

Statement from the U.S. Postal Service Board of Governors

The Board of Governors of the United States Postal Service met April 9 and discussed the Continuing Resolution recently passed by Congress to fund government operations. By including restrictive language in the Continuing Resolution, Congress has prohibited implementation of a new national delivery schedule for mail and packages, which would consist of package delivery Monday through Saturday and mail delivery Monday through Friday, and which would have taken effect the week of Aug. 5, 2013.

Although disappointed with this Congressional action, the Board will follow the law and has directed the Postal Service to delay implementation of its new delivery schedule until legislation is passed that provides the Postal Service with the authority to implement a financially appropriate and responsible delivery schedule. The Board believes that Congress has left it with no choice but to delay this implementation at this time. The Board also wants to ensure that customers of the Postal Service are not unduly burdened by ongoing uncertainties and are able to adjust their business plans accordingly.

The Board continues to support the transition to a new national delivery schedule. Such a transition will generate approximately \$2 billion in annual cost savings and is a necessary part of a larger five-year business plan to restore the Postal Service to long-term financial stability. According to numerous polls, this new delivery schedule is widely supported by the American public. Our new delivery schedule is also supported by the Administration and some members of Congress.

To restore the Postal Service to long-term financial stability, the Postal Service requires the flexibility to reduce costs and generate new revenues to close an ever widening budgetary gap. It is not possible for the Postal Service to meet significant cost reduction goals without changing its delivery schedule – any rational analysis of our current financial condition and business options leads to this conclusion. Delaying responsible changes to the Postal Service business model only increases the potential that the Postal Service may become a burden to the American taxpayer, which is avoidable.

Given these extreme circumstances and the worsening financial condition of the Postal Service, the Board has directed management to seek a reopening of negotiations with the postal unions and consultations with management associations to lower total workforce costs, and to take administrative actions necessary to reduce costs. The Board has also asked management to evaluate further options to increase revenue, including an exigent rate increase to raise revenues across current Postal Service product categories and products not currently covering their costs.

The Board continues to support the Postal Service's five-year business plan and the legislative goals identified in that plan, which will return the Postal Service to financial solvency. The Board additionally urges Congress to quickly pass comprehensive postal legislation, including provisions that would affirmatively provide the Postal Service with the ability to establish an appropriate national delivery schedule.