



U.S. Postal Service May Close Offices

According to an August 3 AP story, the U.S. Postal Service is considering closing offices and consolidating services throughout the nation.

The main reason for the possible cutbacks is that "the Postal Service may register a loss of nearly \$7 billion this fiscal year in spite of a 2-cent increase in the price of stamps in May, cuts in staff and removal of collection boxes."

A list of nearly 700 post offices that could be closed or have some of their services shifted to other offices has been submitted for review to the independent Postal Regulatory Commission. For instance, some candidates may have their tasks related to preparing mail for delivery transferred to another post office, but they would still sell stamps and postage for larger parcels. Other offices would be completely shut down. Additionally, Postmaster General John Potter is seeking permission from Congress to decrease mail delivery from six days per week to five.



Postal Vice President Jordan Small has informed a congressional subcommittee that local managers are going to evaluate approximately 3,200 stations and branches across the country. AP reported that they will take into account "factors such as customer access, service standards, cost savings, impact on employees, environmental impact, real estate values and long-term Postal Service needs."

Small said: "We anticipate that out of these 3,200 stations and branches, under 1,000 offices could be considered as viable candidates to study further." Those undergoing further study would be at risk of facing closure or the consolidation of services. For perspective, there are 32,741 post offices, meaning that close to one out of 10 is coming under the spotlight, though less than a third of that number will be negatively affected. Nothing is expected to change before the end of the current fiscal year on September 30.

The U.S. Postal Service's troubles can be traced to several sources. High gas prices last year strained the Postal Service budget. E-mail and other forms of electronic communication have reduced the volume of physical mail, and the two-cent rate hike has not covered the drop off. Also, the recession has forced some companies to cut back on advertising mail and printed catalogs. AP noted that "last year, mail volume fell by 9.5 billion pieces to a total of 203 billion pieces. It is expected to fall by 28 billion pieces this year to a total of 175 billion pieces."



Written by **Steven J. DuBord** on August 4, 2009



The Government Accountability Office recently classified the Postal Service as a troubled agency because the structural and financial challenges it faces are serious and significant. "Every major postal policy, from employee pay, to days of delivery, to the closing of postal facilities must be on the table," the GAO said. "Without major change, the day will soon come when the Postal Service will be unable to pay its bills."

All of this does not mean that individual postal employees aren't doing their jobs, but it does hint at the inefficiency of government bureaucracy. Social Security, Medicare, and the U.S. Postal Service are now all facing financial woes that prove government programs are not the magic answer to all our troubles. Americans had better think twice before delivering their healthcare decisions into government hands with President Obama's public insurance plan and other reform proposals.





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