

Postmaster General Patrick Donahoe  
United States Postal Service  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0010

November 21, 2013

Re: Revenue Expanding Activities

Dear Mr. Donahoe,

Last week the U.S. Postal Service (USPS) released its financial results for the fiscal year ended September 30, 2013. Despite some promising indicators, the USPS ended the year with a net loss of just under \$5 billion. This is entirely attributable to the unreasonable requirement that the USPS prefund its future retirees' healthcare benefits for the next 75 years. Annually, the USPS pays \$5.5 billion for this purpose. It is a requirement that no other private corporation or government agency faces, and was imposed by Congress. It is time, as you have declared, for Congress to end this paralyzing burden.

There were, however, a number of encouraging details behind these financial results. There are clear signs that a slowly recovering economy has helped, and will likely continue to help, the USPS return to the black: operating revenue increased compared to the year before, the first time since 2008 that the USPS saw a growth in revenue. But most promising is that for the entire fiscal year, the USPS actually turned a profit on its operations. The USPS brought in about \$600 million more revenue than it paid out in operating costs.

But despite these promising results, the USPS under your leadership has not shown much interest in exploring innovative means to raise new revenue. Instead, you have focused much of your energy on cutting jobs beyond normal attrition, closing needed facilities, selling off grand post office buildings, degrading services, and raising postage rates. Taken together, all of these "solutions" harm the USPS's long term viability. And considering that the USPS's operations have returned to profitability, more of these ill-conceived plans will bring the USPS to ruin.

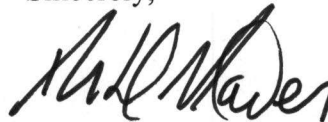
Ruth Goldway, chair of the Postal Regulatory Commission, has offered nearly two dozen ideas for reforms, modernizations, and revenue expansions that could benefit the Postal Service without requiring vast cuts to the services that they provide. Other suggestions have come from a conference on innovation sponsored by the Postal Service in the summer of 2010. These proposed changes seem, to outside observers, to have mostly fallen on deaf ears.

I have written before urging you to explore new areas in which to raise revenue. And I have implored you to dedicate less time promoting cuts and instead spend more of your time examining and implementing new sources of revenue, advocating for the elimination of the retiree health benefit prefunding requirement, and promoting the return of huge overpayments the USPS has made to its pension funds. The U.S. government owes the USPS between \$50 and \$75 billion.

What have you done in the past few years to explore innovative sources of revenue? How many staff and departments do you have working toward this goal? What projects have you advanced and implemented that would bring in new revenue? What level of success have these programs achieved? I look forward to your response.

Please have one of your revenue expanding staff call me to discuss at length a proposal I have to increase sales by the U.S. Postal Service.

Sincerely,



Ralph Nader

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Enclosed: Letter to Senator Diane Feinstein

cc: Chair of the Postal Regulatory Commission, Ruth Goldway