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Postal Service Looks to Make Drastic Cuts or Faces Bankruptcy

The United States Postal Service expected to loose 7 Billion by September 30.

WASHINGTON, D.C. – Americans for Tax Reform opposes taxpayer subsidies for the United States Postal Service given the burden the Government Sponsored Enterprise's (GSE) would impose on the American people. GSEs remain highly politicized and typically function inefficiently due to an implicit government guarantee that they cannot fail. Specifically, the USPS:

- The 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 in compensation due to bloated union contracts.
- The USPA 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.

National Press & Talk Radio Alert:
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