

As we enter June, and our country begins to re-open, there are still various Covid related operations issues facing the postal service. Our Postal Affairs team remains committed to keeping you up to date and informed. 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 this time. Please notify the Quad Postal Affairs team if you become aware of any changes, questions or something new related to how the USPS is reacting to the pandemic. We will investigate and update all. Please send inquiries to the Quad Postal Affairs Distribution list (Postal Affairs – Team) or ask your Quad representative.

There have been a variety of developments since our last update:

The USPS released their April results

The USPS released their anxiously awaited April financial numbers. Given that this is the first period to have full Covid impact, many analysts expected a significant loss. While the April losses were less than expected they were still significant and on top of an already precarious financial situation for the USPS even before COVID. We will continue to watch the USPS' financial performance carefully as the full effects of the Coronavirus Pandemic are felt in the months yet to be reported.

Hold Mail Policy update

The hold mail policy will return back to normal at the end of this week, with normal operations starting June 15th. We are still in a grace period, but there are no plans to extend this nationally. The USPS has given individual post offices some flexibility given their local situations.

Proposed Loyalty program

On June 8th, the Postal Regulatory Commission initiated a Docket to consider a Postal Service proposal to establish a new loyalty program for users of Priority Mail Express and Priority Mail who use Click-N-Ship. Under the terms of the USPS proposal, beginning on August 1, 2020, the Postal Service will automatically enroll these customers in the Basic tier of the Loyalty Program. On January 1, 2021, the Loyalty Program will expand to a three-tiered program based on each customer's shipping spending at Retail rates in the previous calendar year as follows:

- Basic (no minimum spending): Earn \$40 credit for every \$500 spent
- Silver (at least \$10,000 spent): Earn \$50 credit for every \$500 spent
- Gold (at least \$20,000 spent): Qualify for Commercial Base pricing

Comments on the USPS proposal are due on or before June 19.

Every Door Direct Mail – Retail incentive program

Concurrent with the gradual reopening of the economy, the Postal Service intends to offer an EDDM Retail discount to encourage use of the mail as an advertising platform to reach existing and new customers. This should in turn assist small local businesses in recovering from the impact of the pandemic. Postage for all EDDM Retail pieces entered between August 1 and September 30, 2020 will be \$0.172 per piece, a 10 percent reduction off of the current permanent rate of \$0.191. No registration is required, all EDDM Retail pieces entered during the promotional period will receive the discount.

Delivery Performance

The USPS continues to make it clear that despite significant volume reductions, they are operating normally with delivery 6 days a week. If there are any places where that USO is not occurring, it is due to isolated contingency plans being put into effect and 6-day delivery will resume as soon as it is feasibly possible.

Recently, in addition to Covid, the civil unrest and protests in several major cities has led to some isolated service interruptions, but we have no reports of this impacting business mailing operations.

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.

Weekly performance:

The USPS has provided volume statistics compared to the same period last year for the first week of June:

Total	Down 21.2%%
Single Piece	Down 12%
First Presort	Down 10%
Marketing Mail	Down 35%
Periodicals	Down 17.5%
Packages	Up 65.8%

Industry Segments in April that were down the most:

- Art, entertainment, and recreation
- Finance and Insurance
- Accommodation and Food Service

LEGISLATIVE UPDATES

CALL TO ACTION:

In past weekly updates, we have been asking for businesses to reach out to their representatives and ask for congressional action on the USPS. We still encourage that activity as well as use of the previously provided sample letter.

We still feel that sending a personalized or business letter is the best path to action, but we would also like to highlight a new text option for people to contact their legislators on USPS issues – you can now text “MAIL” to 52886 and it will take the user to a site to generate an automated email to their Senators. This new option will significantly increase the volume of contacts as it could be done by a number of individuals within the same business.

While our economy opens and returns to a more normal state, it’s still likely that we will experience periods of disruption, misinformation and rumors are likely to surface. Please notify the Quad 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) or contact your representative.

See how we can help.

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