



## AMERICANS FOR TAX REFORM

Grover G. Norquist

President

The Honorable J. Dennis Hastert  
Speaker of the House  
H-232, The Capitol  
Washington, DC 20515

June 1, 2005

Dear Speaker Hastert:

As you are aware, the House Government Reform Committee has marked up H.R. 22, legislation to overhaul the United States Postal Service for the first time since the Postal Reorganization Act of 1970. **ATR has been a staunch advocate of comprehensive postal reform, and strongly opposes H.R. 22, as it falls far short of true reform. Therefore, should H.R. 22 come for a vote in the full House, ATR may rate a vote for H.R. 22 as a vote against taxpayers.**

H.R. 22, unfortunately, fails to address the core problems that have created the modern USPS – an oversized, inefficient and expensive government agency all too willing to dabble in areas outside its core mission, usually to disastrous results.

First, the USPS should not be granted so-called “pricing flexibility.” The USPS has filed a rate case for a two-cent postage rate increase this year, with another, larger increase widely expected next year. Given the USPS’ inability to identify its costs and its proclivity for competitive misadventures, it should be harder, not easier, to raise postage rates. Much like the U.S. Congress, the Postal Rate Commission depends upon the power of the purse to fulfill its oversight responsibilities, and therefore Congress should refrain from diluting that power.

Further, H.R. 22 fails to sufficiently restrict the USPS to its core postal business. The USPS has an unfortunate history of using taxpayer dollars to expand into new businesses in competitive markets, often competing with private businesses. Instead, the USPS should focus on accepting, collecting, sorting, transporting and delivering paper mail better, as is the stated purpose of the agency and the justification for its monopoly. The USPS’ revenue shortfalls and inefficiencies cannot and should not be remedied by engaging in taxpayer-subsidized competition with the private sector.

Further, H.R. 22 guarantees a seat on the Postal Board of Governors for organized labor. The USPS is intended to be an independent agency free from the influence of outside interest groups. To guarantee labor unions a seat on the postal governing board would give Big Labor undue influence over the USPS, undoubtedly frustrating essential reforms including cutting the USPS’ massive workforce and closing underperforming facilities.

Real reform legislation must cut to the underlying problems of the USPS, rather than making simply cosmetic changes, subscribing to fantasies of an agency newly able and willing to restrain itself financially, or pacifying favored special interest constituencies.

If another thirty-five years will pass before Congress addresses postal reform legislation, it is absolutely essential that we get it right this time. H.R. 22 falls short of this goal. **Therefore ATR strongly opposes this legislation, and may rate a vote for H.R. 22 as a vote against taxpayers.**

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Norquist", written in a cursive style.

Grover Norquist

Cc: Republican Members, U.S. House of Representatives