

February 19, 2021

The Honorable Louis DeJoy
Postmaster General
United States Postal Service
475 L'Enfant Plaza SW
Washington DC 20260

Dear Postmaster General:

As representatives of your customers, the undersigned are writing to you in an effort to clearly convey the fragility of customer confidence in the Postal Service, given the recent collapse in service, and the danger of increasing prices under such circumstances.

We understand the impact of the pandemic – our member companies and nonprofit organizations, and their customers, are experiencing it as well – and of other factors that have impaired USPS operations and delivery. As the Postal Service has acknowledged, that impairment was worsened by internal failures to maintain control over inventory and follow established procedures and operating plans.

As a result, customers have experienced delays of not just a few days but weeks – even months – in getting their personal correspondence, greeting cards, statements, advertising mail, newspapers, magazines, and packages to their recipients. In turn, many customers, from the clients of commercial mailers to everyday users of retail services, now question whether they can depend on the Postal Service in the future. The collapse of service experienced in recent months has the potential to significantly accelerate the abandonment of mail; it has already resulted in messages to consumers encouraging them to “go paperless.”

In this context, increasing prices for substandard service should not even be considered. Any action that would drive away already skeptical customers would worsen the Postal Service’s challenges. Any short-term increase in revenue from an over-CPI price change would be outweighed by its long-term business impact. We believe there are better measures that could be undertaken to restore financial equilibrium.

As you have noted, the burdens imposed by Congress could be alleviated through successful discussions with legislators; reform legislation could remove unnecessary retirement prefunding obligations; USPS employee costs could be reduced through more disciplined negotiations; and operational efficiencies can be implemented that do not require diminishing service standards. Yes, those would be more difficult than simply raising prices, but also would yield greater and more long-lasting benefits – without imperiling mail volume.

The Postal Regulatory Commission has provided greater pricing authority to the Postal Service. When the commissioners concluded the USPS was not financially stable, the tool they used to remedy that condition was alteration of the rate-setting mechanism to enable greater price increases. The challenges facing our industry require a more thoughtful and comprehensive approach than for the Postal Service to mechanically maximize its rate authority, separately or as part of a broader plan, simply because it was provided with the opportunity to do so. Moreover, the availability of \$10 billion in funding under recent legislation, and the ongoing positive income derived from increased parcel volume, lessen the urgency to seek additional revenue from ratepayers.

The Postal Service’s financial condition did not develop overnight and is not simply due to inadequate revenue – nor can it be remedied simply by raising prices, particularly through an unanticipated increase at a time when customer allegiance has been so severely compromised by poor service. Customers already prepared to walk out the door should not be asked to pay more – now or in the future – for something whose value they concurrently have reason to doubt.

We look forward to working with you to strengthen the Postal Service and ensure its future. We are also prepared to collaborate on an integrated and comprehensive approach to the challenges we face together. We stand ready to discuss these and other issues at your convenience.

Sincerely,

Stephen Kearney
Executive Director
Alliance of Nonprofit Mailers

Hamilton Davison
President and Executive Director
American Catalog Mailers Association

Mark Pitts
Executive Director
American Forest & Paper Association

Steve Krejcik
President
Association for Mail Electronic Enhancement

Michael Plunkett
President and Chief Executive Officer
Association for Postal Commerce (Postcom)

Rita D. Cohen
Senior Vice President, Legislative and Regulatory Policy
MPA – The Association of Magazine Media

Christopher Oswald
Senior Vice President, Government Relations
ANA – Association of National Advertisers

Michael Plunkett
President
Delivery Technology Advocacy Council (DTAC)

Maynard Benjamin
President
Envelope Manufacturers Association

George White
President
Greeting Card Association

Kate Muth
Executive Director
International Mailers' Advisory Group

Leo Raymond
Managing Director
Mailers Hub

Todd Haycock
President
Major Mailers Association

Robert Galaher
Executive Director
National Association of Presort Mailers

Tonda Rush
General Counsel
National Newspaper Association

Arthur B. Sackler
Executive Director
National Postal Policy Council

Paul Boyle
Senior Vice President / Public Policy
News Media Alliance

Jim Cochrane
Chief Executive Officer
Parcel Shippers Association

Donna Hanbery
Executive Director
Saturation Mailers Coalition

cc: The Honorable Ron Bloom, Chair
US Postal Service Board of Governors

The Honorable Michael Kubayanda, Chair
Postal Regulatory Commission

The Honorable Tammy L. Whitcomb
US Postal Service Inspector General

The Honorable Gary C. Peters, Chair
The Honorable Rob Portman, Ranking Member
United States Senate
Committee on Homeland Security and Governmental Affairs

The Honorable Carolyn Maloney, Chair
The Honorable James Comer, Ranking Member
United States House of Representatives
Committee on Oversight and Reform