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Keep US Posted Challenges Stamp Hikes with New Analysis Ahead of Congressional Hearing

USPS Postmaster General Louis DeJoy will Testify at Oversight Subcommittee on Government Operations and the Federal Workforce Hearing Wednesday at 10 a.m.

WASHINGTON, D.C. (May 16, 2023) – Keep US Posted—a coalition of individual consumers, small businesses, nonprofits, newspapers, greeting card publishers, magazines and catalogs—is submitting new economic analysis to Congress challenging the U.S. Postal Service’s plans to continue increasing postage rates twice per year. The analysis was submitted to the House Oversight Subcommittee on Government Operations and the Federal Workforce ahead of Wednesday’s 10 a.m. hearing concerning the USPS “Delivering for America” plan. Postmaster General Louis DeJoy is expected to testify.

Commissioned by the Greeting Card Association, a Keep US Posted member organization, the new analysis exposes serious flaws in the Delivering for America plan’s projections and calls into question the viability of excessive postage rate increases. Specifically, the report notes that mail volumes were better than forecast initially, but the recent pattern of twice-a-year rate increases have led to a perilous loss of mail. The decline of First Class Mail volume threatens the entire USPS architecture, as without handwritten cards and letters, the incentive for Americans to check their mailbox six days a week declines. More importantly, the growth in package volume intended to offset the losses in traditional mail has not materialized, nor have projected cost reductions occurred. Keep US Posted submitted the report, along with a letter from its members, to the committee because no representatives of the mailing public have been invited to testify at the hearing.

“With yet another stamp hike scheduled for July, Americans will experience more postage increases than at any time during all of the U.S. Postal Service’s 247-year history,” said Keep US Posted Executive Director Kevin Yoder, a former Republican member of Congress from Kansas. “The reality is that the ‘stampflation’ strategy is damaging our mail system in every way. Each time postage goes up, mail volume goes down. After January’s stamp increase went into effect, mail volume immediately decreased nearly 9 percent year-over-year, while USPS expenses increased by 16 percent. Stampflation does not deliver for America, nor does it deliver for the Postal Service.”

Yoder continued, “The reality is that the Delivering for America plan predates and outright ignores last year’s bipartisan Postal Service Reform Act, which specifically afforded more than \$50 billion to stabilize USPS finances, making excessive postage hikes unnecessary. Instead, the USPS is plowing ahead with additional postage rate increases every six months. It’s time for Congress to look critically at the performance under the Delivering for America plan and protect the mail as a critical public service and national economic necessity. The USPS is the only institution capable of going the last mile to reach, serve, and tangibly link every American. We need to ensure it can continue delivering.”

The USPS officially filed with the Postal Regulatory Commission in April to increase postage rates yet again in July 2023. This move equates to three stamp increases in twelve months—the most rate increases in the shortest duration ever. The filing is currently before the Postal Regulatory Commission pending approval, which it is expected to grant. Postmaster General Louis DeJoy pledged to continue raising postage at an “uncomfortable rate” just after the 2022 Postal Service Reform Act was signed into law, ignoring the purpose of the bill, which was to help stabilize USPS finances and negate the need for unnecessary rate increases.

The economic analysis was conducted by NDP Analytics using financial data from the USPS and the Congressional Budget Office. To obtain a full copy of Keep US Posted's submission to the Committee, including a letter with top findings and the full economic analysis, visit: https://a7e48fd9-ebbb-4ed4-a00c-560567a5d282.usrfiles.com/ugd/a7e48f_92bcdf23d66c4e9080f3e669901e1b5b.pdf

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ABOUT KEEP US POSTED

Keep US Posted is a non-profit advocacy organization comprised of individual Americans, the mailing industry, and allied associations united in the belief that a reliable and affordable U.S. Postal Service is essential to our way of life. Keep US Posted supports alternatives to current and future efforts to slow the mail and increase postage rates. To learn more about the organization and to get involved, visit www.KeepUSPosted.org.