



POSTAL NEWS

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Postal Service Statement on Sept 30 Retiree Health Benefits Prefunding Payment

For the second time in two months, the U.S. Postal Service will not make a mandated payment to prefund retiree health benefits. Absent legislative action, the Postal Service is unable to make a scheduled \$5.6 billion payment to the U.S. Treasury on Sept. 30. As was the case with the default of a similar \$5.5 billion payment due August 1, customers can be confident in the continued regular operations of the Postal Service. We will continue to deliver the mail and pay our employees and suppliers. Postal Service retirees and employees will also continue to receive their health benefits. The health care for current retirees is paid from the Postal Service's general operating budget and is not affected by the Postal Service's inability to make the accelerated payments mandated by Congress as part of a 2006 law.

Comprehensive reform of the laws governing the Postal Service is urgently needed in order for the Postal Service to fully implement its five-year business plan and return to long-term financial stability. The Postal Service continues to encourage comprehensive legislative action in this Congress.

The Postal Service additionally remains focused on implementing significant cost reduction and revenue generating strategies that it currently has the authority to pursue.

The Postal Service receives no tax dollars for operating expenses and relies 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, Oxford Strategic Consulting ranked the U.S. Postal Service number one in overall service performance of the posts in the top 20 wealthiest nations in the world. *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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