

Post Office in Danger of Default

The United States Postal Service could be forced to shut down this winter unless Congress takes emergency action to stabilize its finances.

Postmaster General Patrick R. Donahoe told the *New York Times* that the agency may default if Congress doesn't bail them out.

"Our situation is extremely serious," Donahoe, said in an interview. "If Congress doesn't act, we will default."

The postal service's losses will reach a staggering \$9.2 billion this year.

The Internet has led people and businesses to send messages by email or text.

Mail volume has also fallen off. An estimated 167 billion pieces of mail will be delivered this year, down 22 percent from five years ago.

The post office also has expensive contracts with unionized workers, which represents nearly 80 percent of the agency's expenses.

The postal service has already made several cost-cutting measures, including eliminating Saturday delivery, closing 3,700 post offices, and laying off 120,000 workers.

The Senate Homeland Security and Governmental Affairs Committee is scheduled to hold a hearing on the post office's financial problems on Tuesday.

"The situation is dire," Sen. Thomas R. Carper, D-Del., chairman of the Senate subcommittee that oversees the postal service, told the *Times*.

“If we do nothing, if we don’t react in a smart, appropriate way, the postal service could literally close later this year. That’s not the kind of development we need to inject into a weak, uneven economic recovery,” he added.