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Statement Postal Service Expands Cash Conservation Initiatives

As a follow-up to the dire financial situation that has forced the Postal Service to suspend the biweekly payments of its contribution to the Federal Employee Retirement System (FERS), the Postal Service is moving forward with two new cash conservation initiatives effective July 1, 2011. They are:

1. Suspension of discretionary awards for FY 2011.
2. Freezing of Postal Service officer and executive compensation as it relates to the Postal Service's pay-for-performance program.

The award program for employee recognition and incentive awards is suspended until further notice and applies to all Executive Administrative Schedule (EAS) — administrative and managerial positions — and Postal Career Executive Service (PCES) — senior managers. This prohibits awarding cash, cash equivalent and non-cash tangible items intended for employee recognition. Employees represented by unions will still be eligible to receive awards as outlined in their agreements.

In addition, officer and executive compensation, as it relates to the Postal Service's pay-for-performance program, will be frozen until further notice.

Despite significant cost reductions in areas within its control, and even with the emergency FERS action, the Postal Service needs Congress to enact legislation that would do the following to return the Postal Service to financial stability:

- Eliminate the current mandates requiring retiree health benefit pre-payments.
- Return Civil Service Retirement System and FERS overpayments to the Postal Service.
- Give the Postal Service the authority to determine the frequency of mail delivery.

The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations.

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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, 150 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 \$67 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 29th in the 2010 Fortune 500. *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 six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.

