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| 21. HIGHLIGHT (What's this?) | |
| Kenny Labbe Chicago September 4th, 2011 10:50 pm | <p>USPS made \$9.5 Billion profit from 2003-2006</p> <p>PAEA law passed in 2006 requires Pre-payment to fund for health benefits for future retirees. 10 year plan 2007-2016. About \$5.5 Billion required each year. 2007, 2008, and 2010 received FULL payment. 2009 was reduced through H.R. 22 by around \$4 Billion for a payment of around \$1.4B.</p> <p>Bottom line the losses from 2007-2010 are around \$20B, but the prepayments were around \$21B, so the USPS is operationally PROFITABLE. Artificial handicap is killing us. No reason to fully fund that account by 2016. That is akin to starving your family to pay off a 30 year mortgage in just 10 years. I am retiring in 2038, so my retired health benefits will NOT be required in 2016.</p> <p>Pensions. Separate issue. Two types, defined benefit and defined contribution. People hired before 1984 are CSRS, and newer hires are under the FERS system. CSRS is pension, with no social security. FERS is smaller pension, social security eligible, plus a 401k type instrument called TSP.</p> <p>The CSRS fund with \$200 Billion is OVER funded by about \$50-75 Billion. Depending on if you believe the OIG or PRC. The OPM miscalculated, but won't fully admit it.</p> <p>The FERS fund is OVER funded by about \$7.5 Billion.</p> <p>So you can see the USPS has been BAILING out the Federal government for some time now. Any credit for these over payments WOULD NOT be a tax payer bailout, and the funds could go directly to the pre-funding of retiree health benefits, raising THAT fund from the current estimated balance of \$43 Billion to the 2016 goal of over \$70 Billion, also eliminating the remaining 6 annual payments of \$5.5 Billion I wrote about earlier.</p> <p>The USPS has reduced employee totals from 820,000 in 2000 to around 573,000 now. I predict that in 2020, the USPS will have 425,000 employees. So employee totals have been drawn down through attrition FASTER than mail volume declines, but that is rarely mentioned. The article mentioned better health benefits for USPS than other Feds. Fine, give USPS locality pay too.</p> <p>The fact that 80% of the USPS \$70 Billion in annual revenues goes to salary and benefits is NOT out of line. We are a labor intensive service industry. What should that percentage be?? I think it is too low. Actually only 53% goes to those who touch the mail.....and Fed Ex owns an airline, we don't. Not a fair comparison.</p> <p>Finally (for now), the USPS says 80% of post offices are losing money. That is low. It's more like 92%. The reason is that revenue is credited at the point of entry, so large plants get all the credit, and small offices that actually deliver it DO NOT get the credit for delivering it. The smallest, rural 10,000 post offices cost the \$70 Billion dollar organization LESS than \$1 Billion per year. If you shut them all down, rural America will suffer unduly.</p> <div><div>Recommend</div><div>Recommended by 647 Readers</div><div>Report as Inappropriate</div></div> |
| 35. HIGHLIGHT (What's this?) | |
| Richard Westport, CT September 4th, 2011 10:55 pm | <p>While there are many things that could be done, the Post Office is barred from doing many. In the mindless rush to privatization, private companies were allowed to cream off the most profitable business without meeting the service obligations of the Post Office, and if I had a \$ for each time UPS or FedEx delivered my packages to the wrong address, I would have a nice nest egg. Also, the cost of a first class letter is absurdly low for what you get - it will deliver a letter from you house to any address in the country for a pittance (also for international ail). All the other countries mentioned charge a lot more than the USPS. Congress has done everything it could to kill the Post Office.</p> <div><div>Recommend</div><div>Recommended by 439 Readers</div><div>Report as Inappropriate</div></div> |