

March 2, 2026

U.S. Postal Regulatory Commission
901 New York Ave NW
Washington, DC 20001

Re: **Order No. 9427 [Docket # RM2024-4, RM2022-5, RM2022-6, RM2021-2]**

To the Postal Regulatory Commission (PRC):

The National Rural Electric Cooperative Association (NRECA) respectfully submits the following comments in response to PRC Order No. 9427. In short, we oppose the Postal Service's petition seeking the complete removal of the CPI price cap governing its rate authority or to grant it an additional 22 percentage points of rate authority. Granting the USPS petition would result in disproportionate harm to our members, as further outlined below and in several comment letters provided to this docket by statewide associations of electric cooperatives. In addition, NRECA is a member of the Alliance of Nonprofit Mailers (ANM), and we support its comments opposing the Postal Service's position.

NRECA is the national trade association representing nearly 900 local electric cooperatives and other rural electric utilities. America's electric cooperatives are owned by the people that they serve and comprise a unique sector of the electric industry. From growing regions to remote farming communities, electric cooperatives power 1 in 8 Americans and serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.

As member-owned, not-for-profit electric cooperatives, our members clearly understand and take seriously their responsibility to provide service of affordable, reliable, and safe electricity to all Americans situated within their service territories. Our members also understand the high costs that can be associated with providing and maintaining universal service. Electric cooperatives own and maintain 2.7 million miles, or 42 percent, of the nation's electric distribution lines and serve large expanses of the United States that are primarily residential and typically sparsely populated. Those characteristics make it comparatively more expensive for electric cooperatives to operate than the rest of the electric sector, which traditionally serves more compact, industrialized, and densely populated areas.¹

NRECA opposes the Postal Service's petition to remove the CPI price cap and increase its rate authority because it would have a significant, negative impact on America's electric cooperatives and more broadly on rural America. It would compound the disproportionate harm our members have already experienced due to the Postal Service's termination of evening mail service for post offices more than 50

¹ Since electric cooperatives serve areas with low population density, costs are borne across a base of fewer consumers and by families that spend more of their limited resources on electricity than do comparable municipal-owned or investor-owned utility customers. Using data from the U.S. Energy Information Administration and other sources, NRECA estimates that rural electric cooperatives serve an average of eight consumers per mile of line and collect annual revenue of approximately \$19,000 per mile of line. In contrast, for the rest of the industry, the averages are 32 customers and \$79,000 in annual revenue per mile of line.

Letter to U.S. Postal Regulatory Commission

RE: Order No. 9427

March 2, 2026

miles from newly designated Regional Processing Distribution Centers (RPDCs) under the auspices of its “Regional Transportation Optimization” (RTO) initiative. We continue to oppose the RTO, and urge the Postal Service to focus on ways to improve the reliability and timely service of mail delivery before considering any further rate increases (as envisioned in the Postal Service’s petition before the PRC).

As not-for-profit, consumer-owned, and consumer-governed organizations, electric cooperatives utilize mail for many reasons, including sending bills to consumer-members using First-Class Mail and receiving their payments, and distributing cooperative magazines to consumer-members in 42 states. Cooperative mailings provide members with critical information about their cooperatives, including notices of annual meetings and director elections, information that can help consumers use energy more wisely, participate in cooperative energy management programs, learn about planned maintenance that may impact service, and otherwise save money on their electric service. More broadly, mail is also used by their consumer-members to receive medication or equipment to keep their businesses functioning.

But postal rate increases in recent years, including the July 2025 increase, are forcing our members to make difficult decisions about whether and to what extent to continue mail service for myriad services they utilize, most notably the cooperative magazines. Postal rate increases have had a far larger impact than announced by the USPS because of saturation and density impacts that uniquely affect many of our members’ publications – resulting in double digit increases in some cases. These increases are untenable– particularly considering that all cost increases must ultimately be borne by consumer-members of the cooperatives. These members at the end of the line should not be forced to endure slower mail service due to the RTO Initiative on top of shouldering increased postal rates imposed on their electric cooperatives. This is even more stark considering that electric cooperatives serve 92 percent of persistent poverty counties in the United States and one in four households served by electric cooperatives have an annual income below \$35,000. ²

For these reasons, we urge the PRC to reject the Postal Service’s rate petition as it would harm not only America’s electric cooperatives but also the 42 million Americans they serve, who will disproportionately bear the brunt of increasing postal rates.

Thank you for considering our comments. Please contact me at 703-907-5732 if you have any questions.

Sincerely,

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² More information on America’s Electric Cooperatives available at: https://www.electric.coop/wp-content/uploads/2025/06/2025_NCS6127_Coop_FactsAndFigures_6.24.25.pdf