

April 6, 2020

Postal Regulatory Commission  
901 New York Ave, NW, Suite 200  
Washington DC, 20268

To the Attention of the Postal Regulatory Commission (PRC):

On behalf of millions of taxpayers and consumers across the country, the Taxpayers Protection Alliance (TPA) would like to express our views on the Commission's advance notice of proposed rulemaking (Order No. 5422) to consider regulations to carry out the statutory requirements of 39 U.S.C. 601. Expanding the definition of letter mail would result in considerable confusion for consumers and undermine the U.S. Postal Service's (USPS) duty to provide rapid, reliable mail services across the country. The USPS and PRC should work together to strengthen the former's core capabilities especially at this tumultuous, uncertain time.

In PRC Order No. 5422, the Commission describes specific instances where the USPS mail monopoly should *not* apply, such as for "letters charged more than six times the current rate for the first ounce of a single-piece first class letter and letters weighing more than 12.5 ounces."<sup>1</sup> In addition, the PRC has significant discretion as to how the letter monopoly and exceptions thereof should be defined; existing law "also directs the Commission to promulgate any regulations necessary to carry out this section."<sup>2</sup> The Commission seeks comment on how to promulgate said regulations and invites commenters to suggest additional regulations to clarify or alter current letter monopoly guidelines.

In TPA's view, there is no current, pressing issue with the definition of mail subject to USPS monopoly. The agency's current infrastructure and mailbox requirements for consumers are well suited for letters weighing less than 12.5 ounces and consumers across the country seem to have a clear understanding about which pieces of mail fall under the purview of the USPS. Furthermore, private companies that are permitted to carry mail that weighs more than 12.5 ounces and/or costs more than six times the regular rate of postage (i.e. due to expedited shipping) have a strong incentive to understand USPS rules and regulations and direct consumers to post offices to deliver monopoly-protected letters.

The USPS faces no shortage of pressing issues, including a \$8.8 billion net loss for fiscal year 2019 and more than \$140 billion in unfunded liabilities.<sup>3</sup> These issues are not the result of unclear or excessively narrow monopoly guidelines, but rather due to a combination of poor management and ill-advised pricing policies. TPA estimates, for example, that overpayments to middle-mile private contractors cost

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<sup>1</sup> U.S. Postal Regulatory Commission. "Advanced Notice of Proposed Rulemaking to Consider Regulations to Carry Out the Statutory Regulations of 39 U.S.C. 601." Order No. 5422. Issued February 7, 2020.

<sup>2</sup> Ibid.

<sup>3</sup> U.S. Postal Service. "U.S. Postal Service Reports Fiscal Year 2019 Results." November 14, 2019.

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the agency more than \$1 billion per year.<sup>4</sup> Irregularities in the postage reselling program, including violations of volume requirements and the systematic underpayment of postage, cost the USPS more than \$200 million per year.<sup>5</sup> The USPS and PRC must work in concert to address these issues instead of deliberating over mail monopoly definitions that have served consumers well for generations.

At this difficult time, mail volume will likely continue to decline and postal workers will continue to face serious challenges in doing their jobs and preserving their (and consumers') health. USPS leadership, including the Board of Governors and supervisors and managers across the country, must carefully balance agency priorities and do everything in its power to satisfy delivery obligations and help contain the Coronavirus pandemic. This will require a clear focus and the prudent allocation of the \$10 billion in additional borrowed funds from the U.S. Treasury.

Attempting to alter mail monopoly regulations during such a tumultuous period would detract from these pandemic response efforts and lead to unnecessary uncertainties. We urge you to stay the course in implementing 39 U.S.C. 601 and devote all efforts to maintaining deliveries and keeping workers and consumers safe from COVID-19. Thank you for your consideration of these pressing issues.

Sincerely,



David Williams  
President

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<sup>4</sup> Taxpayers Protection Alliance. "Postal Perils and Promise: A Primer on Reform." February 4, 2019.

<sup>5</sup> Ibid.