# Post Office considers 5 day mail delivery as finances languish

The [U.S. Post Office](https://www.foxbusiness.com/category/government-and-institutions) is considering a controversial reform in an attempt to put itself on firmer [financial](https://www.foxbusiness.com/category/financials) footing.

During a hearing before the House Committee on Oversight and Government Reform on Tuesday, Postmaster General Megan Brennan said the agency is considering scaling back mail deliver to five days per week, from the current six, as it works on a plan to shore up its financial situation.

As part of that plan, the Post Office would deliver packages seven days per week. Parcels are increasing by one million new deliveries per year, though they remain a small portion of the agency’s overall business.

Meanwhile, a decline in first class mail volume is credited with exacerbating losses at the agency, which ended fiscal 2018 with a net loss of $3.9 billion.

Lawmakers were quick to dismiss the idea, including Rep. Mark Meadows, R-N.C., who asked Brennan whether she told the board working on the plan that “that dog won’t hunt,” calling the proposal “very concerning.”

“I understand it from a financial standpoint,” Meadows said. “But I don’t understand how you can say that your primary objective is to deliver mail – and that packages are a follow-on – and yet you’re going to put the priority on seven-day delivery for packages.”

Losses at the Postal Service between 2007 through 2018 are about $69 billion. The last time the agency recorded a profit was more than a decade ago. It has also defaulted on more than $40 billion in payments owed to pre-fund retiree health care expenses.

Brennan credited a “flawed business model” as the root cause of the agency’s financial instability. This model, she says, imposes significant costs – like an unaffordable retiree health benefit plan and price caps – on the Postal Service while constraining its ability to raise revenue in order to offset those costs.

“Absent legislative reform, in all probability we’ll be out of cash in 2024 and that will threaten our ability to meet our obligation to the American public,” Brennan said.

And if the agency makes all of its mandatory payments – including those retiree benefits – Brennan said the agency would be out of cash in 2020.

Last April, the president created a task force to examine the Postal Service and its operations. In December, the task force [released](https://www.foxbusiness.com/financials/usps-may-franchise-your-mailbox-selling-access-to-private-companies) a range of proposals with the aim of placing it on a path to sustainability.

Recommendations included [developing](https://www.foxbusiness.com/financials/usps-may-franchise-your-mailbox-selling-access-to-private-companies) a new pricing model, which eliminates across-the-board price caps and suggests charging “market-based prices” for both mail and package items that are not considered essential postal services. The report also suggested “franchising the mailbox” to private shipping couriers, meaning companies like FedEx and UPS could place items in private mailboxes.

Brennan said the Post Office is finalizing a reform plan to propose within 60 days.