



POSTAL NEWS

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Statements from the Postal Service Board of Governors and the Postmaster General on Today's Senate Action

The following statements are in response to today's vote by the U.S. Senate to approve S 1789, the 21st Century Postal Reform Act.

Statement of the Board of Governors of the United States Postal Service

The Board, in working with management, has spent the past two years preparing a comprehensive business plan to make the Postal Service viable so it would not become a liability to the American people. This plan was validated by outside experts. We stand behind this plan, and we are convinced it is the right approach.

Unfortunately, action by the Senate today falls far short of the Postal Service's plan. We are disappointed that the Senate's bill would not enable the Postal Service to return to financial viability. A strong Postal Service is important to the health of the entire mailing industry and the Postal Service's ability to finance universal service for the American public. Given volume losses we have experienced over the past five years along with expected future trends, it is totally inappropriate in these economic times to keep unneeded facilities open. There is simply not enough mail in our system today. It is also inappropriate to delay the implementation of 5-day delivery when the vast majority of the American people support this change. Failure to act on these changes will ensure that the Postal Service's losses will continue to mount.

We remain hopeful that Congress will ultimately produce legislation that will enable the Postal Service to return to financial viability.

Patrick R. Donahoe Postmaster General & Chief Executive Officer of the United States Postal Service

"We appreciate the hard work of the Senate in addressing postal issues, and we believe that there are important and valuable provisions contained in the legislation. We would have preferred the Senate allow the Postal Service to move further and faster in addressing its cost reduction goals.

Today the Postal Service incurs a daily loss of \$25 million and has a debt of more than \$13 billion. Based on our initial analysis of the legislation passed today, losses would continue in both the short and long term. If this bill were to become law, the Postal Service would be back before the Congress within a few years requesting additional legislative reform.

The Postal Service does not seek to be a burden to the American taxpayer, and we believe such an outcome is entirely avoidable. The Postal Service has advanced a comprehensive five-year plan that would enable revenue generation and achieve cost reductions of \$20 billion by 2015 — restoring the Postal Service to long-term profitability.

The plan we have advanced is a fair and responsible approach for our customers, our employees

and the communities we serve. We are hopeful that the legislative process will continue and that enacted legislation will put the Postal Service on a sustainable path to the future.”

The Postal Service does not receive tax dollars for operating expenses; it relies entirely on the sale of postage, products and services to fund its operations.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 151 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 35th in the 2011 Fortune 500. In 2011, the U.S. Postal Service was ranked number one in overall service performance, out of the top 20 wealthiest nations in the world, Oxford Strategic Consulting. Black Enterprise and Hispanic Business magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency for six years and the sixth Most Trusted Business in the nation by the Ponemon Institute.

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