

Who are the Top U.S. Postal Service Suppliers? Transportation Companies Lead the FY 2022 list

By [David Hendel](#)
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Washington D.C., April 2023 — Transportation companies dominate the 2022 list of top U.S. Postal Service suppliers, accounting for more than half of the agency's outside spending. **FedEx** once again leads the list, as it has for twenty years, but its postal revenue declined while freight broker revenue increased. Eight of the top ten suppliers provide transportation services or equipment.

The Postal Service spent \$18.5 billion on outside suppliers in FY 2022, an increase of \$1.5 billion over last year. Total transportation spending—about \$10.1 billion—increased by \$1 billion over the prior year. The Postal Service attributes the rise to increased fuel expenses and inflationary pressures due to supply imbalances. Spending on everything else increased by \$470 million, about six percent.

All major spending categories increased except for Facilities, where the agency spent \$1.1 billion and reduced expenses by \$30 million. The Postal Service spent \$2.2 billion on Mail and Operational Equipment, \$1.4 billion on Technology, \$1.3 billion on Commercial Products and Services, and \$2.35 billion on other supplies and services.

FedEx is again the top supplier, but its 2022 total dropped \$236 million to \$1.9 billion. To put that in perspective, \$236 million would have been enough to be the 10th largest supplier this year. Under the “Delivering for America Plan,” now entering its third year, the Postal Service intends to reduce its use of air transportation. The Postal Service also plans to diversify its mix of air carriers. While FedEx will remain a top supplier in 2023, its postal revenue will likely decline on next year's list.

Freight brokers—entities that serve as a middleman between shippers and carriers—have increased their receipts of USPS spending. Brokers on the list include: **ITS National**, **XPO Logistics**, and **EVE International**, which saw a combined increase of over \$200 million. Freight broker **Traffix USA** made its debut on the list as the 29th largest supplier, with over \$100 million in contracts with the Postal Service.

The only non-transportation companies in the top ten were **EnergyUnited Electric Membership Corporation**, which pays the agency's telecommunications and energy bills, and **Victory Packaging**, which makes the packaging products USPS provides to mailers.

The list is rich with data and other insights include:

-**Oshkosh Defense, LLC**, maker of the USPS's Next Generation Delivery Vehicle, received its initial order of 50,000 vehicles valued at \$2.98 billion. The company rose 10 spots to number 20, with \$151 million collected in FY 2022. As new vehicles are delivered, the company likely will take its place among the top ten.

-**United Parcel Service** continues to rise, becoming the 4th largest outside supplier to the Postal Service.

-**American, United, and Delta Airlines**, while still top suppliers, received almost \$45 million less than last year, reflecting the diversion of volume from air to surface transportation.

-Air cargo specialists including **Kalitta Air** and **Amerijet International** and regional carrier **Alaska Airlines** rose, despite the move away from shipping mail by air.

In all, the top ten suppliers accounted for over \$5 billion, about 2 percent more than last year. The top 150 accounted for \$12.7 billion in revenue—over two-thirds of the agency's total spend. As a group, the top 150 increased their revenue by \$854 million over last year.

"There is no getting around it—the numbers tell the tale—the Postal Service is a transportation and logistics company," said David Hendel, of Culhane Meadows PLLC, whose law practice focuses on issues that arise under Postal Service contracts. "Challenges ahead include declining mail volume, rising postal rates, and labor inflexibility. Suppliers can help the agency meet these challenges—if only the Postal Service will let them!" Hendel noted that in recent months the Postal Service has gone in the opposite direction, bringing regional transportation services in-house at greater expense and lower service levels than contractors had provided.

Hendel has compiled the Top 150 list annually since 1999. The list is based on data received in response to Freedom of Information Act requests and seeks to consolidate entries for affiliated companies.

The complete list of the Top 150 suppliers is available at www.postalcontractor.com, a website Hendel created that provides key background information on postal contracting.

The top ten suppliers are shown below:

2022 Rank	Supplier Name	FY 2022 Total	Location	2021 Rank
1	FedEx Corporation*	\$1,934,259,855.00	Memphis, TN	1
2	10 Roads Express*	\$700,436,854.00	Carter Lake, IA	2
3	EnergyUnited Electric Membership Corporation*	\$436,540,356.00	Statesville, NC	3
4	United Parcel Service of America, Inc. (UPS)*	\$391,373,124.00	Louisville, KY	6
5	Eagle Express Lines, Inc.*	\$330,457,943.00	Homewood, IL	4
6	OEM Systems LLC	\$304,340,111.00	Okarche, OK	5
7	Victory Packaging	\$275,108,061.00	Northbrook, IL	7
8	EVO Transportation and Energy Services, Inc.*	\$262,194,866.00	Strafford, MO	14
9	Matheson Trucking, Inc.*	\$244,175,028.00	Elk Grove, CA	11
10	ITS National, LLC	\$203,603,421.00	Reno, NV	21

The above list was compiled based on data received under a Freedom of Information Act request and covers payments made between October 1, 2021 and September 30, 2022 and is not audited. When companies are believed to be affiliated or under common ownership, we have often consolidated their separate entries under the company with the highest individual ranking or best-known name. Consolidated listings contain an asterisk. Our consolidations vary from year to year, and this may affect numerical rankings. City/state designations are derived from USPS's payment records and may not be the contractor's primary location.

About David P. Hendel

David's legal career began as an Honors Attorney in the U.S. Postal Service General Counsel's office, where he reviewed contracts, advised procurement officials, and litigated disputes. Entering private practice, he advised companies on issues arising under civilian and defense agency contracts, including matters of contract administration, performance, and compliance. David has represented hundreds of contractors, from Fortune 50 companies to small businesses, on a wide range of

matters including: bid protests, contract administration and interpretation, claims, terminations, fraud investigations and False Claims Act matters. He frequently writes articles and presents seminars on postal contracting topics. He also created the www.postalcontractor.com website. His bio may be found at www.culhanemeadows.com/attorney/david-hendel/.

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