



AMERICANS FOR TAX REFORM

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President

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James A. Johnson
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Gentlemen,

On behalf of the American taxpayer, I wish to address several concerns regarding the need to reform the United States Postal Service prior to the Commission submitting its report to the President.

With more than 750,000 employees (closer to 900,000 when including part-time employees), the United States Postal Service continues to be an oversized, bloated government enterprise. Labor costs and inefficiency continue to inflate the price of postage, and we are beginning to see indications that the USPS may be unable to honor its obligations under the Postal Civil Service Retirement System Funding Reform Act of 2003 not to raise the price of postage before 2006. With these factors in mind, the USPS desperately needs to cut its workforce, which would be permitted by aggressively using new technology and closing underutilized plants and post offices.

The USPS should also be restricted to its core postal business. The USPS continues to attempt expansion into competitive markets already well served by the private sector. The USPS should instead focus on the limited mission set out for it in existing law and do it better: accepting, collecting, sorting, transporting and delivering physical mail. The Postal Service's revenue shortfalls and inefficiencies cannot and should not be remedied by attempting to compete with private businesses.

In addition to staying out of competitive markets, the USPS should also maximize the use of the private sector, which can do much of its work far more efficiently. Costs can be reduced, efficiency improved and mail made more affordable by use of partnerships, outsourcing and worksharing. Worksharing discounts should be granted whenever these efforts result in a lower total combined cost of mail operations.

The only sure way to reform the USPS is to stop treating the symptoms with ever-increasing postage rates, and instead to treat the disease by understanding that the USPS' financial problems are a result of overspending and overreaching, rather than a lack of revenue.

All we need is a road map to that destination. You can help draw it.

Onward,

Grover Norquist