

## USPS policy at a glance

The United States Postal Service (USPS) is a self-supporting agency of the U.S. government, headed by the 11-member <u>Postal Board of Governors</u>. Appointees serve 7-year terms. The Postal Board has been plagued by vacancies in recent years, and was last fully staffed in 2010.

Ultimate power to govern the USPS lies with Congress, codified under <u>Title 39</u> of the U.S. Code. In the House, most postal matters are handled by the Committee on Oversight and Reform, while in the Senate, the Homeland Security and Governmental Affairs Committee fills that role.

The last time Congress substantially changed postal law was in 2006, when it passed the Postal Accountability and Enhancement Act, or PAEA. PAEA transformed the Postal Rate Commission into the Postal Regulatory Commission (PRC), increasing its authority to regulate the USPS above and beyond rates. The law charged the PRC with recommending changes for the USPS to Congress every five years. Beyond this, the PRC engages in rulemaking typical of federal regulators. Most PRC rules are product price changes, but the agency also regulates things like the <u>USPS' internal accounting</u> and <u>compliance with PAEA</u> finance rules.

The USPS Office of the Inspector General (OIG) is the part of the PRC most relevant to everyday Americans. The OIG polices the USPS workforce, conducting audits and documenting the agency's compliance with postal law. The OIG is charged with ensuring workplace accountability for the <a href="mailto:approximately-half-million">approximately-half-million</a> USPS employees.

The USPS' financial condition has <u>gradually deteriorated</u> since letter volumes peaked in 2001. While packages have made up some of the difference, the decline of letters and <u>increasing number of delivery points</u> have forced the Service to <u>nearly max out</u> its credit line with the treasury. Bureau of Labor Statistics <u>data</u> shows that productivity at the USPS has fallen while labor costs have increased in the decade since PAEA passed.

Retiree health and pension benefit obligations continue to grow each year. Postal retiree savings are <u>locked</u> <u>by law</u> in extra-low-risk special-purpose treasury bonds, a portfolio more conservative than the typical federal employee. With a declining primary product, rigid and increasing long-run costs and a legal mandate to not lose money, Congress will be forced to change postal law at some point or else cede postal regulation to bankruptcy courts.

## Quick links to postal resources

<u>USPS Form 10-K</u>: The USPS' annual financial report is the best starting point for basic questions about the current state of mail in America. It has revenue data for each product and a detailed breakdown of costs to explain where the money goes, and what the Service sees as its biggest risks moving forward.

<u>USPS Revenue, Pieces and Weight Report</u>: This yearly report provides statistics on changes in each USPS product. At five pages long, it is good for to for quick answers to postal questions.

<u>Postal Regulatory Commission Annual Report</u>: This report has figures on the cost of rural and subsidized mail services, as well as summaries of the past year's regulatory findings.

<u>Title 39</u>: Postal service governing law (<u>GPO version</u>)

<u>USPS OIG White Papers</u>: The USPS Inspector General's office regularly writes white papers about longer-term issues and opportunities for USPS, and these are some of the best sources for in-depth postal research.

<u>How to reduce unwanted advertising mail</u>: The R Street Institute's Kevin Kosar put together a summary of basic steps individuals can take to reduce unwanted advertising junk mail.

<u>How regulations work</u>: Like most agencies, postal regulators follow the informal rulemaking process. These links explain how the process happens. (<u>Federal Register's guide to rulemaking</u>)

PRC Docket: Details on postal regulations and prices changed in-process

<u>President's Task Force Report</u>: The final report from the <u>Task Force on the United States Postal System</u> includes recommended updates to USPS business practices.

<u>USPS Strategic Plan</u>: This document provides information on the USPS' current 5-year plan to modernize its business practices.

<u>USPS Annual Report to Congress</u>: This report provides information on progress toward goals in the strategic plan and what planned postal modernization efforts are succeeding or failing.

<u>USPS Customer's Guide</u>: Finally, this is the USPS' regularly updated quick-reference guide for basic mail questions

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