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Transportation Companies Dominate 2018 List of Top U.S. Postal Service Suppliers

All told, USPS spent nearly \$16 billion on outside purchases, about \$900 million more than the year before. Not surprisingly for an agency whose lifeblood is moving the mail, six of the top ten USPS contractors provide transportation services or equipment.

The Top 150 list has been compiled annually since 1999 by David Hendel, a partner in the firm's Technology, Manufacturing, and Transportation group, and leader of the firm's Postal Service Contracting team. The list is based on data received in response to Freedom of Information Act requests and consolidates entries for affiliated companies.

The Postal Service spent \$15.9 billion on all outside purchases in FY 2018, of which \$9.8 billion went to the agency's Top 150 suppliers. The Top 150 received \$540 million more than last year's Top 150 group, and \$1.5 billion more than those in FY 2016.

The top 10 USPS suppliers earned \$4.2 billion, which is one quarter of the Postal Service's total spend and \$700 million more than last year's Top 10. The Top 10 suppliers also earned \$3 billion more than the next ten largest suppliers.

As it has since 2002, Federal Express Corporation flew again to the top of the list as the Postal Service's largest supplier. FedEx increased its USPS revenues by \$400 million, jetting to the \$2 billion mark for the first time and landing a new record for single-year supplier revenue. FedEx carries package and letter mail for the Postal Service. FedEx's contract air cargo network contract with the Postal Service continues or another five years, ending on September 29, 2024.

As a whole, air transportation suppliers increased their USPS revenue in 2018 from 2017's totals. United Parcel Service had \$206 million in revenue in FY 2018, which

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ups its total from last year by \$34 million and raises its ranking five notches from no. 10 to no. 5. Similarly, United Airlines revenue increased by \$3 million; Delta Airlines increased by \$11 million; American Airlines increased by \$6 million; and cargo carrier Kalitta Air by \$19 million. These across-the-board increases suggest that the Postal Service is moving more mail volume by air than before or paying more to do so.

Mail haulers Hoovestol Inc., and its affiliated company Eagle Express Lines, again took second place with \$480 million in revenue, freighting an additional \$28 million from last year. We no longer consolidate entries from three separate companies held by parent Salmon Companies Inc., so the next largest ground carrier is Postal Fleet Services Inc. with \$161 million in revenue. Wheeler Bros., Inc., which provides automotive parts for the Postal Service's aging fleet, had \$171 million in revenue to latch down the no. 8 spot.

FCA US, LLC (formerly Chrysler Group LLC) accelerated from no. 22 to no. 6 with \$178 million in revenue. FCA is supplying the Postal Service with roughly 19,000 commercially available ProMaster vans from Fiat Chrysler Automobiles.

Technology companies also figured prominently in the Top 10 for FY 2018. EnergyUnited Electric Membership Corporation, which provides telecommunication and energy billing services, was again ranked third, this time with \$429 million in revenue, an increase of \$27 million over last year. HP Enterprise Services, LLC, a provider of computer equipment, was still no. 7, but with \$21 million less revenue than the year before.

Northrop Grumman Corporation/Solystic SAS ranked no. 9 with \$169 million in revenue. Accenture Federal Services saw a revenue decline of \$39 million to \$165 million, making it the no. 11 supplier.

The only company in the Top 10 not providing technology or transportation-related items is packaging products supplier Victory Packaging. Victory, ranked fourth this year, wrapped up \$220 million in revenue, almost exactly the same amount as the last two years.

2018 TOP 10 USPS SUPPLIERS

Rank	Company	FY18 Revenues (\$)	Billing Location
1	Federal Express Corporation*	2,001,154,548.78	Pasadena, CA
2	Eagle Express Lines, Inc. / Hoovestol Inc.*	480,806,282.38	South Holland, IL
3	EnergyUnited Electric Membership Corporation*	429,307,400.89	Statesville, NC
4	Victory Packaging	220,139,733.80	Houston, TX
5	United Parcel Service of America, Inc*	205,556,407.98	Louisville, KY

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	(UPS)		
6	FCA US, LLC (Formerly: Chrysler Group LLC)	178,607,251.00	Auburn Hills, MI
7	HP Enterprise Services, LLC*	177,293,718.97	Plano, TX
8	Wheeler Bros., Inc.	171,581,828.95	Somerset, PA
9	Northrop Grumman Corporation /Solystic SAS*	169,690,459.91	Merrifield, VA
10	United Airlines, Inc.*	167,470,951.91	Pasadena, CA

**Denotes consolidated entry*

Entries for companies believed to be affiliated or have common ownership were consolidated under the company with the highest individual ranking or best known name. City/state designations are based on the information in USPS payment records and may not be the contractor's primary location. The data covers payments made by the Postal Service in FY 2018 (October 1, 2017 - September 30, 2018). As in past years, purchases made under credit cards (including U.S. Bank and Voyager card fuel purchases) are not included in this list.