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United States General Accounting Office Washington, D.C. 20548

General Government Division

B-248004

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April 24, 1992

The Honorable Jim Sasser Chairman, Subcommittee on General Services, Federalism, and the District of Columbia Committee on Governmental Affairs United States Senate

Dear Mr. Chairman:

This letter responds to an inquiry from the Subcommittee for information about the Postal Service's enforcement of the double postage rule [39 C.F.R. sec. 320.6 (c)] that allows private carriers to deliver time-sensitive letters. This question arose in discussing the results of our work on assessing the effects suspension of this rule could have on Postal Service operating revenues. Our report on this assessment, <u>U.S. Postal Service: Priority Mail at Risk to</u> <u>Competition if Double Postage Rule Is Suspended</u>, will be issued shortly. We did not deal with enforcement in the report since it was not one of the questions directed to us in the original request letter jointly signed by Chairman David Pryor, Senator Ted Stevens, and you.

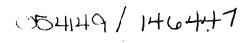
We discussed the enforcement of this rule with Postal Service headquarters officials in the General Counsel-Law Department and Inspection Service. In general, the Postal Service approach to obtaining compliance with the double postage rule, as with enforcement of all aspects of the Private Express Statutes, depends mainly on "education and moral suasion." Postal Service officials also said that a more aggressive enforcement effort (i.e. audit of mailer or carrier records) would likely result in complaints of harassment by customers and competitors.

When the rule was established in 1979, Postal Service officials said that the Service conducted a campaign to inform postal customers of the provisions of the regulation and associated penalties for noncompliance. Once the provisions of the extremely urgent letter suspension became common knowledge in the mailing community, this educational

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effort tapered off. Service officials said that most people want to comply with the regulation and do so when they are aware of its requirements.

More recently, the Postal Service has become aware that the contract between the General Services Administration (GSA) and Federal Express to provide expedited delivery of letters and small parcels for civilian agencies of the government does not provide rates that will satisfy the double postage rule at weights of 8 ounces or more. The Postal Inspection Service, in cooperation with the Inspector General of GSA, is conducting an audit of agencies' use of this delivery service to determine whether, because of this circumstance, letters in significant number are being carried under the contract in violation of Private Express Statutes. Postal officials anticipate that GSA will take corrective action if the audit reveals that this is necessary.

The Postal Service seldom uses legal action against violators, in part, because persistent and clear-cut violations are difficult to establish and, in part, because it depends on the Department of Justice for legal representation in court and must obtain the Department's support for any court action. Postal officials could recall only a few instances when the Postal Service resorted to legal proceedings. Also, they do not collect statistics on their enforcement efforts, since so few cases require more than the furnishing of information on legal requirements. Enforcement efforts are primarily directed at mailers, since carriers say they usually do not know the exact contents of what their customers are shipping. The Postal Service has tried to obtain access to contracts between mailers and carriers and to related shipping records. Some mailers have refused to allow the Service to see these contracts and records, and the Service has no clearly established legal authority to demand the documents. For contracts they have seen, the Service has found that the provisions are generally in compliance with the double postage rule.

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I trust that this is responsive to your interest in the Postal Service's enforcement of the double postage rule. If you have any further questions, please call me on (202) 275-8676.

Sincerely yours,

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L. Nye Stevens Director, Government Business Operations Issues

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