

## COURIER, EXPRESS, AND POSTAL OBSERVER

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### The "Bailout" Talk Has Begun. Or Has It?

The Daily Caller today has an incendiary headline on President Obama's budget proposal regarding the Postal Service. ["USPS Gets Short-term Relief from Obama's 2012 budget, But Some Call it a Bailout"](#) The headline suggests that there are individuals who are familiar with postal policy who are willing to call what the President proposed a bailout. However, the quotes of two conservative critics contained in the article suggest that finding anyone to use the word bailout took a great deal of effort.

Tad DeHaven, a budget analyst at the Cato had strong criticism but he did not call it a bailout.

"Surprise, surprise," he said, "like on entitlements and everything else, they're proposing to kick the can down the road with regard to the Postal Service's long-term [financial](#) situation."

DeHaven suggested that the long term solution was to privatize the Postal Service, but that even if that didn't happen, the solutions being suggested were inadequate.

Members of Congress, he said, were unwilling to take the necessary steps because they get complaints from constituents when local post offices close or when stamp prices go up. Instead, he said, they come up with "gimmicky fixes that are very myopic at a time when they could use this long term vision."

"But such is the nature of a politician, they operate on election cycles," he added.

Looking at the budget, he was unimpressed. **"It just continues to perpetuate an anachronism, and it demonstrates to me a lack of bold vision."**

Tad DeHaven's statement presents a serious proposal from a libertarian thinker. The Postal Service should be privatized and the proposal doesn't go far enough to put it on that path. Whether you agree with his statement or not, it would be hard to suggest that he called the budget a bailout. In many ways the tone of his criticism is similar to the criticism of Senator Susan Collins, who has already proposed legislation that promotes more changes.

Mike Schuyler, senior economist at the Institute for Research on the Economics of Taxation who has frequently written conservative critiques of the Postal Service, supports the proposal

**“I do not regard what’s specifically in the budget as a bailout,”** he told The Daily Caller.

“My reaction as an economist is 100 percent funding is a highly prudent thing,” he said, regarding the over funded FERS. **But, he continued, “if you’ve got over 100 percent funding, and you need money, taking the money out of an over funded account probably makes sense. So I have no problem with that.”**

Moreover, he said, **“I do not think that allowing the Postal Service to reschedule its payment for the retiree health benefits fund is a bailout.** If the Postal Service was told you never have to pay it: that would be a bailout.”

**Mr. Schuyler only called what was not proposed a bailout.**

The Daily Caller is clearly trying to create new fodder for talk radio and conservative commentators. It is clear that the most knowledgeable people on the right are not willing to add to this talk.