



**Comments of American Consumer Institute Center for Citizen Research
Regarding Docket No. RM2020-4
Submitted to the United States Postal Regulatory Commission
April 6, 2020**

The American Consumer Institute (“ACI”) hereby submits these comments to address matters surrounding Order No. 5422 for the proposed rulemaking to consider regulations to carry out the statutory requirements of 39 U.S.C. 601 filed by the Postal Regulatory Commission (the “Commission”).

Specifically, ACI aims to address questions presented by the Commission on the regulations necessary to carry out the intent of the statutes that permit the carriage of letters out of the mail. Through ACI’s work to apply economic tools and principles to advise frameworks that work best for consumers, our organization considers the preferences, needs, and overall nature of the U.S. Postal Service’s (USPS) extensive base of customers who are subject to this regulation.

The succinct and clear nature of the 39 U.S.C. 601 requirements as comprehensibly written has resulted in mutually beneficial interchanges between diverse postal consumer environments and the USPS institution itself. As ACI has observed, letter mail remains among the Postal Service’s most profitable products, contributing substantial margins above cost of service each year, including a net gain of \$12.3 billion from total First-Class Mail in 2019, according to USPS’ annual compliance data. In short, the current mail system has been successful.

Affirming the current statutes without any modifications or expansions to the current regulations would present further benefits to users through ensuring continued predictability and transparency in the mail system. Consumers need this affirmation from USPS that they can still deliver on key mail functions despite the very public financial struggles the organization has endured.

The Commission may further apply these values of accountability in the postal network through a contemplative pursuit of openly accessible and unobscured cost accounting methods. Across an array of service lines, the USPS and its customers will benefit from asserting commensurate attribution of the finances of each segment to the institution on a standalone basis.

Doing so can ensure consumer peace of mind that they are getting the corresponding service quality, relative to the rates they pay, while also incentivizing the institution to reduce costs and achieve efficiency gains.

Moreover, frameworks governing the Postal system must continue to be evaluated, and in regard to Order No. 5422, there is no immediate, nor prospective need for the Commission to advance rulemaking with regard to letters carried out of the mail.

The American Consumer Institute is an independent nonprofit 501c3 organization founded in 2005. The Institute's mission is to identify, analyze and project the interests of consumers in selected legislative and rulemaking proceedings in information technology, health care, insurance, postal and other matters.

ACI appreciates the opportunities provided by the Commission within the RM2020-4 docket to share our organization's viewpoints on the USPS's monopoly mail frameworks and the vast challenges ahead for the agency.

Respectfully submitted,

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