



## Convocation Commentary

Mr. Eugene H. Robinson delivers the convocation address last Thursday. Mr. Robinson explained some of the material covered in his latest book, "Disintegration: The Splintering of Black America."

*Voice photo by Jennifer Lucas*

# U.S. Postal Service closes in on default date

by Nathalie Rivera  
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Recently the United States Postal Service announced they could possibly default on their financial obligations if congress does not act on their behalf by the end of this month.

About 4,300 post offices across the country face the possibility of being shut down along with approximately 250,000 jobs hanging in the balance.

The USPS must pay \$5.5 billion for retirement and health care benefits for future retirees. But with its fiscal year coming to an end on September 30, they will not be able to make this payment, as they have reached their borrowing limit of \$15 billion.

The USPS is also expected to pay \$1.2 billion dollars to the Department of Labor for worker's compensation, along with its normal

payroll by October.

Despite Congress' efforts to place a 90-day delay on their payment dates, postmaster general Patrick Donahoe states that the USPS will not have the capacity to pay any of its bills with or without the delay.

USPS officials are proposing a bill that will allow them to reform the infrastructure of its service.

Mr. Donahoe is proposing that the bill eliminate mail delivery on Saturday, close down 3,700 post offices across the nation, shrink the workforce, and reform their health insurance and retirement benefits. He believes that this reform will save the postal service \$20 billion and will allow the postal service to bounce back and adapt to the ever-growing changes of the 21st century.

"Given no action we will be out of cash to pay employers and to contractors", says Mr. Donahoe. He projects that this will occur next

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**Sen. Joseph Lieberman**

year in the August and September time frame.

The growing popularity of digital mail and online bill pay has lead to the decline of first class mail service. Last year they processed 167 billion pieces of mail, down by 22 percent just five years ago. And they expect it to continue to decline. They will lose \$9 billion this year and have assumed revenues will decline all the way to 2020.

The two biggest revenue generators for the postal service are standard mail services, which consists of advertisement mail, and the package business that has been greatly supported by the e-commerce trade.

During a hearing held by the Homeland Security and Governmental Affairs Committee, Sen. Lieberman expressed his concern for the USPS. "Despite its shrinking business, the postal service still remains a powerful force in America's economy and life."

"The business model for the U.S. postal service, which worked for a long, long time, is now broken and we got to help the postal service fix it," said Mr. Lieberman.

The USPS directly supports a \$1.1 trillion industry that employs approximately 8.7 million Americans according to Sen. Collins.

"It is a battle," says Debbie Smith, a postal worker in Fuquay-

Varina, North Carolina, who is fighting along with other local post offices to pass the bill.

There are 20 offices in North Carolina that are expected to be closed.

Smith says that the USPS is urging them to support their proposal and present it to their local congressman.

Post office workers across the nation are expected to participate in a rally on Sept. 27 at their local congressional offices.

The U.S. postal service is one of the oldest institutions in America. It was first established in 1775 and Benjamin Franklin was appointed as the first postmaster by congress.

"The U.S. Postal Service is not an 18th Century relic. It is a great 21st century national asset. But times are changing rapidly now so too must the Postal Service if it is to survive," said Mr. Lieberman.