DAVID P. STEINER
POSTMASTER GENERAL, CEO

UNITED STATES POSTAL SERVICE

September 10, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Thune and Leader Schumer:

The Senate Homeland Security and Governmental Affairs Committee (HSGAC) passed two ZIP Code-related bills during an August 5 business meeting. I strongly request that if in the remaining days of the 119th Congress the Senate chooses to legislate on community addressing matters that it favor a lasting solution that makes true reforms possible for all American communities.

- Specifically, the Senate should *not* advance legislation inflicting the operational, financial, and delivery service damage that would be created by passage of S. 4505 (Ernst), a rifle shot bill to require the United States Postal Service to designate 83 new ZIP Codes for specific communities. This legislation will have an estimated cost of $800 million in upfront costs and $90 million in annual recurring costs, and impose delivery, facility, and workforce disruptions, reducing service to those ZIP Codes and surrounding communities.

- If the Senate chooses to take the unusual step of legislating addressing matters, it should instead enact S. 3175, the Community Involvement in Zone Improvement Plans (CIPZIP) Act of 2025, as modified by the Lankford-Peters Substitute, which is a solutions-oriented and enduring reform of community addressing.

Both bills seek to address local communities' ability to modify ZIP Codes, but S. 3175 takes a measured and workable approach, while S. 4505 ignores severe underlying shortcomings and legislatively mandates specific changes that would be financially crippling, operationally unworkable, and would seriously degrade service for all Americans.

I have attached a longer discussion of these measures, and we welcome questions from leadership and individual Senators.

Sincerely,

David P. Steiner

cc: The Honorable Rand Paul
The Honorable Gary Peters

Enclosure

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ZIP Codes are unique codes that direct mail to certain locations and travel logistically through the Postal network. ZIP Codes have been used in this way for over sixty years by the USPS. But in that time ZIP Codes have become ubiquitous, and are used by banks to target loans, insurance companies in underwriting to set premiums, tax jurisdictions to administer tax compliance, and numerous others to split the U.S. into workable geographies. It is these ancillary uses—never developed or recommended by the USPS—that are driving these proposed changes. Normally that would not be a problem for Postal Service operations, but legislating unique ZIP codes for those ancillary purposes would cause severe disruptions to our network, and will largely be harmful from an operational and financial point of view. The CIPZIP bill below would bring a rational process to changing ZIP Codes rather than parochial interests.

S. 3175, *Community Involvement in Zone Improvement Plans (CIPZIP) Act of 2025*, as amended by the Lankford-Peters Substitute, would establish a pilot program for ZIP Code boundary changes where the Postal Service may consider an agreement with a local government to defray the net costs of a ZIP Code boundary change or realignment. Under the pilot, the Postal Service would be required to grant a boundary change if net cost is the only factor in a denial and the requestor is able to defray that cost.

Additionally, the bill would help the Postal Service address the shortcomings of the current ZIP Code Boundary system by requiring a new administrative process to consider modifications that takes into account feasibility, impacts on service, cost, and an assessment of future needs.

The Postal Service recognizes the need to reform the current system of modifying ZIP Codes. Considerations are underway for significant revisions of the ZIP Code Boundary Review process, and passage of S. 3175 would create two substantive paths forward: First, creation of the pilot program centered around defraying costs, and second, statutory instructions of Congress's intent that would inform and direct the Postal Service's efforts to improve the current system.

Importantly, S. 3175 takes into account the ZIP Code system's practical limitations and real-world applications, while still providing real guidance and constraints on how best to administer the system.

S. 4505, a bill to require the United States Postal Service to designate ZIP Codes for certain communities, would require the Postal Service to designate single, unique ZIP Codes for 83 designated communities.

The Postal Service has studied the practicality of these proposed changes, and as was previously communicated to HSGAC in December 2025 and July 2026, this bill would be catastrophic both financially and operationally. It would impose significant and unsustainable financial costs, estimated at $800 million in upfront costs and $90 million in annual recurring costs for as long as we were able to pay them. Rather than improve performance, these changes would significantly degrade mail service not only in the named communities but also in the surrounding communities, without any consultation or outreach to the people who will be impacted. Incredibly, many of the mandated new ZIP Codes are operationally impossible due to the inherent limitations of ZIP Codes—some are mathematically impossible with too many delivery points for the system.

It is important to emphasize that these are not hypothetical or rhetorical problems. Adopting S. 4505 would create real and substantial damage to the entire ZIP Code system, and these issues would resonate across our entire network. Every American community and household would be affected.

Unlike S. 3175, S. 4505 would do nothing to address the present system's underlying shortcomings. Again, the Postal Service recognizes that the current system requires reform, but even if implemented only in those communities where it is mathematically possible, S. 4505 still provides no guidance or new authority to improve service.

As I made clear before HSGAC at a June 24 hearing, the Postal Service has a broken business model and urgent action by Congress is needed to fix it. We operate as a self-financing enterprise but have statutory obligations and restrictions that would be unacceptable for any private-sector company. Now, however, instead of answering the much larger and fundamental questions that only Congress can address, the Senate is considering bills such as S. 4505 that would add crippling new costs and unfunded mandates to accomplish objectives that would make service worse.

While we appreciate Congress's interest in being responsive to local issues, I would ask the Senate not to force the Postal Service to contend with new, operationally impossible mandates that create new, unfunded costs. Passage of S. 4505 would be financial crippling, operationally unworkable, and would seriously degrade service for all Americans. If, on the other hand, the Senate wishes to help improve service to the American people, S. 3175 provides new flexibility to local communities while providing important new directions to the Postal Service. Ideally, if the Senate truly wants to provide thoughtful oversight on how ZIP Codes are administered and managed, HSGAC should conduct legislative committee hearings to actually learn how this system works and what its real-world limitations and possibilities actually are. Despite a request for such a hearing in December 2025, HSGAC reported both bills without the benefit of hearings or a thorough study.

The Postal Service's ZIP Code system is a vital tool that allows us to deliver more than 360 million mail pieces to more than 170.4 million delivery points each day. To function properly, individual ZIP Codes must fit coherently into the larger system. I write today, to strongly advise the Senate not to take actions that endanger and degrade this system.