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A Brief History of Universal Postal Service in the United States

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“At stake is the future of what has been, since this nation’s founding, the right of every American to send and receive mail. The Postal Service exists as a governmental entity whose mission is universal service to all.”

- U.S. Postal Service, Transformation Plan (2002)

“Universal postal service remains vital to the nation at the dawn of the 21st century.

- President’s Commission on U.S. Postal Service (2003)

Universal Service Today

- 203 bil. pieces of mail (706 per cap) (2002)
- 34¢ stamp; uniform and affordable rates
- Delivery of letters and parcels up to 70 lbs
- Delivery 6 days/week to doors and mailboxes nationwide
- Universal access: 27,876 post offices
- USO mandate: 39 U.S.C. §§ 101, 403

Question

When did the United States first achieve universal service and precisely what do we mean by this term?

Topics

- Evolving Mission of the Post Office
- Universal Service and the Postal Monopoly
- Origins of Universal Service Elements
- Preliminary Conclusions

Evolving Mission of the Post Office

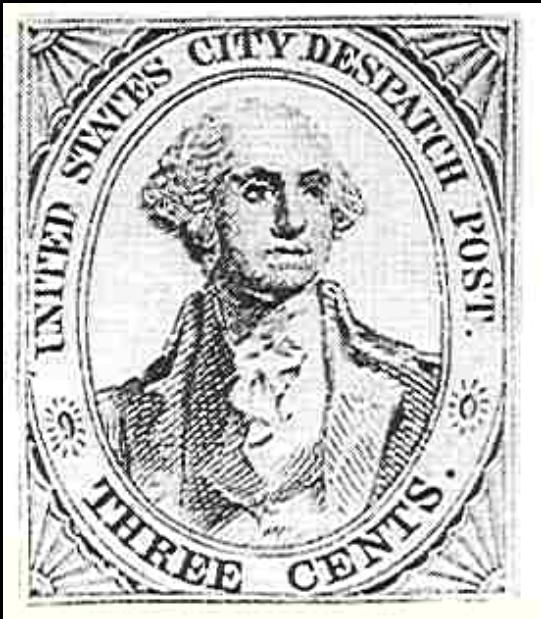
Post Office to Post Office, 1782-

- City to city: no delivery or local service
- Suited to most important letters only
- Letter tax to subsidize newspapers & stagecoaches
- Most towns and villages served by 1829.



- 1845-1851 Cheap postage
 - Stamps and envelopes
- Mail per cap
 - 4 (1844); 11 (1860)

Free City Delivery, 1863-



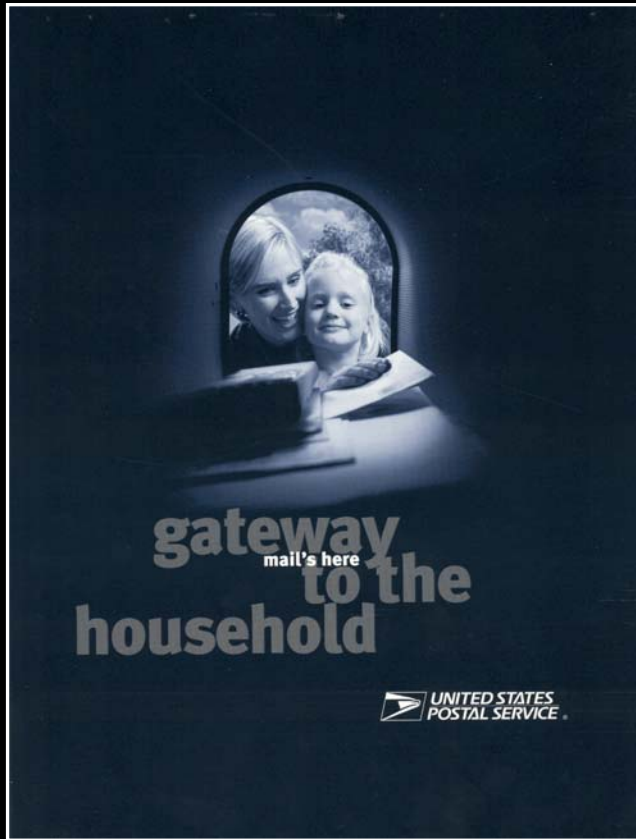
- Private Penny Posts 1840s
 - 3 collections and deliveries
- 1863 Free city delivery
 - 49 cities
- 1890 Delivery to about 30% of population
- Mail per cap: 80 (1890)

Rural & Parcel Delivery, 1896-



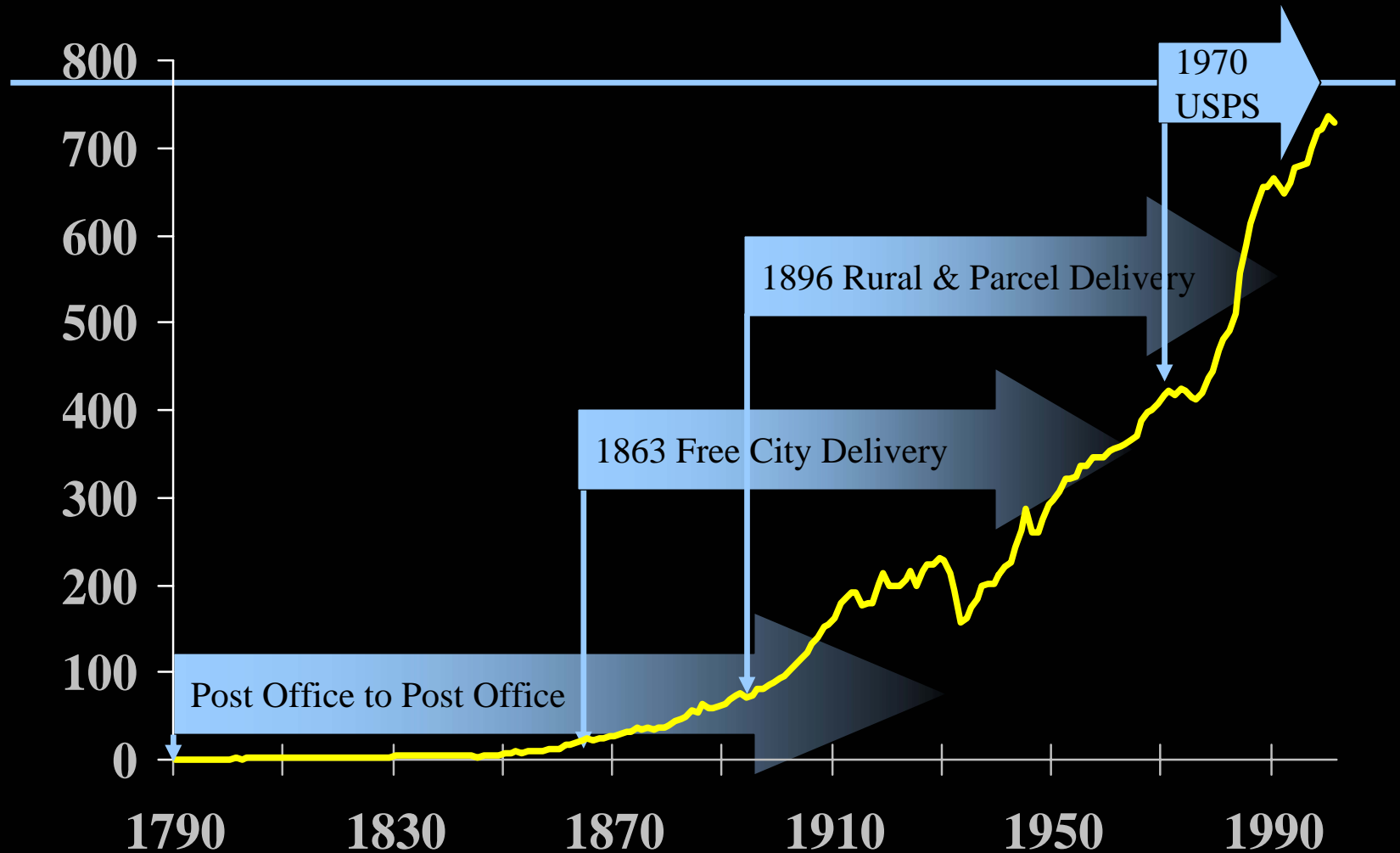
- 1902 Rural delivery
- 1912 Village delivery
- 1913 Parcel post
 - Up to 20 lbs (1914)
 - 1925-60: Parcels 20-25% rev
- Mail per cap: 200 (1925)

U.S. Postal Service, 1970-

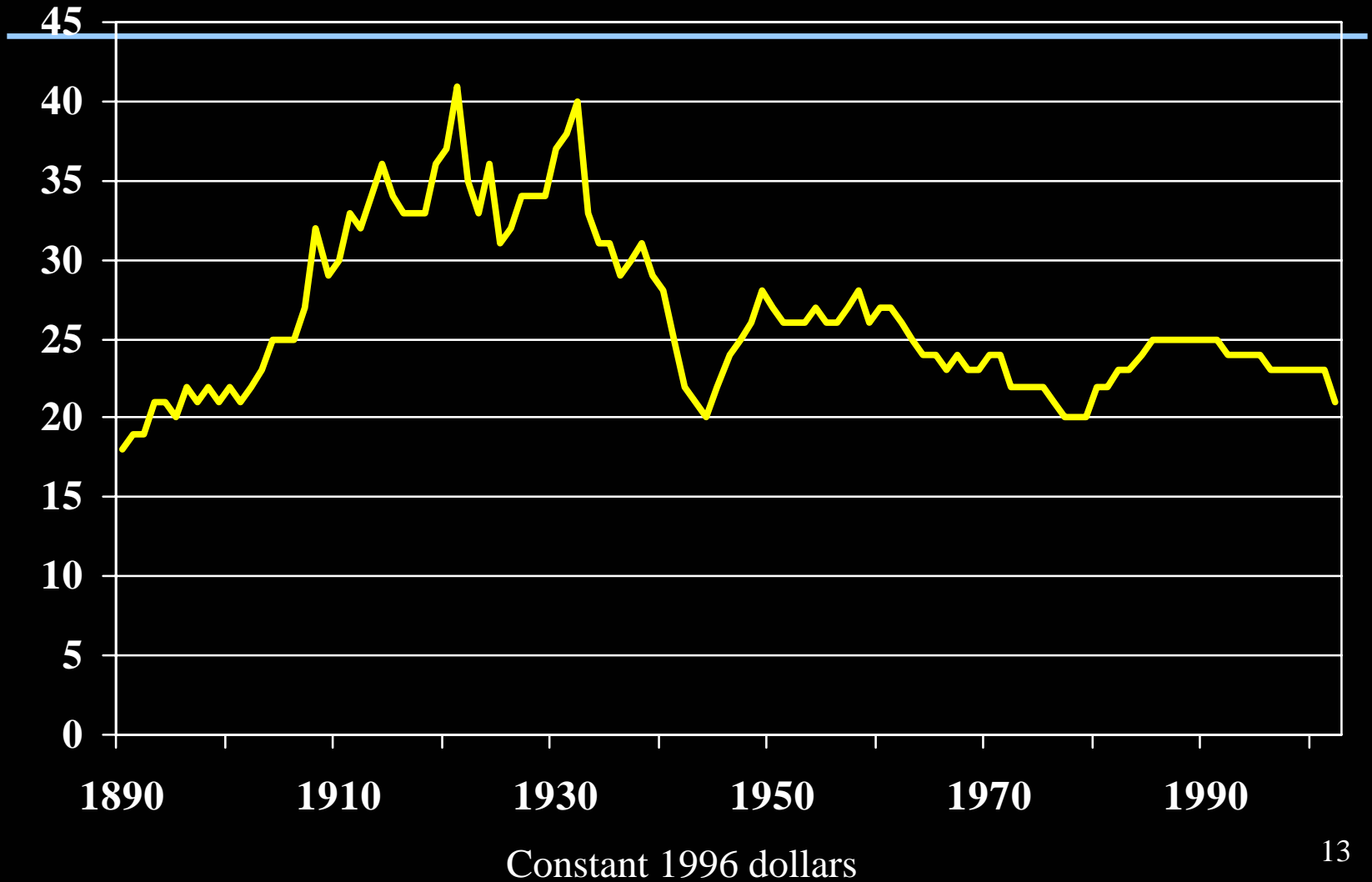


- Quasi-commercial agency
- Rise of ad mail
 - 11% to 24% of revenue
- “Last mile” service
- Diversification of services
- Mail per cap
 - 416 (1970) to 737 (2000)

Missions of the Post Office



Mail per \$1000 GDP



Universal Service and the Postal Monopoly

Origins of the Postal Monopoly

- English act of 1660
 - security and revenue
- Ordinance of 1782
- Postal Act of 1792
 - prohibited horse posts and foot posts
 - prohibited private carriage by individuals
- Postal Act of 1794
 - omitted prohibition re individual carriage

1845: Private Expresses

- “Cheap postage” and English reforms
- Railroads and private expresses
 - Adams Express case
- Postal Act of 1845
 - Opposed by Post Office and rural interests
 - Banned private expresses
 - Did not extend monopoly to newspapers and periodicals

1861: Local Delivery

- PMG Order of 7/17/1860 ordered end to private penny posts
 - Blood's Dispatch case, 1860
- Post Office Appropriations, 1861
 - Lame duck Congress on brink of Civil War
 - Amendment of Feb. 15, 1861
 - Banned private local delivery services where PMG had established post routes

Current Law

- Postal Code of 1872
 - Criminal Code of 1909
 - Criminal Code of 1948
- USPS regulations, 1974

Origins of Universal Service Elements

The Slogan

“One Policy, One System, Universal Service”

- AT&T 1907 PR campaign
 - AT&T patents expired 1893-94
 - Rural phone companies began to fill demand unmet by AT&T.
 - Bankers force change management.
 - New policy supports interconnection.

The Mandate

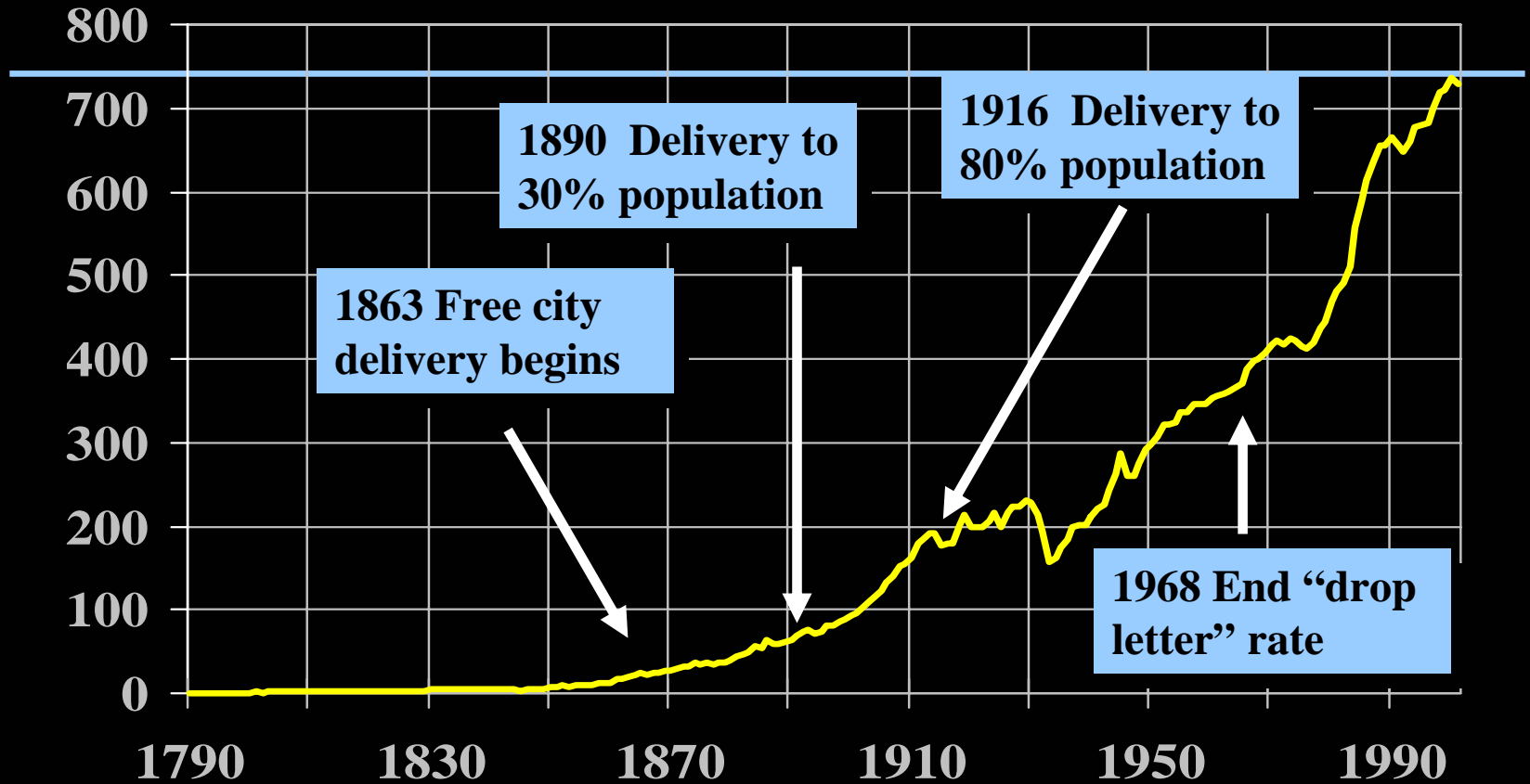
§ 101. Postal policy

(a) The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people. The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities. The costs of establishing and maintaining the Postal Service shall not be apportioned to impair the overall value of such service to the people.

(b) The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.

- 1958 Act
 - Findings & Policy Declaration
 - Dispute over 4¢ stamp
- 1960 Code
 - §§ 2301-02
- 1970: Postal Reorg Act
 - §§ 101, 403 (revised)

Universal Delivery



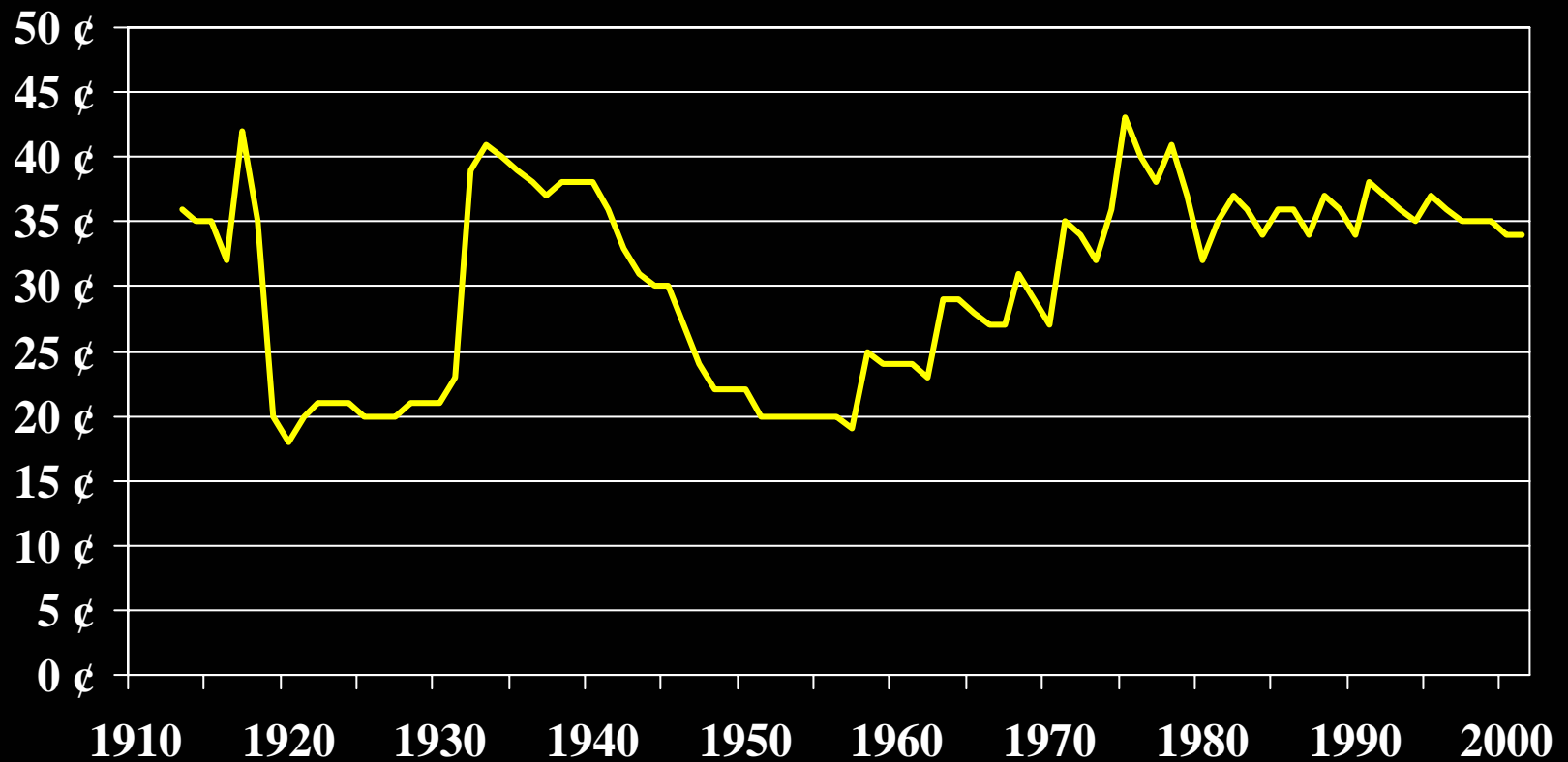
Annual Mail per Capita

Uniform Letter Rates



- 1851 3¢ rate
 - Continental U.S. mail
- 1885-1933 2¢ stamp
 - National & city delivery
- 1933-1944 Local rates
- 1970 Uniform rate req'd
- 1976- Presort, dropship

Affordable Rates



Price of Stamp in 2001 dollars

Frequency of Service

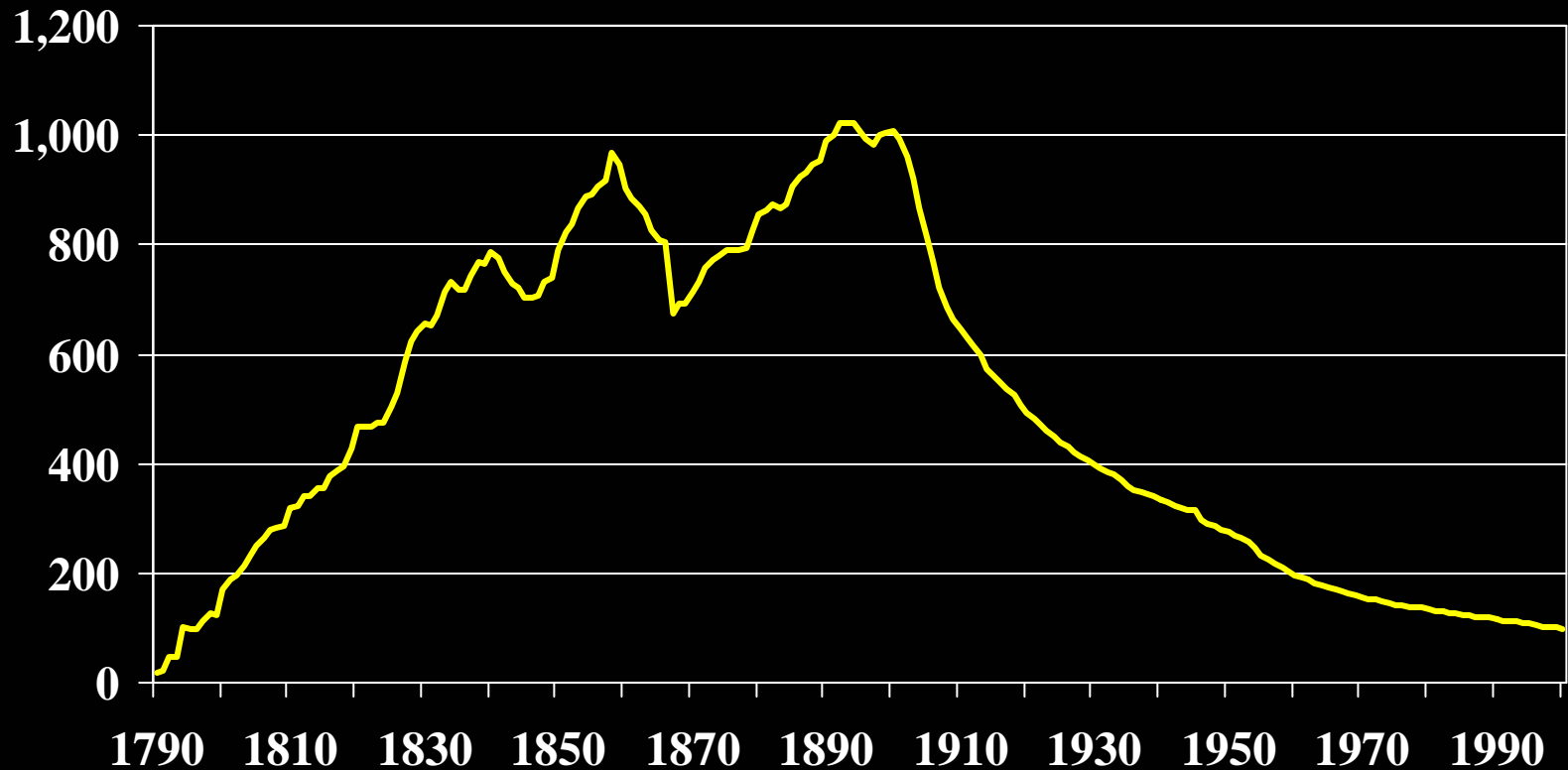
- 1810 7-day per week service required
- 1912 Sunday service stopped
- 1950 Residences reduced to daily service
 - Many rural routes served 3 days per week

Mailbox Delivery



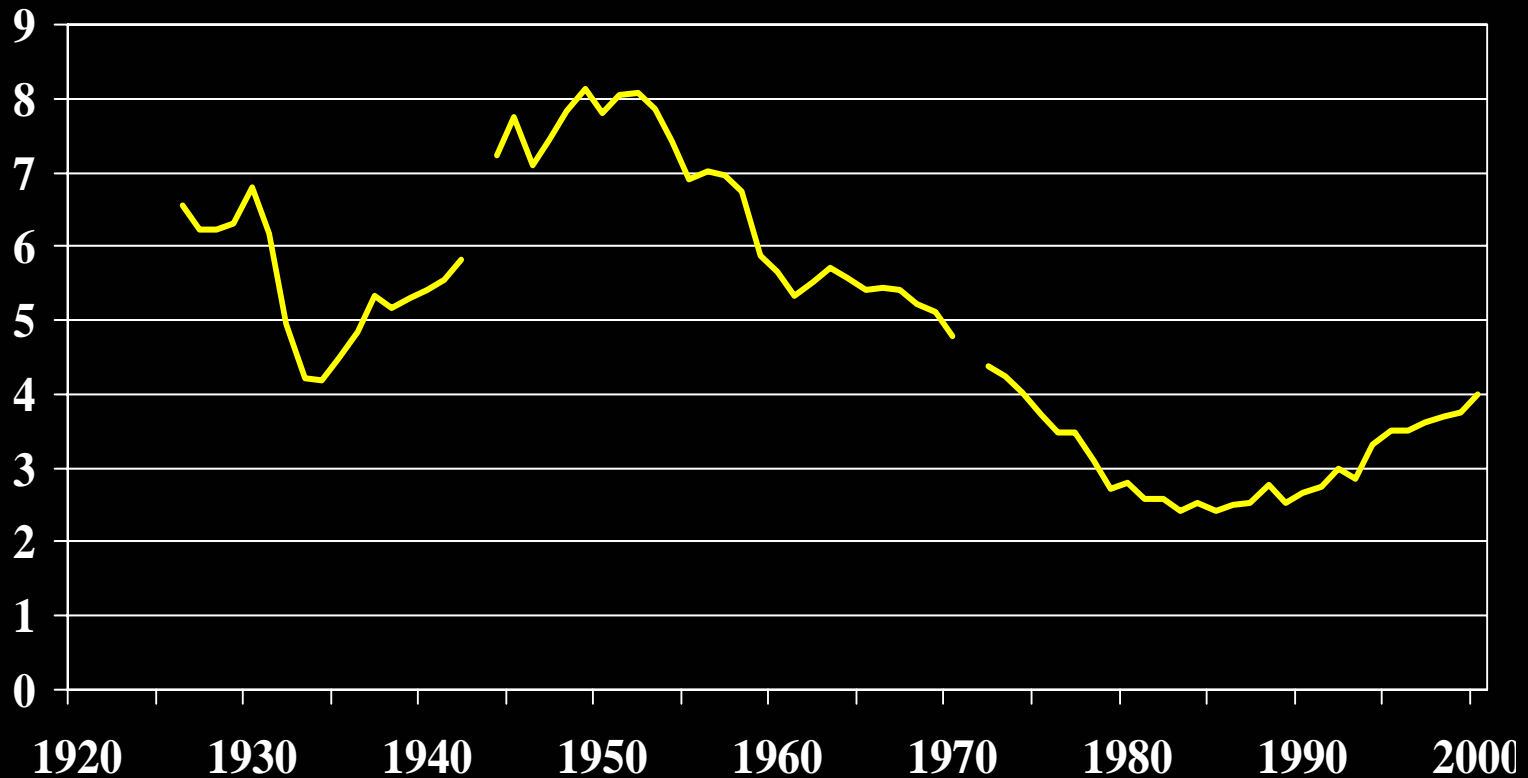
- 1890s Mailboxes begun
- 1915 Tunnel mailbox
- 1923 Mailboxes required
- 1960s Curbside boxes
- 1978 Cluster boxes

Universal Access: Post Offices



Post Offices Per Million Population

Parcel Post



Parcel Post per capita, 1926-2000

Postal Savings System



- 1910 Begun
- 1930s – 40s
 - Depression
 - WW II
- 1966 Ended

Preliminary Conclusions

Conclusions

- 1) The concept of national postal service has changed fundamentally over time.
 - In 2001, the *Statistical Abstract* moved postal service for the communications to the transportation section of its report for the first time in its 122 history.
 - The last mile Post Office is virtually a mirror-image of the early Post Office.

Conclusions

- 2) The universality of postal service has no historical relationship to the postal monopoly law.
- The two developed two centuries apart
 - Economic interrelations have been discovered ex post facto.

Conclusions

- 3) There is no well-defined historical concept of universal postal service in the U.S.
- The post office has been a key national program of the government since 1790.
 - “Universal service” is a slogan invented for another time and another industry.
 - The present legal concept of universal service dates from 1970.

Conclusions

- 4) The present concept of universal service seems to me to imply regular delivery to every person in the U.S.
- In this sense, universal service became a national objective about 1900 and was accomplished in the 1960s.
 - This idea originated in the urban/rural division of America, a divide now closing.

Conclusions

5. Evolution of national postal policy was slowed sharply by the 1970 act.
 - Compare 30 years before and after 1970.
 - No government agency is responsible for sector policy.
 - 1970 act failed to include seeds for self-renewal.

Further Reading

- Richard B. Kielbowicz
 - “Universal Postal Service: A Policy History” (2002)
 - *News in the Mail* (1989)
- Richard R. John
 - *Spreading the News* (1995)
- Daniel C. Roper
 - *The United States Post Office* (1917)
- Wesley E. Rich
 - *The History of the United States Post Office to the Year 1829* (1924)