



*The U.S. Postal Service is in the midst of an unnecessary financial crisis. The Accountability and Enhancement Act of 2006 is bankrupting the U.S.P.S. and threatens to privatize the constitutionally mandated, vital public service.*

## Over Payments

The Postal Accountability and Enhancement Act of 2006 requires the USPS to pay for future retirees health benefits covering the next 75 years. The cost is a staggering \$5.5 billion owed per year from 2007 through 2016. **That's a total of \$55 billion** dollars. No other company in the U.S. is required to prefund retirement plans for employees who have yet to be hired. The requirement is based on 757,000 USPS employees. But, the postmaster general recently stated the USPS has 580,000 employees – and that number is decreasing. So, they are counting more than 177,000 non-existent employees – requiring the USPS to make **an additional \$13 billion** overpayment.

## Budget Busting Tactics

This required pre-funding is 8% of the Postal Service's operating budget each year. That may not sound unmanageable, but 78% of our budget goes to payroll. That leaves 22% for things like vehicle maintenance and gas, along with utilities like electricity and water for the network of postal offices across the country. So the 8% that goes to making this outrageous pre-payment is actually more than one-third of the Postal Service's "discretionary" spending. Furthermore, the mandate to pre-fund its **future** retiree health costs, which no other agency or private company in America must do, accounts for 85% of the USPS's losses since 2007 and 96% of 2<sup>nd</sup> quarter losses in 2012.

## Cuts That Hurt

Denying bargaining rights, ending 6-day delivery, terminating door-to-door delivery to 35-40 million addresses and further degradation of service standards are but a few of the changes that are being proposed to make up for the monetary losses caused by pre-funding the pension. Despite a constant drumbeat from Letter Carriers across the country, Congress and/or the President won't take action to end the pre-funding payments that the USPS is being required to make.



The National Association of Letter Carriers supports two bills currently in Congress (S. 1853 and HR 3591) which we believe will correct the financial plight of the USPS. Passing these bills will allow us to build a business model that will allow the USPS to continue to play its part in the U.S. communications network far into the future. The USPS remains the most trusted government agency in America. The Letter Carriers want to keep it that way ~ we can only do that with your help!