**Postal Service Reform Act**

**Urgent Need for Reform:** The Postal Service is a critical service for every American, including seniors, veterans, small business owners, rural residents, and others who count on reliable mail delivery. This bipartisan bill would set the United States Postal Service on a more sustainable financial footing and support the goal of providing long-term reliable service across the country. The Postal Service incurred its fifteenth consecutive annual net loss in 2021. The Postal Service funds the universal mail service it provides to 163 million delivery points through the sale of postage. It adds more than one million new delivery points every year, even as mail volume continues to decline. This means it must deliver less and less mail to more and more places. In addition, several congressional mandates imposed when mail volume was at its peak, including the prefunding mandate, put the Postal Service on the road to insolvency. This bill provides key bipartisan financial reforms, strengthens Postal Service transparency and accountability, and helps ensure the Postal Service can better serve the American people.

**Key Reforms in the Postal Service Reform Act**

* **Medicare Integration:** The Postal Service Reform Act would require future Postal Service retirees, who have been paying into Medicare their entire careers, to enroll in Medicare. Currently, roughly a quarter of postal retirees do not enroll in Medicare even though they are eligible. This means the Postal Service is stuck paying far higher premiums than any other public or private sector employer. By more closely integrating Medicare, the Postal Service estimates it could save approximately $22.7 billion over 10 years.
* **Eliminating the Burdensome Prefunding Requirement:** The Postal Service Reform Act would eliminate the onerous prefunding requirement for retiree healthcare imposed in 2006 that has hurt the Postal Service financially and added billions in liabilities to the Postal Service’s balance sheet. No private company has faced such an aggressive requirement, which mandated the Postal Service set aside billions of dollars annually to cover future retiree health benefits for current employees, no matter their age, contributing to 15 years of losses. The Postal Service estimates this provision would drastically reduce its prefunding liability and allow it to save roughly $27 billion over 10 years.
* **Service Performance Transparency:** The Postal Service Reform Act would require the Postal Service to develop a public-facing, online dashboard with national and local level service performance data updated each week to provide additional transparency and promote compliance with on-time delivery of mail.
* **Six-Day Delivery:** The Postal Service Reform Act would permanently require the Postal Service to maintain its standard of delivering at least six days a week.
* **Non-Postal Services:** The Postal Service Reform Act would allow the Postal Service to partner with State, local, and tribal governments to offer non-postal services (for non-commercial purposes) that provide enhanced value to the public, as long as they do not detract from core postal services and provided the agreements cover their costs.

**Additional Provisions included in the Postal Service Reform Act**

In addition to the provisions listed above, the bill includes the following provisions to improve the effectiveness of the Postal Service:

* Regular reporting to Congress on Postal Service operations and financial performance to enable accountability of stated cost savings, revenue, and infrastructure investment goals;
* A Postal Regulatory Commission (PRC) review of cost attribution guidelines to ensure cost and pricing accuracy;
* A study on operational inefficiencies in the Postal Service’s handling of flats such as catalogs and magazines;
* Adjustments to the considerations the Postal Service must make when deciding which mode of transportation to use to deliver mail in order to ensure consistency and reliability;
* The expansion of special rates for local newspaper distribution to promote local news organizations;
* Increased funding control for the PRC to support its mission of regulating the Postal Service;
* The consolidation of the PRC’s small Inspector General Office into the more robust Postal Service Office of Inspector General.