



Testimony of

The Honorable Ashley E. Poling, Commissioner

Postal Regulatory Commission

Before the

U.S. House of Representatives

Committee on Oversight and Government Reform,

Subcommittee on Government Operations

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Chairman Sessions, Ranking Member Mfume, and distinguished subcommittee members. Thank you for taking the time to hear from the Commission on this critically important issue, the future of the United States Postal Service and the role of the Postal Regulatory Commission.

First, I would like to echo the statement of the Vice Chairman and state for the record that I appreciate his strong and steady leadership during these rapidly changing times in the postal community. He did an excellent job of describing the scope of the challenges lying before the Postal Service, Congress, and the entire postal industry.

As the Vice Chairman's testimony makes perfectly clear, the situation facing the Postal Service is a 5-alarm fire. Volume of traditional mail continues to decline, a result of both ongoing electronic diversion and an acceleration due in-part to the Postal Service's aggressive pricing strategy.

And service quality continues to suffer as the leadership of the Postal Service has decided to slow service standards for several mail products over the last 5 years, including twice for the flagship First-Class Mail product, while also lowering its service performance targets. What this means is simple, the American people are paying more while fewer mail pieces are being delivered in the expected time frame.

In the Commission's most recent Advisory Opinion that was issued when the Postal Service further extended service standards by 1 day for First-Class Mail coming from most of the rural areas and small towns in this country, known as the Regional Transportation Optimization initiative, the Commission said something that I strongly agree with, specifically, "The Commission agrees that changes are needed to ensure the stability of the Postal Service. However, these changes must not come at the expense of the Postal Service's core mission: providing prompt, reliable, and efficient mail service to all Americans – regardless of where they live." ¹

¹ "ADVISORY OPINION ON THE OPERATIONAL AND SERVICE STANDARD CHANGES RELATED TO THE DELIVERING FOR AMERICA PLAN," N2024-1, pp. 9-10, <https://prc.arkcase.com/api/prc-dockets/filing/downloadFile?fileId=236113&inline=true>.

This dual problem of increasing prices and worsening service quality threatens to speed the irrelevancy of core mail products already facing a consistent decline.

High quality service doesn't just benefit the mailing public, but it also benefits the Postal Service by keeping its customers happy and underpinning the value that communication by mail continues to provide, whether for conducting financial transactions, receiving hyper-local community news, voting by mail, or sharing life's most important moments like weddings and holiday greetings.

And it is important to remember that the Postal Service is first and foremost "a basic and fundamental service provided to the people by the Government of the United States," as stated in the opening line of section 101 of Title 39.²

As volume continues to shrink, regulatory oversight becomes more important, not less. When the Postal Accountability and Enhancement Act (PAEA) was passed in 2006, Congress recognized that the ability of a government monopoly to retain earnings along with the imposition of a price cap created an inherent incentive for the Postal Service to cut back on its service to the American people in an effort to cut costs. As a result, Congress gave the Postal Regulatory Commission enhanced authority to provide public transparency into the Postal Service's service quality and explicitly identified "maintain[ing] high quality service standards" as one of nine objectives of the market dominant ratemaking system.³

Despite these expanded powers, Congress's expectations proved correct. Since the passage of the PAEA, the Postal Service has reduced service standards for First-Class Mail three times, twice in the last five years.⁴ And actual on-time delivery performance has continued to decline, especially for single-piece mail that uses the entire postal network, even at these reduced service standards.

According to the Postal Service's Annual Compliance Report filed with the Commission each year, prior to the COVID-19 pandemic in FY 2019, Single-Piece First-Class Mail letters and cards were delivered in the contiguous United States within the 3-

²[39 U.S.C. 101\(a\)](#).

³ [39 U.S.C. 3622\(b\)](#).

⁴ See PRC Dockets [N2012-1](#), [N2021-1](#), and [N2024-1](#).

day service standard 81 percent of the time.⁵ Last year, during FY 2025, the Postal Service delivered the same mail within a 5-day service standard 73 percent of the time.⁶

As declining mail volumes and an increasing number of delivery points continue to reduce the returns to scale in the postal network, the incentive to underperform service expectations can be expected to increase. It is likely time for Congress to consider authorizing additional oversight of the Postal Service to ensure it meets its statutory obligations to the American people, especially if those obligations are spelled out in an explicit Universal Service Obligation (USO).

With that in mind, I would like to focus the remainder of my remarks not on what aspects of the Postal Service's broken business model Congress should address but on *why* addressing the sustainability of the Postal Service is so critically important, even in a world dominated by electronic communication.

Especially for rural America, the Postal Service continues to fulfill an important role, not just as a communication channel, but as a lifeline for rural residents ordering pharmaceuticals and other necessary medical items and an economic engine for local small businesses reaching their customers. And sometimes, the term "lifeline" becomes more literal than most people realize. Every year, there are numerous stories of letter carriers saving the lives of elderly residents throughout this country simply by showing up at their doors every day and noticing that they haven't collected their mail.⁷

I started my career in postal issues working for several Senators that represented states with large rural and remote populations including Montana, North Dakota, and Michigan. I saw firsthand the impact of missed daily mail deliveries and how a Post Office can serve as the beating heart of a rural community, especially when banks, pharmacies, general stores, and other local businesses have long shuttered their doors.

⁵ PRC Annual Compliance Determination Report: Fiscal Year 2019, Docket No. ACR2019, p. 116, <https://prc.arkcase.com/api/prc-dockets/filing/downloadFile?fileId=92023&inline=true>.

⁶ PRC Annual Compliance Determination Report: Fiscal Year 2025, Docket No. ACR2025, p. 73, prc.arkcase.com/api/prc-dockets/filing/downloadFile?fileId=252460&inline=true.

⁷ Anna Young, "Grateful Illinois man invites postal worker who saved his life to Thanksgiving dinner: 'Beautiful things can happen,'" *New York Post*, November 27, 2024, <https://nypost.com/2024/11/27/us-news/grateful-illinois-man-invites-postal-worker-who-saved-his-life-to-thanksgiving-dinner/>.

And in many areas of this country, the Postal Service is the most visible daily interaction that people have with their federal government. In this way alone, it continues to bind our nation together.

According to the U.S. Census Bureau, about 20 percent of the American population, or about 66 million people, live in rural parts of this country and the number of people living in these areas continues to grow.⁸

Service to rural America is already a substantial part of the cost of universal service calculated each year by the Commission, published in our annual report to Congress, and includes maintaining small Post Offices, serving rural areas in non-contiguous states and territories, and P.O. Boxes for rural residents. The Commission estimates that these costs have grown by approximately 32 percent in the last 5 years, the fastest rate of growth of any of the components of USO costs estimated by the Commission.⁹

As the Postal Service faces more competition in the package market, especially those in high-density urban areas, there is an increased risk that it will be left with much of the highest cost mail and packages destined for rural addresses.

And while it is unlikely that we will ever return to the halcyon days of mail use in this country, I do think it is worth noting that mail continues to provide value to the American people. Even members of Gen Z, those between the ages of 13 and 28, have found interesting uses for traditional mail. A recent CNBC article profiled several young entrepreneurs that have established businesses using physical letter mail to deliver subscriptions of art, poetry, and long-form entertainment reviews to paying customers.¹⁰ This use of the mail, while small in scale, highlights the unique advantages that mail

⁸ Anthony F. Pipa and Zoe Swarzenski, "What everyone should know about rural America ahead of the 2024 election," Brookings Institution, <https://www.brookings.edu/articles/what-everyone-should-know-about-rural-america-ahead-of-the-2024-election/>.

⁹ PRC Annual Report to Congress FY 2025, pp. 30 – 42, <https://www.prc.gov/sites/default/files/reports/AnnualRpt25.pdf>.

¹⁰ Megan Sauer, "Gen Zers are making thousands of dollars a month running snail-mail subscription clubs: I don't think about expenses 'paycheck to paycheck anymore,'" CNBC, <https://www.cnbc.com/2026/04/30/gen-z-snail-mail-subscription-clubs-making-thousands-per-month.html>.

brings as a physical communication medium in a world inundated with ephemeral digital messages.

As Congress works to clearly define the scope of the USO, it is important to remember that the Postal Service has a number of resources that can be utilized for the benefit of the American people. A nationwide delivery network serving every community from New York City to Nome, Alaska. A physical presence in almost every community in this country with over 30,000 post offices and almost 163,000 delivery vehicles making daily rounds to every address.¹¹ And a large workforce of highly trusted, dedicated public servants. Each of these assets could be leveraged to provide value-added services to the American people.

To see the benefit of this infrastructure, we need look back no further than 2020, six years ago, when COVID-19 spread throughout the country. Postal employees served on the front lines as essential workers, delivering medications, personal protective equipment, and all the personal items people could no longer buy in a physical store, risking their health, and sometimes their lives, to serve the American people.

And a partnership with the Department of Health and Human Services made excellent use of the Postal Service's physical infrastructure and nationwide delivery network to fulfill orders and deliver COVID Test Kits to any American that wanted one.

In FY 2025 alone, non-postal products authorized by Congress as a part of either the PAEA or the Postal Service Reform Act of 2022 brought in a total of nearly \$600 million in revenue and \$390 million in contribution to institutional costs, resulting in an overall cost coverage of 293 percent.¹² While there are a number of prominent examples of the Postal Service partnering with federal agencies, generating revenue and positive contribution to institutional costs, a recent USPS Office of Inspector

¹¹ See Postal Facts, <https://facts.usps.com/>.

¹² PRC Annual Compliance Determination Report: Fiscal Year 2025, Docket No. ACR2025, pp. 67-69, prc.arkcase.com/api/prc-dockets/filing/downloadFile?fileId=252460&inline=true.

General report notes that the Postal Service has barely begun to scratch the surface on its authority to provide products and services to state, local, and tribal governments.¹³

So even in recent times we have seen the essential role and positive benefits that a physical, nationwide delivery network can have for the people in this country, and it is also important to recognize that in a country this large, such a network cannot be allowed to wither and then be reconstituted overnight. So a critical question for Congress as it approaches the issue of Universal Service is not only where and when it wants the Postal Service to deliver to the American public, but also what it wants them to deliver.

There is hope for the future of the U.S. Postal Service, but I must concur with my colleagues that Congressional intervention to address the root causes of the Postal Service's problems is a prerequisite to meaningful reform.

So what do you do when a fire threatens to rage out of control? It is my belief that now is the time for everyone to grab a bucket and work together to secure the future of a Postal Service that provides high quality, universal service to all parts of this country. Since its regulatory authority was expanded under the PAEA, the Commission has served a critical role as a neutral expert in postal law and economics and as a truth-teller, ensuring the transparency and accountability of the Postal Service to Congress and the American people. And the Commission stands ready to assist in any way we can to help preserve this 250-year-old national treasure.

Thank you again for convening this very important hearing.

¹³ USPS Office of Inspector General, "Expanding Access to Government Services through the Postal Network," <https://www.uspsoig.gov/sites/default/files/reports/2026-05/risc-wp-26-001.pdf>.