HEARING WITH THE COMMISSIONERS OF THE POSTAL REGULATORY COMMISSION

HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT OPERATIONS

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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HEARING WITH THE COMMISSIONERS OF THE POSTAL REGULATORY COMMISSION

THURSDAY, JUNE 4, 2026

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:04 a.m., in room 2154, Rayburn House Office Building, Hon. Pete Sessions [Chairman of the Subcommittee] presiding.

Present: Representatives Sessions, Foxx, Palmer, Burchett, Jack, Gill, Mfume, Norton, Frost, and Randall.

Also present: Bell, Walkinshaw, and Budzinski.

Mr. SESSIONS. Good morning. The Subcommittee on Government Operations will come to order, and I would like to welcome everyone with some explanation.

I had cataract surgery last week and find myself in bright lights. So, I am going to make my ophthalmologist happy, and she tells, me too, by avoiding further damage to my eyes. So, I probably will end up getting a call from Bono asking me to quit trying to impersonate him, but I would ask some bit of leverage on myself to at least be able to read what I am doing.

So, without objection, I may declare a recess at any time as Chair.

I recognize myself for the purpose of making an opening statement, and good morning to each of you who have taken time to be at this important hearing.

OPENING STATEMENT OF CHAIRMAN PETE SESSIONS REPRESENTATIVE FROM TEXAS

First of all, I would like to welcome everybody to today's hearing with the Postal Regulatory Commission. It is the latest installation of the Subcommittee's ongoing effort to oversee the troubled landscape of the United States Postal Service. The PRC—Postal Regulatory Commission—is a key stakeholder in the postal universe and has been at the center of core issues: service performance, revised service standards, and, of course, postal rates. And each of these Members that are here today will be given not only a chance to articulate their thoughts and ideas, but we want to welcome them because they are the effort between, as part of the regulatory oversight, to make sure that we get their side of the story. Yet the Commissioners of the PRC have not testified before this Committee since 2018. We felt like it was time, so I thought it was high time not only for this visit, but also the update at these times, which continue to be changing, and what has been a recurring event the Postal Service finds itself, self-identified and by others, at a time of crisis.

In March, the Postmaster General testified before this Subcommittee that the Postal Service would run out of cash in about 12 months, meaning that it would be impossible to maintain anything close to the level of service that not only Congress, but that the American people and customers would expect. Since that time, he has suspended employer contributions to the Federal Employee Retirement System (FERS) and placed restrictions on non-essential spending. I am not aware of an official estimate of how much these additional time measures have bought the Postal Service, but I am given the understanding it might be several years.

Regardless, the Postal Service needs our attention. It needs the attention of not only Congress but, of course, the Postal Regulatory Commission and others who are in this space who provide added service, benefit, and opportunity to the Postal Service, to customers, and certainly as payers into the system. So, it just does not make sense that we would simply ignore these issues that need to come forth, but rather talk about them because I, too, am concerned about postal workers. I, too, am concerned about us treating not only workers fairly, but making sure that their future is secure. And I, too, care very much about our Postmaster General, who I think has the right attitude about his service to the United States of America and in service to the Postal Service.

I will once again take the opening opportunity to commend former Postmaster Louis DeJoy for doing his best to come up with an enduring solution to the Postal Service's problems. He had lots of ideas, he had lots of things that he put into place, but I also see how the Delivering for America plan did not provide the results that he had hoped that it would. So, we are not just back at the table, we are back to where we have to work with each other. Similarly, I commend the current Postmaster General, my friend, Mr. Steiner, for taking on this important task. I am not sure how many people would have accepted the call from President Trump to do this. He willingly did and is taking this issue on with his team forthrightly.

During our March meeting, Postmaster General Steiner told this Subcommittee he needs congressional action to increase the Postal Service's borrowing authority, and just two days ago, he presented the Committee with a number of additional legislative requests. There is no reason to assume additional borrowed funds infused into this unintended business model would be anything more than throwing good money after bad results. So, that is part of why we are here today: to get closer on our collaboration not only with the United States Postal Service and its great employees, but also with the Postmaster General. We also have the U.S. Senate that has a number of ideas about this, and we will include their ideas in.

So, to be clear, this is not a shot at my friend, the Postmaster General. He himself has said Congress and the American people need to decide what they want, and I think this want, while it is the big issue of the day, we need to be clear that we need to get closer on a lot of the activities that add up to that "want," and that is the day-to-day running, the decisions that are made, and also the obligations under law and necessary to support the American workers that are called postal workers, and the systems that they are, too, a part of.

So, it is not just a matter of what a customer wants. It is not just a matter of what we want as Members of Congress. It is called working together. If we want the status quo, or at least what would be described as the good parts of status quo from some people's perspective, we are going to have to pay for it one way or another. We are going to have to understand these are different times. But I would say that since its conception, the Postal Service has provided numerous societal benefit, laborers that work increasingly to the benefit of customers, and we need to make sure we more clearly understand those requirements and expectations. So, it must deliver everywhere, not all the time, but darn near close to it. So, regardless of how remote or the resources that it takes, we need to focus on the goal at hand, and that is closer understanding what we are trying to aid and be a part of.

So, what we are going to do here today is to take feedback. We are going to take feedback not only from the Postal Regulatory Commission, but we are going to hear from Members of Congress. I would say to you, and I think it is no surprise to Mr. Mfume, almost every single Member of Congress has an opinion about the Postal Service also, and I am sure the Postal Service has lots of opinions that they cannot always express, but that is what today is about, to hear from the Postal Regulatory Commission, and I am delighted that they are here.

At this time, I would yield to the distinguished Member from Maryland, my friend, the Subcommittee Ranking Member, Mr. Mfume. The gentleman is recognized.

OPENING STATEMENT OF RANKING MEMBER KWEISI MFUME REPRESENTATIVE FROM MARYLAND

Mr. MFUME. Thank you very much, Mr. Chairman. Good morning, everyone. I want to thank Chairman Sessions for calling this hearing on what we all agree is a very important topic. This is the fourth, in case you did not know, in a series of Subcommittee hearings on the Postal Service, this time with the Postal Regulatory Commission, as we can see. And we are at a very critical juncture for the Postal Service, which, as most of us know, is facing an estimated $9 billion net loss, a nearly 50-percent decline in mail volume since 2006, and is at risk—serious risk—of running out of cash in the near future.

The Postal Service powers communities by providing universal, reliable, and efficient mail services across all 50 states and territories. That is not anything new. That is what the Service has been doing since it was created. Mail delivery, as we can all agree, is a public service and it is a public service to all Americans, and it relies on the Postal Service's regulatory oversight bodies and Congress to find a way to work together to ensure its survival.

The independent Postal Regulatory Commission, also known as PRC, regulates, as all of you know who are here to testify today, the mail monopoly of the Postal Service. The PRC regulates and establishes regulations and procedures on setting postal rates, and analyzes the Postal Service's finances, service performance, and compliance with the Universal Service Obligation. In addition to that, the PRC has the authority to hear public appeals of post office closures and receives and investigates public complaints alleging that the Postal Service may or may not be violating its statutory and regulatory requirements. The PRC currently has, as we know, and excuse of redundancy here, four Commissioners with critical expertise in the functions of the Postal Service and is a critical component of the postal system, which ensures that rates are fair and maintains a transparent, accountable, universal mail system. As the Postal Service faces and comes to grips with its own future, that Service must continue to cut costs and to find ways to creatively increase revenue.

When Congress passed its last major reform bill to support the Postal Service, then Postmaster General DeJoy spent $40 billion on capital investments, reduced performance targets, weakened the service in underserved areas, and any solution that Congress is willing to undertake must include more safeguards to hold this and any future Postmaster General and the Board of Governors to the public by making sure that they are accountable in various ways. So, I am particularly interested in discussing potential guardrails that strengthen the role of the PRC, and while I am encouraged by the Postmaster General's efforts to prioritize service performance as he leads the Postal Service during this difficult time, I think even more has to be done.

So, I look forward to the discussion on how we can all work together to put the Postal Service back on, as they say, the right track. I yield back, Mr. Chairman.

Mr. SESSIONS. Mr. Mfume, thank you very much. So that this Subcommittee understands, the gentleman from Maryland and I are very, not only very good personal friends, we try and operate this Subcommittee based upon the ability to work together, to talk with each other about even difficult subjects. And while he is given the authority and responsibility, as am I, to hold our own opinion, we try and work together. And I want to publicly thank the gentlemen, not only for this attribute that he has ability to do it, but to also let him know that I will continue that as we move forward in this process that seemingly has a lot of work to go. So, thank you very much, Mr. Mfume.

Without objection, Representatives Walkinshaw of Virginia, Budzinski of Illinois, Lynch of Massachusetts, and Bell of Missouri are waived onto this Subcommittee for the purpose of questioning the witnesses at today's Subcommittee hearing.

I am very pleased today to welcome our witnesses who are before us today. Robert Taub is the Vice Chairman of the Postal Regulatory Commission, formerly sitting in the Chairman's seat for over six years, and totaling over 40 years of public service experience. I first met Robert a couple hundred years ago when I sat on the Postal Subcommittee of Government Reform at the time that we had a Postal Subcommittee, and, Robert, I am delighted that you are here today.

Ann Fisher: Ann Fisher has been a Commissioner at the Postal Regulatory Commission since 2019. She has served in the Federal

Government for 32 years, to include holding a number of positions in the U.S. Senate and the United States Postal Service. During her Senate tenure, she was the lead Republican aide overseeing passage of the 2006 Postal Accountability and Enhancement Act.

Thomas Day: The gentleman has been a Commissioner at the Postal Regulatory Commission since 2023. He also has served 45 years in the Federal Government, to include 35 years at the Postal Service where he held a number of senior executive positions.

Ashley Poling: Ashley Poling has been a Commissioner at the Postal Regulatory Commission since 2019. Prior to her service on the Commission, she held a number of senior roles to serve the U.S. Senate and the American people.

So, I want to say thank you to each of you for joining us today. It was important for me, as I told Mr. Mfume, as I had discussions with you yesterday to prepare us for today. I felt like that your insight, your opportunity to express your views and beliefs are very important, and it is my hope today that each of you will be able to not only complete the sentence that you start at the end of 5 minutes, but will make sure those points are well made, and I have a slow gavel, as Mr. Mfume knows.

So, I would now ask each of our witness to please stand up. Pursuant to Committee Rule 9(g), the witnesses will rise and raise their right hand and answer or affirm as I ask them.

Do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TAUB. I do.

Ms. FISHER. I do.

Mr. DAY. I do.

Ms. POLING. I do.

Mr. SESSIONS. Let the record show that the witnesses have answered in the affirmative. Thank you very much. You may now take a seat. We are delighted that you are here, and we appreciate you being here today.

I would like to remind the witnesses that in order for us to maintain proper opportunity for each of our Members to come and participate, that we are going to ask that you try and make sure that your time here is succinct and well done. But with that said, we have the clock that you are aware of, the green light, yellow light, red light. As we get to the red light, please think about closing your statements that you would have.

So, we are delighted that you are here, and I now would go to our witnesses and, Mr. Chairman, will allow you to come first. The gentleman is recognized.

STATEMENT OF HON. ROBERT TAUB VICE CHAIRMAN, POSTAL REGULATORY COMMISSION

Mr. TAUB. Chairman Sessions, Ranking Member Mfume, and Members of the Subcommittee, thank you for convening this hearing on the state of the Postal Service and the critical role the Postal Regulatory Commission plays in providing transparency and accountability for the American people. The President designated me Chairman of the Commission for more than six years, from December 2014 until January 2021. For the past two years, I was elected

Vice Chairman of the Agency by my fellow Commissioners who join me here today. We have a vacancy in the Chairman position, so pursuant to law, the Vice Chairman acts as Chairman. As current Agency head, my remarks this morning reflect the full Commission testimony.

In some ways, not much has changed since my last testimony before this Committee more than nine years ago in February 2017. If anything, the situation has gotten worse. Almost three months ago, the Postmaster General testified here and presented a dismal fiscal forecast. He stated that they would run out of cash and stop delivering mail just under nine months from now. He also presented three doors from which Congress could choose a solution: two doors leading to continued dismal results and the quickened demise of the Postal Service, such as stopping mail delivery, severely reducing service, closing post offices, and raising prices. And one he referred to as the Goldilocks choice, which he championed would be just right, solving all the problems. The proposal includes increasing its borrowing cap from $15 billion to $30 billion, among other options, such as reallocating retiree liabilities, diversifying retirement funds, and modifying current actuarial assumptions to reduce pension payments.

Our written testimony dives deeper into the many reasons why the Postal Service is in the situation it is in today and highlights how the Commission has repeatedly raised concerns over the past few years. While the Commission broadly agrees with the Postmaster General on some of the causes, some of the Postal Service's explanations give us pause. Its proposed solutions should also be viewed cautiously. However, we agree with the Postmaster General on the most important solution: only by first specifically defining what America needs of its Postal Service and what that costs, will Congress then truly know how best to fix the fundamental funding structure while preserving appropriate service and delivery standards, specifically defining the public service mission. That is, the Universal Service Obligation, or USO for short, of this vital government institution should be job one.

Before further discussing this important issue of the USO, some words of caution about the Postmaster General's suggested approach in his testimony of just granting the Service more freedom to operate like a truly independent entity and ridding it of any regulatory or statutory requirements, then hoping that will make everything better. That approach, combined with the Goldilocks choice, can generally be described as 'give us more money with less oversight.' The Postal Service is not an independent private business. It is a government establishment with extensive special legal privileges, including two statutory monopolies valued at nearly $6 billion over letter delivery and mailbox access that no other private sector company is allowed to maintain. This is why Congress established specific and limited statutory and regulatory guardrails, and has relied on the Commission for the past 56 years to protect American consumers and businesses from potential monopolistic abuse, such as predatory pricing, poor service, and unfair competition by this government establishment operating in commercial markets.

The Commission also cautions against endorsing the Postal Service's plan to move full steam ahead with what, in essence, is the Delivering for America plan—DFA—a plan that promised break-even operations by 2023 and a cumulative ten year net income of $200 million. In fact, now in year six of the ten year DFA plan, the Postal Service has incurred $31 billion in losses and is on the path to losing even more in the remaining four years of its implementation. It is a plan that promised to streamline and save the Postal Service $28 to $40 billion by 2030 as initially estimated. Yet, implementation of the plan has slowed mail delivery across the United States, particularly in rural areas, which, to a greater extent, rely on affordable and reliable mail delivery. Further, the mounting financial losses continue, the situation the Commission warned about on several prior occasions.

Congress has enacted significant financial relief in recent years, including $10 billion in COVID relief, $3 billion for electric vehicles, and approximately $57 billion in balance sheet relief under the 2022 law. Without these extraordinary measures, Postal finances would be even worse. The 2022 law also required Medicare enrollment for Postal retirees, which was estimated to generate longer-term cost savings of $2-and-a-half billion over the 2021–2031 period.

In addition, in 2021, the Commission provided the Postal Service with additional rate authority above inflation for its monopoly products, such as letters. There are no limits on rates for their competitive parcel and packaged products. This additional pricing authority helped offset costs related to inflation as well as two sources of costs that the Postal Service argues are outside of its control. The Commission agreed, and we created additional rate authorities targeted at offsetting those specific costs of mail density and retirement obligations. Since the effective date of the Commission's new rules in 2021, the Postal Service has used all this authority to raise rates by 45 percent for most classes. Rate authority, due to inflation granted during that time, totals 23 percent, which means the Commission provided additional revenue-raising authority to the Postal Service of 22 percent.

Looking at the first-class stamp price, the Postal Service accelerated the rate in just five years from 55 cents to 82 cents effective next month, a 49-percent increase. Now more money is being requested with no fundamental solution in sight. The Commission is doubtful that just $15 billion more is going to solve the problem: extend the date of the ultimate crisis, yes, but prevent it, no.

Understanding the situation and working to address it, the Commission, building on its record of trying to identify creative pathways forward, undertook a major action in April that fundamentally alters the Postal Service's pronouncements that it could be out of cash in less than a year. The Commission provided the Postal Service with a total of potentially $15 billion or more in relief through 2030 to help avert a cash crisis in the near term by issuing a waiver of our regulations requiring minimum retirement payments. I will say that again so it is very clear how circumstances have changed since the Postmaster General's testimony in March. The Commission provided the Postal Service a total of potentially $15 billion or more in relief through 2030 and averted a cash crisis in the near term by issuing a waiver of its regulations requiring minimum retirement payments.

The Commission's action offers some breathing room and extends the time before the Postal Service's reported insolvency and the stated crisis of stopping mail delivery to at least another several years, provided the Postal Service makes judicious decisions about its expenditures starting now. To be clear, this is not a panacea nor a permanent or long-term fix to the Postal Service's problems, but it does allow Congress an opportunity to enact thoughtful and fundamental change as opposed to choices of desperation. There are several areas where we disagree with the Postal Service on how it got into the position it is in now or how it will get out of it. However, I would like to focus on the areas where we agree with the Postal Service and the singular action the Commission believes is critical that Congress enact.

Define the Universal Service Obligation. Clearly defining the USO means describing what the country needs from our Postal Service and setting up a system to fully pay for it. We fully agree with the Postmaster General on this point, as he testified: "Just tell us what you want us to do and how to pay for it, and we will do it." It really is just that simple. As the Government Accountability Office testified to you that same day, the existing Postal Service operating model is unsustainable. The Commission strongly agrees, and we have urged action in this regard since 2008. This position has been echoed in recent years by the GAO, the Postal Inspector General, President Trump's Task Force on the Postal System led by the Secretary of the Treasury, among others, which is that the United States needs to clearly define the public service mission for this wholly government, not private, establishment. In other words, what is the Universal Service Obligation?

Defining the USO involves answering tough questions, but in doing so it also, and perhaps more importantly, forms the basis for the infrastructure and financial arrangements needed to ensure our fellow Americans receive the postal services they need. Those tough questions may include how many days of delivery each week are needed in 2026 and beyond? What are acceptable delivery service times across the nation? Does the Postal Service need to offer fewer or more products and services? Should delivery service and access be the same across the Nation?

The Commission has extensive experience evaluating the USO. In the 2006 postal law, Congress directed the Commission to produce a comprehensive report on universal service, and it identified seven specific attributes that comprise the USO. I think it is important to name them. One, geographic scope; two, range of products; three, access to services and facilities; four, delivery frequency; five, affordable and uniform pricing; six, service quality; and seven, an enforcement mechanism. The first four of these attributes—geography, products, access, and delivery frequency—directly impact the costs incurred by the Postal Service. The fifth attribute—pricing—directly impacts the revenue of the Postal Service, and the sixth attribute addresses service performance. To date, however, other than mandating six day-a-week delivery, Congress has not specifically defined the other features of the USO. Once the Postal Service's duties under the USO are defined, the costs for providing them can be assigned, and a viable financial structure can be established to support the level of universal service required. Only by defining the USO clearly can we begin to design a system that will fund the services required. It is our Nation's mission statement for the Postal Service, and it needs to be clear.

The law requires the Commission to annually estimate the USO costs, and we currently estimate that the total cost of the USO is more than $6.6 billion. Unlike many other countries, the USO within the United States is largely undefined and instead is comprised of a broad set of policy statements with only a few legislative prescriptions. In the absence of a clear definition of the USO, particularly given the current financial challenges, each of us, including the Postal Service, will have different views of what services and operations it must provide to fulfill the USO, and all our views will have different price tags.

As part of the financial pressure of generating sufficient funds to remain solvent, make capital investments, and pay retiree costs, the Postal Service must fund this $6.6 billion annual and growing cost for its Universal Service Obligations. Given the Commission's substantial work on the USO, we would welcome the opportunity to collaborate with this Committee on designing a viable solution with a possible legislative approach detailed in the written testimony.

We appear before this Committee today fully aware of the difficulties that lie ahead. I believe the Commission has a clear understanding of the serious and numerous financial challenges that face America's postal system. As you all know well, the mail stream of today has been diminished by electronic means of communication that replace mail, that replace stamps, and thus, they replace the revenues necessary to operate our key mail delivery system. Some may even suggest that the time of the Postal Service has passed, but the fact is for all the challenges the Postal Service of the 21st century faces, it still retains an integral place as a key cog in how American businesses conduct their affairs and how Americans all across this land communicate.

The U.S. postal and delivery sector represents a nearly $2 trillion-a-year industry with almost eight million jobs, making it vital to our economy. However, the Postal Service is in a serious financial crisis, operating under an unsustainable model, and the Commission, along with the GAO, the IG, President Trump's Treasury Task Force on the Postal System, and the Postal Service itself, have all pointed the way forward: define the USO. Again, as the Postmaster General testified here in March, "Just tell us what you want us to do and how to pay for it, and we will do it."

Mr. SESSIONS. Mr. Chairman, thank you very much.

Mr. TAUB. Thank you, Mr. Chairman.

Mr. SESSIONS. As I suggested to you yesterday and reiterated this morning, I think your presentation was necessary, balanced, and contained certainly a challenge for this Subcommittee, Members of Congress, and certainly the American people. Thank you very much.

Mr. TAUB. Thank you, Mr. Chairman.

Mr. SESSIONS. Ms. Fisher?

STATEMENT OF HON. ANN FISHER COMMISSIONER, POSTAL REGULATORY COMMISSION

Ms. FISHER. Good morning, and thank you, Chairman Sessions and Ranking Member Mfume, for holding this hearing.

The Postal Service faces an incredibly tough mandate. It must operate like a business by funding itself through its own revenues, yet it must serve the public as a universal service provider, delivering to every single address regardless of profitability, all while under persistent financial distress. I fully support the comments of my longtime colleague, Vice Chairman Taub. At its core, the question before this Committee is whether the current rate system and broader statutory framework give the Postal Service a realistic path to long-term solvency while preserving universal service.

With the 2006 enactment of the Postal Accountability and Enhancement Act, Congress directed the Commission to establish a rate-making system designed to achieve a set of interlocking objectives laid out in the law. Particularly relevant to the discussion on postal finances is Objective 5: to ensure adequate revenues, including retained earnings to maintain financial stability. True financial stability requires a system that can lawfully generate the reserves and retained earnings needed to invest in vehicles, facilities, and modern infrastructure. Without long-term viability, the universal service mandate cannot be sustained. If Objective 5 were the only objective the Commission had to consider, rates would need to rise about 50 percent to add $10 billion in net income and a $1 billion buffer, likely triggering a roughly 30-percent volume decline and accelerating customer loss.

Fortunately, that is not the way the rate system is designed. Objective 5 must be balanced with seven other objectives that call for, among other things, maximizing incentives for operational efficiency, cost reduction, and maintaining predictable, stable rates and high-quality service standards. The Commission cannot simply allow the Postal Service to price its way out of structural deficit without seriously eroding the very mail volumes that still fund the universal service.

Members of Congress routinely hear from their constituents about service problems. High-quality, reliable service is the expectation, but that carries an undeniable multibillion-dollar cost. In postal economics, cost efficiency trades off with service quality. Leaner networks cut costs, but high, reliable service demands significant operating premiums. High-quality service is not just management. It requires costly operational buffers: extra staff, overtime, and added transport. For a cash constrained Postal Service, every gain in service scores has a direct price tag. About 70 percent of postal costs are labor. This past fiscal year, overtime jumped by five million hours, even as total hours fell by 12 million and headcount by 15,000, yet higher benefits, more career conversions, and volatile overtime still drove compensation costs up.

In 2020, the Commission modified the rate-making system and granted the Postal Service additional flexibility to raise market-dominant rates above inflation to help address structural deficits. We had to strike a very careful balancing act, allowing prices high enough to cover the actual costs of processing and delivery, but not so high that they accelerate volume declines and drive customers out of the mail altogether. Those tools have helped stabilize revenue, but they cannot overcome the combination of declining mail volume, rising structural costs, and balance sheet obligations. The Postal Service was designed to be self-funded, but has not reported an annual profit in roughly the last decade. Over just the last three years, cumulative net losses total about $25 billion, underscoring that the current trajectory is not self-correcting.

Given this backdrop, the Commission has had to make difficult decisions. Vice Chairman Taub noted the waiver we recently granted the Postal Service allowing for emergency liquidity relief. The Postal Service is also seeking congressional assistance in the form of an increased debt limit and annual appropriation to fund universal service and other items, all of which deserve fair consideration. I hope that issuance of the waiver, though, will provide Congress with time to decide what the Nation needs from the Postal Service and how best to finance that mandate. From a regulatory perspective, short-term liquidity fixes are not a substitute for a sustainable, long-term funding model for universal service.

On a personal note, I want to thank Chairman Sessions for his recent visit to South Dakota. Having spent much of my life there, I have observed firsthand how the slowdown in rural and remote mail delivery can affect daily routines. The concern is not only slower delivery times, but also reduced access. Last year, the Postal Service closed 14 postal counters in Sioux Falls, Hy-Vee, and Lewis drugstores, leaving two full-service post offices to serve the state's largest city. A local newspaper quoted a Postal Service representative as saying, "The 14 closures better enabled the Postal Service to fulfill its commitment to serve our communities with efficient and reliable access to retail services." It seems to me the opposite is happening because for many residents, access has become more limited.

At the same time, the broader delivery landscape is evolving. In my own experience, I am extremely well served in the packaged delivery area. I often receive prompt, same-day door delivery on countless items from private carriers. By contrast, Postal Service packages are delivered to a cluster box a quarter mile from my home, which can be difficult to access during winter conditions in South Dakota. In some instances, alternative shipping options through local retailers are sometimes less expensive and a shorter drive than my post office, and my mother, who lives even further away, receives necessary medication via a private carrier. My point is that while delivery options and consumer expectations continue to evolve, rural and remote communities still rely on the Postal Service for affordable delivery of mail and packages. This presents both a challenge and an opportunity to evaluate the current needs of Postal Service stakeholders.

I encourage Congress to consider this evolving landscape when determining how best to ensure a responsive and viable Postal Service into the future. Thank you.

Mr. SESSIONS. Ms. Fisher, thank you very much. The gentlemen, Thomas Day, and Mr. Day, you are recognized.

STATEMENT OF HON. THOMAS DAY COMMISSIONER, POSTAL REGULATORY COMMISSION

Mr. DAY. Good morning, Chairman Sessions, Ranking Member Mfume, and Members of the Subcommittee. Thank you for calling this hearing to discuss the current situation confronting the Postal Service. I look forward to the opportunity to discuss the critical role of the Postal Regulatory Commission, as well as what I believe it could do to assist in securing a sustainable future.

I have been professionally associated with the Postal Service for 42 years. Following nine years in the U.S. Army, I began my postal career in 1984, and in 35 years in the Postal Service, I served at all levels of management, from Frontline Supervisor to Senior Executive Vice Presidents. I also worked all aspects of operations and virtually most, if not all, of the supporting functions as well.

I am in full agreement with the factual background that Vice Chairman Taub's testimony provided, the summary of performance and the path forward to achieving resolution and improvement. I would like to emphasize a few points, however. I fully agree we must define the scope of the Universal Service Obligation. It is important to understand this complex task will likely take some time to be completed. In the meantime, there are other critical steps that can be taken to improve the Postal Service to reduce cost, improve service, and ensure a safe and secure work environment for its employees. Under current postal leadership, there is a clear effort to improve service and reduce cost. More than just an effort, real results are being achieved. That said, continued use of the network created for Delivering for America Plan—DFA—cannot achieve an optimal solution.

As indicated in the advisory opinion of the PRC back in January 2025, the DFA plan is fundamentally flawed. The flaws in the DFA limit what realistically can be achieved. To be clear, under current effort, improvement will take place. It simply will not be the best that could be achieved. I could go into a lengthy academic discussion explaining the deterministic models that the Postal Service utilized as opposed to the stochastic models that they should have utilized. What it ultimately comes down to is variation: variation throughout the network.

No two places are the same. At each of the regional processing distribution centers—the RPDCs—there is a unique community to be served. The density of population varies, the types of roadways and traffic vary, and even the types and amount of mail vary. Despite this variation, the Postal Service decided to implement a single, uniform format for RPDCs, a seemingly arbitrary 50-mile radius. Beyond 50 miles, most mail goes to the regional transportation optimization—the RTO—network. Most RTO offices have a single truck each day to both pick up mail from the previous day and to drop off the mail for delivery that day. An example used during our advisory hearing was Miami, Florida. When you look at the Miami-Florida RPDC location, if you go 15 miles to the east, you are in the Atlantic Ocean. Go 15 miles west, you are in the Everglades. Just one example of how a uniform 50-mile radius is objectively and fundamentally flawed.

Only four of the RPDCs, of the 50 or so that are out there, are in new locations. The overwhelming majority of the RPDCs and the hundreds of the local processing centers—the LPCs—were all placed in the existing network. The DFA network simply modified transportation routes between existing facilities and processing operations within those existing facilities. Properly modeling and designing an optimal network does not require an overwhelming investment. Modeling, design, and implementation of an optimal network should improve service, reduce cost, and provide employees with a more stable work environment.

The PRC was clear in its advisory opinion. More than a year later, the facts and data are clear. We were correct in what we stated last year. It is almost certainly a better solution for the Postal Service to step back from DFA and properly design and implement an optimized network within the physical network that already exists. It will take some time to study and approve the implement of a revision to USO. As that effort is underway, properly designing and implementing a revised postal network is critical. This is of value for the immediate future, but it also will create a framework for future updates as change will continue to take place throughout the postal industry. Proper network design and updates will be needed for the foreseeable future.

Thank you again for the opportunity to testify before this Subcommittee. I hope my testimony is informative, and I look forward to any questions you may have.

Mr. SESSIONS. Thank you for your service to the U.S. Government and the people of the United States. Thank you very much.

Ms. Poling, you are now recognized.

STATEMENT OF HON. ASHLEY POLING COMMISSIONER, POSTAL REGULATORY COMMISSION

Ms. POLING. Thank you. Chairman Sessions, Ranking Member Mfume, and distinguished Subcommittee Members, thank you for taking the time to hear from the Commission on this critically important issue: the future of the United States Postal Service and the role of the Postal Regulatory Commission. First, I would like to echo the statement of the Vice Chairman and state for the record that I appreciate his strong and steady leadership during these rapidly changing times in the postal community.

The situation facing the Postal Service is a five-alarm fire. Volume of traditional mail continues to decline, a result of both ongoing electronic diversion and an acceleration due in part to the Postal Service's aggressive pricing strategy. And at the same time, service quality continues to suffer as the leadership of the Postal Service has decided to slow service standards for several mail products over the last five years, including twice for the flagship first-class mail product, while also lowering its service performance targets. What this means is simple: the American people are paying more while fewer mail pieces are being delivered in the expected timeframe.

As declining mail volumes and an increasing number of delivery points continue to put financial pressure on the Postal Service, the incentive to underperform service expectations can be expected to increase. It is likely time for Congress to consider authorizing additional oversight to ensure the Postal Service meets its statutory obligations to the American people, especially if those obligations are spelled out in an explicit Universal Service Obligation. With that in mind, I would like to focus the remainder of my remarks, not on what aspects of the Postal Service's broken business model Congress should address, but on why addressing the sustainability of the Postal Service is so critically important, even in a world dominated by electronic communication.

Especially for the nearly 66 million rural Americans, the Postal Service continues to fill an important role, not just as a communication channel, but as a lifeline for rural residents ordering pharmaceuticals and other necessary medical items, and an economic engine for local small businesses reaching their customers. And every year, there are numerous stories of letter carriers saving the lives of elderly residents throughout the country, simply by showing up at their doors every day and noticing that they have not collected their mail.

I started my career in postal issues working for several Senators from states with large rural populations, including Montana, North Dakota, and Michigan. I saw firsthand the impact of missed daily mail deliveries and how a post office can serve as the beating heart of a rural community. And in many areas of this country, the Postal Service is the most visible, daily interaction that people have with their Federal Government. In this way alone, it continues to bind the Nation together, and it is important to remember that the Postal Service is, first and foremost, a basic and fundamental service provided to the people by the Government of the United States.

As Congress works to clearly define the scope of the USO, it is important to acknowledge that the Postal Service has a number of resources that can be utilized for the benefit of the American people: a nationwide delivery network serving every community, from New York City to Nome, Alaska; a physical presence in almost every community in the country, with over 30,000 post offices and almost 163,000 delivery vehicles making daily rounds to every address; and a large workforce of highly trusted, dedicated public servants. Each of these assets could be leveraged to provide value-added services to the American people.

Although the Postal Service Reform Act of 2022 granted the Postal Service additional authority to provide new products and services to Federal, state, local, and tribal governments, a recent Office of Inspector General report notes that the Postal Service has barely begun to scratch the surface on these new revenue opportunities. So, a critical question for Congress as it approaches the issue of universal service is not only where and when it wants the Postal Service to deliver to the American public, but also what it wants them to deliver. There is hope for the future, but congressional intervention to address the root causes of the Postal Service's problems is a prerequisite to meaningful reform.

So, what do you do when a fire threatens to rage out of control? It is my belief that now is the time for everyone to grab a bucket and work together to secure the future of the Postal Service that provides high-quality universal service to all parts of our country, and the Commission stands ready to assist in any way we can to help preserve this 250-year-old national treasure. Thank you again for convening this very important hearing.

Mr. SESSIONS. I want to thank you also for your service to the American people and to thank each of you for being here today. We will now move to the Members' opportunity to engage you, and we will move first to the distinguished gentleman, Mr. Burchett from Tennessee. The gentleman is recognized.

Mr. BURCHETT. Thank you, Chairman Bono. It is always a pleasure being with you.

[Laughter.]

Mr. BURCHETT. I was on a radio station one time in my youth, and I could not pick the music because I would have just picked all country and western, but they kept playing this dadgum U2 stuff. And I said I remembered I was sitting on a corner in Belfast, and this guy was saying, "Yes, mate, I am about ready to get out of the music business." I said, "No, Bono, you need to stick with it," and literally weeks later, people came up to me and said, "Did you really know Bono," and I go, "No, no." Anyway, gullible folks.

Anyway, thank you all so much. I am a big fan of the Post Office. You know, back before my congressional career, I was a prolific eBayer. I had over a thousand sales, and I agree with what one of you all said about the postman coming to people's houses. They are really a lifeline for seniors, and sometimes it is the only contact they have with the folks out there. And I have had my share of tussles with your all's higher-ups because of some management decisions, but that is not with you all, but anyway, this is for all you all. What are the market-dominant products offered by the United States Postal Service?

Mr. TAUB. Congressman, those are the overwhelming majority of letter, flats, periodicals, newspaper/magazines. So, when you think of your first-class letters and cards, that is the market-dominant product. The result is based in statute, which is the idea that if the Postal Service either has a statutory monopoly over that, for example, letters no one else can deliver, or there is an economic test in law, but the Post Service has market dominance at a level that they can raise prices substantially, either degrade service, without the significant risk of losing business——

Mr. BURCHETT. Right.

Mr. TAUB [continuing]. That is the statutory test—it is regulated as market dominant. If it is not, it is competitive where they have immense flexibility to price, like parcels.

Mr. BURCHETT. What you said there, does every category of Marketing Mail make money, including the flats?

Mr. TAUB. Flats is one of the areas, Marketing Mail flats, where they are losing money, but the rest of Marketing Mail is actually contributing quite a bit to the overhead.

Mr. BURCHETT. Okay. Now, given that those are unprofitable, would you all recommend the Postal Service phaseout or restrict some of those products?

Mr. TAUB. What we have done in the rate system that we have designed is to require the Postal Service to increase those rates to better cost coverage as well as look at reducing the costs. There is, in fact, in the 2022 law a requirement that the Postal Service study this to get to that issue. We have looked at it. Unfortunately, it is a perennial problem that we have been concerned about for quite a long time.

Mr. BURCHETT. And what percentage of the Postal employees fall under the collective bargaining agreements compared to possibly the non-Postal Federal employees?

Mr. TAUB. Certainly, the large bulk of their workforce—I do not have the percentage offhand we can get to you—are collectively bargained employees. Those are the clerks; the carriers, rural and city; and the mail handlers. That is the bulk of the Postal Service workforce.

Mr. BURCHETT. Now, does the high percentage of union folks give the Postal Service more or less flexibility to adjust postal functions?

Mr. TAUB. The collective bargaining requirements have been embedded in the statutes since the Postal Service was created, so that does create a mandated process that would be different than other Federal employees where they are not under collective bargaining restrictions and mandates.

Mr. BURCHETT. And this may have to go under what you said you were going to get for me. What percentage of the Postal Service operating costs go to labor, and how can the Federal Government decrease that amount?

Mr. TAUB. Generally speaking, historically, the Postal Service, roughly 70 percent of the costs are for labor. It is a very, you know, handicraft-focused business, but generally, it has been about 70 percent of the total cost of the Postal Service are for labor. While revenue has been increasing over, say, the last decade, the expenditures have been going up more than that. Just in the last five years, their costs have been going up ten percent. A variety of factors, but if you have got 70 percent of that bogie as employee costs, that is going to be obviously driving expenditures.

Mr. BURCHETT. Now, I know that Chairman Sessions served with him or grew up with him, but wasn't Benjamin Franklin the first Postmaster General?

Mr. TAUB. Indeed, yes, 1775.

Mr. BURCHETT. And it is in the Constitution. The Post Office is in the Constitution.

Mr. BURCHETT. Article I——

Mr. SESSIONS. We made sure it got in there.

[Laughter.]

Mr. BURCHETT. You are not recognized, Mr. Chairman.

[Laughter.]

Mr. TAUB. Article I, Section 8, Clause 7, yes.

Mr. BURCHETT. Okay. One last question. I have got 7 seconds. What action can the Postal Service take right now to extend the timeline before running out of money, and does Congress have to intervene?

Mr. TAUB. We provided a waiver of a regulation that required payments into the retirement. If the Governors of the Postal Service choose to activate that waiver, which means notifying the Secretary of Treasury, that frees up $2.4 billion this year. We did it with a time limit until 2030. That is potentially $15 billion of breathing room in the near term, but it does not solve the problem by any means, but gives us some room.

Mr. BURCHETT. All right. Thank you, Mr. Chairman. Just for the record, I am a fan of the Post Office, obviously, and the people that work there. I am maybe not a fan of some of their management in the past, but I would hope that we could work together on both sides of the aisle to help alleviate some of these problems because the Post Office is a godsend for a lot of people. My rural folks in my area get their medicine and things like that, and when it is delayed, their medicine is delayed and that hurts me. So, thank you, Mr. Chairman. Thank you all.

Mr. SESSIONS. I want to thank the gentleman. I think that the witnesses who are here, as well as others, know that Mr. Burchett attends each of our hearings, has a view that I think is very important, and I want to personally thank you for being involved. I think I have told this to the young Congressman, and he has agreed: we are all part of the problem, not just each of us individually or as a group. Each of us are going to be a part of that solution. I told him that I appreciate him staying at the table to make sure we get closer to that, so, sir, I want to thank you very much.

The gentlewoman, Ms. Norton, is recognized.

Ms. NORTON. Thank you. I want to begin by thanking Postal Service employees for their dedication and hard work.

In 2020, the Postal Regulatory Commission granted the Postal Service the power to raise mail rates above the rate of inflation. Over the past six years, the Postal Service has repeatedly exercised that power to impose higher costs on American consumers. Since July 2021, first-class mail rates were increased by 42 percent with an additional five percent increase scheduled next month. At the same time, delivery standards have gotten worse. First-class mail now takes three to five days to deliver, whereas previously, it took two to three days. President Trump's reckless actions and misguided policies have resulted in sharply higher gas, grocery, and other prices, and Americans are paying more in postage for worse service. This is simply not acceptable. Millions of people across the country rely on the Postal Service to be an effective, affordable way to pay their bills, file their taxes, and run their businesses. Higher prices means shutting out many Americans from full participation in our society.

Vice President Twark [sic], as the Postal Service Commission reviews and approves postal rate changes for the Postal Service, to what extent are you weighing the deterioration of service?

Mr. TAUB. Congresswoman, we take that very seriously, and we are deeply concerned about that. As you referenced, about five years ago, the Commission modified, as is a requirement under the law, the price cap system for these market-dominant products where the Postal Service has captive customers, those that you were talking to, you know, who have no other alternatives than the mail. That had been locked at CPI. There are nine somewhat conflicting objectives in law that the Commission must balance, and those include things like rate predictability, stability. It includes the financial stability of the Postal Service and a variety of others.

We looked at that system and found it was not meeting those objectives, so we provided the Postal Service, as you indicated, some additional rate authorities above inflation to capture costs that are outside of their control. They made clear they were going to be judicious in their use. They have been maximalist in that use, and as you indicated, we are seeing degraded service during that time. So, in essence, folks are paying more for worse service, and hearing those concerns, we started a review earlier on this system. One of the changes that we actually promulgated in January was limiting the Postal Service, again, on this market-dominant side, competitive products that could change daily to once a year. They were, in many cases, doing twice-a-year increases, which really are attacks on the American businesses and consumers throughout this United States by a government agency twice a year, and we limited that to a once a year, but we did not change the maximum ability to go above inflation, nor the other many flexibilities that the Postal Service has for pricing.

Ms. NORTON. Commissioner Day, the Universal Service Obligation guarantees that all Americans, regardless of location, can access public services at uniform rates. What steps will be required to preserve the Universal Service Obligation for future generations?

Mr. DAY. This is part of what the Vice Chair had already said. As we look at the USO, we are going to have to clearly define that. It is an open issue. At this point, the Postal Service has been able to redefine, as you have already just said, to go from overnight/two-/three-day to a two-day to five-day service and even change the service measurement system. The reality is we are going to have to work our way through that. I do not have a definitive answer at this point in time. It has to be done in conjunction with all aspects of the Universal Service Obligation.

Ms. NORTON. Thank you. Commissioner Poling, aside from raising mail rates, what other options are available to the Postal Service for generating additional revenue?

Ms. POLING. Thank you so much. I just want to make sure I had the question correct. You said aside from raising mail rates, what other forms of revenue raising are available to the Postal Service? Is that correct?

Ms. NORTON. Yes.

Ms. POLING. Okay. I will just go ahead there. I was just going to say, yes, so I think the Postal Service, one of the things I talked about in my testimony is I think they have a tremendous ability to go forward and pursue these additional revenues. The Office of Inspector General, I think, did a fantastic report, kind of seizing on in the 2022 law. You know, it has been expanded in terms of working with state, local, and tribal governments in terms of doing these added revenues, so I think that is something the Postal Service should really be pursuing. I would also say I think there is untapped potential looking in younger generations as well. I think we need to look at Gen Z. We need to look at Millennials. We need to look at what is it, sort of, that people want from their Postal Service, and ultimately, that is why we need to define this Universal Service Obligation.

Ms. NORTON. Thank you. As I told Postmaster General Steiner when he testified before the Subcommittee in March, postal services must be accessible, reliable, and affordable. Raising prices and lowering delivery standards will not save the Postal Service from its current financial predicament, and I look forward to working with each of you on a more sustainable, long-term solution, and I yield back.

Mr. SESSIONS. I thank the gentlewoman and also want to thank her for being at each and every one of these hearings about the Postal Service, and I appreciate her service to the country also.

We now move to the distinguished gentlewoman, the Chairman of the Rules Committee, the gentlewoman from North Carolina, Ms. Foxx.

Ms. FOXX. Thank you. As many people know, I use the Post Office a lot for all kinds of things, especially personal issues, and so do my constituents. We want the Postal Service to ensure business functions are done, people receive medicine, pay bills, stay connected with their loved ones. However, during the last several years, the Postal Service's financial problems have not abated. Even though Congress provide one-time relief in 2022, the Postal Service continued down its unsustainable path of huge annual losses. With no end to the losses in sight, it is increasingly clear the Postal Service has lost its way. Rather than a disciplined, efficient operation, the Postal Service resembles a bloated Federal jobs program that delivers higher postage rates, delays, and deteriorating service. The Postal Service must return to its core mission of providing reliable, affordable, universal mail service.

Vice Chairman Taub, I am concerned that the Postal Service is spending money duplicating functions that the private sector can provide better and at lower costs, such as package labeling technology and IT solutions. Does the Commission evaluate whether the Postal Service is duplicating capabilities that private companies have already invested in and developed?

Mr. TAUB. We do not have that direct authority in the law, but I will say the law requires—and we, I mentioned, modify the rate system. There is a requirement of law called work sharing, and it really is based on this idea of a vibrant public-private partnership where, if the private sector can do it for less cost than the Postal Service, it makes total sense to have the private sector doing that.

Ms. FOXX. Well, does the law allow you to seek more transparency from the Postal Service on how existing commercial technologies can improve service and reduce cost? I would assume it does.

Mr. TAUB. You know, there is the separation between the regulator/operator, and so some of what you are describing are operational decisions by the Postal Service to invest, whether it is new technology or invest in a whole middle-mile network, which the current plan is doing, with promises that that is going to be more efficient. And so, for example, we opened a docket early on when the signs were clear that this plan that I think we all hoped would provide the results was not. And so, indeed, Dr. Foxx, you were right on that is part and parcel of why the Commission needs to exist, is that providing transparency to the American public that, otherwise, I would suggest we may not even have an opportunity to truly get at.

Ms. FOXX. So, what problems arise when the Postal Service invests in technologies that can disrupt private-sector solutions, especially when those companies' products are regulated by the Postal Service itself?

Mr. TAUB. Yes, deeply because, you know, just go down the list. Not only that is then adding and saddling the Postal Service and the rate payers with more costs that otherwise could be inflected by leveraging the public-private partnerships, but it is affecting the private sector of the United States, a government establishment and commercial marketplace. We do have authority, based on the 2006 law, to police through complaint where the Postal Service is using its regulatory authority to unfairly compete with the private sector. And so, those are areas that we have had a chance to police, but we have not actually adjudicated many of those complaints, but that is a deep concern and we do have authority over that.

Ms. FOXX. So, the Postal Service keeps raising rates on mailers well above inflation, which is unsustainable. Businesses in my district must make tough decisions, such as laying off staff, and newspapers and magazines must cut print days, which results in less local news and information reaching constituents. Everyone involved pays more for a worse product. What remedies do you believe should be implemented?

Mr. TAUB. We have an open docket right now that is ongoing looking at that market-dominant rate system and whether there should be changes, including those additional rate authorities above inflation that I mentioned we provide to the Postal Service. I would note Postmaster General testified and has continued to allude to, in that pending docket, the Postal Service has filed their perspective as to how we should modify that. And their recommendation is that we should get rid of any price cap limitations on the Postal Service, just trust the Postal Service to raise rates as they deem appropriate, and in the alternative, if we do not do that, their petition suggests that we grant them upwards of 23 percent one-time authority to do that.

That is pending before us. It is an ongoing docket. Like, everything we do at the Commission, it is in the light of day where we get notice and comment. Administrative Procedures Act, any party, including the Postal Service, they do not like our final decision, can take us to the D.C. Circuit. And I would suggest, a little different than the Postal Service itself, which is exempt from the Administrative Procedure Act, we are there to really represent the public interest, and so we are looking at that issue right now.

Ms. FOXX. I thank all our witnesses, I thank the Chairman, and I will be submitting some questions after the hearing. Thank you.

Mr. SESSIONS. Chairman Foxx, thank you very much. We will look forward to getting those questions, and of course each of the witnesses will be expected to respond back to those, as I know that they will. Thank you very much for your constant feedback to me. Since the day I took over this job, Virginia Foxx has made sure that she is a regular visitor with me on these issues. Thank you very much. The gentlewoman yields back her time.

The gentleman from Florida, Mr. Frost, you are recognized.

Mr. FROST. Thank you so much, Mr. Chairman. I want to start by talking about the Regional Transportation Optimization plan—the RTO—that might impact 72 percent of all post offices. At a previous Subcommittee hearing, I was able to ask the Postmaster General about the RTO plan directly, and now I just want to hear from you all. Commissioner Poling, does the PRC believe that the RTO plan will achieve its projected cost savings and improve the financial health of the Postal Service?

Ms. POLING. Thank you, Congressman Frost. The Postal Regulatory Commission issued an advisory opinion in January 2025, and in that advisory opinion, we actually did find that the changes the Postal Service was making would disproportionately harm rural America. RTO was among the things that we were looking at, right, when we made that determination. Unfortunately, and the thing is I think we are all here wanting to make sure the Postal Service is better, wanting to improve it. I do not think it brings any of us any joy that some of our findings were right in that advisory opinion, but as things have been borne out to date, yes, I think the RTO is something that has proven to be very challenged. And, you know, again, in the advisory opinion process, the Postal Service has the ability to look at our recommendations, but they do not have to follow them because it is advisory in nature.

Mr. FROST. How might the RTO or similar restructuring activities negatively affect mail delivery times?

Ms. POLING. I think that is a really good question. I think we have seen, obviously, service standards change and be degraded drastically, particularly over the last five years. Two times service standards have already gone down, so I worry a lot about what does a local citizen know about their delivery times. We actually did make a recommendation in our advisory opinion that said maybe you should put something—to the Postal Service—put something maybe on these blue boxes saying how much longer it is going to take, right, when we are adding in these extra days of delivery. To date, that has not been taken into account.

Again, I think the biggest thing we have to think about is what is it that citizens expect from their mail, what do they need from their mail, and, frankly, they need to be given a lot more transparency from the Postal Service. They need to understand how long it is going to take something to be delivered, and right now I worry about that disconnect between maybe what the Postal Service is saying with service standards and these changes that have been made, and then the actual experience that customers are having on the ground.

Mr. FROST. A hundred percent, and, you know, part of the reason I ask is I am concerned about time-sensitive mail, specifically, you know, of course, bills and paying for things, but also, we have elections coming up, and so mail-in ballots and different things like that. And so, I am just concerned about the RTO plan and its impact on elections, and working people and how they use the Postal Service. I also want to spend a few minutes talking about the importance of having an independent United States Postal Service and a knowledgeable PRC. Vice Chairman, can you speak a little bit about your qualifications and experience that you feel prepared you for this role?

Mr. TAUB. Sure thing. The Chairman had mentioned he has had the honor and privilege and joy of working on postal issues for nearly three decades when he came to Congress and was assigned to the Postal Service Subcommittee on this Committee at the time. I happened to be its staff director, and so I have been on this journey of trying to help ensure that this important, vital service to America is delivered.

The statute in 2006 when it was modified to create the Postal Regulatory Commission did add qualifications in statute for Postal Regulatory Commissioners and includes experience in things like public administration, accounting, economics, law. And so, like a lot of the three and four letter independent regulatory agencies in town, the idea is we have a multi-headed agency that brings differing perspectives. And so, I think, you know, that is, in many ways, the strength, and it is an honor working with my colleagues here today. I know we were all appreciative, the Chairman, for Public Service Recognition Week a few weeks ago, came to visit the good, hard-working folks at the Commission who do that work.

Mr. FROST. Yes. Thank you. I mean, it is clear that you all care about the financial health of the USPS, and the qualities you all possess are also important qualities for nominees to the Postal Service Board of Governors as well. I am very concerned about the President seeming to nominate people to the Board that have his best interests in mind and not the best interest of the USPS, like his most recent nominee, Anthony Lomangino, who is also one of his top donors. He is a co-founder who put millions of dollars into a super PAC to help get the President reelected.

Look, I think it is important that we fill vacancies on the Postal Service Board of Governors with Senate-confirmed appointees that meet the qualifications and experiences to help serve the needs of the people, not the President. The Postal Service is not a business opportunity, and independent government boards must remain independent. Thank you, and I yield back.

Mr. SESSIONS. Thank you very much. The gentleman yields back his time, and I also want to thank the gentleman from Florida. He attends each of our hearings, stays up on these issues, and I believe brings a balanced comment to people on this issue, and I want to thank the gentleman.

We now move to the distinguished gentleman, former Chairman of Policy Committee for the Republican Conference, the gentleman, Mr. Palmer.

Mr. PALMER. Thank you, Mr. Chairman. The Postal Service carries roughly $101 billion in unfunded retirement benefits. You are spending about $10 billion a year trying to meet those obligations. It is a huge hit on your annual Fiscal Year budget, and back in April you had to suspend contributions out of concern that you would run out of cash. I just wonder from each of you, how much thought you have given to the recommendations from the Inspector General about diversifying your retirement investments into other assets beyond Treasury securities? Again, Mr. Taub?

Mr. TAUB. Congressman, one of those things, all of the above. All of those ideas are worthy to be considered by Congress. We would simply suggest before Congress jumps into those decisions, we first focus on what is the public service mission that America needs from its Postal Service, defining its Universal Service Obligation.

Mr. PALMER. Well, if you are going bankrupt, which you are headed in that direction, if you were a private company with an over a hundred-billion-dollar unfunded liability, you got to start thinking about this differently.

Mr. TAUB. Exactly. That goes to the heart of defining the mission, but, Congressman, you are right on. There is on that balance sheet, enormous debt to the American taxpayer for the retirement obligations that they have not paid for over a decade. The Commission added additional rate authority for those market-dominant products that if they chose to do it, they could finally start making some payments, which they did do. We stepped in earlier this year at their request to look at that and waive that requirement. But you are right, it is on the books, but they have been, in essence, not paying that, in some ways I would say, in essence, unilaterally.

Mr. PALMER. No, no, no. We are not going to let people who have spent their career delivering the mail lose any of their retirement benefits.

Mr. TAUB. Right.

Mr. PALMER. But at the same time, you cannot let the obligations for the retirement benefits bankrupt the entire operation. So, do you think we are at a point where Congress needs to consider amending Federal law to allow the Postal Service to diversify its retirement investments because everyone that has looked at this believes that this would significantly reduce the burden.

Mr. TAUB. Yes. Again, trying to help the Postal Service, that has been looked at. I think it is a reasonable suggestion. Obviously, the Secretary of the Treasury would have some equities here that would need to be at the table, but from our perspective, while it is outside the direct lane of the Commission, definitely all of the above, things that can help with it. But on the retiree, the action I was mentioning gives all of us as policymakers and Congress a little bit more breathing room as opposed to reaching for choices of desperation right now.

Mr. PALMER. Yes. Well, the fact that you had to suspend the employer contributions——

Mr. TAUB. Yes.

Mr. PALMER [continuing]. Is indicative of how dire the situation is, and, Mr. Chairman, I think maybe we ought to try to look at this in a bipartisan manner to give the Postal Service the ability to diversify its investments. Everyone who has looked at this agrees, unless some of the other Commissioners disagree, and I have not heard from them, that this would largely mitigate the problem. My other question, and anyone can respond to this, is what other cost-saving measures is the Postal Service considering?

Mr. TAUB. The Postal Service, as you mentioned, not only unilaterally separate from our actions, suspended the $200 million every two weeks for their current FERS employees, the Postmaster General just recently issued a directive where they were not going to hire new positions. They would still backfill, and limited expenditures on certain things like travel and all of that. So, Postmaster General has announced, certainly, the FERS withdrawal gives them quite a bit of money and the payment, but they are undertaking, right now, efforts to conserve cash, which again, changes that being broke at the end of the year to a little more breathing room, but it is not a permanent fix.

Mr. PALMER. Well, I thought I saw some smiles and nods from the other witnesses. I do appreciate your response to my questions, my concerns about this, and I think there are some opportunities here for us to work together on this issue that could really help the Postal Service. Mr. Chairman, they are spending $10 billion a year just on the unfunded part of the retirement obligations. I appreciate the witnesses being here, and I yield back.

Mr. SESSIONS. I want to thank the gentleman, Mr. Palmer, not only for his comments and insight, but this is part of that huge issue that each of our Postal Regulatory Commissioners have spoken of today, something that has been important for the Postmaster General, that the dialogs between our staffs, the dialogs between each of us, and that is why it was referred to as a five-alarm fire this morning that we do need to pay attention to. It is not one subject. It is a big subject, and it is the purpose of these hearings, Chairman Palmer, is to do exactly as you suggest, and that is to get into the intimate details of the piece-parts about how we are going to pay for this because it is a big system, and there is a lot at risk. And I appreciate the distinguished gentlemen for taking time to be here today.

I, next, would like to go to the gentlewoman, Ms. Randall, to be recognized at this time. The gentlewoman is recognized.

Ms. RANDALL. Thank you, Mr. Chairman. Like so many rural communities across the country, the Postal Service is crucial to folks in my district. Tribal members, veterans, military families, aging neighbors across Washington's 6th rely on the Postal Service to deliver lifesaving medications, to pay bills, to stay connected to their communities, especially in a place where reliable internet is hard to come by. One of my constituents recently wrote to my office after experiencing multiple serious delays in just the span of one month. A certified check sent from Carlsborg to her credit union was expected to arrive in a few days. It took weeks. A priority mail check sent from Sequim also took roughly two weeks to arrive, and a bill mailed to her waste and recycling provider still has not arrived more than two weeks later.

It is not just frustrating. For a household trying to deposit a tax refund, pay bills, and manage daily life through a mail system, they need it to be reliable. And in a universal vote-by-mail state like Washington, those same delays raise concerns, especially when our democracy and free and fair elections are under attack. If people cannot trust a check or a bill will arrive on time, they are going to ask the same questions about their ballots, and no one should have less reliable mail service because they live in a rural community, on tribal land, or at the end of a long delivery route. Universal service has got to mean universal service, and right now the numbers that Congress gets are too broad to show what people in individual neighborhoods and on routes are actually experiencing.

National average does not tell us whether ballots are moving on time in Kitsap County where thousands of military families rely on dependable mail service. It does not show us whether mail is reaching communities in Forks and Quileute at the edges of the Olympic Peninsula. We need to know how the mail is performing community by community, particularly when we depend on it for our ballot delivery. That means looking at the three-digit ZIP code data and service performance across every congressional district.

Commissioner Poling, in a universal vote-by-mail state like Washington, how should Congress be thinking about Postal Service performance as part of election access and voter confidence?

Ms. POLING. Thank you, Congresswoman Randall. I appreciate the question, and it is certainly very timely. Service performance, and I also just wanted to say, I really appreciate what you said about the rural nature of your district and what you deal with. Working for the states of North Dakota and Montana, I really got to see it many times when I was out there and could really appreciate the lifeline that the Postal Service is, so I really do understand, and I appreciate everything you said there.

I would say this. So, the Postal Regulatory Commission, through our Annual Compliance Determination process, we do measure the service performance of election mail, so that will come out, of course, a little bit later. I wish it were a little bit more in time, but the nature of our process measures the prior fiscal year, but I will say this. I think something that is very encouraging about election mail historically is that service performance for these ballots is historically so much higher, right, than even any other kind of mail. And I think that is because the Postal Service, they do something called extraordinary measures during elections, I think, where they really are paying attention to that.

If I could, I think the greater service performance issue that we are dealing with is a little bit of what you—I mean, this is absolutely a part of it, kind of under the umbrella, if you will. But what you talked about with this disconnect between, I think, maybe what the Postal Service, these changes they have made with service performance over the years—the degradation of service standards, lowering them—and then the actual customer experience, that is where I think we really need to figure out what it is, right, that the American people need from their Postal Service. And we also need more reliable information and transparency about what is going on.

Unfortunately, I cannot get into a lot of details, but the Commission is currently looking at service performance through a Service Performance Measurement docket, which really is getting at that idea, right, between what is that disconnect between what is happening on the ground and maybe what the Postal Service is saying. So, I think all of these things need to be really carefully looked at by Congress, and I do echo what the Vice Chairman said very strongly that this Universal Service Obligation is something I think that needs to be tackled.

Ms. RANDALL. Absolutely. Thank you, and I think, understanding, you know, having more access to the data that will allow us to see how those performance standards break down community by community will be——

Ms. POLING. Yes.

Ms. RANDALL [continuing]. Really helpful for us in the work that we are doing on behalf of our constituents.

Ms. POLING. I absolutely agree.

Ms. RANDALL. But we will continue to track the results and stay in close contact because mail is a lifeline for folks in communities like mine and all across the country.

Ms. POLING. Thank you.

Mr. SESSIONS. The gentlewoman yields back her time. Thank you very much. The gentleman from Texas, Mr. Gill, you are recognized.

Mr. GILL. Sure. Thank you, Mr. Chairman. Thanks for holding this hearing and doing a great job leading this Subcommittee, and allowing us to get some meaningful work done, and thank you to the witnesses for taking the time to be here. Mr. Taub, I have got a couple questions for you.

Mr. TAUB. Yes, sir.

Mr. GILL. Do you know how much the U.S. Postal Service lost in Fiscal Year 2025?

Mr. TAUB. About $9 billion.

Mr. GILL. Nine billion, and roughly how much did it lose in the last three years?

Mr. TAUB. The last three years, you are looking at roughly $20-something billion, again, to go off the top of my head. We know they have lost $31 billion in the five years since they have undertaken this DFA plan.

Mr. GILL. Thirty-one billion in five years, and despite massive financial relief in the wake of COVID and the Postal Service Relief Reform Act of 2022, we are still seeing massive budgetary holes. Is that correct?

Mr. TAUB. That is correct.

Mr. GILL. Got it, and how much do you expect the Postal Service to lose over the next several years? Do you have an estimate that you could sort of pull us through?

Mr. TAUB. I do not have a good estimate, but I would feel very comfortable assuring you it is going to be considerable.

Mr. GILL. Yep, and your testimony alludes to the fact that the USPS believed the Delivering for America Plan would lead to the Postal Service breaking even by 2023. Is that correct?

Mr. TAUB. That was the initial estimated plan, in addition to a promise of $28 to $40 billion of self-help by 2030.

Mr. GILL. Can you help us understand why that did not happen?

Mr. TAUB. Well, certainly it would seem to suggest a flaw in the plan. The Postal Service certainly points to a variety of factors, which are true: inflation, circumstances change. But at some point after year after year after year, when it seems that the initially estimated predicate of building out a middle-mile network to save $28 to $40 billion is not occurring, it just raises the question, is it time to reassess if this is the right path we are on.

Mr. GILL. And what about some of the underlying assumptions on mail volume and package growth pricing? Can you walk us through some of those, and what you expected and what turned out to be the case?

Mr. TAUB. Well, again, Postal Regulatory Commission is not the operator. We are a regulator and a try to provide transparency, and so the DFA plan as the operator's plan, you know, move forward and continues to this day. But it was, as you alluded to, predicated on the idea of building out a middle-mile network to capture what was expected to be significant growth in the competitive parcel package market, and with each passing year, we see that market actually becoming much more competitive. In fact, the volume that the Postal Service is getting from this is dropping off, and although revenue is significant in that area for the Postal Service, in no way can it make up for the large amount of contribution to the overhead costs that the market-dominant products—letter mail, periodicals, magazines—those type of Marketing Mail, those are the ones contributing to the overhead. So, the whole predicate of the plan, while I think all of us had hope that it would play out, does not seem to be where things have gotten us or going.

Mr. GILL. And can you help me understand how employee count and mail volume have trended over the past few years? Do you know how many employees did the USPS have in 2010?

Mr. TAUB. In 2010, I do not have that number offhand, Congressman.

Mr. GILL. Okay. It is about 671,000 employees. Do you know what it was in 2025?

Mr. TAUB. I believe in roughly the same neighborhood.

Mr. GILL. So, about 624,000 employees, so a reduction of 45,000 roughly.

Mr. TAUB. Yes.

Mr. GILL. Do you know how mail volume trended during that period?

Mr. TAUB. Overall, mail volume continued its unrelenting decline.

Mr. GILL. Yep, declined by about 36 percent during the period. Do you think that the difference between the decline in mail volume and the decline in employee count had something to do perhaps with the decline in profitability?

Mr. TAUB. Oh, certainly. You know, one of the measures that the Postal Service has used since 1963 is what they call total factor productivity to measure the efficiency of the Postal Service. The last several years have seen the worst in a five year period, and, in fact, you know, two of the worst since it was being measured. The second of the three was in 1979. And so, if you have got volume going out, and you have got your inputs, shall we say to handle that, not going down as quickly, the math just does not work.

Mr. GILL. Right, and what do you think is sort of the obvious policy response to that from the Post Office standpoint?

Mr. TAUB. Well, certainly when you see, while revenue has gone up, expenses going up faster, got to be a focus on where can things be saved. And yet, as I said, this DFA, immense amount of capital investments, and for the foreseeable future, they are looking to continue those at, you know, questionable levels of sustainability, $4 to $5 billion going forward in the future.

Mr. GILL. Yes, sir. My time is up, so I will yield back to the Chairman. Thank you.

Mr. SESSIONS. Mr. Gill, I want to thank you for taking time of not only attending each of our hearings, but coming with contributions that I consider enormous and successful, and thank you very much.

Mr. Bell, we have waived you on for the purpose of questioning, and now the gentleman is recognized.

Mr. BELL. Thank you, Mr. Chairman. I want to take a moment to talk about something my constituents have been raising with me since I came into Congress. Their mail is not showing up when they need it, whether it is prescriptions, tax returns, bills, or letters from their loved ones. People in St. Louis do not know where their mail is or when it is coming. Last year, the USPS Inspector General's Office conducted an audit of seven delivery facilities across our region. They found delayed mail at every single one. My constituents did not need an audit to tell them that. They have known it for years, but now it is documented, it is on the record, and there is no excuse for it not to be fixed. That is why I introduced the St. Louis Up to PAR Act to address accountability for documented systemic failures like these. My constituents in St. Louis are not following postal policy debates in Washington. They are just trying to get their mail. So, today I want to hear from the Commission about what it can actually do when the Inspector General identifies problems like these.

Ms. Poling, is it fair to say that the Commission's oversight authority is primarily focused on national performance metrics rather than operational conditions at individual facilities?

Ms. POLING. I would say that is fair.

Mr. BELL. And when the Inspector General documents failures at specific facilities the way they did in St. Louis, what role does the Postal Regulatory Commission play in making sure these findings lead to real changes on the ground?

Ms. POLING. That is a great question. I would say currently, we do not have a specific role when it comes to that, those exact changes on the ground. Where we do have a role is, and we are actually the only ones that do, is in the advisory opinion process. So, when the Postal Service decides to make a nationwide or substantially nationwide change in service, they have to come before the Commission. It is advisory as it sounds, but that is where we have our team of technical, legal, economic experts really dig into how these changes are going to affect the entire country. And that does flow down, right, to St. Louis and how it would affect you all, but I think that is somewhere that could stand to be strengthened, frankly, that part of the process. I think it would be very helpful—again, my own personal opinion—for the Commission to have more oversight when it comes to that process.

Mr. BELL. And that gap is exactly why we introduced this Up to PAR Act——

Ms. POLING. Yes.

Mr. BELL [continuing]. To require USPS to report directly to Congress on whether the fixes they promised are actually happening on the ground because you cannot fix what you do not measure.

Ms. POLING. Right.

Mr. BELL. That is all I have, Mr. Chairman. I yield back.

Ms. POLING. Thank you.

Mr. SESSIONS. Thank you very much. The gentleman yields back his time. So that the gentleman, Mr. Bell, is aware, there have been many discussions, not only that Members have had with me on a bipartisan basis, but also internal—I have had them somewhat with Mr. Mfume—about the need and the desire to look at specifically St. Louis, not only from a perspective of a regional, center part of the country, but how it feeds many other people. It is a huge hub for the Postal Service and comes into interaction with days that it takes to receive mail back and forth. So, I want you to know that Mr. Mfume and I will update you on the plans for what would be a visit by myself and our staff, including Mr. Mfume, if he were to be able to break free.

Mr. BELL. Mr. Chair, if I may also say this has been a bipartisan effort, even amongst our congressional district, and so I appreciate your remarks and——

Mr. SESSIONS. Well, Mr. Bell, thank you. In fact, Mr. Mfume and I insist on making sure that it is something not just bipartisan, but also players in the arena be able to talk to each other, whether it be Postal Service or other people who are engaged in that area also. So, Mr. Mfume has told me that you would be here, your needs, and we will get back to you, and I want to thank the gentleman for being here.

Mr. BELL. Thank you, Mr. Chair.

Mr. SESSIONS. Yes, sir. The gentlemen yields back that time. The gentleman, now Mr. Jack, is recognized.

Mr. JACK. Thank you very much, Mr. Chairman, and I would like to start with actually a very positive story related to your leadership. You held a hearing with Postmaster General a few months ago, and at that hearing, you provided me an opportunity to share with him a challenge that I was experiencing in my district. There was a post office in my home county that burned down three years ago, and it had suffered delay after delay, setback after setback. And because of that hearing and because of the Postmaster General's leadership, and also that of Kayla Dufresne who works for him, they swiftly reacted, and this past Monday, I was able to reopen that post office to the delight of many in my community. And to Mr. Mfume, if I could share with you, it turns out that the city councilman in Tyrone, Georgia, actually grew up in Baltimore, is a big fan of you. So, you also made me look good, for which I am grateful.

But if I could start with Vice Chairman Taub, just to follow a little bit on the line of questioning from Mr. Gill. In a vacuum, do Postal Service's products turn a profit?

Mr. TAUB. They certainly are marked up in a way to cover their costs and contribute to the overhead of the Postal Service. There are a few products that are underwater. Marketing Mail flats are one of them, and a couple others that are the entire class of periodicals/magazines have been a perennial problem for 20 years in terms of covering their costs, and then there is an Alaska by-mail, that the last few years, those costs have risen. Except for those three, on the market-dominant side, while the volume continues to go down, they are contributing to the overhead. And, of course, on competitive products, while not the same level of volume or kicking to the overhead, they are not only covering the cost, but contributing too. It is just while that is the good news on the revenue side, the expenditure side of the equation is going up faster.

Mr. JACK. I know you have spoken about it at length today, but talk through a few of the expenditures that in recent years have really exploded in costs to the Postal Service, and help us identify what those are.

Mr. TAUB. Certainly, when you look at the Postal Service and their cost structure, and this has been generally the case for decades, is about roughly 70 percent are for labor, and it is just the nature of the operation and how it works. And certainly, a lot of this plan the Post Service has been on is about trying to achieve savings in the transportation area. While they have achieved some, they certainly are not what they predicted or hoped, but when you are looking at, you know, racking and stacking, “Hey, where are the areas we need to look at from expenditures,” certainly labor, logically, is going to be the largest cost structure that drives the cost of the Postal Service.

Mr. JACK. I am curious, have you looked into other countries, and I am curious, are other countries experiencing similar difficulties with their own Postal Service systems?

Mr. TAUB. Definitely. It is the, you know, nature of the world we live in now, which is just the unrelenting decline throughout the world of folks mailing letters less and packages growing more. I would say, however, Congressman, that most other countries have gone through the hard exercise of defining the regulation and licensing contract in statute what they expect of their national postal administration that must be done for the American public. In our case, we need to do that, but for their citizens, and a lot of that is much more narrow and defined. And so, right now we have a situation where, except for six--day, it is more, hey, bind the Nation together, you know, and left to the Postal Service to self-define that. And that, I think, has created some of the challenges for us as a Nation and the concerns we hear at the Commission and that have been expressed today about service.

Mr. JACK. If no action is taken, describe the state of the Postal Service two years from now, five years from now.

Mr. TAUB. Yes. I think at the very end of the Commission’s testimony that I provided is an article from almost exactly 15 years ago by *Bloomberg Business Week* with an old mail truck crunched on the front that says, “End of the Mail as We Know It.” End of 2011, they are broke. The numbers have gotten worse, and so, you know, there is, at some point, something has got to give. These bills that I have talked about that have not been paid for retiree benefits, in 2022 law recalculated the retiree health benefit payments, but it kicks in again in 2031. That will be $31 billion. So, the question is, can they do what they have been doing for the last 15 years and just not pay it and figure that Office of Personnel Management (OPM) and Treasury will pay those bills when they come due, or at some point, is, you know, the bill going to be coming due? But you add on those obligations on top of the requirement of $6.6 billion a year and growing of meeting the Universal Service Obligation mission.

So, our concern is, unless we do the hard work of defining the mission and figuring out what that costs, the public service mission for this government entity, and then figuring out a funding structure, we are going to be here in two, five, ten years. You know, somebody who is doing this job—in my case, the Postmaster General—in 15 years will be attaching an article like *Bloomberg News*, and, you know, it is like a baggage carousel coming around.

Mr. JACK. Well, thank you for your testimony, and to all the Commissioners, thank you for your testimony. I yield back.

Mr. SESSIONS. The gentlemen yields back his time. Mr. Jack, I want to thank you also for taking time to have this be important to you and your constituents and certainly this Subcommittee. Thank you very much.

Now, it looks like that we would go to the distinguishing Ranking Member for his time. The gentleman is recognized.

Mr. MFUME. Thank you very much. Mr. Chairman, it has been a good hearing. I want to, again, be redundant and thank all of the witnesses who have come here and shared their time and their thoughts and their energy. And I want to thank Members on both sides of the aisle who have been coming and going because of congressional schedules today, but found it important enough to be here to participate to some degree.

There is a lot to pick through. I mean, there really, really is, and I am going to try to do this without any kind of metrics or order, just based on what I have been hearing and what I know the challenges are both for this Committee, for the U.S. Congress, and for the Post Office that we love and must find a way to keep. And Mr. Taub, you began this by saying clearly that Post Office is not a private business, and that one of the things or several of the things we have got to protect against are monopolistic abuse, predatory pricing, and that you are very doubtful, as I am with you, that this $15 billion will solve the crisis once and for all. I think that is poppycock. That is just not going to happen.

So, I want to come back to that, but I would also want to point out and to thank the others for going on record with some profound thoughts and assessments about what we can do and what we ought to do. And one of the things that continues to come up is the need for a definitive service obligation, a Universal Service Obligation: one set of rules, one set of practices, one set of standards that no matter where we are, we can all adhere to. And the construction of that is really where I am finding most of my appeal about all of this. If we do not do that, then we have just not done anything. I mean, we have just kicked the ball down the road. So, I am going to come back to that, but I do want to thank several of you for providing——

Ms. Fisher, that is who I want to thank. Thank you for laying out some of the challenges that sometimes we do not always think about: this whole notion of vehicles, and facilities and facility upkeep, and compensation costs, and volume declines, and cumulative net losses, not the least of which Mr. Taub referenced when he talked about the retiree benefits which are going to kick in. Those things really ought to frighten all of us to know that if we are very, very serious, we cannot do anything unless we address all of the things that are in front of us. And it may in some instances be so large and voluminous that many Members of the Congress will defer to this Committee and say, “Well, that is your job.” Yes, it is the Committee’s job, but it is also the job of the full Congress once we are able to construct and put forward, with input on both sides of the aisle, a Universal Service Obligation that is functional. It has got to be adopted and passed. I want to thank you for that, Ms. Fisher.

Ms. Poling, thank you for switching things around also, and to point out, while we have these challenges, that there are some built-in advantages that we ought to recognize, to the extent that they might be able to help us, and that is the network of physical vehicles, the significant fleet, the highly trained workforce, the fact that we are in every community in the United States with a presence. And off the top of my head, I do not know how you sew all of those things together, except that if we are looking at them as interconnecting possibilities and interconnecting assets that, in the construction of this Universal Service Obligation, we ought to take those into considerations.

Now, let me just say one thing about the challenge, and I appreciate the Chair giving me some extra time here. Commissioner Poling, businesses across the Baltimore area that I represent, including newspapers and small mailers and others, are paying more for worse services. That has been talked about over and over again today. In Fiscal Year 2019, a single piece of first-class mail was delivered within three days 80 percent of the time. Last year, under the five-day standard—not the three-day, but the five-day standard—on-time delivery had fallen to 73 percent. So, that is a significant decline in service for a significantly higher price, and all of us in the Greater Baltimore Area are feeling that disparity as they are in other areas, as it has been talked about today, and feeling it in different ways, not the least of which is the fact that in three weeks throughout the State of Maryland, we have got voting that will be occurring, a great deal of that by way of the United States Postal Service and mail-in ballots. Now, this is not for you, but just maybe the Postmaster is listening today. We would like to at least call your attention, sir, to the fact that Maryland, like other states, really are concerned about ballots and ballots arriving on time and other things.

So, here is what I want to do. Mr. Taub, I want to end up with you where I started. I have got a question because I was really perplexed when I heard the President talking about the idea of floating the Postal Service into the Department of Commerce as if that was going to heal many of the things that you have already pointed out are challenges, and that the Postmaster General called for significant changes in how PRC regulates the Postal Service. In fact, former Commissioner DeJoy went further by saying that the Commission, all of you, are an unnecessary Agency. That is his own opinion. Many of us disagree with that. But again, if we are to get to where we want to get to, which is a definitive, well-defined, structural, legal Universal Service Obligation that we all play by, one set of rules, some of those things have to be taken in consideration.

I would ask you just quickly, Mr. Taub, is that an idea that continues to resonate, and are Commissioners being forced to sort of consider that?

Mr. TAUB. In terms of the idea of the Department of Commerce or just the——

Mr. MFUME. The Department of Commerce. Taking the Post Office and putting it there.

Mr. TAUB. I am unaware of efforts there in that regard, but I would say to your other point, I think it is always important to level set and remind folks why we exist. Congress created the Commission in 1970 when it got out of business of setting postal rates, and recognized they were not going to turn over rate-setting authority to the Postal Service as a government Agency with the authorities we had. 2006, last major change to the statutes, Congress gave the Postal Service more flexibility to price products, introduce products, compete in the marketplace. They did not then say, "You know what? Trust the Postal Service. They will do it." That is where we turn into the Regulatory Commission.

So, I think that is part and parcel of that seventh feature of those seven features of universal service, an enforcement mechanism. We do everything in the light of day, transparent, accountable to the public. We hear from everyone and weigh what is in the statute required of us, and as long as Congress still feels that is important, I think we have to do it. But I would suggest, I think it is also vitally important, unless and until someday when the Postal Service is not wielding government powers with special legal privileges. And I am not suggesting that should be they, but until then, they are government agency operating in commercial marketplace, and I think that is why 56 years ago, Congress chose to create the Commission.

Mr. MFUME. And that is why now, if we do nothing else, we have got to construct some real Universal Service Obligations so that we know what the path is in front of us. And I raise that because my hope is, as Chairman Sessions has pointed out several times here, we find a way in this Committee to work together. We do not always do it at the highest speed, but we always end up where we want to go. And this situation really cries out for smart ideas, which I hope all of you will consider forwarding to us, and an understanding that this is where it really starts, so that formulation of ideas assists all Members of this Committee.

I know Chairman Sessions and I both realize the work that you do. We also realize the challenges, having gone through so many of these hearings, as some of you know, but if we do not do anything here, then the question becomes, why are we here? So, I am hoping that this really starts to level set, gives us the opportunity, working together, to come up with an idea of the things that should go into that construction of the Universal Service Obligation.

And then, Mr. Chairman, I just want to commit and rededicate myself to working with you on this. You know, we have just had so many hearings, but we are determined to find a way to make it work, and I would yield back. Thank you, sir.

Mr. SESSIONS. The gentleman yields back his time. We also committed that we do a lot of things as we are trying to do about overpayments, misdirected payments, so we have got a full plate, yes, I know, and thank you for your friendship to get this done.

We now want to move to what, at this time, is two remaining Members that you have. Ms. Budzinski from Illinois, you are now recognized.

Ms. BUDZINSKI. Thank you. Thank you very much, Chairman Sessions and Ranking Member Mfume, for allowing me to waive onto this hearing. I very much appreciate this opportunity. Second, I want to thank Vice Chair Taub and all the Commissioners for being here today. It is good to see you again.

The United States Postal Service is approaching a pivotal point in its long and storied history. In Fiscal Year 2025, the Postal Service lost over $9 billion and lost around $2 billion in Quarter two of Fiscal Year 2026. At the most recent Board of Governor's meeting, Postmaster General Steiner reiterated his calls for Congress to work with the USPS to find solutions to the financial issues they are facing. As the co-chair of the congressional Postal Service Caucus, I am committed to that mission as well.

Congress must be working with the Postal Service and stakeholders to protect USPS employees and ensure the Postal Service has a strong financial footing as we enter the 2030s and beyond. Additionally, any postal reform bill sanctioned by Congress must include provisions that protect and strengthen the role of the Postal Regulatory Commission. Contrary to what some at the Postal Service have said about the PRC, I believe they are a critical oversight body. In the coming months and years, as Congress moves forward with potential reform ideas, I want to emphasize the importance of an independent Postal Regulatory Commission and look to expand its oversight ability.

With all of that in mind, my first question is to Vice Chair Taub regarding the Regional Transportation Optimization plan. I was wondering if you could talk about why you think the Postal Service's analysis on the RTO was flawed, and what lessons can be drawn from future network restructuring initiatives that impact rural communities like the ones that I represent in downstate Illinois.

Mr. TAUB. Sure. The Commission, under the law, it dates from the 1970s Act, and it was one of the few holdovers in the 2006 law that left it as an advisory opinion, but recognizing Postal Service as the operator. When they make changes that are generally affecting service nationwide, they have to come to us for advisory opinions. It is a full-blown Administrative Procedure Act proceeding. We sit en banc. It is on the record. The Postal Service came to us, as required under the law, in December 2024 and sought our opinion. We provided that in January and cautioned that this plan was, A, predicated on savings that we found were, at best, illusory and, frankly, we could not really verify; and second, deep concern that we were seeing what was going to be created was creating a tale of two Americas, shall we say. Rural America was going to see delayed service, slower service under this plan.

It gives me no joy to say that, unfortunately, more than a year in under that plan, which they ignored our advice, in fact, criticized us, that we did not know what we were talking about, that were just a burden, has come to fruition.

Ms. BUDZINSKI. Right. Thank you. I have a couple more questions if you do not mind if we pause there. My second question is to you again, Vice Chair. As Congress looks at potential postal reform ideas, I am curious if there are any historical precedents in other sectors that you think could provide a blueprint to ensure the Postal Service is able to continue serving Americans for decades to come.

Mr. TAUB. Yes. Congresswoman, the Commission's full testimony suggests a possible legislative approach that could be informative if Congress is trying to grapple with the issue of how do we define the Universal Service Obligation. The Federal Communications Commission under the 1996 Telecommunications Act was directed by Congress to define, by regulation in the light of day with notice and comment, and can be revised by regulation, the USO for the telecom space under guidelines and guidance and guardrails that Congress put in place. But Congress, you know, was not expecting to have to go through the hard work itself of trying to get 218 votes in the House of 51 or 60 in the Senate on all the detailed definitions, but look to the FCC to do that from a definitional standpoint.

Ms. BUDZINSKI. Okay. I will be checking that out. Just one question, last. Can you discuss what went into the PRC's decision to grant USPS the temporary conditional waiver on amortization payments, and how do you think this changes the short-and medium-term financial outlook for the Postal Service?

Mr. TAUB. It was not an easy decision for us because we provided the Postal Service additional rate authority to go above inflation on their market-dominant products, and if they chose to, it was an opportunity for the first time in over a decade to start paying the obligations for Civil Service Retirement System (CSRS) and FERS that otherwise they have been defaulting on. But we recognize the reality of what we are dealing with in which we are facing suddenly a cash crisis, as the Postal Service announced, and we stepped forward and provided a waiver for a few years that is $2.4 billion as of September 30 this year, and probably payments of about $3 billion or more. It in is the rate base. It has been collected from restricted cash to unrestricted to allow them to pay the bills. It is not a panacea or fix, but I think it provides Congress and all of us an opportunity, a little bit more breathing room to not reach for choices of desperation, but think this through in a little more constructive way.

Ms. BUDZINSKI. Thank you very much, and I yield back.

Mr. SESSIONS. Thank you very much. The gentlewoman yields back his time. We have also waived on Mr. Walkinshaw, and we are delighted that he is here. The gentleman is recognized.

Mr. WALKINSHAW. Thank you, Mr. Chairman. I appreciate, again, your willingness to allow me to waive on, and thank you all for being here. I apologize that I missed your opening statements, but I did read all of your statements, and it is clear that, you know, you have all put forward a range of ideas, as other stakeholders have, to address the financial challenges, the service failures. But in my view, if we are going to get to meaningful reform, especially if we are going to build the kind of support here that is necessary for meaningful reform, we got to have clear goals that prioritize both the long-term financial stability and the reliable service because we cannot have one without the other. And if we are going to set those goals and evaluate the tradeoffs, and there certainly will be tradeoffs, we have to have data showing how these proposals, savings they generate would affect the long-term finances and service performance of the Postal Service. It is also necessary to have that data so that we can all hold the Postal Service accountable.

And that is why, I think it was in March of this year when the Postmaster General was here, I asked him if he would be willing to provide this Committee with financial projections showing how proposed reforms, including the continued implementation perhaps of Delivering for America and the RTO initiative, would affect the Postal Service's finances and service performance. He committed, sitting right there, to providing—this is a direct quote—"multiple budgets demonstrating the tradeoffs among different proposals and their impact on five-year financial projections." Unfortunately, after a few months of asking, we got a two-page response, and I will just read one paragraph, Mr. Chairman.

It says, "The Committee on Oversight and Government Reform recently asked for five-year financial projections in the form of multi-scenario analyses. While we do not do such financial projections in the ordinary course of business, we can provide general information that answers many of these questions." They go on to provide some general information that largely rehashes documents that have been released publicly. They do not answer the question of five-year or even multiyear financial projections, which is frustrating to me. Since they did not find the time or the interest in providing that data that, in my view, I think are necessary to inform our reform efforts, let me just ask you all, and maybe you can help me a little bit.

Vice Chairman Taub, past PRC reports warned that DFA plan changes would slow service and disproportionately harm rural communities. Your testimony today that I read, I think, says essentially that those warnings were prescient. Unfortunately, in your view and the PRC's view, DFA has slowed service and disproportionately harmed rural communities, has not achieved the savings that it was predicted or projected to achieve at the time. And one of the reasons I am asking for some forward-looking financial projections from the Postal Service is because they have repeatedly failed to deliver on their promises to produce real savings through DFA and other efforts.

So, I just want to ask you, you know, do you share that concern? Am I wrong to think that an organization with the scope and scale and import of the United States Postal Service should not be able to, in the ordinary course of business, produce some kind of multiyear financial projections for this Committee or for anyone else?

Mr. TAUB. Congressman, again, they are a government agency working on behalf of the American public, and they, it seems to me, should be doing that. And in fact, your suggestion and request was a hundred percent what the Comptroller General of the Government Accountability Office recommended to the Postal Service in a recent report they issued in December, and the Postal Service's response to the GAO was ain't doing it.

Mr. WALKINSHAW. Yes. You know, we have, as you all have pointed out, some important work that we need to do here as Members of Congress on this issue, and I am asking the Postal Service to help us help you because I cannot and the Chairman, I do not think, can go to our colleagues and say we got to make some tough decisions here without being able to give them some idea that there is a path that is going to lead to a better situation if we are willing to make these tough decisions. I do not know why the Postal Service does not want to help us do that. Thank you, Mr. Chairman. I yield back.

Mr. SESSIONS. The gentleman yields back his time. I want to thank the gentleman for his insistence to be a part of this, waiving on and being a part of the answer. And ultimately, it is my hope that you will be a part of and certainly interested in making sure that whatever we do come up with, we will sell and it will meet the needs of the American people, and it will be something that we could be proud of.

I now would move to distinguished gentlemen, Mr. Mfume.

Mr. MFUME. Thank you, Mr. Chairman. I ask unanimous consent to enter into the record a statement from Elena Patel, co-director of the Urban-Brookings Tax Policy Center, regarding today's hearing.

Mr. SESSIONS. Without objection.

Mr. MFUME. I ask unanimous consent to enter into the record a statement from the President of the National Postal Mail Handlers Union regarding today's hearing.

Mr. SESSIONS. Without objection.

Mr. MFUME. I ask unanimous consent to enter into the record a statement from the National Newspaper Association regarding today's hearing.

Mr. SESSIONS. Without objection.

Mr. MFUME. And I ask unanimous consent to enter into the record a statement from former Representative Kevin Yoder, Executive Director of Keep Us Posted, regarding today's hearing.

Mr. SESSIONS. Without objection.

I also would enter to the record a data and informational letter from, what is called the EMA, which is the President, Marie Clark, the Envelope Manufacturers Association.

Without objection, these will all be entered into the record, and I thank you very much.

Mr. SESSIONS. I now will move to my time, and I want to thank everybody. I think that while this has been a highly successful collaboration, I think that you have seen, each of you have seen, and certainly anybody watching, of high interest, not just in this Subcommittee, but by Members of Congress. So, I would really like to engage all four of you, but I would like to start by saying that my attempts at this effort have been to recognize the larger body of people who are engaged in this, not just the Postal Service.

We have people who are engaged outside of that, tremendous commercial interest, tremendous interest of large companies in this country. And I have tended to believe that we need to work together, all of us, and that literally everybody, if we work together, could not only find achievement and success, but that would lead to a financial integrity that is more in line with the opportunity to extend each of these businesses—technology, trucking, timing—all of these things could come together, but then potentially the customer, the American citizen who wants, needs, and counts on, as we have heard today from Ms. Poling, and others, that I understand, Mr. Mfume understands, people who live back home.

I serve a mostly rural congressional district. I started when I came into Congress with a rural district. I intentionally went out with a rural letter carrier and intentionally saw how he did his work. I tried to do well enough to get back, but I had a very sore arm from trying to assist in that delivery. And so, it took me a while, but learned firsthand of the importance to the American people, especially in rural areas where someone might be home more often than not.

So, today I would like to say I am still at the point that I believe is correct, and that is United States Postal Service, with its young

Postmaster General Steiner, and certainly Peter and Michael who represent the Postmaster General are here today and so is the industry. And I want to reiterate to each one of them that I do believe that we need to work with each other and in concert with each other. I happen to believe some of the conversation here about working together means that the Postal Service might not take these operations on directly by themself. The Postmaster General knows that. I have had direct conversations with him. I think that some of the ideas that the Postmaster General is attempting to accomplish can be made, but I will tell you that if we do not work together, if we do not see each other's, not just line of business, but import to the value-add solutions, we will be in trouble.

With that said, I would like to go to Ms. Fisher, if I can. Ms. Fisher, you spoke very clearly in some bit of depth that I appreciate about the loss of mail, about the loss of what we might call first-class stamps. I happen to believe that whether it might be magazines, I went to Southwestern University. I got used to seeing a Southwestern University catalog probably two or three times a year. It was important to my university. It was important to me to stay up. These things have gone away. First-class mail is dwindling. Do you see a world by which we could get back to increasing pieces of mail, envelopes that might come, the availability of technology that would aid and help all of this transformation to be effective and efficient? How do you see increasing parcels of mail?

Ms. FISHER. I think we can see a return to that, but first we have to see a lot better service and performance when it comes to the letter mail. My personal observation seems to be that the Postal Service, in chasing revenues because of their dramatic financial losses, has really focused on packages, and I do not know that they will ever be able to fully compete there. They can compete, but that space is just being inundated with more and more competitors, as I relate, even in South Dakota as I talked about. But in the meantime, it seems they pay less and less attention to everything that falls under the scope of the market-dominant products: the magazines, the letter mail, et cetera, newspapers. That still has a huge amount of people very reliant upon it, looking forward to it, and the reliability of the service is dramatically lacking.

So, yes, I do think that can be built back up. There is a tremendous amount of our economy that relies upon that, but we have to get the Postal Service in some sort of shape to where they can try to improve the service and the reliability overall, and focus more of their effort on what is happening on the market-dominant side and a little less perhaps on the competitive side.

Mr. SESSIONS. Does that mean that there would be some observations about what I would call rural delivery of these packages versus city or suburban large areas, middle areas, parts of the country? How might we look at what you are saying, or how should we look at to evaluate what the Postal Service is looking at for deliver these boxes?

Ms. FISHER. The Postal Service still has, in general, the least costly service available for the delivery of the packages, but there is an immense effort. I read an article the other day about how both Amazon and Walmart, who have made a concerted effort to buildup their space into rural remote areas, and they have also noticed that it is not just the people who have lived there, but as more and more people telework, they are moving into these rural or remote areas. So, Amazon and Walmart are in a race to try and best serve that community. You pay a price for it with your membership at each one, but you can get same day delivery. But from the Postal Service, if they could just improve, again, their reliability and perhaps their tracking capabilities, it would go far.

Mr. SESSIONS. Good. Mr. Day, I had an opportunity, as you have heard, to go to South Dakota. Part of the conversation in South Dakota was about problems of getting mail in South Dakota. A deeper view of that developed, to me, very rapidly, and that was, it was getting the mail to South Dakota was the delay. In this case, it happens to be a city where I used to live—St. Louis, Missouri—and it is in the center part of the country, and yet we hear a conversation, not just from Members of Congress, that are worried about that effort. They do not live in South Dakota. They live in St. Louis, and they are having problems in St. Louis.

I just want you to know that I would like to have you and the Commission to provide to me in writing anything about your observations about the system that the Post Office is using, if you have any insight into that. You might be aware from your great service about that service, about getting to St. Louis, about getting out of St. Louis, about producing things. Do you think you have any observations related to St. Louis or any other hub where there might be difficulties?

Mr. DAY. Chairman, I could certainly comment on St. Louis. I have been to St. Louis Processing Center several times. It is been a while since I have been there. It is actually an interesting facility with an older section and a newer section where the floors are actually at different levels. So, I have been through it, but it is been a while since I have been there. It does come to that, though. It is the specifics of this network that has been created under DFA unique to each one of those facilities. Again, I said it during my testimony.

Mr. SESSIONS. You did.

Mr. DAY. There are only four of all the RPDCs were actually built from the ground up, brand new, and actually, the very first one they did was quite a problem for the first couple of years, the one in Palmetto, Georgia. But that said, a place like St. Louis has been around for quite a while. It is not a new concept. I will say this. Back in the day, I remember when we were first looking at service, whether it was, and this is the old overnight/two-/three-day, there were some places—I happened to be working in Maine at the time—we had to get to Fort Kent every day, down from Fort Kent to Portland back up to Fort Kent. And that is quite a trip, and you are getting the mail late at night, and you got to turn it around quick and get it back up, and our service was not that good, just was not consistent. And what we eventually were able to do was change that, and we could tell the people of Fort Kent, yes, now the standard is not overnight, it is two-day, but we can give you some consistency. And so, distances/travel does play into it, but when you start moving mail from South Dakota to St. Louis, it is just a lot of time on the road.

Just as a quick thought, one of the things you might do, particularly on first-class individual piecemeal—the bill payment, the birthday card, the wedding invitation—is to put it through an initial process, just the initial process in South Dakota to keep your local mail in-state there, and then send the rest of the country's mail, wherever that is going, to St. Louis for processing. That gives you good, consistent service, hopefully, within South Dakota. So, there are different ways to do it, and you have got to find the right mix between cost effectiveness and your obligation to service, and I think there is no one of those that is the single right answer. What is the right blend? And I think it is in the name of the organization. It is the Postal Service. "Service" has always been the key.

And I will just close it with this. I have always found in my leadership time at the Postal Service—running districts, running plants—that when the Postal Service provides quality service with consistency, it also has the lowest cost. It is an efficient operation.

Mr. SESSIONS. I believe that is right. Ms. Poling, you have spoken very eloquently about rural customers' expectations and the things which are a piece-part to their satisfaction as well as, as Mr. Day just said, the effective operation of money. What conversation would you have with me about, a conversation of competition to that, what might be called last mile, or the competition angle with the Post Office and other competing factors, maybe Amazon maybe someone else, UPS could be, but that is competing in that market? Can you put us in that world of how that works and what those issues might be?

Ms. POLING. I will do my best. Thank you, Chairman. I guess I would start with, you know, I think the Postal Service, and, you know, obviously it is such a national treasure, and that is why we are here today having this conversation. We all care about it. We want to make sure it stays viable, hopefully for many, many more years. And I think, you know, again, getting back to this Universal Service Obligation, that is sort of why I think we need to start having these conversations.

What I worry a lot about is that in these rural areas, right, it is not always as profitable to deliver to them, right? And so, and unlike the Postal Service, private carriers have the option of deciding not to, right, not to deliver to those areas or to charge rural surcharges. The Postal Service has to be accessible and affordable to everyone. You know, this has been brought up several times today, so I will not belabor it, but in our advisory opinion, you know—the Vice Chairman said this, I thought, so well—you know, it is a tale of two Americas that could start happening, right, between sort of the rural folks who live far away, right, and then those who do not. Again, this is a service that is meant for everyone, that is supposed to be for everyone, that is absolutely supposed to be accessible and affordable, and I think we need to be doing everything we can right now to ensure that.

And I do worry a lot about what happens if we do not have those conversations about the Postal Service and about the broken business model that it has because, again, I worry about the impact that this will have on rural America where it is costly to deliver to those areas. And these folks, you know, it is their lifeline and it is something that they really rely on, so I think all of those conversations need to be had. I will say this, too: I think there is tremendous opportunity to be had with the private sector as well. I think there have been a lot of great relationships that have been created, right, with Amazon, with others. And I think all of those things—nothing should be off the table, I think, as we go forward and have these discussions.

Mr. SESSIONS. Thank you very much. Mr. Chairman—Vice Chairman, but Mr. Chairman today to me—there have been lots of conversations that you and I have had about the Post Office having to compete, but in that competition, also doing things that they had utilized other people in the marketplace—technology, trucking, and all sorts of other services within this larger operation—that now, seemingly, the Post Office is finding a way to bring that internally, whether it is technology or whether it is other things that they do. Do you have insight into that because I have been skeptical. I am for the bigger group of people working together and providing a comfort technology, time, issuance of professionalism. Do you have any insight into that?

Mr. TAUB. Public-private partnerships, for lack of a better term, have been really the success story of the U.S. Postal Service since it was created in 1970. I referenced earlier this idea of work sharing where, if the private sector can present the mail or prepare it or transport it in a way that saves the Postal Service that cost or put it further in the system, it is a win-win for the private sector and the Postal Service. In fact, in the early years after the 1970 Act, the Postal Service was pushing back on it and then embraced it, and of course it was an era of increasing volume, but was a success story. In 2006, Congress recognized that, and there is an uncodified part of PAEA—the Postal Accountability Enhancement Act—that, in fact, directed the Postal Service through a sense of Congress that public-private partnership are critical, whether it is in the transportation space, and leveraging that.

I was concerned, seeing the evolution over the last few years with the Dodd-Frank Act, before the new Postmaster General took over, of this concerted effort to bring more of that in-house and do it there, and it seemed to be upending a success story. It is heartening to see recently the Postal Service just signed a negotiated service agreement with DHL, which is owned by Deutsche Post, which is a privatized post by the way, but an opportunity to open up that last mile that really has been such a strength. And so, I think, 110 percent with you, Mr. Chairman, with the thought of your question, which is we really need to be looking at leveraging the success of that public-private partnership, and recognizing at the end of the day, the Postal Service has a mission to do from the public service mission. Why else does it exist?

And if we make sure that is being done, if there are ways that then we can leverage what are good, efficient ideas in the private sector, it seems to me that is a path forward as opposed to just bringing it all in-house, particularly if we are doing it in a way that is not going to sustain what we as a Nation need from the Postal Service.

Mr. SESSIONS. And perhaps more importantly, technology keeps on moving.

Mr. TAUB. Yes.

Mr. SESSIONS. And there are lots of people that have technology at their fingertips and that is their specialty.

Today, we have had an opportunity to hear from you, and the four of you, I want to thank for your service, not just to the Postal Regulatory Commission but, really, to the process. And I think both Mr. Mfume and I recognize that we want to keep working with the people like you, like the Postal Service, and other groups, on getting this right. I really would say to you that I said to you, and you know this, what are the tough decisions that the Postal Service has had to make? What are the really hard questions that they have had to face down, and you gave me a good answer.

I want you to know that these are the things that are aimed right at Congress right now. What really hard decisions are we willing to, not just ask the questions, but the decisions we are going to make, and perhaps the one that each of you have put back right at Mr. Mfume and I, or at least myself, what is that standard going to be? What is the plan? What is the service going to look like? These questions need to be answered before you answer the others. So, we hear you, we appreciate you, and I want you to know that I think that not just Mr. Mfume, but our Subcommittee and other Members heard today that if we fail to answer these questions, we will fail to do our job, which the American people have put us to. I want to thank each of you.

Mr. Mfume, do you wish to have any time for a closing remark?

Mr. MFUME. No, but thank you. I just want to thank our guests, the witnesses, and do not make this your last time here. We are open to any communications that you may have to help guide us on this path. Thank you, sir.

Mr. SESSIONS. Yes, thank you. Mr. Mfume and I are going to come down here as soon as we finish this hearing and come down and shake your hand thank you for being here and get your picture.

With that said, without objection, all Members have five legislative days within which to submit material and additional written questions for the witnesses that then will be forwarded directly to the Commission.

If there is no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 12:30 p.m., the Subcommittee was adjourned.]

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