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US Postal Service Wants Congress to Make Changes to Its Business Model

This is the VOA Special English Economics Report.

This month, the United States Postal Service reported a loss of over five billion dollars from April to June. The Postal Service says it expects to report a loss of fifteen billion dollars for the twelve-month period ending in September. And the government agency has warned of even bigger losses if Congress does not let it change the way it does business.

The United States Postal Service, or USPS, has a long history in America. Benjamin Franklin was appointed the first Postmaster General, or head of the postal service, in seventeen seventy-five.

But the Postal Service says its income has not kept up with growing costs. Profitable first class mail is decreasing.

The service says most of its recent losses resulted from making payments to its health care program for retirees. About a billion dollars of the loss was for payments to injured workers.

The news from April to June was not all bad. Improvements in the economy fueled a nine percent increase in income from shipping and delivery. The Postal Service says it is less costly to send letters and packages in the mail than to use private companies.

The Postal Service says it has cut operating costs by a total of fourteen billion dollars in the past five years. To improve its financial health, the agency has proposed cutting service on Saturdays. It also wants Congress to cancel a requirement that the postal service make advance payments to the health care program for retired workers. USPS also wants the Treasury Department to return eleven billion dollars in overpayments made to its pension plan for retirees.

On August first, USPS failed to make a required payment of five point five billion dollars for health care benefits for future retirees. It was the first time the postal service has ever failed to make such a payment. And, the service is warning that it may have to delay making payments to companies to which it owes money.

The Postal Service says that without major changes, it will continue to lose billions of dollars a year. The Washington Post newspaper reported that Postmaster General Patrick Donohue told reporters "Congress needs to act responsibly." In his words, "this is no way to run any kind of business."

The Postal Service receives money to pay for operations from the sale of stamps, products and shipping services. It does not receive direct government assistance, but is controlled by the federal government.

And that's the VOA Special English Economics Report. I'm Christopher Cruise.