TAXPAYERS PROTECTION ALLIANCE

August 27, 2019

U.S. Postal Service Board of Governors
475 L'Enfant Plaza, SW
Washington, D.C. 20260

Postal Regulatory Commission
901 New York Ave, NW, Suite 200
Washington, D.C. 20268

To the Attention of the U.S. Postal Service (USPS) Board of Governors and the Postal Regulatory Commission (PRC):

On behalf of millions of taxpayers and consumers across the country, the Taxpayers Protection Alliance (TPA) would like to express our views on current postal management practices and reiterate the need to implement real solutions to avert a taxpayer bailout of the USPS.

In the past month, key leadership roles within both the USPS Board of Governors and PRC have been filled thanks to the Senate confirmation of Ann C. Fisher and Ashley E. Poling to join the PRC, and the confirmation of John Barger, Roman Martinez IV, and Ron Bloom to join the USPS Board of Governors.

The addition of skilled and experienced postal leaders presents a unique opportunity to revisit long-awaited, substantial postal reforms, particularly surrounding fiscal transparency, agency accountability, and a commitment to set prices for packages and services on par with reality. TPA looks forward to developing and maintaining open dialogues on key postal issues with these new leaders and incumbent officials, including PRC Chairman Robert Taub, USPS Board Chairman Robert M. Duncan, and Postmaster General Megan Brennan.

The confirmation of new leadership comes at a pivotal time. The USPS recently announced a third-quarter loss of $2.3 billion, bringing USPS's year-to-date total losses to nearly $6 billion. Furthermore, the USPS's inability to deliver its promised business plan on time prompts deep concerns for taxpayers, consumers, and members of Congress.

During the respective confirmation hearings before the Senate Committee on Homeland Security & Governmental Affairs, each of the new governors and commissioners appropriately addressed the challenges facing the USPS and potential solutions to fix the agency's fatally-flawed operating model. Amidst broad agreement on the USPS's challenges, it is crucial for the agency to adopt a modern pricing system and also provide elevated service quality and a sustained focus on accountability.

Specifically, our organization urges new leaders to speak out and act judiciously with regard to ending immense postal subsidies for competitive lines of business, and eliminate market distorting practices that thwart accounting accuracy across all USPS operations. New leadership must work to develop a new cost allocation model and targeted pricing. USPS must also consider cutting back services that do not cover their direct costs.

Ongoing failures to identify cost drivers of competitive products have rendered revenue targeting ineffectual and contributed heavily to growing debt that leaves taxpayers at risk.

We believe that your organizations have much to accomplish in order to restore trust with consumers and taxpayers. The arrival of new leadership offers hope that the USPS will make substantial business reforms that contribute to agency efficiency and reliability. It is essential for the Postal Regulatory Commission and the Board of Governors to transform the nation's postal system into a transparent, fiscally-sound, and sustainable operation for the millions of Americans who rely on the agency every day.

The Taxpayers Protection Alliance and its network of advocates is appreciative of your consideration of these pressing issues. For further discussion of these matters, please do not hesitate to contact us.

Sincerely,

David Williams
President

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