

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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May 23, 2024

Mr. Michael M. Kubayanda, Chairman  
Mr. Thomas G. Day, Vice Chairman  
Ms. Ann C. Fisher, Commissioner  
Ms. Ashley E. Poling, Commissioner  
Mr. Robert G. Taub, Commissioner  
Postal Regulatory Commission  
901 New York Avenue N.W., Suite 200  
Washington, D.C. 20268

Dear members of the Postal Regulatory Commission:

Pursuant to Order No. 7032, we, the undersigned Members of Congress, submit these comments on the advance notice of proposed rulemaking on the statutory review of the system for regulating rates and classes for market dominant products. We appreciate the opportunity to provide comments on this rulemaking, as its implementation is of critical importance to the millions of citizens who utilize the United States Postal Service's (Postal Service) products every day.

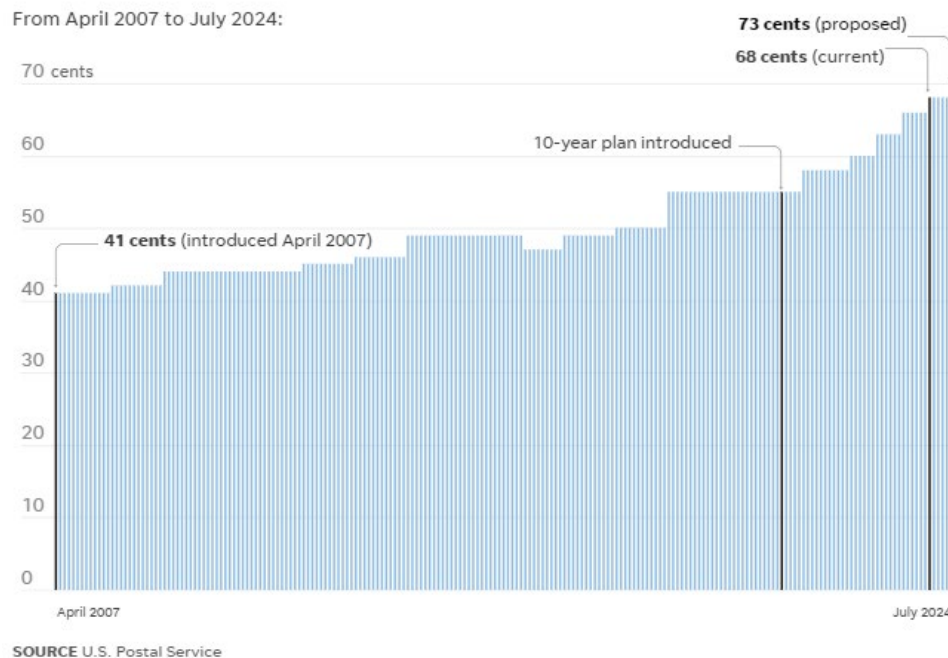
On Tuesday, April 9, 2024, the Postal Service filed notice of proposed price hikes pending approval by the Postal Regulatory Commission (the Commission). The proposal is to increase first-class Forever stamp prices from 68 cents to 73 cents. This marks the sixth time since March 2021 that the Postal Service has increased postage rates.<sup>1</sup> This rate hike, if implemented, comes at a time when postal delivery performance and mail and package volumes are experiencing historic lows. We believe that this trajectory is setting the Postal Service on a course that threatens its future as an effective, efficient, and vital American institution.

The graph below, developed from data supplied by the Postal Service, demonstrates the increasingly steep rise in first-class postage rates. In particular, we note that the increase becomes more severe following the start of Postmaster General DeJoy's ten-year "Delivering for

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<sup>1</sup> *First-Class Forever Stamps Will Cost 73 Cents Under Postal Service's Proposed Rate Hike*, USA Today (Apr. 14, 2024) (online at [www.usatoday.com/story/graphics/2024/04/14/usps-postage-rate-2024-increases-forever-stamp/73272176007/](https://www.usatoday.com/story/graphics/2024/04/14/usps-postage-rate-2024-increases-forever-stamp/73272176007/)).

America” plan.<sup>2</sup> The mail that most individuals are likely to send is currently meeting its performance standard 81% of the time. The Postal Service’s own target is 92%.<sup>3</sup>



The trend of increasing postal prices multiple times per year, along with the decline in postal delivery performance that followed the implementation of Delivering for America plan, are clearly at odds with the statutory objectives and factors for regulating the mail, as established in 39 U.S.C. § 3622(b) and 39 U.S.C. § 3622(c), respectively.

Among the statutory objectives are requirements to “maintain high quality service standards” and “establish and maintain a just and reasonable schedule for rates and classifications.” The statutory factors the Postal Service must consider include “the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters.”<sup>4</sup>

The Commission’s research has shown that the Postal Service’s performance has failed to meet its targets. In 2023, the Commission found that more than half of all market dominant products failed to meet their targets in fiscal year (FY) 2023. The Commission notes that it directed the Postal Service to “take corrective action” to improve performance and that the

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<sup>2</sup> *Id.*, Figure 1.

<sup>3</sup> Senate Committee on Homeland Security and Governmental Affairs, Testimony of Chairman Michael Kubayanda, Postal Regulatory Commission, *Hearing on Oversight of the United States Postal Service* (Apr. 16, 2024) (online at [www.hsgac.senate.gov/hearings/oversight-of-the-united-states-postal-service/](http://www.hsgac.senate.gov/hearings/oversight-of-the-united-states-postal-service/)).

<sup>4</sup> 39 U.S.C. § 3622.

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Commission developed directives designed to “elicit information and data from the Postal Service regarding service performance” and how the Postal Service plans to restore that service in FY 2024.<sup>5</sup>

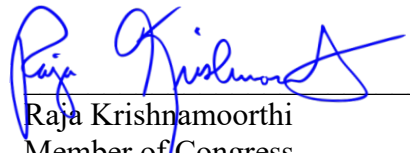
Additionally, the Postal Service’s total mail volume has continued to decline steadily since Postmaster General DeJoy first took office in 2020. This decline includes volume losses in the First-Class Mail, the First-Class Single Piece Mail, and even the shipping and package categories. In 2020, total mail volume was at 129.17 billion units, but by 2023 that number fell to 116.15 billion units, resulting in a 10% drop in mail volume.<sup>6</sup> Mail volume is directly correlated to the economic health of the Postal Service. We know this because, in the midst of these significant and continuous declines, the Postal Service reported a \$6.5 billion net loss for FY 2023, and it is expected to see a similar loss for FY 2024.<sup>7</sup> We are concerned with the extent to which the pace of these postage price changes may contribute to volume declines in excess of earlier projections on total mail volume.

It is imperative that the Postal Service meet its service delivery standards, curb excessive mail volume declines, and prevent the Postal Service from entering unrecoverable financial peril, or else put at risk the livelihood of the millions of Americans who rely on the Postal Service for their medication, social security checks, mail-in ballots, and veterans’ benefits. We request that you consider these issues seriously as you review the system for regulating rates and classes for market dominant products.

Thank you for your attention to this request.

Sincerely,

  
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Jamie Raskin  
Ranking Member

  
\_\_\_\_\_  
Raja Krishnamoorthi  
Member of Congress

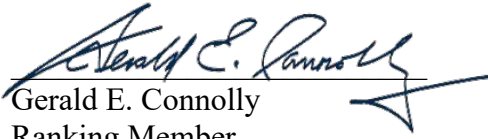
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<sup>5</sup> Postal Regulatory Commission, *Press Release: PRC Issues Report Evaluating USPS Service Levels and Rates: Emphasizes Data with Two New Dashboards* (Mar. 29, 2024) (online at <https://prc.gov/press-releases/prc-issues-report-evaluating-usps-service-levels-and-rates-emphasizes-data-two-new>).

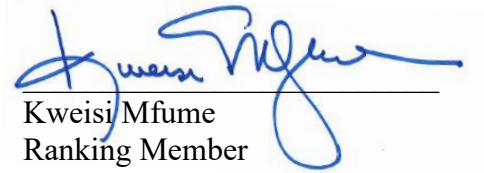
<sup>6</sup> U.S. Postal Service, *A Decade of Facts and Figures* (online at <https://facts.usps.com/table-facts/>) (accessed May 15, 2024).

<sup>7</sup> *DeJoy Says USPS “Winning New Customers” Amid Increased Package Volume*, Federal News Networks (Jan. 12, 2024) (online at <https://federalnewsnetwork.com/agency-oversight/2024/01/dejoy-says-usps-winning-new-customers-amid-increased-package-volume/>).

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Gerald E. Connolly  
Ranking Member  
Subcommittee on Cybersecurity,  
Information Technology, and  
Government Innovation



Kweisi Mfume  
Ranking Member  
Subcommittee on Government  
Operations and the Federal  
Workforce

cc: The Honorable James Comer, Chairman

The Honorable Nancy Mace, Chairwoman  
Subcommittee on Cybersecurity, Information Technology, and Government Innovation

The Honorable Pete Sessions, Chairman  
Subcommittee on Government Operations and the Federal Workforce