

Postal Affairs Update – March 30, 2020

CLIENTS:

During the Covid-19 Pandemic, our Postal Affairs team has fielded a variety of questions related to the USPS operations. We realize you and your clients may have questions about the state of affairs during this period of uncertainty. As a significant mailing industry partner, we are in a unique position to provide clear and accurate information, dispel rumors and suggest best practices during the pandemic. We will continue to update you on a regular basis as the situation evolves.

Overall, the current Covid-19 situation has created some challenges within the supply chain, but overall, from a delivery standpoint the USPS is fully operational, in fact where appropriate, there could be significant short term opportunities for promotional mailers and catalogers to have greater impact in home during quarantine periods.

As for longer term USPS challenges, they have remained the same and only emphasized with the lower mail volumes right now. Legislatively, many had hoped the recent stimulus package might have helped the USPS solve some of its financial challenges. Unfortunately that did not happen. This does not mean the end of the postal service, it means more pressure on their financials and rates as we come out of the Covid-19 situation. The USPS won't be going away as some keep predicting, but it's in the same poor financial position it has been in and lower volumes exasperate the problem.

Below are some Frequently asked questions our team is fielding, we will continually update you on this dynamic situation. If you have or hear a question, please forward to the Postal Affairs team and we'll get you an answer:

1. Is the USPS considered an Essential Service during the Pandemic?

- Yes, as a constitutionally mandated service, and considered part of the critical infrastructure of the United States as defined by the Department of Homeland Security, the USPS will play a critical role in communicating with all US addresses and Businesses. Especially during the Covid-19 pandemic.
- The USPS, provided us with a signed letter that extends the Essential Service designation to include Quad.

2. Is the service standard of USPS Mail delivery impacted during the pandemic?

- While there is a significant amount of flux in the transportation network, the USPS is reporting minimal impact on the movement of mail. In many cases, due to reduced volumes and traffic, mail delivery is faster than normal.

3. Are the stories about USPS going out of business in June true?

- No, as noted above the USPS is a constitutionally mandated service and considered part of the critical infrastructure of the United States by the department of Homeland Security, and has been deemed an essential service, Congress will not allow a shutdown of the USPS to occur.
- Organizations are using the financial pressures that face the USPS to generate awareness of the need for larger level postal reform and/or relief.

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- The message that needs to be communicated is that the USPS is not going anywhere and mail will continue to be an effective communication and marketing tool for business moving forward, especially in times of crisis.

4. What USPS contingency plans are being put into place?

- For the moment it is service as usual for the USPS. They have put in place an executive team that is monitoring all aspects of the USPS operations during this emergency. They are issuing regular communications about impacts.

5. I have printed mail pieces being held at Quad – can I delay mailing of the pieces?

- Our Postal Affairs team is working with USPS to define the impact of resubmitting mail. The USPS is attempting to waive time sensitive mailing requirements. The current concern is how long that period of delayed mailing will be, it cannot be indefinite.

6. Is there a change in policy regarding holding and returning mail?

- Yes. The USPS has announced that in order to accommodate businesses during this challenging time, they will now extend the hold period from 10 to 30 days before returning the items to the sender.

7. How is Canada Post affected?

- Canada Post is fully operational at this time. They are evaluating mailings and letting clients know if there have concerns with delivery. Business mail, due to shutdowns in Canada, seem to be the most significant issue.

8. What is the status of USPS promotions?

- The promotional schedule from the USPS is unchanged. Requests are being made to have the USPS adjust the schedule of these promotions taking into account the reduction in mail volume expected for the next 90-120 days.

9. Has the USPS considered any pricing adjustments as a result of Covid-19?

- The USPS has been asked to consider either a temporary price reduction or a promotion to encourage mail during this period. At this time this is just a concept.

Postal Solutions, and in particular Postal Affairs, are working daily with the USPS to ensure our clients mail is delivered and monitoring any issues that may arise. We'll be updating this information as often as is necessary to be sure everyone has the correct information.

In this incredible period of disruption, mis-information and rumors are likely to surface. Please notify the Postal Affairs team when you become aware of any changes, questions or something new related to how the USPS is reacting. We will investigate and update all. Please send inquiries to the Postal Affairs Distribution list (Postal Affairs – Team).

Thank you,

Quad Postal Affairs Team

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