



## Postal dis-service

*Don't look now, but the US Postal Service has just taken a giant step closer to insolvency.*

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The USPS is reporting a staggering \$15.9 billion loss for the fiscal year that ended Sept. 30 — more than triple its loss of the previous year. Indeed, only a late \$500 million influx of election campaign mail will end up saving the USPS from actually running out of cash at year's end.

Which is why it's long past time for a serious debate about privatizing the Postal Service.

Privatization would be no mean feat — and even then, there would be no guarantee of long-term fiscal solvency for the postal service. For starters, such an effort would spark fierce resistance from the postal unions, which would much rather be on what is virtually a government payroll (even if self-financed) than a private one.

Then there would be the political blowback; voters love their neighborhood post offices — never mind that most people communicate on-line these days.

The real problem is that the Postal Service remains under the thumb of Congress — which refuses to act on meaningful, and necessary, reforms.

Mail volume, and thus revenue, has been steadily declining. Yet Congress refuses to let it cut mail delivery to five days a week or bring in such new revenue as allowing mail shipment of beer and wine.

Nor has it let the USPS reduce its annual health- and pension-fund payments — indeed, most of the annual losses are due to defaults on health-care pre-payments.

Despite the long-term problems caused by the growth of digital, there have been bright spots.

The USPS is one of the few agencies to have boosted its efficiency: According to the Cato Institute, the number of workers needed to sort 35,000 letters an hour has dropped over

the past decade from 70 to two. And the number of career postal workers is down by more than 20%.

The Senate passed a bill this year providing some relief, but the GOP-controlled House is holding out for stronger measures, including an end to weekend mail and shutting thousands of little-used post offices.

As a short-term measure, Congress needs to reach agreement before the Postal Services falls over its own fiscal cliff.

But long-term needs and ever-changing technology suggest more creative approaches are needed.

Privatization may not be the answer, but it's time to have the conversation.

Think FedEx.