USPS CAN RESOLVE ITS FINANCIAL CRISIS WITHOUT EXCESSIVE RATE INCREASES
UNDER A MORE ACCURATE REVENUE PROJECTION

USPS MUST REVISE ITS 10-YEAR PROJECTION
IT SHOULD NOT BE USED TO JUSTIFY A MID-YEAR RATE INCREASE.

USPS Delivering for America estimates $160B in losses over 10 years under the status quo based on a $9.7B loss in FY21. Year to date performance for FY 21 shows better than expected revenue and net income. A base year discrepancy of this magnitude calls into question the entire 10-year projection and cannot be used to justify a mid-year rate increase.

USPS Operating Revenue
$1.6B Above Projection
FY21 YTD (Oct-Feb)

USPS Net Income
$2.4B Above Projection
FY21 YTD (Oct-Feb)

USPS CAN IMPROVE ITS FINANCIAL POSITION WITHOUT INCREASING POSTAGE COSTS FOR AMERICANS
USPS HAS MANY OPTIONS TO IMPROVE ITS FINANCIAL POSITION WITHOUT RAISING RATES THIS YEAR.

Account for Congressional appropriations for electric vehicles.................................................................$8.0B
If lawmakers approve funding, it should be incorporated into USPS financial projections.

Update Retiree Health Benefit liability assumptions to reflect developments since 2010............................$4.2B
OIG found that updating the mortality-improvement assumptions used to calculate RHB liability could reduce unfunded RHB liability by billions.

Invest Retiree Health Benefit funds in a TSP-style fund.................................................................$3.4B
RHB funds are comprised of long-term, special-issue U.S. Treasury securities. USPS could realize a better return through a TSP-style fund and the account could earn billions.

Reduce extra trips & other mismanagement.................................................................$550M
OIG found that extra trips, late trips, overtime, and other mismanagement cost USPS $410M and $140M in additional surface and air transportation costs, respectively.

Collect government reimbursements.................................................................$489M
USPS is entitled to $460M annually to offset costs of unprofitable routes via the USO subsidy, but has not requested it since 1982. Also, USPS has forgone $29M in federal revenue reimbursements annually since 2017.

POTENTIAL IMPROVEMENT IN USPS FINANCIAL POSITION*
*represents only a portion of potential opportunities. Correcting the CSRS overpayment is another opportunity that could amount to billions.

$16.6B