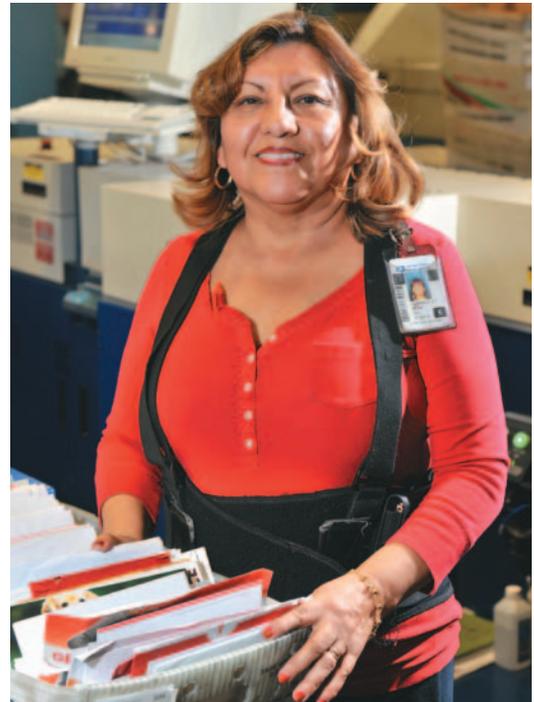


# Our U.S. Postal Service Is Under Attack



***The U.S. Postal Service, our great national treasure, is under attack. Mail service to the American people is suffering. And a great public institution is threatened with privatization.***

- On Jan. 5, 2015, overnight delivery of first-class mail was virtually eliminated.
- All mail throughout the country is being delayed. (This includes medicine, online purchases, local newspapers, organizational bulletins, letters, bill payments and invitations.)
- More than 140 mail processing facilities have closed since 2012, and 82 more are scheduled to close in 2015.
- Retail work is being sent to Staples, at more than 1,500 stores throughout the country;
- Door delivery is being eliminated in most new housing developments;
- Chronic understaffing frustrates customers and slows the mail, and
- Six-day delivery is under constant threat.





# Doesn't the Postal Service's Financial Crisis Make Cuts in Service Inevitable?

## ACTUALLY, NO.

Despite headlines announcing that the USPS has lost billions of dollars, the Postal Service isn't broke. To be more precise, it isn't losing money sorting and delivering mail.

The USPS financial crisis is a manufactured one. It was caused by Congress, and Congress can fix it – without using a dime of taxpayer's money.

The fundamental cause of USPS financial difficulties is a provision in the 2006 Postal Accountability and Enhancement Act (PAEA), which requires the Postal Service to make payments *no other public or private entity must make*: The USPS is required to fully pre-fund future

retiree health benefits 75 years in advance over a 10-year period – at a cost of approximately \$5.5 billion per year. The Postal Service's "losses" are the result of the pre-funding requirement.

If not for that requirement, the Postal Service would have done quite well financially over the last few years. Based on its operations, it had a surplus of \$1.1 billion in the first quarter of fiscal year 2015, \$1.4 billion in fiscal year 2014 and \$600 million in fiscal year 2013.

If the pre-funding mandate were lifted, the future of the Postal Service would be bright!

***The USPS 'financial crisis' is a hoax – a pretext for cutting service and paving the path to privatization.***

# Has the Postal Service Become Irrelevant?

## NOT AT ALL.



Despite what you may have heard, the Internet isn't making the world's largest postal system irrelevant. First-class mail has declined, but online shopping and e-commerce are causing an explosion in package volume.

Americans are using the U.S. Postal Service to receive medicine, goods ordered online, local newspapers, catalogues, bills and newsletters.

A recent Gallup Poll found that Americans rate the Postal Service highest among 13 government agencies. Nothing new there – the USPS routinely ranks at the top of such surveys.

But many people were surprised to learn that young people gave the Postal Service the highest rating: 81 percent of 18-29 year olds gave the USPS "excellent or good" marks.

Commentators have convinced many people that the future of the Postal Service is bleak because young people consider it irrelevant, but this poll shows the opposite is true.

Is mail dead? Not at all.

### Did You Know?

- If it were a private-sector company, the U.S. Postal Service would rank 43<sup>rd</sup> in the Fortune 500, with revenue of \$67.8 billion in fiscal year 2014.
- In 2014, the USPS delivered more than 155 billion pieces of mail to 153.9 million addresses.
- In the first month of fiscal year 2015, letter volume increased by 7 percent and package volume increased by nearly 14 percent over the previous year.
- The Postal Service processed 34.4 million changes of address in 2014 and forwarded mail at no cost to customers.
- How much did all this cost taxpayers? Zero. That's right, the U.S. Postal Service is self-supporting; its revenue is generated by the sale of postage and services.

# The Way Forward

But the Postal Service must change. To thrive in the digital age, when people expect to receive information and deliveries quickly, the Postal Service must enhance and expand service. This can take many forms:

- New services:
  - ✓ Postal banking and/or expanded financial services, which would address an urgent social need and bring new revenue to the Postal Service, is an example. (See more at [www.apwu.org/issues/postal-banking](http://www.apwu.org/issues/postal-banking).)
  - ✓ Licensing and notary services;
  - ✓ Access to high-speed Internet service.
- Longer hours at neighborhood post offices;
- More staff at retail outlets to shorten lines.
- Restore overnight delivery of first-class mail and periodicals.



***The U.S. Postal Service belongs to the American people. Let's do whatever it takes to ensure that it remains a vibrant, public Postal Service for generations to come!***

## Can't UPS and FedEx Do It? It's not even close.

The U.S. Postal Service is required by law to go everywhere and serve everyone. FedEx, UPS and other private couriers are not – and they don't!

In fact, the Postal Service delivers an average of 2.2 million packages for FedEx every day – approximately 30% of FedEx's total U.S. ground volume. UPS doesn't reveal the amount of business that it does with the Postal Service, but every indication is that it is substantial.

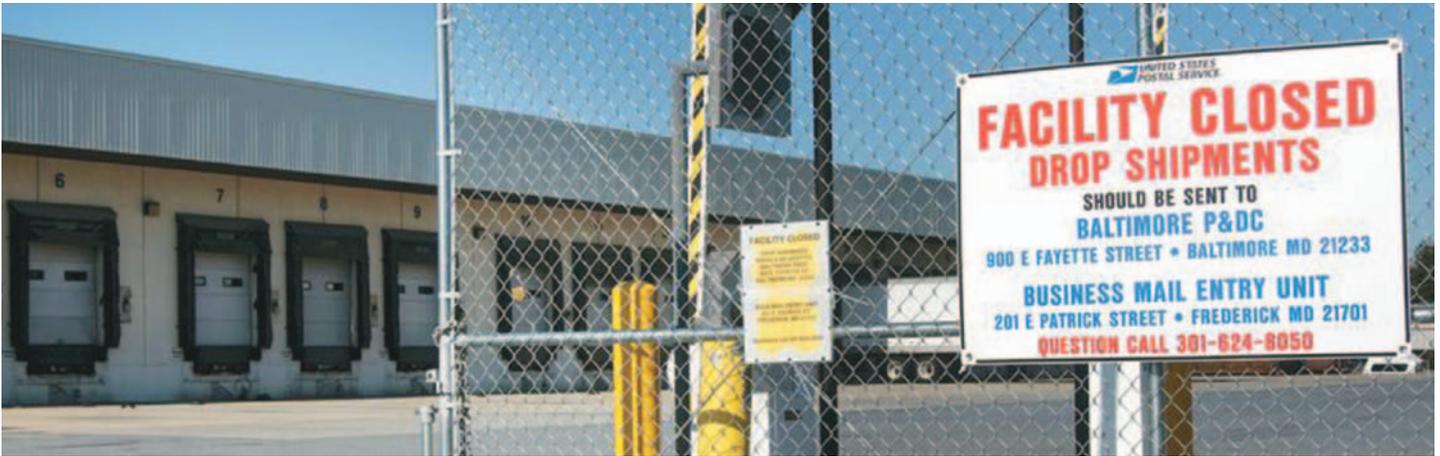
Why? Because FedEx and UPS are in business to make money for their shareholders – and delivering urgent mail

and packages to many areas simply isn't profitable.

A December 2014 test by Consumer Reports shatters the myth that FedEx and UPS offer better service than the U.S. Postal Service – even in the locations they serve.

The Postal Service outscored its two private-sector competitors in convenience and reliability and was cheapest 92 percent of the time for next-day and second-day delivery.

The Postal Service isn't in business to make a profit. Its purpose is to serve the American people.



# Is Postal Privatization a Danger?

***Yes. It has already begun.***

Postal executives deny any interest in privatizing the agency – and so do most politicians. But many on Wall Street and in Congress are eager to dismantle the Postal Service so they can turn over the profitable segments to their cronies in private industry.

A 2013 white paper financed by Pitney Bowes and issued by the National Academy of Public Administration called for the privatization of all retail and mail sorting operations. Much of the mail is already processed in private “pre-sort houses” that employ low-wage workers. Pitney Bowes has the “largest pre-sort network” in the country and stands to make substantial profits from a more privatized Postal Service.

USPS documents – and management policies – demonstrate that the danger of privatization is real.

- In 2013, the Postal Service entered a secretive, no-bid deal to offer postal services at Staples stores, using low-wage Staples employees, rather than USPS employees. Management hopes to expand this model to other retailers. An internal USPS document reveals that management’s goal was to replace living-wage U.S. Postal Service jobs with low-wage, non-union jobs at Staples and other national retailers.
- USPS management has proposed wholesale subcontracting of its transportation operations.

- Postal managers continually seek to outsource maintenance duties, from custodial functions to computer installation, and support services.

And degrading service paves the way for privatization. Recent cuts in service – the virtual elimination of overnight delivery of first-class mail, the closure of mail processing centers and shorter hours at post offices – undermine the mission of the Postal Service. They also undermine confidence in and support for the Postal Service, increasing the danger of privatization.

“It’s hard to destroy a public service the people support,” says APWU President Mark Dimondstein. “So, would-be privatizers are starving the Postal Service, undermining service, and frustrating customers.”

- The USPS closed and consolidated 140 mail processing centers in 2012;
- Postal executives plan to close and consolidate an additional 82 in 2015;
- Postal management lowered service standards in 2012 and 2015 – virtually eliminating overnight delivery of first-class mail and periodicals and slowing mail delivery on all classes of mail throughout the country.



Regrettably, many in the media accept the faulty premise that postal privatization would have to occur as a single event – most likely precipitated by an act of Congress.

But that's not necessarily the case. The postal systems in Great Britain, Germany, Australia and Sweden, which the USPS has studied extensively, were privatized gradually.

The USPS can't walk away from unprofitable neighborhoods. Before the USPS can make significant changes to service, it must notify the citizenry and allow the people to offer input.

Private businesses like Staples have no such responsibility. They have just one obligation: to make a buck for their shareholders. In 2014, Staples closed 170 stores. No notice. No input.

What if those stores had replaced the post offices in those neighborhoods? Who would serve the residents if the local Staples stores closed?

## Does It Matter?

Does it matter if the U.S. Postal Service privatizes its operations? You bet it does. As an independent agency of the federal government, the Postal Service

is accountable to the American people. Under federal law, the Postal Service has an obligation to serve the entire nation. The Postal Reorganization Act says,

***"The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together... It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities."***