

Congress Must Pursue Sensible Financial Policy and Protect the Nation's Public U.S. Postal Service

This year marks the 250th anniversary of the nation's Post Office. Over time, it has undergone significant change and has transformed into an essential part of this nation's economic infrastructure. Today, the United States Postal Service (USPS) continues to evolve to meet the challenges of America's diverse delivery needs, with letter carriers now delivering more parcels and packages than ever before. As the needs of Americans and the letter carriers who deliver to them evolve, the infrastructure that supports these efforts requires the same substantial change.

In 2021, then-Postmaster General Louis DeJoy unveiled the Delivering for America plan – a 10-year modernization roadmap for the Postal Service to achieve financial sustainability and service excellence. The plan provides for long overdue network modernization that will allow USPS to remain competitive and continue providing the essential service Americans count on. However, the plan must not reduce the quality of service in favor of cost savings, especially when there are other, more sensible changes that can bolster the agency's financial condition.

In order to improve the quality of mail delivery and better support the letter carriers who deliver to every ZIP code in the country, transportation labor urges Congress to review and adjust the Postal Service's financial investments; stave off threats of privatization; and address important workplace hazards.

Postal Service Finances

Three years ago, Congress passed the historic bipartisan Postal Service Reform Act. This bill was a significant first step toward improving USPS's finances. The law repealed the burdensome pre funding mandate that had saddled the agency for over a decade at a price of \$5 billion annually, costing the agency tens of billions of dollars between 2007 and 2022.

While the 2022 reform was a huge first step, two more changes are necessary to improve the Postal Service's finances. The first addresses a glaring misallocation of pension liabilities between the self-sustaining Postal Service and the pre-1971 taxpayer-funded Post Office Department. The accounting problem was revealed in a study by the USPS Office of Inspector General (OIG) in the early 2000s, and further came to light in 2010 when the Postal Regulatory Commission released the results of an independent audit conducted by The Segal Group. That audit, which Congress

called for in the Postal Accountability and Enhancement Act of 2006 (PAEA), examined the Postal Service's assets and liabilities within the Civil Service Retirement System (CSRS). It found that the methodology used by the Office of Personnel Management (OPM) in its valuation of postal CSRS pensions did not utilize "fair, equitable, or preferred [private-sector] methodology."

The Segal report recommended immediate reforms, and Section 802 of the PAEA authorized

OPM to enact them. Yet OPM has decided not to act, citing dubious legal obstacles and practical implementation problems. OPM's inaction costs the Postal Service \$3 billion annually and has shifted at least \$90 billion in unjust financial obligations onto the Postal Service. The Postal Service has paid fairly and equitably into CSRS pensions for over 50 years, and this issue must be corrected. **We strongly urge Congress to pursue the implementation of this methodology to help strengthen the financial condition of the Postal Service.**

Second is a new investment strategy for the Postal Service's retiree health and pension (CSRS and FERS) trust funds. Postal Service retiree health and pension funds are required to be invested solely in low-yield Treasury bonds, essentially causing the agency to forfeit billions of dollars in potential annual returns. A 2017 USPS OIG report called the current Treasury-bond-only investment strategy the riskiest policy, stating that diversification would raise returns and reduce the risk of underfunding. The Postal Service must be allowed to invest its retirement funds in a diverse mix of higher-yield assets.

The benefits of pursuing a less risky investment strategy are many. By more sensibly investing these retirement trust funds, the rate of return will improve and help to reduce the Postal Service's retirement liabilities, saving the Postal Service billions of dollars, and reducing the need for postage rate increases for people who utilize USPS.

We strongly urge Congress to pass legislation that will address both the misallocation of pension liabilities for USPS and allow the agency to sensibly invest its retiree health and pension trust funds in higher-yielding financial assets.

Privatization

It is essential for the Postal Service to remain an independent, non-partisan, non-taxpayer-funded agency and that its Congressionally mandated universal service obligation be protected and upheld. Congress should not allow for any influence that threatens or limits service to the American people, including privatization. Without the Postal Service and its universal service obligation, nearly 52 million rural Americans would receive no delivery service, excluding them from today's ecommerce-driven economy.

The Postal Service is a lifeline for American communities that can't be jeopardized. Any privatization efforts threaten that. **We urge all representatives to co-sponsor bipartisan [House Resolution 70](#)/Senate Resolution 147, which would ensure that USPS remains an independent establishment.**

Working Conditions

Letter carriers do much more than deliver paychecks, bills, medications, ballots, and essential packages – they keep an eye on our communities and make our neighborhoods safer and more connected, all while providing an essential service. Yet letter carriers are working in brutal conditions with outdated and inefficient equipment.

Excessive heat is one of the most common and dangerous aspects of letter carriers' work. Due to the nature of their work and the lack of heat-related protections, letter carriers are some of the workers most at-risk of heat-related illness or injury. Thousands of letter carriers have gotten sick, and some have even died, from excessive heat while at work. **We fully support the adoption and implementation of the Occupational Safety and Health Administration's (OSHA) *Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings* proposed rule.** Workers in the transportation sector are on the frontlines of extreme temperatures and require safeguards to protect their workplace health and safety.

We also encourage any and all efforts to modernize the Postal Service vehicle fleet. USPS operates with a fleet that is largely made up of vehicles that are nearly 40 years old. Letter carriers work in outdated, unsafe and unair-conditioned vehicles that do not best support their modern work. While there has already been funding allocated to update and electrify the Postal Service fleet, funding has been threatened and there have been reports that the administration wants to unwind current agency contracts. Regardless of the type of vehicle, letter carriers must receive new, safe, air-conditioned vehicles.

The threat of violent crime and assault on the job is another serious threat to letter carriers. We must ensure the protection of letter carriers while they perform their essential deliveries. Because of the independent nature of their work, and the valuable material and equipment they carry, letter carriers are being targeted by criminals more than ever before. In the last three years, five letter carriers have been murdered while performing their duties. From 2019 to 2023, attacks against letter carriers nearly doubled and over two-thirds of these incidents involved a weapon. Despite this increase, prosecutions for these incidents remain low. **We encourage Congress to co-sponsor and pass the Protect Our Letter Carriers Act (H.R. 1065/S.463) to protect letter carriers and safeguard the nation's mail system.**

Keeping postal workers safe and healthy means keeping our services and communities safe and healthy. No one should die from violent crime or excessive heat in the workplace, and all Americans should have access to an efficient and robust Postal Service.

The Postal Service must be modernized and supported

As it was 250 years ago, today the Postal Service is still essential to keep our country connected. **Prioritizing necessary financial changes, guaranteeing its independent, non-taxpayer-funded status, and protecting letter carriers and all postal employees will allow the Postal Service to thrive and meet the future needs of the American public for 250 years more.**

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