss PRIDE. Thank you.

And the last group is from Cherokee Village. Mrs. Meyers?

STATEMENT OF DAISY LEE MEYERS, PRESIDENT OF PROPERTY OWNERS' ASSOCIATION, CHEROKEE VALLEY, ARK.; ACCOMPANIED BY ERNEST MANN; JAMES DAY; ROBERT LAMBERT; AND IRV MOODY, COMMISSIONER OF SUBURBAN IMPROVEMENT DISTRICT

Mrs. MEYERS. Thank you very much, Miss Pride. Members of the committee, ladies and gentlemen, we come from Cherokee Village. My name is Daisy Lee Meyers. On my right is Mr. Ernest Mann and Mr. James Day. To my left is Mr. Lambert and Mr. Irv Moody. Mr. Moody is the commissioner of the suburban improvement district, and the rest of us, including himself, are representing Cherokee Village. Our story is in many ways similar to the stories that you have just heard. It is exasperating and frustrating to say the least.

We are the largest community in—We are the largest community in Sharp County, and not only that, we are also the largest amounts of inhabitants in Sharp County in any given place, who live in Cherokee Village. Thirty percent of total Sharp County lives in Cherokee Village, and yet we don't have a post office. We have a substation for whose existence we have to fight each year so that we can keep it, and have what is considered the most inadequate postal service.

We do not have our own ZIP code. We have the same ZIP code as the town which has the main post office in that particular case, and it is only-fourth of our size. The errors are innumerable, the situation is intolerable.

I will let Mr. Lambert take over now and read you some of our wishes and hopeful wishes and some of our needs.

Mr. LAMBERT. I am Robert Lambert, address is Post Office Box 166, Cherokee Village, Ark. I am a businessman in Cherokee Village for the past 7 years. I am in the grocery business. For the past 13 months, I have also acted as the contractor for the post office in Cherokee Village. I would like to bring you up to date on how I got in the post office business. I would like for you to understand the situation.

In about August of 1972, our post office in Cherokee Village had reached a point that the service was so bad that a notice was posted on the bulletin board in the post office, that our post office would be closed the following Monday. We were advised to put up rural boxes, that we would be serviced on rural routes out of Hardy, Ark. Of course, when this happened, there was a great deal of turmoil among the citizens, to say the least, and immediately we complained, and we were granted, I believe it was 30 days' extension of time so that something might could be worked out, so that we could retain our post office. When this time was granted to us, I took it upon myself that I would submit a bid that would be acceptable by the post office department so that we could continue to have a post office. Now, I submitted this bid knowing very well that I was going to lose money,

but I was willing to do this so that we could keep a post office. I submitted a bid of \$9,000 to operate this post office, and it was accepted by the post office department. On October the 13, 1973, I took over the operation of the post office, and we went to work immediately to get things straightened out.

Upon entering the post office the first day, we found 35 sacks of mail, undelivered mail, 35 sacks. Some of this mail had been laying there 2 or 3 months. Of course, I am not here today to criticize anyone, but I do fail to realize how anyone under the Post Office Department would allow this to happen. Now, I would be the first one to say that some of this mail would not be considered important mail. But, according to the Post Office Department's own ad, which ran here before Christmas, I remember there were some full-page ads in the newspaper, and they stated themselves that there was no such thing as "junk" mail.

So, the first thing that we could do was to try to deliver this mail. I hired extra help, and we worked until 10, 11, 12 o'clock at night to put out this mail that we found down there that needed to be delivered. It took us about 2 or 3 weeks to get it all delivered. Now, after this period of time, we began to get everything straightened out, we began to give good service. We didn't lock the post office up so that you couldn't get in and buy stamps, which had been done. The people before would lock the doors just anytime they wanted to, and so on and so forth. I did not allow this to be the way that we would operate the post office. We tried to give good service, which I think that we did. I think the post office would agree that we did give good service. In fact, the complaints became—We just didn't have any, everything was going real smooth.

Now, I felt like that after 1 year's operation that the Post Office Department would be willing to negotiate a new contract so that we could continue to give good service.

I notified Mr. Donald Childers, the Regional Sectional Manager at Harrison, Ark., that I would like to negotiate a new contract, and I also stated in my letter that if they were unable to negotiate a new contract, this letter would serve as notice that I would give up the post office. Now I had to do this because I had suffered \$2,500 loss in 1 year's time, and I just wasn't able to—I wouldn't be able to do this year after year, and Mr. Childers and Mr. Bobby House came to see me in a few days, and asked that I would bid, submit a bid, on larger quarters in a new building which are available. I got my figures together in a few more days, and I did submit this bid, and the bid was \$16,000 on the new quarters. These new quarters would have been approximately double, twice, the size of our present facility, and we would have had approximately twice as many boxes available for rent. This bid as made by me and sent to the Post Office Department, and they rejected it. So the Post Office Department put it up for bid again, they requested more bids, and also along with this they posted a letter threatening to close the post office unless they did receive a bid that would be acceptable.

Due to the fact that we did not want to lose our post office again, I thought well, I will submit a bid on the old facilities in order to keep our post office. So, I submitted a bid on the old facilities of \$13,000, and I resubmitted my bid on the larger quarters, a figure of

\$16,000. Now, these bids were rejected by the post office, and there was a bid submitted by another party, evidently it was cheaper than what I had submitted, and they gave this contract to a new operator. We are not here today to criticize the new operator. We wish him well. What we are interested in here today is we wish to emphasize that we demand service, as any other city or community post office.

Now, today I have listed here a statement. I believe you have a copy of our statement. At this time I would like to read this statement and if you would care, as I go along, if you would like to ask any questions, please interrupt and do so. I will try to answer your questions.

We have 12 reasons here that we feel are the needs of a post office and our own ZIP code in Cherokee Village, Ark.

Due to its present size, future potential growth, and modus operandi of mail service area, Cherokee Village must have its own ZIP code to render anywhere near satisfactory service to the residents of this 16,000-acre development. Due to the lack of a separate ZIP code number, mail dispatch from Batesville is faulty and most inaccurate. Two fair-sized communities separated in facilities and services using the same ZIP creates mishandling of all classes of mail. The transshipment to correct, delays all classes of mail, even though it be correctly addressed. At current date, Cherokee Village Post Office needs at least 250 more boxes. And I say 250 more boxes here, because we could rent today, if we had the boxes available, we could rent 120 immediately and probably these other 100 boxes or 120 boxes, we would be able to rent in the next year, based on our growth rate. So, we would say that we need at least 250 more boxes to render proper service to its patrons. The general delivery area is seriously overcrowded and additional revenue would result from increasing number of boxes available.

There is also considerable evidence of rough treatment of parcel post and delayed handling of mail. Lack of sufficient space and work area for present volume of mail now exists, and there is need for at least 50 percent more space than present leased space.

On a year-round basis, Cherokee Village has nearly 1,000 families, and a population of 2,500. This figure changes drastically during the tourist season when there are over 200 extra families per day in the area, many using the local post office facility.

Rural routes must be considered as a necessity in the prompt delivery and handling of all classes of mail in areas not in close proximity to the central office. Part of rural route 1, a large part of rural route 2, and all of rural route 3 from the Hardy Post Office lie within Cherokee Village. The foregoing applies to the present status of postal services and as the families increase, it will be of even greater importance.

Cherokee Village Post Office is presently handling in excess of 1,200,000 pieces of mail annually. There are 24,000 building lots in Cherokee Village, and the expected growth rate projects 1,700 families in the area and a corresponding increase to 2,500,000 pieces by 1980.

Other than Cooper Communities, the developer, there are several other commercial establishments in the area, and many of the local residents have active connections with outside activities. A Cherokee Village ZIP code is of importance to these people.

Based on current limited facilities, stamp sales are 36,000 per year.

This should double by 1980. 75,000 is a very conservative projection in the next few years as the families and commercial services increase.

Current limited availability of boxes restricts rentals to \$1,200, but this figure could easily reach \$3,000 annually within the next few years.

Currently, money order fees are \$500 per year, but as additional commercial services are put in place, this would easily increase to \$1,500 or even as much as \$2,000.

The present contract for our substation is unsatisfactory since rising costs make it necessary to renegotiate the contract at least yearly. So, the threat of losing this post office is always present. The population of Cherokee Village is mostly retired persons on fixed incomes. It is a hardship financially for them to be required to go to Hardy, a distance of more than 5 miles in most cases, should we lose our post office.

I would make two or three other comments. When I took over the contract for the post office, for the postal station, I was promised that we would have extra boxes. I was told that they had portable boxes that they could bring in, and I would like to say here today that this never did develop, that we are still in desperate need of boxes in Cherokee Village. Of course, we read in the newspapers, and in fact just this week, I don't know, I guess I've got post offices on by brain, but two articles I noticed in the Arkansas Democrat this week, and I would like to read these.

James Curtis, the manager of the Memphis postal district, says contracts have been awarded to William Green of Little Rock, to build and lease new post offices at two Arkansas cities, Black Oak in Craighead County, and O'Kean in Randolph County. When completed, both buildings will be leased to the U.S. Postal Service on a ten-year base period with options on twenty additional years. Both buildings should be completed by June, 1975.

Now, we are not here today to criticize our sister communities for getting a post office. In fact, we are real proud that these folks should have a post office. We are unable to understand, a community of this size being able to obtain a post office so that their needs will be met, and we, 2,800 people, are not able to have this same thing.

And folks, here in this article, I think, and I think everybody should read this. I hope they did read it. This is out of Washington, I don't know who wrote the article. But, it says that the post office is going to suffer a \$500 million loss and this should really—every citizen should be concerned about this. That is a tremendous amount of money, it's a lot of money, and we should be concerned about it. If it takes an act of Congress or some action of this sort to correct some of these problems, then I would be the first one to say that I would be for it.

I believe that's all I have to say here.

Miss PRIDE. I think if Congressman Alexander were here, he would say, "Well, if it takes an act of Congress, that is what we are here for."

Mr. BARTON. I might point out, too, that that is a \$500 million absolute loss, where there is no revenue or appropriations for it. That is a \$500 million loss that has to come out of equity or come out of short-term financing on the bond market.

Mr. LAMBERT. Another thing that I would like to point out here, I believe that the Post Office Department also, when they put these things up for bid, I believe that they strictly go by the dollar bid and

do not take into consideration the quality of the work that they are going to get or something. I don't know how to express it, but it seems to me like the dollar is what counts. They are not interest in service, quality of service.

Mr. MOODY. May I amplify that?

Mr. BARTON. Can you state your name, please, for the reporter?

Mr. MOODY. Irvin Moody of Cherokee Village. I notice one of the representatives of the Post Office Department is here whom I have had some discussions with, and to amplify some of the things that Bob has said, this is my estimation, we get a little bit tired of having to disturb our political friends every year to try and keep this place open, for a place as large as we have. What I want to say is that when Bob took over the post office under his contract and he found mail sacks in there, so many of them that had not been delivered, and one of my conversations with a representative of the Post Office Department, I asked him if when they got a bid from an individual that they were interested in accepting, if they check into the individual's background.

Understand, these people are handling money, checks, and things to individuals, and I am beginning to wonder who in Heaven's name goes into that post office, whether the individual that was given this contract when he first bid on it, was given it because it was a ridiculously small amount of money, and for a fact, if they looked into the background of a person. The postmaster in Hardy said if he had known anything about it or had had anything to say, he would have tried to stop it. I think that is an awful sloppy way to do business when you are putting people with all the kinds of mail that comes into a postal service. I don't know whether he told me correct or not. I am hopeful that they check it a little, and I am pretty darn sure that they don't. In that case, I know, and I think that is ridiculous. I could stay here for an hour talking about it.

Miss PRIDE. Mrs. Meyers.

Mrs. MEYERS. Of course, I don't know everything there is to know about postal matters, but dollars and cents, we are talking about my daily budget. If a \$16,000 bid, and I am not defending Robert Lambert's bid, it is their business, not mine, but if his bid was too high for the post office, we lose that substation, and we would have to put out two mail carriers to put out the mail, carry the mail to Cherokee Village, and I think you all are well aware of how much these additional mail carriers would cost. A good deal more than \$16,000.

Mr. MOODY. Considerably more, with their fringe benefits. This is the cheapest way they can operate a post office, if they do it right.

Mr. BARTON. These were all very complete statements. I was just wondering, Mr. Barcus, do you have any idea how much postal revenue that Horseshoe Bend generates?

Mr. BARCUS. I can't tell you.

Mr. BARTON. And I was also wondering, while you were having your merry-go-round with the Postal Service, whether or not you ever mentioned the possibility that these mass mailings that you do for Horseshoe Bend might go out of the Horseshoe Bend post office and to make it a considerably profitable operation?

Mr. BARCUS. No, we never did mention it. We have mentioned it to the regional.

Mr. BARTON. Yes.

Mr. BARCUS. But not to anyone higher up.

Mr. BARTON. I was just wondering whether that could ever be a factor, if you could get a postal facility at Horseshoe Bend which could handle it.

Mr. BARCUS. We have got to get somebody to talk to us, that would help.

Mr. BARTON. Maybe we will find out in a minute.

On Cherokee Village, you already mentioned that you have rural delivery there.

Mrs. MEYERS. It comes out of Hardy.

Mr. BARTON. But not to all of your citizens.

Mrs. MEYERS. Not to all of the citizens. There are 386 post office boxes there now.

Mr. BARTON. The substation that you were talking about that was canceled in 1972. I assume that was a contract substation, too?

Mr. LAMBERT. Yes, it was.

Mr. BARTON. Could you tell me what the price of the new contract that was signed finally with one of your competing bidders was?

Mr. LAMBERT. Well, it would be strictly hearsay, but I understand that the new contractor submitted an \$11,000 bid.

Mr. BARTON. I also would like to ask the Fairfield Bay people, we talked to you about your contract, but have you ever talked to the Postal Service about trying to establish a new post office there?

Mr. COFFMAN. Yes. In fact, the last time I talked with Mr. Sharp in Little Rock, he suggested, or he said that being a bureau-type of operation, it would be slow. He didn't even want to negotiate our present, \$600 a year contract until the problem of our rural delivery was settled. What it amounts to is that we have a community of 600 permanent residents, plus our transient residents, plus our employees who live on the property, and our mail was withdrawn from Shirley, but it just became a second class post office by our revenue and by our purchases.

They would revert to a third class and we are starting to bump windmills here.

Mr. BARTON. Those are really the only three questions I had. As I say, all three statements were excellent and very comprehensive. So, I have no more questions at this point, and I really appreciate your coming, unless Mr. Coultrap has something.

Mr. COULTRAP. No. I don't have any questions.

Mr. MOODY. Can I make one more statement without taking up too much more time? A very disturbing factor came up about 2½ years ago when in about three times this substation was going to be closed up, and we did contact Mr. Alexander and others. I talked to a representative of the Post Office Department in Little Rock, and I can say this with assurance, that that man didn't even know what Cherokee Village was, he had no idea what it was, and some of the proof of the pudding is that they did build a new post office in Hardy. Here is a town of 600 people approximately, and here we lay, at that time we were well over 1,500, and they built a new post office. They had a post office building down there with nothing wrong with it if they wanted to fix it up a little bit to handle that area, but they are stuck

with it, and they are not going to give Cherokee Village anything as long as they are stuck with that mistake, and I am sure of that. There was no rhyme or reason to build a new post office in Hardy. It was ridiculous.

Mr. BARTON. Thank you very much.

Mr. MOODY. Thank you.

Miss PRIDE. We have Bill Maxwell, who is the superintendent of schools at Black Rock, and he is accompanied by a member of our advisory committee, Mr. Don Penn of Black Rock.

STATEMENT OF BOB MAXWELL, SUPERINTENDENT OF SCHOOLS AT BLACK ROCK, ARK. ACCOMPANIED BY DON PENN, MEMBER OF ADVISORY COMMITTEE ON POSTAL SERVICE, FIRST CONGRESSIONAL DISTRICT, BLACK ROCK, ARK.

Mr. MAXWELL. I just found out about this yesterday, and I do not have any exhibits or any prepared statements.

Miss PRIDE. You aren't the only one, that is all right. We just want to hear your problem. Mr. Penn, don't you want to come up with him, since you have been working with this committee?

Mr. MAXWELL. I am the superintendent of schools in Black Rock, Ark., in Lawrence County. I know very little about the Postal Service. I suppose Black Rock public schools receives and sends possibly more than any other individual or business in Black Rock. Of course, I have listened to the presentations today, and we have experienced slow mail delivery on occasion, but in all honesty and candor, I'd have to say that this is not a great problem in our area. We do, on some occasions, have damaged mail, sometimes first class, seldom, though, most often it is with packages.

The main thing that I have is the cost of the mail service. It has increased considerably and I understand that it will be increasing again soon. I think without question that the Postal Service has been deteriorating within the last 5 years. This, I would like to point out that we have one mail coming in each day and one going out from Black Rock; whereas, 3 or 4 years ago, we had from one to two persons in there other than the postmaster, and the post office was open for service from 8 to 5. Now, it is open approximately 6 hours and 45 minutes each day. This makes it very difficult for people who work to get into the post office to buy stamps, register mail, pick up registered mail, and so forth. I think the biggest thing to improve the mail service in Black Rock would be additional clerks. On Saturday, we have mail delivery, and the window is open only 1 hour, from 8 until 9. It seems to me that service on Saturday could certainly be improved with an additional clerk.

I think that this would conclude my presentation.

Miss PRIDE. I want to ask, do you work with the budget there in the school system?

Mr. MAXWELL. Yes, ma'am.

Miss PRIDE. Could you give us an estimate how increased postage has affected your budget?

Mr. MAXWELL. Well, this year, our postage will be roughly \$400.

Mr. BARTON. I am sorry, I didn't catch that.

Mr. MAXWELL. Roughly \$400. I would say that approximately 25 percent of this is increased cost. Of course, we are doing like everyone else, and leaving the mail at home.

Miss PRIDE. Do your schools use a lot of the films that are traded back and forth between libraries?

Mr. MAXWELL. Yes, we do receive about 75 films per year from the film library in the state department of education, and we receive other films from different parts of the country, and this service has increased. However, this doesn't hurt you as bad as the first class mail. We mail reports and forms, and I mailed one just a few days ago and it took 13 10-cent stamps to mail it. It had to go first class.

Miss PRIDE. I had wondered if you had had any trouble getting your films on time?

Mr. MAXWELL. No, I would have to say that the service as far as speed is concerned, I have no complaints.

Mr. BARTON. Maybe we should make the Black Rock postmaster the regional postmaster general for this area.

Mr. MAXWELL. In all honesty, I would have to say that we have a very dedicated postmaster, and he spends much more than 8 hours a day in his office. However, I can understand, this is closed from 12 o'clock each day until 1:45. He gets there at 7 o'clock in the morning, and he is there at 6 some days.

Mr. BARTON. You said that they had cut to one clerk?

Mr. MAXWELL. One clerk.

Mr. BARTON. It was two, and they cut it to one?

Mr. MAXWELL. One clerk full time as I understand, approximately from anywhere to about 2 years ago on a part-time basis. Now, we have one part-time clerk who works 4 hours on Saturday. Works there 2 hours in the morning, puts the mail in the boxes, and opens the office from 8 to 9, and then she comes back in the afternoon for 2 hours and dispatches the mail out in the afternoon. It seems to me that if she were there 4 hours in the morning, it would be better, better utilization of the time that she is there.

Miss PRIDE. Well, the postmaster general in a policy statement has said that post offices should be open for 4 hours on Saturdays. I believe, unless the postmaster of that area deems he can supply sufficient service opening it less. So, it is unusual to only have an hour of window service, I think on Saturday mornings.

Mr. MAXWELL. Window service lasts from 8 to 9 on Saturday mornings.

Mr. PENN. I believe, isn't it a policy that a clerk isn't called to work unless, or less than a 2-hour period, and of course, in this case, the clerk would have to be there in the afternoon for a period of time to dispatch the mail.

Mr. BARTON. There is a limitation, I'm not sure whether it is 2 hours or not. I will leave that for the next witness. It is mostly a matter of contracts with the union.

I have no further questions. Does anyone else have any questions?

Mr. COULTRAP. No.

Mr. BARTON. We appreciate hearing from you.

Mr. MAXWELL. Thank you.

[Mr. Alexander resumes the Chair.]

Mr. ALEXANDER. I would like to introduce the gentlemen from the Postal Service. I believe I am correct when I say that Donald L. Childers is the sectional service manager, and postmaster of Harrison, who is here. Roy Sharp, sectional service manager and postmaster of Little Rock. Dan Hyshoe, assistant manager of delivery and retail outlets in Memphis. Mr. William (Bill) Hundhausen, as I know him, who is postmaster here in West Memphis, a long-time friend of my family, and W. G. Smith, the sectional center manager and postmaster at Jonesboro, and as I understand, Mr. Smith, you are sort of going to be the interlocutory as they call it, over in these parts.

You may proceed.

STATEMENT OF W. G. SMITH, SECTIONAL CENTER MANAGER AND POSTMASTER, JONESBORO, ARK.; ACCOMPANIED BY DONALD L. CHILDERS, SECTIONAL SERVICE MANAGER AND POSTMASTER OF HARRISON, ARK.; ROY SHARP, SECTIONAL MANAGER AND POSTMASTER OF LITTLE ROCK, ARK.; DON HYSHOE, ASSISTANT MANAGER OF DELIVERY AND RETAIL OUTLETS, MEMPHIS, TENN.; AND WILLIAM (BILL) HUNDHAUSEN, POSTMASTER OF WEST MEMPHIS, ARK.

Mr. SMITH. Thank you.

I would like to begin by bringing some figures to the committee's attention, and the figures will cover the entire State of Arkansas, the amount of deliveries that we had in prior years, and the numbers that we have had in this year, and I will break them down into a fiscal year, and that will be from July to July. In the fiscal year of 1973, which was July of 1972 to July 1973, we increased in the city delivery area in Arkansas about 14,065.

In the fiscal year of 1974, which was from July 1973 and up and into July of 1974, our increase was 12,963 deliveries.

In the first 4 months of fiscal 1975, we have increased over 4,000 deliveries. During this same period, we increased about 10,000 deliveries in the rural route areas, and you will note that from 1972 on, we have had a slight decrease, and this was caused by a slack in business and homebuilding throughout the country, and has shown up as a decrease in additional routes, throughout the State of Arkansas. We have had no city delivery established in Arkansas in any city of the past. We have had four cities that have petitioned for city delivery, and these are Bald Knob, Georgetown, Vaden and Harrisburg. Information is now being gathered to determine that Bald Knob does meet the criteria for city delivery. Information has been gathered that Georgetown and Vaden do meet the criteria, and meetings have been held with representatives of both towns to help determine the routes for city deliveries. Our plans are now to establish city delivery in Harrisburg, Ark., in early 1975.

The State of Arkansas is now, to a very large degree, on the centralized markup in expedited first-class mail programs. The centralized markup program provides customers and publishers with a more legible forwarding address and expedited preferential mail provides earliest delivery in the town and a more consistent arrival at the carrier delivering points. I can elaborate a little bit on that, the

expedited first-class mail. We have almost a consistent amount of volume of preferential mail in the post office. On Tuesday we have almost the same amount on Tuesday, unless it came along the first of the month. We can schedule our carriers and office casing time to come in and case that mail, and if they normally have someone to come in and help about 9 o'clock or 10 o'clock in the morning, then they can help them approximately this time all the time. The volume we do not know and we do not know what we're going to have all the time, the people come to work in the morning on non-preferential mail and third-class mail, then the carriers come back and spend the afternoon casing and sorting this mail and it enables them to still come back the next morning and still get on the street at about the same time.

In analyzing the cost of the postal service, approximately 40 percent of our costs, in any delivery of a letter, one-fifth is designated for the post office. This is where 4 cents out of every 10 cents on a letter goes.

In the sectional centers that I represent, Mr. Sharp in Little Rock, and Mr. Hyshoe from West Memphis, and Mr. Childers from Harrison, we cover approximately a third of the State of Arkansas from West Memphis, Ark., all the way across the Mississippi River north to Missouri. In my sectional center in Jonesboro, we have 62 post offices, and they are in Clay County, Green County, Craighead County, Mississippi County, Pointsett County, Jackson County, Lawrence County, Randolph County, and Sharp County. Our city deliveries in these counties in July of 1971 were 9,396 customers or homes or business offices. In July of 1974 they had grown to 14,663, an increase of 5,267. Our rural deliveries in July of 1971 were 22,179.

In July 1974, they had grown to 23,515. During this past 4 years, we have closed one post office. It was closed on January 5, 1974. The purpose for closing this post office, or the reason for closing this post office was that the community no longer used it as a community, and we had difficulty finding someone to act as postmaster. This service, for the most part of this town, had been supplemented by rural deliveries, and our survey of the customers through that area showed that they had no complaint of our service at this time.

We really didn't know what to expect in this hearing today, Congressman, so we are open to any questions that you might have, that anyone might have, that we can answer, and we will talk about rural delivery or city delivery, or post office openings, or post office closings.

Mr. ALEXANDER. Thank you very much, Mr. Smith. I think I will probably defer questions to the committee staff. The problems as I see them, that I have with the Postal Service, are primarily national policy questions that go to the national offices, and not necessarily to the regional offices, and I think first, though, that I would like to offer to hear from any other member of the group that is here today. Maybe one of you would like to add something to Mr. Smith's statement. We would like to hear from you at this time.

Mr. SHARP. I would be glad to add just a little to what Mr. Smith has said to show you the increase that we have had. He covered his own averages. In Little Rock, for instance, the U.S. Postal Service came into being on July 1, 1971, we had possible deliveries in Little Rock itself, city deliveries, 64,165.

Over the 3-year period, this has grown to 76,482, an increase of 12,317. Within the associate offices in the Little Rock sectional center,

which is practically all of central Arkansas, the 720 and 721 offices, from July 1, 1971, were 66,339 possible deliveries, and this has grown to, on July 1, 1974, to 73,302, or an increase of 6,963. The rural boxes served, of course, Little Rock has a very small load because we are constantly moving out and talking in rural territory from smaller cities. Really, Little Rock itself has no rural routes, or shouldn't have.

Actually we do have five rural routes, but in effect, they are mounted cities. So, over the same period of time, from July 1, 1971, to July 1 of 1974, we have only shown an increase of 317, from 2,676 to 2,993. Now, in the associate offices in Little Rock section, we have shown a pretty phenomenal growth, from 46,546 to 52,230, for an increase of 5,684.

I would also like to cover the offices that have been discontinued or converted. Since July 1, 1971, we have actually had four post offices in our area, outright discontinued as Mr. Smith brought out. This was because they didn't meet the criteria outlined by the Postmaster General for the discontinuance of the office in the community had deteriorated to the extent that actually, better service could be obtained by the rural route. We have had three that were converted to rural branches. Georgetown, Vaden and Haskell. This is primarily an economic factor, because bear in mind the operation of a fourth-class office can cost, by the postmaster's salary, on up to \$14,000. So, we are attempting in every way possible to watch the dollar cost. So, where the office has deteriorated to the extent that it is either a matter of discontinuance or conversion to a rural branch, we certainly prefer to keep the identity of the community by the conversion to a rural branch, which is established as such and still continues to carry the name and the independent receipt and dispatching of mail.

So, I just thought I would give those few statistics and if there are questions, I will be glad to attempt to answer them.

Mr. ALEXANDER. One question for you, Mr. Sharp and Mr. Smith, and any of the others that might like to answer the question, and then I will defer to the gentlemen on the committee. Isn't it true that you, in your various capacities as regional directors or managers, are in the position of implementing policies that are established in Washington?

Mr. SHARP. This is correct, yes, sir. We administer policies that are established at a headquarters level above us.

Mr. ALEXANDER. Is there anyone that would disagree with that statement or do you all concur in that?

[No response.]

Mr. ALEXANDER. Well, on that I will defer to the staff members so that they can ask the technical questions.

Mr. BARTON. I would like to ask some questions which came up as a result of the hearing today, and some general questions for the record, if we could. Do you have the figures, or were your figures Arkansas-wide, on the number of people in rural routes now, and how many routes you have in the State, do you have any idea of that?

Mr. SMITH. No, sir. I have a figure of 195,000, approximate, and this was in September of last year. We made a count of the number of stops served in the rural areas.

Mr. BARTON. Is that 195,000 people?

Mr. SMITH. 195,000 stops, now these are families. Now, we don't have September of 1974, in fact, we get all of this off of a computer

paper and it goes back into the data station and is returned to us on a printout, and we have not gotten these back from our data center yet. But, last year it was approximately 195,000 with an increase of about 10,000 a year.

Mr. BARTON. That 10,000-a-year increase kept up—when did it start increasing, or has that been a steady increase over the past 10 or 12 years?

Mr. SMITH. When we first started keeping figures statewide, the last figures that I have was 1961 and from 1971 to 1973 it went up approximately 20,000.

Mr. BARTON. On another matter, we got a letter from the Postmaster General a few months ago saying that the standards on extension of mail delivery on rural routes to families had been expanded. Can you just for the record explain what the new standards are?

Mr. SMITH. Yes, sir.

Mr. BARTON. I am looking at you, but anyone else who wants to answer may do so.

Mr. SMITH. The new standards now are one family per mile. It was changed in July of this year. Prior to that time, it was one family for two-thirds of a mile. Now, this mile is measured, if it is a retraced situation, where he has to go into a cove and back out, the family cannot live more than a half a mile off the road a, total mile in and out.

To give you a little background, if I may, on this, prior to 1953, it required four families per mile, and on November 18, 1953, the Postal Service changed it to three families per mile, and on August 1, 1958, it was changed again to two families per mile, and on August 1, 1967, it was changed to one family for two-thirds of a mile, and then this year we went to one family per mile.

Mr. BARTON. We also have—this might be a policy question to pass to the Postmaster General, but just from general comments—we have had several comments here about the private express statutes, and my only contribution to the discussion, outside of saying that we have been looking at the whole question pretty extensively for about a year, was that the fear of some people was that if we did eliminate the monopoly statute, the areas that would be hurt most quickly would be the non-metropolitan areas, the rural areas. I made sort of a broad statement, and I am not sure whether it is totally accurate. It is a common sense statement, and not one necessarily based on figures. It was my assumption that it was more expensive to deliver mail to the rural areas for the Postal Service than it was to deliver any other single type of geographical area.

Mr. SMITH. The best figure that we have been able to come up with on this, Mr. Barton, is that it costs \$52 a year to deliver a box in town, I mean a box in the rural area, approximately \$52 a year. In the city area, \$46 a year, and when we look at how many rural families we have just in the State of Arkansas, we are talking about approximately \$6 cost for each one of them, and we are looking at over \$200,000 right now.

Mr. BARTON. Do you think that if we really consider getting rid of the monopoly, that it might hurt in some areas?

Mr. SMITH. You know, we are competitive now in some areas of delivery, and the Postal Service is mandated and I think it should be established by act of Congress, to deliver within certain guidelines to

everyone. We cannot be selective in who we deliver to and who we deliver from, and the competition can be selective, and this is taking some of the cream off the top of our revenue to make our costs. It is a little bit one-sided right now.

MR. ALEXANDER. Mr. Smith, if might interrupt, if the Council on Environmental Quality should implement its wishes, all of your problems would be solved. They have issued a declaration based on a study that was done somewhere in the East, I'm sure, that it looks bad for our ecology for people in this country to live in single-family dwellings, out in nonmetropolitan areas, and that everybody hereafter consequently will be building high-rise apartments, sort of like rabbits. It will make it a lot cheaper to deliver the mail if they get their wishes.

MR. SMITH. I would rather pay a little bit extra, I think.

MR. SHARP. Could I elaborate just a little bit more on the monopolies that I feel that the Postal Service should retain in letter mail. This would be, to elaborate just a little bit more on what Mr. Smith has said. United Parcel Service has been mentioned here rather prominently this afternoon.

We would be faced with the same thing if we lose the monopoly on the carriage of letters, in private express statutes, that we have been giving our parcel business to commercial carriers. The hard-to-reach rural areas still depend on parcel post. The hard-to-reach rural letters would still be dependent upon the Postal Service to get a letter mailed. The commercial carriers would concentrate on the metropolitan areas with the result that we would be faced with an economic disaster in providing only a losing, economically losing service to the rural areas as opposed to the metropolitan areas. As you all are well aware, the private express statutes have been carefully studied and new regulations have been issued and published in the Federal Register. So, I would certainly, from my viewpoint, urge the continuation for the monopoly of the carriage of letters through the Postal Service.

MR. BARTON. I could talk about that for a couple of hours, because it is a fascinating subject. It probably sounds dull to all the people in the audience, but it is really a very interesting subject, and I was pleased and interested that at least three witnesses today, even though they have expressed an opposite view from you, were going into it really to discuss it at some length, and I think that probably they have a lot of good views on it, too.

We got a lot of complaints today about slow delivery, and I am sure you have gotten these complaints about slow delivery before today. We get an awful lot of complaints all over the country, particularly from rural areas, in which you have long distances to travel in delivering the mail, and I think that you really do have a problem there. Could you outline for us what your standards are both state-wide and among your various sectional centers, and why you are not meeting those standards, if you aren't, and if you are, or if you think you are, to tell us why you think you are?

MR. SHARP. May we start off with Little Rock. We will not be able to get this map on the record, but I will use it to illustrate and to talk for the record. Little Rock has an overnight standard of the entire State of Arkansas, except for the Fort Smith sectional center, the West Memphis sectional center, and the Hope sectional center, and we do consistently achieve overnight delivery, 95 percent, within our designated area from Little Rock.

Let me point out this, that in the Little Rock Post Office alone, we handle 1,600,000 to 1,800,000 pieces of mail a day, and we achieve 99 percent accuracy, which still leaves us from 16,000 to 18,000 pieces of mail a day that we are mishandling, that are delayed, and these are the ones that we hear about, not the 1,600,000 to the 1,800,000 that is reaching its destination on time. We do have failures, we have the origin destination testing system, commonly referred to as "ODIS" that constantly checks our performance on achieving this overnight service.

It also provides us with certain other essential information necessary to volume, and this sort of thing, but this is the system that is tested to determine whether or not we achieve the 95 percent or better overnight service within our committed areas.

Mr. BARTON. I would like to point out a problem, which I am sure that you are aware of, your ODIS statistics start with the time that the letter is postmarked.

Mr. SHARP. Right.

Mr. BARTON. And then it is checked out from the time that the carrier gets it for delivery, assuming that it is delivered that day, which I guess, most of the time, is the case. Now, we have had several people talk to us about the fact that their post office in very small towns, the mail gets picked up just once a day from the post office to be sent to the sectional center, which really means that you have an automatic day lag there, because if it is picked up at 12 o'clock and it's not going to get postmarked until the next day.

If you pick up at 12, and a person drops the letter in the post office at one, as far as that person is concerned, that letter has started its trip that day, whereas, as far as you are concerned, it will not be starting until the next day. I don't know what we can do about that in terms of figures, except to talk to people in general about that, show them that there can be a built in lag in those cases.

I did want to have you all talk a little bit about the area processing program, the sectional center concept, and also about the fact that you can let local post offices pull out mail for delivering in local areas, and why don't we do it more often. Apparently, there are a lot of people here testifying that their post offices are not pulling out mail or that they're pulling it out only for their town and not a town just a couple of miles, 3 miles, away, and so if you would address yourselves sort of to that general area of problem so that we can get something like this on the record.

Mr. SMITH. Am I to assume that everyone here is familiar with area mail processing?

Mr. BARTON. We are. It has been what they have been complaining about most of the day.

Mr. ALEXANDER. I am learning more and more about the mail delivery process each day.

Mr. SMITH. When we do an analysis of a geographical area, and then we do a cost study for distributing mail in this area, and then we go against working it with one post office and working it in another post office, and prior to doing this, we go out and do a bodily count on everything that we would be working in one area, before we ever decide to make the move, and we do a cost study, and we ask ourselves if we

think, if we take this mail from this post office and bring it over to this post office, and bring it over here, how much money can we save? This is the only criteria that we actually use, other than the fact that we don't delay any mail by doing this; we give them the same service or better service, and if we can do a savings by doing it, and if we can't do a savings, we don't do it.

If we aren't able to get the mail from point A to point B or A on our delivery schedule—which 99 percent of the time will be the next morning—we don't do it either. In deciding whether to go into area mail processing, it was brought out to us rather forcefully, I think, 2 years ago, by, I think, Mr. Ulsaker, that we must provide a place in the local post office for someone to have their local postmaster, if they wanted it.

We must provide a place in the local post office for someone to separate the mail to the city and stay in that county, and not go to some other area, and if there are some post offices who have not done this, then some of us in the sectional centers is not checking this post office to make sure they are going in the right places.

Mr. ALEXANDER. Well, now, Mr. Smith, might I interrupt you. I can't restrain myself upon that statement—isn't that what we have been talking about all day?

Mr. SMITH. About area mail processing?

Mr. ALEXANDER. Yes, sir.

Mr. SMITH. Well, what I have heard, Congressman, mostly, is late mail, or complaints about poor service.

Mr. BARTON. I think it centers around the area mail processing concept and the fact that most people here perceive that most of their mail is not cased in the local post office, but is sent to Little Rock or to Memphis.

Mr. ALEXANDER. We don't have time to go into all of this, but just for the record, so that you will be aware of it, I will quote from Margaret Woolfolk's statement here:

It makes no sense to those of us who live in Eastern Arkansas that mail from Brinkley to Wheatley, a distance of 5 miles, has to go to Little Rock, a distance of 70 miles, from Little Rock back through Brinkley to Memphis, another 70 miles, and to Wheatley from Memphis. The above is fairly representative of the sorting system employed by our Postal Service.

Mr. SMITH. If I may, this is not the area mail processing that we are talking about. What she is talking about is the sectional center concept of routing mail from a given number of points into a single point and then out to the other areas. We have to draw a line somewhere, and bring all of the mail in together to a central point, and we have this problem up in northern Arkansas—up in Hardy. It comes from Jonesboro, down to Little Rock, Batesville, and then to Hardy, a distance of about 20 miles, and if we didn't do this, we would have to run a truck up to Hardy from Hardy to the Batesville route, and you would have about a million trucks running through Arkansas every night.

Mr. ALEXANDER. Well, Mr. Smith, I think that is the crux of the problem. Our people have demonstrated a dissatisfaction with the current area mail processing concept to be distinguished from what I would refer to as the regional concept or a local regional concept in terms of trade centers within a state. In Arkansas, we have a number of trade centers. That map that Mr. Sharp has shown us there is not rep-

representative of the trade centers within Arkansas, and I would beg to differ that it would not take a million trucks running all over Arkansas, and I don't want to get into this with you, I don't think that this is an issue that you and I need to debate.

I think this is an issue that I need to debate in Congress, because, obviously, this concept was established in Washington, and it is one that you are supposed to implement in your position. I really don't think it would be very profitable for us to get into this issue at this particular time, but I think this is the crux of the problem.

Our people from all over the First Congressional District—actually from all over Arkansas, we have people here from South Arkansas, from Little Rock—have differed with this concept, and I think it is just a fundamental difference of opinion about service. They think the area processing is not good service, and the national policy for area mail processing seems to hinge on the concept that it is good service. Why, the Postmaster General himself, in response to our criticism of the policy, said, and I think I am quoting correctly, "Why, the mail has never been better in the history of our country than it is today." Gosh, if it is, why are we keeping it a secret from all of these people in Arkansas that have been here today testifying on their own time, paying their own expenses, trying to get a better system for mail service?

Mr. BARTON. I have just a couple of questions here.

Have you heard the problems expressed by the people of Horseshoe Bend and Cherokee Village and Fairfield Bay in getting a post office in new and growing communities in Arkansas? What authority do you, as sectional center manager, have to establish new post offices? Is that decision made higher up, and you just implement it, or do you have the authority to make this decision?

Mr. SMITH. No, sir. We are regulated by the postal regulations, and the last one I have got is in 1970, and the regulations briefly say that there is no minimum population requirement for the establishment of a minimum post office—that we must consider this factor, that post offices are established when they are not given adequate service by the post office branch now serving the area to a new claim or by the extension of city rural authority delivery. Briefly, what this means is that if we have a new community built up on the fringe area of an established post office, that we will attempt to provide service through the established office.

Mr. BARTON. We have three communities here that thought they were doing that, and I don't even know whether these are within your area, but I assume they are in one or the other.

Mr. SMITH. They are within Mr. Childers and Mr. Sharp. Would you like to talk about one of them?

Mr. BARTON. Oh, all three of them.

Mr. ALEXANDER. Well, will the gentleman yield on that point? Let's try to keep this in the abstract for purposes of this hearing, otherwise, the hearing will be generated of the difference of opinion about whether one of these three communities does or does not qualify, and of course, I want all of the three communities to have the postal services that they need. Let me ask a general question, which I would ask each of you that represent sectional centers to respond to, based upon your interpretation of the regulations.

As you know, north-central Arkansas, particularly the First Congressional District, is a high-growth area, and in five of the counties in north-central Arkansas, we have some 60 community developments, many of which are rapid-growth centers. Three are represented here today—Cherokee Village, Horseshoe Bend, and Fairfield Bay. Each of these communities has had a high growth rate of a thousand or more citizens in the last decade—in fact, I guess the last half decade. Now, what advice would you give a new community that experiences a high growth rate to expedite its efforts to obtain a postal facility that is adequate to meet their needs?

Mr. CHILDERS. From my standpoint, as far as Cherokee Village and Horseshoe Bend is concerned—and my association with the two contract stations in the last 2 years—it would be a lot easier for me from an administrative standpoint if they have their own post office, because we have a steady renewal of contracts, and up to this point, I am sorry to say, we have had some unsatisfactory service, and canceled a contract. Personally, I wish to offer the people of these two communities my full cooperation in working out any problem that they have to the extent of my limitations. As far as how they can get a post office, and first of all, what can a post office give to them that we cannot provide with this. If they merely want a post office for recognition, then I can see no harm in it. As far as the service, I'm sure from what you heard today, from the people representing these areas, they have had some problems in the past and we are working these problems out. For instance, we are going to provide Cherokee Village next week with more lock boxes. We have not had lock boxes because we have had a breakdown of the contract with our lock boxes.

Mr. ALEXANDER. Mr. Childers, let me just throw this out for whatever it is worth. I can testify, under oath, that the people from these communities have been patient, that they have waited, that they have touched all of the bases. They have written letters, they have signed petitions, they have gotten their Congressman out of the shower, in the morning, in the evening, at night—and the patience is thin, and so is mine. For several years now, they have been trying to get a postal facility to meet their needs, and I don't know what that is. That is up to you and them, but they are not satisfied, and I am not satisfied. What I want to know is, what advice would you give these communities now, that would expedite their efforts to obtain the postal services that they need?

Mr. CHILDERS. I would suggest that they do what they're doing.

Mr. ALEXANDER. How many more years is it going to take to do this? I mean, we have already been at it for several years. Let me tell you something, I said I wasn't going to make a speech a minute ago, but let me tell you something. Between the Postal Service, the Veterans' Administration, and the Social Security Administration, my office is about to go out of business. I don't have time to legislate in the Congress for dealing with complaints from these three agencies. It is outrageous, and it is a burden on my time. I can't devote the time that I need to devote to the legislation of this country to consider a \$300 billion budget. That means that that budget is going to suffer in one way or another, and that somebody is not going to be represented properly in the matters before the Congress. And it comes to a screeching halt.

Now, I understand that you gentlemen are middle-management levels and you are doing a job based on regulations, and I am not trying to rawhide any of you. Now, I am going to take my complaints to the Postmaster General who, I hope, won't be with us too long. I am going to do my best to see that he is fired, like he needs to be, and I hope they don't kiss him on both cheeks. What I want to know from a regional level is, what do you give these communities who have been very patient? They are good citizens, and we want to serve those citizens. Now what are we going to do about it?

Mr. CHILDERS. Congressman, from my standpoint, I will work with them in any way that I can to provide them the service within my limits, when you're talking about giving them their own post office, I don't know who to go to. I don't even know who hands out post offices.

Mr. ALEXANDER. Well, who do they go to beyond you? Obviously, you can't tell them what to do.

Mr. CHILDERS. I will pass their requests on to my superior in the district office, and I am sure that they have passed it on beyond.

Mr. ALEXANDER. And where does it go from your office?

Mr. CHILDERS. To Little Rock.

Mr. ALEXANDER. And that leaves you, I guess, Mr. Sharp.

Mr. SHARP. No, that would be the district office.

Mr. ALEXANDER. I see.

Mr. SHARP. And from there to the regional office. I am sympathetic with their desires for a post office of their own, and I am sympathetic with their feelings that it is the tail wagging the dog, when they grow to the population that they have and they are still attached to a small post office, but within my limits I will see that they get as good service as I can provide them, as far as I'm concerned.

Mr. ALEXANDER. In other words, you are telling me that you have done all that you can do?

Mr. SHARP. No, no, but I have heard some things today that I can help them with.

Mr. ALEXANDER. Well, when, that is what I want to know?

Mr. SHARP. Next week.

Mr. ALEXANDER. That is fine.

Mr. SHARP. Some of these things were not called to my attention, they may have been called to somebody else's attention, but some of these things I didn't know.

Mr. CHILDERS. May I address myself to Fairfield Bay, which is my problem?

Mr. ALEXANDER. Yes, sir.

Mr. CHILDERS. And you have already talked with Mr. Coffman, we are, and have been for the last several weeks, working on the establishment of rural delivery service for the Fairfield Bay area, and I am just as sympathetic with them as I can be, because these people have to drive 10 miles and as I understand it, there are 296 families, and Mr. Coffman might have better figures available on it than I have, on this particular thing, but it is a crying shame as far as I am concerned, that these people have to drive 10 miles to Fairfield Bay to pick up their social security check, dividend check, or whatever they may be living on.

So, I will state for the record that we are going to attempt in every way possible to have delivery service to these people no later than January. We are rapidly approaching the Christmas period, and we cannot do too much in that connection, but we do hope to have everything ready for submission to higher headquarters so that it can be approved, no later than January 1975.

Mr. ALEXANDER. I appreciate that and I am sure that they will be reasonable with the demands of the Christmas season that are imminent. I guess we have covered that subject sufficiently enough.

Let's take about 10 or fifteen more minutes. I have got a couple of general questions which have been sort of known to me at different hearings.

The other general question is: What sort of disciplinary power authority, over employment policies and practices, do you think that the local postmaster should have over his employees to effectively do his job?

Mr. SMITH. I think he has all he needs right now. Our problem is, and I am not criticizing our local postmasters, but they are sometimes reluctant to take disciplinary action and bring charges against the employees; they can have them removed, they can do anything they want to.

Mr. ALEXANDER. Well, Mr. Smith, the postmasters that I know in this district who have been severely intimidated by the Postal Service, and they are scared for their jobs, would differ with that opinion. I don't think they have got the right of authority over their employees to do the job they need to do, they can't say so, because they are afraid to. That is the type of atmosphere that these policies have created among their own employees and among your own postmasters, and I am not trying to put anybody on the spot. I know everybody has got to make a living and do their job. I am not trying to cause any particular individuals, outside of Washington, any problem. Would anyone differ from that opinion?

Mr. SMITH. I will say this, Congressman, we have quite a few unions that are represented in the Postal Service. They may appeal the decision, and we also have an appeal to the Civil Service Commission for our employees, and we also have an appeal to the Federal Administration for our employees, and I think they are well protected as far as job retention is concerned.

Mr. ALEXANDER. I think that is the problem. I am sure that their job retention is well protected.

Mr. SMITH. We find that, of course, we find sometimes a reluctance on our part to get down and discipline an employee and say he is doing something wrong. I heard today, and it is really an area of concern, when this gentleman talked about the rural carrier throwing his newspapers away.

Mr. ALEXANDER. Well, he needs to be fired on the spot.

Mr. SMITH. He needs to be fired, yes, sir, and for the postmaster—

Mr. ALEXANDER. And if the Postal Service doesn't have the gall to do it, if they'll let me know, I will try to get him fired.

Mr. SMITH. This postmaster, if he didn't do anything about it, he should have been fired. This is just a personal opinion of me, but we look on people's mail as something theirs, and we have a certain sanction for people's mails, view it with respect, and we try to distribute it.

Mr. ALEXANDER. Well, one other general question, and this may be one that we can deal with with a little bit more ease. Are any of you consulted by the national office or the sectional regional offices before major policy decisions are handed down by the Postal Administration in Washington?

Mr. SMITH. I am not personally, no.

Mr. SHARP. Let me elaborate on that, we are. The management association, the National Association of Postmasters, National League of Postmasters, the National Association of Postal Supervisors, they have monthly consulting meetings with the Postmaster General and his staff. These people are consulted, the people who represent us. They are consulted at the national level prior to the issuance of any firm policy.

Mr. ALEXANDER. That is another layer on the cake, does the head man ever call any of you on the phone, like I do, to some of my constituents out here, and say what do you think about so-and-so, is that working, you know, is it a good policy, is it doing the job?

Mr. SHARP. I think we would have to say that it hasn't, in fact.

Mr. ALEXANDER. I don't want to get too far afield here this afternoon. As you can see, I am determined to bring some reform into the system, and hope the reform will be constructive and bring about better service; I guess it is going to take legislation to do it.

Do any of you gentlemen have any questions?

Mr. BARTON. I would just like to say that it has been a very interesting day and I think we have got a lot of excellent information we are going to take back with us. We appreciate the time that all of you have spent here to elaborate on the problem.

Mr. ALEXANDER. I want to thank everyone for their cooperation, for their attention here today. I have covered a lot of ground here today, the 7 hours that we have been in this hearing. It would probably take 2 or 3 months in Washington to get this much done, based on my observations of committee action up there, and it just goes to show you what people can do, if they want to do it, and I don't think we have lost our will in this country to tackle big problems and try to find solutions and alternatives as these good people from Arkansas and you, have demonstrated.

Before we adjourn, is there anyone in the audience sitting here this afternoon, who would like to take a minute to put their two bits in that hasn't—Mrs. Myers from Cherokee Village.

Mrs. MEYERS. I don't know whether this has already come up in our discussions, but if I may address myself to Mr. Childers.

Mr. ALEXANDER. Now, Mrs. Myers, just for the purpose of the record, let the record show that this is Mrs. Meyers from Cherokee Village, Ark., and she is now the president of the property owners' association for that village.

Mrs. MEYERS. I know that this holds true for many Cherokee Villagers, on my driver's license when I applied for it, I put down Cherokee Village, Box 028, Ark., 72540. It comes back, Hardy, Box 028, 72540. I don't get it in time. The same holds true for my tax papers, they send my tax papers, and this is bad, because I do not get that in time to send out the tax on the deadline. So, I do believe that we do need a new ZIP code.

Mr. JOHNSON. I would say the same thing, I have my driver's license as evidence, giving an entirely wrong address, Shirley, Ark., when I live in Fairfield Bay.

Mr. ALEXANDER. Let the record show that that is Mr. Carter Johnson, of the property owners' association, Fairfield Bay, Ark.

Mr. CHILDERS. May I say to these people that we are in the process of updating ZIP codes for the next 10 or 20 years, and we will have it ready by the middle of February. This has been one of my recommendations from my area, is that Cherokee Village have a separate ZIP code. From a service standpoint, I think it would eliminate the delay in the mail because we are working more and more mail by the zip code, and this is a very good possibility.

Mr. ALEXANDER. Thank you, Mrs. Meyers, and Mr. Johnson.

I want to identify staff member, Leo Chitman, from West Memphis, who has come in this afternoon, who has been a value and help to us.

Leo, have you got anything you want to say?

Mr. CHITMAN. In the time I have been here, I have heard the statement of Mr. Sharp from Little Rock, and Mr. Childers from Jonesboro, and know of their work, and certainly of our local postmaster, and they are concerned over this area, too. I hope we can eliminate what problems we have and delays, that we can get the mail through on time.

I think hearings such as this, right here in the district, shows our concern, and I hope anyone who renders a decision, will be for us.

Mr. ALEXANDER. Leo is here at the local level where he gets the complaints firsthand. I'm sure we all appreciate that.

Thank you all very much for your assistance. The committee will stand adjourned subject to the call of the chair.

[The hearing was adjourned at 5:15 p.m.]

[The information which follows was ordered placed in the record at this point.]

THE POSTMASTER GENERAL,
Washington, D.C., December 11, 1974.

HON. JAMES M. HANLEY,
Chairman, Subcommittee on Postal Service, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

HON. BILL ALEXANDER,
Chairman, Subcommittee on Family Farms and Rural Development, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MESSRS. CHAIRMEN: In light of the current joint hearings the Postal Service Subcommittee is conducting with the Family Farms and Rural Development Subcommittee on the subject of rural mail service, I wanted to take the opportunity to clarify for the Record the Postal Service's position on this very important aspect of our operations.

First of all, I should stress that the Postal Service touches everyone in a way unmatched by other agencies of government. We process upwards of 90 billion pieces of mail a year. However, despite this almost unfathomable quantity, each piece is unique in some way and each is potentially of individual importance. It is not remarkable that people comment when there is a mal-function in the system and some item of mail is handled incorrectly. However, the number of complaints per thousand pieces of mail has been dropping. This is indicative of the more consistent delivery being achieved under our service standards.

The Postal Service accepts as a major part of our overall responsibility to the American people the provision of equitable service for rural areas tailored to meet rural needs. The history of the rural mail service has been one of constantly expanding availability. From the 40 miles of rural routes established experimentally in 1896 to serve three West Virginia communities, rural delivery has increased to the point where today 31,000 routes operate over more than 2 million

miles of road providing service to 42 million customers. This service is not limited to mail delivery, but includes mail collection, stamp sales, registry, certification, insurance, money orders, and other services urban customers obtain from post offices.

Indicative of our commitment to provide good service to rural America is the action taken last August to liberalize extension criteria for rural delivery. Rural routes now may be extended up to one mile to serve one additional family rather than the former limitation of seven-tenths of a mile for each family to be served. Indeed, originally it was necessary for six families to be served for every mile a carrier traveled when retrace was included, or four for every mile without retrace. Even without the impact of the August liberalization, rural deliveries increased from 11.9 million in fiscal 1972 to 12.7 million in fiscal 1974.

No post office is operated on the basis of receipts covering expenditures. While in an overall sense, a "break-even" concept underlies the Postal Reorganization Act in terms of the objective it sets forth, a more fundamental requirement of that Act is that the Postal Service recognizes its obligation to provide the whole nation with effective mail service. I recently clarified management relationships in a message to postal managers and took the opportunity to reemphasize our policy on post office closings, noting that "some managers have concentrated too seriously on small post office problems" and that discontinuation must comply strictly with guidelines. A copy of my message is attached. The reference is under the "Productivity Improvement Program" section.

Offices are established only when service can no longer be provided in an efficient manner through existing sources. Except in unusual situations, classified units or contract operations can meet expanding needs brought about by a pattern of growth over a period of time.

Stringent requirements must be met before any post office can be closed. These include surveying the community for views and determining accessibility to other post offices. Consequently, comparatively few post offices actually are closed.

At the conclusion of fiscal 1974, there were 31,000 post offices in the country. During the year, 211 offices had been discontinued, 83 were converted to Community Post Offices, and 27 were consolidated with other offices. In addition, there were 57 rejected proposals for a change in post office status. In all cases where action was taken, it was taken with the assurance that equal or better service would be provided for affected customers. Often, this assurance was provided through the extension of rural mail delivery service.

It is of interest to note that between fiscal years 1972 and 1974 post office closings averaged 316 per year. By contrast, between 1952 and 1971, prior to postal reorganization, the average number of post office closings per year amounted to 462.

There were 18,290 third- and fourth-class post offices throughout the country at the end of fiscal 1974. By and large, these are the offices serving the nation's rural areas. At all these offices, mail is sorted locally. Originating mail for local delivery is not sent to an area mail processing center to be worked. Rather, mail is taken to the processing center by the transportation contractor for further dispatch after it has been sorted. It should also be noted that these post offices postmark their originating mail.

This would seem to be the appropriate point to stress that area mail processing is designed to simplify mail distribution as well as to improve processing through better equipment utilization. By focusing on the processing centers rather than on individual post offices, mail dispatches are greatly simplified. In addition, this concentration of mail permits more efficient manpower utilization. However, before such a system is implemented, care is taken to assure that overnight service can be maintained between all qualified local communities. This can include provision for holding out some mail for direct dispatch. Nevertheless, in cases of very low volume, utilizing existing routes to and from the processing center, even when such mail is carried farther in terms of miles, is more practical than would be a modified non-local distribution system at each office.

In most places highway transportation routes continue to operate on Saturday afternoons and on Sundays. Mail processing centers also function over weekends and on holidays. Mail is collected from each office after rural carriers have left their pouches of outgoing mail and from the local collection receptacles by these highway contractors, and is taken on to be worked. Thus, generally mail collected on a Saturday is worked over the weekend and is available for local delivery the following Monday.

Testimony presented to the Subcommittees recommended that promotions be based on merit rather than seniority. In fact, both appointments and promotions are based on merit. Promotions are made with the advice of Promotion Advisory Boards. It also was suggested that local postmasters have more authority in hiring, firing, and disciplining those who work under them. Local postmasters are responsible for staffing in their offices and have full authority in the three areas mentioned. In hiring, each office maintains a register of eligible potential employees, although it has long been the practice to allow individuals to transfer eligibility from one office to another. Generally, the local work force is drawn upon for all postal hiring. However, examinations have been the most useful method of arriving at an objective decision on merit.

Local postmasters are very much aware of their obligations to the local community. However, they have a corresponding obligation to maintain their offices as part of a nationwide system. This is one of the great challenges of the Postal Service. It is a national system, but nevertheless must adjust to many strictly local requirements. The right mixture must be found in each case and is often the test of a good manager.

Specific questions were raised about the number of employees, expenditures, rural route consolidations, and post office actions in the First Congressional Districts of Arkansas and Kansas respectively. This information is at hand, so I am transmitting it for the Subcommittee's information.

Postal management at every level cares very deeply about mail service provided to the public both in rural and urban areas. We also care about the public getting the best possible value for the investment made in that service. Toward this end, steps are taken to make service in all areas consistent with each area's need. The object is to reach an acceptable balance where resources committed correspond with services required. This is not always an easy task, but it is one that is being approached with the conviction that the service aspect is the controlling factor. The Subcommittee can be certain this conviction will continue to predominate in all management action.

Several incidental points came up during the hearings which I would like to clarify. I was concerned to find another reference to postal employees allegedly being reluctant to discuss their views with elected representatives. I have constantly stressed that all postal employees are free to do so at all times. There were also references to the cost of Southern Regional administrative offices in Memphis and at our National Headquarters. In Memphis the square foot cost is below average for the area. Our L'Enfant Plaza building in Washington will permit us to avoid approximately \$9 million in operating costs over a 10-year period which would have been incurred had we not moved. In addition, it permitted placing more employees under one roof. It also utilizes space more efficiently than the old building, with each employee taking about half as many square feet as formerly.

There was also a reference to Bulk Mail System over-runs. In fact, the recent General Accounting Office Report on this system stressed that it has been developed within its original cost estimates. Given the trends in the construction industry over the past several years, we consider this a significant accomplishment.

Finally, let me reiterate my keen respect for the oversight function of the Congress with respect to the Postal Service. A number of witnesses suggested that the Postal Service should be more answerable to Congress. My own view is that we already are answerable for every aspect of our operations. I believe this accountability serves an important public purpose and works very much in the public interest.

Sincerely,

E. T. KLASSEN.

Enclosures :

FIRST DISTRICT, ARK.

Post office, June 30, 1971	232
Post offices, June 30, 1974	220
Post offices discontinued or converted to rural branch	12
Fiscal year 1972	4
Fiscal year 1973	5
Fiscal year 1974	3
Rural routes, June 30, 1971	154
Rural routes, June 30, 1974	150
Rural route consolidations	9
Fiscal year 1972	2
Fiscal year 1973	5
Fiscal year 1974	2
Work hours utilized fiscal year 1971	2, 114, 169
Work hours utilized fiscal year 1974	1, 663, 494

Reduction of 450,675 hours (21 percent).

RURAL ROUTES/CONSOLIDATIONS

First District, Ark. :	
Number of rural routes, June 30, 1971	154
Number of rural routes, June 30, 1974	150
Numbered of rural routes consolidated	9
Fiscal year 1972	2
Fiscal year 1973	5
Fiscal year 1974	2
First District, Kans. :	
Number of rural routes, June 30, 1971	373
Number of rural routes, June 30, 1974	317
Number of rural route consolidations	57
Fiscal year 1972	20
Fiscal year 1973	26
Fiscal year 1974	11

1ST DISTRICT, ARKANSAS

County	June 30, 1971		June 30, 1974	
	Number of employees	Amount spent	Number of employees	Amount spent
Craighead	144	\$1, 590, 044	149	\$2, 047, 409
St. Francis	59	651, 476	66	906, 906
Jackson	46	507, 931	52	714, 532
Fulton	24	265, 007	38	522, 158
Izard	27	298, 133	43	590, 863
Independence	70	772, 938	81	1, 113, 021
Sharp	27	298, 133	40	549, 640
Stone	14	154, 588	23	316, 043
Monroe	39	430, 637	46	632, 086
Van Buren	23	253, 965	29	398, 489
Woodruff	27	298, 133	43	590, 863
Phillips	69	761, 896	83	1, 140, 503
Lee	31	342, 301	40	549, 640
Cross	41	452, 721	53	728, 273
Crittenden	90	993, 777	84	1, 154, 244
Mississippi	127	1, 402, 330	151	2, 074, 891
Poinsett	58	640, 434	66	906, 906
Lawrence	54	596, 266	66	906, 906
Randolph	30	331, 259	32	439, 712
Clay	54	596, 266	68	934, 388
Greene	57	629, 392	70	961, 870
Total	1, 111	12, 267, 627	1, 323	18, 179, 343

FIRST DISTRICT, KANS.

Post offices, June 30, 1971	301
Post office, June 30, 1974	293
Post offices discontinued or converted to rural branch	8
Fiscal year 1972	4
Fiscal year 1973	2
Fiscal year 1974	2
Rural routes, June 30, 1971	373
Rural routes, June 30, 1974	317
Rural route Consolidations	57
Fiscal year 1972	20
Fiscal year 1973	26
Fiscal year 1974	11
Work hours utilized fiscal year 1971	2, 178, 576
Work hours utilized fiscal year 1974	1, 778, 470

Reduction of of 400,106 hours, (18 percent).

1ST DISTRICT, KANSAS

County	June 30, 1971		June 30, 1974	
	Number of employees	Amount spent	Number of employees	Amount spent
Cheyenne	70	\$772, 938	21	\$288, 561
Sherman	26	287, 091	32	439, 712
Wallace	10	110, 420	11	151, 151
Greeley	6	66, 252	6	82, 446
Hamilton	9	99, 378	13	178, 633
Stanton	8	88, 336	10	137, 410
Morton	14	154, 588	19	261, 079
Rawlins	25	276, 049	28	384, 748
Thomas	50	552, 099	60	824, 460
Logan	21	231, 881	22	302, 302
Wichita	11	121, 462	16	219, 856
Kearney	10	110, 420	9	123, 669
Grant	16	176, 672	17	233, 597
Stevens	13	143, 546	16	219, 856
Decatur	26	287, 091	29	398, 489
Sheridan	16	176, 672	16	219, 856
Gane	23	253, 965	26	357, 266
Scott	23	253, 965	25	343, 525
Lane	15	165, 630	15	206, 115
Finney	43	474, 805	45	618, 345
Haskell	10	110, 420	10	137, 410
Seward	56	618, 350	49	673, 399
Seward	23	253, 965	31	425, 971
Gray	15	165, 630	17	233, 957
Meade	13	143, 546	12	164, 892
Clark	103	1, 137, 323	106	1, 456, 546
Ford	11	121, 462	15	206, 115
Hodgeman	28	309, 175	32	439, 712
Ness	15	165, 630	19	261, 079
Trego	20	220, 839	21	288, 561
Graham	36	397, 511	42	577, 122
Norton	42	463, 763	53	728, 273
Phillips	36	397, 511	47	645, 827
Smith	40	441, 679	49	673, 309
Jewell	50	552, 099	52	714, 532
Republic	53	585, 224	68	934, 388
Washington	41	452, 721	46	632, 086
Clay	66	728, 770	59	810, 719
Cloud	46	507, 931	48	659, 568
Mitchell	36	397, 511	39	535, 899
Osborne	33	364, 385	42	577, 122
Rooks	76	839, 190	88	1, 209, 208
Ellis	49	541, 057	51	700, 791
Russell	27	298, 133	38	522, 158
Lincoln	30	331, 259	33	453, 453
Ottawa	160	1, 766, 715	188	2, 583, 308
Saline	28	309, 175	34	467, 194
Ellsworth	33	364, 385	33	453, 453
Pawnee	25	276, 049	31	425, 971
Edwards	22	242, 923	25	343, 525
Kiowa	16	176, 672	15	206, 115
Comanche	35	386, 469	38	522, 158
Barber	45	496, 889	47	645, 827
Pratt	35	386, 469	37	508, 417
Stafford	51	563, 141	53	728, 273
Rice	33	364, 385	40	549, 640
Rush	90	993, 777	98	1, 346, 618
Barton				
Total	1, 963	21, 675, 393	2, 142	29, 432, 912

THE POSTMASTER GENERAL,
Washington, D.C., November 5, 1974.

To: Senior Assistant Postmasters General, Assistant Postmasters General, Regional Postmasters General, Office, Division, and Branch Management, District Managers, Sectional Center Managers, Associate Office Postmasters.
Subject: Clarification of Organization Relationships.

DEAR LADIES AND GENTLEMEN: It has become increasingly apparent that not all postal managers are aware of their individual responsibility for understanding and achieving the relationships which must exist between all levels of management. There is evidence that many policies and programs developed at Headquarters do not reach all levels of management. Consequently, problems have developed at Headquarters and in the field. Some of these problems are commented on in this letter.

FUNDAMENTALS OF POSTAL MANAGEMENT

The purpose of this letter is to provide policy direction regarding the organizational relationships between Headquarters, Regions, Districts, Sectional Centers, and Associate Post Offices.

Relationships between these five organizational units are concurrently based upon two fundamentals of postal management:

1. Regional Postmasters General, District Managers, Sectional Center Managers, and Associate Office Postmasters have full administrative responsibility for managing their respective field organizations within the policies and programs set forth by Headquarters; and

2. Certain central functions—managed by the Senior Assistant Postmasters General, Assistant Postmasters General, and Office, Division, and Branch management at Headquarters—are absolutely essential for the logical development and control of our organization's activities.

DECENTRALIZATION AND INDIVIDUAL RESPONSIBILITIES

It is the policy of the Postal Service to delegate increasing responsibility to both field and functional managers.

The pace of decentralization will continue to be determined by the need to maintain or improve the effectiveness with which a responsibility has been performed in the past. Where decentralization will improve performance, it will be promptly delegated.

In order to continue the transition from rigid centralization to an effectively decentralized type of management, the following conditions are necessary:

Centralized policy direction;

Strong central financial and service controls; and

A clear understanding by employees and managers—at all levels—as to what is expected of them.

This latter point is oftentimes neglected by busy managers. Your subordinate managers and each employee must be aware of what you expect of them in the performance of their individual job. Each manager must increasingly "talk" and "listen" to his subordinates.

If you are unclear or have any question as to your own responsibilities, get your immediate superior to review them with you.

It is Postal Service policy that each employee and manager hear direct from his immediate superior on matters that pertain to their careers, responsibilities, and work performance.

To further clarify the organization relationships, I am outlining below the specific responsibilities of our five units:

NATIONAL HEADQUARTERS

The establishment of policies is the sole responsibility of the Board of Governors and the Postmaster General.

The responsibility of Headquarters management is to recommend policies and programs for implementation by their functional counterparts in the field and to monitor achievement. This includes responsibilities for direct supervision of Regional Offices and indirect supervision of District, Sectional Centers, and Associate Post Offices.

REGIONAL OFFICES

Regional management has the authority and responsibility to administer, within their respective geographic areas, the policies and programs developed by National Headquarters units and to insure that they are implemented as intended. This responsibility includes direct supervision of District Offices and indirect supervision of Sectional Centers and Associate Post Offices.

DISTRICT OFFICES

The responsibility of District management is to manage all District functions, within their respective geographic areas, and to coordinate the activities within their assigned Sectional Centers to insure implementation of Headquarters policies and programs. This includes direct supervision of Sectional Centers and indirect supervision of Associate Post Offices.

SECTIONAL CENTERS

The responsibility of Sectional Center management is to manage all Sectional Center operations, within their respective geographic areas, and to provide direction and supervision for assigned Associate Post Offices, pursuant to Headquarters policies and programs.

ASSOCIATE POST OFFICES

The responsibility of Associate Post Office management is to manage all local Post Office operations, within their respective geographic areas, pursuant to Headquarters policies and programs.

The above management levels constitute the approved permanent organizational structure for responsibilities that have been delegated to the Regions.

* * * * *

While so-called "area offices" have been established to perform some functions for the Districts, Sectional Centers, and Associate Post Offices, these offices have not been established on a permanent basis. The "area office" concept is now under study by Headquarters and you will be notified in the near future as to what determination has been made.

We do not intend to eliminate the District Office as a management level. It is impractical for five Regional Offices to effectively and efficiently supervise the postal system through approximately 300 Sectional Centers.

As with other management levels, we may make future determinations to consolidate or even eliminate individual District Offices—but these adjustments will be made on a case-by-case basis. Such changes, if made, will not alter the basic role of District Offices as one of our five management levels.

* * * * *

I want to comment now on some other very important aspects of the Postal Service.

PRODUCTIVITY IMPROVEMENT PROGRAM

This program is not intended to restrict the hiring of needed employees. Our policy is to reduce unnecessary manpower, some of which may result from equipment installation or work area improvements such as conveyors, loading platforms, equipment, etc. A comprehensive study of such reductions is to be made by a team of qualified employees and the results presented to local management for implementation only when the study indicates excess manpower.

Manpower savings will result from attrition only. There are no restrictions in the hiring of needed employees.

In our efforts to operate more efficiently, some managers have concentrated too seriously on small post office problems. Discontinuance, conversion, and consolidation of post offices are to be made only in accordance with Regional Instructions, Filing Number 361-2, dated 8-1-73.

Henceforth, efficiency efforts are to be concentrated in the larger post offices where the volume will justify the use of improved methods.

BUDGET REVIEW AND CONTROL

In early January 1975, the Regional Postmasters General will implement a midyear procedure to enable each District Manager, Sectional Center Manager, and Associate Office Postmaster to review his FY 1975 budget and performance with his immediate superior.

I want to insure that each manager, including Associate Office Postmasters, has the opportunity to fully review his FY 1975 budget and performance.

Subject to budget limitations and established procedures, each manager is then to be provided with authority to hire new employees in the filling of needed positions; to transfer nonproductive persons to jobs where they can make a useful contribution; and to perform their other management functions.

It is essential that there is a clear understanding between each manager and his or her immediate superior regarding the FY 1975 budget and the expanded management authority, since subsequently each will be held accountable for his or her performance.

In addition, it will be the responsibility of each manager to review the FY 1976 budget with the persons reporting to him before submitting that budget. Each subordinate manager must have the opportunity to comment on his or her budget and have his or per position heard and evaluated before any final action is taken on the FY 1976 budget submission.

BULK MAIL SYSTEM

I am sure you will all agree that it is now clear the BMS must operate within, rather than separate from, the line jurisdiction of the Regional management. Therefore, the Bulk Mail System will be integrated into the field units, with each operational unit being transferred intact into the Regional organization. Plans are being developed to accomplish an orderly assumption by the Regions of these expanded responsibilities by May 1, 1975.

CHRISTMAS 1974

Operational plans have already been made for the handling of this year's Christmas mail. I know each manager understands that we again face a situation that will require the best efforts of all of us.

I want to express to each manager and have him share with his or her subordinates, my gratitude for the manner in which the postal system moved last year's Christmas mail.

* * * * *

I trust that this policy direction will clarify any organizational misunderstandings which may exist and provide the means for each manager to do the most effective job possible.

A number of subjects are covered in this letter and there may be some unanswered questions. I hope that any of you having questions about these or other matters will let me hear from you.

Sincerely,

E. T. KLASSEN.

U.S. POSTAL SERVICE REGIONAL INSTRUCTIONS

Subject: Discontinuance, Conversion, and Consolidation of Post Offices.

I. Purpose

To establish guidelines and procedures for the discontinuance of post offices, conversion of post offices to Community Post Offices (which term will henceforth be used in place of "rural stations or branches"), and the consolidation of post offices where a classified or contract unit is to be established in lieu of a post office.

II. Current policy

Section 101(b) of the Postal Reorganization Act of August 12, 1970, prescribes that: "The Postal Service shall provide a maximum degree of effective

and regular postal service to rural areas, communities and small towns where post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, *it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.*" (*Italics supplied.*)

III. Guidelines

Recommendations from Regional Postmasters General for discontinuing, converting, or consolidating independent post offices will be considered in light of the guidelines set forth herein.

A. Discontinuance of Post Offices

The outright discontinuance of a post office will be considered when (a) a community has been abandoned, or (b) a vacancy exists in the position of postmaster, service to be provided will be as good as, or better than, the service being received, and one or more of the following conditions exists:

1. No suitable person can be found in the community to permanently take charge of the post office.
2. No suitable quarters can be found in the community for housing the post office.
3. Fewer than 25 families are being served by the post office.
4. Another post office or a classified station or branch is located within a reasonable distance of the post office to be discontinued (normally, three to five miles except in sparsely settled areas such as Alaska), which is easily accessible to the customers affected, and will provide service equal to, or better than, the services being received.

B. Conversion to Community Post Offices (CPOs)

When it is determined that discontinuance of a post office is warranted, every effort will first be made to establish a Community Post Office by contract. (This requirement is not necessary where the community has been abandoned.) The following procedures should be followed before sending a discontinuance recommendation to Headquarters:

1. Notices soliciting offers for the operation of a CPO will be posted conspicuously in the post office for a minimum of ten days.
2. Businesses in the immediate area will be contacted directly by a postal representative in order to ascertain interest in operating a CPO.

If it is determined that a prospective contractor can provide suitable quarters and convenient hours of service at a reasonable cost, agreement to operate a CPO should be executed (PS Form 4042, Agreement to Conduct a Rural Station or Branch.) Also, every effort should be made to extend delivery service to qualified area residents. (The limitation for not extending rural service within one quarter mile of a post office is not applicable to CPOs.)

C. Consolidation of Post Offices

The consolidation of post offices, where a classified or contract unit is established in lieu of a post office, will be considered when a postmaster vacancy exists by reason of death, resignation, retirement, reassignment, or promotion to another position title in the USPS as nearly commensurate with his qualifications as possible; service to be provided will be as good as or better than the service being received; and one or more of the following conditions exists:

1. Two or more independent post offices are located within the corporate limits of an incorporated city or town.
2. The communities served by two or more independent post offices are being merged in order to become an incorporated city or town.
3. A majority of the customers have requested a change in status of the post office, either to obtain a change in mailing address or to obtain rural or city delivery service.
4. The post office(s) to be consolidated is located less than 20 miles from the corporate limits of the office with which it is to be merged.
5. The consolidation is necessary in order to establish or extend delivery service from another post office.

In cases involving the establishment of a classified station or branch in lieu of a post office, the following supplemental documentation is required.

1. Form 1832, Employee Complement and Organization Data, present post office.

2. Form 1832, Employee Complement and Organization Data, proposed for the newly established unit.
3. Functional statement and organization chart—present post office.
4. Functional statement and organization chart—proposed for the newly established unit.
5. Form(s) 6802-X, Request for Job Evaluation Action, as required by Publication 182 for positions affected by the proposed consolidation.

IV. Procedures

When it has been determined that a post office should be discontinued, converted to a Community Post Office, or consolidated with another post office, the following actions shall be taken:

A. The RPMG will submit a recommendation, accompanied by Form 4920, Fact Sheet—Proposed Change in Status of Post Office, in triplicate, to: Senior Assistant Postmaster General, Operations, at least 90 days in advance of the effective date of the proposed action. The recommendation should describe the action proposed, the reasons therefor, the alternative service to be provided, a comparison of the costs involved, the reaction of the customers affected, and the placement of any employees, including the postmaster, who may be displaced by the action.

B. The recommendation will be reviewed, analyzed, and coordinated with other interested Departments at Headquarters, and the RPMG will be advised of the approval or disapproval of the proposed action within 30 days.

C. The RPMG upon being advised of approval will proceed immediately to advise the customers affected of the proposed changes, the effective date, and any action required of them to assure uninterrupted service. The appropriate articles of the National Agreement must be followed with respect to all affected employees who are represented by a collective bargaining unit.

D. The RPMG will immediately notify the SAPMG, Operations, if for any reason it becomes impossible or impracticable to implement the changes on the scheduled date. Customers must also be advised as early as possible of any changes in plans.

E. In emergencies when it is absolutely necessary to suspend operations of a post office without a full review and evaluation, the RPMG will notify the SAPMG, Operations, by telephone or TW- of the action taken. In such cases, the RPMG will immediately initiate a review of circumstances which will permit, without delay, a recommendation for final action in accordance with these Instructions.

V. Recission

These Regional Instructions supersede all previous instructions concerning the discontinuance and conversion of post offices, including Regional Instructions 584-O-135, dated March 5, 1971, Filing No. 361.2-1.

E. V. DORSEY,
Senior Assistant Postmaster General, Operations.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., November 27, 1974.

HON. JAMES M. HANLEY,
Chairman, Subcommittee on Postal Service, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed, as requested, is a memorandum discussing the background on the decision to stop hanging pictures of Presidents and Postmasters General in Post Office lobbies.

Please let me know if I can provide any additional information that would be helpful.

With best regards, I am
Sincerely yours,

NORMAN S. HALLIDAY,
*Assistant Postmaster General,
Government Relations Department.*

Enclosure.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., November 26, 1974.

MEMORANDUM FOR THE RECORD

Over the past several months a number of questions have arisen with reference to the display of Presidential photographs in post office lobbies. These follow in a pattern of persistent public questions on the necessity and desirability of expending funds for displaying pictures of incumbent Presidents and Postmasters General in post office lobbies.

On November 7, the Postal Service was advised that the General Services Administration had purchased lithographs for all Government agencies except the State Department, the Defense Department, and the Postal Service.

The question of providing photographs subsequently was given study by the Postal Service's Executive Committee. Consideration was given to the traditional value of familiarizing the public with the likeness of the incumbent President and Postmaster General in this manner. The prospective sizable expense for these photographs, the intermittent complaints that have come up on this subject, and the display of these photographs in public space essentially dedicated to the conduct of retail postal business also were evaluated.

After considering all aspects of the matter, a policy decision was reached to discontinue displaying photographs of incumbent Presidents and Postmasters General in public spaces in post office buildings.

The necessary notice was published in the November 21, 1974, Postal Bulletin and is attached. Appropriate instructions also will be included in the Postal Service Manual.

NORMAN S. HALLIDAY,
Assistant Postmaster General,
Government Relations Department.

STATEMENT OF HON. BOB BERGLAND, MEMBER OF CONGRESS,
SEVENTH DISTRICT, MINNESOTA

Mr. Chairman, I would like to thank this Subcommittee for expressing its interest in the quality of rural mail service and for the opportunity to participate in these hearings.

As most of you, I often receive complaints from my constituents concerning the deterioration of mail services in cities and in the countryside. I was most appreciative, at the instigation of your Chairman, Mr. Alexander, to be able to conduct a survey of Minnesota's 7th Congressional District in an attempt to determine whether the complaints we receive represent a general lessening of the quality of our mail service or if they are but isolated instances.

I believe that the results of this survey, in the form of a questionnaire identical to the one formulated by your Chairman, will be valuable to the work of this Committee. The 7th District of Minnesota is predominantly rural. Over 50 percent of those responding to the questionnaire receive their mail on rural or star routes. It is an area with a stable population where 80 percent of those responding based their evaluation from the vantage point of living at the same address for more than three years.

At this time I request that the questionnaire and its results be inserted in the official record of your Subcommittee.

7TH DISTRICT, MINNESOTA

PART 1. GENERAL INFORMATION

1. How long have you lived at the present address :
 - (a) Present to 3 years—20%
 - (b) Over 3 years—80%
2. Is your postal delivery designated :
 - (a) Rural route—50%
 - (b) City delivery—44%
 - (c) Cluster delivery
 - (d) Star route—1%
 - (e) Post Office pickup—5%
3. Is your personal mailbox located :
 - (a) At the door—38%
 - (b) At the road—55%
 - (c) At the post office—7%

4. How far from your home is your designated post office:

- (a) 0 to 1 mile—46%
- (b) 1 to 5 miles—31%
- (c) 5 to 10 miles—16%
- (d) over 10 miles—7%

PART II. SPECIFIC MAIL SERVICES

A. Incoming Mail

1. Is local mail in your area delivered:

- (a) overnight—83%
- (b) 2 to 3 days—11%
- (c) over 3 days—1%
- (no reply—5%)

2. Is out of town mail in your area delivered:

- (a) overnight—38%
- (b) 2 to 3 days—42%
- (c) over 3 days—11%
- (no reply—9%)

3. Are parcel post packages delivered:

- (a) overnight—25%
- (b) 2 to 3 days—34%
- (c) 4 to 8 days—14%
- (d) over 8 days—5%
- (no reply—22%)

4. In what condition are parcel post packages received:

- (a) good—57%
- (b) fair—33%
- (c) poor—10%

5. Are newspapers, magazines, etc. received on time:

- (a) yes—89%
- (b) no—10%
- (no reply—22%)

6. Are they generally delivered in good condition:

- (a) yes—93%
- (b) no—5%
- (no reply—1%)

B. Outgoing Mail

1. Where is your nearest pickup:

- (a) at the door or road—70%
- (b) neighborhood mail box—10%
- (c) at the post office—20%

2. How often is mail picked up:

- (a) more than once daily 7%
- (b) daily—92%
- (c) less than once daily—1%

PART III. OTHER INFORMATION

1. Do you believe present rate of mail pickup meets your needs?

- (a) yes—94%
- (b) no—6%

2. In order to meet your needs should mail pickup and delivery be more frequent?

- (a) yes—14%
- (b) no—84%
- (no reply—2%)

3. To your knowledge has your first class mail generally arrived:

- (a) on time—85%
- (b) late—15%
- (c) very late

4. The Post Office has instituted or encouraged new services, some in cooperation with private enterprise (such as: mailgram, express mail, stamps by mail, self-service postal centers). Have you had an opportunity to use any of these services?

- (a) yes—17%
- (b) no—82%
- (no reply—1%)

5. A number of private corporations have instituted parcel delivery services such as United Parcel Services, American Airlines, and Greyhound. Has the failure of the Postal Service to provide adequate service forced you to use any of these private corporations?

- (a) yes—26%
- (b) no—70%
- (no reply—4%)

6. Would you prefer to use other services if available in your locality:

- (a) yes—27%
- (b) no—71%
- (no reply—2%)

7. Would you rate mail pickup services in your area to be:

- (a) good—62%
- (b) adequate—26%
- (c) poor—10%
- (no reply—2%)

8. Would you rate mail delivery services in your area to be:

- (a) good—60%
- (b) adequate—35%
- (c) poor—5%

9. In your experience in the past three years has mail service:

- (a) improved—16%
- (b) remained the same—61%
- (c) deteriorated—12%
- (no reply—11%)

10. How important do you consider the post office to the survival and development of your community?

- (a) very important—74%
- (b) important—18%
- (c) no effect—8%

As you will note from the results, the majority of those responding are generally satisfied. Many took time to single out individual postmasters and postal workers for outstanding services. Several expressed the belief that postal services could best be improved by allowing local post offices a greater flexibility in their operations.

Specifically, 62 percent of those responding rate mail pickup services as "good" and 26 percent believe them "adequate"; while 60 percent stated delivery service is "good" and 35 percent "adequate." Ninety-four percent stated that the present services for mail pickup meets their needs and when asked if additional pickup services are necessary, 84 percent replied "no."

As I have stated, however, those responding gave most of the credit to local postal officials. Only 16 percent expressed the opinion that postal services have improved since the creation of an independent agency while nearly an equal number, 12 percent, noted a deterioration. The remaining 61 percent found no change.

Not reflected in the survey, but demonstrated in the many thoughtful comments added by those responding, was a dissatisfaction with the quality of parcel post service. Long delays and packages arriving in poor condition were often mentioned. Those who find it necessary to require prompt delivery of parcels have turned away from the Postal Service and are utilizing, where available, private delivery services.

Also frequently mentioned in comments was the so-called "junk mail." While they recognize the need and support the philosophy of lower rates for legitimate newspapers and magazines, the people of the 7th District believe that a greater burden for the cost of mail services should be carried by those who overburden our post offices with material of questionable value.

Needless to say, those responding share the outrage that most of us have expressed over the costly decorating tastes of the present Postmaster General.

In closing, I would like to re-emphasize the belief of my constituents that less inflexibility on the part of national and regional offices and greater leeway for operational decisions at the local level could provide a great improvement in postal services in rural areas.

STATEMENT OF JOHN W. SCOTT, MASTER OF THE NATIONAL GRANGE

Mr. Chairman and members of the subcommittee, I am John W. Scott, Master of the National Grange, with national headquarters at 1616 H Street NW., Washington, D.C.

The National Grange represents over 600,000 members in 41 states and 7000 local communities. The Grange, in its 107th year of service to rural communities, is proud of its record in support of rural mail services to include providing the citizen leadership which brought about Rural Free Delivery.

Congressman Bill Alexander, Chairman of the Subcommittee on Family Farms and Rural Development of the House Committee on Agriculture, published a questionnaire to be used in a study to survey the condition of postal services in the countryside. Since the membership of the National Grange is representative of 41 states and is primarily farm and rural, I felt that a survey of Grange membership would be of value to this committee.

The mailing list used in our sample was made up of state and county leaders. This gave us wide dispersion within each state and also queried individuals who not only use the mails more often than most but also are in a position to be aware of the opinions of others.

The cover letter for the survey was dated August 16th with a copy enclosed. A cut-off date of September 10 was used. There were 770 questionnaires sent out and 137 returned. Seventeen additional questionnaires were received late and not used. All but three of the 137 questionnaires were used for statistical purposes. This gave us a response of approximately 18 percent. Eighty-five of the total had written comments. Twenty-two listed city delivery, 15 post office box, 8 star route and 92 rural route.

A compilation of answers to form questions selected from the survey dealing with specific mail services is attached.

The general consensus of opinion is that rural mail services are marginally adequate but almost half of those questioned felt that service has deteriorated in the last three years.

The biggest single complaint was that rerouting to a central point for sorting had added several days to mail delivery dates.

Respondents were critical of package delivery relative to condition, price and timeliness. A majority that commented felt United Parcel Service provided better all-around service.

Several complaints dealt with not being able to buy stamps from the rural carrier. They stated he had to invest his own money in the stamps and as a consequence they usually were not available.

There were several complaints that newspaper delivery was unsatisfactory. They sometimes waited a week for the Sunday paper and daily papers arrived out of date sequence.

Most complaints about personnel dealt with those in post offices, not rural carriers.

A point was made in several responses that postal rates were too high and if the rates were to be higher, then there should be better service.

A copy of the survey was furnished the Chairman of the Subcommittee and the Chairman of the Subcommittee on Family Farms and Rural Development of the Agriculture Committee. The original is on file in my office and is available to interested parties.

Mr. Chairman, that concludes my statement and I wish to thank you for this opportunity of testifying.

ATTACHMENT 1

RESULTS OF SELECTED QUESTIONS

	(Percent)
Delivery of first class mail:	
On time-----	67
Late-----	27
Very late-----	6
Mail pickup:	
Good-----	41
Adequate-----	46
Poor-----	13
Mail Delivery:	
Good-----	33
Adequate-----	49
Poor-----	18
Mail service for past three years:	
Improved-----	7
Remained same-----	48
Deteriorated-----	45

ATTACHMENT 2

AUGUST 16, 1974.

To: State Masters, National Officers and Pomona Masters.
 From: Robert M. Frederick, Legislative Director.
 Subject: Adequacy of Postal Services to the Countryside.

The Subcommittee on Rural Development of the House Committee on Agriculture has scheduled 3 days of hearings on postal policy as it relates to the countryside. These hearings will be held September 17, 18, and 19.

The Subcommittee has prepared a survey form which they will be using to gather information for a study to improve postal services in rural communities.

The Subcommittee will work in conjunction with the Committee on Post Office and Civil Service in forming recommendations for improvements in the U.S. Postal Service law for consideration during the 94th Congress.

I request that you complete the enclosed questionnaire and return it to this office by September 10. This will allow time for collation and inclusion in a prepared statement by the National Grange for the subcommittee.

Your comments are very meaningful because the outcome of these hearings could have a major impact on your mail service.

Fraternally,

ROBERT M. FREDERICK,
Legislative Director.

LINDSEY J. FAIRLEY,
West Memphis, Ark., December 2, 1974.

CONGRESSMAN BILL ALEXANDER,
*House Office Building,
 Washington, D.C.*

DEAR CONGRESSMAN ALEXANDER: It was a pleasure seeing you at the hearing on the postal service recently in West Memphis. After seeing the number of people who had come such a great distance to testify at the hearing, I felt that your time would best be served by hearing them and letting me write you this letter expressing the matters I wanted to bring to your attention.

As Municipal Judge, we have many instances where people are summonsed to court and wish to mail in a bond for forfeiture. Of course, the summons requires appearance or posting of this bond by a specific date and where the bonds do not reach the clerk's office by that date, warrants are issued for defendants and they are subject to arrest. We have experienced some considerable problem in the past with letters containing checks being misdirected, lost, or failing to arrive within what would appear to be a normal mail service time from the point of posting.

One specific problem which I experienced recently with regard to an estate which I was handling caused a poor widow some grief as well as expense by poor mail service. Two letters were posted at the West Memphis Post Office, one to the Bank of West Memphis and another to GMAC, which is located some two blocks down the street, each containing death certificates for the decedent whose estate was involved and letters asking that the credit life on two outstanding loans be applied to pay off the estate's automobile with GMAC and a bank loan at the Bank of West Memphis. The letter arrived at the Bank of West Memphis in due course. The one to GMAC has not been heard from since. This necessitated the widow securing an additional death certificate from Louisiana where death occurred. It took additional time to secure this death certificate during which period GMAC collector's called her and were very short with her because the note was delinquent. Of course, the Post Office has no explanation as to what could have happened to the letter.

The points which you have made concerning the attempts of the dedicated personnel at the Post Office of which Billy Hundhausen, the Postmaster for West Memphis is a prime example, to improve service and to get more responsiveness from their employees and the lack of cooperation in these efforts by the employees is well taken.

Yours sincerely,

LINDSEY J. FAIRLEY,
*Municipal Judge,
 West Memphis, Ark.*

GOLDMARK COMMUNICATIONS CORP.,
STAMFORD, CONN., November 19, 1974.

Mr. JAMES GILTMIER,
U.S. Senate, Committee on Forestry and Agriculture,
Washington, D.C.

DEAR JIM: Attached is a copy of Dr. Goldmark's overall concept you asked for which he described to Senator Moss as a practical method of electronic mail delivery in rural, suburban and urban areas of the United States.

At Senator Moss' suggestion, Dr. Goldmark has met with Dr. Werner von Braun of Fairchild Industries. Dr. von Braun has endorsed the concept and has recommended to Senator Moss that a feasibility study be initiated with the U.S. Postal Service in which the ATS-7 spacecraft could be the vehicle for Dr. Goldmark's imaginative system to enable the USPS to electronically encode and transmit mail.

As you read Dr. Goldmark's brief overview, it becomes evident that such a system would provide a dramatic service in the public interest.

LEO J. MURRAY,
Vice President,
Corporate Affairs.

AN INTEGRATED SATELLITE AND GROUND COMMUNICATIONS SYSTEM FOR POSTAL SERVICE

The purpose of this proposal is to provide the Postal Service with a new premium mail system which is based on existing technology, could be developed immediately, would create substantial extra revenues, and would mean to the American public a giant step forward in communication by mail.

The back-up satellite for the currently operational ATS-6 would perform the space portion of the proposed new service, requiring no changes to the satellite. Practical ground receiving antennas for the ATS-6, measuring 6 ft. in diameter, have been designed and manufactured for a cost of approximately \$3,000 and are in use for the ATS-6 educational and medical experiments. In quantities as envisaged for this proposal, the receiving antennas and electronics could probably be provided for approximately \$2,000 per unit. The costs of ground to satellite links are considerably higher, and depending on quantities, would probably be between \$100,000 and \$200,000 per unit.

The U.S. would be divided into 8 vertical zones appearing as narrow segments running from North to South. The ATS-6 with its two transmitters will be capable of covering most of the areas in these zones with adequate signal strength.

The satellite is equipped to scan the U.S. in an East to West as well as West to East direction, using the directional antennas of the back-up satellite to the ATS-6 and to dwell an appropriate period of time on each of the eight North-South zones. If it is desired to traverse the U.S. three times every twenty-four hours, then during each eight-hour period, the satellite can dwell on each of the 8 segments an average of an hour. Actually the dwelltime should be higher towards the East and West Coasts and less towards the center of the country, due to the increasing amount of mail located nearer the Coasts.

Because of the highly concentrated energy distributed over the individual zones, the small and inexpensive antennas referred to earlier, could be scattered among a great many post offices in each of the segments. Transmitting antennas pointing to the satellite in each individual zone would be fewer in number because of their higher cost, but can be located at strategically placed collection points.

It is proposed that initially premium mail be considered for this new service which probably will be used preponderantly by business, but later a partial substitution for airmail may be possible.

The paper used for this purpose should be standardized in terms of format (8x11"), where the message is located, the business' identification, etc. Also, people must be encouraged to use single-space typing for the sake of economy. Such SATELLITE-MAIL letters need not be in envelopes but could be appropriately folded and sealed. They would be delivered by messengers and other conventional means to the nearest post office. The latter would be equipped with a special scanner to translate the letters into electronic signals. Slow and high-speed scanners would be designed, to be discussed later. Standard telephone and other commercial low-cost lines would interconnect outlying post offices with those

located closer to the ones equipped with satellite uplinks. The closer the post office is to the one communicating directly with the satellite, the more satellite mail will be handled there, and, therefore, higher-speed scanners and wider band links would be employed. This applies only to the collection process because the letters transmitted by the satellite can be directly received in even the small and outlying post offices by means of the inexpensive antennas.

Because the ATS-6 type satellite is highly directional both in transmitting and receiving, the satellite can only communicate within a zone toward which it has been directed. Thus, a single channel video landlink is employed, running East to West across the country, capable of carrying signals in both directions. Mail which is intended for any one of the seven zones, other than the one in which the letter originated, will be forwarded by the terrestrial link which has its terminals at the major collection post offices of each zone.

As an alternative to the East-West two-way video landlink, one would estimate the cost of a commercial communications satellite service for this purpose, including a single ground to satellite and satellite to ground link for each of the eight zones.

The electronic mail signals, when forwarded along the landline or commercial satellite link, are stored in the appropriate zone for which the mail is intended. The magnetically stored signals are awaiting the ATS-6 satellite and, upon its arrival, are transmitted to it for distribution within that same zone. As an example, mail intended for the West Coast is collected in each previous zone and transmitted at an appropriate rate across the landlink (or commercial satellite link) to the West Coast zone and is stored. The AT-6 travelling westward will find all the mail intended for the West Coast waiting for it in California for distribution to all the desired areas within the West Coast segment.

The capacity to carry mail of the proposed system on a daily and yearly basis can be calculated as follows: Assuming an average dwelltime of 3 hours per each of the 8 zones during a 24-hour period, the capacity would be first determined based on an exclusive use of the satellite for mail purposes. If we define as a business letter a full typewritten page 8x11", with the scanning concentrated where the printing is, then a total of 540 kilocycles would provide adequate resolution, corresponding to approximately 120 lines per inch. If we assume a frequency compression by a factor of 5.4 (using known techniques), the bandwidth required would be reduced to 100 kilocycles. In a channel capable of handling 4 mgHz bandwidth, 40 pages per second can be transmitted, corresponding per hour to 144,000 pages. During a 24-hour period roughly 3.4 million letters can be transmitted and thus, per year approximately 1.2 billion pieces of mail represent the full capacity. At a premium charge of 50 cents, this would represent an income of \$600 million. If, for a number of years this capacity is in excess of the expected traffic, the satellite could also be used for other services such as the distribution of learning material, health subjects, etc. GCC has developed a system of delivery for learning material using still-pictures and sound permitting the high-speed transmission and storage of courses via video links and would function well within the framework of the proposed satellite mail delivery system.

To handle this amount of mail will require very high-speed scanners both for transmission and recording. A method has been worked out whereby equipment could be designed, based on known technology, to provide the necessary scanning speed and paper handling ability. This would apply to the scanning of mail for transmission purposes as well as the recording at the final post office from where delivery would be made. Once specific interest has been expressed in the proposed service, it would then be practical to discuss this in greater detail.

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
Sauk Centre, Minn., August 9, 1974.

FELLOW INDEPENDENT BANKER. We are testing the mail service in rural America to measure the time required for our letters to reach our member banks, and for theirs to come to us. At the same time, we are assessing the quality of mail service in general.

Our results will be reported to the House Agriculture Committee's Subcommittee on Family Farms and Rural Development during hearings scheduled for September 17-19.

You are one of ten independent bank executives selected by us in your state to be queried about postal performance.

Please complete the enclosed questionnaire, indicate the date you received it and return it to us today in the enclosed postage-free envelope.

To be fair, we will mail you a reply form Tuesday, August 13, and another on Friday, August 16, for a total of three tests of delivery service within the coming week, and thus base our findings on several mailings instead of only one. Only a moment of your time will be needed to complete each and return it to us.

Your cooperation is essential if our test is to succeed. We will let you know the results through the INDEPENDENT BANKER magazine as soon as the tabulation is prepared for the hearing.

Congressman Bill Alexander (Arkansas 1st District), chairman of the Subcommittee on Family Farm and Rural Development, has assured us that our testimony will be accorded every consideration in the growing movement to improve postal services.

Thank you for your cooperation.

Sincerely,

HOWARD BELL,
Executive Director.

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
Sauk Centre, Minn., August 30, 1974.

Congressman WILLIAM V. ALEXANDER, Jr.,
Arkansas First District, House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: We enclose the tabulation of our survey of postal services, a listing of comments inscribed by some of the 290 respondees of the total 422 polled.

You will recall when we sent you a sample of our questionnaire that we mailed 10 at random to member bankers in each state, and all in communities under 10,000. Also included is an indication of the average time it took three first class mailings from our office to these participating bankers throughout the country over the one-week period in August, 1974.

If you have any questions about the survey or the returns, please let us know.

We have conducted this survey primarily to assist you with information that might be helpful during your postal services hearing in mid-September.

Sincerely,

GENE MOORE,
Secretary.

SURVEY OF POSTAL SERVICES
(290 respondents (68.7%) 422 total)

UNDER 10,000 POPULATION:

PART I. GENERAL INFORMATION

1. How long have you been at your present address?

<u>6</u>	(a)	Present to 3 years
<u>284</u>	(b)	Over 3 years

2. Is your postal delivery designated:

<u>8</u>	(a)	Rural route
<u>19</u>	(b)	City delivery
<u>1</u>	(c)	Cluster delivery
<u>2</u>	(d)	Star route
<u>261</u>	(e)	Post Office pickup

3. Is your personal mailbox located:

<u>22</u>	(a)	At the door
<u>19</u>	(b)	At the road
<u>243</u>	(c)	At the post office
<u>6</u>	(d)	No answer

4. HOW far from your home is your designated post office:

<u>248</u>	(a)	0 to 1 mile
<u>33</u>	(b)	1 to 5 miles
<u>3</u>	(c)	5 to 10 miles
<u>--</u>	(d)	over 10 miles
<u>6</u>	(e)	no answer

PART II. SPECIFIC MAIL SERVICES

A. INCOMING MAIL

1. Is local mail in your area delivered:

<u>265</u>	(a)	overnight
<u>24</u>	(b)	2 to 3 days
<u>1</u>	(c)	over 3 days

2. Is out of town mail in your area delivered:
- 150 (a) overnight
131 (b) 2 to 3 days
7 (c) over 3 days
2 (d) no answer
3. Are parcel post packages delivered:
- 85 (a) overnight
126 (b) 2 to 3 days
31 (c) 4 to 8 days
5 (d) over 8 days
43 (e) no answer
4. In what condition are parcel post packages received:
- 158 (a) good
108 (b) fair
16 (c) poor
8 (d) no answer
5. Are newspapers, magazines, etc. received on time:
- 211 (a) yes
71 (b) no
8 (c) no answer
6. Are they generally delivered in good condition:
- 275 (a) yes
10 (b) no
5 (c) no answer
- B. OUTGOING MAIL

1. Where is your nearest pickup:
- 20 (a) at the door or road
28 (b) neighborhood mail box
253 (c) at the post office
2. How often is mail picked up:
- 107 (a) more than once daily
170 (b) daily
-- (c) less than once daily
13 (d) no answer

PART III. OTHER INFORMATION

1. Do you believe present rate of mail pick up meets your needs?
- 224 (a) yes
52 (b) no
14 (c) no answer
2. In order to meet your needs should mail pickup and delivery be more frequent?
- 64 (a) yes
197 (b) no
29 (c) no answer

3. To your knowledge has your first class mail generally arrived:
- 218 (a) on time
76 (b) late
2 (c) very late
4. The Post Office has instituted or encouraged new services, some in cooperation with private enterprise (such as: mailgram, express mail, stamps by mail, self-service postal centers). Have you had an opportunity to use any of these?
- 23 (a) yes
263 (b) no
4 (c) no answer
5. A number of private corporations have instituted parcel delivery services such as United Parcel Services, various airlines, and Greyhound. Has the failure of the Postal Service to provide adequate service forced you to use any of these private corporations?
- 161 (a) yes
123 (b) no
6 (c) no answer
6. Would you prefer to use other services if available in your locality?
- 129 (a) yes
130 (b) no
31 (c) no answer
7. Would you rate mail pickup services in your area to be:
- 112 (a) good
142 (b) adequate
26 (c) poor
10 (d) no answer
8. Would you rate mail delivery services in your area to be:
- 109 (a) good
139 (b) adequate
36 (c) poor
6 (d) no answer
9. In your experience in the past three years has mail service:
- 16 (a) improved
139 (b) remained the same
132 (c) deteriorated
3 (d) no answer
10. How important do you consider the post office to the survival and development of your community?
- 237 (a) very important
48 (b) important
6 (c) no effect

SURVEY OF POSTAL SERVICES

16 respondents (66.7%) 24 total

OVER 10,000 POPULATION!

PART I. GENERAL INFORMATION

1. How long have you been at your present address?
 - (a) Present to 3 years
 - 16 (b) Over 3 years
2. Is your postal delivery designated:
 - (a) Rural route
 - 6 (b) City delivery
 - (c) Cluster delivery
 - (d) Star route
 - 10 (e) Post Office pickup
3. Is your personal mailbox located:
 - 8 (a) At the door
 - 1 (b) At the road
 - 6 (c) At the post office
 - 1 (d) No answer
4. How far from your home is your designated post office:
 - 12 (a) 0 to 1 mile
 - 3 (b) 1 to 5 miles
 - (c) 5 to 10 miles
 - (d) over 10 miles
 - 1 (e) no answer

PART II. SPECIFIC MAIL SERVICES

A. INCOMING MAIL

1. Is local mail in your area delivered:
 - 17 (a) overnight
 - 3 (b) 2 to 3 days
 - (c) over 3 days

2. Is out of town mail in your area delivered:
- | | | |
|------------|-----|-------------|
| <u> 5</u> | (a) | overnight |
| <u>11</u> | (b) | 2 to 3 days |
| <u> 2</u> | (c) | over 3 days |
3. Are parcel post packages delivered:
- | | | |
|------------|-----|-------------|
| <u> 2</u> | (a) | overnight |
| <u>10</u> | (b) | 2 to 3 days |
| <u> 5</u> | (c) | 4 to 8 days |
| <u>--</u> | (d) | over 8 days |
4. In what condition are parcel post packages received:
- | | | |
|------------|-----|------|
| <u>10</u> | (a) | good |
| <u> 7</u> | (b) | fair |
| <u> 1</u> | (c) | poor |
5. Are newspapers, magazines, etc. received on time:
- | | | |
|------------|-----|-----|
| <u>11</u> | (a) | yes |
| <u> 5</u> | (b) | no |
6. Are they generally delivered in good condition:
- | | | |
|-----------|-----|-----|
| <u>16</u> | (a) | yes |
| <u>--</u> | (b) | no |

B. OUTGOING MAIL

1. Where is your nearest pickup:
- | | | |
|------------|-----|-----------------------|
| <u> 5</u> | (a) | at the door or road |
| <u> 5</u> | (b) | neighborhood mail box |
| <u> 6</u> | (c) | at the post office |
-
2. How often is mail picked up:
- | | | |
|------------|-----|----------------------|
| <u> 9</u> | (a) | more than once daily |
| <u> 7</u> | (b) | daily |
| <u>--</u> | (c) | less than once daily |

PART III. OTHER INFORMATION

1. Do you believe present rate of mail pickup meets your needs?
- | | | |
|------------|-----|-----|
| <u>15</u> | (a) | yes |
| <u> 1</u> | (b) | no |
2. In order to meet your needs should mail pickup and delivery be more frequent?
- | | | |
|------------|-----|-----|
| <u> 3</u> | (a) | yes |
| <u>13</u> | (b) | no |

3. To your knowledge has your first class mail generally arrived:
- 12 (a) on time
5 (b) late
-- (c) very late
4. The Post Office has instituted or encouraged new services, some in cooperation with private enterprise (such as: mailgram, express mail, stamps by mail, self-service postal centers). Have you had an opportunity to use any of these?
- 6 (a) yes
9 (b) no
1 (c) no answer
5. A number of private corporations have instituted parcel delivery services such as United Parcel Services, various airlines, and Greyhound. Has the failure of the Postal Service to provide adequate service forced you to use any of these private corporations?
- 10 (a) yes
6 (b) no
6. Would you prefer to use other services if available in your locality
- 4 (a) yes
11 (b) no
1 (c) no answer
7. Would you rate mail pickup services in your area to be:
- 9 (a) good
7 (b) adequate
-- (c) poor
8. Would you rate mail delivery services in your area to be:
- 3 (a) good
11 (b) adequate
2 (c) poor
9. In your experience in the past three years has mail service:
- 2 (a) improved
7 (b) remained the same
7 (c) deteriorated
10. How important do you consider the post office to the survival and development of your community?
- 16 (a) very important
-- (b) important
-- (c) no effect

A SURVEY OF POSTAL SERVICES IN THE COUNTRYSIDE

(RESPONSES TO SURVEY CONDUCTED BY CONGRESSMAN BILL ALEXANDER IN THE FIRST CONGRESSIONAL DISTRICT OF ARKANSAS)

As a part of my study of the effects of U.S. Postal Service Policy on Rural America, I sought the opinions of the people of Arkansas' First Congressional District. The following questionnaire was prepared with the assistance of Mrs. Louise Becker of the Science Policy Division of the Congressional Research Service and Mrs. Mary Ann Keffe of CRS's Economics Division.¹

Of the 170,000 questionnaires sent out in September, approximately 12,000 were returned—the best response I've had on any survey I have taken since coming to Congress. My office spent weeks reading each comment on the nearly 12,000 questionnaires in an effort to pinpoint key problem areas.

Since the cost of computing each of the questionnaires was prohibitive, the Congressional Research Service gave their advice on the selection of the proper sample.

The data obtained was broken into six categories. In addition to the overall sample, the results were also compiled by type of postal service received; that is, how the postal patron gets his mail—city delivery, rural delivery, cluster boxes, star route, or at the post office.

In examining the results, I was particularly concerned over the responses to questions 1 and 2 of part II (A). Delivery standards as drawn up by USPS state that no letter should take more than three days to go anywhere in the continental United States. It would appear from these responses, together with the fact that almost 40% of those surveyed replied that their first class mail generally arrived late (Question III-3), that these standards are not being met.

I am also concerned over the results of question 9 of part III since a substantial number of respondents indicated that the quality of their postal service had decreased in the last three years.

Individual comments in almost every case indicated that the people are satisfied with the postal workers at the local level who handle and deliver the mail and believe that these men and women are doing the best they can under present circumstances. They praise their local postmen and postmasters for the overtime work they put in without compensation to assure that their customers get their mail. However, they are fed up with rising postage costs, delayed mail, new routing procedures which delay their mail, the reduction of window hours in small post offices, combining of rural routes, and the general deterioration of service.

¹ The forms showing the itemized results of the survey are retained in the files of the subcommittee.