For Immediate Release                                                                              Contact:  E.R. Anderson

March 22, 2012                                                                                               202-224-4751

**Senator Collins, Rep. Connolly:  Postal Cuts to Drive Customers Away**

***USPS-funded study shows that planned service cuts will cost more than $5 billion***

WASHINGTON - U.S. Senator Susan Collins (R-Maine) and U.S. Representative Gerry Connolly (D-Va.) today revealed further evidence that planned service reductions by the U.S. Postal Service will drive even more customers away.

The information obtained by Senator Collins and Congressman Connolly was calculated by the Postal Service itself and submitted "under seal" --  so as to keep the information secret --  to its regulatory body, the Postal Regulatory Commission (PRC), which is reviewing the service and financial effects of postal network reductions.

The revenue and mail volume estimates had not previously been available to Congress and the public and were released in response to Congressional pressure, including a motion Congressman Connolly filed to make the information public and a demand from the office of Senator Collins, Ranking Member on the Senate Committee that oversees the Postal Service.

The numbers show the catastrophic effects of service cuts just in the first year of implementation:

         $5.2 billion in lost revenue

         9.1 percent reduction in volume of first-class mail

         7.7 percent reduction in mail of all classes

"As I have warned repeatedly, the Postmaster General's decision to plow ahead with plans to abandon current mail service standards in favor of reduced access, slower delivery times, and higher prices, will severely damage the Postal Service," said Senator Collins.   "Slower delivery and less service will force many customers to pursue delivery alternatives, dealing yet another blow to postal revenues.

"Companies large and small that rely on the mail tell me that if service continues to deteriorate, they will conduct more business online and encourage their customers to switch to online services for bill-paying and other transactions.

"Today we learn that the Postal Service's own analysis, submitted secretly to its regulators, reveals that the destructive service reduction plan to delay mail and shut down postal plants will lead to a more than 9 percent decrease in first-class mail and a 7.7 percent reduction in mail of all classes.  The Postal Service estimates that the cost would be $5.2 billion in the first year alone - consuming a major portion of the supposed savings intended by the plan.

"The Postmaster General should abandon this counterproductive plan and work with Congress on worthwhile reforms to save the Postal Service from a death spiral."

Said Congressman Connolly:  "This study, commissioned by the Postal Service itself, shows that weakening mail service standards could lose more money through lost revenue than would be saved through cost savings.  No wonder the Postal Service wanted to keep this report a secret: Why would Congress or the public accept closing hundreds of mail processing facilities if it would result in $5.2 billion in lost revenue?

"This previously redacted study shows that arbitrary downsizing proposals actually threaten the financial viability of the Postal Service," Congressman Connolly continued.  "We need to build a new Postal Service business model that takes advantage of e-commerce and maintains Universal Service, not be forced into false choices which dismantle rather than reform this Constitutionally-mandated public service."

The Postal Service has proposed closing hundreds of mail processing centers across America, leaving many consumers hundreds of miles away and reducing speed of mail delivery for most first-class mail.

While the PRC has released projected volume and revenue information for classes of mail at the national level, the Postal Service still is keeping regional marketing data secret.

###