



PACKAGE COALITION
DELIVERING AMERICA'S ECONOMY

COALITION KEY MESSAGES

RELIABLE: Access to affordable mail and package delivery services is an essential part of America's infrastructure for over 250 years.

- The U.S. postal system connects over 159 million delivery addresses every day (6 days a week), in every corner of every state.
- This contributes over \$1.4 trillion to the U.S. economy, and generates over 7.5 million jobs.

AFFORDABLE: Affordable universal package delivery services are critical to the U.S. economy, especially for customers and small businesses in remote and rural areas.

- As online retail has grown, it has changed the nature of commerce -- highlighting the importance of preserving universal affordable package delivery services.
- Affordable universal seven day a week package delivery services is essential for consumers and small and medium sized businesses to share in the benefits of the digital economy.
- The Postal Service serves as an economic lifeline for businesses and consumers in remote and rural areas who have no affordable alternatives.
- Over 7,000,000 small businesses rely on the Postal Service for mail and package delivery services.
- Private competitors are not an affordable alternative in rural America (private carriers charge "rural surcharges" in over 20,000+ ZipCodes).

PROFITABLE: The Postal Service's package delivery services are growing, profitable, and now essential to financially support the universal postal services.

- Packages contributed \$7.6 billion (above their costs) to help defray mail costs in 2018.
- The Postal Service is **not subsidizing** its package delivery services. In fact, packages are helping to keep the Postal Service in business and helping to keep mail costs low.
- Taxpayers do not fund the Postal Service; operations are funded by customers who pay to send letters and packages, and who would have to pay more if the Postal Service were forced to increase its prices.
- Without the positive revenue contribution from its package business, the Postal Service could not sustain its current mail operations.

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FAIR: Existing Legal Protections Ensure Fair Competition in the Package Delivery Business.

- Congress created a system that ensures fair competition in the package delivery business; the statutory guardrails that Congress put in place are working and should not be changed.
- All USPS competitive package products (including negotiated agreements) are required by law to cover their own costs. An independent federal regulator, the Postal Regulatory Commission, is charged with reviewing all prices to ensure this legal requirement is met. Federal courts have consistently upheld the Commission's findings and approach.
- The Postal Service's package delivery business is also fully subject to U.S. antitrust laws. No violations have ever been alleged; the Federal Trade Commission has held USPS operates at a net competitive disadvantage relative to the private express carriers because of the costs imposed by the universal service obligation.

BENEFICIAL: Forcing the Postal Service to raise its prices for package delivery services will harm, not help, Main Street businesses and consumers.

- Because the Postal Service delivers mail to every address six days a week it is able to deliver packages to those same addresses at a lower cost. The Postal Service passes through the benefits of providing access and delivery services to every household, every day, in the form of lower prices to businesses and consumers who use the postal system.
- The Postal Service also passes through the same cost efficiencies to private competitors who use the Postal Service for "last mile" delivery to remote and rural areas they cannot economically or affordably serve.
- Forcing the Postal Service to raise prices on its competitive package products would benefit large private competitors, but harm shippers and consumers, especially those in rural areas who rely on the Postal Service for affordable delivery services.
- Forcing the Postal Service to raise prices to uncompetitive levels would lead to volume losses and reduced profitability which would undermine the financial stability of the Postal Service.

AMERICAN: Privatizing the Postal Service is not the answer.

- Privatization is an oversimplified response to a complex set of issues.
- The experience of postal privatization in other countries is mixed and not comparable in size or complexity to the U.S. postal system.
- In many countries service degradation, post office closures, and price increases followed privatization. In others the cost of universal services following privatization had to be paid by taxpayers.
- Congress can give the Postal Service the tools and incentives to improve its business without changing the status of the Postal Service as an essential public service.



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