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July MTAC Focused on Network, Price Issues

On July 26-27, members of the Mailers Technical Advisory Committee assembled at USPS Headquarters for their mid-summer quarterly meeting. As is customary, the Postmaster General was the first speaker on Tuesday afternoon. Working without a script, PMG Louis DeJoy first asked attendees that they'd like to hear about – getting predictable answers: network changes and prices increases in January and after.

Network

Speaking first about recent organizational changes, he noted that Kelly Abney, recently named Chief Logistics Officer and EVP, would be speaking after him and would “not be taking any questions” because “we need to give him some time to settle into his new position.” DeJoy believes “it’s doable” to “get 20% out of network transportation” by better practices and efficiency.

DeJoy asserted that “logistics was a mess” and that the USPS “failed for the last ten years to recognize the evolution in logistics.” Separating it from processing operations allowed Chief Operations and Distribution Officer and EVP Isaac Cronkhite to better focus on work “within the four walls.” “We have to run our plants better,” DeJoy said, adding that “on the operational side we had really poor performance.”

He mentioned he'd met with field operations executives to lay out “concepts” for network changes, deliberately avoiding specifics to forestall premature speculation.

DeJoy did mention a model that had “63 places around the country that all the traffic should flow through” but that the final number of major facilities is “not going to be 63 for a lot of reasons,” including capacity and “imbedded infrastructure that’s valuable.” The final number “could be 75” but in any case would be “less than the 320 that we sort through now.” Mail would then go “to 150 places before it goes to where its delivered.”

Repeating the need for better logistics, DeJoy stated that “the cubic volume we move is 65% packages, the rest is mail. 58% of trucks move with air. Everything that goes on before it gets there [processing] is a total mess.” Again he was confident that he could “get 20% out of it” [transportation cost].

It was announced at MTAC that, in response to concerns over the original date for implementation of the January 2023 rate change, “pre-release” of information needed for software changes would be on January 8, with **new prices taking effect on January 22.**

Delivery

Part of the PMG's Plan for network changes involves the role of the current processing and distribution centers. In some cases, as processing machines are relocated, the available space would be used to consolidate delivery operations into sortation and delivery centers housing “four to five hundred carriers.” DeJoy had stated previously that the current number of about 19,000 delivery units could be reduced to about 11,000 through these consolidations.

Such facilities would be equipped with “high volume package processing equipment” that could handle up to 25,000 pieces per hour. With such a capability for “regional entry,” “Who wouldn't want to move next to that kind of distribution system?” DeJoy asked rhetorically.

Vehicles

DeJoy reported that he met with the Environmental Protection Agency the previous Friday about the Postal Service's order for electric delivery vehicles. He blamed a “lack of being specific [in] messaging” for criticism that the USPS wasn't buying enough EVs. DeJoy noted the lack of infrastructure to support charging stations at many delivery units but that the planned SDCs at major facilities would be properly equipped. As a result, as network changes are implemented, the USPS can “adjust the order” and “announce new buys.”

Other matters

In the course of his remarks, DeJoy touched on a variety of other subjects.

- **Purchasing.** The USPS “didn't have a [supplier] strategy” and was paying too much for a “less than mediocre outcome.”
- **Staffing.** Processing plants “are pretty well staffed” but there are “carrier issues in terms of hiring, especially for rural carriers.” DeJoy stated that the USPS “expects to attrit over 200,000 people

over the next ten years” and that he “can use attrition to be employee-friendly as we move things around.”

- **Peak season.** 2022 will be “a light lift” compared to past years.
- **Marketing Mail.** DeJoy has asked EVP Steve Monteith to “bring ideas to the table” for ways to “potentially drive growth for Marketing Mail.”
- **Manuals.** DeJoy complained that “we’re being administered to death” with “close to 900 manuals” and rules “from the 1940s.” Instead, he wants just “50 handbooks.”
- **July 2023.** When asked what he could say about a July 2023 price increase, DeJoy cheerfully said “you’re going to get one” and that he’s probably “not allowed to say anything” further. He added that “our costs go up” and that “I gotta do it.”

Critics

As usual, DeJoy couldn’t avoid showing his scorn for persons and organizations that don’t enthusiastically support his Plan, berating their concerns as “resistance” and dismissing them as “irrelevant.”

“Some of us have not had a good time, I’ve had lot of resistance.

“While I always need to be accessible ... I’m not going to put my people in places where we feel the organization is not welcome.

“I look at some of these places and some of these speakers that have irrelevant conversations ... they’re irrelevant people in terms of what we’re doing [but they] actually command an audience and get a byline.

“There’s nothing I can do about that nor should I but there is one thing I can do: I can *not* advance it.

“I am looking for support for this transformation, not interference. If you’re going to interfere at least be right, be relevant, be current, be somewhat accurate.

“That’s just one just man’s opinion but that’s the man who’s in charge of the organization.”

DeJoy has complained before about industry speakers who talk about the Postal Service, arguing that the subject should be reserved for presenters from the USPS – who presumably would present sanctioned messages supportive of his Plan.

Abney

New Logistics EVP Kelly Abney spoke after DeJoy. He explained his over thirty years’ experience in logistics, having worked at Walmart, Sears/K-Mart, and XPO Logistics (where he worked with Louis DeJoy).

He also explained that his new organization consolidated logistics activities previously split under other functional groups. VP Transportation Strategy Peter Routsolias had been under eCommerce and Business Solutions EVP Jaqueline Krage Strako, and VP Logistics Robert Cintron had reported to (then titled) Logistics and Processing Operations EVP Isaac Cronkhite.

Key Initiatives

<p> TRANSPORTATION</p> <ol style="list-style-type: none"> 1. Implement Transportation Management System for improved transportation planning and metrics 2. Replace Contract Management System and modernize contract terms and conditions 3. Enhance GPS capabilities 4. Diversify the air network 5. Optimize surface network 	<p> LOGISTICS</p> <ol style="list-style-type: none"> 1. Investing in technology to manage network more effectively and efficiently. Focus areas include: <ul style="list-style-type: none"> ▪ Reduce delays, when additional transportation is needed ▪ Reduce costs by competing extra surface transportation on the market ▪ Increase utilization and analysis by obtaining better data ▪ Align transformational initiatives in support of evolving plant and delivery systems
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Abney stated that

“The Transportation and Logistics group is tasked with leading the strategic design of a world-class transportation network and developing cost- and service-enhancing processes to enable optimization and execution through Postal Service plants and delivery operations. This new organization will: lead the redesign of the surface transportation network; reduce air transport; improve carrier management; and deploy a state-of-art logistics platform.”

Colin

Next, EVP and Chief Retail and Delivery Officer Dr Joshua Colin spoke about the data that’s generated by his organization and how it enables line-of-sight visibility to the carrier level about workload, performance, and timely delivery.

CRDO Scorecard

- Introduced on May 17, 2021
- Rankings for: Districts / PCES PM / PM26 / MPOO 25 / PM24 / MPOOs
- Rankings are based on 20 metrics
 - Included as a reference but not ranked are:
 - City Carrier Employee Availability
 - Distribution Clerk Employee Availability
- 17 of the 20 metrics tracked have shown continued improvement
 - Largest improvements
 - Office Variance to 60 mins – >20% reduction in hours
 - Non-Delivery % – reduced the number of missed deliveries by 1.9%
 - Priority 1 Day – improved scores by 2.1 percentage points
 - Collection & Delivery Samplings have increased 6.9% & 4.8% respectively

Retail and Delivery Key Performance Indicators - Triangulation

- Carriers out after 2000
- Employee Availability (City Carriers/Clerks)
- Routes Less Than 35% Delivered
- Last Mile Failures (Letters/Flats)
- Destinating Processing Scan No Arrival at Unit/Stop the Clock Scan
- Arrival at Unit Scan – No Stop the Clock Scan
- Near Zero Containers (at least 20 pieces failed)
- 360 Cases - no mail for 2 days and Where’s my package?
- Carrier Delivery Indicator (CDI) – non-Delivery through GPS
- Remote Forwarding System Cycle Times
- Priority 1 day and Parcel Select Performance

Colin explained that use of the metrics presented on the data dashboard has facilitated reductions in delivery failures and reduced hours per delivery route.

Cronkhite

Following Colin was EVP and (now titled) Chief Processing and Distribution Officer Isaac Cronkhite. After summarizing the 2021 peak season, he described measures and plans for this year’s peak period.

- **Complement.** About 10,000 employees have been converted to full-time status, and about 29,000 temporary workers will be added beginning in October.
- **Equipment.** 46 additional package processing machines, and additional material handling equipment has been deployed during 2022, yielding total daily package processing capacity of 53 million items.
- **Space.** Parcel support annexes will continue to be used; 24 have been requested for 2022. 10.5 million square feet of space has been added to support processing and distribution operations.

- **Transportation.** STC management plans have been established, including an STC peak readiness tracker and contingency plans for staffing and routing; supplier communications have been improved.
- **Overall.** Maintain or improve on all 2021 peak successes, including days to deliver; make early assessment and fulfillment of customer MTE needs; request early notification for additional peak volume pickups; implement improved system to return wood pallets to customers.

Reblin/Johnson

VP Innovative Business Technology Gary Reblin and VP Enterprise Analytics Jeff Johnson presented next.

Reblin reported that Informed Delivery has “over 48 million users and has reached 27.2% national saturation of eligible delivery points.” Informed Delivery has two new campaigns available for mailers: Package Campaigns, “a new channel for businesses to reach and retarget their existing customers,” and Outbound Packages, under which “Informed Delivery will enhance package visibility by automatically populating outbound packages to the daily digest email.” The service also has added new capabilities to imbed images, coupons, and greetings in the recipients Informed Delivery feed.

Johnson stated that, to enlarge the volume of mail in measurement, a new “DMU Start-the-Clock process has been successfully deployed at eight mailer locations. It is estimated that the DMU Start-the-Clock process will bring about 77

million additional pieces of First-Class Mail into measurement. Also, a new tool has been made available through the Business Customer Gateway to report service performance measurement exclusion by CRID. There have been 66 distinct users from 61 separate mailers during the past three months.

Modifications to carriers’ mobile delivery devices now enable them to modify five data elements within an existing Change-of-Address order; set or remove vacant indicators; and make corrections to business indicators.

Barber/Cintron

Last were VP Processing and Maintenance Operations Mike Barber and VP Logistics Robert Cintron.

Barber expanded on Cronkhite’s earlier presentation about preparations for the 2022 peak season.

Cintron spoke about measures being taken to assure a steady supply of MTE during peak and explained that the fourteen MTE Service Centers from which MTE will be supplied are in Atlanta, Chicago, Kansas City (KS), Jacksonville, Los Angeles, Martinsburg (WV), Temperance (MI), Milwaukee, Minneapolis, Philadelphia, San Francisco, Seattle WA, Springfield (MA), and Dallas.

Regarding Logistics, Cintron added that, for peak, key strategies include the strategic use of data, leveraging the STC network, and air network planning for demand and diversions.

Electric Delivery Vehicle Developments: USPS, Congress, Amazon

On July 20, the Postal Service announced it was changing the scope of the Supplemental Environmental Impact Statement for its Next Generation Delivery Vehicles “to further reflect network refinements, route optimization, and financial improvements that will support a shortened delivery vehicle procurement strategy interval.”

According to the announcement, “at least 50% of newly ordered NGDVs in the current contract are expected to be battery electric vehicles.” The USPS also plans to procure 34,500 commercial off-the-shelf vehicles to supplement the current purpose-built NGDV order, “including as many BEVs as are commercially available.” The agency added that it “expects that at least 40% of the total quantity of NGDVs and COTS vehicles covered by the SEIS will be BEVs.”

The Postal Service stated that it was committing “to evaluate vehicle mix and purchase capability in shorter intervals as technology evolves and the organization’s financial and operational pictures improve.”

“As a result of this announcement,” the USPS added, it is “extending the public comment period for its NGDV SEIS. A public hearing now will be held Monday, August 8, at 7pm ET. Registration for the public hearing can be found at uspsngdveis.com/.” Beyond that, the public comment period has been extended until August 15.

Congress

At one point, a broad spending bill being advanced through Congress had included billions in appropriations so the Postal Service could purchase an all-electric vehicle fleet. Though that measure was never enacted, another spending proposal has surfaced in the Senate that again includes funding, according to a July 28 report by *Federal News Network*.

The provision is buried deep within a draft version of HR 5376, the “Inflation Reduction Act of 2022”:

SEC. 70002. UNITED STATES POSTAL SERVICE CLEAN FLEETS.

In addition to amounts otherwise available, there is appropriated to the United States Postal Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to be deposited into the Postal Service Fund established under section 2003 of title 39, United States Code, \$3,000,000,000, to remain available through September 30, 2031, for—

- (1) the purchase of zero-emission delivery vehicles; and
- (2) the purchase, design, and installation of the requisite infrastructure to support zero-emission delivery vehicles at facilities that the United States Postal Service owns or leases from non-Federal entities.

How far the legislation will proceed before Congress adjourns remains to be seen but, if enacted, the funds likely would be very welcome at L’Enfant Plaza.

Amazon

Meanwhile, Amazon is proceeding apace with deploying its own electric delivery fleet. As announced by the company on July 21, Rivian electric vehicles will be in service in Baltimore, Chicago, Dallas, Kansas City, Nashville, Phoenix, San Diego, Seattle, and St. Louis, among other cities. Amazon added that “this rollout is just the beginning of what is expected to be thousands of Amazon’s custom electric delivery vehicles in more than 100 cities by the end of this year – and 100,000 across the US by 2030.

Amazon EVs are made at Rivian’s factory in Illinois, and include a suite of innovative safety features and “first-of-its-kind embedded technology that fully integrates the delivery workflow with the vehicle, enabling seamless access to routing, navigation, driver support and more.”

Time to Change the Message – Commentary

Persons who've heard Postmaster General Louis DeJoy speak more than once note that he tends to use the same format every time:

- First, trash your predecessors, dismiss critics, and blame them all for the “mess” you found when you arrived.
- Next, explain how easily you determined the solution and developed your 10-year Plan.
- Finally, declare victory by saying that your executives and entire workforce are “energized” by your initiatives and that turning around the USPS is within reach.

Along the way, keep referring to (1) anyone who isn't dogmatically committed to the Plan as “resistance” and “noise,” (2) the PAEA's ratesetting system as “defective,” and (3) the Postal Service's trucks as always carrying a lot of air.

Recently

The latest demonstration of the pattern was in a July 27 address to the American Enterprise Institute, a DC think tank. In his scripted address, DeJoy repeated his familiar themes, following his customary format, as exemplified by the quotes below:

“... we had endured a defective pricing model that was allowed to exist for fourteen years, basically subsidizing our mailing industry to the significant detriment of our organization ...

“... the lack of action or the existence of any plan, and the ongoing stakeholder resistance to any plan ...

“... the Postal Service existed, and in almost all cases was deterred by, a universe of stakeholders and pundits that has very little awareness or interest in the consequence of years of parochial, political, and self-serving directions toward the institution ...

“... just about every action from everyone involved promoted a status quo environment or miscalculated action that sent the Postal Service backward while the nation was moving forward. For instance, defective pricing prolonged by the PRC ...

“... lobbying by mailers and competitors against the most meaningful management operating, pricing, or service initiatives ...

“... postal management had been significantly affected by stakeholder interest and views regarding its ability to make changes ...

“... users of the system would develop unrealistic and unlimited expectations ...

“... the same resistance roared louder when I got here and got louder as we attempted to make change ...

“... we had not met our delivery standards in the past ten years ...

“... 55,000 trucks being dispatched every day, only 30% full ...”

“... this has been going on for over ten years and nothing has been done about it until several months ago ...

“... when I arrived we immediately engaged differently ...

“... at the kickoff meeting with a broad group of executives [from the USPS] ...

He also expressed approval for the 1970 Postal Reorganization Act, that was replaced in 2006 by the Postal Accountability and Enhancement Act:

“... I believe there was wisdom in that legislation [the PRA] albeit compromised by the PAEA and subsequent regulation ...

“... for the last ten years our stakeholders and the Postal Service's management have not conformed to the intent of that law [the PRA] and as a consequence we transformed into an existence exactly like the 1970 law tried to prevent. That's how you lose \$10 billion a year and develop the chronic condition that I found it in.

Speaking about his Plan, DeJoy said:

“... take the necessary actions no matter how uncomfortable the journey ...

“... create \$44 billion over the next years in new revenue through the use of our market-dominant pricing authority ...

“... they [mailers] got a deal for the past ten years ...

“... against a great deal of pushback we are increasing our prices in accordance with our regulations which is necessary for our continued survival. I believe we had a defective pricing model for almost sixteen years and its' going to be several years before we can ease up especially in this inflationary environment ...

“... we have decreased our forecasted losses by almost \$90 billion ...

“... we are not building a package network we are saving the mail network ...

“... 70% of cubic volume is packages and 30% is mail ...”

Toward the end of his prepared remarks, he'd outlined his vision for what the USPS should be in the future. He mentioned how it would be operating with “precision” and providing service at prices he considered reasonable, and would be the “preferred” service provider – presumably for packages, as senders of hard-copy mail have little choice.

In unscripted comments in the Q&A period following his speech, DeJoy continued his dismissiveness toward any non-conforming perspective:

“... it's a bunch of rhetoric ...

“... the people who are going to leave the Postal Service because of electronic communications will eventually leave the Postal Service ...

“... I don't think anyone's going to miss a day [of delivery speed] ...

Encapsulating his view of what preceded his arrival, DeJoy characterized it as “a lousy organizational strategy and a lousy operational strategy.”

Observations

DeJoy has been in office for 26 months, and it's been a year and a half since he issued his Plan. However, for some reason, he still feels the need to open any presentation about that Plan with a diatribe about the alleged incompetence of previous PMGs, the perceived venality of ratepayers and the mailing industry, and the diffidence of the Postal Regulatory Commission in its regulation of the ratesetting process.

DeJoy says he wants supporters yet, rather perversely, bitterly insults anyone who doesn't universally agree. He expects agreement without the mere civility of a conversation; doubters are just pushed aside as “irrelevant” and “noise.”

That shouldn't be a surprise, given that his views of his predecessors and the mailing industry were formed early by his circle of advisors (see his comment about meeting with a “broad group of executives,” above). Looking for some explanation for the “mess” in which he found the Postal Service, those advisors likely took the opportunity to shift the blame away from anything they did, instead vengefully throwing past PMGs and “stakeholders” under the bus.

Just the same, if DeJoy wants to sell his Plan – which isn't as broadly opposed by “stakeholders and pundits” as he likes to make it sound – perhaps those who frame his public messages should urge him to stop poking nonbelievers in the eye and simply get on with making his Plan work. Results would do much better at changing minds than snarky speeches.

Myths & Realities: Sales Tax and State Income Taxes for Direct Mail Producers

This article was produced exclusively for Mailers Hub by Martin I. Eisenstein and Jamie Szal of Brann & Isaacson.

Brann & Isaacson is a boutique law firm that represents large and small online and multichannel companies, printers, commercial mail producers, and IT service providers located across the country. The firm advises companies of all sizes, including many in the Internet Retailer's Top 500 Guide.

The firm is the Mailers Hub recommended legal counsel for mail producers on legal issues, including tax, privacy, consumer protection, intellectual property, vendor contracts, and employment matters.

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We have practiced state and local tax for many years and have handled many state tax matters affecting our direct mail producer clients and direct mail publishers.

We can say that the area of state taxation is replete with land mines. The battlefield is even more dangerous in the area of tax on direct mail materials, since there are a number of myths and misunderstandings.

The good news is that the states have not turned their attention, in general, to the direct mail producers, except for the very largest. The bad news is that the states (especially Georgia, North Carolina, Texas, and Washington) are beginning to audit and assess direct mail producers, as they have been doing for your customers.

Myths and realities

Here are the Myths and Realities (or fiction and fact) for your consideration so that you can make sure you are assessing your risks accurately before the "tax man cometh."

Myth 1: *I sell only services when I print or caused to be printed direct mail materials for my customers.*

Reality: Every state treats the sale of printing services as the sale of **tangible personal property**; i.e., the item that is produced. The sale of tangible personal property used in the state is taxable unless there is an exemption in the state.

Myth 2: *Sales tax on direct mail materials is governed by where I print the materials.*

Reality: Actually, tax is based upon the destination of where materials are mailed if the producer has a mailing list from the customer and is responsible for distributing the direct mail to addresses on that list.

If the producer does not have or know the mailing list used to distribute the direct mail, applicable taxes will depend on whether the mail is promotional/advertising (e.g., catalogs or discount postcards) or non-promotional (e.g., privacy policies or constituent newsletters). Under these circumstances, the general rule is that promotional direct mail is sourced to the origin location, meaning where the materials are produced; non-promotional materials are sourced to the billing address of the customer.

Myth 3: *I do not have a physical presence in states other than the state where my company headquarters is; therefore, I am not subject to sales tax of other states.*

Reality: Physical presence is no longer a requirement for sales tax, but if your sales to a state exceeded the minimum threshold levels (\$100,000 annual revenue is the most common minimum threshold) then your Company is required to collect the state sales tax. This is called economic nexus. The revenue threshold is also calculated based on the same geographic sourcing rules highlighted in Myth 2.

Myth 4: *Because I have economic nexus for sales tax, I also am required to pay the state's income tax.*

Reality: No, you are likely protected by the federal statute (Public Law 86-272) which precludes the states from imposing an income tax on a company located outside of the state if the company engages in no activities in the state other than the solicitation of the sale of tangible personal property.

But some states – such as California, which maintains one of the highest corporate income tax rate in the country – are taking the position that an out-of-state company's maintenance of an Internet web site to post help wanted signs or to place cookies for website visitors' computers voids the Public Law 86-272 exemption. These "virtual contacts" are activities conducted at the location where the out-of-state company maintains its website and are not activities of the company in other states. We think the states interpretation of this federal statute is wrong. Stay tuned for upcoming developments.

Myth 5: *I read about the Quad Graphics case in North Carolina, in which the lower court stated that Quad Graphics was not liable for a sales tax assessment.*

Reality: That case is on appeal to the North Carolina Supreme Court, but it is an example of an assessment by a state of the wrong tax – the sales tax. People often mistakenly think sales taxes and use taxes are interchangeable. They're not! All commentators agree that if the state has assessed the use tax on Quad, it would have been liable for the tax. Fortunately for Quad, states sometimes do not make sound decisions.

Myth 6: *Because I do not pay sales tax to the United States Postal Service for delivery of materials, I need not charge my customers sales tax on postal charges.*

Reality: No. Unless you are acting as an agent for your customers, or you are sending materials to states that do not assess tax on shipping and handling charges, then you are liable for the sales tax on any charges for postage, freight, and/or other shipping and handling.

[Below is an excerpt from an article written by Brann & Isaacson about agency and direct payment that was published in the October 12, 2020, issue of *Mailer Hub News*:
"... if a mail producer uses its meter to apply postage to a client's mail, just as when a mail producer pays the postage for a client's mailing (i.e., it 'fronts' the postage for the mail owner), and then

bills back its customer for the postage applied (or paid), with or without a markup, the producer would not be able to utilize the federal government exemption on its transaction. Payment for postage is not being made directly to the USPS by the mail owner/ payee, but rather to an intermediary party – the mail producer and/or the meter lessor – who is not acting as an agent.

“Conversely, as we’ve written before, the exemption would clearly apply if (1) the mail owner were using its own permit or meter and paid the USPS directly (e.g., a ‘postmaster’ check or through CMRS); or (2) the mail producer used its permit imprint account to pay the postage for a mailing but acted as the agent for the mail owner by transferring a postage check made out to ‘postmaster’ from the mail owner/ payee to the USPS; or (3) the mail producer is a CMRS customer and the mail owner had previously deposited money into the CMRS account of the mail producer, who is merely acting as an agent of the mail owner vis-a-vis the Postal Service.”]

OIG Examines Handling of Free Matter

A July 22 audit report by the USPS Office of Inspector General summarized its findings about how the Postal Service handles Free Matter for the Blind or Other Physically Handicapped Persons. The audit was conducted in response to a February 2022 request from Senators Chris Van Hollen (MD), Cindy Hyde-Smith (MS), Gary Peters (MI), and Rob Portman (OH). The senators had requested the review of the performance and operations of the Postal Service’s Free Matter service, specifically seeking a comparative analysis of the delivery times for Free Matter compared to that of First-Class Mail, as well as a review of the procedures to accept, process, and deliver this mail.

Background

As the OIG explained:

“Free Matter is a service provided under Title 39 of the US Code. By law, the Postal Service is required to offer free mailing to people who are blind and cannot read or use conventional printed material because of a physical impairment. Mail that qualifies as Free Matter includes large-type (14-point or larger) documents, braille, audio recordings, and talking-book players. The matter must be for use by a blind or other physically handicapped person and cannot contain advertisements. Mail must contain the wording ‘Free Matter for the Blind or Handicapped’ in the upper right-hand corner of the letter or parcel where postage is normally placed. The Postal Service is eligible to be reimbursed the cost of Free Matter through congressional appropriations every year. ...

“When Free Matter is mailed domestically, it does not have a specific mail class, but should be treated as First-Class Mail for processing, delivery, forwarding, and return. Free Matter is not sealed against postal inspection, meaning mailpieces should be prepared in such a way that allows both for the protection and inspection of contents to verify that mailpieces qualify for free mailing. ...”

Findings and recommendations

The OIG reported that “the Postal Service’s procedures for accepting and handling Free Matter can be improved,” and offered three specific findings:

- **“Free Matter Preparation and Inspection Policy Should be Reviewed.** According to Publication 347, Free Matter mail must remain unsealed and the Postal Service must be able to inspect items to ensure that they qualify for postage-free mailing. We found that the policy for Free Matter mail preparation was last updated in October 2015 and the Postal Service did not consistently enforce this policy.

Myth 7: *I sell to my customers on a price-per-piece basis, but I know what costs are printing and shipping and potentially other nontaxable services; therefore, I am able to charge tax only on the cost for printing.*

Reality: It is not quite that simple. Only if you itemize pricing on your invoices or other agreements with the customers, can you charge tax only on those taxable components of the package sold.

Myth 8: *The sale of printing charges is taxable in all states.*

Reality: There are 12 jurisdictions that potentially exempt promotional direct mail materials, but only if you satisfy the requirements of the exemption statute. Those jurisdictions are: California, the District of Columbia, Florida, Illinois, Michigan, Missouri, New York, Pennsylvania, Ohio, Virginia, Wisconsin, and – to a much more limited extent – Massachusetts.

“The policy of keeping the mail unsealed enables easy inspection to ensure the content is Free Matter. However, during our fieldwork and subsequent discussions with USPS officials, we were unable to identify any instance where Free Matter was actively being inspected to ensure a mailing qualified for postage-free mailing. ... This occurred because the Postal Service did not implement procedures or practices to carry out inspections of Free Matter; therefore, the intent of this policy has not been met.

- **“Free Matter Not Always Accepted at Retail Units.** We found that staff at Postal Service retail units did not always know the eligibility requirements for accepting Free Matter mailings. ... This occurred because the Postal Service did not provide staff at retail units with adequate training or written policy about accepting and mailing Free Matter at retail units. Retail staff who are not familiar with Free Matter rules may not be able to provide adequate customer assistance.
- **“Free Matter Service Standards Not Met.** We found that Free Matter did not meet First-Class Mail standards for processing and delivery. ... Instead, this mail was treated as Parcel Post and processed through the Postal Service’s network distribution centers (NDCs). Mail sent through this network has slower service than First-Class Mail. ... We noted that while some Free Matter mailpieces, such as cartridges or braille book bags, were easily identified as Free Matter by mail processing employees, other Free Matter was not as easily recognized. ... Our analysis of these mailpieces determined that it took Free Matter an average of eight days to reach its destination when processed and transported in this manner. In contrast, First-Class Mail has a service standard of between one to five days, depending on the type of mail and destination. ... Free Matter was not treated properly because the Postal Service had not provided adequate training and did not have written policy about processing Free Matter for Postal Service employees at processing plants. Further, some Free Matter mailpieces were not easily recognized as Free Matter during processing because they lacked easily identifiable markings. ...”

The OIG recommended that USPS management:

- “... review the need for unsealed preparation and inspection of Free Matter and subsequent impact on service;
- “... incorporate information on the proper handling of Free Matter into new employee training curriculum;
- “... evaluate options for increasing employee recognition of Free Matter across the Postal Service network.”

The OIG reported that “Management agreed with finding 1 and recommendations 1 and 3 and disagreed with findings 2 and 3 and recommendation 2.”

PRC Blocks Change in Periodicals CET – For Now

In an order issued July 18, the Postal Regulatory Commission approved a series of modifications to the Postal Service's service performance measurement plan, but declined to allow a change in the critical entry time for some Periodicals.

Last April 22, the USPS had proposed “ ‘1) a revision to how the long haul exception impacts ‘Start-the-Clock’ events; 2) the inclusion of Reply Mail in the measurement of Single-Piece First-Class Letters/Cards/Flats; and 3) a revision to the critical entry time[s] (CET) applicable to Periodicals,’ as well as a variety of stylistic and grammatical changes.”

Advisory opinion

In its order, the PRC stated:

“... the Commission does not approve the proposed modifications insofar as they relate to the Postal Service's proposal to change the CET for Periodicals. The CET are ‘the latest time[s] that a reasonable amount of a class of mail can be received at designated induction points in the postal network for it to be processed and dispatched in time to meet service standards.’ The Commission finds that the proposed change to the CET for Periodicals qualifies as a ‘change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis’ under 39 USC § 3661(b) (Section 3661). Therefore, the Commission orders the Postal Service, should it intend to proceed with

the proposed CET change, to file a request for an advisory opinion pursuant to Section 3661 and in accordance with 39 CFR part 3020. The Commission approves the remaining proposed modifications to the SPM Plan as presented in the Notice (and corrected by errata). Specifically, the Commission approves the Postal Service's proposed revision to the long haul exception, the inclusion of Reply Mail in measurement, and other non-substantive grammatical revisions.”

The commission had concluded that the proposed CET

“... change will have the effect – for mailers of over half of Periodicals mailpieces – of adding an extra day to the expected delivery of their items. This change will occur on a nationwide basis. As such ... this change qualifies as a nationwide change in the nature of postal services and is subject to the advisory opinion requirement of Section 3661.”

If it requests an advisory opinion, it would be the fourth sought by the Postal Service since March 2021. However, by definition, an advisory opinion only offers *advice*; the Postal Service is not required, nor can it be compelled, to take that advice. It's demonstrated that after the three previous cases when it's proceeded to do exactly what it had proposed, ignoring the advice the commission offered. Accordingly, a different result should not be not expected if another advisory opinion is rendered.

Miscellany

Election Mail team

According to a July 28 report by the *Associated Press*, the Postal Service is establishing a “division to handle election mail issues as part of an effort to ensure swift and secure delivery of ballots for the 2022 midterm election,” citing information from unnamed officials. (No mention of this was made at the recent MTAC meeting or in an *Industry Alert*.)

The purpose of Election and Government Mail Services is to be a permanent group dedicated to dealing with election matters, rather than assigning elections to *ad hoc* staff.

Shortly after the appointment of Louis DeJoy as Postmaster General, politically-based suspicions arose about how well the Postal Service would handle mail-in ballots for the 2020 election. Despite the hysteria, the Postal Service said it delivered 97.9% of ballots from voters to election officials within three days, and 99.89% of ballots within seven days; more than 135 million ballots were delivered to and from voters.

The agency's biggest headaches with election mail often have arisen from the lack of knowledge among election officials about basic mailpiece design, mail preparation, and the time needed to get ballots to and from voters.

PO boxes approved

In a July 21 order, the Postal Regulatory Commission approved a March 16 request by the Postal Service to transfer “an additional 297 PO Box service locations to the Competitive product list” because of their proximity to alternative private mailbox services, like a UPS Store or FedEx Kinkos. The PRC also granted the USPS' request to expand the measure of proximity from 5 to 8 miles, thus lowering the proportion of Market Dominant PO Box service locations from 71.1% to 70.1%. The PRC noted that locations that restrict customer access such as military reservations or those

requiring a badge to gain access, and locations that have 250 or fewer PO Box service customers, will remain on the Market Dominant product list despite their proximity to a private mailbox service provider.

Underwhelming start

As reported July 25 by *Supply Chain Dive*, the Postal Service's ongoing market test of USPS Connect Local Mail has thus far yielded unimpressive results. The report cited a May 10 filing with the Postal Regulatory Commission that stated the service generated only \$191.75 in revenue from 65 pieces of mail during the second quarter of Fiscal 2022 (January-March). Fortunately, that covered its attributable costs, which the USPS stated were \$138.04. However, the “administrative and start-up costs” for the product over the same period were \$531,584.

According to the USPS

“USPS Connect Local Mail is a First-Class Mail product focused on local document delivery that accepts payment using ClickN-Ship, requires customers to submit mailpieces at Destination Delivery Units (DDUs) or by carrier pick-up in line-of-travel (LOT), and offers same-day or next-day delivery to such customers.”

At least one observer saw the news as not all bad; Gordon Glazer, a USPS specialist at Shipware opined

“While today [USPS] Connect Local has not been price-competitive, they are very much in the drawing board stages. They're trying to figure out exactly where they fit in the marketplace, and we do expect them to get much more competitive as time goes on.”

The Postal Service's market test is scheduled to run for two years with a phased rollout nationwide. The Postal Service did not respond to a request from the publication for comment regarding the report.

More Miscellany

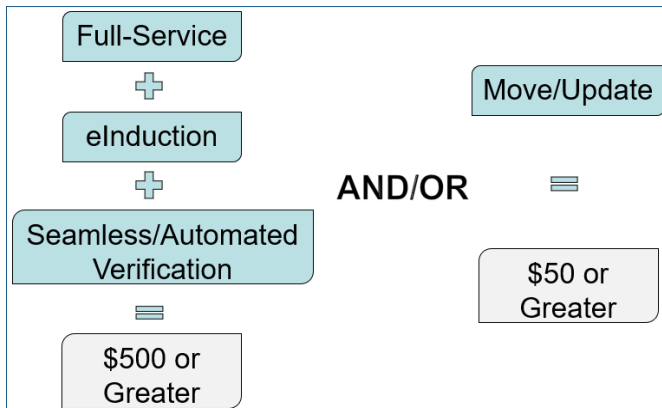
Assessment change

As announced July 26 at the summer meeting of the Mailers Technical Advisory Committee, the Postal Service is revising its assessments for Full Service errors. An *Industry Alert* issued concurrently was revised for clarity on July 29:

“Beginning with the September 2022 mailer scorecard, assessed in October, the new minimum to receive an assessment for the sum of Full-Service, eInduction and Seamless/Automated Verification will be \$500. The minimum assessable amount for Move/Update will be \$50. A mailer will be assessed both amounts if they are at or above \$500 for the sum of Full-Service, eInduction and Seamless/Automated Verification, while also at or above \$50 for Move/Update. Those owing additional postage under these amounts will not receive an assessment.

“This change will result in fewer postage assessments compared to the current minimum where a mailer is charged an assessment when additional postage owed is at least \$50 as a sum of all four programs.

“Note: Mailers will only be assessed for programs in which they participate. Those not enrolled in Seamless Acceptance will not be responsible for their undocumented errors over threshold, at this point in time. For more information on USPS commercial mail entry programs please reference Publication 685 at: <https://about.usps.com/publications/pub685/welcome.htm>.”



A clue

As reported by *Linn's* on July 18, stamp counterfeiters

“.. have apparently figured out how to add phosphor tagging to their counterfeits. It isn't exactly the same as on the genuine stamps, but it looks pretty convincing.”

But some of the counterfeiters are giving themselves away:

“The words ‘Made in China’ in English appear on a sticker affixed to shrink-wrap surrounding a hard plastic cup with a lid containing the coil roll of counterfeits.”



Linn's reminded readers to be wary if the price for a roll of stamps seems too good to be true.

Mailers Hub News

Governors meet

In a July 28 *Federal Register* notice, the Postal Service announced that the Board of Governors would meet August 9 and that time would be allowed for *brief* public comments:

POSTAL SERVICE

Sunshine Act Meetings

TIME AND DATE: Tuesday, August 9, 2022, at 9:00 a.m.; Tuesday, August 9, 2022, at 4:00 p.m.

PLACE: Washington, DC at US Postal Service Headquarters, 475 L'Enfant Plaza, SW, in the Benjamin Franklin Room.

STATUS: Tuesday, August 9, 2022, at 9:00 a.m.—Closed. Tuesday, August 9, 2022, at 4:00 p.m.—Open.

MATTERS TO BE CONSIDERED:

Tuesday, August 9, 2022, at 9:00 a.m. (Closed)

1. Strategic Issues.
2. Financial and Operational Matters.
3. Executive Session.
4. Administrative Items.

Tuesday, August 9, 2022, at 4:00 p.m. (Open)

1. Remarks of the Chairman of the Board of Governors.
2. Remarks of the Postmaster General and CEO.
3. Approval of the Minutes.
4. Committee Reports.
5. Quarterly Financial Report.
6. Quarterly Service Performance Report.
7. Approval of Tentative Agenda for November 10 Meeting.

A public comment period will begin immediately following the adjournment of the open session on August 9, 2022. During the public comment period, which shall not exceed 45 minutes, members of the public may comment on any item or subject listed on the agenda for the open session above. Additionally, the public will be given the option to join the public comment session and participate via teleconference. Registration of speakers at the public comment period is required. Should you wish to participate via teleconference, you will be required to give your first and last name, a valid email address to send an invite and a phone number to reach you should a technical issue arise. Speakers may register online at <https://www.surveymonkey.com/r/bog-08-09-2022>. No more than three minutes shall be allotted to each speaker. The time allotted to each speaker will be determined after registration closes. Registration for the public comment period, either in person or via teleconference, will end on August 7 at 4 p.m. EDT. Participation in the public comment period is governed by [39 CFR 232.1\(n\)](#).

CONTACT PERSON FOR MORE INFORMATION: Michael J. Elston, Secretary of the Board of Governors, US Postal Service, 475 L'Enfant Plaza SW, Washington, DC 20260-1000. Telephone: (202) 268-4800.

The format is similar to that of most Board meetings, and the comment period is typically short.

New VP

On July 28, the Postal Service announced the appointment of Todd S. Hawkins to the position of VP, Processing Operations, Western Region, effective immediately. He will report directly to the Chief Processing and Distribution Officer and EVP Isaac Cronkhite. Hawkins has been acting in the role since April. Previously, he had been a senior director, processing operations, for the Lakeshores Division.



All the Official Stuff

Federal Register

Postal Service

NOTICES

July 20: Elimination of Retail Ground Product, 43307-43308; Change in Classes of General Applicability for Competitive Products, 43308-43335.

July 21: Environmental Impact Statements; Availability, etc.: Supplement to the Next Generation Delivery Vehicles Acquisitions, 43561-43562; Product Change [8]: Priority Mail Express Negotiated Service Agreement, 43560; Priority Mail Express, Priority Mail, First-Class Package Service, and Parcel Select Service Negotiated Service Agreement [3], 43560, 43562, 43562; Priority Mail Negotiated Service Agreement, 43560; Priority Mail and First-Class Package Service Negotiated Service Agreement [3], 43560, 43560, 43562-43563.

July 25: Privacy Act; System of Records, 44157-44159.

July 28: Meetings; Sunshine Act; 45370.

PROPOSED RULES

[None].

FINAL RULES

[None].

Postal Regulatory Commission

NOTICES

July 20: New Postal Products, 43307.

July 21: Classification Changes, 43559-43560; New Postal Products [2], 43557-43558, 43559-43559.

July 25: New Postal Products [2], 44156, 44156-44157.

August 1: New Postal Products, 47016.

PROPOSED RULES

July 19: Periodic Reporting, 42987-42988.

FINAL RULES

July 20: Rules of Practice and Procedure, 43213-43214.

July 29: Update to Product Lists, 45649-45654.

DMM Advisory

July 18: UPDATE 246: International Mail Service Updates Related to COVID-19.

July 20: International Service Suspension Notice – effective July 22, 2022.

July 22: UPDATE 247: International Mail Service Updates Related to COVID-19.

July 25: Monthly Labeling List Changes.

July 29: Postal Service Accelerates Delivery for Retail Ground, Parcel Select Ground Products.

Postal Bulletin (PB 22603, July 28)

- Effective **September 12**, DMM 207 is revised to reflect changes to the annual cap on the number of copies that a Periodicals publisher is permitted to mail to nonsubscribers at In-County rates.
- Effective **September 12**, DMM 201.3.3 is revised to reference an advisory for mailing non-rectangular trailing edge die-cut (TED-C) letter-size mailpieces at automation letter prices. As a result of the Postal Service working with the mailing industry, a process was developed to allow mailing non-rectangular TED-C letter-size mailpieces at applicable automation letter prices. These pieces have a die-cut that extends past the conventional trailing edge of the mailpiece.

Additionally, a template was created with instructions to assist with designing TED-C mailpieces. The “Trail Edge Die-Cut (TED-C) Process for Eligibility at Automation Letter Prices” advisory and the template are on PostalPro at postalpro.usps.com. The TED-C process will allow mailers greater flexibility in designing letter-size mailpieces at applicable automation letter prices while improving ease of use for customers.

The Postal Service will also update Quick Service Guide (QSG) 201a, “Commercial — Designing Letters and Postcards for Automated Processing,” to include a reference to the advisory for mailing non-rectangular trailing edge die-cut (TED-C) letter-size mailpieces at automation letter prices.

Although the Postal Service will not publish this revision in the DMM until September 12, 2022, this standard is effective immediately.

- This is a **reminder** that the Postal Service will revise in a later edition various sections of DMM 602, “Addressing,” to reflect an update in addressing standards. On July 7, 2021, the Postal Service published a final rule (86 FR 35606-35608) regarding the new standards, and the article, “Addressing Standards,” in *Postal Bulletin* 22576 (7-15-21, pages 4–5), which included DMM revisions reflecting addressing standards **effective October 1, 2022**. By revising these standards, the Postal Service is extending its effort to improve the delivery-point validation and address standardization of mail that includes postage discounts.
- Effective **July 28**, the IMM Individual Country Listing for the United Kingdom of Great Britain and Northern Ireland is revised to add a prohibition for human and animal remains and to remove the restriction relating to human and animal remains.
- Effective **July 31**, IMM Exhibit 252.22 is revised to reflect that Electronic USPS Delivery Confirmation International service (E-USPS DELCON INTL) is available to Greece and to Italy (as of July 31, 2022, for both).

USPS Industry Alerts

July 20, 2022

INTERNATIONAL SERVICE SUSPENSION NOTICE Effective July 22, 2022

[See the July 20 listing for COVID-19-Related International Mail Service Disruptions in the Special Section.]

July 20, 2022

Special Handling – Fragile Discontinued

Effective on July 10, 2022, the Postal Service is no longer offering *Special Handling – Fragile* as an extra service for shipments. This change aligns the value of service with customer expectations, as customers who formerly purchased *Special Handling – Fragile* may have expected treatment that the service did not support. Customers shipping fragile items should package their items carefully and consider purchasing insurance coverage for their shipments. Insurance of up to \$100 of the package value is automatically included with Priority Mail Express, Priority Mail, and certain other shipping services. Customers can purchase additional insurance for these and all other mailing and shipping services. Label 875, *Special Handling – Fragile* is discontinued and all on-hand volume should be recycled effective July 10, 2022. All Live Animal handling procedures and processes remain the same as they are today. Mailer’s shipping bees or day-old poultry by surface transportation will no longer be required to purchase the *Special Handling* fee as a condition of mailability. For further information, please see the *Federal Register* Notice published on June 1, 2022, and the related Postal Bulletin 22601, which was published on June 30, 2022. Any questions can be sent to ShippingServices@usps.gov.

July 20, 2022

Officer Announcement

Postmaster General Lois DeJoy has announced the appointment of Todd S. Hawkins to the position of Vice President, Processing Operations, Western Region, effective immediately. He will report directly to the Chief Processing and Distribution Officer and Executive Vice President Isaac Cronkhite. Todd has been acting in the role since April, overseeing over 140 processing facilities, a workforce of more than 56,000 employees, and holding responsibility of processing and maintenance operations across the Western Region. He has demonstrated a commitment to customers and employees, has a proven track record of developing leaders, and has led strong results in support of the Delivering for America plan.

July 21, 2022 [as corrected July 22]

Central Area AIM SAVE THE DATE - Tuesday August 30th

Central Area AIM hybrid meeting 8am-Noon CT August 30; in-person registration begins at 7am CT. USPS Administrative offices, 300 W Pershing Rd, Room 269, Kansas City MO 64108. Questions: Contact Lois Gunlogson (lois.a.gunlogson@usps.gov).

July 26, 2022 [as revised July 29, 2022]

Minimum Assessment Amount Update (Updated for Clarification Regarding Automated Verification)

Beginning with the September 2022 mailer scorecard, assessed in October, the new minimum to receive an assessment for the sum of Full-Service, eInduction and Seamless/Automated Verification will be \$500. The minimum assessable amount for Move/Update will be \$50. A mailer will be assessed both amounts if they are at or above \$500 for the sum of Full-Service, eInduction and Seamless/Automated Verification, while also at or above \$50 for Move/Update. Those owing additional postage under these amounts will not receive an assessment. This change will result in fewer postage assessments compared to the current minimum where a mailer is charged an assessment when additional postage owed is at least \$50 as a sum of all four programs. Note: Mailers will only be assessed for programs in which they participate. Those not enrolled in Seamless Acceptance will not be responsible for their undocumented errors over threshold, at this point in time. For more information on USPS commercial mail entry programs please reference Publication 685 at: <https://about.usps.com/publications/pub685/welcome.htm>.

July 29, 2022

Business Customer Gateway eDoc Training Series – Postal Wizard and Intelligent Mail for Small Business Tool

The Postal Service will host bi-weekly webinars on utilizing the Business Customer Gateway (BCG) for electronic documentation (eDoc) and postage statement submission. The topics will alternate between using the Postal Wizard (PW) and Intelligent Mail for Small Business Tool (IMsb Tool) applications. Learn how to eliminate hard copy postage statements and submit Full-Service mail! Join us for the next session - using the IMsb Tool held on Tuesday, August 2, 2022, at 1:00 PM EST. Bi-Weekly BCG PW and IMsb Tool training sessions: Meeting URL: <https://usps.zoomgov.com/j/1615857192?pwd=dGVJTjYNEFib2FGNmplL2luZ2ZlZz09>; Meeting ID: 161 585 7192; Password: 903345. If requested, enter your name and email address; Enter meeting password: 903345. Join Audio by the options below: Call using Internet Audio; Dial: 1-855-860-4313, 1-678-317-3330 or 1-952-229-5070 & follow prompts.

July 29, 2022

Mail Spoken Here – July 2022 Edition – IE&O Newsletter

Please enjoy the latest edition of Mail Spoken Here attached. Our USPS Industry Engagement & Outreach newsletter contains informative and important articles on the following topics: Postmaster General and Chief Executive Officer Louis DeJoy PMG to Speak as Keynote at the Southern AIM in Arlington, TX Hosted by the Greater Dallas PCC; Postal Service Modernization Enables Expanded Electric Vehicle Opportunity; Fragile Handling Dropped - Extra Service Option Ended July 10; Tried and Tested - Extended Mail Forwarding Becomes Permanent Product; Customer Driven - USPS, DMV Pilot Program Rides Along Smoothly; New Prices, Classifications - Additional Changes Took Effect July 10; Package Shipping - PRC Approval Sought for Simplified Options; A Philatelist with Flair - Freddie Mercury’s Stamp Collection on Display; New Stamps - Release Date, Location Updates: Honoring Nancy Reagan - PMG Dedicates Stamp at Presidential Library; Strolling Thunder - USPS Released Mariachi Stamps July 15; For the Love of Pete - Folk Icon Seeger Honored with Stamp; Stamp Champs - Three Recent Issues Win Industry Awards; Are you an MTAC member? What are you waiting for?; Upcoming Events (You don’t want to miss!); A Quick Glance Forward; *Federal Register* Notices; The Latest *Postal Bulletins*; Thank you very much, from the USPS Mail Spoken Here team and IE&O.

Calendar

To register for any Mailers Hub webinar, go to MailersHubWebinars.com

August 4-6 – MFSA Conference, Dallas (TX)

August 16 – Southern Area AIM Meeting

August 17-19 – America’s Print Show, Columbus (OH)

August 23 – *Mailers Hub Webinar: Mitigating the Great Resignation*

August 30 – Central Area AIM Meeting

September 22 – Chicago PCC Meeting

October 11 – *Mailers Hub Webinar*

October 20 – Atlantic Area AIM Meeting

October 25-26 – MTAC Meeting, USPS Headquarters

November 15 – *Mailers Hub Webinar*



The services of Brann & Isaacson are now available to provide legal advice to subscribers. The firm is the Mailers Hub recommended legal counsel for mail producers on legal issues, including tax, privacy, consumer protection, intellectual property, vendor contracts, and employment matters. As part of their subscription, Mailers Hub subscribers get an annual consultation (up to one hour) from Brann & Isaacson, and a reduced rate for additional legal assistance. The points of contact at Brann & Isaacson are: Martin I. Eisenstein; David Swetnam-Burland; Stacy O. Stitham; Jamie Szal, jszal@brannlaw.com. They can also be reached by phone at (207) 786-3566.

Special Section: DMM Advisories and USPS Industry Alerts Related to COVID-19

These service disruptions affect Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and M-Bag items. Unless otherwise noted, service suspensions to a particular country do not affect delivery of military and diplomatic mail.

July 18, 2022, DMM Advisory: UPDATE 246: International Mail Service Updates Related to COVID-19

On July 15, 2022, Tonga Post, the designated operator of **Tonga**, provided notification that, due to the current global pandemic situation, there is only one flight per week to and from Tonga. As a result, transportation times for international letter-post, parcel-post and EMS items sent to and from Europe and other parts of the world, including other Pacific Island countries, are currently much longer than normal. The DMM Advisory will continue to provide updates as they are received. For a full list of international service disruptions, please visit <https://about.usps.com/newsroom/service-alerts/international/welcome.htm>.

July 20, 2022, Industry Alert: INTERNATIONAL SERVICE SUSPENSION NOTICE Effective July 22, 2022 [Also issued as July 20, 2021, Industry Alert: COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Suspension Notice]

The Postal Service will temporarily suspend international mail acceptance for certain destinations due to service impacts related to the COVID-19 pandemic. Effective July 22, 2022, the Postal Service will suspend international mail acceptance to destinations where transportation is unavailable due to widespread cancellations and restrictions into the area. Customers are asked to refrain from mailing items addressed to the following country, until further notice: **Belarus**. For already deposited items, other than Global Express Guarantee (GXG), Postal Service International Service Center (ISC) employees will endorse the items as “Mail Service Suspended — Return to Sender” and then place them in the mail stream for return. Due to COVID-19, international shipping has been suspended to many countries. According to DMM 604.9.2.3, customers are entitled to a full refund of their postage costs when service to the country of destination is suspended. The detailed procedures to obtain refunds for Retail Postage, eVS, PC Postage, and BMEU entered mail can be found through the following link: <https://postalpro.usps.com/international-refunds>. The Postal Service is closely monitoring the situation and will continue to update customers until the situation returns to normal. Customers may visit our International Service Alerts page for the most up to date information: https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

July 22, 2022, DMM Advisory: UPDATE 247: International Mail Service Updates Related to COVID-19

On July 22, 2022, the Postal Service received a notification from Canada Post, the designated operator of **Canada**, advising that the normal procedures for signature items have been reinstated.


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