

March 31, 2020

Postmaster General Megan Brennan, Postmaster General  
Chairman, Postal Regulatory Commission, Robert G. Taub  
*Via email:*

RE: Mailing Industry Call for Emergency Measures

Megan and Robert,

Recent economic recessions have disproportionately affected the postal industry. The economic fallout from the COVID-19 crisis will likely pose a similar threat. Not only is a viable postal system crucial for supply chain continuity, the postal system is part of our nation's critical economic infrastructure. The Postal Service, in COVID-19, is facing a looming, existential threat that threatens the very service it prides itself on delivering. Only the Postal Service provides affordable and reliable mail and package delivery services to every American citizen and business. This mail and package delivery service, which serves as a lifeline for many remote and rural Americans and which supports the economy by keeping businesses and nonprofits going, relies heavily on the postage from these businesses to remain open and operational. Yet the very threat that faces the Postal Service also looms over the postage paying customers that support it.

Ratepayers fund the Postal Service's operations completely. Yet, as the Government takes steps necessary to respond to the crisis, those same ratepayers and their supply chain partners face significant and permanent loss of business. Businesses in many sectors of the economy, in particular retail, hospitality, travel, and residential services, have been forced to close or greatly scale back their operations. Small businesses are likely to be particularly hard hit, and marketing and advertising will be among the expenses they cut. This will cause large numbers of mailers to abandon the mail permanently. Mailers and their supply chain partners face significant and permanent loss of business, if swift and decisive actions are not taken.

As Congress continues to consider measures to assist the Postal Service, we ask the Postal Service and the Postal Regulatory Commission to take immediate, and meaningful, actions to allow users of the Postal Service to survive the current crisis. The mailing industry, that the Postal Service depends on to create, send and pay postage for mail, deserves and needs immediate incentives to stay in the mail. The long-term viability of the Postal Service will depend on preserving commercial and nonprofit mail volume. We urge the Postal Service to offer, and the Postal Regulatory Commission to promptly approve, an emergency stimulus to allow businesses to remain in the mail.

We believe the most effective incentive would be a 5 cent per-piece rate reduction – initially for 90 days but renewable if the duration of the crisis requires – for all market dominant products. If the Postal Service could announce this plan, and the PRC could expedite approval, there is a chance at retaining millions of pieces of mail currently at risk of permanently leaving the system.

Other ideas and initiatives that we believe should be pursued and announced without delay include:

- Deferred collection of postage payments for customers with CAPS and EPS accounts.
- Revival of a seasonal/summer promotion or incentive to bring business back to the USPS.
- No July increase in competitive outbound international rates in 2020. US-based international shippers have been particularly impacted by COVID 19.

Now is the time for action from the Postal Service and the PRC to keep businesses using the mail. The undersigned, along with our members and mailers, fear that without the prospect of a stimulus rate package, including financial flexibility for commercial and nonprofit mailers and their service providers, substantial mail volumes will be lost and never return.

We are in uncharted waters and bold action is needed, and ask that we quickly schedule a conference call to discuss what affirmative steps we can take. On behalf of our members, we are prepared to support the Postal Service and the Commission in this critical effort in every way possible.

Respectfully,

The undersigned

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Cc: David Williams, Chief Operating Officer /Executive Vice President  
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