

Statement

For the Record of Hearing

***The Route Forward for the U.S. Postal Service:
A View from Stakeholders***

**Before the Government Operations Subcommittee of the
Committee on Oversight and Government Reform**

National Association of Presort Mailers (NAPM)

June 24, 2025

Chairman Sessions, Ranking Member Mfume and members of the Subcommittee,

Thank you for holding this important meeting at a critical time for the U.S. Postal Service, and for inviting stakeholders to provide input into identifying next steps.

The National Association of Presort Mailers (NAPM) is comprised of businesses that provide mail and shipping services to American businesses using the mail and packages. Our members are the “private” entities that engage in the Public-Private Partnership with the USPS that was discussed in the June 24th hearing. This Public-Private partnership has been in existence for many years (also known in USPS regulatory terms as “workshare”), We concur with the other stakeholders who testified at the hearing that there is no need to explore different business models for the USPS (e.g., liberalization, privatization, etc.) when there is a perfectly good model today in the public-private partnerships with USPS that our members engage in, which can be improved and expanded to reduce USPS costs and improve efficiency.

NAPM’s Mail Solutions Provider (MSP) members combine and process billions of pieces of mail each year from tens of thousands of American business customers, giving those businesses access to lower postage prices, improved USPS service performance, better customer experiences, and “one stop shopping” to fulfill all their mailing or shipping needs. Our members not only manufacture and process the mail, they educate business customers on USPS products and services, and provide start to finish customer support – all of which reduce the Postal Service’s costs and provide business customers a better experience using the mail.

Collectively, our members processed over 23.1 billion pieces of mail in FY2024, representing over \$9.9 billion in revenue to the USPS. Our members process the majority of First-Class Mail Presort Letter volume entered to the USPS, a significant and growing

percentage of Marketing Mail volume, and volumes in all USPS mail classes as well as Competitive Services parcels. We strive to be valued and collaborative partners with the Postal Service, and our members serve as a valuable extension of the USPS' sales organization in that we sell its services and products, provide adjacent and value-add services to its mailing customers, and work collaboratively with its organization to develop innovative solutions to help the USPS achieve its objectives.

NAPM's members are part of the public-private partnership that already exists for much of the USPS' "middle mile" processing operations. Our members also drop ship (transport) 90% of the Marketing Mail they process to the USPS destination plant – although that could change if the USPS continues to erode the incentives that support this private transportation network.

The USPS' labor costs continue to represent nearly 80% of total costs and it is essential that the USPS work to right-size its workforce as mail volumes decline. We believe this can be accomplished through attrition to negate detrimental impacts on current USPS employees. According to an August 15, 2024, report by the USPS Office of Inspector General (OIG), ["Examining Trends in the Postal Service's Workforce Composition,"](#) over half the USPS' workforce "will be eligible to retire within the next decade." We know the USPS in 2025 offered an employee retirement incentive targeted to reduce its workforce by an estimated 10,000 employees, according to former Postmaster General Louis DeJoy, though there has not been any public update on the outcome of the program.

NAPM believes that the best course forward for the USPS is to maximize and expand its public-private partnerships, both for mail and for packages. There are opportunities for the existing "workshare" benefits to be improved, which are controlled by the USPS regulator, the Postal Regulatory Commission (PRC). As the USPS has moved more activities back in house,

its costs have increased but it has reduced the incentives to workshare, which threatens to erode its public-private partnerships for mail. Changes made by the USPS over the last couple of years have already destroyed much of the public-private partnership for packages, as was noted by witness Jim Cochrane, Package Shippers Association.

NAPM and its members want to help the USPS succeed for many generations to come. We regularly meet with the USPS to discuss ideas and new ways we could expand our public-private partnership. There are many more opportunities – in the middle mile and in the first mile – where our members could provide even more services to reduce the USPS' costs and improve its efficiency.

Thank you for your attention and for this opportunity to include our statement in the record. If the Subcommittee has any questions, we are at your service.