



March 11, 2021

The Honorable Senator Richard Roth
 Chair, Senate Business, Professions and Economic Development Committee
 State Capitol, Room 2053
 Sacramento, CA 95814

RE: SB 324 (Limón) Unreasonable restrictions on mail – OPPOSED

Dear Senator Roth:

A large coalition of labor, industry and trade associations is opposed to SB 324 because it is duplicative of existing services, unnecessary, and could cause irreparable damage to the U.S. Postal Services and the California and U.S. Economy

SB 324 will harm the postal service and substantially raise postal rates for everyone

The U.S. Postal Service is one of the most critical infrastructure components of the U.S. economy and has been essential to the pandemic response. A healthy postal service provides 6-day per week delivery of letters and packages, safe delivery of life saving medications, affordable shipping for ecommerce packages and supports the marketing mail that millions of small businesses rely on as a low-cost channel to reach local customers.

By restricting access to consumers through marketing mail, SB 324 jeopardizes the already fragile health of the US Postal Service, would result in significant job loss and would be harmful to the state's growing ecommerce economy. Even non-profit charitable organizations that are exempt from this bill will be severely affected by the skyrocketing postage costs it will create. Under new federal regulations, for every 10% national reduction in marketing mail caused by this bill, postage rates across the country will increase 2.5% or \$1 billion per year.

SB 324 Proposals Would Cost California Jobs

More than 7.3 million jobs and \$1.6 trillion in sales revenue are attributable to the mailing industry in the U.S. According to a 2019 industry study, there are **1,054,819 mailing industry jobs and \$229.6 billion in sales in the State of California** – much of which would put at risk by SB 324 and the resulting damage to the United States Postal Service. The impact this legislation would have on this segment of our economy would be dramatic and destabilizing.

SB 324 Would Significantly Affect Small Businesses in Every City of the State

SB 324 has the potential to devastate small businesses that rely on the service for low cost direct marketing opportunities. For small mom and pop shops, local restaurants, florists, mechanics, landscapers and corner coffee shops, advertising mail is often the only affordable and effective means of advertising available.

Roughly 3.7 million small businesses in California employ roughly 50% of the state's private work force. These businesses need low cost direct mail and shipping channels available to survive and thrive. The need for this cost-effective advertising channel is even more critical as these businesses struggle to survive and rebuild after the economic devastation of the pandemic.

Keep eCommerce and Remote Delivery of Prescription Medications Viable for all Californians

The postal service is the only door-to-door delivery service available for every urban, suburban and rural address in the state. The USPS delivers parcels every day at an affordable price and is often used by multiple private shippers to deliver their packages the final mile to a consumer's home. The postal service needs to remain a healthy and viable delivery service to keep ecommerce running smoothly and to allow for a safe method of receiving life-saving prescription medications. This legislation would dramatically impact one of the most critical revenue streams to the USPS and threaten the long term viability of the institution as we know it today.

Creates Impractical Burden on Business and Extreme Financial Risks for Advertising By Mail

SB 324 would require businesses of all types to also become data management experts and subject them to potentially hundreds of thousands of even hundreds of millions of dollars in fines – substantially increasing the costs and risks of using a time tested, low cost and highly effective advertising channel.

Mail is Non-Intrusive and Consumers Already Have an Easier, More Cost-Effective Opt-Out Service Available

Physical mail does not intrude on individual privacy. Mail is delivered every day, six days a week and does not invade individual privacy, as recipients may choose when, where and how often they interact with it. Moreover, this bill is unnecessary. There are plenty of pre-existing, free options already available to Californians wishing to reduce their advertising mail. They include:

- Association of National Advertisers' Mail Preference Service (MPS) at <http://www.dmachoice.org/>
- To reduce credit and insurance offers, visit www.optoutprescreen.com or call 1-888-5OPT-OUT (888-567-8688)
- Choosing the “go paperless” option offered by thousands and thousands of companies, or otherwise contacting companies directly to ask to be taken off their mailing list.

Sincerely,

California Association of Letter Carriers

National Association of Letter Carriers

American Postal Workers Union of California State

American Postal Workers Union

Alliance of Nonprofit Mailers

Association of National Advertisers Nonprofit Foundation

California Restaurant Association

California News Publishers Association

National Newspaper Association

California Retailers Association

California Grocers Association

California New Car Dealers Association

California Association of Realtors

California Credit Union League

Envelope Manufacturers of America
Printing Industries of America
Printing Industries of Southern California
Printing Industries of San Diego
Visual Media Alliance
Association of National Advertisers
National Postal Policy Council
Association for Postal Commerce
Major Mailers Association
National Association of Presort Mailers
Package Shippers Association
Greeting Card Association
Personal Insurance Federation of California
National Association of Mutual Insurance Companies
Civil Justice Association of California
American Forest & Paper Association
Association for Mail Electronic Enhancement
Saturation Mailers Coalition
Pitney Bowes
American Advertising Federation
Greater San Francisco Ad Club
American Advertising Federation Silicon Valley
American Advertising Federation Sacramento

cc: The Honorable Senator Monique Limón, Author
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