



How Do You Solve a Problem Like the U.S. Postal Service?

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Mr. Kosar critiques but does not offer a good alternative to Mr. Shaw's big-government proposals. Letter mail is declining, so Mr. Shaw wants the Postal Service to enter nonpostal activities such as grocery delivery. But since the USPS enjoys regulatory preferences and pays no taxes, that approach would create unfair competition with private businesses.

As an alternative, Mr. Kosar wants the USPS to cut costs. But that would not address current distortions caused by the Postal Service's unfair competition against UPS, FedEx and other taxpaying businesses.

How can we give the USPS the flexibility it needs to diversify and cut costs, while also creating a level playing field in letters, packages and other businesses the company wants to enter? Europe has shown the way. Germany, the U.K. and other nations have privatized their postal systems and opened them to competition.

Mr. Kosar would have the USPS wither away, while Mr. Shaw wants bureaucratic expansion. The compromise is to allow the USPS to innovate and grow on an equal footing with competitors in open markets.

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