



The Honorable Gerry Connolly  
Chairman  
Subcomm. on Government Operations  
Committee on Oversight and Reform  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Jody Hice  
Ranking Member  
Subcomm. on Government Operations  
Committee on Oversight and Reform  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Connolly and Ranking Member Hice,

On behalf of the Association for Postal Commerce (PostCom), I want to thank you for the opportunity to provide additional information for the Committee and to clarify matters pertaining to my earlier testimony. PostCom's members are committed to the preservation of universal postal service for all Americans and are eager to work with the Committee to strengthen the Postal Service toward that end.

Though comprehensive postal reform has been a priority for both parties, it has proven to be elusive. The COVID-19 pandemic and the upcoming elections have helped make clear that the Postal Service remains a vital component of the nation's economic infrastructure and a foundational part of the civic framework that still binds the nation together. Thus, though meaningful reform will require time and effort, it must remain a legislative priority.

My answers to your questions are appended, and I hope they are helpful to the Committee as you consider how best to confront the challenges facing the Postal Service and the mailing industry. We urge Congress to enact comprehensive postal reform legislation that will serve the needs of US citizens, the Postal Service and its employees, and the mailing industry. Our association and its members are committed to preserving reliable, economical, and universal service. We look forward to the opportunity to work with the Committee to achieve that aim.

Warmest regards,

Michael K Plunkett  
President & CEO, Association for Postal Commerce  
1800 Diagonal Road, Suite 600  
Alexandria, VA 22314

Cc: The Honorable Carolyn Maloney, Chair, Committee on Oversight and Reform  
The Honorable James Comer, Ranking Member, Committee on Oversight and Reform



1. In your statement, you expressed opposition to the Covid-19 relief funds for the U.S. Postal Service. You characterized the potential infusion of funds from the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act as “arbitrary” and “unnecessary.” Many of the companies on the Board of Directors of PostCom received millions in Covid-19 relief funds. Have you expressed any concerns about the relief funds received by your board members and other private, for-profit firms, considering your concerns about public expenditures to support the Postal Service? If not, why not?

As indicated on page two of my testimony, we do not oppose use of relief funds for the Postal Service. Rather, we urge that any funding be reported and monitored, while respecting the Postal Service’s managerial and operational discretion, to ensure that funds are properly used. We support a grant to offset pandemic related costs and feel that ratepayers should not be expected to cover this extraordinary expense, though we are concerned that without proper oversight, USPS expenses will grow to create an additional burden on ratepayers. Pending legislation appears to achieve this aim by requiring that funds be used to offset direct COVID-related impacts and by providing funding for the Postal Service’s Office of the Inspector General (OIG) to audit usage of relief funding. Because pending legislation is unclear as to how revenue losses will be accounted for, Congress should take steps to ensure that ratepayers are not further burdened with unnecessary or excessive USPS costs.

As for relief funds requested by or granted to PostCom Board members, as the Government does not publish the recipients of COVID funding, I have no direct knowledge of any funds having been granted to PostCom members. Our member organizations include complex firms for whom postal operations are not the primary focus of their enterprise. It is indeed possible that some of our member firms experienced COVID related impacts that supported use of CARES Act funding subject to the legal requirements set forth in that legislation.

The Postal Service, which is not bound by State law, operated without restriction as an essential service throughout the pandemic, and in fact has seen its revenues grow since the advent of the pandemic. Further, the Postal Service operates a statutory monopoly that allows it to shift costs onto captive users of its network. Conversely, some of our member companies were forced to shutter parts of their businesses for extended periods due to state level restrictions and therefore experienced immediate and perhaps irreversible loss of business; the kind of generalized economic impact the CARES Act was expressly designed to ameliorate.

2. You acknowledge that the Postal Service, which has the second largest civilian workforce in America, experienced “unforeseen expenses” for acquiring personal protective equipment (PPE) for its public servants and “emergency transportation.” Yet you oppose the Covid-19 relief funds, provided by the House-passed HEROES Act, which the Postal Service would use to pay for PPE and other related expenses. What is your calculation of the unforeseen expenses





experienced by the Postal Service because of Covid-19, including for the items you enumerated as well as for sick leave and overtime for postal workers?

We do not oppose relief funds for the Postal Service (see above). Congress has provided funding for other federal agencies that have incurred expenses to provide PPE for their employees; it would be reasonable and appropriate for Congress to do the same for the Postal Service. As for a precise estimate of the costs incurred by the Postal Service, PostCom does not have access to the information, such as facility specific sick leave data, that would be needed to develop an accurate assessment. Nor do we seek such information. We understand that the Postal Service is tracking their COVID related expenses and that they will report such expenses as required by law and regulation. We also have confidence that the relevant oversight agencies – the Government Accountability Office, Office of the Inspector General, and the Postal Regulatory Commission – can adequately assess expenses incurred by the Postal Service as a result of COVID-19.

3. Have you received any complaints from your members that packages they have sent have been subject to delayed arrival over these past few months? If so, have you conveyed any of those complaints to the U.S. Postal Service—and if so, to whom?

During the last several months, some of our members have experienced delays; not just for packages sent, but for mail as well. Our members generally track all of their mail and packages and many have documented measurable declines in service in all product categories. We have shared that information with representatives of the Postal Service and with the Postal Regulatory Commission. We have routine interaction with postal officials in a number of different forums; the Mailers Technical Advisory Committee (MTAC), bi-weekly conference calls with Postal Service management, and via ad hoc communications with numerous USPS officials. Our members generally also have Postal Service account management resources assigned to their businesses who act as a conduit for providing feedback on the Postal Service's service performance.

We note, however, that despite having many opportunities to interact with the Postal Service, our members have experienced considerable frustration in navigating changes within the Postal Service's network. Despite numerous entreaties, the Postal Service has been unwilling to inform its customers which facilities are experiencing employee shortages, information that would allow customers to perhaps defer mail entry or deposit mail in an alternate location. Further, we have asked for access to "last mile" tracking data so that our members can have more direct insight into service performance. Existing visibility systems only show mail flow through the end of the automated processing machines; we have little to no ability to track through delivery. The Postal Service continues to withhold this data from its customers.

4. As of the date of the hearing (September 14, 2020), had Mr. DeJoy or any member of the Board of Governors attempted to communicate with you to get input for or feedback on the operational changes implemented at the Postal Service?



At the time of the hearing we had not been contacted by any of the Board of Governors regarding operational changes. I have since discussed these and other matters with Mr. DeJoy.

5. You note in your testimony that your association is a “stakeholder” of the Postal Service and you favor restricting the definition of the “universal service obligation” because you do not believe the Postal Service can “fund the current levels of service.” What specific cuts to the current levels of service and universal service are you suggesting?

We are not proposing any cuts to the current levels of service, and agree with Postmaster General DeJoy that delivery frequency should not change. Given that mail volume declines are expected to continue, a reformed Postal Service will have to be able to reduce costs if mail is to remain an affordable means of communication. The lack of a well-defined universal service obligation (USO) in effect acts as a constraint on the Postal Service’s ability or willingness to reduce capacity in response to declines in volume. In just the last few weeks, decommissioning of excess equipment – a decision historically considered squarely within the provenance of USPS management – led to a flurry of media speculation and legislative inquiry. While it is important that Postal Services be readily accessible throughout the United States, one might conclude from recent events that every single blue collection box is part of the USO.

Both in contemplating structural reform as well as most other matters, we caution against Congress micromanaging postal operations. Rather, we believe Congress should define what the public and commercial customers of the Postal Service require from the agency, and then allow postal leadership to determine the most appropriate ways to achieve its mission in consultation with its customers as well as its various oversight bodies.

We remain committed to helping enact comprehensive postal reform to ensure reliable, economical, and universal delivery service for decades to come. We are hopeful that Congress will soon turn its attention to that critical endeavor. We believe that, by definition, postal reform will serve the Postal Service and the public best if it is founded on a well-defined USO that reflects the needs of US citizens, business customers, and the Postal Service and its employees.