

Senators Carper, Moran, Heitkamp & McCaskill Introduce Bipartisan Bill to Stabilize & Improve Postal Service

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WASHINGTON – Today, U.S. Senators Tom Carper (D-Del.), Jerry Moran (R-KS), Heidi Heitkamp (D-ND), and Claire McCaskill (D-MO) introduced The Postal Service Reform Act of 2018: Improving Postal Operations, Service, and Transparency to stabilize, preserve and improve the Postal Service – an essential part of our nation’s infrastructure and economy.

The financial condition of the Postal Service, which operates at the center of a \$1.4 trillion industry and employs more than 7 million people, has been deteriorating for years. Despite the Postal Service setting a record on Dec. 18, 2017, when more than 37 million packages were delivered, the most packages delivered in a single day in their over 200-year history, the Postal Service saw a net loss for the first quarter totaling \$540 million. In addition to reporting net losses for the 11th year in a row and defaulting on their legally mandated multi-billion-dollar retiree health prefunding payments yet again, the Postal Service also, for the first time, missed payments they owe to the federal retirement system in 2017 - for a combined total of \$6.9 billion. For years now, the onerous prefunding schedule for future retiree healthcare obligations has put the Postal Service in a place where it must cut costs - often at the price of service - and ultimately prevents them from investing in the infrastructure they so desperately need. While the situation is one that is dire, it is also one that can be fixed through needed legislative reforms.

The Postal Service Reform Act of 2018 includes a comprehensive package of reforms that would put the Postal Service on firm financial footing, stabilize and improve service performance, allow for the development of new products and services, and enhance transparency.

“Nearly two and a half centuries after its founding, the Postal Service remains an important part of our everyday lives and plays a vital role in our economy,” **said Senator Carper**. “But it continues to lose money at a record pace. Our economy still depends on a healthy and robust Postal Service. It’s our duty in Congress to pave a fiscally sustainable path that will enable this American institution to thrive”

“The U.S. Postal Service has a significant history in Kansas – dating back to the Pony Express – and it continues to play a vital role in the American economy, especially in Kansas’ rural communities,” **said Senator Moran**. “Rural America depends on a reliable Postal Service. USPS’s deteriorating financial condition threatens its future and the well-being of the communities it serves. In order to provide certainty for rural America and protect taxpayers, Congress must act to put the Postal Service on a more sustainable path. This bipartisan legislation would provide some much needed stability, preserving and improving mail services across Kansas and the country.”

“There is no substitute for the Postal Service in rural America,” **said Senator Heitkamp**. “From receiving daily newspapers and prescriptions, to shipping products around the nation, families and businesses across the country rely on getting their mail on time in an accessible, affordable manner. Congress needs to act now to stabilize the Postal Service and give it the tools it needs to thrive – otherwise it will go insolvent, taking this critical service away from rural communities that need it. Across North Dakota, I’ve heard about problems with mail delivery and service and I’ve pushed for changes from the Postal Service through my Fix My Mail initiative. Now, our bipartisan, comprehensive bill would reform the Postal Service, put it on firmer financial footing, and help improve mail delivery and service in rural communities. Far too often, rural America gets the short end of the stick, and Congress needs to step up and pass our bill so the Postal Service can fully function and remain the great equalizer that enables Americans no matter where they live to get reliable, affordable mail delivery.”

“Post office access and efficient service are issues that families and businesses in rural Missouri care about, and we’ve got to do what it takes

to ensure the service they've relied on for generations stays intact," **said Senator McCaskill**. "This is an issue where we can and should continue to work together across the aisle and I'm committed to doing exactly that."

Stakeholders in the industry also support the bill:

"It is vital that Congress act promptly to pass legislation that will ensure affordable, reliable mail service six days a week," said **Don Hall, CEO of Hallmark Cards, Inc.** "I applaud the leadership of Senators Carper, Moran, Heitkamp and McCaskill in crafting legislation to achieve that goal and respond to the concerns of leaders in the House of Representatives."

"The **Association of Magazine Media** commends Senators Carper, Moran, Heitkamp, and McCaskill for their leadership," said **Linda Thomas Brooks, president and CEO**. "The introduction of this bill is an important first step toward securing the future of the American postal system and the many industries that rely on it to do business – including our own."

"The very broad business mailing community represented by the **Coalition for a 21st Century Postal Service** endorses the Postal Reform Act of 2018 and appreciates the hard work by the bipartisan sponsors to get to this point. The extreme financial challenges overhanging the Postal Service have been evident and building for a number of years, with a day of real reckoning coming later this year. The industry and other stakeholders have sought help only Congress can give throughout this time to no avail. Now is the time for Congress to act before it must bail out the system with taxpayer dollars or radically shrink it."

"The United Postmasters and Managers of America (UPMA) applauds the efforts of Senators Carper, Moran, Heitkamp and McCaskill in introducing bipartisan legislation to further the goal of providing financial relief to the U.S Postal Service, helping safeguard a universal postal system, and encouraging innovation," said **UPMA co-presidents Tony Leonardi and Sean Acord**. "UPMA looks forward to continue working with these Senators and other members of Congress to sustain the U.S. Postal Service, a proven national treasure."

"NNA supports the hard work these bill sponsors have done to ensure a reliable and affordable mail service," said **Susan Rowell, publisher of the**

Lancaster (SC) News, and president of the National Newspaper Association. “Congress has lingered far too long over the needed corrections in postal policy, and as a result the continuation of this service is ever more seriously at risk. Our elected officials know the Postal Service must have a better set of laws for its operation, and they ignore this need at the peril of all of us who rely upon the mail. We strongly urge the Senate to take up this bill and give this proposal, which has bipartisan support, an opportunity to pass this year.”

For the last several sessions of Congress, Senator Carper, Senator Heitkamp, Senator Moran, and Senator McCaskill have held numerous briefings, roundtables, and meetings with members on both sides of the aisle and postal stakeholders to assess the hurdles facing the Postal Service, identify the tools the Postal Service needs to innovate and thrive in the 21st century, and find a way forward on postal reform.

Specifically, the bill:

Increases Sustainability

The Postal Service Reform Act eliminates the existing statutory payment schedule, cancels any outstanding payments, and amortizes payments over 40 years. The bill would also create a new Postal Service Health Benefits Program (PSHBP) within FEHBP, implemented and administered by OPM, for all postal employees and annuitants and require all Medicare-eligible postal annuitants and employees enrolled in the PSHBP to also enroll in Medicare, including parts A, B and D. This is essential for protecting the American taxpayer from a future bailout and for protecting the employees’ benefits in retirement.

Improves and Stabilizes Postal Service and Operations

The price of postage is decreased pursuant to federal court orders last Congress, eliminating the positive revenue stream from the exigent rate case in 2014. As the result of a compromise among the postal community, the bill restores the half of the temporary rate increase while freezing any further rate increases until a new rate system can be finalized by the Postal Regulatory Commission.

Prioritizes the Postal Customer with Service Improvements & Protections

The bill includes strong service reforms that put the postal customer first by improving mail service performance across the country—especially in rural America—while also requiring transparency and enforcement to ensure the Postal Service’s accountability. Service performance would also be stabilized by preserving current service standards for at least 2-years.

Innovates and Modernizes Existing Postal Business Model and Increases Transparency

The bill also allows the Postal Service to introduce new non-postal products and services, ship beer, wine and distilled spirits, and partner with state and local governments in offering government services.

The Postal Service Reform Act also increases transparency of Postal Service delivery results and would require that all delivery and retail performance results are posted in a transparent and user-friendly way.

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