

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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May 20, 2016

The Honorable Ander Crenshaw
Chairman
Subcommittee on Financial Services and General Government
Committee on Appropriations
B-300 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

We write to provide information that may assist the Subcommittee's consideration of the Fiscal Year (FY) 2017 Financial Services and General Government Appropriations Act. As you consider the Subcommittee's funding priorities, we encourage you to maintain the President's budget request of \$17,726,000 for the Postal Regulatory Commission (PRC). As the United States Postal Service's regulator, Congress entrusted the PRC to bring transparency and accountability to the Postal Service's operations and finances.

Since FY2009, Congress has appropriated the PRC's budget from the off-budget Postal Service Fund, which is the permanently appropriated revolving fund comprised solely of monies the Postal Service controls and raises through the sale of postal products and services. As a result, the PRC's funds come from Postal Service ratepayers rather than from taxpayers. The PRC's \$17.7 million appropriation request would represent a small fraction of the Postal Service's annual operating cost of approximately \$67 billion.

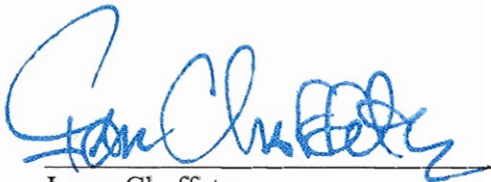
The ongoing financial difficulties of the Postal Service have led to an increasingly burdensome and complex workload for the PRC. The Postal Service's efforts to address financial shortfalls have resulted in a broad range of novel proposals that affect operations and service to the public. These initiatives require the PRC's attention.

Despite its increasing workload, the PRC's funding levels, which have been subject to appropriations since FY2009, have generally remained well below its FY2008 budget allocation. In a reversal of this trend, the PRC's FY2016 funding levels saw the first funding increase above that FY2008 level—a positive step forward. At its current resource level, however, the PRC still lacks the funding to hire its authorized workforce of 77 full-time employees.

At the same time, FY2017 is a particularly critical year for the PRC. The PRC will undertake several significant statutorily-mandated reviews, in addition to continuing to handle a steadily increasing caseload. In 2006, the Postal Accountability and Enhancement Act (PAEA) established the current structure of the Postal Service's rates.¹ Accordingly, PAEA mandated that the PRC conduct a comprehensive review of the rate structure ten years after enactment. This rate review, scheduled to begin in December 2016, is a monumental undertaking. The PRC will reevaluate the entirety of the rate structure and determine what, if any, changes will be made to that structure to ensure the rate structure can achieve a number of statutorily specified objectives. Given the sheer importance of this task and its potential impact, it is essential that the PRC has the resources necessary to conduct a timely, careful, and consummate review.

The PRC's requested amount of \$17,726,800 would allow it to hire staff to meet critical mission needs, and enable the PRC to conduct the upcoming statutorily-mandated postal rate review. We respectfully request that the Subcommittee gives strong consideration to funding the PRC at the level the President requested. Thank you for considering our request.

Sincerely,



Jason Chaffetz
Chairman



Mark Meadows
Chairman
Subcommittee on Government Operations

Enclosure

cc: The Honorable Elijah E. Cummings, Ranking Member

The Honorable Gerald E. Connolly, Ranking Member
Subcommittee on Government Operations

¹ Pub. L. No. 109-435 (2006).