

**QUESTIONS FOR THE NOMINATION OF  
MR. ALAN C. KESSLER  
TO THE POSTAL SERVICE BOARD OF GOVERNORS**

1. **How do you view the role of a Governor of the Postal Service? What would you highlight from your experience that will enhance your effectiveness in this role?**

I view the role of a Governor of the Postal Service as being similar to the role of a Director on the Board of Directors of a corporation. Thus, the role of a board member is to provide management and policy directives, long range planning, oversight and overview to the Postal Service and to the Postmaster General. It also offers advice to the staff of the Postal Service. In addition, the Board reviews and approves operating budgets as well as capital funding. Finally, the Board determines Postal rates and has the responsibility to select the Postmaster General.

In my practice as a business lawyer, I have represented a number of different business interests, including real estate developers and major corporations as well as entrepreneurial companies. I have been involved not only in the courtroom but in negotiations and counseling in an effort to achieve goals while often utilizing alternative methods at resolving disputes. I have served as a local elected official in a township with a population of approximately 58,000 residents and have dealt with the full spectrum of issues facing local governments including budgetary and fiscal issues, public safety, public works, land development and recreation matters. I have served at the federal level as Vice Chairman of a bipartisan commission which held hearings and then issued two volumes of reports to both the White House and the Congress on the issues of Risk Assessment and Risk Management. In connection with that effort, I worked with both House and Senate Committee staffers and assisted in the preparation and delivery of testimony before both. I have served on a number of boards and commissions of the City of Philadelphia including the Board of Licenses and Inspection Review, Board of Building Standards, Planning Commission and the Philadelphia Industrial Development Corporation, the City's economic development arm. Finally, I was appointed by the Pennsylvania Supreme Court to chair its Continuing Legal Education Committee which oversees mandatory continuing legal education for all Pennsylvania lawyers.

I believe that the cumulative experience that I have gained through my practice of law, local government service, federal government service on the Risk Commission and City governmental board experience will enhance my effectiveness on the Board of Governors of the United States Postal Service.

2. **What would be your priorities as a Governor?**

I would see my overriding priority as insuring that as a member of the United States Postal Service Board of Governor, efficient, effective and economical postal services are provided to the public. It is imperative that the Postal Service continue to maintain the confidence of the public that it will handle and deliver the mail in a timely, efficient and reliable manner. To achieve these objectives, the Postal Service has to be able to compete in the highly competitive marketplace of the Twenty-First Century. Its workforce must take pride in their positions and be ready to compete with their counterparts in the private sector. Specifically, in the face of potentially declining volumes as the use of electronic mail and alternatives increase, preparing to meet and meeting this competition, would appear to be the greatest priority and challenge facing the Postal Service.

3. **If confirmed, are there any issues from which you may have to recuse or disqualify yourself because of a conflict of interest or the appearance of conflict of interest?**

Based upon my somewhat limited experience, knowledge and understanding of

Postal Service policies and operations at this time, I am presently unaware of any issues on which I will have to recuse or disqualify myself because of a conflict of interest or appearance of conflict of interest. However, obviously to the extent any such issues should arise in the future because of my client representations, my interests or otherwise, I would not hesitate to recuse or disqualify myself or take such other actions as may be deemed appropriate.

**4. A biography obtained from your law firm's Internet site during October and November 1999 lists you as serving as national finance vice chair of Gore 2000, Vice President Gore's presidential campaign. The initial Committee questionnaire to which you responded on October 28, 1999 requested that you list all political affiliations and activities (question #13). Your response did not list this position. Please explain the discrepancy.**

This omission was purely unintentional, and I had absolutely no intention of not disclosing this post or of my involvement with Gore 2000. I apologize sincerely to the Committee and would like to explain more fully. Thus, I received the initial committee questionnaire on Monday afternoon, October 25, 1999. Because it was so late in the Senate session with a potential recess looming within days, I worked almost nonstop to accumulate, compile and review a tremendous amount of information in such matters as financial disclosures, business interests and client information to be able to formulate my answers and return them promptly to the committee. In fact, my responses to the initial questionnaire consisting of 27 single-spaced, typed pages of information, as well as numerous exhibits in a velobound packet one inch thick, were express mailed back to the committee on October 28, 1999, just three days after I received the questionnaire. With respect to personal background information, I relied to some extent on a personal resume which, by the way, was incorporated in my responses as Exhibit "A," which did not list this post. In addition, I also relied primarily on information during the previous three or five reportable years, which also did not include this post.

However, I did list several posts in my responses to number 13 involving the current Vice-President and had every reason to expect and believe that my involvement with Gore 2000 would be known, and had absolutely no interest in not disclosing that involvement.

Further, this is largely an honorary, non-formal post which I, myself, sometimes noted in connection primarily with certain Pennsylvania campaign finance activities. There was no campaign announcement or release, no formal designation, and no formal responsibilities.

Finally, I am enclosing supplemented pages of my biographical and financial information which has been amended to include this post.

**5. If you do hold this position as national finance vice chair for Gore 2000, please describe in full your responsibilities. If confirmed, do you plan to continue in this position?**

As noted in the answer to No. 4, there is no campaign designation nor formal responsibilities for this honorary post. However, along with another individual, I have been leading and overseeing fundraising efforts for Gore 2000 in Pennsylvania, and I have referred, on occasion, to that post primarily in connection with those efforts. While I intend to continue those efforts, I consider service on the Board of Governors to be such a high honor and privilege that I am willing to relinquish this informal post, if this committee believes that it would be appropriate for me to do so.

6. **The statute states that Governors are chosen to represent the public interest generally. How do you intend to represent the various stakeholders= interests in postal-related matters?**

The Board of Governors is responsible overall to the public for its actions and the manner in which the Postal Service operates. While it must be an independent body, it must be responsive to various stakeholders= interest in postal-related matters. As an elected Township Commissioner, and in other public and quasi-public posts, I have significant experience in being responsive to various stakeholders and in dealing with often competing interests. I am confident I will be able to do so in the context of the United States Postal Service.

#### **Role of the USPS in a Competitive Market**

7. **Recently, the Board of Governors announced that it was halting the Postal Service=s involvement in remittance processing because the Board decided it was Ainappropriate for the Postal Service to compete with private sector remittance processors.@ Do you agree with the Board=s decision? What basis or criteria do you believe the Board should use to determine what activities outside of traditional postal services would not be Aappropriate@ for the Postal Service to be involved in?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to opine on this question at this time. However, based on information which I have seen, I would agree with the decision made by the Board. I would think in establishing any new service there should be a logical connection or relationship with the traditional services currently provided by the Postal Service.

8. **The Postal Service also recently announced that it was conducting a pilot program with the U.S. Treasury Department and KeyCorp to place automated teller machines in post office lobbies in six areas that are under-served by the banking industry. The pilot will also study the potential for distributing government benefits such as Social Security payments via the ATMs before deciding whether to expand the program nationwide. Do you believe that this is an appropriate role for the Postal Service? Should the Service be competing with banks in this area when the Board of Governors recently decided that the Service should not compete in remittance processing? Should the Postal Service provide services to under-served areas that banks are avoiding?**

I do in this particular instance. As I understand it, the ATMs would be operated by private sector contractors. It would appear that the alliance between Treasury and a private sector contractor could further the Postal Service's universal service mandate in helping to provide a service in an area underserved by the banking community.

9. **Concerns have also been raised about whether the Postal Service has an unfair competitive advantage over private delivery firms since it is not required to pay taxes. If the Service plans to compete with private delivery firms in providing services related to e-commerce, should the Service be taxed for these services similar to private delivery firms?**

This is an interesting but difficult issue on which I am not prepared to give a firm answer at this time. If I were confirmed onto the Postal Board, this is an issue I would want to research and fully analyze. I am aware of some of the comments made by competitors. I also know the postal rate making process is a rather lengthy process and that rates are basically set with the mandate that the Postal Service break-even over the long-term. It would appear,

therefore, that the Postal Service might face competitive disadvantages of its own. It would also appear that competitors such as FedEx and UPS have done quite well over the years competing with the Postal Service.

10. **Some concerns have been raised about whether it is appropriate for the Postal Service to offer new non-postal products and services. What are your views regarding whether it is appropriate for the Postal Service to offer non-postal products and services that compete with private sector companies?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to opine on this question at this time. I would want to know the circumstances under which such products and services would warrant Postal Service competition with the private sector. I suspect there could be some instances where the Postal Service would be exploiting some of its intellectual property interests through new stamp issues and other postal related activities, but I might have some difficulty with products beyond these without some substantial justification as to how they relate to core Postal Service business activities.

#### **Performance Issues**

11. **What main challenges does the Postal Service face as it enters a new millennium? How should the Board of Governors work with postal management to address these challenges? What would be your top priorities?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to opine on this question at this time. However, it would appear that as the Postal Service enters the Twenty-First Century, the projection by the Postal Service, recently testified to by the Postmaster General that its first-class mail volumes could decline significantly as the use of electronic mail increases, placing billions of dollars in revenues at risk, is probably the most significant challenge facing the Postal Service. This is precisely the type of challenge the Board of Governors must address and I am confident that as a member of the Board we could work with postal management to address this and other related issues such as automation and labor force. At this time, without more background in Postal Service policy, planning and operations, it is extremely difficult to offer specific proposals. I look forward to working to analyze and address these challenges.

12. **Although in recent years the Postal Service has made over \$5 billion in net revenues, some anticipate that this strong performance may not be sustained due to increased competition. What approach should the Postal Service take to maintain its viability and competitiveness?**

See my previous Answer to No. 11. I would add only, that the Postal Service must be open to creative and innovative measures, even if they depart from past practices, to meet challenges from new technology and competitive forces.

13. **How proactive should the Board be in identifying areas for cutting costs and improving efficiency in postal operations?**

I believe that it is a quintessential function of a Board to be proactive in identifying areas for cutting costs and improving efficiency in postal operations. The Board of Governors must review and analyze potential cost cutting areas and determine which ones to adopt and set policy direction in these areas. It should then monitor the implementation of any such initiatives. Once again, in these highly competitive times, the Board of Governors cannot

afford to be a reactionary body but must be in the forefront by adopting cost cutting and efficiency measures.

14. **While the Postal Service has invested heavily in automating mail processing, labor costs continue to consume almost 80% of total expenses. To what extent do you believe it is possible for the Postal Service to achieve its goal of substituting capital for labor?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to opine on this question at this time. However, I am sure there are new efficiencies, resulting in savings through the deployment of automation equipment. Yet, the Postal Service with its universal service mandate and six-day a week delivery appears still to be a very labor-intensive organization. I would expect there may be opportunities to reduce labor costs through automation but I would need to have more information before making a judgment on the overall impact of automation on the Postal Service.

15. **The Postal Service is required to report to Congress annually on its plans and performance related to its major goals. This information is vital to congressional oversight. However, some concerns have been raised about the integrity of some of the data used to measure performance. For example, in West Virginia last year, postal employees were found to have undermined the integrity of the data on overnight deliveries. What can the Board of Governors do to help ensure the integrity of performance data?**

I understand that the Board of Governors has an oversight role under the Postal Reorganization Act and I believe that data integrity is an integral part of that oversight responsibility. I would expect this to be a high priority of the Board, as it would be with most any corporate board in America. Reviews of financial and operational performance are an integral part of that oversight.

16. **The Postal Service recently announced that it would be opening three new Postal Service international mail processing plants starting in early 2000. Total international mail volume decreased by 4.4 percent from 1996 to 1997 and decreased again 5.5 percent from 1997 to 1998. Given this performance, do you believe that construction of new facilities is appropriate?**

While it is somewhat difficult for me to opine fully on this question at this time, because the Postal Service is expected to provide international services as a part of its universal service mandate and because I presently am unaware of the reason for volume declines, I do not know whether the new plants might actually help increase volumes. With a highly competitive market here and abroad, improved processing plants may be necessary. Nonetheless, this is an issue of concern that needs to be fully analyzed and reviewed.

17. **The Postmaster General stated in recent testimony that the Postal Service projects that its First-Class Mail volumes could decline over the next five years as the use of electronic alternatives increases, placing nearly \$17 billion in revenues at risk. What should the Postal Service be doing now to prepare for potentially significant decreases in First-Class Mail volumes?**

As I have already indicated, in response to question number 11, in my limited experience and based upon my limited knowledge of postal service operations at this time, this would appear to be the greatest challenge facing the continued viability and existence of the Postal Service. For further elaboration, please refer to my answers to questions 11. and 12.

18. **The Mailer's Technical Advisory Group suggested that the Postal Service establish a set of service standards for specific classes of mail and that the standards, performance goals, and performance be measured and reported regularly, with timely updates included on the USPS Web site. Do you agree with this suggestion? Should the Board ask the Service to put its service performance information on its Web site?**

This appears to be a reasonable suggestion. I also understand the Postal Service currently has certain types of mail and service being measured by outside independent organizations and that those results are generally available to the public. I can only assume this is in addition to what is already being done and I would like to know whether there is any work in progress in this regard and why, unless proprietary information could be an issue, the Postal Service would choose not to adopt these suggestions. I would also be interested in whether private sector competitors make their standards public.

### **Postal Rates**

19. **At a recent conference of magazine executives, members voiced their concerns about the upcoming rate case for proposed postal rate increases. Several of the Postal Service's main customers have voiced concerns about the Service's continuing rate increases. Can the Service continue to operate by regularly increasing rates and remain competitive? What alternatives should the Service be considering?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is extremely difficult for me to comment upon postal rate increases at this time. Without more experience and knowledge of the processes of setting postage rates and competing fiscal concerns, it is extremely difficult to address possible alternatives. However, I readily acknowledge that with increasing competition and the rising use of electronic alternatives, it would at least appear that the Postal Service will have an extremely difficult time remaining competitive unless it considers and implements revenue and service alternatives to increasing rates.

20. **Several Board members have expressed concern that the current rate-making process is too restrictive and limits the Postal Service's ability to quickly adjust postage rates in a highly competitive and changing marketplace. What are your thoughts on this issue?**

I am aware of the fact that postal rate making is a rather long process and that, it may be necessary to have such a process to protect the interests of the variety of customers the Service serves. However, in competitive areas where competitors have the ability to change rates quickly, more pricing freedom may well be warranted. I understand there is legislation pending in the House that focuses on this very issue.

21. **Questions have been raised about the need for another rate increase given the Postal Service's record profits over the last several years. What are your views with respect to the need and timing of rate increases?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is extremely difficult for me to comment on this question. However, notwithstanding my limited experience and background on Postal Service matters, generally speaking I do believe that the need and timing of rate increases is an extraordinarily important issue to be determined in light of a number of factors, which must certainly include any report of record profits. However, the fact that record profits have been recognized over a few years, does not necessarily dictate that because of other factors, including labor costs, increased competition and investment in new technology, rate increases are not necessary. Once again, it is the product of a delicate balancing which takes into

consideration a number of factors. At times, it may be more a matter of communicating how and why, even in light of record profits, an increase might be necessary.

### **Reform Issues**

22. **Do you view the Postal Service as fundamentally operating more like a private sector business or more like a federal agency? Are changes needed to redirect the Service? If so, what are they?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to opine on this question at this time. I see the U. S. Postal Service as a quasi-government agency operating more like a business. With regard to changes, it is somewhat premature for me to comment on the possible need for any. This is obviously any important issue which I would like to fully study and review.

23. **What are your views on the extent to which change is needed in the laws and regulations that govern the Postal Service? In what areas do you believe that such reform may be needed?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is extremely difficult for me to comment on this question. Without having more information and direct experience in postal service matters, it is extremely difficult for me to express what change, if any, is necessary in the laws and regulations that govern the Postal Service, or those, if any, in which reform may be necessary.

24. **Recently, some foreign postal administrations, such as the one in Germany, have been acquiring interests in private sector delivery firms in other countries including the U.S. As you know, the Postal Service is prohibited from engaging in similar arrangements. Some have suggested that if the U.S. Postal Service is to remain competitive in the global marketplace, Congress should remove such prohibitions. What are your views with regard to this suggestion?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to answer this question at this time. However, quite obviously if foreign administrations are acquiring private sector delivery services here in the U.S., from the standpoint of competition, this would be a concern -- one that needs to be carefully analyzed. I would be very interested in learning more about this should my nomination be confirmed.

### **Personnel-Related Issues**

25. **Another major postal issue has been the need to improve labor-management relations within the Postal Service. What can the Board of Governors do to encourage and facilitate greater cooperation between postal management and labor unions?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is extremely difficult to comment on this question. It would be my hope and expectation that the Board of Governors and its labor unions particularly in the face of highly increased competition and changing technology will work together with a common objective of bringing about extraordinary high level, reliable service to the public in a fiscally prudent manner. As in any other area, labor-management relations will work best if there is mutual respect by both management and unions for each

other. This respect is often heightened and strengthened through on going communications between the parties. This emphasis on communication and upon mutual respect between labor and management must flow from and be a recognized priority of the Board of Governors.

26. **Concerns have been raised regarding diversity within the Postal Service, particularly in the composition of top executives and in contracting practices. What role do you see for the Board of Governors in addressing these concerns?**

Notwithstanding my limited experience and knowledge in Postal Service policy and operations, I would expect the Board of Governors to be at the very forefront in setting strong policy directives regarding the need for diversity within the Postal Service particularly in the composition of top executives and contracting practices, and in vigorously and actively monitoring staff compliance with that policy. This is precisely the type of issue in which a Board should be actively engaged.

27. **Another major issue has been violence in the Postal Service. How can the Board of Governors support efforts to mitigate this problem?**

Violence in the workplace is not merely a Postal Service problem but as we all know has spread well beyond the workplace. I view this as a critical problem and one I am advised the Postal Service is attempting to address through intervention teams and an independent study headed up by Joseph Califano. I would suspect the Board is following management's efforts to reduce any known causes for such incidents as well as awaiting the results of the independent study as to what other measures may be necessary to prevent future occurrences. I would expect and hope that the Board is and will be actively involved on this important issue.

28. **The Postal Service has recently become subject to Occupational Safety and Health Act (OSHA) workplace safety laws in the same manner as other employers. How can the Board of Governors ensure compliance with this law and encourage efforts to improve the safety of the workplace?**

I am somewhat familiar with Occupational Safety and Health (OSHA) laws, and understand that while the Postal Service was subject to those laws in advance of the Postal Employees' Safety Enhancement Act of 1998, it was not subject to fines for violations of those laws as is now the case. I believe the Board, in its oversight and policy role, can have a significant impact by insuring that postal management provides safe working conditions for its employees.

29. **In the most recent round of collective bargaining negotiations, the Postal Service and three of its unions had success in reaching a negotiated agreement. However, the contract reached with National Association of Letter Carriers was the product of an arbitrator=s award which increased base salaries for letter carriers. At a hearing held by the House postal subcommittee in October, the Postmaster General testified that this award will cost the Postal Service "billions."**

**What are your views of the current statutory structure which requires binding arbitration when the parties fail to reach a negotiated settlement?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is extremely difficult to comment on this question. However, to the extent that the recently completed binding arbitration process resulted in an award which will in fact have a significant financial impact upon the Postal Service, the continued viability of the Postal Service in light of heightened competition would



appear to mandate that the current statutory structure requiring arbitration be seriously reviewed and evaluated at least with respect to the binding nature of arbitration.

### **E-Commerce and the Internet**

30. **The Postmaster General has suggested a role for the Postal Service in e-commerce that would include providing a unique e-mail address to every physical address in the nation. Some have raised concerns about a single federal agency handling this function. Do you believe that the Service should play such a role?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to fully answer this question at this time. However, I found the suggestion by the Postmaster General rather interesting. I would suspect that with its current universal service mandate and its access to every mail receptacle the Service would possibly have a means to do something similar with a mailbox on the Internet. In addition, if electronic bill services gain acceptance over the next few years, this could have a negative impact on the postal system. Again, this an area I would need to learn more about before I felt comfortable taking any kind of position on what might be the appropriate role for the Postal Service in e-commerce.

31. **The Postal Service has offered to take over management and administration of Internet addresses ending in A.us@. The National Telecommunications and Information Administration (NTIA), an agency of the Commerce Department, is currently overseeing the process of delegating the management of Internet addresses. Some have raised concerns about whether the Postal Service has the expertise or the infrastructure to have a role in managing the Internet. Should the Postal Service have a role in the management and administration of Internet addresses ending in ".us" or should the NTIA delegate this process to the private sector?**

I simply do not know enough about this and therefore I am not prepared to respond to this question at this time. As indicated in my response to the previous question, this is a complex area that is still emerging and I would have to know far more about the concept and the Postal Service's capabilities.

### **Preparations for Year 2000**

32. **A critical issue for the Postal Service this year is whether its systems are ready for the year 2000. How should the Board of Governors ensure that the Postal Service is prepared and has adequate contingency plans in the event that problems arise?**

I understand this has been a Board agenda item at each of its monthly meetings over the past year and had been under close review by the Board's Audit Committee even earlier. This is a concern in the private sector as well as in government and I would expect the Postal Service Board adopted a plan and implemented appropriate Y2K measures.

33. **A major issue frequently raised by our constituents relates to the Postal Service's decisions on locating, relocating or closing post offices. Some are concerned that the Postal Service does not adequately involve affected communities in the decision-making process. What are your views on this issue?**

Notwithstanding my limited experience and knowledge of postal service matters, as a result of my experience as a township commissioner and in other public and quasi-public matters, I believe it is imperative to involve affected communities in the decision-making process regarding locating, relocating or closing post offices. In fact, I have been involved in

this issue in our local community. While it is not always possible to do everything that the community desires, it is extremely important that they at least be part of the process and have an opportunity to provide their input and at least come away with the view that their concerns are being heard and considered. Local communities are an important constituency which this board must serve.

34. **The Postal Service currently has a moratorium on post office closings. Do you believe that this moratorium should be continued? How should the Service balance its mandate to provide universal access to postal services while also recognizing that about half of all post offices do not take in sufficient revenues to cover their expenses?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is somewhat difficult for me to opine on this question at this time. I am not familiar as to what the Postal Service takes into consideration when deciding whether or not to close post offices. I would think that the Postal Service's universal service mandate factors heavily in any post offices closing decisions, even where such post offices do not generate sufficient revenues to cover expenses. On the other hand, I also acknowledge, that with increasing competition, this is a very serious issue which needs to be addressed. While I can only assume that the moratorium has been carefully reviewed by the Service, it is a rather dramatic action. An alternative ad hoc review should be re-evaluated by the Board.

#### **Inspector General**

35. **Current law provides that the Inspector General of the Postal Service is appointed by the Governors. However, legislation has been introduced in the House and Senate proposing to transfer this appointment authority to the President. The Postal Service Office of Inspector General is the fourth largest in the federal government and proponents of these legislative initiatives believe the operation of this office is more akin to those of the large departments and agencies whose Inspectors General are presidentially-appointed. What are your thoughts on elevating the appointment of the Postal Service Inspector General to a presidential appointment?**

I am not familiar enough with the subject including any proposed legislation regarding the Inspector General of the Postal Service. I would need to study this in greater depth and review the legislation before commenting fully. However, I should add that as a result of my positions as a board member of various City boards and agencies, I am aware of the City's Inspector General, and I have no objection to the notion of an Inspector General. In fact, I believe that Inspector Generals generally play an important role in assuring confidence in the integrity of government and the governmental process.

#### **Semi-postal Stamps**

36. **Semi-postal stamps are special stamps bearing a surcharge over the normal postage rate. The Postal Service currently offers for sale the "Breast Cancer Research" stamp. This stamp was mandated by P.L. 105-41 and directs the Postal Service to issue a special postage stamp at a rate not to exceed 25 percent of the price of the first-class stamp, with the additional revenues, less administrative costs, being contributed to the National Institutes of Health and the Department of Defense for breast cancer research. Interest has been shown by Senators to direct the Postal Service to offer additional semi-postal stamps as ways of raising funds for charitable purposes. For instance, the Governmental Affairs Committee reported in July 1999, the "Look, Listen and Live Stamp Act" to allow postal customers to voluntarily contribute to funding for highway-rail grade crossing safety through the purchase of semi-postal stamps. Additionally,**

**interest has been shown to extend the authorization of the "Breast Cancer Research" stamp which is set to expire in July 2000. What are your views regarding the Postal Service offering semi-postal stamps?**

Based upon my somewhat limited experience, knowledge and understanding of Postal Service policy and operations at this time, it is extremely difficult to comment on this question. Notwithstanding my limited experience and knowledge on postal service matters, semi-postal stamps, particularly those authorizing breast cancer research appear to be an excellent concept. Obviously, the financial impact of semi-postal stamps must be measured to be determined whether it adds to or detracts from the Service's bottom line, particularly in light of increased competition the Service faces from the private sector. In addition, while on a limited basis the public might support more "expensive" postage, it might be less inclined to do so on a more regular basis. Once again, conceptually it would appear to be an excellent concept which with appropriate limitations would help charitable causes and promote invaluable good will with the public.