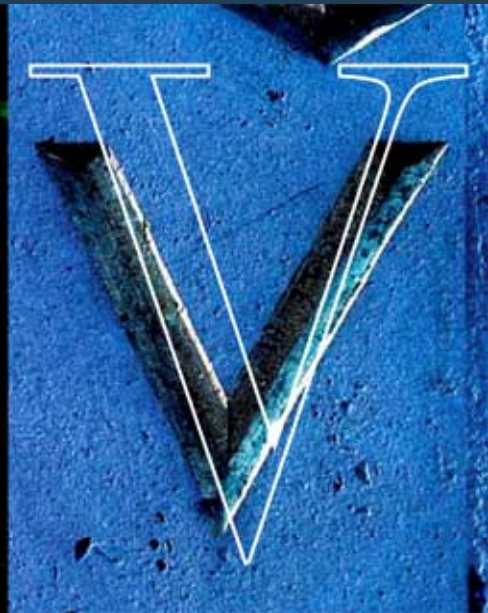
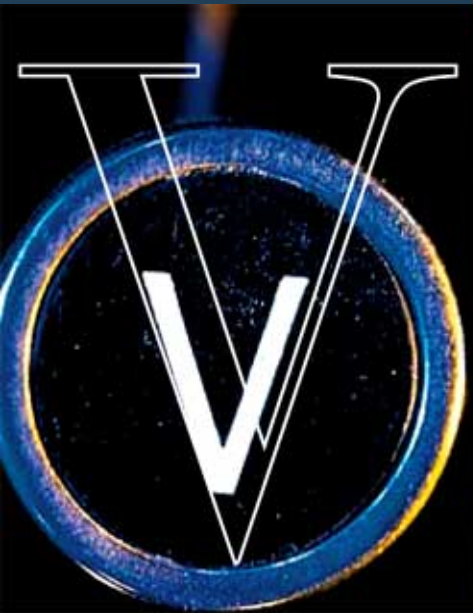


The Postal Service's Financial Crisis: What It Means for Nonprofit Mailers

Friday, November 16, 2012
1:00 p.m. – 2:30 p.m. EST

Venable LLP
Nonprofit Organizations Practice
Washington, DC





Moderator:

Jeffrey S. Tenenbaum, Esq., Venable LLP

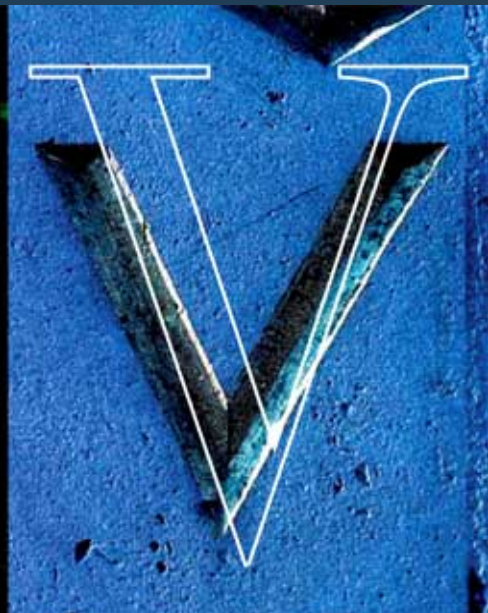
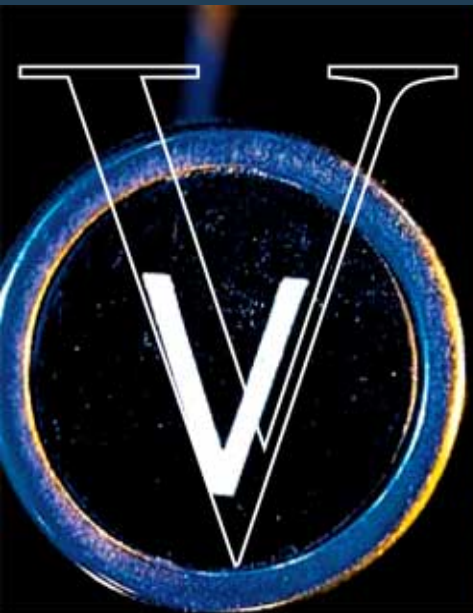
Panelists:

Anthony Conway, Executive Director, Alliance of Nonprofit Mailers

David M. Levy, Esq., Venable LLP

Ann Fisher, Director, Public Affairs and Government Relations, Postal
Regulatory Commission

Jeffrey Post, Staff Director, House Subcommittee on Federal Workforce,
U.S. Postal Service, and Labor Policy



Upcoming Venable Nonprofit Legal Events

December 11, 2012 – [Exchanges under Health Care Reform and “Private” Exchanges: What Does My Nonprofit Need to Know?](#)

January 8, 2013 – [Exempt or Non-Exempt? The Ten Most Common Employee Classification Pitfalls Faced by Nonprofits](#)

March 12, 2013 - Preparing an Online Social Media Policy: The Top Ten Legal Considerations for Your Nonprofit (details coming soon)



The Postal Service's Financial Crisis: What It Means for Nonprofit Mailers

Anthony Conway

Executive Director, Alliance of Nonprofit Mailers

November 16, 2012



Anthony Conway
Executive Director
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Postal Service Financial Crisis

- * Postal Service lost \$16 billion in Fiscal Year 2012
 - * \$5.1 billion in 2011
 - * \$8.5 billion in 2010
 - * and \$3.8 billion in 2009
- * Postal Service reached \$15 billion borrowing limit in Fiscal Year 2012



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Postal Service Financial Crisis

- * Total Mail Volume peaked at **213 billion** pieces in 2006
- * Total Mail Volume declined every year since 2006
- * 2012 Total Mail Volume **160 billion** pieces



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Postal Service Revenue Decline Outpacing Cost Reductions

- * 80% of Postal Service Costs labor related
- * Costs have increased despite revenue declines



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Postal Service Revenue Decline Outpacing Cost Reductions

- * 461 Mail Processing Facilities in 2011—223 excess capacity (GAO)
- * 154,325 employees in Mail Processing Facilities—35,000 excess employees (GAO)
- * 8,000 pieces mail processing equipment—3,000 pieces excess (GAO)
- * 31,509 Post Offices Nationally (USPS)
- * 53 Post Offices on Cape Cod



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Postal Service Plan to Address Crisis

- * Eliminate Saturday mail delivery
- * Close and consolidate excess mail processing facilities
- * Expand retail access at non-traditional locations
- * Modify current inflation-based price cap
- * Expand products and services



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Postal Service Plan to Address Crisis

- * Reduce retiree health benefit prefunding requirement
- * Return retirement system overpayment
- * Provide incentives to increase employee retirement

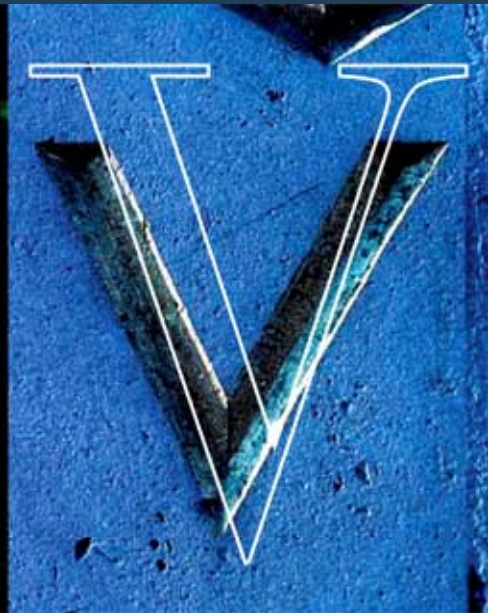
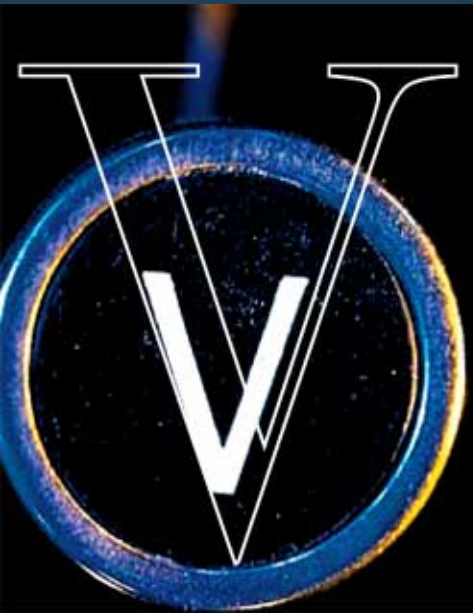


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Effectiveness of USPS Restructuring Efforts

- Controlling future costs
- Managing legacy costs
- Revenue enhancement



Controlling Future Costs

- Saturday mail delivery
- Mail processing facilities
- Retail post offices
- Employee head count
- Pay comparability



Managing Legacy Costs

- Retiree health benefit prefunding
- Retirement system overpayment



Effectiveness of USPS Revenue Enhancement Efforts

- New products and services
- Loosening CPI-based price cap



Risks of USPS Insolvency to Nonprofit Mailers

- Risks shared with all mailers
- Risks specific to nonprofit mail



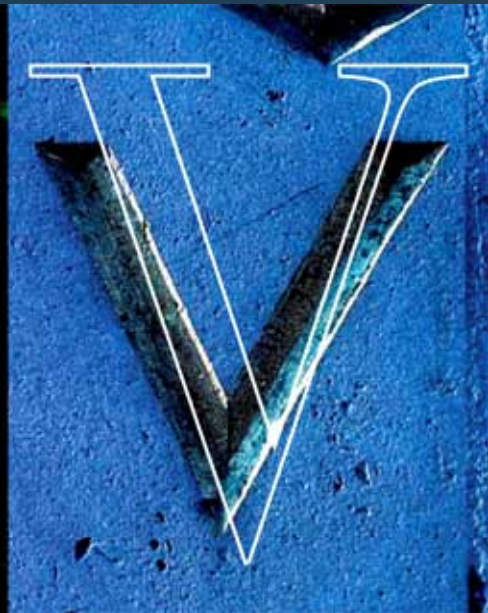
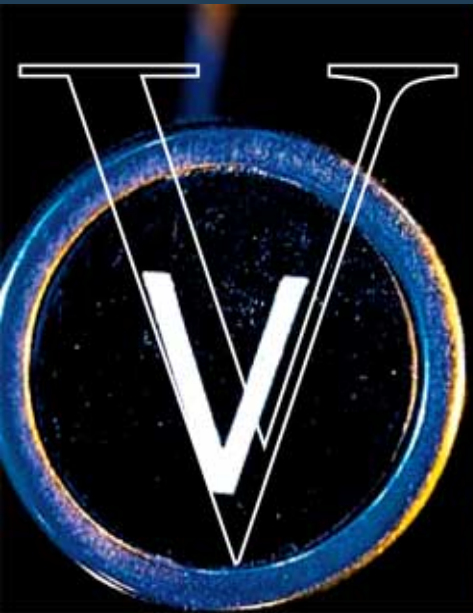
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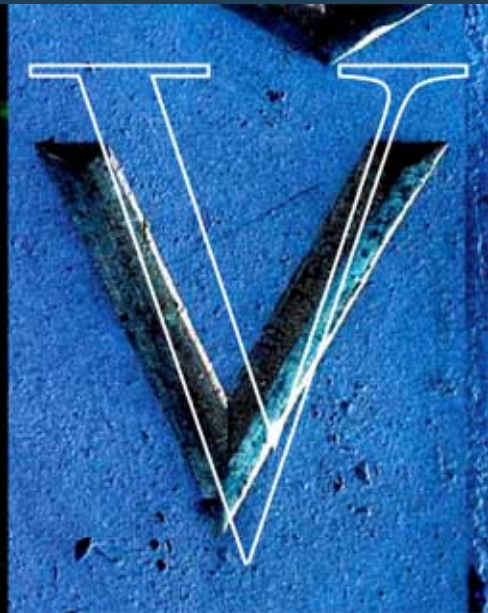
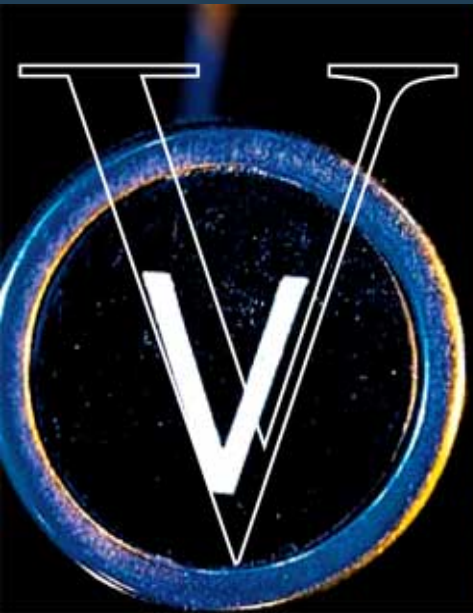
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Questions

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