

USPS monopoly doesn't make sense

The Postal Service has raised rates again. But it's the first time in four years, and just a measly two cents. That's barely a 5 percent increase. Who could possibly be upset about that? Nobody.

Nobody, that is, except for direct mailers, small businesses, consumers and anybody who doesn't work for the Post Office.

This rate increase was necessary because Congress requires the USPS to keep a bunch of money in escrow. So you might be tempted to blame Congress. Resist the temptation.

The real culprits are 18th century laws called the Private Express Statutes. They make it a crime to compete with the Postal Service.

Don't believe me? Try this experiment: Tell your kid to go make some money by delivering letters around the neighborhood on his bike. Watch what happens when the USPS gets word of your budding entrepreneur and finds out it isn't getting its cut. It won't be pretty. (Disclaimer: Don't really do this. You'd be inducing your child to commit a felony. I kid you not.)

We all know monopolies are inefficient, anti-consumer and anti-freedom. That is, unless they were created by Congress. In that case, a miracle happens. The laws of economics are repealed, and monopolies make us all better off. I know, it doesn't make sense to me either.

The USPS always drags out the same boring arguments against repeal of its monopoly privilege. To save everyone from having to read a lot of canned letters to the editor, here they are:

◦ "The USPS is hamstrung by government regulations. It's not fair to compare us with private business, because we have to do all sorts of things other companies don't."

I'm all for a level playing field. I just don't want to cut the players' legs off. How about this: Let's even things out by getting rid of the regulations they complain about, in exchange for taking away their right to throw competitors in jail.

Whenever you propose that idea to monopolists complaining about regulation, it always meets with a stunned silence. It's a deal regulated monopolies couldn't possibly accept. Take away the privileged environment they've grown up with, and they won't last two seconds.

◦ "The delivery of mail is a natural monopoly."



OPINION
BARRY FAGIN
Contributing columnist

Believe it or not, USPS talking heads can actually say this with a straight face. Have these people heard of e-mail? Faxes? FedEx and UPS? These companies were only grudgingly permitted by the Postal Service to come into being, and then only to enter what they believed were dead-end markets: "extremely urgent" letters and package delivery. Thanks to the genius of entrepreneurs in the private sector, those markets are now multibillion-dollar industries.

◦ "Universal service justifies our monopoly. Without it, there's no guarantee everyone would get mail."

Universal service is the pride and joy of the USPS. When they say "universal service", they mean the delivery of mail to any address anywhere in the U.S. for one single price. Even if it makes no sense. Even if they have to threaten competitors with jail time.

What exactly is good about making people who choose to live in cities subsidize people who choose to live in the country? Does anyone really believe that delivering a package next door for the same price as delivering it to Alaska accomplishes some vitally important social goal? Then why is it different for letters? People live far from civilization because they want to; they accept the costs and the benefits. More power to them. "Universal service" simply hides the true costs of rural living. Nothing more.

I don't blame USPS officials for making any of these arguments. They're just using politics to enrich themselves at the expense of others. Sadly, that's what everybody does now. It's like breathing. Nobody thinks about it any more.

But none of that changes the truth. We have a postal monopoly because of a law passed when George Washington was president. We still have one because those who live in the town that bears his name have no interest in breaking it up.

If Washington were president today, he'd bust it into a million pieces. In his magnificent Farewell Address, Washington wrote "Even our commercial policy should hold an equal and impartial hand: neither seeking nor granting exclusive favors or preferences."

You tell 'em, big guy. Signed, sealed and delivered.

Dr. Fagin, of Colorado Springs, is a senior fellow at the Independence Institute. His column appears on alternate Thursdays. Readers may e-mail him at barry@faginfamily.net.