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**OPINION**

# The Post Office Ain't Broken. It's in Profit, So Why 'Fix' It?

BY **FREDRIC ROLANDO** 11/24/15 AT 11:35 AM

The U.S. Postal Service is older than the country itself, delivers to 153 million homes and businesses six and increasingly seven days a week and consistently ranks as the public's most trusted federal agency.

Yet misinformation about it abounds, including in [the commentary by James Gattuso](#) about the Postal Service's recent financial report for Fiscal Year 2015. The piece painted an unrelentingly negative picture of postal finances while referring frequently to a possible taxpayer bailout.

In fact, the USPS annual report detailed not only challenges but also several highly positive trends. It illustrated that the past fiscal year yielded a \$1.2 billion operating profit—the second consecutive year that revenue earned delivering the mail exceeded the costs of delivering the mail by more than \$1 billion. And it's the third straight year that postal operations have been in the black—with \$2.9 billion in total operating profits over that period.

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All this, mind you, without a dime of taxpayer money. For decades the USPS has by law relied on the revenue it earns.

These impressive performances are no fluke; rather, they're based on structural factors. Following the worst recession in 80 years, mail fell sharply, dropping 10 percent in 2009 alone. But as the economy gradually improves, letter revenue has stabilized. Meanwhile, with online shopping growing because of the Internet, package revenue is skyrocketing—which augurs well for the future. In fiscal 2015, package revenue increased by 11.4 percent over the prior year.

The timing of the good news contained in the report couldn't be better, with the holidays approaching.

The Postal Service projects the delivery of 15.5 billion cards, letters and packages from Thanksgiving to New Year's Eve—including a record 600 million packages.

It's also true that the Postal Service faces challenges; albeit not as often pictured. The major one has nothing to do with the mail and everything to do with congressional politics.

In 2006, a lame-duck Congress mandated that the Postal Service pre-fund retiree health benefits. No other agency or company in the country has to pre-fund for even one year; the Postal Service must pre-fund 75 years' worth of these benefits in advance. That \$5.6 billion annual charge is the "red ink."

Without this unique and unfair burden, the narrative would be as follows: Here's a government entity that, with no taxpayer money, and faced with a still soft economy plus the growing reach of the Internet, once again earned a billion dollar-plus operating profit.

To be sure, pre-funding isn't the only challenge the Postal Service faces. The rise of online bill-paying and of e-mail clearly have had an impact on mail volume. But, as noted, the Internet also offers opportunities, such as the growth in online shopping and thus in package deliveries.

Removing the artificial financial crisis produced by pre-funding would allow the postal community to focus its energies on how best to address changing communications practices while maximizing the new opportunities.

The path proposed by some critics—degrading the now-profitable postal networks and slowing the mail—is both illogical and counterproductive. Why begin to dismantle services and networks that are increasingly profitable? That would ignore the actual cause of the red ink while hurting Americans and their businesses—and it also would weaken the Postal Service's bottom line by driving mail and revenue away.

The Postal Service historically hasn't been—and shouldn't be now—a partisan issue. Many Democrats support the mission of the Postal Service, and some of the agency's strongest backers are conservative Republicans—for good reason.

The Postal Service is based in the Constitution. It's critical for businesses and rural areas. It's the country's largest civilian employer of military veterans. It's the centerpiece of a \$1.3 trillion mailing industry that employs 7.5 million Americans in the private sector.

Letter carriers boost communities and families through such volunteer actions as conducting the nation's largest single-day food drive or by sometimes saving lives on the route.

And the universal network also is invaluable in ways few people consider. For example, when then-President George W. Bush looked for ways after 9/11 to protect metropolitan areas in the event of a biological attack, he turned to the nation's only universal delivery network.

On a volunteer basis, letter carriers in several major metro areas have been trained and equipped to deliver medicines to every household within 48 hours of an attack—to avert panic and reduce casualties. Just imagine what it would cost to set up such a program from scratch.

If lawmakers address the pre-funding fiasco they created while strengthening the invaluable—and profitable —postal networks, the Postal Service can continue to provide Americans and their businesses with the industrial world's most-affordable delivery network.

*Fredric Rolando is president of the National Association of Letter Carriers.*

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