



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

April 7, 2008

Dear Member of Congress,

On behalf of millions of taxpayers, small business owners and hard working Americans, I am asking you not to allow another Congressional Session to pass without curtailing the ever-expanding domination of the government over inherently non-governmental services.

In 2005, The Office of Management and Budget reports that there are currently 400,000 federal employees doing commercial work. If all of those were competitively sourced, between \$5 billion and \$7 billion would be saved annually. For every job that is competed, more than \$12,000 is currently saved (no matter who wins the competition).

While it is important to remain committed to pursuing increased privatization and public-private partnerships as detailed in the Office of Management and Budget (OMB) Circular A-76, there continues to exist off-budget government expenditures such as the United States Postal Service that continue to grow while our attention is diverted elsewhere.

The Postal Service is a bloated government agency required by law to set its rates to cover costs. It incurred a \$5.1 billion deficit last year while trying to implement the Postal Accountability Enhancement Act of 2006, which required establishment of a retiree health benefits fund.

Now, the US Postal Service is planning a \$1 billion cost reduction to head-off a projected \$2 billion loss. Even with the reduction plan, Postmaster General John Potter said the loss would still be huge at \$265 million.

Further, according to Katherine Siggerud, a director at the Government Accountability Office, the agency has cut more than \$300 million in the first quarter by reducing more than 10.5 million work hours. Translation – firing government employees saves money!

Germany, which privatized their postal service in 2000, is now considered a “privatization success story” in the finance community. With an already devastatingly high corporate tax rate compared to other countries, why is this Congress allowing the comparative disadvantage suffered by the United States versus Europe to widen?

As you are looking for ways to reduce the size and cost of government this session, I urge you to allow private sector competition and apply the standard of competitive sourcing set forth in OMB Circular A-76 to the U.S. Postal Service.

Onward,

Grover G. Norquist

cc: All Members of the U.S. Congress
Office of Management and Budget
Alliance for Worker Freedom

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