

# UPDATE

NAPS Leg/Reg Update - May 8, 2015

## **USPS Operating Profits Rise, but Liabilities Continue to Spurt Red Ink**

This week's Postal Service announcement of its quarterly financial results signaled a continued financial turnaround. And with it came some good news and bad news.

The good news is that the numbers reflect positive, ongoing financial improvement by the Postal Service, with an operating surplus of \$313 million in the second quarter (January through March), an increase of \$52 million over the same period last year. That brings the year-to-date operating profit to \$1.47 billion, an increase of over \$400 million compared to the same point last year. The increase in operating revenue was driven by a 14.4 percent growth in [shipping and package volume](#).

The bad news is that the Postal Service also reported a *loss* of \$1.5 billion for the quarter, and \$2.2 billion for the year to date, after retiree health prefunding and workers compensation contributions are factored in.

## **Rural-State Senators Press PMG Brennan on Processing Consolidations**

Also last week, Sen. Heidi Heitkamp (D-ND) [brought together](#) the first bipartisan meeting of Senators from rural states to speak with Postmaster General Megan Brennan about the impact of mail processing facility closures and service standard reductions on families and communities in rural America.

Joining Heitkamp were six Senators from rural states -- Jon Tester (D-MT), Bernie Sanders (I-VT), Tammy Baldwin (D-WI), Gary Peters (D-MI), Susan Collins (R-ME), and Jerry Moran (R-KS). They pressed the PMG on declining postal service standards and the of closing of mail processing facilities in their states and questioned the cost-effectiveness and savings of the facility consolidations.

A [recent report](#) of the Postal Service Office of Inspector General, requested by Sen. Heitkamp, found that for the past several years, the Postal Service failed to process and deliver mail in a timely fashion, lacked retail windows to meet demand, did not have a plan to address rapid population growth, overworked employees, and rarely met national service standards in the state.

In January 2014, Heitkamp launched her [Fix My Mail initiative](#), a grassroots effort to hear from North Dakotans about issues they have encountered with delayed mail delivery and poor service from the U.S. Postal Service. She has received stories from more than 200 North Dakotans from across the state about these challenges they face every day.

## **Senate Postal Roundtables Set for May 12, 19**

Typically the first procedural step toward passage of a bill in Congress comes through a committee hearing on the problems that underscore the need for the legislation. Then legislation is drafted to address the problems revealed by the hearing.

As the Senate comes to terms with what ails the Postal Service in 2015, it has scheduled two "roundtables" to assist in its due

diligence. Both of the roundtables will be convened by Sen. Tom Carper (D-DE), the ranking member of the Senate postal oversight committee.

The first roundtable, on May 12, will take a broad look at the Postal Service and include presentations by representatives of the Government Accountability Office, the Postal Service Office of Inspector General, Hallmark Cards, and the National Association of Letter Carriers.

The May 19 roundtable will focus on the Postal Service and rural America and will include presentations from representatives of the Postal Regulatory Commission, eBay, Inc, National Newspaper Association, National Association of Rural Letter Carriers and National Association of Postmasters of the United States.

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