

U.S. POSTAL SERVICE PLANS TO REDUCE WORKFORCE BY 30,000



The U.S. Postal Service, which lost \$3.8 billion in fiscal year 2009, announced a series of changes Tuesday that includes reducing its workforce and slashing overtime pay. The 10-step plan revealed Tuesday offered few specifics, but Postmaster General John Potter indicated upwards of 30,000 jobs could be eliminated as well as weekend delivery. "The future depends on a suite of solutions that takes a balanced and reasonable approach, one that cuts across every aspect of our industry but one that, in the end, does the greatest possible good for our stakeholders and the American public," Potter said. Other changes include a rate increase in 2011 and the creation of new products to help increase revenue. According to the Postal Service, mail volume is expected to drop from 177 billion pieces in 2009 to 150 billion pieces in 2020. Revenue from first-class mail will drop from 51 percent of all revenue currently to 35 percent of all revenue in 2020. The Postal Service will also try to restructure its retiree health benefits and join more third-party locations to provide USPS services. Projections say that losses at the Postal Service will increase to \$7.8 billion in fiscal 2010. The USPS has shed more than 100,000 jobs in the last five years with 40,000 positions being eliminated in fiscal 2009 alone.

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