



# Postal Regulatory Commission

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## Press Release

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### PRC Issues Annual Compliance Determination Assessing USPS Performance

**Washington, DC** – The Postal Regulatory Commission today issued its [Annual Compliance Determination](#) (ACD) evaluating the pricing, service performance, and financial situation of the Postal Service in fiscal year (FY) 2012. The ACD is the primary tool established by the Postal Accountability and Enhancement Act (PAEA) to ensure that the Postal Service is accountable for and transparent in its operations and service to the public.

In FY 2012, the Postal Service incurred losses of \$15.9 billion: \$11.1 billion was due to its Retiree Health Benefits Fund expense, \$2.4 billion resulted from a workers' compensation liability adjustment, and \$2.4 billion was attributed to operating loss under management control.

Ruth Y. Goldway, Chairman of the Commission, said: "The continuing financial losses of the Postal Service and the exponential shifts in communications technology raise the value of the Commission's annual review. Based on our review of information provided by the Postal Service, the Commission has determined it to be largely in compliance with postal policies and pricing requirements of the PAEA. Nevertheless, nine Market Dominant products' prices failed to raise enough revenue to cover even their attributable costs, causing losses of \$1.5 billion, more than 50 percent of the total operating losses under management control. This ACD highlights the untapped potential of the pricing flexibility available to the Postal Service under the law to address at least some of these losses."

The Commission's report did identify some positive results by the Postal Service. The Postal Service met its on-time service performance targets for its flagship First-Class letters and cards products and although it did not meet its targets for most other products, it made significant improvements over the course of the fiscal year.

The Commission's report was prepared after a 90-day review of the Postal Service's 2012 Annual Compliance Report and supplemental material, and evaluation of public comments.

The Commission issued a number of directives to the Postal Service throughout the report. A copy of the full report may be found on the website at: [www.prc.gov](http://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 Chairman Goldway, the other Commissioners are Vice Chairman Robert Taub, Mark Acton, Tony Hammond and Nanci Langley.*