



Information Sheet about the U.S. Postal Service

What follows are facts and context about the situation at the U.S. Postal Service, aimed at putting the flurry of recent headlines in context and clarifying what's at issue—and what's at stake.

The fate of the U.S. Postal Service is a major national issue affecting every American, every community, every business—and yet what typically is reported is misleading and incomplete. As a result, few of your readers/viewers/listeners know the real story—or what can be done going forward.

Despite what you may have heard, the Postal Service isn't broke. Nor is it losing billions of dollars a year delivering the mail. And a taxpayer bailout isn't imminent. Reduced services are being presented as a foregone conclusion, but they're not.

The massive cuts in service to residents and businesses being proposed—allegedly to address these problems—are not inevitable, necessary or constructive. That's because the financial problems facing the Postal Service aren't caused by the cost of delivering mail; they're caused largely by Congress, and Congress can solve them.

Your reporting can shatter the conventional wisdom while informing people. Moreover, this is an issue that greatly affects the communities you cover. Your stories can spark a public discussion, and influence public policy. Toward that end, we will provide information that typically isn't reported. These facts can readily be verified; the conclusions flow directly from those facts. Visit www.SaveAmericasPostalService.org for documentation, or call the media contacts on the press release.

—The Postal Service isn't funded by taxpayers. All its revenue is earned from the sale of its products and services, meaning that the dire warnings of a taxpayer bailout are completely unfounded. The Postal Service hasn't used a dime of taxpayer money in 30 years.

—The Postal Service made a net profit of more than \$600 million sorting and delivering the mail the past four fiscal years. You read that correctly. Despite the worst recession in 80 years, despite competition from the Internet, despite everything you've heard, postal operating revenues exceeded costs by \$611 million in the four fiscal years since 2007.

—Customer satisfaction and on-time deliveries are at record levels, labor costs are declining, worker productivity has doubled, and for six years running the American people have named postal employees the most-trusted federal workers. U.S. citizens and businesses benefit from the most inexpensive and most efficient mail system in the industrialized world.

—So why the headlines about multibillion losses and a Postal Service in financial free fall? There is indeed a financial problem, but it's not what you've been told. It doesn't result from mail delivery. The \$20 billion in postal losses you've heard about stems from a 2006 congressional mandate that the Postal Service pre-fund future retiree health benefits for the next 75 years and do so within a decade—a burden no other public agency or private firm faces. The Postal Service is actually paying, out of its operating budget, for the future retiree benefits of people who haven't been born yet. That cost—\$21 billion since 2007—accounts for 100 percent of the agency's red ink over

Media Contacts

National:

Philip Dine

National Association
of Letter Carriers
202-662-2850

National:

Sally Davidow

American Postal
Workers Union
202-842-4250

Local:

Information Sheet about the U.S. Postal Service (continued)

that period. House Bill 1351, which has bipartisan support and nearly 200 co-sponsors, would address the pre-funding issue.

—The other big financial problem, which also has nothing to do with the mail, is that the Postal Service doesn't have access to tens of billions of dollars of earned revenue that are sitting in surplus funds. As a quasi-public agency, it needs Congress to give it access to its own money.

—Because a dysfunctional Congress (remember the debt ceiling fiasco?) has yet to take these steps, postal officials are desperate as they face the \$5.5 billion pre-funding payments due every fall. So they're proposing a series of drastic cuts: One day it's to end Saturday delivery, another day to close 3,700 post offices, or fire 120,000 employees, or close 300 processing centers. Each has serious downsides for residents and communities and local businesses, for the U.S. economy, for the future of the Postal Service. They would exacerbate rather than solve the agency's problems, by sacrificing its competitive edge and driving away customers.

—Even if the current financial snafus are fixed, why would the Postal Service have a future, given the Internet? This isn't the first time the Postal Service has had to adapt to an evolving society or to technological change. It did so with the telephone, the telegraph, the fax machine and more, each time emerging stronger, offering new and improved services to meet society's changing needs. Today, the Internet offers both challenges and opportunities. More people are paying bills online, but they're also ordering goods online that need to be delivered. One of the fastest growing profit centers within the Postal Service is doing "last-mile" residential deliveries for UPS and FedEx, which it can do inexpensively because of its universal network—helping reduce costs for the private carriers and for their customers.

—The point isn't that congressional action would erase all challenges, but rather that once lawmakers address the elephant(s) in the room—the pre-funding and the lack of Postal Service access to its own surplus funds—then thoughtful solutions can be devised to meet those challenges. The entire postal community—management, labor, Postal Regulatory Commission, legislators, the mailing industry—can come together

and determine how to adapt the business model and what new services would help customers. This cannot be done in the current panic mode, with congressional inaction forcing management to throw every possible cut against the wall to see what sticks, while anti-government ideologues exploit the situation.

—Why is it important to save the Postal Service? Because it's the centerpiece of a \$1.3 trillion mailing industry that supports 8 million jobs. Because it is indispensable in the overall economy. Because its role is included in the Constitution. Because it binds together this vast land nation, offering inexpensive service to every resident no matter how remote, and it also unifies individual communities.

—And, because this unique universal network has value we often don't even consider, including in the area of public safety. Under President George W. Bush, when homeland security officials needed a way to distribute medicines to residents in the event of a biological incident, they turned to the Postal Service and letter carrier volunteers. That program is now set up in Minneapolis, a second pilot program was recently completed in Louisville, and a few weeks ago the plan was expanded to San Diego, Philadelphia and Boston. Moreover, because they know their neighborhoods and their customers, every week letter carriers save the lives of elderly residents who've taken ill or fallen down, find lost children or missing pets, and put out fires. Each year on the second Saturday in May, letter carriers conduct the nation's largest single-day food drive, replenishing food pantries across the country.

In a time of rapid societal and technological change, we need to strengthen our universal communications and delivery network, not weaken it. It would be a national travesty to begin to dismantle this unique network, jettison its numerous capabilities and jeopardize all its contributions, when the financial challenges—properly understood—can be addressed in ways that are more effective and cause no damage.

If your reporting brings some of these facts and broader context to the frenetic coverage of alleged losses and proposed cuts in services, you will be adding to your audience's understanding, elevating the public dialogue, influencing the policy debate, and providing a service to your communities and to your country.