



Policy Brief – Postal Reform

Congress should pass financial modernization legislation to ensure the future viability of the US Postal Service and the mailing economy.

Background

The Postal Service is the hub of a diverse mailing industry critical to the economy and the growing e-commerce sector so important to our economic recovery. The combined industry and its suppliers in paper, printing and technology, comprising hundreds of large companies and thousands of small businesses, employs 7.5 million Americans and generates \$1.4 trillion in sales revenue. That is 4.6 percent of total U.S. output. Yet, the Postal Service teeters on the financial brink, threatening many of those jobs and the industry's economic output.

Industry Position

Mailers of every kind and every size, and their suppliers, broadly represented by the Coalition for a 21st Century Postal Service (C21), with collective sales at \$1.4 trillion annually and some 7.5 million jobs located in every state and all congressional districts, find this bill's approach both sensible and constructive. The Postal Service receives no taxpayer funds; it is supported entirely by the purchase of postage and fees for services. H.R. 756 will assure that does not change. H.R. 756's core financial provisions require the integration of postal retirees into Medicare, and a one-time increase in postal rates of 2.15 percent. These two provisions will assure the elimination of virtually confiscatory multi-billion-dollar annual payments by USPS to prefund postal retirees' health costs, while fully continuing retiree health care. By itself, this step will relieve a huge portion of the liabilities imperiling postal solvency and prevent a potential taxpayer bailout.

115^h Congress & White House

The Postal Service Reform Act (H.R. 756) passed the House Committee on Oversight and Government Reform by voice vote on May 16. Two additional committees: House Ways & Means and Energy & Commerce retain jurisdiction over titles of the bill. The Congressional Budget Office recently scored the bill as creating \$6.3 billion in savings to the unified budget. **Industry urges committee leadership to speed approval of H.R. 756 so that the full House can vote on this bipartisan-supported bill. Industry also urges the Senate to prioritize passage of legislation to address financial modernization of the USPS.**

HOSTED BY:

