



For Immediate Release  
May 11, 2018

Contact: Grace Morgan  
(202) 855-4380

### **TPA Slams Postal Service for Second Quarter Loss**

WASHINGTON, D.C. – Today, the Taxpayers Protection Alliance (TPA) expressed continued alarm over the U.S. Postal Service's (USPS) latest \$656 million quarterly loss. This brings the total loss to \$1.3 billion for the first half of the 2018 fiscal year.

TPA has had an active role in analyzing USPS's challenges, which includes advancing [key concepts and principles](#) for the Postal Regulatory Commission (PRC) to incorporate in its work. While the PRC continues to apply its guidance and oversight, many of the substantive changes that the USPS requires must become top priority for lawmakers, Postmaster General Megan Brennan, and the future USPS Board of Governors.

A recent analysis finds that the [USPS accrued special rights and subsidies that were worth \\$12.9 billion in FY2016](#). This includes lucrative exemptions from various state and local taxes, exclusive access to mailboxes, and use of the USPS subsidized workforce and infrastructure.

TPA President David Williams took the USPS to task for, "continuing to hemorrhage money without Congress or the USPS making meaningful reforms. President Trump's new [Postal Task Force](#), chaired by Treasury Secretary Steven Mnuchin, needs to play a key role in discerning how the USPS can recover from its devastating financial position without relying on taxpayers. The Task Force also needs to establish long-term sustainability so that the USPS can continuously meet the needs of millions of mail customers."

Williams continued: "Calls for an analysis of the USPS also follow merited concerns from President Trump that [USPS is offering below-cost service](#) to companies like Amazon for package shipments. By underpricing these parcels, the Postal Service is ultimately set up to disperse higher costs onto other shippers and core mail customers. Further, the USPS is saturated with subsidization concerns, as it continues to receive sizable benefits from the federal government."

Williams concluded: "How is that the USPS collects subsidies and yet still manages to amass \$65 billion of cumulative losses? The financial mess is a key matter for the incoming Board of Governors to address. The nominees awaiting approval – [David C. Williams, Robert M. Duncan, and Calvin R. Tucker](#) – must draw upon their combined experience in applying sound financial management within large institutions.

This process will undoubtedly depend on reorienting the USPS business model to ensure that the revenues of each product can cover costs. It is time for Congress and USPS to get serious about reform before a taxpayer bailout is needed."

#

*Taxpayers Protection Alliance (TPA) is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy.*

**Taxpayers Protection Alliance, 1401 K Street, NW, Suite 502, Washington, D.C. 20005 (202) 930-1716**  
**[www.protectingtaxpayers.org](http://www.protectingtaxpayers.org)**