

Overview

Older than the United States itself, the United States Postal Service (USPS) has been around for nearly 250 years providing mail and package delivery for the United States. With nearly 150 billion pieces of mail delivered last year and operating revenue of nearly \$70 billion, the USPS has reorganized in recent years in response to changing demands. Despite these efforts, innovation, competition, and changing times have led to billions of dollars lost over the last decade and more than \$120 billion in unfunded liabilities. The USPS receives no tax dollars to fund its operations and instead relies on its sales of postage, products, and other services for financing itself. In recent years, the USPS has had to refocus its efforts and find ways to stay in business. In our latest Basic, "Special Delivery: Modernizing the United States Postal Service," we explore the history of the USPS and the reforms that will shape its future.

What is the USPS

USPS is an independent branch of the federal government. Its responsibilities include handling the mailing of letters and packages as well as the sale of postal products like stamps, packaging, and mailing supplies. USPS says its mission is "to provide a reliable, efficient, trusted and affordable universal delivery service that connects people and helps businesses grow."

History of the USPS

The USPS was established on July 26, 1775, at the Second Continental Congress, with Benjamin Franklin being appointed the first postmaster general. During those times, most American colonists sent a majority of their mail to family, friends, or business partners in Britain, with very little mail actually being sent to and from other colonies. Over the course of the next 250 years, the USPS implemented a number of changes, including issuing postage stamps in 1847, free rural delivery in 1896, airmail service in 1918, a labor contract negotiated through collective bargaining for the first time in 1971, the launch of a website in 1994, and a free usps.com app offered in 2009.

Today, the USPS employs more than 700,000 postal workers who operate out of more than 40,000 post offices delivering billions of pieces of mail each year to over 144 million homes and businesses in the United States and its territories.

Priorities of Postal Reformers

Though the organization and structure of the USPS has changed a number of times throughout its history, the [1970 Postal Service Reorganization Act](#) and the [Postal Act of 2006](#) often receive the most attention for creating some of the problems the post office faces today. The 1970 law primarily addressed new financing authority granted to the Postmaster General, and changes to pay schedules and collective

Center Forward Basics

Center Forward brings together members of Congress, not-for-profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit www.center-forward.org

Key Facts

- Every two weeks, the Postal Service pays **\$1.9 billion** in salaries and benefits
- **47%** of the world's mail volume is handled by the Postal Service
- In 2017, the Postal Service processed and delivered **149.5 billion** mailpieces
- The Military Postal Service provides service in **60 countries**
 - There are **201** land-based and **147** onboard ship Post Offices
 - There are **818** military ZIP Codes around the world with more than **1.2** million military delivery points

bargaining. The 2006 bill made significant operational changes, providing flexibility as it relates to competitive pricing and making it easier for the USPS to respond to changing market conditions and customer needs. Following the passage of the 2006 legislation, there have been a number of efforts to reform the USPS.

Those parties who are interested in simple or major postal reforms all have set priorities. While sometimes they agree, other times they are miles apart. Several reform efforts are outlined below, but undoubtedly, some of the most-referenced reforms include:

- Shift postal worker health benefits into Medicare Part A & B instead of a separate Retiree Health Benefits Fund
- Address pricing modernization and possible rate increases
- Evaluate 5- versus 6-day delivery schedule

Postal Reform

Prior to leaving Congress, then-Representative Jason Chaffetz (R-UT) was one of the lead proponents of postal reform; determined to put a bill on the desk of the president. In 2016, Rep. Chaffetz was able to advance a bill out of the House Oversight Committee that would have integrated USPS' health benefits program with Medicare-eligible employees and targeted the financial struggles related to the pre-funding benefits mandate. This bill, however, was never given a vote on the floor of the House. In 2017, Rep. Chaffetz introduced the Postal Reform Act of 2017 (H.R. 756) with bipartisan support focusing on many of the same issues. His efforts earned the support of [The National Association of Letter Carriers](#) and other [major labor unions](#) representing postal workers who also had made postal reform a priority and were eager to work collaboratively with the Committee. This bill, however, also died when Chaffetz left Congress in the summer of 2017.

In June of 2018, Rep. Mark Meadows (R-NC) reintroduced nearly identical legislation to the Chaffetz bill with bipartisan support in the House. The Bill, [H.R. 6076](#), aims to improve the financial solvency and provide more flexibility in the governing structure of the USPS. H.R. 6076 was referred to the Committee on Oversight and Government Reform, the Committee on Energy and Commerce, and the Committee on Ways and Means, but has yet to be voted on in any of the committees. Little congressional opposition can be found to these bills since there wasn't much floor movement. However, the National Association of Retired Federal Employees (NARFE), an outside group dedicated to protecting and preserving the pay and benefits of all federal workers and retirees, opposes the bill because they argue it will negatively impact nearly 76,000 postal retirees and their survivors by changing the previously-agreed to bargain regarding their health benefits and leading to an increase in health insurance premiums of nearly \$1,600 a year.

Companion legislation was introduced in the Senate in March by Sen. Tom Carper (D-DE), also with bipartisan support. [S. 2629](#), known as The 2018 Postal Service Reform Act, was written to mirror the 2017 Chaffetz legislation knowing that both Democrats and Republicans had signed onto the Bill and outside postal stakeholders had signaled support. The Senators who introduced the bill placed heavy emphasis on the viability of the Postal Service in rural communities. Originally this legislation was expected to move quickly with support from Senate

- The Postal Service has **6,955** letter carriers who deliver mail entirely on foot
- The Postal Service employs more than **105,000** military veterans
 - USPS also has issued more than **140** stamps honoring the nation's military history
- The Postal Service is the core of the **\$1.4 trillion** U.S. mailing industry that employs more than **7.5 million** people
- For **50 cents**, anyone can send a letter, regardless of geographic location, to anywhere in the United States
- **6.3 million** people visit usps.com daily

USPS Five-Year Strategic Plan

USPS released a report titled "[Future Ready](#)" providing insight into the Postal Service's overall goals and objectives. You can view the report [HERE](#).

Leadership but has since stalled. It is interesting to note that the current postal reform legislation in the House and Senate is not only supported by the postal unions, but by the Postal Service and the business mailing community as well – a rare “trifecta” in the history of postal-service related legislative initiatives.

In June, The Trump Administration released a 32-point report titled "[Delivering Government Solutions in the 21st Century](#)" which outlined its proposals to reform the Postal Service. The proposal that garnered the most attention was the privatization of the USPS. This was a non-starter for many stakeholders involved in reform negotiations who argued that privatizing the USPS would lead to higher costs, slower delivery, and the end to universal delivery for every address in the country. It also complicated the legislative efforts that did not include privatization. Following the report, the President directed a task force to develop reforms that would stabilize the financial situation of the Postal Service and release a report by August. The August deadline has come and gone, and the task force has yet to indicate their recommendations.

Conclusion

Postal Reform is a rare example of bipartisanship producing real results. Though the White House plan differs fairly substantially from bills in Congress, members from both parties are moving in the same direction in both the House and Senate, though it is unlikely anything will be passed in the current session. Postal Reform is not a particularly flashy issue, but affects millions of jobs and workers across the country. Additionally, reform could save taxpayers millions if done in a way where all sides are at the table. Look for the issue to again be addressed following the November 2018 midterms.

Links to Other Resources

- Congress.Gov — H.R.6076 - Postal Reform Act of 2018
<https://www.congress.gov/bill/115th-congress/house-bill/6076/text>
- Forbes — The Post Office Does Have Problems -- But Not Because of Amazon
<https://www.forbes.com/sites/carrielukas/2018/01/05/the-post-office-does-have-problems-but-not-because-of-amazon/#3f4798b0a3ce>
- GovTrack — S. 2629: Postal Service Reform Act of 2018
<https://www.govtrack.us/congress/bills/115/s2629>
- History — U.S. postal system established
<https://www.history.com/this-day-in-history/u-s-postal-system-established>
- The Atlantic — Tech Has Saved the Postal Service for 200 Years—Today, It Won't
<https://www.theatlantic.com/technology/archive/2011/12/tech-has-saved-the-postal-service-for-200-years-today-it-wont/249946/>
- The White House — Delivering Government Solutions in the 21st Century
<https://www.whitehouse.gov/wp-content/uploads/2018/06/Government-Reform-and-Reorg-Plan.pdf>
- USPS — Future Ready
<http://about.usps.com/strategic-planning/five-year-strategic-plan-2017-2021.pdf>
- USPS — Postal Facts
<https://facts.usps.com/table-facts/#nav>
- USPS — Significant Dates
<https://about.usps.com/who-we-are/postal-history/significant-dates.htm>