

Could We Do Without the Post Office

Presented to:

Quest Club of Ft. Wayne, Indiana

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February 13, 2014

### Abstract

This paper is as much about the history of an incredible service we often take for granted, as the continued debate on the viability of the USPS as it stands today. From the time of the American Revolution and the appointment of Benjamin Franklin and Lincoln's Civil War into the modern age, we might question, has the USPS lost its way in a changing world? Is the competition in today's world too great for a service that is hamstrung on the legalities of how its pension fund is structured by the Congress, or simply a behemoth that has grown too big and cumbersome to be viable in its current state, where time has passed it by? But we can also ask the questions, what does the USPS mean to the average citizen, our overall economy and to the future of our country?

Imagine being on a ship in the middle of the Atlantic Ocean. You have been on a journey for the last sixty-five days heading from England to the new world. Your thoughts up to this point have been more about survival, as many of the passengers have never before been on a ship and the weather has made many of the passenger's ill off and on for long periods of a time. The year is 1630 and the reality of leaving England and much of your family is now starting to settle into your thoughts. You have heard communication is possible, yet how effective can this be over the thousands of miles of ocean? You ask yourself, where will I live and how will I let others know I have arrived safely in the colonies?

As we view the incredible amount of communication possible today, we have no idea what mail service meant to these weary travelers. It was not unusual for families not to hear from those travelers for many months after their arrival. Imagine their relief when at their doorsteps they heard the traveler had made it successfully to the new world. Yet, I am sure they always wondered, when would they hear from them again? Lowney (2005) described in his book *Heroic Leadership* about the travels of the Jesuits in the 1400's and courier and mail service being so slow, particularly in the far East, that communication was so questionable, by the time mail reached its destination months later, the person sending the mail to family was often deceased.

In early colonial times one was actually able to communicate between the colonies and their home country, yet it was never a sure thing for any traveler. Correspondence really depended on friends, merchants, and Native Americans. Correspondence between England, Sweden, and the Netherlands did exist, yet the service was as one can imagine very questionable at times. In reality there was postal service in the early American Colonies as early as 1639, and this was a

singular tavern in New England, which at the time was the only place where mail and communication was received in this country. In reality the first postal notice actually appeared that year, and was formally mentioned in the General Court of Massachusetts when they designated Richard Fairbanks tavern in Boston as the official repository of mail brought from overseas (“The United States Postal Service: An American History,” 2006).

Much of the mail traffic as it existed at the time was operated by local towns. However, in 1673, the Governor of the New York was the first to actually initiate a route between New York and Boston. This route today is actually U.S. Route 1. Governor Penn established Pennsylvania’s first Post Office in 1683 and yet the South handled things differently by having mail delivered by private messengers, who were usually slaves. When it came to delivering mail between plantation using slaves, there were penalties for failing to deliver the mail on a timely basis. A hogshead of tobacco was the usual penalty.

Postal communication only officially came to the colonies in 1692. Thomas Neale received from England a 21 year grant from England to start the process officially moving forward. Ironically, the Colonies at the time were never visited by Neale, yet he did appoint New Jersey’s Governor Andrew Hamilton to oversee the process of getting everything in place. Tragically, Neal who was paid a mere pittance of only six shillings and eight pence a year for the privilege of trying to navigate this process thousands of miles away, died in debt in 1699. It appears the process was much more involved as one can see to take on such a gargantuan project. Neale did effectively do some good by assigning his interest over to Hamilton and another Englishmen, Robert West. Ironically, the British Government bought back the rights to the postal service in 1707. By 1729 there were 13 Post Offices in the Colonies, with Boston, Philadelphia and New

York being considered the main hubs. Alexander Spotswood who was an elected official in Virginia became the deputy Postmaster General of the Colonies in 1730.

As many of us know, Benjamin Franklin was appointed Postmaster in his hometown of Philadelphia in 1737. Newspaper publishers were often appointed as Postmasters, as they used this opportunity to gather and distribute their own papers. In fact, Postmasters used the opportunity to decide which papers traveled along the postal routes free of charge. This was one of many crowning achievements for the young Franklin who was only 31 years old at the time of his appointment. Franklin's appointment probably was the catalyst for many of the early achievements of the Postal Service in its history. Franklin was actually appointed Postmaster General by England in 1753. His salary was a princely sum of \$1,000 per year and he even had the ability to hire a secretary at \$340.00 per year. His organizational skills honed in the Philadelphia office became apparent quickly, as his first rule of business was to actually tour the Colonies and get feedback on the problems that were existing at the time. His inspection tour yielded many recommendations that were corrected. He set about establishing milestones on roads between cities, as many roads did not actually have mile markers. In addition, this actually helped him lay out shorter routes and improve service. Night riders delivering mail were considered important to Franklin, as mail would be available to the public in the morning. Much of what we talk about today as far as profits was a very real consideration in the Colonies, as the postal service had never made a profit up until Franklin's time. In fact they registered their first profit in 1760, less than seven years from his initial appointment by the Crown. A committee comprised of Samuel Adams, Richard Henry Lee, Phillip Livingston, Thomas Lynch, and Thomas Wiling came together in 1775 and reported back to Congress their recommendations to establish a formal postal system with a Postmaster General. History tells us that when Franklin

left office after being dismissed by the Crown in 1774 (for sympathy to the Colonies), there were postal roads laid out from Florida to Maine, which at the time was no small undertaking.

However this did not stop Congress from appointing him Postmaster General.

Funding historically for the new Constitutional Post was done through subscription with funds used to improve the overall service and not paid to subscribers. Postmasters were required by the Crown to be of reputable nature. Any problems in the delivery of the mail could have severe consequences to the individual rider delivering the mail. Lock and key in the securing of mail was required. We know that today, the proper securing of mail throughout the Colonies was very important in the war effort for the Colonies, as messages were routinely sent along the trails throughout the net-work actually set-up by Franklin. Actually, the Committee of Secret Correspondence was initiated by the Second Continental Congress on November 29, 1776 and employed secret agents abroad, conducted covert operations, devised codes, funded propaganda activities and authorized the opening of private mail. Franklin was part of this covert operation, as was Benjamin Harrison and Thomas Johnson. Their activities actually led to the first espionage act in 1776.

There are records kept by the British that link Benjamin Franklin as a double agent working for the British Government with British arch-spy, Edward Bancroft during the Revolutionary War when Franklin was Ambassador to France (Deacon, 1970). Some of this evidence remains interesting, such as his association with Chevalier Beaumont, a successful French secret agent, who usually posed as a man. However the most intriguing is the documentation in the British Museum revealing that Franklin passed on to London information about American shipping during the war. No one in the United States seems willing to embrace Franklin's involvement,

although much of the evidence is very interesting and has been discussed by historians for many decades.

Besides Franklin there were many notable postal workers in United States history. These were: Bing Crosby, Walt Disney, William Falkner, Conrad Hilton, Rock Hudson, Charles Lindbergh, Knute Rockne, Adlai Stevenson, John Brown and our own Questor Attorney John Martin. In fact there were two U.S. Presidents who made this list Abraham Lincoln and Harry Truman. Lincoln's pay in 1835 was \$55.70 per year ("The United States Postal Service: An American History," 2006). However, back to John Martin; John related during our last meeting a quick story in the parking lot. John's story occurred during his college years as he was employed as an alternate letter carrier. John's customers would often wait for their mail and particularly during the 3<sup>rd</sup> of the month when he would deliver their Social Security checks. John told me that often the checks would be available for some customers, yet not for others. John in his dutiful way would place the mail in the slot and move on to the next house. If the customer did not readily find his check in the slot on the 3<sup>rd</sup> of the month, of course it had to be the fault of the long haired college student who just left their porch and they would often follow him down the street asking for their check, implying that John somehow had taken the check, as his appearance indicated something other than official USPS business (personal communication, February 7, 2014) Of course these were in the days, where direct deposit was virtually unheard of in this country.

As one can imagine, as the Postal Service grew, also came immense challenges to a system that was virtually at the mercy of a growing population. Historically, if you look at the United States growth, the population movement of the country from 1789 until the civil war saw movement into the Midwest, and west into the Rocky Mountains. The population in 1860 was

31.4 million, compared to 3.9 million just seventy years earlier in 1790. By 1822 the Postal Service served 22 states and was adding employees at a furious rate. The Louisiana Purchase alone added a staggering one million square miles for delivery.

The difficulty for mail carriers to operate was often brutal. The routes that were often laid out were nothing more than cow paths that were mud filled and often dangerous for any traveler. One carrier Alexis Clements traveled the route between Green Bay and Chicago on foot in 1830, which was 240 miles (Hopper, 2013). As with all government entities in 1831 the number of Federal employees was increasing rapidly, due to the addition of more states. Approximately 76 percent of the civilian workforce now included postal workers.

There actually was a high degree of autonomy with the postal service as it grew. Many individual mail carriers actually withheld mail from their customers, if they found they had opposing political views. This and other issues created a very unique way of doing business for the postal service, as time of delivery and their customer favorites played a big part in the delivery of mail. The Federal Government legislatively curtailed these practices by mail carriers in 1836. Although more interesting and important at the time was the insistence by Congress that the Postal Service make a profit.

With these changes came pressure to be self-sustaining, yet this remained difficult because of postal distances, opening new routes and the challenges of hiring workers to support such a vast demographic. To help control rates, one of the first challenges was to simplify rates. Up until the middle of the 1850's postal rates were actually based on the number of sheets of paper sent in the mail and of course the distance traveled. For instance, from 1799 to 1815, it cost: 8 cents/sheet 40 miles or fewer and up to 25 cents/sheet sent more than 500 miles." If you think of the time and the wage scale for tradesmen in the 1800's, you would find their weekly pay



between four to six dollars. If one considers the cost of mailing and the wage scale, mailing a letter was by no means inexpensive, yet communication was so critical, mail was a very big necessity.

The Pony Express was a unique and often highly criticized form of delivering the mail in April of 1860 when the first riders left St. Joe Missouri for California for the 1,840 mile journey, with an average speed of 10 mph and 75 horses later through hostile territory and more importantly weather conditions that were often brutal and extreme. A budget of \$70,000 was needed, along with 100 stations and 500 first quality horses. One of the criticisms was the cost of such delivery, although many thought it would be impossible to deliver the mail in such a manner, because of the climate conditions alone. This service was very expensive for its time, at a cost of \$5.00 per letter, which easily equates to more than \$100.00 today. Newspapers were very big supporters of the Pony Express. No rider carried more than 20 lbs. and most of the newspapers were printed on onion skin to purposefully cut down on the weight carried. Riders traveled no more than 100 miles daily and changed horses every ten to twelve miles.

Riders rarely talked about hostile Indians, as most Native Americans were not interested in newspapers or letters. Rider's road by moonlight or in the dark, often through huge herds of buffalo, as these vast herds often obscured the rider's path. There worse fear was getting lost by not following the right road. In the early days of the Post Office the challenges in delivering the mail was daunting. In later years when pony express riders were interviewed, the most common challenge they claimed that was part of their job was not only getting lost, but the incredible cold suffered on long rides. One can imagine a young 18 year old rider accepting the challenge in front of them skirting Lake Tahoe and being ill equipped to handle dropping temperatures leading into the Sierra's in Northern California, before dropping down into Sacramento,

California as their final stop. Ask yourself the question, what if my horse gives out? What if the weather becomes so severe I have to hold up in the high plains or mountains for several days? Probably most of these scenarios were rarely considered by the young energetic riders. Mail was then typically placed on steamers for San Francisco.

The Pony Express looked to hiring orphans and riders no more than 18yrs old and with a wage of \$50.00 per month. We have little history of who the riders where, as poor records were kept at the time and few specifics remained less than two years after the service ended. The Pony Express ended in 1861, primarily because of the advent of the steam locomotive and particularly the telegraph. The very first mail from St. Joseph Missouri to Sacramento took ten days and was met with much fanfare when the first rider arrived. In fact, records were so poorly kept there is much dispute as to who was the first rider who reached Sacramento. We do have some eyewitness accounts of those actually witnessing riders, one of which was Mark Twain. Twain (1872) talked in his book *Roughing It* about riding West in a classic Concord coach and seeing a rider whiz by. This quick trip by transportation standards in those days cut the overland express by stagecoach virtually in half. The Pony Express never made a dime in its short lived history and was very costly to set-up as far as its stations. Most of the original trails are gone, with the exception of some still standing in Utah and California and up to fifty stations.

We often forget other events that shaped changes and cost in the United States Post Office over the course of history. The Confederate Post Office came into reality in March of 1861 by Lincoln. On June 1, 1861 John Reagan assumed control officially of the Confederate Post Offices and Postmaster Blair immediately ceased delivery on May 31, 1861. Reagan's appointment within the Confederate States put in place a very capable administrator. In fact Reagan's capabilities eliminated the existing deficit that had long existed in the Post Office.

After the war he was arrested, but eventually was paroled and actually was elected as a United States Congressman.

The advent of the rail system and of course the telegraph made changes in the existing process of how mail was delivered, particularly out West. The first locomotive made its debut in the United States in 1829. Postal authorities in the early part of the 1800's were looking for opportunities to deliver mail effectively and saw rail transportation as something needed, and certainly something that would potentially save money. Although stagecoaches were used at the time contracts were given for rail service, the Post Office was looking at ways to save money with its delivery of mail, by going into a bidding process. Rail service was exploding and the opportunities to disperse mail throughout the country remained important. Rail service throughout the West and the rest of the United States continued until October 2004 when Amtrak service stopped, although freight service continues to this day.

In 1845, more than two-thirds of the Post Office Department's budget was for transportation. By 1849, the Department cut transportation costs on all routes- by 17 percent, from \$2,938,551 in 1844 to \$2,428,515. Route distances rose 20 percent for the same years, from 35.4 million miles to 42.5 million miles in the year 1849 (The United States Post Office: An American History, 2006, p.18).

The cost savings with the use of riders remained significant over the use of stagecoaches on many routes. Stagecoach cost routes were 7.2 cents per mile versus nearly 4.5 cents for individual rider. It remains interesting to view the Postal Service in such a cost cutting mode in the early 1800's, especially with the often difficult emergence of governmental agencies in the West at the time. Nearly a 3 cent reduction per mile may not seem like an insignificant number in today's dollars, yet this cost savings was significant at the time. When we consider the United

States Postal Service lost \$1.3 billion dollars in the first quarter of 2013, despite cutting cost of 9.8%, this does place things into somewhat of a perspective.

Even in the mid nineteenth century the Postal Service was concerned about their budget and controlling cost. “Postmaster General Joseph Holt’s 1859 *Annual Report* criticized the enormous sums paid to stagecoach companies to transport mails, as some were so light as scarcely to yield a revenue.” (The United States Post Office: An American History. p. 18). In 1836 with the advent of the Postal Act, which essentially was our first express service authorization, Congress partial message within this act was control over poor service and continued cost overruns. It was not that the Post Office had never made money, yet there certainly were periods in history where performance within the Department was less than stellar.

Contractors up until 1902 had to be at least 16 years of age, although were rare they did handle mail routes since the mid 1800’s. African American women were first hired in the late 1845 as mail carriers when Sarah Black became the first women of color to deliver mail in Charlestown, Maryland. Her initial salary was \$48.00 per year. At least two women, Susan A. Brunner and Minnie Westman carried mail in New York and Oregon in the 1800’s. Mary Fields who was well known as “Stagecoach Mary” drove a stagecoach in Montana from 1895 until the early 1900’s. Even air mail was delivered in 1913 and dropped on the Montana State Fair by Katherine Stinson. Today at least 40% of the workforce delivering mail is women (“Mail Carrier,” 2014). Women in the early 1900’s working for the Post Office were never encouraged to be married. In fact, if they applied for a job and it was found they were married, they probably would not be hired. Women at this time in our history accepting these types of positions were actually thought to be taking jobs away from able bodied men. (“Women in the U.S. Postal Service,” n.d.).

Prior to 1863, the postage that was paid only covered mail being delivered to another post office. Citizens picked up their mail, although in some cities for an extra two cents individuals could have it delivered to their address. Postmaster General Montgomery Blair believed that he was on to something with direct mail to the homes of citizens. He believed that if he made this process more convenient citizens would surely use the Post Office more in the future. He also reasoned that he could get some of the Government officials off his back if more revenue was secured in his Department. Congress made this change in 1863 by providing free in city delivery where income from local postage covered the cost (The United States Post Office: An American History, 2006)

Within a year there were more than 65 cities that had home delivery. Essentially cities could petition postal authorities for home delivery if they met the population requirements or postal revenue requirements. For many years cities had to have populations of at least 10,000 and postal revenues of \$10,000 to qualify. Sometimes the actual number of deliveries was nothing to what we are used to today. When we think about home delivery we think about one time per day on a Monday through Friday route. In Baltimore and Philadelphia in 1906 you could actually receive delivery as much as seven times per day. It was often a very highly unorganized mess that was very costly to the taxpayer (Todd, 2013).

Carriers at this time were so involved in the physical aspects of their job in not only carrying the mail, but walking as much as 22 miles a day just completing their normal routes. Many of us today remember seeing in the 1950's letter carriers carrying huge leather sacks of mail through neighborhoods. A 50 pound pack of mail was really more the rule than the exception. Up until 1950 there were two home deliveries a day and they were discontinued, along with a weight restriction of 35 pounds (The United States Post Office: An American History, 2006).

We can only imagine the mail box requirements that were initiated in 1901 that specified the size, weatherproofing, height and other requirements for rural carriers, when farmers were putting out lard buckets, cigar boxes, apple crates and soap boxes. Carriers as today used their own transportation in rural areas. These carriers could not delivery anything heavier than four pounds, as heavier items had to be delivered by private express companies (Rural Free Delivery, 2013). “By 1901 the USPS operated the largest number of Post Offices in American History, 76,945” (The United States Post Office: An American History, 2006, p.25).

We have become so use to using stamps to send our mail and yet the controversy rages on about the increased cost. Stamp booklets have been available to the public for purchase since April 16, 1900. Historically, in the early days of postal service in the UK stamps were first used in 1840. There is some dispute as to who first initiated the postal stamp, but historians feel it did start in the UK on or about 1840, with many countries following there lead. Up until that point the mail was inked and hand stamped, thus the word stamp came into existence. Postage stamps brought elegance to the mundane world of mail, by presenting a myriad of elegant colors and designs that carry on to this day. With the change in presentation, historians and collectors throughout the world began to take close notice (Postage Stamp, 2014).

The Post Office began delivery of Parcel Post on January 1, 1913. To say that the delivery of larger more cumbersome parcels was a gigantic hit with the American public seems even to this day to be an understatement. Almost immediately 300 million parcels were mailed within the first six months of the program. The advent of Parcel Post opened up a huge opportunity for businesses and farmers. Farm families alone now were able to purchase dry goods and other products that were previously not available to them. Private delivery companies and rural

merchants fought the process, yet 54% of the United States population at the time fell into the rural category that needed and pressed for this service.

This process did not come without its challenges and some would say “historical significance,” as untold products became part of the new process of Parcel Post. Montgomery Ward became the first mail order house in 1872 with Sears Roebuck following in 1893. Believe it or not eggs produced from rural farms became one of the first mainstays of Parcel Post. Six eggs were actually one of the first items shipped from St. Louis in 1918 to Edwardsville, Illinois at noon and returned to St. Louis seven hours later baked in a cake. Live animals were even sent, although carriers hated the practice, because of the smell and the unfortunate attrition rate that often followed this practice. These animals usually were small chickens and other farm animals that did not require food or water. Even human beings were sent by mail. In one instance a four year blond girl was sent by her parents in 1914 from Grangeville, Idaho to another part of the state for \$53 cents, which ironically was the same fee for sending a dozen live chicks. The process of mailing humans and livestock was banned shortly thereafter.

If we only knew, or maybe we don't want to know what has been shipped by Parcel Post over the last century. We know after the fact that jeweler Harry Winston mailed in 1993 the Hope diamond in a plain wrapped packaged to the Smithsonian. He did cover what some would say this reckless act by insuring it for one million dollars. Even an entire bank was shipped in 1916 brick by brick (80,000) from Salt Lake City Utah to Vernal, California in fifty pound packages one ton at a time. From banks to Sears pre-manufactured homes Parcel Post did it all (Parcel Post, n.d.).

In the mid 1960's the Post Office was beginning to show the ill effects of financial problems. Washington and the Congress were not happy, as many years of ignoring financial problems

were beginning to show. Facilities long neglected equipment that needed to be upgraded, wages for worker's needed review and poor management was becoming all too obvious. Everything came to a head in one giant catastrophe event in the city of Chicago in October of 1966. The largest postal facility in the world, some 60 acres of floor space ground to a halt. Some 10 million pieces of mail could virtually not move in this facility, and ironically not one specific cause facilitated this problem. It took more than a week to solve the problem and get the mail moving again, but the confidence of the public along with huge amounts of publicity and growling from Washington facilitated a House Appropriation Subcommittee to look into this mess. During the February 1967 hearings, the Committee heard about more than 10 million pieces letters, parcels, circulars and magazines that could not be processed, as they littered the floor adjacent to large grey sacks that workers crawled over and around.

During the investigation the Subcommittee looked for the "root cause" so corrective action and those responsible could be punished. What they found was nothing new when they looked at the existing culture that was prevalent and one that had virtually not changed in decades. Trying to move mail and packages in a facility, that by all purposes looked big enough, yet the system and facility was geared to handle only 30% of what it was trying to process in 1967. Chicago was just one of many facilities across the country that was suffering this problem, yet their facility imploded first. Oklahoma Congressman Tom Steed grilled Postmaster General Larry O'Brian and asked:

Would it be fair to say that at the present time, as the manager of the USPS, you have no control over your workload, no control over your rates of revenue, you have no control over pay rates of the employees that you employ, you have very little control over the conditions of service of these employees; you have virtually no control, by the nature of it,



of your physical facilities and you only have limited control, at best, over the transportation facilities that you are compelled to use-all of which adds up to a staggering amount of “no control” in terms of the duties you have to perform

(The United States Post Office: An American History, 2006, p. 38).

This event, this hearing, moved the Congress and the President to move forward with reform. Some believe this singular event and the recommendations that followed began the decline and problems within the USPS today. The recommendations from the Commission included everything from a self-supporting system, elimination of patronage, which controlled virtually all top position within the Post Office and labor-management contract changes. The Postal Reorganization Act of 1970 under the Nixon Administration supported all of the finding of the original Commissions recommendation in 1968. The only opposition came from the postal union leaders.

The Act which became Public Law 91-375 changed immediately the Post Office Department into the United States Postal Service. It essentially made the USPS an independent establishment of the executive branch of the Government of the United States. Operations essentially began under the Act in July of 1971. The Postmaster General for the first time was no longer a member of the President’s Cabinet. In fact the USPS has not been subsidized by the Federal Government since 1971, as they generate their own revenue through the sale of stamps and other retail products and services. The Postmaster General is an appointed position who reports to the Postal Service Board of Governors. The President of the United States makes the appointments to the Board. The nine Governors on the Board select the Postmaster General, who does become a member of the Board and those ten select a Deputy Postmaster General. The Board of Governors essentially acts as a Board of Directors for the USPS and serves for a seven year period of time.

The Postmaster General serves an indefinite term. The Board approves request to the Postal Regulatory Commission for rate changes. The Board alone receiving a recommendation from the Commission may approve, reject or modify that recommendation (The United States Post Office: An American History, 2006, p.52).

Since the reforming of the Postal Service in the 1970's, technology has been a help and also a hindrance to the USPS. Competition and customer request for more service have not been easy for the USPS. Things started to deteriorate after the boom years and record mail volume of the 1980's. Technology was moving at such lightning speed, the USPS was really at a loss to keep up, were others were constantly looking for opportunities to take advantage of their problems. Looking back the 1990's were fraught with a much slower economy, which slowed the flow of mail to a crawl. 9/11 created problems as markets and businesses were hit hard and mail followed.

Popular Science looked at the USPS and their financial problems and viewed technology as a solution to their problems. They felt the following five solutions would help off-set at least some of their problems, these are: 1. Turn letters into PDF's. Finland now has more than 500,000 users of what they believe (NetPost) is the wave of the future. 2. Move mailboxes on-line. Australia has experimented with this process and has some degree of success. 3. Make sure that packages get delivered on-time. UPS has been successful with this program, yet the USPS needs to catch up. 4. Dump stamps for the digital world. Denmark and Sweden have a process where the user can text a pre-set number and receive a number to write on their envelope in place of a physical stamp. 5. Think outside the mail. David Williams the Inspector General of the USPS envision a sort of Post-Office certified e-mail that could be utilized as a sort of cloud server. It would encompass a Federal safe deposit box for sensitive personal information that could store

passwords, medical records and other personal items (5 Technological Solutions to Serve the Struggling Post Office, February, 2013).

John Edger (2014) in a recent article in *The Wall Street Journal* commented on how technology is actually working within the USPS. He says that ten years ago the USPS delivered more than one-million copies of the new Harry Potter book for Amazon. In 2011 the USPS was an enabler for Netflix delivering more than 26.4 million copies of DVD's. We now know this process was essentially the demise of the "big box stores." Two years later Netflix had only 8.7 million DVD subscribers, but over 27 million streaming their videos. Edger believes the USPS is actually learning from its many mistakes over the past decades. They will shrink their workforce; change their delivery schedules, all to strive for higher efficiencies. However, we view this process the USPS did get it at the time and stepped up. I believe, the public will bring the USPS into the age of technology from many avenues, whether they are ready or not.

The USPS in October of 2013 even began to use tablet applications to sell its retail products, which it had never considered in the past. Edger (2014) believes the USPS cannot solve all its problem through technology, but it needs to be able to innovate and retain the flexibility of its competitors. Pat Donahue, Postmaster General stated in his opening remarks to the National Postal Forum in April of 2013, "Technology has such a great potential to make mail more compelling. It's about helping to make those "what ifs?" reality. It's about strengthening this industry." (as cited in Edger, 2014, p.1).

The USPS has certainly a ton of critics and also supporters. From my research, it almost appears to be a 50-50 split. The critics don't like the USPS for a variety of reason, the least of which is a perpetual annual loss that is always in the billions, yet I also believe they fail to research what is being done within the USPS. In addition, even those who seek to dismantle the

USPS don't really have any solutions to correcting the USPS problems. Cost of service, overruns, inefficiencies, buildings that need repair, a perceived monopoly and technology that has not reached the potential necessary are all criticism. Customers complain of only receiving "junk mail," yet is this the fault of the USPS? A workforce that is paid three times the going rate of others in private business and complaints of mail taking three days to be delivered across the City of Washington D.C are not uncommon complaints. The USPS will handle more than 167 billion pieces of mail this year by all estimates, which is a decline of 22% from 5 years ago and is expected to dip under 120 billion by 2020 (Chan, January, 2014).

Jarvis (2011) believes that anything delivered digitally, should continue as the cost is essentially nothing. Without digital intervention the delivery of first class mail will continue to kill the USPS very slowly as we see currently happening. John, R., & Nocera, J. (2009) believed that the private delivery companies such as Federal Xpress and UPS thrive in big cities and bustling suburbs, but the USPS continues to deliver in guaranteeing low cost delivery of letters, magazines, and parcel post for literally millions of Americans in rural areas that are sparsely settled, such as Alaska and Wyoming.

If we look at some USPS figures, one can see the huge impact the Postal Service has on this country. These include: revenues of 65 billion, handling 40% of the world's mail, 522,144 career employees, 212,530 vehicles, 5.7 million passport applications and managing 31,272 retail offices. In addition, the community involvement within the Postal Service is amazing as 313 Postal employees were recognized for saving the lives of their customers in 2012. Postal Employees pledged more than \$38 million dollars to charitable organizations in 2012.

One of the criticisms of the USPS as mentioned earlier is its lack of innovation and tech savvy. The Postal Service embraces technology and has completed the following tech changes in

2012: introducing, Every Door Direct Mail, which is an online service that allows business mailers to target market customers by neighborhood, city or Zip Code. Since this innovation the USPS has handled 373,000 transactions, resulting in 1.97 billion pieces of mail and nearly \$300 million in revenue. Introducing the 2<sup>nd</sup> ounce is free program, which has added value to First-Class Mail. This program allows mailers to use a free second ounce to enclose promotional materials, advertising, coupons and other messages for customers. Implementing Intelligent Mail barcodes, which helps identify individual pieces of mail, trays, sacks, and containers of mail and tracks them through the process from induction to delivery? They also work with third party sites to help customers to create unique direct mail through their web-site. They are a world leader in optical character recognition technology, with machines reading nearly 98 percent of all hard addressed letter mail and 99.5 percent of machine printed material (Postal Service Facts: Facts and Figures about Your Postal Service, 2013).

All of these historical elements, facts, figures, criticism and some accolades ask the obvious, “Could we do without the Post Office?” I have to admit I was a reasonable hard critic of the USPS as a result of listening to politicians, bloggers, reading newspaper articles and hearing the intermittent drone of critics on news programs for at least the last ten years. I have changed my mind and believe many of the critics do not have all of the facts in front of them. First, the USPS is currently a self-sustaining organization that takes no tax dollars as far as its operational budget. They are required by law to cover their expenses, as a result of the 2006 Postal Accountability Act, must pre-fund for 50 years their retirement fund to the tune of \$5.2 to \$5.8 billion dollars annually from 2007-2020. This requirement also explicitly requires the USPS to stop using its savings to reduce their debt. Ironically, the USPS had to stop in 2011 making their weekly payment of \$115 million because their debt had reached \$8 billion and the retirement fund had

reached a surplus of \$6.9 billion. Has this hurt the USPS? I feel there is no question this burden has been a huge financial drain and even Congressmen Darrell Issa, who is Chairmen the House Oversight Committee has not been able to get his arms around the problem of pre-funding, the existing accounting practices and actual where we are with these issues. Congressmen Issa sent a letter in 2013 to the Congressional Research Service, asking if the existing prefunding of 75 years of retirement benefits in 10 years was the problem financially with the USPS? Congressmen Issa did not receive a clear answer, as the response was muddled in something called poor accounting practices.

Second, the USPS can and does compete with the private sector. One of the biggest complaints over the last two decades, is the fact the USPS is an outdated dinosaur that needs to be in a Museum and not running mail and parcel post around the country. In reality the USPS in comparing cost with Fed Xpress and UPS does stack up financially as far as delivery cost to these very well respected companies, it just depends on distance and what is sent. No one sends letters cheaper and frankly the private companies don't want to send them. I found in my research many examples where the USPS is used frequently by small companies because of cost and delivery scheduling. One thing the USPS is not good at is claim handling for lost shipments. Like most Government Agencies there is a lot of red tape, delays and frustration, although they claim they are getting better.

Third, they also have been great collaborators with Fed Xpress and UPS in money making and cost saving endeavors. The USPS is paid by Fed Xpress and UPS to deliver more than 400 million of their ground packages to residence and the USPS pays them for their air transportation, which is extensive. Finally, the USPS is the only entity in the world that has the

manpower, infrastructure and logistical capability to deliver to every residence, business throughout the U.S and its territories.

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