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US Postal Service Plagued with Union Inefficiency, Faces Saturday Cancellations

Taxpayer group supports privatization of monopolistic, non-inherently governmental service

WASHINGTON, D.C. – Facing projected losses of \$238 billion over the next ten years, U.S. Postal Service (USPS) officials pushed to end Saturday delivery services during Congressional hearings this week. With more people switching to electronic mail, the USPS saw a 13 percent drop in volume last year, more than double any previous single year decline. Apart from cutting Saturday deliveries, the Postal Service is considering raising prices and amending delivery schedules.

As part of the Executive Branch and therefore protected from all private competition, the USPS is plagued with inefficiencies and unionization rates only a government agency could endure. The problems include:

- USPS currently employs 800,000, only 516,000 of which actually deliver or process mail
- In order to stay afloat the USPS will cut 100 million work hours, or 57,000 positions, close 6 district offices, and implement a hiring freeze
- Even with the drastic cuts described the USPS will still be \$1 billion in debt
- The average USPS worker earns \$83,000 per year due to bloated union contracts
- The USPS is highly unionized with over 660,000 employee's members of various unions
- Members of American Postal Workers Union, the largest postal union, can begin collecting retirement checks at age 55 if they worked there for 30 years
- The USPS wastes resources: There are about 400 major mail processing facilities, far more than the USPS needs given that it has 50% excess capacity for processing first-class mail alone
- People no longer find the USPS as useful: First Class mail volume (which is protected by legal monopoly) has declined 22% from 1998 to 2007
- Americans are weary of subsidizing the broke USPS with 50% saying they would rather cut services (only deliver mail five days a week) than bail them out

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