

**BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001**

Market-Dominant Price Change

Docket No. RM2024-4

**COMMENTS OF THE NONPROFIT ALLIANCE  
July 9, 2024**

Pursuant to Order No. 7032, The Nonprofit Alliance ("TNPA") offers these comments on the Postal Service's proposed market-dominant rate adjustments intended to take effect July 14, 2024. TNPA believes the proposed adjustments are inconsistent with applicable statutory and regulatory requirements. The Commission has the legal authority to reject them and should do so.

The Postal Service seeks permission to impose on its monopoly customers the largest price increase under the current price-setting regime. It does so at a time when it is unarguably failing to meet its service performance standards. How are they "standards" when USPS can extract every penny the law will allow without meeting them?

TNPA believes the CPI rate cap system incorporated in the 2006 Postal Reform Act was a success. It helped the Postal Service retain mail volumes and, importantly, provided badly needed predictability for all mailers to reliably and efficiently plan their use of the mail. Predictability is important for any mail user. It is especially important for nonprofits for whom mail is an indispensable component of raising funds from the public.

Which nonprofits are these? Virtually every nonprofit whose name you recognize - along with countless others; that is, the organizations feeding, clothing and housing those in need, caring for the ill and finding cures for disease, supporting veterans and other citizens with disabilities, advocating for and protecting animals, and on and on. The reality is every additional dollar a nonprofit spends on postage or loses due to mail not sent takes money from the reason they exist.

The 2020 Density Adjustment methodology has not worked. It has intensified the decline in mail volume, eroded confidence in the mail system, and eliminated incentives for the Postal Service to right-size its workforce and its network. In effect, the application of Density Adjustment pricing has allowed the Postal Service to avoid responding to changes in the marketplace and implementing true efficiencies and productivity increases. And it has created havoc for nonprofit mailers with its unpredictable price changes imposed twice a year.

Recent experience makes the point. Data provided by a mail services provider used by many TNPA members shows the following consequences for its nonprofit clients (75+) when assessing 2022 vs 2023 (the price of nonprofit marketing mail went up approximately 8% in 2023 and first class 9-10%):

- Nonprofit marketing mail decreased in volume by 5% on average
- First class mail dropped by 30% on average

- Nonprofit marketing mail would have decreased more but for a shift to that category from first class. In other words, nonprofits felt compelled by price to sacrifice reliability and timeliness for much of their donor communication. That is not without its own cost.
- Among larger mailers, acquisition mailings decreased by 11%. Without question, mail is a vital means for finding new donors. *Any* decline in this important method for doing so can undermine a direct mail fundraising program. This decrease is especially concerning.

It must be recognized that the proposals for the July increases exceed the current CPI by very wide margins. Every category and subcategory of mail employed by nonprofits will increase well over two times the CPI with some as much as three times. There is every reason to believe this increase will do even more damage to nonprofit direct mail fundraising than was suffered in 2023.

With respect, we ask the Commission to reject the out-of-bounds July increase, to limit price adjustments to once a year, and to reinstate the price cap regime of the 2006 Postal Reform Act. This will restore price predictability, will slow or stop the persistent volume decline, and perhaps even bring back volume by restoring mailer confidence in the Postal Service.

Robert S. Tigner  
Regulatory Counsel

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## ADDENDUM

### Comments submitted by Special Olympics International, a member of TNPA

The USPS mail service is second to none in allowing secure, trusted communication between a nonprofit and the recipients of its benefits as well as to that nonprofit's donor base. As a nonprofit organization, Special Olympics has relied on the services of the USPS for many years. Mail has historically been a high performing channel to cultivate and steward donors in support of our mission to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities.

However, over the last several years, the direct mail channel has fallen under threat due to the unprecedented, repeated postage increases. Special Olympics has seen its postage budget rise over 20% since 2019. As a nonprofit, we are responsible for, and committed to, managing the contributions of our donors, allowing for maximum investment into the programs and services we provide for our athletes and their communities. It is this commitment combined with the rising postage costs that has forced our organization to cut mail volumes, either through strategic segmentation or by turning to other channels that provide a stronger ROI.

Should these rate increases continue unabated, many in our industry, Special Olympics included, may be forced to consider further volume cuts. We strongly encourage the Commission to reconsider its Density Adjustment pricing structure and, in any event, to restrict USPS to a once-per-year price increase.

### Comments submitted by Habitat for Humanity International

The USPS mail service allows secure, trusted communication between a nonprofit and the recipients of its benefits as well as to that nonprofit's donor base. As a nonprofit organization, Habitat for Humanity International has relied on the services of the USPS for many years. Mail has historically been a high performing channel to cultivate and steward donors in support of our vision of a world where everyone has a decent place to live.

However, over the last several years, the direct mail channel has encountered challenges due to unprecedented, repeated postage increases. Habitat for Humanity has seen its postage budget rise considerably since 2019. As a nonprofit, we are responsible for, and committed to, managing the contributions of our donors, allowing for maximum investment into the programs we implement with homeowners and their families.

Should these rate increases continue unabated, many in our industry, Habitat for Humanity included, may be forced to consider other avenues to reach potential donors. Respectfully, we urge the Commission to reconsider its Density Adjustment pricing structure and, in any event, to restrict USPS to a once-per-year price increase.