

# FACT & *Fiction.*

## The U.S. Postal Service

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*News reports have been filled with articles about the financial crisis facing the U.S. Postal Service, many of them based on false premises. The articles often imply that the problems are irreversible, and that hard-copy mail is destined to be replaced by electronic messages. They also frequently present flawed analyses of the cause of the crisis. Following is an evaluation of the assertions relied upon to arrive at faulty conclusions.*

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**FICTION:** Postal rates drive mail volume.

**FACT:** While postal rates are a factor in determining mail volume, they are not decisive. If rates increase faster than the Consumer Price Index (CPI), volume will suffer because large mailers will use other means, such as television and radio, to convey their commercial messages. But if increases in the cost of postage remain below the rate of inflation, the impact on mailing decisions will be minimal.

The dramatic decline in mail volume over the last two years occurred during a period when the discounts offered to major mailers were among the biggest in postal history. In fact, when adjusted for inflation, the rates were three cents lower than they were in July 1976, when discounts were introduced. And postal gimmicks, such as the recent “summer sale” and giveaway Negotiated Service Agreements (NSAs), have not increased volume commensurate with the rate reductions.

While large mailers have an effective lobby that has been successful in generating huge savings for their clients, these programs have not had a positive effect on postal volume. The bottom line: rates do not drive volume. More than anything else, volume is a reflection of the health of our nation’s economy.

**FICTION:** The Postal Service is a model of equal employment opportunity.

**FACT:** The hiring process for employment in USPS craft assignments is transparent and is based on objective factors, such as test scores that reflect an applicant’s knowledge and skills. As a result, the complement reflects the population the USPS serves, and is quite diverse.

Unfortunately, this transparency and diversity does not exist in the Postal Service’s executive positions. A recent organizational chart showing postal executives seems more reflective of the pre-Civil Rights era. While management claims it has made progress in incorporating women and minorities into positions of authority, the record is abysmal. □

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