

Americans Deserve Affordable, Reliable Postal Service

Operational improvements and reform that ensure rate stability will allow magazine media to continue delivering the trusted content Americans love.

THE ISSUE

A proposed postage rate increase five times the rate of inflation, declining productivity and high structural costs threaten mailers and the long-term viability of the USPS.

Structural costs imposed by Congress, such as the pre-funding requirement for retiree health benefits, are unnecessary and have created artificial cost pressures. These avoidable structural costs contributed to the Postal Regulatory Commission authorizing a rate increase of up to 7.6 percent above inflation (\$2.3 billion this year alone). The increase, which could take effect in July 2021, violates the Consumer Price Index (CPI) rate cap mandated by Congress.

Postal customers should not be subjected to unlawful rate increases many times the rate of inflation. Given that over 90 percent of magazine subscribers depend on the USPS for delivery, the rate increase could affect the future of magazines in the mail and threaten our ability to continue delivering the magazines Americans love. Continued rate stability must move hand-in-glove with congressional relief on USPS structural costs.

A BETTER SOLUTION

Ensure rate stability and protect mailers by enacting operational improvements and reform.

Mandate accountability. Disallow any “underwater surcharges” that target flat-shaped mail, such as magazines, without first addressing cost and productivity problems. Mailers should not bear the cost of USPS’s dismal flat-mail performance.

Ensure rate stability. The Postal Regulatory Commission must review the changes it made to the CPI price cap to comply with existing law and to account for Congressional action.

Enact reforms that address structural costs, including Medicare integration and elimination of the pre-funding mandate for the retiree health system.

THE TAKEAWAY

- ✓ **Americans rely on USPS as an information lifeline – including for trusted magazine content.**
- ✓ **Operational improvement and reform must put customers first and start with rate stability.**
- ✓ **Unlawful rate increases are not the answer to the Postal Service’s financial challenges. That requires increased efficiency and lower costs, and financial relief measures.**

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