



www.affordablemailalliance.org

FOR IMMEDIATE RELEASE: September 3, 2010

Contact: Jessica McCreight
jmccreight@SKDKnick.com
202-464-6900

Affordable Mail Alliance: Don't Allow the USPS to Continue Costly Business Practices

Businesses and Non-profits cannot afford to Pay for the Postal Service's Excessive Costs

Washington, DC – The Affordable Mail Alliance – a growing coalition of non-profits, Fortune 500 companies, small businesses, major trade associations, consumer groups, and citizens representing the vast majority of the mail sent in the United States – filed comments urging the Postal Regulatory Commission to help rein in the USPS's excessive costs by denying the proposed rate hike.

"The Post Office needs to reevaluate their approach," said Jerry Cerasale, Affordable Mail Alliance Spokesperson and Senior Vice President of the Direct Marketing Association. "Instead of trying to keep things afloat with a giant tax on consumers, the USPS should focus on improving management and controlling costs to get out of this mess. To do otherwise is just bad business."

This is the Alliance's final legal step before the PRC announces their decision on October 4.

The comments also highlight the Postal Service's flip-flop on the cause for their request. The USPS previously claimed that such a severe rate increase was needed to alleviate an immediate and unforeseen cash crisis. But at the public hearing held on August 10, a top official admitted that the "crisis" would not prevent them from operating in their current fashion for at least the next year. The Postal Service now claims that the rate increase is needed to prevent a longer-term profit slowdown over the next decade.

"Our comments make the same case that businesses and working families are making all over the country," said Cerasale. "The Postal Service's proposed rate hike is unreasonable, unhelpful,

and unlawful, and the more than one thousand members of the Alliance are not going to let the Postal Service take advantage of its customers.”

The comments reiterate what the Alliance has argued all along – that the Postal Service has failed to show that it would suffer from its projected losses if it followed “best practices of honest, efficient and economical management,” and has failed to meet the “extraordinary or exceptional” circumstance test of the 2006 Postal Accountability and Enhancement Act. The increase thus should be rejected, especially at this time of economic uncertainty for America.

Senator Susan Collins (R-ME), a key author of the 2006 law, has supported the Alliance’s position. In her statement following the Postal Regulatory Commission hearings, Senator Collins said that the law being cited by the Post Office was intended for use in circumstances such as natural disasters and terrorist attacks. The Post Office’s “failure to sufficiently update its business model,” she said, was not sufficient for special consideration.

Formed in response to the US Postal Service’s July 6th announcement that it would seek to raise rates far beyond those currently allowed by law, the Affordable Mail Alliance grew from a small group of concerned USPS customers to a membership of over a thousand in less than two months. The Alliance has been gaining momentum in the wake of recent Postal Regulatory Commission Hearings, and this most recent action provides a strong argument to the PRC in advance of its coming decision on the issue.

More on the Affordable Mail Alliance

The Affordable Mail Alliance is an unprecedented coalition of postal customers who have come together to say “enough is enough” – no more postal rate hikes. The coalition includes charities, consumer groups, small business, national retailers, utilities, banks, insurance companies, Fortune 500 companies, and the customers who use the Post Office every day. The members represent many of the Postal Service’s biggest customers—and many of its smallest—and use every major class of mail. It is this cross-section of America that will suffer if USPS raises rates. For further information, please visit www.affordablemailalliance.org or contact Jessica McCreight at jmccreight@skdknick.com or (202) 464-6900.

###