

**Statement of  
PSA CEO James Cochrane  
Before the  
Sub Committee on Government Operations  
United States House of Representatives  
June 24, 2025**

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

Chairman Sessions, Ranking Member Mfume, and distinguished committee members, it is an honor to stand before you today to address a matter of critical importance to every American household and business—the future of the United States Postal Service. For 250 years, the Postal Service has been a cornerstone of America by delivering mail and packages to every address. The Postal Service is a bedrock of our nation's infrastructure, connecting communities, facilitating commerce, and delivering vital information. The Postal Service is more than just a delivery service; it is a public trust, enshrined in our Constitution.

I retired from the Postal Service after 43-years of service, with the last six years of my career as a member of the Executive Leadership Team. I have worked in eCommerce for the last 25 years. At the Postal Service, I led the development of the last-mile strategy and shipping solutions that led to the growth of eCommerce for the Postal Service. My broad experience has given me extensive knowledge of the shipping marketplace, eCommerce trends, and ongoing technological advances in this space. An important part of eCommerce for the last 20 years has been software platforms. (eCommerce platforms are software solutions that enable businesses to sell products online. Platforms provide the tools for managing inventory, enabling rate shopping, providing billing terms, payments and more.) I leveraged the opportunities created by eCommerce, enhancing customer experiences, leveraging data and analytics, and optimizing the USPS online presence, to drive growth and profitability for the Postal Service.

Currently, I am the CEO of the Package Shippers Association, a trade association with over 70 years of working with member companies that manage over 80% of all packages delivered in the United States, the Postal Service, the Postal Regulatory Committee, and Congress. In my five years leading PSA, I have actively worked with members staying on top of new innovations and the everchanging marketplace dynamics.

The “Delivering for America” (DFA) plan, despite its stated goals, is pushing the Postal Service further away from its core mission of providing reliable, affordable, and universal service. The current trajectory of the plan is failing to deliver promised financial results. While acknowledging the good intentions behind DFA, the plan is demonstrably failing to meet the needs of the American people. One mistake of the DFA plan, both on the revenue and expense sides of the business, is the insourcing of workload. The Postal Service insourcing strategy is to grow business by eliminating the external platform and owning the customer directly. An example of insourcing workload is approaching a customer that the external eCommerce shipping platform has acquired and attempting to move them from the external shipping platforms through threats and pricing. Reducing prices on existing business volume is irrational. Poaching customers from business partners is bad business. Conversely, Postal Service competitors (UPS, FDX, and others) are utilizing the same external platforms and instead of, poaching customers through insourcing, they are sharing revenue with the external platform to acquire more package business.

The DFA plan appears to prioritize significant upgrades to processing facilities. Though short-term cost savings can possibly be realized, in the long term they are over building against future volume forecasts and delaying necessary investments in modernizing the Postal Service last-mile capabilities. The last-mile is the Postal Service Delivery Network that delivers to 166 million homes and businesses 6 days a week. It is a national treasure and it should be protected and cherished.

There remains insufficient transparency regarding the detailed financial models and assumptions underpinning the projected savings and revenue increases of the DFA plan. This makes it difficult for Congress, the PRC, the Shipping Industry, and the public to adequately assess its true long-term viability. A new vision must be implemented to quickly reverse the negative financial results.

The DFA plan has also created a widespread degradation of package delivery service performance. These delays impact both small and large businesses. The changes under DFA disproportionately affect rural communities and those in remote areas where the Postal Service is often the *only* viable option for daily package delivery.

The delivery of packages six days a week must be at the center of all strategies for competing in the future marketplace. Slower service in rural communities widens the digital and economic divide and undermines the Universal Service Obligation. This unparalleled delivery infrastructure is, in fact, a national treasure that should be protected and leveraged to continue binding the nation and enabling commerce as promised in the Constitution.

The DFA plan to achieve financial solvency is deeply flawed resulting in revenue loss, increased operational cost, and misplaced investments.

The premise that continuing to cut service will lead to financial health is counterintuitive. When service deteriorates, customers seek alternatives, leading to reduced shipping volume and further revenue loss. The Postal Service is witnessing a self-fulfilling prophecy of decline rather than a path to sustainable growth. Improved service levels and reduced costs are not mutually exclusive; in the past both have been proven to be successfully achieved in the shipping industry.

To truly revitalize the Postal Service and ensure its long-term viability, we must acknowledge the limitations of a purely governmental approach. A critical component of any new strategy must include embracing of strategic public-private partnerships, particularly in areas where the private sector excels.

The Postal Services possesses an unparalleled last-mile delivery network, however under DFA has been focused on middle-mile capabilities involving the transportation of mail and packages between processing facilities. They have also been insourcing from the private sector transportation routes that fall short of the efficiency and scale demonstrated by private logistics companies. Partnering with established private carriers for middle-mile transportation could significantly reduce costs, improve transit times, and enhance overall network fluidity. This would allow the Postal Service to focus on its core strengths, universal access and last-mile delivery, while benefiting from the optimized infrastructure and expertise of the private sector.

The pace of technological innovation in logistics is relentless. Those innovations are driven by billions of dollars in private investment. From software development to advanced sorting robotics to sophisticated tracking systems and data analytics, private sector logistics firms consistently deploy cutting-edge technologies. The Postal Service, constrained by federal procurement processes and budgetary cycles, is struggling to keep pace. A public-private partnership could facilitate the adoption of

best-in-class private sector technologies, enabling the Postal Service to modernize its operations, enhance customer experience, and improve efficiency without having to independently develop and fund all the necessary technological advancements. This collaboration would ensure that the Postal Service remains competitive and relevant in an increasingly tech-driven industry.

It is time to refocus efforts on the following:

- Reverse the negative changes in delivery standards created by the Regional Transportation Optimization, (RTO) ensuring timely and reliable shipping service for all Americans. RTO is a systemic slowdown of pickup and delivery at post offices around the country, but in particular rural areas
- Explore new revenue streams by strategically growing shipping and package services by leveraging its unique network for last-mile delivery. Go back to innovating and partnering with E-commerce platforms to generate increased revenue. Leverage the most important component of the network, the last mile of delivery, to generate increased revenue and profits.
- Actively seek collaboration with the private sector, particularly for middle-mile logistics, software development, and cutting-edge technology to achieve efficiency that the Postal Service is failing to attain alone.

I urge this committee to initiate a comprehensive review of the "Delivering for America" plan and work collaboratively towards a new, forward-thinking vision that truly delivers for all Americans. Members of the Committee, the United States Postal Service is not merely a government agency; it is a vital public service. In closing, I am honored that I have been invited to discuss the current state of the Postal Service and share my views. I would also like to welcome Postmaster General David Steiner to his new role. I look forward to working with him to grow the Postal Service and the shipping industry together. I still bleed Postal Blue, and I want the Postal Service to remain a vital part of the American economy, an important part of the service provided to this great country. The American people deserve a World Class Postal Service.

At this time, I would be more than pleased to answer your questions.

Thank you.