

THE ORANGE COUNTY
REGISTER

Postal reforms undelivered

Saturday service survives, as does deficit.

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Neither snow, nor rain, nor heat, nor gloom of night prevent reforms of the U.S. Postal Service. Instead, it's a lack of will by Congress and bureaucratic inertia at a public agency that has not met the challenge of private competition.

At a congressional hearing Wednesday, House Oversight Chairman Rep. Darrell Issa, R-Vista, insisted that the USPS itself must enact more reforms in the face of last year's \$16 billion deficit. According to the U-T San Diego, after the USPS officials suspended "a plan to end Saturday delivery to save \$2 billion a year, Issa was steamed."

At the hearing, Rep. Issa said, "I don't doubt or discount that Congress and the president have unfinished responsibilities and disagreement has delayed reform. But in the absence of congressional action, it's time for Postal Service management to exercise full use of its authority to do everything possible to avoid a taxpayer bailout. This is a time for action and decisiveness, not a time for excuses and empty rhetoric."

The fact is that both the USPS and Congress need to act. As much as we would miss checking the mailbox on Saturdays, most people nowadays gets few actual letters through the mail, instead receiving email, text messaging, tweets, etc. The junk mail and bills mostly could wait till Monday.

The USPS' major competitors for package deliveries, UPS and FedEx, generally do not deliver on Saturday without an extra fee. It makes sense for the USPS to follow suit, even with its monopoly on first-class mail.

"Probably this is something they could be doing," Tad DeHaven told us of internal USPS reforms; he's a budget analyst at the libertarian Cato Institute. "But at the end of the day, it's Congress, not the USPS, that must make reforms. The postmaster general answers to Congress." Indeed, Mr. Issa's comments were made as he was grilling Postmaster General Patrick Donahoe.

Mr. DeHaven worked in the mid-2000s on the staff of Sen. Tom Coburn, R-Okla., now the ranking member of the Homeland Security and Governmental Affairs Committee, which oversees the USPS. On April 10, Sen. Coburn issued a statement: "It is unfortunate the USPS Board of Governors has reversed course and further delayed structural reforms" needed to keep the USPS afloat.

"Coburn and Issa are probably interested in avoiding a bailout" to close the \$16 billion deficit, Mr. DeHaven said. "But Democrats will want to go in that direction, although they wouldn't call it a bailout." A big concern, as with many governments at all levels, is

funding for generous retiree health care plans, something that has all but vanished in the private sector.

A possible outcome, Mr. DeHaven said, is for Congress again to "kick the can down the road. But that could just lead to a bigger bailout. Ultimately, this is a government monopoly that continues to be undermined by the private sector."

We urge Rep. Issa, whose district includes part of Orange County, to press for radical reforms of the postal service, including complete privatization. Especially with the federal government's continuing \$1 trillion yearly budget deficits, there's no excuse for a \$16 billion bailout of something the government no longer needs to do.