

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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August 31, 2016

The Honorable Robert Taub
Acting Chairman
U.S. Postal Regulatory Commission
901 New York Avenue, NW
Suite 200
Washington, DC 20268

Dear Mr. Chairman:

On June 16, 2015, the Subcommittee on Government Operations held a hearing entitled: "Fair Competition in International Shipping."¹ During the course of this hearing, several Members and witnesses expressed concerns about the growing inequities of the current terminal dues system that governs the international exchange of letters and small packages that can unfairly disadvantage American firms and force the Postal Service to deliver millions of international packages at well below cost. As many witnesses noted during the hearing, the market distortions created by the current terminal dues system are only growing as the volume of mail covered by the terminal dues system is rapidly increasing.

The terminal dues system is a product of the Universal Postal Union (UPU), of which the United States is a part, and every four years the UPU meets to consider changes to the terminal dues system. While the Department of State is our representative at the UPU Congress, section 407 of title 39, U.S. Code, requires that the Secretary of State request and take into account the views of the Postal Regulatory Commission (Commission) when concluding postal treaties, conventions, and amendments related to international postal or delivery services.²

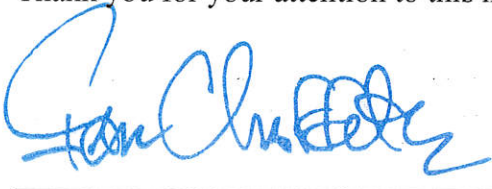
As the Commission works to formulate its views in advance of the upcoming UPU Congress in Istanbul, we respectfully request that the Commission take into account the concerns expressed at the June 16, 2015 Subcommittee hearing. In doing so, we further request that the Commission provide a fresh view to the Secretary of State as to whether the new terminal dues agreement is in accordance with section 3622 of title 39, U.S. Code, and not act solely in accordance with past precedent in mind.

¹ Fair Competition in International Shipping: Hearing Before the Subcomm. on Gov't Operations of the H. Comm. on Oversight & Gov't Reform, 114th Cong. 114-29 (June 16, 2015), *available at* <https://www.gpo.gov/fdsys/pkg/CHRG-114hhr95389/pdf/CHRG-114hhr95389.pdf>.

² 39 U.S.C. § 407.

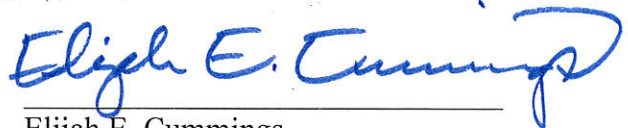
To assist the Committee in its continued oversight of the UPU terminal dues system, please provide the Commission's views letter when the letter is transmitted to the Department of State. Finally, thank you for your important and continued work on this issue.

Please contact Jeffrey Post with the Majority staff at (202) 225-5074 and Mark Stephenson with the Minority staff at (202)-225-5051 with any questions about this request. Thank you for your attention to this important issue.



Jason Chaffetz
Chairman

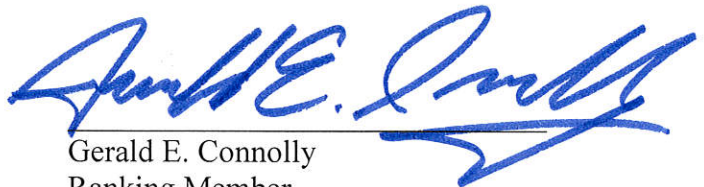
Sincerely,



Elijah E. Cummings
Ranking Member



Mark Meadows
Chairman
Subcommittee on Government Operations



Gerald E. Connolly
Ranking Member
Subcommittee on Government Operations