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# U.S. Postal Service: Time to Free the Mail

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WRITTEN BY BOB ADELMANN  
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When U.S. Postmaster General John Potter **recommended** eliminating Saturday delivery service in order to save money, he was merely responding to the postal service's continuing inability to make money, or even cover its costs, delivering the mail. In a microcosm, the postal service's difficulty is reflective of the government's attempt to operate anywhere outside the constraints of the Constitution.

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The Postal Clause in Article I, Section 8 says, "The Congress shall have power ... to establish post-offices." Over the years, the federal government **has understood** that power "as granting a de facto Congressional monopoly over the delivery of mail," thus eliminating any competition from providing better, cheaper, or faster service. In 1971, the original Post Office Department was reorganized into a "quasi-independent" corporation of the federal government. When that reorganization took place, the new entity was **funded** with nearly \$3 billion of "start-up" capital from taxpayers, and despite claims that it "has become self-sufficient" and "has not directly received taxpayer dollars since the early 1980s," it continues to look to the Congress for help. Potter estimates that losses in 2009 will approach \$7 billion and could reach \$238 billion over the next decade if nothing is done. Even if it is allowed to stop deliveries on Saturday, the service will still be more than \$3 billion short for the year. And the service is already staggering under debt owed to another government agency funded with taxpayer dollars, the Federal Financing Bank. With a borrowing limit of \$15 billion at that bank, Potter has to come up with something right away.

Part of the problem is the AFL-CIO — National Association of Letter Carriers (NALC) — which has successfully pressured the service into providing direct and indirect compensation to its workers to the point where the average postal worker now makes \$83,000 a year. This is reflected in the fact that such **compensation and benefits** "constitute close to 80 percent of USPS's costs ... despite major advances in technology and the automation of postal operations." A USPS worker blogged at the *Wall Street Journal*:

Cutting out delivery one day a week and raising some rates is a stopgap measure, and two years hence, there would be another increase and a four-day week proposal. The reason why is that USPS cannot fire anyone and cannot make employees work faster or smarter because of the death grip the postal union has on the postal service. The employees at my substation deliberately create a long line by employing the work slowdown, giving every customer at least 8 minutes of face time, chatting up grandkids and cruise trips. They are immune to reprimand and to any incentive to improve service. It is what the union wants, what Progressives want and what Democrats want. John Potter is not on the side of the postal service consumer; he is pro-union and is doing their work for them. If he were not pro-union, he would not be in his position.

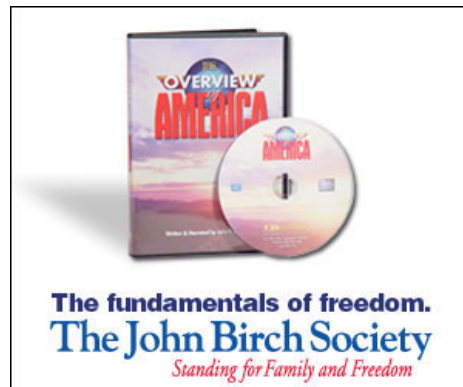
Another part of the problem is that, as a monopoly, the USPS has little incentive to be frugal or to operate efficiently. A **recent audit** by the USPS's own inspector general found "unjustified" and "imprudent" expenses and purchases over a recent five-month period:

No business justification was provided for \$355,451 of food provided at a September 2008 national sales educational conference attended by over 600 employees.... We noted that beer and wine were served on one occasion, a bartender charge of \$500 was included on one occasion, and one dinner for 650 guests totaled \$62,714, which is \$96 per guest.

A postmaster installation celebration and reception held in October 2008 included unallowable food purchases totaling over \$17,000. The menu included crab cakes, beef wellington, shrimp, and scallops.

A two-day meeting in September 2008 ... cost \$27,567, including a per dinner cost of \$93. In addition, employees were provided paid lodging "even though their official duty station was within nine miles of the conference facility."

Five employees purchased gift cards from unauthorized vendors totaling \$31,791. Two districts purchased almost \$15,000 worth of movie tickets. Another district purchased thirty retirement watches at \$216 a pop.



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Three meetings included expenses for flowers, linens, candles, and red carpets totaling \$4,579.

Even more outrageous is that the Inspector General has conducted 14 audits of the USPS in the last three years with similar findings.

As expected, the National Association of Letter Carriers (NALC) is resisting making any changes, claiming that such a decision is a "rush to judgment," and that "elimination of Saturday delivery will make the USPS less valuable to business and [would] accelerate electronic substitution."

And it is precisely this "electronic substitution" that is making the USPS more costly and less relevant. The number of items handled by the post office fell from 213 billion in 2006 to 177 billion last year, and is expected to shrink further to 150 billion by 2020. This was confirmed indirectly last summer when President Obama was asked at a town hall meeting in Portsmouth, New Hampshire about government-run healthcare. He responded in part, "If you think about it, UPS and FedEx are doing just fine, right? It's the post office that's always having problems." This forced post office spokeswoman Jan Psaki to admit, "It's been public for some time that the Postal Service's fiscal path is unsustainable. It has been struggling due to unprecedented reductions in mail volume, and the effect of the economic crisis has made things worse."

All of which raises the question of privatization. Chris Edwards of the Cato Institute wrote, "Congress and President Obama should deregulate postal markets and privatize the USPS. It's true that such pro-market reforms are not in vogue these days, but Obama claims 'that ... my interest is finding something that works.' For postal reform, that means injecting competition by allowing 'private options' in the marketplace." However, when Obama spoke at a town-hall meeting in February 2009, he said that privatization is a "bad idea most of the time."

Edwards responded, "We know that postal deregulation works because it's already in place abroad. Postal services had been opened to competition in Britain, Finland, New Zealand, and Sweden." Raymond Keating, the chief economist for the Small Business & Entrepreneurship Council, agrees: "Postal service privatization is spreading across Europe, with mail service throughout the European Union scheduled to be open to competition starting in 2011."

In this country, Conrail was privatized in 1987, the Alaska Power Administration was privatized in 1996, the federal helium reserve was also privatized in 1996, the Elk Hills Petroleum Reserve was sold to private interests in 1997, and the U.S. Enrichment Corporation was privatized in 1998.

In his study on privatization for the Cato Institute, Edwards said,

The mammoth 685,000-person U.S. Postal Service is facing declining mail volume and rising costs. The way ahead is to privatize the USPS and repeal the company's legal monopoly over first-class mail. Reforms in other countries show that there is no good reason for the current mail monopoly. Since 1998, New Zealand's postal market has been open to private competition, with the result that postage rates have fallen and labor productivity at New Zealand Post has risen. Germany's Deutsche Post was partly privatized in 2000, and the company has improved productivity and expanded into new businesses. Postal services have also been privatized or opened to competition in Belgium, Britain, Denmark, Finland, the Netherlands, and Sweden. Japan is moving ahead with postal service privatization, and the European Union is planning to open postal services to competition in all its 27 member nations.

If the USPS were to be privatized, what benefits might the consumer enjoy? "We really don't know how the post office would change," according to free-market writer Wilton Alston. "But we know it would change. The most basic ... analysis would seem to indicate that it would change for the better." Given the opportunity to compete for first-class mail, UPS and FedEx "would likely offer incredible rates ... to existing customers."

And what about shorter lines at the post office? Says Alston,

At the end of last year, the Post Office did some research and was surprised to find that customers at the nation's 37,000 post offices were not happy about wait times in line. In response, the Post Office came up with a brilliant idea, something that could probably only come from the federal government. They removed the clocks from all 37,000 post offices. Stephen Seewoester, a Postal Service spokesman said, apparently with a straight face, "We want people to focus on postal service and not the clock."


For those supporting the concept of limited government according to the Constitution, wouldn't privatizing the postal service be a good place to start? Surely the free market can do better, without the continuous and never-ending taxpayer subsidies and bailouts.

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Gee said:



Think again...

Most of the Postal services problems are due to bad management and of course mail decline. That was coming and the USPS knew that over thirty years ago. I worked there for years and I have witnessed top level management screw up in all aspects of the job. The average manager at the US Postal Service could not manage a White Castle the middle of the of the ocean. Management gets paid bonuses to ride the workers and to get more productivity even when there is no mail to process at the major hubs throughout America. The unions, yes they're a big problem too but management are the ones making the bad decisions and blowing the little money the USPS has been making and have been for decades. In order for the USPS to survive they need to shorten delivery of first class mail to four days a week, get rid of all of the incompetent managers and 204B's that know nothing except how to ride workers and kill their moral and cut 20% of USPS salaries . I don't know where you got the idea that the average Postal Worker makes 83k a year. The average manager with just a high school diploma makes that much, not the average blue collar postal worker.

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March 03, 2010  
Votes: +4

Harry said:



... This is par for the course, what department of the Government stays under ANY budget. I say get rid of all Government agencies.

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March 03, 2010  
Votes: -1

EX Postal Worker said:



Ex carrier

I get nervous when I hear anyone talking about cutting postal workers salaries. They are already the lowest paid and worst treated in the shipping industry. If you meant to cut management's salary then I agree. If managers were paid what they are worth they go home with a bill. Postal workers= mail handlers/clerks/carriers/techs/custodial not management. In my 31+ years I earned less than Harry Potter gets(NOT EARNS) in 2.

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Jim Eckland said:



Creator

The USPS has got problems..the same problems as any Magazine or newspaper...how many of them are losing \$\$\$ . Is The New American making \$\$\$.

Let's focus on getting rid of Unconstitutional Agencies first . Over the next 10 - 30 years the USPS will cease to exist...allow them to be phased out gradually to minimize job loss.

Til then, don't complain that you have to travel 20 miles to the nearest PO, or that the rates rise up to those charged by Fed Ex and UPS for the same packages and remember Media mail in The USPS is still the best service around.

And the next time a JBS member spends hundreds of dollars at the JBS Store, requests that his package be sent by USPS Media Mail so that they will hold it and deliver it to his door under the porch, please DO IT !!

I'm tired of receiving UPS Parcels covered with Ice or sitting around on my Stairs for 2 weeks because UPS doesn't hold shipments for vacation !!

Note: Media mail does not take 2 weeks..service is excellent less than one week, and UPS can't touch it for price !!

And also note that some JBS Members draw a payroll check there that we use for Membership dues ..

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Votes: +0

Ben\_Franklin said:



...  
 First, let me address some of your misinformation...It's starting to sound like your one of those "republican un-think tanks" that is spouting lies and bs about privatizing EVERYTHING so Corporations can come in a take over everything including government...which is already happening to a degree thanks to Republicans like Reagan and the bush's. First with "benefits" we are not even close to that figure since some benefits are NEVER used or are used sparingly like sick leave, which Management agreed to during negotiations and which can change during "negotiations". Saying "(NALC) is resisting making any changes" is totally false as the NALC has helped reduce costs by allowing a NEW way to adjust routes quicker and cheaper than previously agreed to. I will end with this. I noticed that you seem to like to quote the "Cato Institute" which is most egregious anti-worker , anti-government republican "unthink" tank that promote privatizing everything. They stated that the Germany's Deutsche Post was partly privatized in 2000, which filed for bankruptcy in the U.S. because it could not compete with the (union) UPS and the (non-union) FED-EX, which is attempting to stop unionizing in its company...even through illegal means and misinformation like saying its a BIG Brown Bailout because the government wants to change the rules which FED-EX operates and classifies its employees by. Just remember there are "way smarter" progressive democrats/liberals that you think are bad but are JUST LIKE THE FOUNDERS OF THE CONSTITUTION that will reveal your conservative (con for short)"con job" that you are trying to perpetrate on the American public.

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mbt shoes said:



**mbt shoes**  
 Mbt sale up this year, the Mbt lami shoes & Mbt chapa shoes are deeply loved by people.  
<http://www.mbt-lami.com>

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 Votes: +0

Orwell said:



**Disaster Capitalism**  
 To privatize the Postal services is a typical example of Disaster Capitalism which only benefit a small number of rich people and discard the weaker side of a society.  
 Postal Privatization in Japan, for instance, was a tota failure with many signs of corruption and organized cream-skimming act or near crimal act of the sale of the public assets.  
 Postal Privatization does not bring out the streamlining of the delivery service. It will only require adequate investment and stimulate the marale of the employees.

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PS said:



**Give Me a Break**  
 First of all, the conferences mentioned in this article in relation to outrageous, unfettered spending, were MANAGEMENT conferences. No front line, blue collar union workers were invited. Secondly, does the writer really believe FedEx or UPS will deliver a letter from Miami to Honolulu or Fairbanks Alaska for .44 cents? Really?  
 Thirdly, the \$80,000 average salary not only includes hourly wages, but holiday pay, sick leave (whether the employee uses it or not), health benefits (which employees pay a portion of) retirement and vacation time. Ironically, Mr. Potter objected recently when his salary was posted using the identical criteria.  
 And lastly, in 2006 the USPS was ordered to prefund future employees retirement benefits at a cost of (I believe) 3-5 Billion dollars per year. Can anyone think of any company, public or private required to fund retirement benefits for employees who do not as yet work for the said company?  
 Yes, the USPS has problems but privatization will not solve them. The work force has already shed 150,000 jobs through attrition, and overtime has been cut to the bone. I believe the problems are already being addressed in house, and there is more work to be done but the USPS is on the right track.

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March 04, 2010  
 Votes: +0

Heywood Joblome said:



**Anti Union Bias Rant**

Come on now Bob Aldermann, we know that either Rush Limbaugh or Glenn Beck wrote this article. You`d like all of us to work for minimum wage but your d\*\*n fat asses! Not one word about Management or Supervisor redundancy within the Postal Service with a worker to boss ratio of 7 to 1! Easy for you Conservative Republican jerks to attempt to eliminate the few middle class workers that remain. A pox on you and your families! I hope this country goes through another Civil War soon but this time it won` t be over either Race or Slavery. Its going to be Red States vs Blue States and you smug double chinned ass-wipes are going to get your just deserts. You know the saying Mr Aldermann, what goes around comes around and pay back is a bitch. I for one can` t wait!

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Leonard J Goodboe said:



...  
The idea that the average worker makes 83k a year is ridiculous at the onset. I have worked there since 1999 and make no where near this per year . In fact I make just over half of that. The issue in the Postal Service are many and begins with management . The title of a manager is a Customer Service Manager and I have seen in many offices this is not true. Managers routinely do not return customers calls and do not make a attempt to correct issues. Often poor performing carriers are protected by the unions to such a extent that they cannot be removed. This is many ways is the same problem that hurts our education system. The only way to correct the issue is to start at the top and eliminate waste and remove those who cheat the system. Force the Postal Service to hire managers who merit promotion from the ranks and assign them in positions in which they are familiar . End the issues of nepotism and prevent promotions of "buddies". Management is hired these days as more of a beauty contest rather than qualifications. Remove some carrier protections to make it easier to remove non-performing carriers. Bet managers out from behind the desk and out in the field to see what carriers are doing out there and eliminate all overtime. This alone would save millions if not billions every year.

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Votes: +0

Cliff Claven said:



**Letter Carrier**

\$75 billion over funded in the retirement fund. Yes, BILLION. Give us OUR money back. I don't want to hear about how broke USPS is.

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March 04, 2010  
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