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Congress of the United States
House of Representatives
Washington, DC 20515–4906

April 19, 2012

Mr. Stanley Sevenich
645 9th Street
Menasha, WI 54952-2367

Dear Mr. Sevenich:

Thank you for contacting me regarding the current financial condition of the United States Postal Service (USPS) and its future. As I am sure you know, in 2010, the USPS had an operating deficit of $8.5 billion and its First Class Mail volume dropped by nearly 5.57 billion pieces. Continuing this trend, the USPS lost $5.1 billion and the total mail volume dropped by 3 billion pieces in 2011.

Since the USPS is a self-sustaining federal agency that is not subsidized by federal, state or local governments, it is responsible for making up for these losses. Since 2002 it has, on average, cut annual costs by $1 billion by reducing its workforce through attrition, holding off on construction of new facilities, and freezing the salaries of those in the Service's executive ranks. Unfortunately, these cuts have not been enough to counter the declining revenue. The bleak economic forecast for USPS is prompting Congress to take action to address the current fiscal condition of the USPS.

There are a number of bills aimed at improving the operations and financial standing of the USPS which may be considered by Congress. The purpose of H.R. 2309, the Postal Reform Act of 2011, is to restore the financial solvency of the United States Postal Service and to ensure the efficient and affordable nationwide delivery of mail. It would establish the Commission on Postal Reorganization to pursue cost reductions and create a new advisory body, the Postal Service Financial Responsibility and Management Assistance Authority, to make financial recommendations should the agency default for more than 30 days. If, two years after the Authority is created, the Postal Service has an annual budget deficit of more than $2 billion, power over the agency would be transferred to the Authority.

H.R. 2309 was approved by the House Committee on Oversight and Government Reform by a vote of 22-18 and is now pending consideration by the full House. As I consider this legislation, I will be sure to keep your thoughts in mind. Please continue to contact me on issues of concern.

Sincerely,

Tom

Thomas E. Petri
Member of Congress

TP/md