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Statement from Postmaster General Patrick Donahoe:
Congressional Inaction Heightens Postal Service Financial Crisis;
More Aggressive Cost Cutting and Revenue Generating Measures will be
Considered

“The 112th Congress adjourned without having passed postal legislation. Such legislation could quickly restore the Postal Service to profitability and put the organization on a stable, long-term financial footing. This lack of action is disappointing.

The Postal Service has worked closely with the Congress over the past two years to advance a framework for a viable business model that will allow us to quickly respond to the evolving needs of our customers. As a result of frequent communication with Congressional leaders, we have modified important parts of our five-year comprehensive business plan, including the pace of consolidation of mail processing facilities, to give Congress maximum flexibility to make needed legislative changes. Unfortunately, Congress has not enacted these changes. As we sought to provide solutions to enable legislative change, we pursued cost-reducing and revenue-generating activities. Over the past two years we have reduced head count by approximately 60,000 career employees. We have consolidated 70 of our mail processing facilities. We moved to reduce hours at many of our Post Offices. We also have worked to substantially increase our package volume along with introducing a same-day delivery service.

As we look to the coming year, we are on an unsustainable financial path. We are currently losing \$25 million per day, we have defaulted on \$11.1 billion in Treasury payments and exhausted our borrowing authority. The Postal Service should not have to do business this way, which has undermined the confidence of our customer base and the \$800 billion mailing industry we serve. We will be discussing with our Board of Governors a range of accelerated cost cutting and revenue generating measures designed to provide us some financial breathing room.

We encourage the new 113th Congress to make postal reform an urgent priority, and to work steadily toward the quick passage of reform legislation. We will continue to work with leaders of our House and Senate oversight committees and all members of Congress to help make this happen.”

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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. Follow the Postal Service on www.twitter.com/USPS and at www.facebook.com/USPS