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

**Re: Comments to Docket No. CP2019-155, Notice of the United States Postal Service of Effective Date and Specific Rates Not of General Applicability for Inbound E-format Letter Post, and Application for Non-public Treatment**

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 12.82 million women and men across the country, contributing more than \$2.38 trillion to the U.S. economy annually.

The NAM has filed comments in several dockets over the past two years calling for greater transparency from the United States Postal Service (USPS) with respect to the impact of subsidized rates for foreign shippers on inbound mail volume. Much of this volume, we have argued, is comprised of counterfeit and dangerous products entering the market from countries like China via the international mail system. In response to this growing threat and inequality, President Trump issued a Presidential Memorandum in 2018 calling for a reset to the U.S. role in the global postal system. This year, the State Department negotiated updated terms at an Extraordinary Congress of the Universal Postal Union (UPU) that allow USPS to set rates that will dramatically reduce the flow of illicit packets and allow American businesses to efficiently compete in the global marketplace. This proceeding is the final step toward implementing these new terms.

In this proceeding, USPS has given notice that: it has set initial rates pursuant to the updated UPU agreement; those rates comport with domestic legal requirements; and it believes those rates should remain non-public. It is our understanding that rates not of general applicability are often non-public due to commercial sensitivities around competitive products. Given the novel nature of this proceeding, however, the NAM strongly encourages the Postal Regulatory Commission (PRC) to limit non-public treatment of these rates, as well as the methodology for how they are set within their respective approved ranges, as much as possible. These rates are not fully akin to negotiated rates set in other contexts because they more closely resemble list prices that USPS publishes annually for domestic services. They also reflect important considerations of fairness to American businesses who are paying for comparable service within the United States, and if set improperly they are inherently capable of distorting markets in a way that enables and encourages the shipment of contraband.

If USPS is unwilling to provide transparency as to the actual rates or the methodology used to determine them, the PRC should at the very least provide the interested public with data and information sufficient to demonstrate that these rates meet the requirements of applicable

postal law, are fair and non-discriminatory, and do not cause undue economic distortions in otherwise competitive markets. Even proxy measures such as an independent economic analysis would be a positive step toward ensuring trust in this new process from the outset. In addition, it is entirely possible that the United States may wish to revisit the basic calculus for these rates in a subsequent UPU Congress based on unanticipated but meaningful differences between expected and actual costs paid by similarly situated domestic and foreign shippers. Periodically updating the framework agreement would be difficult if not impossible without adequate transparency and accountability.

The NAM continues to believe 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.

On behalf of manufacturers in the United States, we appreciate the opportunity to provide our input on this important issue. We look forward to working with you to reduce the impact of unfair competition and to restrain the growth in counterfeit products entering the United States.

Respectfully,

A handwritten signature in black ink, appearing to read "Patrick Hedren". The signature is fluid and cursive, with a prominent initial "P" and a long, sweeping underline.

**Patrick Hedren**  
Vice President  
Labor, Legal & Regulatory Policy  
National Association of Manufacturers