

Postal Regulatory Commission

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Press Release

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PRC Chairman receives “Franklin Award,” warns of Postal Cash Crisis

Washington, DC – Postal Regulatory Commission Chairman Dan G. Blair yesterday told members of the U.S. mailing industry that Postal Service budget cuts and borrowing will not be enough to offset growing mail and financial losses. Blair’s remarks came in a keynote presentation at MAILCOM 2009, a leading mailing industry conference, in Atlantic City, NJ, where, following his remarks, he received MAILCOM’s prestigious “Franklin Award” for his contributions to the mailing industry.

Citing Postal projections of a \$12.4 billion loss in fiscal year 2009, Blair said the Postal Service faces a substantial budget shortfall even if it achieves its goal to cut \$5.9 billion in costs and borrows the maximum \$3 billion allowed by law. “Postal data shows domestic mail volumes declining across the board and the declines are worsening,” Blair said. He noted that the rate of mail volume decline increased from 4.5 percent in the first quarter of 2009, to more than 17 percent in February, driven by a 21.7 percent drop in Standard mail.

“These large, accelerating declines have resulted in a corresponding and rapid drop in revenue that is outpacing Postal Service efforts to cut costs,” Blair said.

Blair expressed support for legislative relief that would allow the Postal Service to temporarily lower its payments to fund health benefits for current and future Postal retirees, by \$2 billion this year. Blair also discussed a Postal proposal to reduce mail delivery service from six to five days a week. Blair suggested more study was needed to ascertain both the amount of projected savings – estimated from \$2 to \$3.5 billion – and the effect of such service reductions on universal service provided to the American public.

Noting that “this is a critical time for our economy and for the mail industry,” Blair advised mailers that “these are precisely the circumstances when it is necessary to invest in opportunities that help us become more efficient and effective.”

“Mail continues to have unique value and resilience, even in the digital age,” Blair said. In presenting Blair with the Franklin Award, MAILCOM cited his stewardship as first Chairman of the Postal Regulatory Commission and his nearly 17-year Capitol Hill career on the staffs of both House and Senate Committee charged with Postal and Civil Service oversight. “We, at MAILCOM, are proud to honor Chairman Blair for all his contributions to our industry,” said MAILCOM Managing Director Lance Humphries. “The industry continues to benefit from his leadership and insights as PRC Chairman.”

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The Postal Regulatory Commission is an independent federal agency 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 Chairman Blair, the other Commissioners are Vice Chairman Nanci Langley, Ruth Goldway, Tony Hammond, and Mark Acton.