

Select Mail Delivery Provisions in the Postal Service Reform Act of 2021 (H.R. 3076)

June 2, 2021

On May 11, 2021, [House Oversight and Government Reform Committee](#) Chair Carolyn Maloney introduced H.R. 3076, the Postal Service Reform Act (PSRA). H.R. 3076 proposes a series of large- and small-scale changes to the organization and operations of the U.S. Postal Service (USPS) in order to “[put the USPS on the path towards fiscal sustainability and efficiency](#).” On May 13, 2021, the committee by voice vote ordered H.R. 3076 to be reported.

This Insight provides a summary of the operational reforms proposed in Sections 202, 206, and 208 of the bill.

On May 19, the Senate saw introduction of S. 1720, a bill to provide stability to and enhance the services of the USPS (text not available at this writing).

Section 202 — Integrated Delivery Network

Section 202 would require USPS to maintain an integrated network for the delivery of mail, to the extent practicable, at least six days a week. The bill provides an exception to the six-day delivery mandate for weeks with federal holidays. The term *integrated network* is not defined in the bill, nor is it defined in USPS guidance, such as the [Domestic Mail Manual](#). One possibility is that it may refer to the delivery of packages and mail in the same vehicle. By having a single vehicle deliver all mail, USPS might avoid the increased costs associated with having various mail types delivered separately to the same address. Congress might seek clarity in the meaning of *integrated network* in the context of this section to ensure that USPS understands the goals set forth in the PSRA and directs its investments to those ends.

Section 206 — Flats Operational Study and Reform

Section 206 would require the Postal Regulatory Commission (PRC), in coordination with the USPS inspector general, to conduct a study to identify the causes of inefficiencies in the collection, sorting, transportation, and delivery of [flats](#). The study must quantify the effects of volume trends, investment decisions, excess capacity, and operational inefficiencies on the direct and indirect costs attributable to flats. The PRC would be required to submit a report on the study to Congress and the Postmaster General

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not later than 180 days after the enactment of H.R. 3076. Not later than six months after the PRC submits the report, USPS would be required to develop and implement a plan to remedy each inefficiency identified in the study. If USPS determines that a remedy is not practical, it would be required to submit an explanation of this determination to Congress and the PRC. Prior to implementing the plan, USPS would need to obtain the PRC's approval and allow ample time for public comment. USPS would be required to notify Congress and the PRC once the plan was fully implemented.

This section would also require USPS to consider the findings of the report when adjusting the rate of any market-dominant product in the five years subsequent to the plan's implementation. *Market-dominant product* in this section is defined by reference to the [Domestic Mail Manual](#) as

1. first-class mail letters and sealed parcels,
2. first-class mail cards,
3. periodicals,
4. standard mail,
5. single-piece parcel post,
6. media mail,
7. bound printed matter,
8. library mail,
9. special services, and
10. single-piece international mail.

Section 208 – Postal Service Transportation Selection Policy Revisions

This section would require USPS to select modes of transportation that “increase operational efficiency and reduce complexity” and ensure that the delivery of all mail is “prompt, economical, consistent, and reliable.” In addition, this section would require overnight transportation to be cost-effective. In the context of the bill, *modes of transportation* refers to ground (highway, rail, or bus), air, or water transportation.

The [multibillion dollar acquisition of up to 165,000 Next Generation Delivery Vehicles \(NGDVs\)](#) to replace aging Long Life Vehicles (LLVs) may result in increased efficiency, economy, and reliability in mail delivery. Compared to LLVs, NGDVs have [expanded cargo capacity](#), thereby facilitating the efficient delivery of both packages and mail from a single vehicle. NGDVs may enhance the postal fleet's overall reliability as well, given that [many LLVs have exceeded their expected lives](#) and are [experiencing mechanical problems at an increasing rate](#).

USPS has stated that the [NGDVs may be equipped with either “fuel-efficient internal combustion engines \(ICEs\) or battery electric powertrains,”](#) but it has not indicated how many vehicles it will order with each engine type. Both ICE and electric vehicle (EV) NGDVs may be more fuel efficient than the current LLVs, but some policymakers have argued that as part of the government's efforts to reduce emissions, USPS should acquire mostly or only electric postal vehicles. The Postal Vehicle Modernization Act of 2021 (H.R. 1636) would authorize \$6 billion for the purchase of NGDVs, of which at least 75% must be electric or zero-emission vehicles. The [Postal Service Electric Fleet Authorization Act of 2021](#) (H.R. 3521) would authorize \$8 billion for USPS to convert its diesel trucks to electric power and would require USPS to purchase only zero-emission vehicles after 2030. In January 2021, President Biden signed an [executive order](#) that required his climate and energy advisory team to develop a plan for transitioning the entire civilian federal fleet, including postal vehicles, to “clean and zero-emissions vehicles.” Congress

may wish to obtain further information on the costs and benefits of increasing the number of USPS electric vehicles, including

- the funds and time required to build out a charging infrastructure of sufficient size to support a postal delivery fleet that is partially or wholly electric;
- a comparison of the life-cycle costs of owning and maintaining EVs and ICE NGDVs; and
- an estimate of the total emissions, including those associated with manufacturing, for EVs and ICE NGDVs.

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