

September 18, 2013

Board of Governors
United States Postal Service
Room 10300
475 L'Enfant Plaza, NW
Washington, DC 20260-1000

Dear Postal Board of Governors:

We are writing today on behalf of the more than 700 members of the Software and Information Industry Association (SIIA) and American Business Media (ABM) to respectfully urge the Board to refrain from moving forward with the filing of an exigent rate case.

As you know, ABM was founded in 1906 and is positioned at the center of the global Business-to-Business marketplace. We support the Postal Service at all levels, whether it's working with Postal Headquarters on operational, rules and regulatory matters, or on Capitol Hill to enact legislation to put the Postal Service on a permanent sound financial footing. Recently ABM merged with the SIIA to strengthen our B-to-B brand. Our combined membership publishes more than 600 print periodical titles and mails approximately 800 million magazines and newsletters each year, representing about 15% of the periodicals class within the Postal Service. ABM/SIIA members also utilize First Class and Standard mail extensively and collectively spend an estimated \$260 million in postage each year.

SIIA believes simply that there will not be any positive return from the filing of an exigent rate case. While there may be a short term increase in revenues, this action will force mailers in all classes of mail to take action to reduce their postage expenses. In the long run, this will reduce, if not eliminate, the additional revenue realized from an exigent increase. It is very unlikely that lost volume will ever return.

Recently SIIA conducted a survey among our members in order to understand how their mailing habits would be affected based on varying postal rate increases. The results support our overall position in opposition to an exigent increase. 67% of respondents said they would reduce mailed periodicals by an average of 11% if postal rates increased by 7.5%. Increase rates by 10% and 90% of our members would reduce mailed periodicals by approximately 13%. Even if rates increased less than 7.5% our survey showed that our members would still reduce their mailings. Since we mail in all classes of mail to support our periodicals, as well as mailings for events and trade shows, mail volume in other classes of mail would be reduced as well. We have included a more detailed summary of that survey for your information.

Furthermore, we are concerned based on our discussions with Congressional staff that the filing of an exigent increase will delay, or potentially even discontinue, any further effort in the Congress to enact meaningful postal reform legislation because it will, in theory, lift some financial pressure off the Postal Service. We believe that the Board of Governors can maintain the pressure on Congress to enact postal reform legislation by not filing an exigent rate case.

We realize the Postal Service has limited positive options to address its financial issues and share the Board's frustration. We are committed to working with you and our industry partners to bring about legislative change and strongly encourage you to forego filing an exigent rate request.

In addition, we would also appreciate the opportunity to meet with you before your September 24th meeting to further discuss these critical issues. Please contact Mike Hettinger, Director, SIIA Public Sector at mhettinger@siia.net or 202.789.4456 with any questions or to arrange a discussion.

Thank you in advance for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Ken Wasch". The signature is written in a cursive, flowing style.

Ken Wasch
President, Software and Information Industry Association