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Postal Regulatory Commission
901 New York Ave. NW, #200
Washington, DC 20268-0001

Re: Comments to Docket No. ACR2017, Order No. 4409; Chairman's Information Request No. 15 (CHIR)

Thank you for the opportunity to comment on this important matter. The National Association of Manufacturers (NAM) is the largest manufacturing trade association in the United States, representing over 14,000 manufacturers small and large in every industrial sector and in all 50 states. Manufacturing employs more than 12 million women and men across the country, contributing more than \$2.25 trillion to the U.S. economy annually.

The NAM filed prior comments to preliminary Order No. 4377 in support of unmasking the basic contour of the revenues from, and shapes of, inbound international mail. We argued that it is wholly appropriate for the Postal Regulatory Commission (PRC) to require the United States Postal Service (USPS) to provide such data, and that such data is not commercially sensitive when USPS may appropriately aggregate it. The PRC agreed, issuing Order No. 4394 directing USPS to make the data public.¹

USPS appealed Order 4394 directly to the D.C. Circuit, and asked the PRC to stay the effectiveness of its final order pending judicial review. USPS argued that Order 4394 went too far because it would force them to disclose revenue from sensitive negotiated service agreements (NSA) in the aggregated numbers, rather than only including information on mail sent through to the Universal Postal Union terminal dues system. Rather than issue a stay, PRC vacated its earlier order and issued CHIR No. 15 to clarify that USPS should only provide terminal dues-related mail information, and should not include NSA mail. USPS now objects to this more limited disclosure of information on the shapes of inbound mail and related revenues under the terminal dues system.

USPS argued in its response to CHIR No. 15 that it “does not believe that any commercial enterprise would voluntarily disclose revenue data for its products that are subject to competition.”² Thousands of companies provide aggregated revenue data for product lines in periodic submissions to the Securities and Exchange Commission (SEC). For some companies, particularly those that sell directly to consumers, product pricing is public or easily-discoverable. For companies that primarily sell business-to-business, *pricing* may indeed be sensitive enough to protect from public disclosure, but such companies often do track and report *revenue* from business operations down to specific profit-and-loss (“P&L”) business lines. We therefore

¹ Determination to Unseal the Material Filed in Response to Chairman's Information Request No. 1, Question 1, January 26, 2018, at 8 (Order No. 4394).

² Notice of a Preliminary Determination to Unseal the Postal Service's Response to Chairman's Information Request No. 15, February 16, 2018, at 5 (Order 4409).

respectfully disagree with USPS's assertion that revenue data, which in this case necessarily aggregates specific items into broader groups, is too sensitive to disclose. Further, as USPS would no doubt agree, they are unlike other commercial enterprises because they are a public agency subject to stringent PRC regulation and oversight in the public interest.

USPS further argues that a public response to CHIR No. 15 would reveal proprietary third-party information because "a certain foreign postal operator is responsible for 'a significant percentage of the revenue' from its country group." We assume they mean China. We understand that USPS would rather not publicly acknowledge its revenue loss for inbound letter mail delivery from China. We are hard-pressed to imagine how, or rather *why*, competitors would use this revenue data to out-compete USPS for this very un-lucrative inbound business. To the best of our knowledge, each alternate carrier that could physically move packets into the United States in large quantities is either also a participant to the UPU terminal dues system or is publicly traded. We suspect publicly traded companies would risk violating their fiduciary duty to stockholders if they attempt to outcompete USPS by losing an even greater amount of money on inbound packets.

We are not asking USPS to provide the public with this information on the off chance that we identify a problem that warrants public scrutiny and Congressional oversight. USPS is providing structural subsidies to foreign competitors, including counterfeiters, that harm manufacturers and job growth in the U.S. The public interest is more than sufficient to overcome the potential for embarrassment or competition that the release of such aggregated data may bring.

The NAM believes that a strong and financially-sound postal service provides critical benefits to the United States, and in particular to U.S. manufacturers. Our members depend on the USPS to bring their products to market and to support our entire economy. Inbound letter post has transformed from an issue of global comity into a serious problem.

On behalf of manufacturers in the United States, we appreciate the opportunity to provide our input on this critically-important issue. Please do not hesitate to reach out to either of us with further questions or comments. We look forward to working with you to reduce the impact of unfair competition and counterfeiting.

Respectfully,



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