

Congress of the United States
Washington, DC 20515

August 31, 2018

The Honorable Mike Pompeo
Secretary
United States Department of State
2201 C Street NW
Washington, DC 20520

Dear Secretary Pompeo:

The United States has an international agreement through the United Nations with a postal governance entity called the Universal Postal Union (UPU). Established in 1874, the UPU includes 192 member countries that work to facilitate a global exchange of mail. According to federal law, the Department of State represents the United States on behalf of the United States Postal Service (Postal Service), our nation's designated postal operator.¹

The UPU has scheduled an Extraordinary Congress to be held this September in Addis Ababa, Ethiopia.² During this meeting, the UPU member countries will discuss the World Postal Strategy and possible reforms of rules, rates, and international exchange agreements to which the United States is currently bound. Discussions are expected to address terminal dues, which are the remuneration rates set by the UPU that designated postal operators must pay for the foreign delivery of international letter post.³

These international postal agreements have consequences for American consumers, businesses, and workers.⁴ Currently, foreign businesses enjoy discounted postal rates on goods shipped to the United States, putting American entrepreneurs at a disadvantage.⁵ In a global economy with razor-thin margins, a flawed UPU agreement can mean the difference between success and failure for an American employer. These terminal dues rates must not place American businesses at a disadvantage in the global marketplace.

According to the Postal Regulatory Commission's *Fiscal Year 2017 Annual Compliance Determination Report*, the Postal Service lost \$170 million on inbound mail from foreign

¹ 39 U.S.C. § 407

² Universal Postal Union, *Addis Ababa Extraordinary Congress Is a Giant Step Forward in UPU Reform Process*, (Jul 11, 2018), available at http://news.upu.int/no_cache/nd/addis-ababa-extraordinary-congress-is-a-giant-step-forward-in-upu-reform-process/.

³ Universal Postal Union, *About Terminal Dues and Transit Charges*, available at <http://www.upu.int/en/activities/terminal-dues-and-transit-charges/about-terminal-dues-and-transit-charges.html>.

⁴ *Fair Competition in International Shipping: Hearing Before the H. Comm. On Oversight and Gov't Reform, Sub. Comm. On Gov't Operations*, 113th Cong. (2015), available at <https://oversight.house.gov/hearing/fair-competition-in-international-shipping/>.

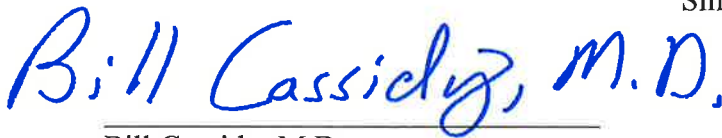
⁵ Postal Regulatory Commission, *The Economics of Terminal Dues*, (Sep. 30, 2014), available at https://www.prc.gov/sites/default/files/reports/The%20Economics%20of%20Terminal%20Dues_final%20report%200300914.pdf.

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countries.⁶ This loss is due to inbound international mail rates set by the UPU lower than the actual cost to the Postal Service, forcing American ratepayers to subsidize foreign businesses at the expense of American companies.⁷ Americans should not pay more to mail items within our borders than sellers in foreign countries mailing items to the U.S. The current terminal dues system causes unnecessary and unreasonable harm to American businesses and it costs American jobs.

We urge you and your designees to exercise your plenipotentiary powers at the UPU Extraordinary Congress in September in a manner that puts the wellbeing of Americans first in any negotiations of terminal dues agreements. The Department of State, the Postal Service, and any other representatives acting on behalf of the United States must ensure all negotiations in the Extraordinary Congress are conducted with the best interests of U.S. consumers, employers, and employees in mind. Thank you for your attention to this request.

Sincerely,



Bill Cassidy, M.D.
U.S. Senator



Kenny Marchant
Member of Congress



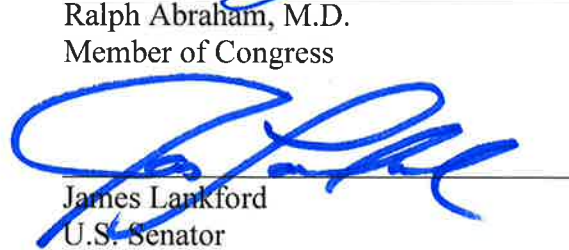
Ron Johnson
U.S. Senator



Ralph Abraham, M.D.
Member of Congress



Marco Rubio
U.S. Senator



James Lankford
U.S. Senator

cc: President Donald J. Trump

The Honorable Megan J. Brennan
Postmaster General
United States Postal Service

The Honorable Robert Taub
Chairman
Postal Regulatory Commission

⁶ Postal Regulatory Commission, Annual Compliance Determination Report, Fiscal Year 2017, (Mar. 29, 2018), available at https://www.prc.gov/docs/104/104398/2017_ACD.pdf.

⁷ Letter from Postal Regulatory Chairman Taub to Bathsheba N. Crocker, Ass't Sec. for Int'l Organization Affairs, U.S. Dep't of State, Separate Views of Acting Chairman Taub, (Aug. 31, 2016).