



Thomas A. Schatz, *President*
1100 Connecticut Ave., N.W., Suite 650
Washington, D.C. 20036
ccagw.org

February 11, 2022

U.S. Senate
Washington, D.C. 20510

Dear Senator,

You will soon be voting on H.R. 3076, the Postal Service Reform Act of 2021, which was passed by the House of Representatives by a vote of 342 to 92 on February 8, 2022. On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I urge you to support this legislation.

The United States Postal Service (USPS) has been the subject of a significant amount of justifiable criticism for many years. The agency has been on the Government Accountability Office's [High-Risk List](#) since 2009 due to its unsustainable business model and financial condition. There have been 15 consecutive years of net losses since 2007, totaling \$91.2 billion.

H.R. 3076 does not address all of the agency's problems, including closing excess facilities, high labor costs, and greater work sharing. But Section 202 of the bill codifies an integrated delivery network of packages and mail together six days a week. This provision is supported by the USPS, the Postal Regulatory Commission (PRC), mailers, shippers, and pro-taxpayer organizations. Requiring the USPS to create separate delivery systems for packages and mail would increase costs, slow down delivery, and raise prices for customers.

According to the PRC, separate networks would [cost](#) more than \$15 billion annually for a new fleet of vehicles and tens of thousands of new employees. That would make it highly unlikely that the USPS would ever be profitable, and very likely that taxpayers would be paying for a significant bailout, along with a large annual subsidy.

H.R. 3076 also prevents the USPS from getting into financial services and other non-postal commercial businesses. There is ample evidence that such activities are doomed to fail. In the fall of 2021, USPS began [providing](#) Visa cards of up to \$500 to customers who used business checks for the transactions. They sold six cards between September 13, 2021 and January 12, 2022, bringing in \$37.50 in fees, which is equal to the pay for about two hours of work for one USPS clerk. As the USPS said in 2014 in [response](#) to the [suggestion](#) by the USPS inspector general that the agency should provide financial services, its "core function is delivery, not banking."

The bill also increases financial transparency and strengthens inspector general oversight.

While H.R. 3076 does not solve all the issues currently facing the USPS, the legislation sets the agency on the path to a more sustainable future. For these reasons, I urge you to support H.R. 3076. Any votes related to H.R. 3076 may be among those considered for *CCAGW's 2022 Congressional Ratings*.

Sincerely,

Tom Schatz