UNITED STATES POSTAL SERVICE®

# POSTAL NEWS

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**Statement from the United States Postal Service:**

## Board of Governors Directs Postal Service Management to Accelerate Steps to Restructure Postal Operations and Reduce Costs

The Postal Service Board of Governors met last week to discuss a wide range of accelerated cost cutting and revenue generating measures in the face of an unprecedented set of financial challenges, heightened by the inability of Congress to pass comprehensive postal legislation. Citing the fact that the Postal Service cannot wait indefinitely for legislation, the USPS Board of Governors has directed management to accelerate the restructure of Postal Service operations to further reduce costs in order to strengthen Postal Service finances. Specifically, the Board approved restructuring initiatives and also instructed the Postal Service to revise its 2012 five-year comprehensive plan to account for current financial and liquidity conditions.

The Postal Service is currently implementing major cost reduction efforts throughout its retail, delivery and mail processing operations. Since 2006, the Postal Service has reduced its annual cost base by approximately $15 billion and reduced the size of its career workforce by 168,000 or 24 percent. During these unprecedented cost cutting initiatives, the Postal Service continued to deliver record levels of service to its customers.

Despite achieving record growth in its package business and stabilization of other revenues, the Postal Service continues to operate with an inflexible business model that hinders its ability to be self-sufficient. In Fiscal Year 2012, the Postal Service was forced to default on $11.1 billion in mandated payments to the U.S. Treasury, which contributed to a recorded loss of $15.9 billion.

The Postal Service continues to seek legislation to provide it with greater flexibility to control costs and generate new revenue, and encourages the 113th Congress to make postal reform legislation an urgent priority.

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