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MR. BYRNE A. BOWMAN, FELIX, BOWMAN, MCINTYRE AND MCDIVITT:

THIS IS IN RESPONSE TO YOUR RECENT INQUIRY QUESTIONING THE AUTHORITY FOR VARIOUS EXPENDITURES OF THE UNITED STATES POSTAL SERVICE. IN PARTICULAR YOU TOOK EXCEPTION TO THE POSTAL SERVICE'S EXPENDITURES FOR ADVERTISING PHILATELIC ITEMS. YOU ALSO OBJECTED TO THE POSTAL SERVICE'S PRACTICE OF PROVIDING VENDING MACHINES FOR THE USE OF THE PUBLIC IN UNITED STATES POST OFFICES.

WITH RESPECT TO YOUR QUESTION CONCERNING POSTAL SERVICE PROMOTIONAL ACTIVITIES, THE POSTAL SERVICE STATES THAT THE ADVERTISING OF STAMPS IS MEANT TO ENCOURAGE STAMP COLLECTING. THERE ARE ABOUT 16 MILLION AMERICANS WHO COLLECT UNITED STATES STAMPS. POSTAGE STAMPS ARE POWERFUL COMMUNICATIONS DEVICES. THEY EXPLAIN TO THE WORLD OUR CULTURAL AND HISTORICAL HERITAGE, DESCRIBE OUR NATION'S ACHIEVEMENTS, POINT OUT THE NATURAL WONDERS OF OUR COUNTRY, AND INSTILL PRIDE IN AMERICA. COMMEMORATIVE STAMPS ALSO FOCUS ATTENTION ON WORTHY CAUSES, IDENTIFY AND ILLUMINATE ISSUES AND INTERESTS THAT ARE OF NATIONAL CONCERN.

THE ADVERTISEMENT YOU REFER TO IS A PART OF THE POSTAL SERVICE'S CONTINUING PROGRAM TO WORK WITH GRADE SCHOOL STUDENTS AND TO TRY TO EDUCATE THEM ON HOW TO USE THE MAIL AND TO INTRODUCE THEM TO STAMP COLLECTING. THE POSTAL SERVICE REPORTS THAT ELEMENTARY SCHOOL TEACHERS AND THE NATIONAL EDUCATION ASSOCIATION HAVE RESPONDED POSITIVELY TO THE PROGRAM. MANY OF THESE STAMPS, OFTEN PURCHASED BY THE SHEET, ARE PLACED UNUSED INTO ALBUMS. THIS CREATES REVENUE ABOVE COST FOR THE POSTAL SERVICE SINCE IT DOES NOT HAVE TO PROVIDE MAIL PROCESSING AND DELIVERY SERVICES WHICH WOULD BE NECESSARY IF THE STAMPS WERE AFFIXED TO MAIL MATTER. THIS REVENUE IS APPLIED TO DEFICIT AREAS, THEREBY HELPING TO KEEP OVERALL POSTAL COSTS DOWN.

THE POSTAL SERVICE FURTHER STATES THAT OTHER FORMS OF ADVERTISING ARE IN KEEPING WITH ITS MAIN MISSION - SERVICE. SOME ADVERTISEMENTS EXPLAIN TO ITS CUSTOMERS WHAT SERVICES ARE AVAILABLE TO THEM, AND HOW THEY CAN BE USED TO ADVANTAGE. MANY INDIVIDUALS ARE NOT AWARE OF ALL POSTAL SERVICES OFFERED OR WHAT TYPE OF SERVICE WOULD BEST SUIT THEIR NEEDS. SUCH ADVERTISEMENTS ARE EDUCATIONAL IN NATURE. THEY SHOW CUSTOMERS HOW TO PROTECT THEIR MAILING AND PROPER PACKING TECHNIQUES, THEREBY HELPING IT TO REDUCE MAIL LOSSES, DAMAGES, AND COSTLY EXTRA HANDLING. THE POSTAL SERVICE BELIEVES THAT A WELL-INFORMED PUBLIC WILL RESULT IN BETTER AND LESS COSTLY SERVICE FOR ALL CUSTOMERS. IN THE LONG RUN, EDUCATIONAL ADVERTISEMENTS REPRESENT, IN THE POSTAL SERVICE'S VIEW, A COST SAVINGS TO THE POSTAL SERVICE AND ITS CUSTOMERS.

THE POSTAL REORGANIZATION ACT, SECTION 2 OF WHICH IS CODIFIED AS TITLE 39,

U.S.C. AUTHORIZES POSTAL SERVICE PROVISION OF PHILATELIC SERVICES AND POSTAL SERVICE PROMOTION OF ITS SERVICES IN GENERAL. SECTION 404(5) OF TITLE 39 PROVIDES:

"SEC. 404. SPECIFIC POWERS.

"WITHOUT LIMITATION OF THE GENERALITY OF ITS POWERS, THE POSTAL SERVICE SHALL HAVE THE FOLLOWING SPECIFIC POWERS, AMONG OTHERS:

"(5) TO PROVIDE PHILATELIC SERVICES;" SECTION 405(A) OF THE POSTAL REORGANIZATION ACT (39 U.S.C. SEC. 405(A)) ALSO AUTHORIZES THE EXPENDITURE OF FUNDS FOR, AMONG OTHER ACTIVITIES, PHILATELIC PURPOSES:

"SEC. 405. PRINTING OF ILLUSTRATION OF UNITED STATES POSTAGE STAMPS.

"(A) WHEN REQUESTED BY THE POSTAL SERVICE, THE PUBLIC PRINTER SHALL PRINT, AS A PUBLIC DOCUMENT FOR SALE BY THE SUPERINTENDENT OF DOCUMENTS, ILLUSTRATIONS IN BLACK AND WHITE OR IN COLOR OF POSTAGE STAMPS OF THE UNITED STATES, TOGETHER WITH SUCH DESCRIPTIVE, HISTORICAL, AND PHILATELIC INFORMATION WITH REGARD TO THE STAMPS AS THE POSTAL SERVICE DEEMS SUITABLE."

THE POSTAL SERVICE IS AUTHORIZED UNDER SECTION 403(A) TO PROMOTE ITS SERVICES AND PRODUCTS. SECTION 403(A) PROVIDES IN PART:

"SEC. 403. GENERAL DUTIES.

"(A) THE POSTAL SERVICE SHALL PLAN, DEVELOP, PROMOTE, AND PROVIDE ADEQUATE AND EFFICIENT POSTAL SERVICES AT FAIR AND REASONABLE RATES AND FEES. ***"

IN VIEW OF THE SPECIFIC AUTHORITY GRANTED THE POSTAL SERVICE TO PROVIDE PHILATELIC SERVICES AND ITS MANDATE TO SERVE THE NEEDS OF THE PUBLIC AND TO OPERATE AN EFFICIENT SERVICE AT THE LOWEST POSSIBLE COST, WE FEEL THE POSTAL SERVICE HAS THE AUTHORITY TO ADVERTISE THE SALE OF STAMPS TO COLLECTORS.

WITH REGARD TO THE VENDING MACHINES YOU MENTION, WE NOTE THAT SEVERAL PROVISIONS IN THE POSTAL REORGANIZATION ACT AUTHORIZE THE EXPENDITURE OF FUNDS FOR PLACING EQUIPMENT IN UNITED STATES POST OFFICES. SECTION 101(G) OF TITLE 39, U. S. CODE, PROVIDES:

"SEC. 101. POSTAL POLICY.

"(G) IN PLANNING AND BUILDING NEW POSTAL FACILITIES, THE POSTAL SERVICE SHALL EMPHASIZE THE NEED FOR FACILITIES AND EQUIPMENT DESIGNED TO CREATE DESIRABLE WORKING CONDITIONS FOR ITS OFFICERS AND EMPLOYEES, A MAXIMUM DEGREE OF CONVENIENCE FOR EFFICIENT POSTAL SERVICES, PROPER ACCESS TO EXISTING FUTURE AIR AND SURFACE TRANSPORTATION FACILITIES, AND CONTROL OF COSTS TO THE POSTAL SERVICE."

SECTION 401 OF THE POSTAL REORGANIZATION ACT (39 U.S.C. SEC. 401) GRANTS VARIOUS GENERAL POWERS TO THE POSTAL SERVICE. SECTION 401(3) STATES:

"SEC. 401. GENERAL POWERS OF THE POSTAL SERVICE.

"THE POSTAL SERVICE SHALL HAVE THE FOLLOWING GENERAL POWERS:

"(3) TO ENTER INTO AND PERFORM CONTRACTS, EXECUTE INSTRUMENTS, AND DETERMINE THE CHARACTER OF, AND NECESSITY FOR, ITS EXPENDITURES;"

SECTION 404 GRANTS CERTAIN SPECIFIC POWERS TO THE POSTAL SERVICE. SECTION 404(3) PROVIDES:

"SEC. 404. SPECIFIC POWERS.

"WITHOUT LIMITATION OF THE GENERALITY OF ITS POWERS, THE POSTAL SERVICE SHALL HAVE THE FOLLOWING SPECIFIC POWERS, AMONG OTHERS:

"(3) TO DETERMINE THE NEED FOR POST OFFICES, POSTAL AND TRAINING FACILITIES AND EQUIPMENT, AND TO PROVIDE SUCH OFFICE FACILITIES AND EQUIPMENT AS IT DETERMINES ARE NEEDED:"

IN VIEW OF THE AFOREMENTIONED PROVISIONS AND OTHER BROAD AUTHORITY GIVEN THE POSTAL SERVICE, AND BASED ON THE INFORMATION NOW BEFORE US, WE SEE NO BASIS TO OBJECT TO THE POSTAL SERVICE'S HAVING PLACED IN POST OFFICES MACHINES WHICH WILL ENCOURAGE THE USE OF AND ASSIST THE PUBLIC IN USING THE MAIL. YOU STATE THAT THE MACHINES IN QUESTION ARE FOR THE PURPOSE OF "SELLING PAPER SACKS *** FOR MAILING PURPOSES." AS POSTAL RELATED MACHINES, WE SEE NO BASIS ON WHICH TO OBJECT TO THEIR USE.

PURSUANT TO YOUR REQUEST WE ARE SENDING COPIES OF THIS LETTER TO CONGRESSMAN CHARLES L. WILSON, SENATOR DEWEY BARTLETT AND SENATOR HENRY BELLMON.