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Warnings About Proposed Postage Increase Overlook a Simple Truth

As the Senate and House of Representatives consider postal “reform” legislation, the U.S. Postal Service has warned that if legislation is not enacted quickly, postage rates will rise to 39 cents for a first-class letter. But a simple truth is being overlooked: If the mailing-industry lobby and the USPS get their way, the brunt of the increase will be born by individual mailers and small businesses. Meanwhile, big advertisers and corporations that send billions of pieces of mail each year will pay as little as 10 cents for first-class letters.

Incredibly, the Postal Service’s rate increase application, filed on April 8, 2005, proposes to *increase* the discounts offered to advertising mailers. “While announcing to the world that the price of a stamp will rise if action is not taken,” said APWU President William Burrus, “the USPS is quietly planning to give corporate mailers an even better deal than they enjoy now.

“Over the years, the mailing industry has established and expanded so-called ‘worksharing discounts’ for mailers who ‘pre-sort’ their mail by bundling it according to its destination, and adding bar codes. *But the discounts far exceed the costs the USPS would incur if it sorted the mail itself,*” Burrus said.

“This corporate welfare drains billions of dollars in revenue from the Postal Service every year, forcing the USPS to raise postage and leaving individual mailers and small business to make up the difference. The Postal Service is a national treasure, and everyone must pay their fair share.”

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The APWU is the nation’s largest postal union, representing more than 300,000 postal workers in the Clerk, Maintenance and Motor Vehicle crafts.