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AFFORDABLE MAIL ALLIANCE COMMENDS POSTAL REGULATORY COMMISSION ON REJECTION OF POSTAL RATE HIKES

Rejection of Postage Increase Will Help Businesses Stay Competitive and Save Jobs

Washington, DC – The Affordable Mail Alliance – an unprecedented coalition of more than 1,200 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 – said today that the decision of the Postal Regulatory Commission (PRC) to reject the rate hikes proposed by the Postal Service is good for businesses, and will actually benefit the USPS in the long run.

The proposed rate hikes, which were to have taken effect next January, would have added \$3 billion annually to the nation's postal bill even though the rate of inflation is close to zero. The PRC decision reaffirms that the Postal Service must limit rate increases to the rate of inflation, as the law requires.

"The PRC today has helped countless businesses stay competitive and saved tens of thousands of jobs," said Tony Conway, Affordable Mail Alliance spokesperson and Executive Director of the Alliance of Nonprofit Mailers. "The Commissioners recognized that imposing an additional tax on Postal Service customers is not the way to address its financial troubles. Our members look forward to working with the Postal Service on the long-term restructuring needed to restore the Postal Service to competitiveness."

While today's decision will help the Postal Service retain volume and revenue, there is still more work to do. Blue ribbon commissions and government auditors have reported for decades that the Postal Service needs to streamline its inefficiently large network of undersized and obsolete mail processing

plants. And although contracts with several major employee groups are up for renegotiation, the unions have signaled that they will strongly resist any major concessions. Additionally, Congress should also take a hard look at the Postal Service's current obligations for prefunding its retiree health benefits program, a major cost burden. This prepayment schedule is another major contributor to the Postal Service's financial problems.

"The Affordable Mail Alliance is truly an unprecedented effort with members across the country all of whom deserve thanks for uniting to address this important issue," Conway said. "We are also grateful for our support from Congress and particularly for the leadership of Sen. Susan Collins, the key author of the 2006 Postal legislation at issue here and a tireless advocate for the future of the Postal Service. We stand ready to move forward in addressing the other issues that are so important to the future of the Postal Service."

More on the Affordable Mail Alliance

The Affordable Mail Alliance is an unprecedented coalition of postal customers. 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. For further information, please visit www.affordablemailalliance.org or contact Jessica McCreight at jmccreight@skdknick.com or (202) 464-6900.

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