

July 3, 2025

## Postal Primer: Overview of the Postal Regulatory Commission

The Postal Regulatory Commission (PRC) is an independent regulatory agency responsible for oversight of the U.S. Postal Service (USPS). Formerly the Postal Rate Commission, the PRC was established by the Postal Reorganization Act of 1970 (P.L. 91-375). Under the act, the PRC's primary responsibility was to promulgate regulations and procedures for setting postal rates.

In 2006, the Postal Accountability and Enhancement Act (PAEA, P.L. 109-435) expanded the PRC's regulatory and oversight responsibilities to include analysis of USPS's finances, service performance, and general compliance with its statutory requirements. The PRC publishes this information, along with other data, in its *Annual Compliance Determination (ACD)*. The PAEA requires the PRC to conduct a review of universal service and the postal monopoly. Every five years, the PRC must submit a report to Congress and the President on the operations of the PAEA, including legislative recommendations to improve the effectiveness and efficiency of postal laws.

### Members of the PRC

The PRC is composed of five commissioners who are appointed by the President with the advice and consent of the Senate. Not more than three commissioners may be from the same political party. Commissioners serve six-year terms. A commissioner may continue to serve up to one additional year following the expiration of his or her term pending the confirmation of a successor. There is no limit on the number of terms a commissioner may serve, though each reappointment requires a presidential nomination and confirmation by the Senate. The President may remove commissioners only for cause (39 U.S.C. §502).

**Table 1** below provides information on the current PRC commissioners as of July 2, 2025.

**Table 1. Current PRC Commissioners**

Commissioner (Party Affiliation)	Appointed by	Term Expires
Michael M. Kubayanda (Democrat)	President Trump (1 <sup>st</sup> term); President Biden (2 <sup>nd</sup> term)	November 22, 2026
Thomas G. Day (Independent)	President Biden	October 14, 2028
Robert Taub (Republican)	President Obama (1 <sup>st</sup> & 2 <sup>nd</sup> term); President Biden (3 <sup>rd</sup> term)	October 14, 2028
Ann Fisher (Republican)	President Trump (1 <sup>st</sup> term); President Biden (2 <sup>nd</sup> term)	October 14, 2030

Commissioner (Party Affiliation)	Appointed by	Term Expires
Ashley Poling (Democrat)	President Trump (1 <sup>st</sup> term); President Biden (2 <sup>nd</sup> term)	November 22, 2030

**Sources:** Congress.gov; PRC, "About the Postal Regulatory Commission."

In addition to the commissioners, non-appointed leadership positions within the PRC include the general counsel and the director of accountability and compliance.

### Rate Regulation

Postage rates are set by USPS as directed by the postal governors and in accordance with regulations issued by the PRC. The PAEA categorizes postal products and services as either market dominant (i.e., those in which USPS is considered to have a monopoly over the service, such as first-class and marketing mail) or competitive (i.e., those where USPS competes with private providers, such as shipping and packages). Each category has its own rate-making regulations and processes.

### Market Dominant Products (39 U.S.C. §3622)

In general, at least 90 days prior to implementing an adjustment of market-dominant rates, USPS shall file a request with the PRC. The PRC then opens a docket, which is published in the *Federal Register* at least 45 days prior to the intended implementation date. The docket provides an opportunity for the public to submit comments on the proposed rate adjustment.

Price increases for market dominant products are capped by statute and regulation. The PRC routinely calculates USPS's available authority to increase market-dominant postal rates. The latest "Available Rate Authority" is published on the PRC website.

### Competitive Products (39 U.S.C. §3632)

USPS has greater flexibility in establishing prices for competitive products relative to the pricing of its market-dominant products. Unlike market-dominant products, competitive products are not subject to a cap on rate increases. However, USPS must file notice of proposed changes with the PRC at least 30 days prior to the effective date of the change, or 15 days in the case of a negotiated service agreement that sets rates between USPS and a specific mailer (e.g., Amazon or eBay).

To prevent USPS from subsidizing competitive products with market-dominant revenue, rates for competitive products must generate sufficient revenue to cover their costs. The PRC analyzes USPS's revenue, mail volume,

and hours spent processing each mail product to evaluate whether each competitive product covers its attributable costs to USPS. The ACD contains this analysis along with a review of USPS's compliance with its statutory requirements regarding costs, revenue, rates, and quality of service (39 U.S.C. §3653).

## Oversight Responsibilities

In addition to its role in oversight of postal rate changes, the PRC has regulatory oversight over USPS financial reporting, service standards and performance, and USPS compliance with its statutory responsibilities. The PRC also has authority to hear public appeals of post office closures and public complaints regarding mail service and rates.

### Authority to Hear Appeals of Post Office Closures

The PRC is responsible for hearing public appeals of post office closings. USPS may not close or consolidate a post office until "60 days after its written determination is made available to persons served by such post office" (39 U.S.C. §404(d)). Any person served by a post office subject to closure or consolidation may file an appeal with the PRC within 30 days of USPS's determination. The PRC shall set aside any USPS determination it finds "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law" as well as determinations that violate statutory procedure or are unsupported by USPS's evidentiary record (39 U.S.C. §404(d)(5)). However, the PRC may not overturn USPS's decision: It may affirm the decision or set it aside and remand the matter to USPS for further consideration.

### Authority to Hear Public Complaints

The PRC is authorized to receive and investigate complaints from any interested person who believes USPS is not operating in compliance with its statutory and regulatory requirements regarding mail rates and service (39 U.S.C. §3662). The PRC also hears complaints alleging that USPS regulations or practices "preclude competition" or provide it with an unfair competitive advantage (39 U.S.C. §404a). The PRC advises consumers that "the complaint proceeding is a complex legal proceeding that typically requires an attorney's assistance."

The PRC may order USPS to take steps to rectify noncompliance issues. The PRC also has authority to fine USPS for deliberate noncompliance (39 C.F.R. §3022.50).

## Public Proceedings

PRC hearings and other proceedings are generally open to the public, and any individual may attend an open hearing in person. Individuals may typically participate in open proceedings provided they adhere to the Commission's Rules of Practice and Procedures. During any public proceeding, the PRC designates an officer who represents the interests of the general public. Among other things, the public representative is available to assist participants who may be unfamiliar with PRC practices and procedures. In addition, except for proceedings that involve appeal of a post office closure, an individual may participate by filing a public comment through the PRC's eDocket system.

## Advisory Opinion Process

USPS must submit any "change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis" to the PRC for an advisory opinion (39 U.S.C. §3661). Upon receiving a proposal from USPS, the PRC has 90 days to issue its advisory opinion. The PRC may, at its discretion, evaluate any "alternatives or related issues of significant importance" that may have been raised during the course of its proceedings (39 C.F.R. §3020.102).

## Appointment of USPS Inspector General

The postal commissioners, together with the postal governors, have the authority to appoint and remove the USPS inspector general. Appointment requires a favorable vote of a majority of the postal governors in office and a majority of the commissioners in office. Removal of the USPS inspector general requires the written concurrence of at least seven postal governors and three commissioners and may be only for cause (39 U.S.C. §202(e)).

## Appropriations and Budget

The PRC's operational expenses are paid out of the Postal Service Fund, a revolving fund made up of revenues from the sale of postal products and services.

Prior to the PAEA, the PRC submitted its budget to USPS, and the postal governors could, by unanimous vote, modify the amounts it requested. Under the PAEA, the PRC submitted a budget request to Congress and was subject to annual appropriations. The Postal Service Reform Act of 2022 (PSRA, P.L. 117-108) amended the PAEA and created permanent authority for the Postal Service Fund to be used for expenses incurred by the PRC, thereby removing the PRC from the annual appropriations process. Under the PSRA, the PRC submits its annual budget to USPS for approval by the postal governors, which may, by unanimous vote, modify the total amount requested. The PRC's budget is deemed approved unless the governors adjust it, in writing, within 30 days (39 U.S.C. §504).

In addition to its funding from the Postal Service Fund, the PRC has access to unspent "no-year" funds, which are available until expended, and funds provided via the Technology Modernization Fund (TMF). **Table 2** below shows the PRC's budget for FY2024 and FY2025. "No-year" and TMF funds are reflected in "other sources."

**Table 2. PRC Budget: FY2024 and FY2025**

In Millions of Dollars

	FY2024	FY2025
Budget request	23.4	25.4
Budget approved by governors	21.1	25.4
Other sources	6.5	3.3
Total budget	27.6	28.7

**Sources:** PRC, *FY2025 Budget Request*; USPS, "USPS Board of Governors Unanimously Approves Adjusted FY2024 Budget for the Postal Regulatory Commission."

**Michelle D. Christensen**, Analyst in Government Organization and Management

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