

Changes to Operational Transparency and Performance Measurement in the Postal Service Reform Act of 2022

February 7, 2022

Postal reform has been a subject of [sustained congressional interest](#) for many years. In the 117th Congress, bipartisan legislation—the Postal Service Reform Act of 2021 (PSRA)—[was introduced](#) during May 2021 in the House and the Senate with very similar contents (H.R. 3076, introduced May 11, 2021, and S. 1720, introduced May 19, 2021). Each version of the legislation includes a number of potential alterations to the authority and operations of the U.S. Postal Service (USPS) and the Postal Regulatory Commission (PRC). The House Committee on Oversight and Reform reported the measure in July 2021. The [House Committee on Rules](#) was scheduled to consider an updated version of H.R. 3076 on February 7, 2022. This Insight focuses on the version of the bill before the Rules Committee, which includes some changes compared to the introduced version.

Among [many other topics](#), the legislation addresses the [financial condition of USPS](#) and postal worker retirees' health care. This Insight discusses two provisions in the proposed PSRA relating to USPS operational transparency and performance (Sections 201 and 207). After briefly outlining the provisions, the Insight provides selected background information relating to the existing statutory landscape of related laws and administratively driven developments.

Postal Reform Legislation

In May 2021, the majority and minority of the House Committee on Oversight and Reform explained and supported new legislation in jointly issued press releases. Chairwoman Carolyn B. Maloney [said the legislation](#) is intended “to help the Postal Service get on a sustainable financial path for the future and ensure that the Postal Service is transparent with Congress and the American people,” while Ranking Member James Comer [characterized the measure](#) as “placing the Postal Service on the path towards fiscal sustainability and long-term viability.” On the same day, the majority and minority of the Senate Homeland Security and Governmental Affairs Committee made similar statements. Chairman Gary Peters [said the proposed legislation](#) “would help put the Postal Service on a sustainable financial footing, ensure it is more transparent and accountable to the American people, and support hardworking postal workers,”

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and Ranking Member Rob Portman [also emphasized](#) USPS's finances and that the legislation would help "ensure self-sustaining, high-quality postal service."

The House Committee on Oversight and Reform issued an additional press release as well as a [two-page summary](#) of the proposed legislation on February 4, 2022. The Rules Committee was scheduled to consider the measure on February 7, 2022. Among other subjects, the updated PSRA includes two significant provisions relating to USPS operational transparency and performance:

- "performance targets and transparency" ([Section 201](#)), and
- "reporting requirements" ([Section 207](#)).

Section 201 would require USPS to establish and report on targets and actual performance in its efforts to meet service standards for market-dominant products. The information would be included in already existing periodic reports. In addition, the information would be posted on a publicly available, searchable website and updated on a weekly basis. USPS would be required to meet many requirements in establishing this "public performance dashboard" and to consult with both the PRC and the public in the website's design. Additionally, the PRC would be required to provide recommendations for any modifications to USPS's measurement systems.

Section 207 would establish additional reporting requirements for USPS regarding its operations and financial condition, to be provided every six months to the President, the PRC, and USPS's congressional authorizing committees. It appears that the intent of the bill's drafters is to have these semiannual reporting requirements expire five years after the first report submission. Among other things, the legislation would require information to be provided regarding mail and package volume, the effects of pricing changes, certain USPS programs and services, the postal workforce, investments in equipment and infrastructure, and progress in meeting targets.

Background: Statutory and Administrative Context

With regard to USPS operational transparency and performance, a few topics may be highlighted to help provide context. Notably, the proposed PSRA arrives in the wake of past postal reform measures such as the [Postal Accountability and Enhancement Act of 2006 \(PAEA\)](#). In addition, the PSRA may be viewed in context with other statutes and administrative developments.

As a threshold matter, the PAEA established [significant requirements](#) for USPS to report on its finances, risks, and operations. Specifically, Title 39, [Section 3654 of the United States Code](#) requires USPS to file [an annual report](#) with the PRC containing the information required for the Securities and Exchange Commission's [Form 10-K](#), a requirement that otherwise applies to most U.S. public companies. USPS's 10-K includes some information about how USPS assesses performance.

In addition, the [Government Performance and Results Act of 1993](#) included and [codified USPS-specific provisions](#) that require USPS to develop a [five-year strategic plan](#), an annual performance plan, and an annual performance report. In practice, USPS combines the annual documents [under one cover](#). These publications are required to include information about USPS's goals, performance measures, and program evaluations, albeit as an annual or multiyear snapshot in time.

In potential support of these efforts and ongoing operations, the PAEA [required USPS to establish service standards](#). For first-class mail, USPS [provides some information online](#) about service standards. USPS may also use administrative discretion to [change its strategies](#), including the recent archiving of its [FY2020-FY2024 Five-Year Strategic Plan](#) and [replacement in March 2021](#) with a [new 10-year plan](#).

Looking ahead, Congress may conduct oversight of these information sources and their implications for USPS operations. In addition to considering the status quo, Congress may use such sources in considering

whether to alter undesired strategies through legislative means in order to better accomplish Congress's objectives for USPS. Congress might also assess trade-offs—including among service timeliness, frequency, and cost—and the potential for perverse incentives.

If the updated PSRA were enacted, the transparency and performance provisions would constitute additions to a mosaic of information that is available to Congress, USPS's stakeholders, and the public. Congress might also consider options for exercising oversight over the implementation of the PSRA, including whether these performance measures were viewed by stakeholders as useful and appropriate.

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