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PRESORT PLUS

April 5, 2021

The Honorable Michael Kubayanda, Chairman
Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268

Re: U.S. Postal Service Waiver Request, Docket RM2021-5

Dear Chairman Kubayanda:

Presort Plus is based out of Bismarck, ND. We currently employ over 35 full/part employees and have been in business and working with the USPS for over 30+ years.

Presort Plus opposes the Postal Service's March 26, 2021 waiver request to delay improvements to the workshare discount for First Class Mail sorted to the 5-Digit level. Specifically, the Postal Service seeks to maintain the current 5-Digit workshare discount, rather than increase the discount to move it closer to a rate that reflects the full value of the work performed by companies like ours. The Commission should deny the waiver request.

When the Commission adopted its final rules that included the changes to how the USPS sets workshare discounts, it did so because even though the Commission had been recommending for years that the USPS better use its existing pricing flexibility to encourage more efficient mail preparation and entry behaviors by setting workshare discounts as close as practicable to their avoided costs, the USPS had not done so. Accordingly, the Commission established the new rules around how the USPS sets workshare discounts to better comport with the principles of Efficient Component Pricing. Nothing has changed that would impact the Commission's rationale when it developed these rules.

In addition, the Commission included requirements the Postal Service would need to meet if requesting a waiver to the workshare rules. Those requirements included extensive evidence and detailed rationale to support the USPS' request for waiver. The Commission said it intended for the waiver process to be used in exceptional circumstances, and that it intended to ensure the Postal Service's strict adherence to the new waiver rules and requirements. The Postal Service in submitting this waiver request has not met the requirements laid out by the Commission nor has it adhered to the waiver rules. We believe that how the Commission responds to this first waiver request under a new process will set the precedent for future waiver requests, therefore it is essential that the process be followed as the Commission designed it.

In the USPS' waiver request, it noted that it plans to focus this year on the impact of the first above-CPI price change in many years, which it plans to file for on May 28, 2021. We can only conclude that the Postal Service plans to increase prices for a second time in 2021, and for a significant increase. For businesses like ours [and those of our customers] who are still facing the impacts from the pandemic, such a price increase could not come at a worse time. One of the ways our business brings value to mail users and to the Postal Service is by presorting our customers' mail, which gives them access to lower postage rates than they would otherwise qualify for. Improving the workshare discount would help

2355 Vermont Ave.
P.O. Box 1555
Bismarck, ND 58502
Phone: 701-224-1699
Fax: 701-224-8033
Toll Free: 800-279-1004

www.presortplus.net • sales@presortplus.net
www.presortplus.net • sales@presortplus.net

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offset the impact of these anticipated price increases for our customers while also encouraging the most efficient mail preparation and entry.

Mail is of critical importance to our business, and the work we do adds value to mail in many ways. We presort and barcode mail, entering in the most efficient manner possible. The intelligent data we provide to the Postal Service is the foundation for a long list of initiatives it uses to reduce costs, improve service, and grow mail usage. Our employees act as front-line sales force for the Postal Service, selling its products and services to our customers. We also provide ongoing customer training and education on postal programs. All of our work is supported by workshare discounts that are set in keeping with the direction the Commission's rules establish. Approving the USPS' waiver request would negatively impact our ability to continue bringing value to mail and mail users.

Thank you for your consideration of these comments.

Sincerely,

Kyle Nordmeyer

www.presortplus.net • sales@presortplus.net

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Toll Free: 800-279-1004

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