



May 20, 2025

Dear Speaker Johnson, Leader Thune, Chairman Comer, and Chairman Paul,

The Postal Service is in desperate need of reform. Congress has an opportunity to improve the U.S. Postal Service (USPS) by freezing non-essential capital expenditures, cutting labor costs, and making better use of the more efficient private sector.

Under the “Delivering for America” plan imposed by former Postmaster General Louis DeJoy, the USPS has been losing billions of dollars per year and mail service has plummeted. Operating losses and capital expenditures associated with the plan are rapidly depleting existing cash reserves. An eventual taxpayer bailout must be avoided, which means we need to right the financial ship today.

Congress has a real opportunity to reverse course on the current failures of the USPS and save tens of billions of dollars while improving service.

First, Congress can freeze non-essential capital expenditures and maximize use of the private sector.

The Postal Service’s plan to spend \$40 billion to build middle-mile mail and package processing facilities that duplicate existing private sector networks is unnecessary. Private sector companies can do the work faster, more predictably, and at a lower cost. The on-time delivery success rate is also far higher when the private sector is involved, compared to USPS’s attempts to do everything in-house. In particular, the private sector can provide a crucial role in the processing and transportation of mail and packages close to their destination ahead of USPS final-mile delivery.

The Postal Service also should not be spending scarce resources to fund unaffordable political priorities like electric mail vehicles or an expansion of the Postal Service’s scope into areas like postal banking. Over ten years, a freeze on these wasteful expenditures and an increase in private sector involvement will save tens of billions of dollars.

Second, Congress can freeze full-time, career, non-carrier hiring and reduce the permanent workforce through attrition.

Approximately 80 percent of the Postal Service’s costs are labor costs. In an attempt to curry favor with Big Labor union bosses, former Postmaster General DeJoy significantly worsened this problem by engineering what he termed “the biggest insourcing ever in America.” He converted 190,000 flexible part-time employees to permanent career status, imposing both short-run cost increases in wages and benefit premiums and higher unfunded pension and retiree health liabilities, aggravating an already unsustainable system.

The Postal Service should limit future career full-time hiring to those employees who are directly engaged in its core function of final-mile delivery. Faced with a declining mail

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market, the USPS should reduce its overall career full-time headcount. These labor cost reductions will save billions more dollars.

Combined, these reforms would provide massive savings for the USPS while improving the quality of service for Americans. Congress can provide a major victory for the American people by putting these proposals into law.

Onward,

Grover Norquist
President, Americans for Tax Reform

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