



MOVING COMMUNICATION FORWARD



## The EMA Wednesday Report

### Wednesday, April 15

Good Morning/Good Afternoon:

Here is Wednesday report Number 4. The web briefing on April 9 went very well and we will conduct a short poll on business activity this week as part of our normal briefings to our colleagues and a variety of government agencies. There is a copy of the brief on our COVID-19 website if you missed it, contact Kim Moses at [kmoses@envelope.org](mailto:kmoses@envelope.org) and she will set you up to hear it. We are trying to provide as much real time information on the industry as we can, so your help is greatly appreciated. As we reach the apex of the virus, we are now turning our attention to the USPS and recovery. You will hear more about that effort in subsequent briefings.

There are now three meetings per week from the USPS COVID-19 task force, we will report on each below.

#### **Latest from USPS...**

##### Friday Meeting

- Last Friday we received another spot report on mail volume, which continues its downward trend. Here are the latest high points: The USPS lost \$13 billion in fiscal year 2020. For the last 18 months that loss grew to \$22 billion and for the last 10 years the accumulated loss is \$54 billion.
- Overall mail volume is off 32 percent; Flats are off 40 percent; Letters are off 25 percent. Packages are up 17 percent.
- The Governors met and presented a \$75 billion request to Congress and the Administration for funding. \$25 billion for offsetting losses; \$25 billion for Capital Projects and an increase in borrowing authority of \$25 billion. The Administration has indicated that this is too much, a normal response, and Congressional Committees are reviewing the Governors ask.
- The Government owns the USPS and it cannot be easily shut down, but the Administration wants a plan to return the USPS to a businesslike environment. This could mean service reductions, changes in post office structure, and changes in employment. Congress does not want service reductions, but it will take some time to work through all of this. Please do not believe the political statements from all sides. A compromise will be reached over the summer, but these are early days and Congress does not return to Washington, D.C. until May. In case you have not figured this out, there will also be higher rates across the board, but everyone wants to wait to see what happens over the next month.

##### Monday Report

- We completed our Monday meeting of the USPS COVID-19 task force and the news was sobering.
- Last week mail volume dropped by 32 percent and will go lower before this is all over. The USPS is indicating that in a few hard-hit areas service has been disrupted, but for most of the country, they are still delivering six days per week per federal law.
- Single piece first-class is down 16.3 percent. Flats are down 32.5 percent. Presort first-class is down 2.63 percent. Marketing mail is down 32 percent.
- The House Oversight Hearing last week produced a great deal of information, but no real solutions. USPS Governors want at \$75 billion bail out package, but the Administration's position

is not to fund the USPS. They will come to a consensus over the next week or so. The USPS will run out of money in the early fall if nothing is done.

### **Latest from American Forest and Paper**

- The industry is getting a better handle on essential work force issues and this week printers were added into the essential industries. In the past they were on the list, if they were tied to a converter, now they are on the list.
- There are still some supply chain issues with truckers that have to cross state lines to deliver paper, but those are being worked out by the industry, so most problems are being resolved before they go too far.
- There was a brief discussion about mills shutting down for cleaning when they have a COVID-19 case and as capacity falls. It is important that you know that when we get going again, raw material supplies will be tight, so it is a good time to think about inventories of paper and other raw materials.

### **Key Web Links...**

The EMA website is your single source for information on what everyone in the graphic arts industry is doing right now. Please visit [www.envelope.org/COVID-19](http://www.envelope.org/COVID-19) regularly for updates. We have also added a Question and Answer document on the Paycheck Protection Plan, and other updates so please consult the website.

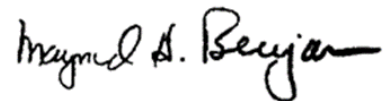
### **Legislative Briefings**

It looks like there may be multiple COVID-19 Bills in the works. More funding is needed for the paycheck protection program and for other programs. We will keep you updated as bills are introduced and check the web page above often because postings change weekly.

What we are hearing through our Federal Meetings is that the government is looking like early to mid-May to start the process of opening up business again. It is likely to be tightly focused and depending on testing availability. We hear that masks will be required at work, so if you don't have enough for your workforce, please get them. All of us in Newport News are now wearing masks when we go out of the house, it just seems like they will be around for a time to come.

In closing, please keep you and your family safe. Keep up the good work and stay well.

Until Next Time,



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