



MOVING COMMUNICATION FORWARD



The EMA Wednesday Report

Wednesday, May 20, 2020

Three Page Issue

Good Morning/Good Afternoon:

Here is Wednesday report Number 11.

Deputy Postmaster General **Ron Stroman** has announced his decision to resign on June 1. His resignation puts the Board of Governors back to not having a quorum and using emergency powers to run the Postal Service. We will report additional information as we know more.

Latest from USPS...

USPS Wednesday Meeting

- Spot report is still showing a significant decline in mail volume from SPLR of 32.6 percent.
- Packaging is up 64 percent.
- Flats are down 23 percent
- First-Class Single Piece is down 9 percent.
- Periodicals are up 2.1 percent.

USPS Friday Meeting

- Mail volume is down 27.7 percent from the spot report.
- Packaging volume is up almost 87 percent.
- The mail right now is composed of arts and entertainment, retail, finance and facilities, packaging, and periodicals. Consensus is a slow return to a new normal.
- There will be no Monday or Wednesday meeting next week, after that, meetings will be on Mondays and Fridays, Wednesday meetings will be suspended.

Latest from American Forest and Paper

- Recycling materials content is, again, becoming important. AF&PA reports 67 percent of total mill output is recovered.
- Most states are re-opening; consult the National Governors Association at www.nga.org for details on each State. Washington State has just issued some PPE guidelines.
- New Jersey is thinking about a change to their workers' compensation laws that involve COVID-19 cases.

Latest from Department of Homeland Security and FEMA

- Starting on May 18, the CESA meetings will be once per week. Most of the logistics issues have been addressed for now, and so the pace of the meetings will slow down.

- States will continue to govern the pace of opening up the economy. California has moved back the opening date. The date for Northern Virginia has pushed back, and other states are changing their opening dates and procedures. Please consult the National Governors Association website at www.nga.org, or you can connect through our website at www.envelope.org.
- The Federal Government is continuing the shipments of PPE to the States. Supplies are still limited for industrial use, and businesses are encouraged to consult with their state FEMA.
- Hurricane Season, which started April 1, may have an impact on the COVID-19 pandemic. We will circulate specific information on Hurricane season shortly.
- The National Stockpile of PPE will be replenished, but there is no timeframe for replenishment. States have limited stockpiles; most small businesses are currently on their own.
- About 44 States will be in various stages of re-opening by Friday, May 15.
- Please consult with www.osha.gov for any information you might need on fully re-opening. Our CESA meetings are now moving to one meeting per week starting next week, and most of our focus will be on testing and opening.

Legislation

- The House of Representatives is in the process of introducing the HEROES Act, legislation that is focused on increasing the aid for state, local, and tribal governments to address the continuing challenge of the COVID-19 pandemic. Within this legislation is \$25 billion in revenue forgone appropriation for the United States Postal Service to replace lost income during the pandemic. This legislation has a way to go, and the Senate has yet to weigh in on this legislation. There is also a vote-by-mail provision that is problematic to the White House.
- Vote-by-Mail has seen a great deal of interest expressed by the States recently as they grapple with how to conduct fall elections in a safe and secure manner. There is no Federal Legislation covering this issue that has recently been passed. What is in place is that this issue is delegated to the States. Only a limited number of states can offer no excuse voting by mail. That is why there will be a great deal of discussion and dialog on this issue going forward. What that means is every State has its authority on vote-by-mail.

EMA Business Survey

An EMA survey of COVID-19 Business Conditions for March is below:

- 26 companies participated in the survey.
- All created and sold envelopes during the month.
- 22 envelope companies that had less than 250 employees participated, two companies with workforces between 250 and 599 employees participated.
- Two companies with workforces greater than 1,000 participated.
- Every respondent produced billing and statements envelopes during the period. Most were clustered around 20 percent of their total envelopes produced. Volume was neutral with February. Less than one percent was a large decline.
- Direct mail envelopes were spread across the entire survey population. Most reported 0-40 percent of their production was in direct mail. Over 50 percent reported some or a large decline in direct mail volume.

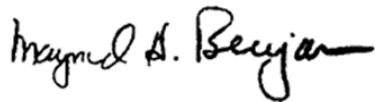
- Less than 20 percent of the industry produced packages. Package production was neutral in volume during the period.
- A small number reported a volume increase, and most reported a volume decline during the survey month.
- A minimal number of companies had to lay-off employees. About one-half feel this will influence demand in the end.
- EMA will conduct this survey every month until directed not to proceed.

Key Web Links...

- The EMA website www.envelope.org has many cross-links to other sites and is the go-to page for our industry. Information is uploaded every week.
- OSHA has some great information that all of you can use as you move to a wider opening in your state. You can access www.osha.gov for this information, and there is a cross-link to EMA's website.

Most States will re-open in various stages after May 15. Some are already open, and a few have postponed to June. Please be aware of your State's schedule and move forward carefully.

Until Next Time,

A handwritten signature in black ink that reads "Maynard A. Benjamin". The signature is written in a cursive style with a long horizontal stroke at the end.

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