

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

https://www.wsj.com/business/logistics/amazon-and-u-s-postal-service-reach-delivery-deal-66b34c63

EXCLUSIVE LOGISTICS

Amazon and U.S. Postal Service Reach Delivery Deal

The e-commerce giant would cut back the packages it ships through USPS by 20%, less than the proposal the sides had discussed earlier

By Esther Fung [Follow](#)

Updated April 6, 2026 3:50 pm ET



Amazon.com is the U.S. Postal Service's biggest customer. JOE RAEDLE/GETTY IMAGES

Quick Summary ∨

- Amazon.com and the U.S. Postal Service reached a new package-handling agreement, reducing Amazon's package volume by 20%.

[View more](#)

[Amazon.com](#) **AMZN 1.44%** ▲ and the U.S. Postal Service have reached a new package-handling agreement, according to people familiar with the matter, after Amazon threatened to drastically cut back on the number of packages it sends through the struggling agency.

Instead of reducing the number of packages Amazon ships through the Postal Service by two-thirds by this fall, as outlined in an earlier proposal, the two sides now have a tentative deal that will result in a 20% reduction, the people said.

The Postal Regulatory Commission, the federal agency that oversees the Postal Service, must now review and approve the agreement.

The new tentative deal would still have the Postal Service deliver more than 1 billion packages for Amazon a year. The loss of revenue from the 20% cut, however, could hurt the Postal Service. It has grown to rely on the billions of dollars it makes from Amazon's guaranteed volumes.

The e-commerce giant is the Postal Service's largest customer, shipping nearly 15% of all the packages that the USPS delivered in the country last year, translating to about \$6 billion in revenue for the agency.

"We're pleased to have reached a new agreement with USPS that furthers our longstanding partnership and will let us continue supporting our customers and communities together," said an Amazon spokesman.

The USPS didn't immediately comment.

A two-thirds cut would have also created headaches for Amazon, especially in rural areas where it relies on the Postal Service the most.

The company has been expanding its one- to two-day delivery capabilities in rural areas but would have had to scramble on short notice to find ways to take on the added capacity that had previously gone through USPS.

The Postal Service has been a key cog in Amazon's shipping network, providing a significant portion of the so-called last-mile deliveries of packages to people's homes.

Amazon had previously relied on parcel carriers like FedEx and United Parcel Service. But FedEx stopped delivering Amazon packages before resuming certain large deliveries last year, and UPS cut back its deliveries.

The parcel carriers have been wary about relying too much on Amazon, especially since the e-commerce giant is also a competitor. Amazon Logistics competes with FedEx, UPS and the Postal Service for package deliveries from other businesses.

An Amazon spokesman said last month that the company originally expected to increase its volumes with the Postal Service when its current contract expires in the fall. The spokesman said that Amazon believed it was “heading toward an agreement” with USPS on a new contract.

Yet in December, the Postal Service introduced a new bidding process for its last-mile delivery service.

Postmaster General David Steiner has said the bidding will help the quasigovernmental agency determine the true market value of the last-mile service.

It was in that bidding process that Amazon proposed cutting back its volume with USPS by two-thirds. Amazon had recently been reaching out to other smaller carriers to see if they would take some of Amazon’s parcel volumes.

The Postal Service recently pivoted back to engaging more directly with Amazon, after the parcel volume and revenue projections from several companies that submitted bids fell short of the agency’s expectations, according to two people familiar with the matter.

The USPS has operated at a loss for most of the past two decades and reported a net loss of \$9 billion in fiscal year 2025.

Appeared in the April 7, 2026, print edition as 'Amazon Reaches Delivery Pact With the U.S. Postal Service'.

Esther Fung is a reporter in The Wall Street Journal's corporate bureau in New York, where she writes about parcel-shipping companies like FedEx and UPS, freight railroads like Union Pacific, CSX and Norfolk Southern, passenger railroad Amtrak, the U.S. Postal Service and the logistics industry. She...

Follow



Videos

