



Association for Postal Commerce

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December 27, 2004

Ms. Anita Thomas
Attn: Transatlantic Economic Relationship Written Comments
Office of Europe and the Mediterranean
Office of the U.S. Trade Representative
1724 F Street, N.W.
Washington, DC 20508
FR0439@ustr.eop.gov

Re: Enhancing the Transatlantic Economic Relationship

Dear Ms. Thomas:

The Association for Postal Commerce ("Postcom") would like to submit the following in response to the August 17, 2004, Federal Register notice of the U.S. Trade Representative ("USTR") soliciting comments on ways to further strengthen the transatlantic economic relationship.

The Association for Postal Commerce is an organization of those who use, or support others in the use, of mail, courier, package, and express services for business communication and commerce. Our members typically use the United States Postal Service, foreign postal administrations, and private express delivery service providers such as UPS, Fed Ex, and DHL, for the delivery of consumer goods, catalogs, flyers and other hard-copy information relating to their products and services, both domestically and internationally.

USTR has requested comments on how best to promote trade and economic cooperation between the United States and the European Union, focusing, among other things, on the liberalization of trade in services and the reduction of market access barriers. Postcom's members are best served by vigorous competition among the largest possible number of international service providers and by the reduction of government restrictions on the ability of those providers to compete and serve their customers as efficiently as possible.

The emergence of global express delivery service providers, principally UPS, Fed Ex, and DHL, has actively promoted the development of today's global economy. Postcom strongly supports the elimination of government-imposed market access barriers that may hinder competition among express delivery service providers. For example, Postcom's members have benefited from DHL's recent expansion of its market presence in the United States, where it offers a competitive alternative to incumbents such as UPS and Fed Ex. We favor the same sort of unencumbered competitive entry in European markets as well.

Postcom supports competitive postal markets open to all who can ensure the provision of universal postal services. In order to maximize competition and choice for Postcom's members, it is imperative that governmental barriers that prevent express delivery companies from competing with postal administrations be reduced to the greatest degree possible (subject, of course, to the need, as a matter of public policy, to preserve universal mail service on a country-specific basis). Such liberalization cuts both ways: express delivery companies should have the opportunity to compete in areas that hitherto have been the monopoly preserve of postal administrations, while postal companies should be able to compete with respect to express parcel delivery services, subject to specific regulatory safeguards to prevent abuses of competition.

From the U.S. perspective, it is instructive to examine the degree of market liberalization and postal privatization that has been achieved in the EU over the past decade. In fact, even greater liberalization will result from the final implementation of the EU's requirement for open postal market competition. Postcom urges USTR to promote the continued expansion of competition in mail and express delivery services in both the United States and Europe.

Postcom also urges the USTR to prioritize efforts to reduce customs regulations that impede the ability of private express delivery service providers to maximize the efficiency of their time-sensitive operations. Customs restrictions take two broad forms: First, customs duties and taxes stifle economic growth by driving up the cost of goods and services. Second, administrative customs burdens (e.g., customs clearance procedures, including the preparation and filing of customs declarations) retard the efficiency of express delivery. EU customs duties and taxes tend to be higher (and more broadly applicable) than those in the U.S. In addition, customs clearance procedures vary considerably among EU member states, which fosters confusion and increases the cost for U.S. exporters of doing business in Europe. Accordingly, Postcom urges USTR to strive to coordinate efforts among governments to reduce and eliminate customs duties and taxes and to minimize and harmonize customs procedures.

We appreciate this opportunity to share our views. If you should have any questions about the position we have presented here, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene A. Del Polito". The signature is written in a cursive, flowing style with a large initial "G".

Gene A. Del Polito
President