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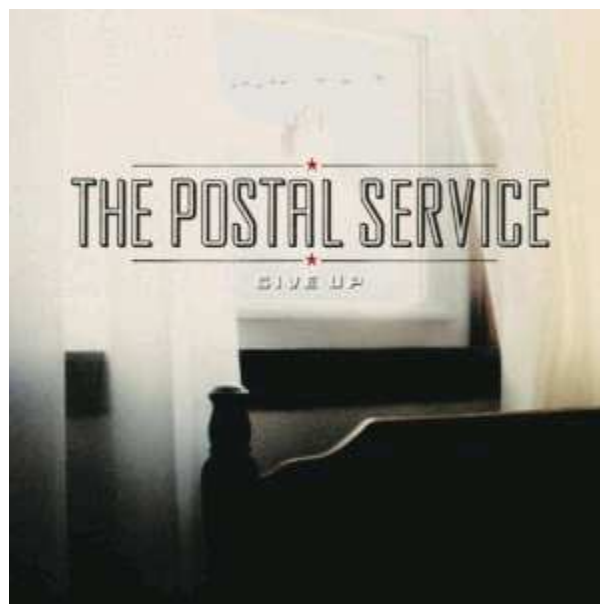
## GAO to Postal Service: Sorry, Taxpayers Aren't Responsible for Fixing Your Fiscal Problems

[Peter Suderman](#) | October 24, 2011

Facing massive shortfalls, the U.S. Postal Service has already gone negative on the Internet. It also did the accounting equivalent of looking for change buried under the couch cushions. And lo and behold it found some convenient accounting errors to justify pressing another government agency for about \$75 billion—all of which would have to be financed by taxpayers.

Like so many of Washington's money troubles, it all comes down to an argument about accounting. The Postal Service now claims that its fiscal problems can be substantially reduced if the Civil Service Retirement System just returns \$75 billion or so in "overpayments" that the Postal Service says it has made to its employee pension fund. CSRS administrators don't think much of the Postal Service's claims, and, according to [a report](#) released earlier this month, neither does the Government Accountability Office:

Some have referred to “overpayments” that USPS has made to the CSRS fund, which can



imply an error of some type—mathematical, actuarial, or accounting. We have not found evidence of error of these types....Congress considered that USPS was to be self-sustaining and that the federal government, which had no control over USPS pay increases, should not be liable for pension benefits attributable to those increases.

Cato's Tad DeHaven argues that the USPS is effectively asking for a bailout. The GAO report backs him up:

...Finally, the cost of USPS's CSRS pension allocation based on the 1974 law has already been reflected in postal rates for most of the past four decades. The key impacts of transferring assets out of the CSRS fund to USPS based on the current proposals would be to increase the federal government's current and future unfunded pension liability by an estimated \$56 billion to \$85 billion. This liability would then be funded by the federal government using tax revenue, borrowing, or both.

Read *Reason* columnist Greg Beato on the post-Postal society here.