

# US Postal Service Ending Saturday Mail Delivery

The U.S. Postal Service plans to drop Saturday delivery of first-class mail by August in its latest effort to cut costs after losing nearly \$16 billion last fiscal year, the cash-strapped mail agency said on Wednesday.

The plan would save about \$2 billion a year, the Postal Service said. The mail agency will still deliver packages six days a week and will not change **post office** operating hours.

The **Postal Service** has been losing billions of dollars each year as it grapples with massive payments for future retiree health benefits and as Americans' increasing online communications drive down mail volumes.

"The Postal Service is advancing an important new approach to delivery that reflects the strong growth of our package business and responds to the financial realities resulting from America's changing mailing habits," Postmaster General Patrick Donahoe said in a statement.

The 237-year-old institution ran into its legal borrowing limit last year and defaulted twice on required payments to the federal government.

Postal officials have said for years that the agency needed to cut back on delivery days, as well as close underused facilities and reduce its workforce. But officials have said they needed permission from Congress to make the changes.

It was not immediately clear whether congressional approval was needed to drop **Saturday mail delivery**.

Lawmakers spent more than a year on postal legislation, including proposals to eliminate Saturday delivery, but were unable to agree on a bill.

Donahoe told reporters on Wednesday that the laws governing the Postal Service do not allow it to adapt.

He said the changes would allow the Postal Service to continue benefiting from rising package deliveries as Americans order more products from sites such as eBay Inc and Inc.

Package deliveries were a bright spot in a bleak 2012 fiscal year, with package revenue rising 8.7 percent during the year. The agency has said it could face a cash shortfall this fall unless it makes significant **cost-cutting** changes.

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