



## Postal Service Reform Act of 2022: Bipartisanship Delivered

*The Package Coalition, a diverse group of leading retailers and e-commerce companies committed to preserving affordable USPS package delivery services, applauds the Committee on Oversight and Accountability for its leadership in enacting the bipartisan, bicameral Postal Service Reform Act of 2022 (PSRA) and for its continuing oversight of the law's implementation.*

**The PSRA reaffirmed the importance of USPS delivering mail and packages together six days a week through an integrated delivery network to every address in America.** USPS is part of the nation's critical economic, social, and political infrastructure, especially for those living in remote and rural communities. Affordable mail and package delivery service, in rural areas, suburbs and cities, is critical to businesses and consumers in the U.S. - ecommerce could not exist without it. The value of USPS's nationwide integrated delivery network was exemplified during the COVID-19 pandemic, when so many Americans, especially seniors and those in rural and remote communities, turned to USPS as a lifeline deliver mail-order medicines, essential goods, and ecommerce to their homes. Section 202 of the PSRA codified this universal service obligation – mail and package delivery via an integrated delivery network six days a week - as a fundamental component of postal policy.

**USPS's Package Business Remains a Bright Spot.** In FY2022 USPS's competitive package delivery business generated over \$33 billion in revenue. Contrary to allegations of cross-subsidization by private competitors, the Postal Regulatory Commission confirmed in its most recent annual compliance report that USPS's package business is not being subsidized and, in fact, made a \$12.5 billion contribution (profit) above its costs to help defray the costs of the nationwide delivery network.

**The PSRA reaffirmed the Postal Regulatory Commission's (PRC) role as the expert agency on postal costing issues.** Section 203 of the PSRA directed the PRC to review the costing rules Congress put in place in 2006 to ensure that costs caused by delivering mail and packages are attributed to those services. The Commission timely initiated its review in April 2023. The Commission's costing rules have been consistently upheld by federal courts, including the U.S. Supreme Court as recently as 2019.

**The PSRA established performance targets and increased reporting and transparency.** Required performance targets and a public-facing dashboard are intended to compel the Postal Service to increase transparency relative to meeting performance standards. The PSRA also establishes new reporting requirements for the Postal Service, to ensure that Congress has up-to-date and accurate information.

**The PSRA provided needed financial stability to the U.S. Postal Service.** The PSRA repealed the mandate that USPS prefund future retiree health benefits and eliminated previously imposed prefunding requirements, obligations that no other federal agency or Fortune 500 Company was subject to. These common sense reforms had immediate, positive impacts on USPS's bottom line. There is still much work to be done, but these measures helped enable USPS to make progress toward long-term financial sustainability.

