

Postal Facts

The Postal Service is Facing Financial Uncertainty... USPS faces a serious budget crisis and must seek to increase its revenue and carefully reduce overhead expenses. The explosion of electronic communication has permanently changed how the world connects, and the Postal Service must adapt to that change.

But this crisis is not simply the result of increased Internet usage and a tough economy, as you might think. Despite the worst recession in 80 years, the Postal Service has done well operationally. In fiscal years 2007 through 2010, it had a net operational profit of \$611 million delivering the mail.

Most of the Financial Red Ink is the Result of a Particularly Burdensome Congressional Mandate... Starting in 2007, a short-sighted mandate from Congress has required the Postal Service to set aside — in just 10 years — enough money to pay almost all retiree health benefits for the next 75 years — something no other public agency or private company is required to do. This has cost the Postal Service \$32 billion since 2007, accounting for 78 percent of its red ink during this period.

Drastically Cutting Services is Not the Answer... No company can grow or maintain its business by weakening service to customers. It is clear that USPS must adapt to our nation's changing needs and that adaptation might mean shared pain for all stakeholders involved. Instead of adapting, too many in Congress, and in Postal Service management, see cuts in service as the only solution. But making the Postal Service less valuable will drive customers away, leaving it to face a new financial crisis in just a few short years.

In March 2012, a USPS witness appearing before the Postal Regulatory Commission acknowledged that a study ordered (but later stopped) by the Postal Service, which examined the postmaster general's plan for service reductions, indicated that the combined effects of all the service cuts under consideration, including the elimination of Saturday delivery, would reduce first class mail volume by an extraordinary 10.3 percent.

The practical effect of such a drastic reduction in mail volume would mean that the lost revenue from customers could actually EXCEED the projected savings.

Taxpayers Aren't Being Asked to "Bail Out" the Postal Service... USPS has not taken any taxpayer money to fund operations since 1982. It is funded entirely by the revenue it generates selling stamps and services. If you listen to congressional rhetoric, you would think cutting services and a taxpayer bailout are the only options to address the Postal Service's financial problems. But no one wants to force American taxpayers to "bail out" the Postal Service. USPS's financial problems can be remedied without dipping into taxpayer funds or dismantling the postal network by taking a thoughtful, long-term approach to reforming the Postal Service.

America Must Have a Strong Postal Service... Americans depend on a strong Postal Service. It is our country's only universal communication network, binding all four corners of the United States together. The Postal Service delivers 160 billion pieces of mail each year to more than 152 million homes, businesses and Post Office boxes throughout the country.

Much of the population still sends and receives its monthly bills through the mail; vulnerable groups need ready access to the postal network to receive life-saving goods, like prescription medicines; e-commerce is supported by the USPS's universal delivery service; businesses remain dependent on a low cost, reliable service for their invoicing and shipping — six days a week; and the Postal Service is at the center of a trillion dollar printing, publishing and mailing industry that employs more than seven million private-sector workers.

USPS Can Have a Bright Future... The Postal Service can thrive in a digital age by innovating and adapting to provide new services, as it has done repeatedly over its 230-plus year history. The Postal Service's universal reach — its mandate to cover even the very last mile to touch every American, six days a week — is part of what makes it more than just a business and so vital to American life.

For all its current problems, the Postal Service remains an important national asset that is just as vital to the nation's infrastructure as the Interstate highway system. Congress should not settle for slashing costs and battling over which services to cut. Instead, it should start working a plan to revitalize the Postal Service in a manner that makes sense for our way of life in the 21st century.