

## **Points in Support of a Postal Package in Coronavirus Relief Legislation**

A pivotal facet of the nation's critical infrastructure, the Postal Service is of indispensable value to the nation during this pandemic and the recession likely to accompany it; its services are more valuable than they conventionally are, while its finances are in increasing jeopardy. Revenue and volume trends show the system running out of money as early as July. Congress must provide the relief necessary to maintain this institution on which so many depend for communications, commerce and even a lifeline to the outside world.

- In 2018, USPS delivered more than 1.1 billion prescriptions, of which nearly 100 million were to veterans. This service must be preserved.
- Package delivery has become a lifeline in light of the need to stay home, and the greatly increased necessity to order staples, food and much more while limiting exposure.
- Small retail businesses are pivoting to ecommerce to continue to generate revenue as traffic to physical stores has plummeted
- It is the heart of an industry that has nearly \$1.6 trillion in sales and employs about 7.3 million workers across the nation -- in every state and congressional district.
- Should Congress vote to send funds to Americans, for the millions who do not have direct deposit, the USPS will deliver the checks.
- Rural America is particularly dependent upon USPS. If mail and shipping services were to be disrupted, rural Americans would suffer disproportionately.
- Vote-by-mail is the prime viable alternative to keep people safe and our democracy functional. USPS must be able to deliver the votes.
- Information packets on COVID-19 are being produced to be mailed to every address nationwide, and help educate and inform Americans everywhere.
- Assuming even a mild recession, USPS will lose billions in revenues, on top of the USPS's projected losses for this year, as companies retrench or close. USPS only has cash on hand of \$8.4 billion. In light of current highly negative volume and revenue trends, however, USPS as is may not be sustainable beyond June of this year.
- Recommendations:
  - A large, two-year public service appropriation to help meet the Postal Service's universal service and other public obligations. Given current declines in mail and packages volume, at least \$20 billion may be necessary
  - Current USPS debt to the Treasury should be forgiven (most of this debt was accumulated to pay retiree health prefunding it could not afford), and its \$15 billion debt limit, at least, restored.
  - Its unique retiree health prefunding mandate, responsible for 80% of USPS losses from 2007 – 2019 must be repealed or payments delayed for a decade.
  - USPS should be allowed to invest money from its retiree health funds in securities in a TSP-like manner to improve returns and funding.
  - Its antiquated delivery fleet must be replaced, improving safety for its personnel and stimulating manufacturing for the country (optimally with electric vehicles).
  - The Postal Regulatory Commission must be required to defer and recalculate its proposal to permit postal rate increases well beyond inflation; this would be unaffordable in a pandemic and recession – especially for millions of businesses to connect to consumers.