



American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

William Burrus
President

October 13, 2010

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Mr. Theodore F. di Stefano
Capital Source Partners
c/o Ecommerce Times

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Dear Mr. di Stefano:

I have been provided a copy of your October 8 article, "*Can the USPS Be Saved?*" and feel compelled to respond. It would be helpful if you researched the Postal Service before editorializing on its current condition, its future, and its use by the American public. There were so many misstatements in your article, I hardly know where to begin.

For starters, let us begin with your assertion that six-day delivery will likely be "a thing of the past." This delivery obligation is required by the legislation that funds the U.S. government, and it is virtually certain that Congress will pass a Continuing Resolution that includes the requirement to continue six-day mail delivery. I also expect the Postal Regulatory Commission to render an opinion rejecting proposals to reduce delivery to five days per week.

You also write that the cost of first class mail is "at an all-time high," without noting that it is the cheapest in the world. The three countries that are nominally cheaper (New Zealand, Australia, and Spain) charge the same rate for all mail pieces, with no special rate for standard mail and no discounts.

You continue with a reference to the penny postcard, inquiring "if one can imagine that." You neglect to mention, however, that the cost of the penny postcard, which was subsidized heavily by the American taxpayer, was increased in 1925. In the 1920s, the cost of a Ford Model T was just \$290. I suspect that very few of your readers personally recall that history. For accuracy, you could have tracked the increase in the Consumer Price Index and discovered that postage rate hikes are well within the rate of inflation, which measures increases in the cost of all goods and services.

It is evident that you are unaware that the USPS deficits over the past four years are the sole result of the legislation passed by Congress in 2006 (the Postal Accountability and Enhancement Act), which requires the Postal Service to pre-fund future healthcare liabilities in the amount of \$5.4 to \$5.7 billion annually over a 10-year period. This requirement is not imposed on any other public agency or private company. Furthermore, two independent auditors have concluded that the Postal Service has overfunded its retirement obligations in the amount of \$50 - \$75 billion, which greatly exceeds the healthcare pre-funding obligation.

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An informed presentation would have reported that the Postal Service's current deficits are directly related to the resolution of these contested financial obligations. Contrary to the message presented in your article, the USPS deficit is unrelated to its operating revenue and expenses, which includes the wages and benefits of craft workers.

You conclude with a summation that implies that your experience using the mail is a model representing American households of all income levels. I believe you overstate the similarities among the senders and receivers of the 170 billion mail pieces that will be processed and delivered in our country this year. In fact, mail volume is expected to increase in 2012 as the nation continues to recover from the worst recession in 70 years.

Thank you for spelling the name of our institution, the United States Postal Service, correctly; but I am afraid that is virtually all that was factual in your article.

Sincerely,

A handwritten signature in black ink, appearing to read "William Burrus".

William Burrus
President
American Postal Workers Union