

Postal Regulatory

Commission

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POSTAL REGULATORY COMMISSION STATEMENT

Washington, DC - The Postmaster General's statements about the Postal Regulatory Commission's role during the recent mismanagement of USPS are false. The Commission follows the law to ensure that USPS provides universal service to all Americans, including those in rural and remote locations, and also safeguards fair competition in package markets by preventing the Postal Service from abusing its monopoly position. The price cap the Postmaster General has complained about for years was established by law, not by the Commission. Once the Commission had the legal authority to change the price cap, the Commission gave USPS significantly more pricing freedom. Combined with the 2022 law passed by Congress, the Postal Service received over \$100 billion in financial assistance.

So far, the Delivering for America Plan (DFA) has wasted that help, losing more money for the Postal Service (a \$9.5 billion loss in FY 2024), making USPS less efficient, and collapsing service, especially for rural Americans. On April 1, USPS is planning to amplify that negative impact on rural areas by deliberately slowing mail to thousands of rural communities nationwide. The Postmaster General has also tried to ignore USPS' traditional role in mail delivery while expanding the role of the government in the competitive package market, a strategy which has failed miserably to this point. DFA's failures have received bipartisan scorn and are documented at www.prc.gov. DFA needs transparency and accountability.

The Commission has done more than its part to help USPS. In addition to pricing flexibility, the Commission, as required by law, has approved thousands of specialized contracts between USPS and customers in recent years. The Commission approved these negotiated service agreements rapidly, while working to make sure USPS does not compete unfairly with private sector shipping competitors. The Commission has done this work along with its other statutory responsibilities with fewer than 100 staff members.

As the Commission stated in its Advisory <u>Opinion</u> on USPS' latest service standard reductions, it agrees that changes are needed at USPS. We stand ready to work with Congress to ensure the long-term stability of the postal system.

The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five presidentially appointed and Senate-confirmed Commissioners, each serving terms of six years. The President designates the Chairman. In addition to Chairman Michael Kubayanda, the other commissioners are Vice Chairman Robert Taub, and Commissioners Tom Day, Ann Fisher, and Ashley Poling. Follow the PRC on Twitter: @PostalRegulator and LinkedIn.