



## Suggestion: Privatize USPS

Chris Woodward Friday, February 08, 2013

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A budget analyst thinks the U.S. Postal Service announcing this week that it's doing away with Saturday mail delivery is another reason to push for privatization.

The postmaster general wants to end Saturday mail delivery in August, saying it would save \$2 billion. Package delivery would still carry on, and customers with Post Office boxes could still get their mail.

DeHaven, Tad (Cato Institute) Tad DeHaven of the Cato Institute says the USPS has to do something, but this plan is merely a bandage on a multi-billion dollar problem.

"They've maxed out their \$15 billion credit limit with the U.S. Treasury, and they're reaching the point where they're not going to have enough money to pay their bills," he relays. "They say they can save \$2 billion. I don't know if that number is true or not, but they have to do something. This is just another reason to start talking about privatization and choice."

DeHaven suggests that some people may want mail one day a week, or they may prefer to stay with the six-day model. But right now, this one-size-fits-all government model cannot continue in a 21st century digital world.

"I would love to see entrepreneurs get involved here and be allowed to provide alternative services," he offers. "The great thing about the profit motive is that it creates incentive to come up with alternative delivery methods -- more cost-effective new products, new services. But again, so long as you have this one-size-fits-all and you have politicians running the show, then we're going to be continuing to affix Band-Aids to the problem."

If that is the case, DeHaven is concerned that taxpayers will have to come to the rescue with a bailout.