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LINK EXTRA

The plan to reduce the federal deficit submitted today by the Obama Administration to a congressional "Joint Select Committee on Deficit Reduction" includes provisions to provide USPS up to \$20 billion in savings over the next several years.

"Bold action is needed to ensure that USPS can continue to operate in the short run and achieve viability in the long run," said the President in his message to the committee. "The Administration recognizes the enormous value of the Postal Service to the nation's commerce and communications, as well as the urgent need to reform to ensure its future viability."

The President's plan includes the following provisions:

- Restructure the Retiree Health Benefit Fund's pre-funding requirement to reduce USPS payments.
- Provide USPS over a two-year period a refund of the \$6.9 billion in surplus funds it has contributed to the Federal Employee Retirement System.
- Reduce the Postal Service's operating costs by granting authority to reduce mail delivery from six to five days per week.
- Allow USPS to offer non-postal products and increase collaboration with state and local governments.
- Give USPS the ability to better align the costs of postage with the costs of mail delivery.

PMG Pat Donahoe thanked the President for his proposal. "I would like to thank the President for acknowledging the enormous value of the United States Postal Service to the nation's commerce and communications," he said. "The President has offered helpful recommendations to stabilize the Postal Service's financial crisis. We are looking forward to reviewing the plan in more detail and continuing to work with the White House and the Joint Select Committee on specific proposals that involve the Postal Service."

The President's provisions are in addition to an earlier proposal to delay by 90 days the Sept. 30 deadline for the USPS payment to the Retiree Health Benefit Fund. Legislation authorizing the 90-day extension is pending consideration in the House of Representatives.