Overview
Established in 1775 with Benjamin Franklin’s appointment to first Postmaster General and authorized by the Constitution, America’s postal system has been a vital element of our nation’s economy and communications infrastructure for more than 245 years. While constantly adapting to the changing needs of the nation and new ways of doing business, our core mission has remained to provide prompt, reliable, affordable, and efficient services to patrons in all areas.

Postal Reorganization
On August 12, 1970, President Nixon signed into law the most comprehensive postal legislation since the founding of the republic, the Postal Reorganization Act (PRA) of 1970. The law:

- Transformed the former Post Office Department into an independent establishment of the Executive Branch, with a leadership structure similar to that of a private corporation, free of direct political control, and with broad authority over rates, operations, and employment.
- Set a goal for the Postal Service to be financially self-sustaining, funding expenditures through revenue generated by the sale of postal products and services rather than through the Congressional appropriations process. Our operations are not taxpayer-funded.
- Established an independent regulator to oversee postal ratemaking and advise on certain aspects of postal services.
- Codified many aspects of the universal service obligation.
- Established a collective bargaining and binding interest-arbitration process for labor.

On December 20, 2006, President Bush signed into law the Postal Accountability and Enhancement Act (PAEA) of 2006, making the most sweeping changes to postal law since the PRA. That law required the Postal Service to accelerate the prefunding of 100 percent of our expected retiree health benefits obligations, imposed a rigid price cap on most services for at least 10 years, and prohibited us from offering new products and services beyond core shipping and mailing services.

The Challenge
Since passage of the PAEA, mail volume and revenue have shrunk as costs continue to increase. The PAEA provided no new means of financial support or cost control to offset its new pricing restraints and cost burdens.

Despite the mandate to be financially self-sufficient, in fiscal year 2020, we recorded a net loss of $9.2 billion, adding to a decade of losses totaling $66.8 billion. We have been able to continue to fund operations only by defaulting on nearly $63.3 billion in mandatory payments for post-retirement benefits. Absent substantial changes, financial losses will continue to widen, and the ability to invest in the future of the organization will be severely curtailed.

To overcome a net deficiency of $80.7 billion, the Postal Service’s long-term financial sustainability depends upon a contribution of management actions, as well as specific legislative and regulatory reforms.