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## Article

### The President's Corner – Viability of the USPS

Mail service in the United States has been the backbone of our communication since the establishment of The Post Office Department within Congress in 1789. We historically have, and continue to enjoy one of the most cost efficient and timely mail services in the world. However, the USPS's viability is being severely compromised and is at risk.

#### **Background**

Originally, the post office was a department within and totally governed by Congress. This changed in 1971 when it was transformed into the United States Postal Service, an independent entity of the executive branch of the U.S. Government. While independent, it was still under the direction of a congressional governing board. As such, they were no longer funded by taxpayer money but were (and still are) fully funded by the goods and services they sell.

Today, the USPS represents 7% of our gross domestic product. If listed in the Fortune 500 top companies, they would be ranked 29<sup>th</sup>!

#### **Current Situation**

The USPS must operate under restrictions that no other independent business is required to do, e.g.:

- The Congressional governing board under which the USPS operates must approve all rate increases. The USPS cannot independently increase rates to keep abreast of inflationary factors as other businesses can.
- The Congressional board also dictates the closure of postal facilities and delivery frequency. In fact, it takes an act of Congress to close a post office, greatly limiting the flexibility the USPS has to react to market factors.
- The USPS is required to pay 10 year's worth of retirement funds in advance for each employee on its payroll. In fact, they have overpaid \$6.1 billion to the government and are not being allowed to access these funds for operating their business.
- They are mandated to pre-fund Retiree Health Benefits (RHB) by \$5.5 billion annually.
- The union mandates hiring, firing and pay.

All these factors have contributed to the USPS's current financial situation, which is dire:

**By September 2011, they will no longer be financially viable and will be in default in spite of cutting costs by \$12 billion in the past 4 years through restructuring efforts, facility and equipment optimization, distribution compression and work-hour reductions (cutting 110,000 jobs). In other word, the aspects of their business they can change without congressional approval.**

Bottom line, they will no longer be financially viable. Without the postal service, competitors will drastically increase rates to deliver to remote areas served by the USPS (affecting all of our pockets), and impacting 8 million private sector jobs that depend on the mail.

## **Fixing The Problem**

The USPS is requesting Congress act in three areas to allow them to operate more efficiently and with greater viability:

1. Eliminate the current mandate to pre-fund Retiree Health Benefits (RHB) by \$5.5 billion annually.
2. Allow the Postal Service to access its \$6.9 billion overpayment to the Federal Employees' Retirement fund (FERS).
3. Give them authority to determine delivery frequency.

Congress must make bold, quick and substantive reforms to the Postal Service before it is too late.

## **What Can You Do?**

I urge you to contact your local Congress person and urge them to impress upon the Congressional Board controlling the Postal Service that reform is necessary immediately.

You can contact your Colorado and Wyoming Congressional representatives at the numbers below:

### **Colorado:**

<b>Member Name</b>	<b>DC Phone</b>	<b>DC FAX</b>
Senator Mark Udall	202-224-5941	202-224-6471
Senator Michael Bennet	202-224-5852	202-228-5036
Representative Diana DeGette	202-225-4431	202-225-5657
Representative Jared Polis	202-225-2161	202-226-7840
Representative Scott R. Tipton	202-225-4761	202-226-9669
Representative Cory Gardner	202-225-4676	202-225-5870
Representative Doug Lamborn	202-225-4422	202-226-2638
Representative Mike Coffman	202-225-7882	202-226-4623
Representative Ed Perlmutter	202-225-2645	202-225-5278

### **Wyoming:**

<b>Member Name</b>	<b>DC Phone</b>	<b>DC FAX</b>
Senator Mike Enzi (R- WY)	202-224-3424	202-228-0359
Senator John Barrasso (R- WY)	202-224-6441	202-224-1724
Representative Cynthia Lummis	202-225-2311	202-225-3057

We have placed sample letters on our website that you can download and send to your Congress person to urge them to take action now.