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U.S. POSTAL SERVICE

Deteriorating Postal Finances Require Aggressive Actions to Reduce Costs

Statement of Phillip Herr, Director
Physical Infrastructure

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Highlights

Highlights of GAO-09-332T, a hearing before the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

When Congress passed the Postal Accountability and Enhancement Act in December 2006, the U.S. Postal Service (USPS) had just completed fiscal year 2006 with its largest mail volume ever—213 billion pieces of mail and a net income of $900 million. Two years later, USPS's mail volume dropped almost 5 percent—the largest single-year decline. The Postmaster General testified last March before this subcommittee that USPS was facing a potential net loss of over $1 billion for fiscal year 2008. He noted that USPS anticipated continued deterioration due to the economic slowdown, as the financial, credit, and housing sectors are among its key business drivers. He also said that the shifts in transactions and messages from mail to electronic communications and from advertising mail to lower-cost electronic media have affected the USPS's financial situation.

This testimony focuses on (1) USPS's financial condition and outlook and (2) options and actions for USPS to remain financially viable in the short and long term. It is based on GAO's past work and updated postal financial information. We asked USPS for comments on our statement. USPS generally agreed with the accuracy of our statement and provided technical corrections and some additional perspective, which we incorporated where appropriate.

To view the full product, including the scope and methodology, click on GAO-09-332T. For more information, contact Phillip Herr at (202) 512-2834 or herrp@gao.gov.

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What GAO Found

USPS has reported that the declining economy accelerated declines in mail volume in fiscal year 2008 and flattened revenues despite postal rate increases. In fiscal year 2008, mail volume fell by 9.5 billion pieces, fuel prices increased costs by over $500 million, and cost-of-living allowances for postal employees increased costs by $560 million. Cutting costs by $2 billion—primarily by cutting over 50 million work hours—did not close the gap between revenues and expenses. Thus, USPS recorded a loss of $2.8 billion for fiscal year 2008. Its debt increased by $3 billion by the end of the year to $7.2 billion. USPS's outlook for fiscal year 2009 has become more pessimistic. USPS projects a volume decline of 10 billion to 15 billion pieces, another loss, and $3 billion more in debt. At this pace, USPS could reach its $15 billion statutory debt limit by fiscal year 2011.

In the short term, several options could assist USPS through its difficulties, some of which would require congressional action. USPS has proposed that Congress give it immediate financial relief totaling about $25 billion over the next 8 years by changing the funding of its retiree health benefits. Although GAO recognizes the need to provide USPS with immediate financial relief, such relief is no substitute for aggressive USPS action to preserve its long-term viability. USPS projects an improvement in its financial condition in fiscal year 2010. Therefore, GAO believes it would be preferable to provide 2-year relief totaling $4.3 billion. This would have less impact on the retiree health benefits fund, and then Congress could revisit USPS's financial condition to determine whether additional relief is needed.

In the long term, USPS action beyond its current cost-cutting efforts is urgently needed to reduce costs and improve efficiency. GAO agrees with the Postal Regulatory Commission that unfavorable mail volume and revenue trends may imperil USPS's financial viability and that USPS must dramatically reduce its costs to remain viable. Two areas for further action to reduce costs include compensation and benefits, which is close to 80 percent of its costs, and mail processing and retail networks. GAO previously reported that excess capacity in USPS's mail processing infrastructure has impeded efficiency gains. USPS has considered several options to realign its facility network, such as outsourcing operations in some mail processing facilities, but has taken only limited action. Another option would be for USPS to close unnecessary retail facilities and thereby reduce its large maintenance backlog. While it has been difficult for USPS to take action in these areas, Congress encouraged USPS to expeditiously move forward in its streamlining efforts in the postal reform act of 2006. GAO recommended that USPS enhance transparency and strengthen accountability of its realignment efforts to assure stakeholders that realignment would be implemented fairly and achieve the desired results, and it has made improvements in this area. Accelerated volume declines and changes in the public's use of mail indicate that USPS needs to move beyond incremental efforts and take aggressive action to streamline its workforce and network costs to assure its long-term viability.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to participate in this oversight hearing on the state of the U.S. Postal Service (USPS). As requested, my statement addresses the following:

1. USPS's financial condition and outlook.

2. Options or actions available for USPS to remain financially viable in the short and long term.

My statement is based on our prior work and updated information on USPS's financial condition and outlook. We reviewed USPS's budget for fiscal year 2009 and preliminary information on results for the first quarter of the fiscal year and met with the Chief Financial Officer and other postal officials. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

USPS's Current Financial Condition and Outlook Have Deteriorated

USPS's financial condition deteriorated in fiscal year 2008. According to USPS, this was due largely to declines in the economy—particularly in the financial and housing sectors—that were reflected in a 4.5 percent decline in total mail volumes and flattened revenues despite rate increases. In addition, fuel prices increased costs by over $500 million, and cost-of-living allowances provided to postal employees increased costs by about $560 million. Even after reducing over $2 billion in costs, primarily by cutting more than 50 million work hours, USPS was not able to close the gap between revenues and expenses. Thus, USPS finished fiscal year 2008 with a $2.8 billion loss—the second-largest loss since 1971 (see app. I). [1]

Further, USPS productivity decreased 0.5 percent in fiscal year 2008, which was the first decline since fiscal year 1999. According to USPS, productivity declined because its cost-cutting efforts were not sufficient to

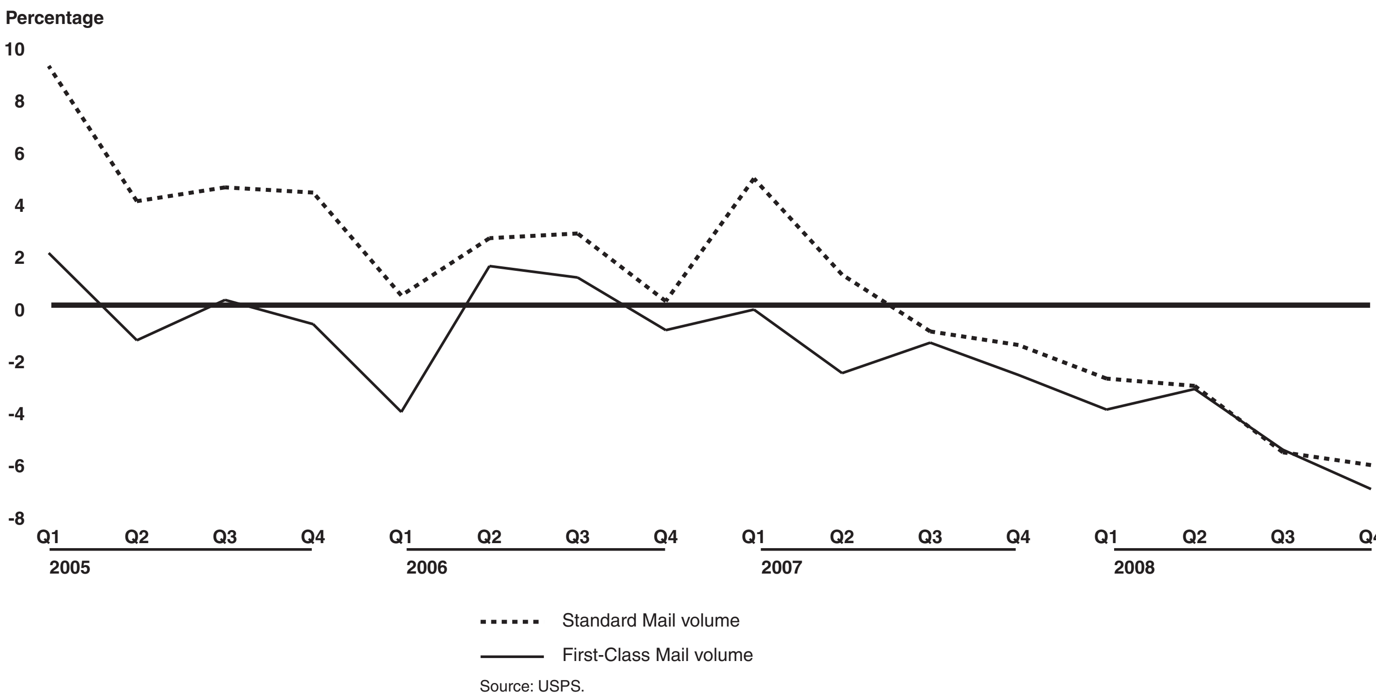
[1]USPS's $5.1 billion deficit in fiscal year 2007 was impacted by the one-time transfer of its $3.0 billion escrow fund to the newly created Postal Service Retiree Health Benefits Fund.

offset the impact of declining mail volume. USPS debt increased by $3 billion in fiscal year 2008—the annual statutory limit—and reached $7.2 billion in total outstanding debt at the end of the fiscal year, or nearly half of the $15 billion statutory debt limit. At the end of fiscal year 2005, USPS had no outstanding debt. At this pace, USPS would be constrained at the end of fiscal year 2011 by the $15 billion statutory debt limit.

Rate Increases and Cost-Cutting Efforts are Insufficient to Offset the Impact of Volume Declines

As USPS has reported, it experienced the single largest volume drop in its history in fiscal year 2008 when mail volume fell by 9.5 billion pieces (see app. II). First-Class Mail volume (e.g., correspondence, bills, payments, and statements) declined 4.8 percent, while Standard Mail (primarily advertising) declined 4.3 percent. Volume declines accelerated during fiscal year 2008 (see fig. 1). Preliminary results for the first quarter of fiscal year 2009 indicate that the trend of accelerating volume declines is continuing.

Figure 1: Quarterly Changes in the Volume of First-Class Mail and Standard Mail, Fiscal Years 2005 through 2008



Source: USPS.

Note: Quarterly changes are from the same quarter of the prior fiscal year. First-Class Mail volume does not include International First-Class Mail.

According to USPS, difficulties faced by the hard-hit financial and housing sectors, which are major mail users, contributed to mail volume declines in fiscal year 2008. Advertising mail was adversely affected, particularly credit card, mortgage, and home equity solicitations. Volume declines also came from catalogue retailers, the printing and publishing business, and the services sector. Mail volume in fiscal year 2008 was also affected by the continuing shift of mail to electronic communication and payment alternatives. The accelerating declines in mail volumes resulted in a similar trend for total USPS revenues.

USPS stepped up cost-cutting efforts during fiscal year 2008 but did not cut costs sufficiently to offset the impact of declining mail volumes. USPS has large overhead (institutional) costs that are hard to change in the short term, including providing 6-day delivery and retail services at close to 37,000 post offices and retail facilities across the country. Compensation and benefits for USPS's workforce, which was about 663,000 career employees and nearly 102,000 noncareer employees at the end of fiscal year 2008, generated close to 80 percent of USPS costs. USPS has collective bargaining agreements with its four largest unions that expire in 2010 and 2011. These agreements include layoff protections, as well as work rules that constrain USPS's flexibility. They also include semiannual cost-of-living allowances (COLA) linked to the Consumer Price Index (CPI). In addition, the agreements cover many benefits, such as the employer and employee contributions to health benefits premiums. Under the current collective bargaining agreements, USPS's share of the employee health benefit premiums was 85 percent in fiscal year 2007 and will decrease by 1 percent each year beginning in fiscal year 2008 or 2009 through 2011 or 2012, depending on the terms of the agreements with the unions. USPS's share of the premiums in fiscal year 2007 was about 13 percent more than for most other federal agencies.

USPS's Fiscal Year 2009 Outlook Has Become More Pessimistic

According to USPS officials, USPS's financial outlook has continued to deteriorate based on preliminary results for the first quarter of fiscal year 2009, as well as updated projections for mail volume and revenue. Preliminary first quarter results indicate that USPS incurred a deficit, as expense reductions did not fully offset large declines in volume and revenue. In response, USPS has cut work hour targets for its field operations for the rest of the fiscal year. However, USPS officials told us these targets could be difficult to achieve, and they expect the net loss for fiscal year 2009 to exceed last year's net loss. In light of these results and updated projections, USPS officials told us this month that they expect fiscal year 2009 mail volume to decline by 10 billion to 15 billion pieces.

USPS officials project revenues to fall below the target in USPS's original budget and for debt to increase by $3 billion.

USPS officials said they expect to have sufficient cash reserves to make mandated year-end payments for retiree health benefits and workers' compensation, unless the USPS net loss for fiscal year 2009 exceeds $5 billion. Given difficult and uncertain economic conditions, it will be important for USPS to continue providing Congress and stakeholders with timely and sufficiently detailed information to understand USPS's current financial situation and outlook.

Aggressive USPS Action Is Needed to Preserve USPS's Financial Viability

Various options or actions are available for USPS to remain financially viable in the short and long term. In the short term, USPS has asked Congress to consider its proposal for immediate financial relief. In the long term, aggressive USPS action beyond its current cost-cutting efforts is urgently needed to reduce costs and improve efficiency, particularly in light of accelerated declines in mail volume and changes in the public's use of mail. We agree with the Postal Regulatory Commission (PRC) that unfavorable mail volume and revenue trends may imperil USPS's financial viability and that USPS must dramatically reduce its costs to remain viable.[2]

As the PRC has noted, current pressures from declining revenue and volume do not appear to be abating, but rather seem to be increasing. During the economic downturn, there has been accelerated diversion of business and individual mail, and some mailers have left the market entirely. An economic recovery may not bring a corresponding recovery in mail volume due to continuing social and technological trends that have changed the way that people communicate and use the mail. Specifically:

- First-Class Mail volume has declined in recent years and is expected to decline for the foreseeable future as businesses, nonprofit organizations, governments, and households continue to move their correspondence and transactions to electronic alternatives, such as Internet bill payment, automatic deduction, and direct deposit. USPS analysis has found that electronic diversion is associated with the

[2]PRC, *Report on Universal Postal Service and the Postal Monopoly* (Washington, D.C., Dec. 19, 2008).

growing adoption of broadband technology. As PRC reported, available alternatives to mail eventually result in substitution effects.

- It is unclear whether Standard Mail will continue to grow with an economic recovery. Standard Mail now faces growing competition from electronic alternatives, such as Internet-based search engine marketing, e-mail offers, and advertisements on Web sites. In addition, Standard Mail is price-sensitive, as was demonstrated when catalog advertising declined in response to the 2007 postal rate increase. Although Standard Mail rate increases are limited by the price cap,[3] future rate increases will likely have some impact on volume.

- Periodicals (e.g., mailed newspapers and magazines) volume has been declining due to changing reading preferences and these declines are expected to continue. Overall newspaper readership is falling. Also, the *Christian Science Monitor* and *U.S. News and World Report* recently announced that they would discontinue their printed editions. Businesses and consumers are becoming more likely to obtain news and information from the Internet, a trend that is particularly evident among young people.

Options to Assist USPS through Its Short Term Difficulties

Several options could assist USPS through its short-term difficulties, some of which would require congressional action. Although we recognize the need to provide USPS with immediate financial relief, such relief should meet its short-term needs and is no substitute for aggressive USPS action to preserve its long-term viability. Key options include the following:

- *Reduce USPS payments for retiree health benefits for 8 years.*

  USPS has proposed that Congress give it immediate financial relief by reducing its retiree health benefits payments by an estimated $25 billion from 2009 through 2016.[4] Specifically, USPS has proposed that Congress change the statutory obligation to pay retiree health benefits premiums for current retirees from USPS to the Postal Service Retiree

[3]The Postal Accountability and Enhancement Act of 2006 (PAEA) Pub. L. No. 109-435 (Dec. 20, 2006) established an inflation-based price cap to limit price increases for market-dominant products. The price cap is based on the CPI.

[4]PAEA established the Postal Service Retiree Health Benefits Fund, into which USPS makes annual payments to cover future health insurance premiums for USPS retirees.

Health Benefits Fund (Fund) for the next 8 years.[5] Because the Fund would pay the estimated $25 billion in premium payments over the next 8 years, this would decrease the Fund by approximately $32 billion (including interest charges) as of 2017. With this option, starting in fiscal year 2017, USPS would have a total unfunded retiree health benefits obligation currently estimated at about $75 billion, rather than an estimated $43 billion, that would then need to be amortized in future years. In the long term, the large impact this unfunded obligation would have on the Fund would create the risk that USPS would have difficulty making future payments, particularly considering mail volume trends and the impact of payments on postal rates if mail volume declines continue. USPS's proposal would also shift responsibility for paying the benefits of postal employees from current rate payers to future rate payers. USPS would continue to make annual payments ranging from $5.4 billion to $5.8 billion from fiscal years 2009 through 2016 (as shown in Table 1) for its obligation for future retiree health benefits, as required by PAEA. Thus, under USPS's proposal, it would save $2 billion in fiscal year 2009.

Table 1: USPS Proposal to Revise Funding of Its Retiree Health Benefits Premium Payments

Dollars in billions

Fiscal year	Payment for future retiree health benefits obligation	Payment for current retiree health benefits premiums	Total
2009	$5.4	$2.0	**$7.4**
2010	5.5	2.3	**7.8**
2011	5.5	2.6	**8.1**
2012	5.6	2.9	**8.5**
2013	5.6	3.2	**8.8**
2014	5.7	3.5	**9.2**
2015	5.7	3.9	**9.6**
2016	5.8	4.2	**10.0**
Total	**$44.8**	**$24.6**	**$69.4**

Source: USPS.

Note: USPS has proposed amending the statute so that payments for current retiree health benefit premiums would be paid from the Postal Service Retiree Health Benefits Fund, which would reduce

[5]The Fund had a balance of over $32 billion at the end of fiscal year 2008.

the Fund by a total of $24.6 billion over 8 years. USPS would continue to make the annual statutory payments for future retiree health benefit obligations.

- *Reduce USPS payments for retiree health benefits for 2 years.*

  Another option would be for Congress to provide USPS with 2-year relief for retiree health benefits premium payments, totaling about $4.3 billion, which would be consistent with providing immediate financial relief, while having much less impact on the Fund than USPS's proposal. Specifically, Congress could revise USPS's statutory obligation so that it would not pay for current retiree health benefits for fiscal years 2009 and 2010. USPS has provided information related to its financial situation for fiscal years 2009 and 2010 which projected that its financial condition would improve beginning in 2010. Therefore, we believe that the option to provide 2-year relief totaling $4.3 billion would be preferable to USPS's proposal. Under this short-term option Congress could revisit USPS's financial condition to determine whether further relief is needed and also review what actions USPS has taken to assure its long-term financial viability.

- *Work with unions to modify work rules.*

  One option that would not require congressional action is similar to actions taken by other financially stressed entities, whereby USPS and its unions could agree on ways to achieve additional short-term savings, such as by modifying work rules to facilitate reducing work hours. For example, USPS and the National Association of Letter Carriers recently agreed on a new procedure to expedite the evaluation and adjustment of city delivery carrier routes. According to USPS officials, this new process is aimed at enhancing USPS's ability to respond to declining mail volumes[6] and is expected to make a key contribution to the budgeted savings of $1.3 billion in city delivery costs in fiscal years 2009 and 2010.

Other options are based on provisions in the statute and could include 1) seeking regulatory approval for an exigent rate increase and 2) increasing USPS's annual borrowing limit. USPS could request PRC approval for an

[6]City carrier routes are established based on workload (e.g., mail volumes, number of deliveries, and miles traveled). These routes, which include both office and street operations, are set as close to 8 hours per carrier as possible. As mail volumes have declined, some routes have workloads that frequently require less than 8 hours to complete. The new process will allow USPS to consolidate and/or eliminate routes, so that the remaining routes are as close to 8 hours as possible.

exigent rate increase that would increase rates for market-dominant classes of mail[7] above the statutory price cap.[8] Mailers have voiced strong concern about the potential impact of an exigent rate increase on their businesses. In our view, this option should be a last resort. Such an increase could be self-defeating for USPS in both the short and long term because it could increase incentives for mailers to further reduce their use of the mail.

Congress could also temporarily expand the statutory $3 billion annual limit on increases in USPS debt, which would provide USPS with access to funding if it has difficulty making mandated year-end payments. Raising USPS's annual debt limit could address a cash shortage and would be preferable to an exigent rate increase. However, it is unclear when USPS would repay any added debt, which would move USPS closer to the $15 billion statutory debt limit. In our view, this option should be regarded only as an emergency stopgap measure.

Comprehensive Action Is Needed to Help Keep USPS Financially Viable in the Long-Term

Action is urgently needed to streamline USPS costs in two areas where it has been particularly difficult—the compensation and benefits area, which generates close to 80 percent of its costs, and USPS's mail processing and retail networks. As USPS's mail volumes decline, it does not have sufficient revenue to cover the growing costs of providing service to new residences and businesses, while also maintaining its large network of processing and retail facilities. We have reported for many years that USPS needs to rightsize its workforce and realign its network of mail processing and retail facilities. USPS has made some progress, particularly by reducing its workforce by more than 100,000 employees with no layoffs and by closing some smaller mail processing facilities. Yet, more will need to be done.

USPS has several options for realigning its mail processing operations to eliminate excess capacity and costs, but has taken only limited action. In 2005, we reported that according to USPS officials, declining mail volume,

[7]PAEA defines market-dominant products to include First-Class Mail—single-piece mail (e.g., bill payments and letters) and bulk mail (e.g., bills and advertising); Standard Mail (mainly bulk advertising and direct mail solicitations); Periodicals (mainly magazines and local newspapers); some types of Package Services (i.e., single-piece parcel post, media mail, bound printed matter, and library mail); and single-piece International Mail.

[8]An exigent rate increase is a rate increase for market-dominant products that exceeds the price cap due to extraordinary or exceptional circumstances.

worksharing,[9] and the evolution of mail processing operations from manual to automated equipment led to excess capacity that has impeded efficiency gains.[10] While USPS has terminated operations at 54 Airport Mail Centers in fiscal years 2006 through 2008, it has closed only one of over 400 major mail processing facilities as a result of consolidating its mail processing operations.[11] Another realignment option USPS is considering is outsourcing operations in its network of 21 bulk mail processing centers.[12]

Another option we reported on would be for USPS to close unnecessary retail facilities, and by reducing the number of facilities, USPS could lower the costs of maintaining its network of facilities.[13] USPS's network of retail facilities has been largely static despite population shifts and changes in mailing behavior. In considering options to provide retail services at a lower cost, it is important to note that large retail facilities—generally located in large urban areas—generate much larger costs for the retail network than the smallest rural facilities and may therefore potentially generate more cost savings.

Closing postal facilities is often controversial but is necessary to streamline costs. Congress encouraged USPS to expeditiously move forward in its streamlining efforts in PAEA. We recommended that USPS enhance transparency and strengthen accountability of its realignment efforts to assure stakeholders that realignment would be implemented fairly and achieve the desired results. USPS has taken steps to address our recommendations and thus should be positioned to take action.

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[9]Postal worksharing activities generally involve mailers preparing, barcoding, sorting, or transporting mail to qualify for reduced postage rates (i.e., worksharing rates). These rates are reduced based on the costs that USPS is estimated to avoid as a result of mailer worksharing activities.

[10]GAO, *U.S. Postal Service: The Service's Strategy for Realigning Its Mail Processing Infrastructure Lacks Clarity, Criteria, and Accountability*, GAO-05-261 (Washington, D.C.: Apr. 8, 2005).

[11]GAO, *U.S. Postal Service: USPS Has Taken Steps to Strengthen Network Realignment Planning and Accountability and Improve Communication*, GAO-08-1022T (Washington, D.C.: July 24, 2008).

[12]GAO, *U.S. Postal Service: Data Needed to Assess the Effectiveness of Outsourcing*, GAO-08-787 (Washington, D.C.: July 24, 2008).

[13]GAO, *U.S. Postal Service Facilities: Improvements in Data Would Strengthen Maintenance and Alignment of Access to Retail Services*, GAO-08-41 (Washington, D.C.: Dec. 10, 2007).

Other long-term options for reducing costs include more fundamental changes that would have public policy implications for Congress to consider—such as potential changes in USPS's universal service from 6 to 5 delivery days per week as discussed in a recent PRC study, and potential changes to USPS's business model, which we will be discussing in a PAEA-required report that will be issued by December 2011. These studies will provide Congress with information about how to address challenges for USPS to meet the changing needs of mailers and the public.

We asked USPS to comment on a draft of our testimony. USPS generally agreed with the accuracy of our statement and provided technical corrections and some additional perspective, which we incorporated where appropriate. USPS reiterated its position regarding the funding of retiree health benefits and the difficulties related to its cost-cutting efforts.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or the Members of the Subcommittee may have.

Contact and Acknowledgments

For further information regarding this statement, please contact Phillip Herr at (202) 512-2834 or herrp@gao.gov. Individuals who made key contributions to this statement include Shirley Abel, Teresa Anderson, Joshua Bartzen, Heather Frevert, David Hooper, Kenneth John, Emily Larson, Susan Ragland, and Crystal Wesco.

Appendix I: USPS Financial Information for Fiscal Years 1972 through 2008

Dollars in millions

Fiscal Year	Net Income (Loss)	Total Revenues	Total Expenses	Outstanding debt
1972	$(175)	$9,354	$9,529	$250
1973	(13)	9,931	9,944	250
1974	(439)	10,875	11,314	765
1975	(989)	11,662	12,650	1,783
1976	(1,176)	12,915	14,090	3,030
1976 TQ[a]	15	3,462	3,446	3,530
1977	(687)	14,842	15,530	2,468
1978	(380)	16,031	16,410	2,405
1979	470	18,174	17,704	1,888
1980	(306)	19,253	19,559	1,841
1981	(588)	20,898	21,486	1,608
1982	802	23,727	22,925	1,536
1983	616	24,790	24,173	1,464
1984	118	26,557	26,440	1,465
1985	(251)	29,016	29,267	2,075
1986	304	31,135	30,830	3,234
1987	(223)	32,505	32,728	4,728
1988	(597)	35,939	36,536	5,880
1989	61	38,920	38,859	6,476
1990	(874)	40,074	40,948	6,971
1991	(1,469)	44,203	45,672	8,440
1992	(536)	47,105	47,641	9,924
1993	(1,765)	47,986	49,751	9,748
1994	(914)	49,576	50,489	8,988
1995	1,770	54,509	52,739	7,280
1996	1,567	56,544	54,977	5,919
1997	1,264	58,331	57,067	5,872
1998	550	60,116	59,566	6,421
1999	363	62,755	62,392	6,917
2000	(199)	64,581	64,780	9,316
2001	(1,680)	65,869	67,549	11,315
2002	(676)	66,688	67,364	11,115
2003	3,868	68,764	64,896	7,273
2004	3,065	69,029	65,964	1,800

Dollars in millions				
Fiscal Year	Net Income (Loss)	Total Revenues	Total Expenses	Outstanding debt
2005	1,445	69,993	68,548	0
2006	900	72,817	71,917	2,100
2007	(5,142)	74,973	80,115	4,200
2008	(2,806)	74,968	77,774	7,200

Source: GAO analysis of U.S. Postal Service data.

Note: Totals may not add due to rounding.

[a]TQ represents transition quarter, a period beginning July 1, 1976, and ending September 30, 1976. In a change taking effect October 1, 1976, the U.S. government changed its fiscal year from a period ending June 30 to a period beginning each October 1 and ending the following September 30.

Appendix II: Mail Volume, Fiscal Years 1990 through 2008

Fiscal year	First-Class Mail volume (millions)	First-Class Mail volume: percent change	Standard Mail volume (millions)	Standard Mail volume: percent change	Total domestic volume (millions)	Total international volume (millions)	Total volume (millions)	Total volume: percent change
1990	89,270	4.0%	63,725	1.5%	165,503	798	166,301	2.9%
1991	90,285	1.1	62,430	-2.0	165,058	793	165,851	-0.3
1992	90,781	0.5	62,547	0.2	165,654	789	166,443	0.4
1993	92,169	2.1	65,773	5.2	170,313	907	171,220	2.9
1994	95,333	3.4	69,416	5.5	177,177	862	178,039	4.0
1995	96,296	1.0	71,112	2.4	179,933	801	180,734	1.5
1996	98,216	2.0	71,686	0.8	182,386	1,053	183,439	1.5
1997	99,660	1.5	77,254	7.8	189,881	1,007	190,888	4.1
1998	100,434	0.8	82,508	6.8	195,961	944	196,905	3.2
1999	101,936	1.5	85,662	3.8	200,613	1,031	201,644	2.4
2000	103,526	1.6	90,057	5.1	206,783	1,099	207,882	3.1
2001	103,656	0.1	89,938	-0.1	206,380	1,083	207,463	-0.2
2002	102,379	-1.2	87,231	-3.0	201,918	904	202,822	-2.2
2003	99,059	-3.2	90,492	3.7	201,379	805	202,185	-0.3
2004	97,926	-1.1	95,564	5.8	205,262	844	206,106	1.9
2005	98,071	0.1	100,942	5.6	210,889	852	211,741	2.7
2006	97,475	-0.6	102,460	1.5	212,199	793	212,992	0.6
2007	95,898	-1.6	103,516	1.0	211,401	833	212,234	-0.4
2008	91,280	-4.8	99,084	-4.3	201,869	835	202,703	-4.5

Source: GAO analysis of U.S. Postal Service data.

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