



Postal Regulatory Commission

Postal Regulatory Commission
901 New York Avenue, NW
Suite 200
Washington, DC 20268-0001
www.prc.gov

Phone: 202-789-6829
Fax: 202-789-6891
Contact: Gail Adams
gail.adams@prc.gov

Press Release

April 1, 2015

PRC Releases Its Analysis of USPS Financial Health Report Highlights Continuing Losses

Washington, DC – The Postal Regulatory Commission today released its second *Financial Analysis* report of the Postal Service’s financial results and 10-K statement. The report was developed using information from the Postal Service’s FY 2014 10-K and measured against its FY 2013 and 2014 Integrated Financial Plan; *Cost and Revenue Analysis* report, *Cost Segments and Components* report, and the *Revenue, Pieces, and Weight* report.

In FY 2014, the Postal Service had a total net loss of \$5.5 billion. This is the Postal Service’s eighth consecutive financial loss, bringing its total net deficit since FY 2007 to \$51.7 billion.

The report notes that in FY 2014 the Postal Service recorded \$1.4 billion in net operating income, the first positive net operating income since FY 2008. This net operating income was primarily due to Market Dominant rate and surcharge increases implemented in the second quarter of FY 2014. First-Class Mail revenue increased 0.5 percent compared to FY 2013 and Standard Mail revenue increased 3.0 percent compared to FY 2013. The Postal Service was also able to reduce operating costs through a reduction in work hours and average hourly compensation in addition to reductions in purchased transportation costs.

The Postal Service also increased its volume and revenue for Competitive products by more than 10 percent in FY 2014. However, those Competitive products only make up 2.0 percent of total volumes and generate a lower markup than First-Class Mail. The decline in First-Class Mail volumes continues to drive overall net income.

The Commission, in a qualitative assessment of Postal Service finances, determined that:

- Postal Service liquidity is insufficient to significantly improve operational efficiency.
- Current assets are not sufficient to meet the payment of current liabilities.
- The Postal Service has no further access to borrowing under the current law.

The Commission’s complete *Financial Analysis* report is located at www.prc.gov.

The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the U.S. Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Acting Chairman Robert G. Taub, the other commissioners are Vice Chairman Tony Hammond and Commissioners Mark Acton, Ruth Y. Goldway and Nanci E. Langley.