

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

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First-Class Mail and Periodicals  
Service Standard Changes, 2021

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Docket No. N2021-1

**REBUTTAL TESTIMONY OF  
STEPHEN DEMATTEO  
ON BEHALF OF  
THE AMERICAN POSTAL WORKERS UNION, AFL-CIO**

(APWU RT-2)

1 **Autobiographical Sketch**

2 I am the Executive Assistant to the President of the American Postal Workers  
3 Union, AFL-CIO (APWU). In that position, I have directed several of the union's strategic  
4 campaigns. In my role in support of the President's duties, I regularly work with all  
5 departments of the union and represent the union with various external audiences. I  
6 have worked for the APWU since 2018.

7 Previously, I was the head of the Post and Logistics sector at UNI Global Union, a  
8 global federation of trade unions in the service sectors. At UNI, I represented more than  
9 150 postal unions worldwide and led multiple successful union-building campaigns.

10 Prior to my position at UNI Global Union, I was a research analyst at the National  
11 Association of Letter Carriers, AFL-CIO where I assisted that union's leaders and other  
12 staff with the union's bargaining, regulatory, and legislative agendas.

13 I have a Bachelor of Science degree in Foreign Service and International Politics  
14 from Georgetown University.

1 **Introduction**

2 In addition to our responsibilities as the collective bargaining agent for 160,000  
3 current postal workers, the American Postal Workers Union also regularly educates and  
4 mobilizes our membership, allied organizations, and the public with respect to matters of  
5 public policy affecting the Postal Service. Over the course of the last several years, we  
6 have led an effort to engage the general public on developments affecting the Postal  
7 Service, postal workers, and quality of service.

8 As part of our efforts to educate and engage postal workers and the public about  
9 the implications of the present proposed changes in service standards for First-Class  
10 Mail and Periodicals, we shared with the public the opportunity to submit comments to  
11 the Postal Service’s Federal Register Notice Request for Comments on its regulatory  
12 changes to service standards for market-dominant mail products.

13 Using an online tool, individuals can submit their comments directly to the Postal  
14 Service’s comment email address, with a copy of their message shared with the APWU.

15 We educated several other organizations about the service standard changes,  
16 some of whom replicated the online tool and circulated it among their members and  
17 constituents. They in turn shared the comments collected through their channels with us.

18 The organizations with whom we collaborated are generally non-profit  
19 organizations representing senior citizens, civil rights interests, financial reform  
20 advocates, election campaigns, rural citizens, and other public-interest advocacy  
21 organizations. In the past three years, many of them have worked with the APWU in  
22 efforts to collect petition signatures, conduct surveys of their members, and petition  
23 Congress and others in government with their concerns regarding the Postal Service.

1 In my experience, the memberships and constituencies of these organizations are  
2 deeply interested in postal issues, and they have a thoughtful understanding of how  
3 these issues affect their lives and their communities. The individuals and organizations  
4 who submitted comments to the Federal Register are eager to take action to shape  
5 public policy regarding the Postal Service. It is likely that some of them have or will  
6 comment in this case as well.

7 The organizations that have actively urged comments be submitted to the Federal  
8 Register Notice for the present proposed changes in service standards include:

- **Take on Wall Street**
- **Americans for Tax Fairness**
- **Americans for Financial Reform**
- **Social Security Works**
- **National Farmers Union**
- **Save the Post Office Coalition**
- **Progress America**
- **Alliance for Retired Americans**

### 9 **Overview of public comments on the Service Standard Changes**

10 In total, in conjunction with the above organizations, as of June 2, 2021 at 11:00  
11 AM EDT, we have received copies of more than 77,000 comments filed on the service  
12 standard changes published in the Federal Register.

13 Comments were submitted by individuals in all 50 states, the District of Columbia,  
14 Guam, and Puerto Rico. Comments were spread relatively evenly geographically across  
15 the country, with respect to the relative population of the states and territories. Vermont  
16 and Maine, the two states with the largest percentage of rural residents, were in the top  
17 five states in comments per capita. New Hampshire, the 11<sup>th</sup> most rural state, produced  
18 the seventh most comments per capita. Hawaii, whose residents rely on the Postal

1 Service in ways those in the contiguous states may not, produced the ninth most  
 2 comments per capita. Below is a chart detailing the number of comments submitted by  
 3 individuals in each state and territory as of this morning:

<u>State</u>	<u>Responses</u>	<u>State</u>	<u>Responses</u>	<u>State</u>	<u>Responses</u>
AK	184	LA	402	OK	318
AL	366	MA	2,207	OR	2,392
AR	261	MD	1,546	PA	3,721
AZ	2,143	ME	577	PR	46
CA	12,869	MI	2,746	RI	283
CO	2,235	MN	1,568	SC	489
CT	1,005	MO	1,275	SD	108
DC	193	MS	153	TN	939
DE	244	MT	254	TX	3,384
FL	4,547	NC	1,755	UT	425
GA	1,072	ND	65	VA	1,381
HI	467	NE	249	VI	1
IA	728	NH	486	VT	340
ID	291	NJ	2,113	WA	3,404
IL	2,914	NM	924	WI	1,926
IN	1,012	NV	680	WV	237
KS	539	NY	5,783	WY	133
KY	584	OH	2,392	<b>Total</b>	76,356

4  
 5 While we were copied on more than 3,500 comments from postal workers, most  
 6 of the comments we saw were submitted by members of the general public. The online  
 7 campaign to make people aware of the opportunity to submit comments was only  
 8 launched on May 25, 2021 and we anticipate that a significant number of additional  
 9 comments will continue to be lodged with the Postal Service on its Federal Register  
 10 Notice before the June 22 comment deadline.

11 To my knowledge, the volume and pace of comments is unusually high for such a  
 12 public comment process. By comparison, for example, the December 15, 2011 Notice of  
 13 Proposed Rulemaking for Service Standards for Market-Dominant Mail Products

1 resulted in 4,200 comments in response to an Advance Notice of Proposed Rulemaking,  
2 and 101 written comments in response to the Notice of Proposed Rulemaking itself.<sup>1</sup>  
3 The significant increase in comments for the current proposed rule reflects the public's  
4 understanding of the challenges facing the Postal Service and, in particular, the effects  
5 that the service performance deterioration of the last year have visited on the public. It is  
6 clear to us that the public continues to be dismayed with historically low service  
7 performance and is eager for a restoration of the quality mail service that could long be  
8 relied upon.

9 The comments were nearly unanimous in urging that the proposed service  
10 standard changes not be implemented. The comments make clear that the public relies  
11 on reliable and speedy mail service in many important ways.

12 Many commenters shared deeply personal experiences of hardship they have  
13 faced because of slow and inconsistent mail service in the last year. These included  
14 stories of financial hardship, soured holiday traditions, or serious health concerns while  
15 waiting for critical prescriptions or medical information to arrive by First-Class Mail.  
16 Commenters overwhelmingly indicated a genuine fear that the proposed service  
17 standard changes would “lock in” slower mail delivery, leading to future and additional  
18 hardships for them, their families, and their businesses.

19 Below, I will summarize some of the key themes that were expressed in the  
20 comments.

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<sup>1</sup> “Service Standards for Market-Dominant Mail Products” 76 Fed. Reg. 77942, 77943 (Dec. 15, 2011); “Revised Service Standards for Market-Dominant Mail Products” 77 Fed. Reg. 31190, 31191 (May 25, 2012).

1 **Personal financial issues**

2 A number of commenters indicated they have already borne personal hardship  
3 because of existing delays in mail service. Lapsed insurance coverage, difficulty  
4 receiving checks, and concerns about receiving prescription drugs were common  
5 themes in the comments. Several commenters noted the need to drive long distances to  
6 hand-deliver checks to pay bills to avoid late-fees or service cuts.

7 Many commenters indicated they were concerned about having no other means  
8 to pay bills, receive checks, or conduct business. Late fees, canceled policies and  
9 bounced checks would all mean additional financial cost born by the household mailer.  
10 These commenters are concerned that their only alternatives—migrating to online  
11 payment systems, or private competitors—will leave them less secure, less connected,  
12 or paying much more than First-Class Mail rates.

13 The experience of mail delays in receiving the recent stimulus payments was also  
14 a common theme in the comments. Many of these commenters noted that they have no  
15 other way to receive such governmental benefits or other payments and that slowing the  
16 mail would adversely affect them in the future.

17

18 **Impact on small business**

19 Many commenters indicated that they or a family member run small businesses  
20 that overwhelmingly depend on speedy mail service. Receiving orders, shipping goods  
21 to customers, sending and receiving payments for goods and services, and paying bills  
22 in a timely manner were all concerns raised by small business commenters.

1           While some commenters who own or have a connection to a small business  
2 noted there were alternatives available to them, they were concerned that migrating  
3 operations online or using other carriers would cost their business more money and  
4 potentially alienate clients and customers who are used to relying on the mail.

5

## 6 **Civic pride**

7           One theme that was common in the comments was the high esteem the public  
8 holds for the Postal Service. Some commenters noted that they had previously lived  
9 abroad, and that the United States Postal Service usually stood head and shoulders  
10 above the postal services they had experienced elsewhere. Many noted with pride that  
11 the United States has the best postal service in the world; some noted the Postal  
12 Service's central role in spurring commerce and innovation since the Pony Express.  
13 Others indicated the tremendous amount of trust they have for the Postal Service and  
14 postal workers.

15           In these comments, there was a great sense that the current state of service as  
16 well as proposals that the service standards be permanently slowed down is a dark stain  
17 on the Postal Service's proud history. Indeed, many commenters noted that they felt as if  
18 Americans are losing something that has been so important to the life of the country and  
19 the families and businesses of the commenters. Many commenters urged the Postal  
20 Service to at least maintain the current service standards and address current  
21 performance issues, rather than permanently lower the service standards which they  
22 expect will lead to a slowing down of their mail.

23



1 **Lack of internet access and privacy concerns**

2           The Postal Service is unique in its ability to reach every home and business in the  
3 country six days a week. While the way people conduct business and correspondence  
4 has clearly changed, millions of people still prefer, or depend on, the Postal Service to  
5 conduct their affairs.

6           Many commenters noted that they lack internet access and rely on speedy mail  
7 delivery to pay bills. For them and many like them, the Postal Service is the only reliable  
8 way to receive and pay bills. For households of modest means, keeping the checkbook  
9 balanced often requires knowing when a check will clear and being able to mail that  
10 check when it is due and not days and weeks early. The proposed service standard  
11 changes risk upsetting this rhythm and could lead to additional financial and personal  
12 hardship on those most likely to depend upon the Postal Service for their financial  
13 needs.

14           A number of commenters remarked that while they may have internet access,  
15 they still prefer to receive sensitive paperwork with respect to medical care, financial  
16 matters, and social services through the privacy of First-Class Mail. Past experience with  
17 email hacking and identity theft have led respondents to believe that the US Mail is still  
18 the best way for them to conduct their personal business.

19

20 **Concerns of people in rural areas**

21           Many respondents living in rural areas noted that they are concerned that the  
22 proposed service standard changes would be especially harmful to them and their

1 communities. Many of these concerns seem to stem from a common perception that  
2 they have few, if any, acceptable alternatives to the Postal Service.

3 A small business owner in a rural area noted that he has no other viable  
4 alternative to the Postal Service to send business correspondence and ship goods. The  
5 nearest outlet for a private shipper was 30 minutes farther away than the local post  
6 office. Another rural business owner noted that postal delivery was traditionally much  
7 faster to his area than private competitors. The proposed service standard changes risk  
8 further isolating people living in rural areas, cutting them off from essential services they  
9 could long rely upon from the USPS.

10

### 11 **Confusion and fear**

12 One consistent theme in many of the comments was confusion and fear. The  
13 issue of mail-order prescription drugs is perhaps most illustrative. Hundreds of  
14 commenters expressed fear that any delay in receiving their prescriptions through the  
15 mail could be both costly and potentially harmful to their health. Although mailings of  
16 prescription drugs will not be directly affected by the proposed service standard changes  
17 in this case, the public's misunderstanding of this fact and the distrust in the Postal  
18 Service it creates will have a real impact on both their lives and the future of the Postal  
19 Service.

20 For those who have no other option, the reliability of the Postal Service – as  
21 measured by speed, not the certainty of delays -- will become a constant worry. For  
22 postal customers with the means to do so, moved by the concern, real or perceived, for  
23 their well-being, they may abandon the Postal Service for the critical mail and shipping

1 needs they currently have and may have in the future. Particularly given the Postal  
2 Service's plans for sustainability and growth, it is troubling that even more core postal  
3 customers may leave and not return to the mail, leading to additional losses and volume  
4 for the Postal Service.

5 If nothing else, this category of comments underscores the close ties of First-  
6 Class Mail service and the Postal Service's general reputation. The perception of the  
7 Postal Service as reliable only if customers expect slow service will create a real, and  
8 negative, reaction on the part of postal users for all postal services.

9

## 10 **Conclusion**

11 In sum, we believe that the many comments submitted reflect a broad cross-  
12 section of public opinion with respect to the proposed changes to service standards.  
13 They indicate a mailing public that is very much invested in the success of the Postal  
14 Service and in receiving quality and reliable service. While each commenter's personal  
15 and business needs are unique to them, the comments indicate a general dismay with  
16 the current state of delivery performance and a need for speedy and reliable service in  
17 the future.