

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

FIRST-CLASS MAIL AND PERIODICALS  
SERVICE STANDARDS CHANGES, 2021

DOCKET NO. N2021-1

**MAILERS HUB**  
**STATEMENT OF POSITION**  
(June 22, 2021)

Mailers Hub hereby submits its Statement of Position in the above-captioned proceeding.

Setting aside all the surveys and studies and other analyses presented during this proceeding, the essence of the Postal Service's proposal is to subordinate its fundamental role as a provider of postal *service* to the objective of saving a relatively miniscule amount of cost.

Postmaster General DeJoy has projected a ten-year loss of \$160 billion dollars for the Postal Service and, to offset that, is presenting a plan to reduce service in a way that will trim costs by less than \$180 million, a fraction of the agency's annual spending on transportation. While reducing costs is desirable, it cannot be a goal to be pursued indifferent to the bedrock purpose of the Postal Service.

Moreover, the Postmaster General's plan accedes to his agency's failures to plan and execute, to invest and implement, and to set a goal and work to achieve it. Over the past decades, the Postal Service has repeatedly sought, and been allowed to establish, ever less challenging service standards, often because those in place were difficult or costly to achieve. Now, again, this tactic is being employed: the standards that were set the last time have turned out to be hard to achieve, and required more effort, management acumen, and investment than was expected, so the solution is to relax them yet again.

If the bar is too high for the effort being made, don't try harder, just lower the bar.

Everyone realizes service is expensive, particularly if costly modes of transportation are involved. But if the goal – or the charter – is to provide *service* to those whose postage pays the cost, it would seem reasonable that those ratepayers would be more pleased by having *service* that meets *their* needs than having poorer, or slower, service that does not – and especially if that reduced service is at a higher price. Trying to tell them that they want “reliable” or “consistent” slower service is simply disingenuous.

The Postal Service cites surveys of mail *recipients* who want “reliable” service but it fails to ask those who *pay* for that service what *their* expectations are. If such a question were posed, it's doubtful that the users of commercial First-Class Mail would blithely approve of adding days to the time to get their

messages – including financial statements and bills – delivered to customers. “Reliable” service to them would *not* mean consistently days longer than they find acceptable for their business purposes.

For the Postal Service to propose degraded service for its premier market-dominant product is an appalling abandonment of the customers that they should be striving to retain. Given the ease and attractiveness of electronic media for bill presentment, it’s stunning how the Postmaster General can approve a strategy that hands commercial First-Class Mail customers an obvious motive to leave the mail. Moreover, efforts by the Postal Service to explain away any difficulties that would face First-Class Mail users who *would* stay in the mail do nothing but emphasize its detachment from the business realities in which those customers exist.

The Postal Service’s financial circumstances are challenging, to be sure, but it’s record of yearly losses cannot be attributed to the cost of moving mail by air, nor will those losses – or the Postmaster General’s \$160 billion forecast – be offset by saving less than \$180 million on transportation (while also losing revenue and contribution from diminished First-Class Mail volume). To claim that the savings expected from the proposed service standard changes will make a significant difference to USPS finances is to claim that closing a porthole will prevent a foundering ship from sinking.

If current service standards are “unattainable,” the Postal Service should be examining why its operating plans, infrastructure, logistics, and culture are failing; it should not be conceding to not doing its job of meeting the standards it set the last time this exercise was conducted. First-Class Mail may continue to ebb – as may all forms of mail, including packages – but reducing service to save a little money is *not* the way to stanch that waning. Rather, customers who see excellent service *as they define it* might actually be willing to pay for it, and continue to give the Postal Service their business.

Mailers Hub urges the Commission to advise against the Postal Service’s proposed changes in service standards in the strongest possible terms, and to condemn them for the short-sighted, wrong-headed, and counterproductive initiatives they are. If the Postmaster General opts to implement them nonetheless, it should not be because the Commission failed to counsel against them, or failed to reflect the interests of those who pay the postage.

Respectfully submitted

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