

Statement

Of

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

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

Thank you for holding this important hearing and especially for including witnesses from the United States Postal Service's (USPS) customer base. This is a critical moment for mailers and for the service they support and depend upon. The last four years under the Delivering for America (DfA) have been devastating for customers and have put the USPS on a path to destruction. The Postal Service is still following this dangerous roadmap and it is imperative for Congress to assert control to halt further implementation of the plan including the large increase set to take effect in July and to pass legislation to help save the mail. H.R. 3004, the USPS SERVES US Act would empower postal regulators and the public to stop postage rate increases it has deemed not prudent or in the interests of stakeholders while ensuring efficiency and reliable mail service accountability.

Although DeJoy resigned this spring, the U.S. Postal Service continues to follow his failed “Delivering for America” plan into ruin. The results of the plan are now evident. At the price of intentionally inflicting rate hikes far above the rate of inflation and driving out traditional mail customers, the plan promised to grow parcel volumes, lower costs, and allow the USPS to break even in FY2023¹. None of this has occurred except the sharp stamp and postage rate increases twice per-year at amounts far above inflation — something that had never been done throughout the Postal Service's 250-year history. And the results are clear. Since Congress passed the Postal Service Reform Act of 2022 that provided a windfall in resolving \$120 billion in USPS liabilities, the USPS has not achieved any of the promises of the DfA plan. In FY 2023, the first promised break-even year under the plan, the USPS lost \$6.5 billion². In FY2024, losses rose to \$9.5 billion³. And in the second quarter of this year, the USPS lost \$3.3 billion and is on track to lose at least \$6 billion by the end of the fiscal year⁴. While touting “cost reductions and reduced work hours” the reality is that USPS controllable losses increase every year:

¹ [USPS DELIVERING FOR AMERICA](#)

² [Form 10-K FY 2023](#)

³ [USPS Form 10-K FY 2024](#)

⁴ [Form 10-Q Quarter II FY 2025](#)

FY2023: (\$2.2 billion) FY2024: (\$1.8 billion) Q2 FY2025: (\$848 million)

While the USPS touted a \$144 million net profit for the first quarter of FY2025, it failed to note that controllable labor expenses were \$618 million more than the same quarter the prior fiscal year⁵. The reality is that under the DfA, the USPS has been on a spending spree making large capital investments and growing the career employee base with revenue squeezed from an intentionally diminished customer base. According to analysis by the USPS Office of Inspector General, the total volume of Market Dominant mail across all classes fell by 46 percent over from 201 billion pieces in FY 2008 to 109 billion pieces in FY 2023⁶. While USPS reduced the number of employees by 167,297 from 2008-2020, under the DfA, employee numbers rose 37,783 from 2020-2024⁷ even as Market Dominant mail volume further declined another 3.87 billion pieces from FY2023 to FY2024. The USPS asserts that these volume losses are unavoidable and part of a natural move away from mail but its customers refute that assertion and argue that the unprecedented twice-a-year increases at rates far above the rate of inflation to fund the expansion and reconfiguration of the network for packages have far exceeded any natural volume declines. Even worse, package volumes declined by 500 million pieces from 2021-2023 and after a modest increase in 2024, volumes in Q2 2025 are down 118 million from the Q2 FY2024 total.

Despite all these statistics, the Postal Service is pursuing another massive price hike this July. The composition of this increase at levels as high as 11% for some mail categories will only exacerbate volume and customer losses. Not only are postal officials making mail prohibitively expensive for consumers and businesses alike, but they are also making mail services increasingly slow and unreliable. Congress must tell the USPS to halt this increase and give incoming Postmaster General David Steiner the chance to review what has happened. He is not due to start until July 14, 2025, one day after the increase is due to take effect. That timing

⁵ [USPS-2024.12.31-10-Q](#)

⁶ [Analysis of Historical Mail Volume Trends.](#)

⁷ [Number of Postal Employees Since 1926 - Who we are - About.usps.com](#)

deprives him of the ability to assess what has happened under DfA and determine if a change in direction is needed.

Keep US Posted also strongly supports new legislation to keep the Postal Service delivering like it should. Called the “USPS Services Enhancement and Regulatory Viability Expansion and Sustainability for the U.S. Act” (or USPS SERVES US Act, H.R. 3004), the bill would give the Postal Regulatory Commission —the agency which regulates the USPS — the power to stop onerous stamp hikes and mail delays. The bill, which was introduced by Congressman Sam Graves (R-MO), would also limit price increases to once per-year, and institute other reforms aimed at accountability, efficiency, and success — such as creating an autonomous Office of Customer Advocate to hear Americans’ concerns and protect the public. In response to the large rate increase proposed by the USPS last year and imposed last July, the PRC stated, “*the Postal Service’s proposal does not reflect reasoned consideration of the potential widespread effects of its proposal, is not prudent, and is not consistent with the best interests of all stakeholders.*”⁸ yet it claimed it lacked the statutory authority to stop it. H.R. 3004 contains multiple provisions to empower the PRC to require the USPS to improve efficiency and consider impacts to mail volume before raising rates. This could also be accomplished by restoring the CPI price cap for postage rates that was in effect from 2006-2020. Similarly, in response to the USPS’s proposal to degrade mail service as part of the DfA, the PRC issued a 300-page advisory opinion⁹ questioning the benefit of the change but the USPS has proceeded with the change. Simply put, a regulatory body that lacks the power to stop ill-considered rate and service changes does not have adequate power to fulfill its mission. H.R 3004 would clarify the mission and ensure that the PRC can effectively provide the needed checks and balances for the USPS monopoly to protect the public interest and its commercial customers.

While there are many issues in today’s tumultuous world that deserve attention, there is no doubt that the mail is essential and needs help. If Congress does not enact the USPS SERVES

⁸ [PRC Order 7155](#)

⁹ [N2024-1 Opinion](#)

US Act, prices for stamps and other postage will continue to rise beyond unaffordable levels, customers will be irretrievably lost and taxpayers forced to assume the obligations of a defunct USPS — destroying our ability to send and receive mail, and putting 8 million employees of the mailing industry out of a job.

It is important to remember that for millions of Americans, mail is not just a convenience; it is a lifeline. The Postal Service is the only courier that delivers to every address in the U.S., no matter how rural or remote. No private company could — or would — deliver to our country's most remote locations because profits are the priority for any private enterprise. And that's exactly why USPS governance should be reformed.

Like our country, the USPS was established by the people, for the people 250 years ago — and Congress must take action to keep it that way. Please urge the USPS Board of Governors to halt the July increase and proposed service cuts and give Postmaster General Steiner the opportunity to assess the situation. We also urge the oversight committee to advance the USPS SERVES US Act to ensure timely and expert governance of the USPS to prevent further destruction of the USPS and its customer base.

Thank you for your attention to these concerns.