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Saving the Mail: How to Solve the Problems of the U.S. Postal Service

In *Saving the Mail: How to Solve the Problems of the U.S. Postal Service* (AEI Press, February 2003), Rick Geddes presents a comprehensive overview of the U.S. Postal Service, its organization, and its performance since its creation by the 1970 Postal Reorganization Act, from what was then known as the Post Office. At a time when President George W. Bush recently named a nine-member commission to study postal reform—the first time a president has created such a commission since the Johnson administration—this extensive new analysis of the U.S. Postal Service shows that postal reform in the United States is necessary, timely, and in the interest of both customers and taxpayers.

Geddes demonstrates that the only way to confront the financial and structural problems facing this huge institution today—the U.S. Postal Service earns \$66 billion in revenue annually, employs 850,000 workers, and handles about 40 percent of the world's mail—is through significant reform as has been successfully conducted by many other countries. To achieve a well-functioning post, Geddes suggests that the existing system be transformed into a completely demonopolized, privately owned firm. The need for reorganization is clear when one considers that for the first time since 1975, competition is cutting into the Postal Service's revenue base and the number of pieces of first-class mail is declining.

Geddes proposes a multi-step process for postal reform in the United States, including the issuance of Postal Service publicly traded shares (as has been done in Germany and Holland) and increased commercial freedoms, along with strict limits and eventual elimination of its monopoly powers. Geddes is also in favor of increasing incentives for Postal Service managers and workers by giving them a stake in the organization through employee stock ownership.

Part 1 of the volume contains an overview of the Post Office and the events precipitating the 1970 Postal Reorganization Act. Part 2 provides a detailed discussion of the organization and structure of the Postal Service. Part 3 presents a thorough statistical analysis of the effects of the 1970 act, while Part 4 presents a case for postal reform. Part 5 contains an overview of postal reform efforts in other countries. Part 6 presents a detailed proposal for postal reform in the United States.

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