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HOUSE ARMED SERVICES COMMITTEE
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August 8, 2008

The Honorable David R. Obey
Chairman
House Appropriations Committee
H-218 U.S. Capitol Building
Washington, DC 20515

The Honorable José E. Serrano
Chairman, Subcommittee on Financial Services
House Appropriations Committee
B-300 Rayburn HOB
Washington, DC 20515

Dear Chairman Obey and Chairman Serrano:

As the House Appropriations Committee readies legislation to provide FY09 funding for the United States Postal Service, I must call your attention to an important issue that could impact mail service all across the country. The USPS has made clear its intention to outsource much of the work currently performed at its Bulk Mail Centers (BMCs). Privatization of the BMCs is an ill-conceived move that could prove disastrous for both our parcel delivery service and for the employees who currently work at the centers.

If the USPS outsources its parcel service and accordingly restructures the BMCs, the USPS will lose its capacity to process the parcel volume it currently handles. The USPS will become reliant on its subcontractors, allowing the subcontractor to control USPS costs and make financial demands which may force the USPS to raise its parcel delivery prices. By giving private parcel delivery companies control over USPS pricing, we would undermine the competition which currently benefits the American consumer. Also, postal workers are currently forbidden from going on strike. However, should the subcontractor's workforce go on strike, USPS's parcel delivery service would be paralyzed, potentially devastating the American economy.

Previously, the USPS subcontracted remote encoding work and priority mail distribution and transportation. Both efforts were complete failures in which the USPS paid exorbitant costs to get out of these botched subcontracting schemes and eventually brought the work back to postal workers. Furthermore, a Government Accountability Office study released in July 2008 reveals that the USPS cannot even produce data to demonstrate that it saves money by outsourcing.

As for the workers themselves, subcontracting out their work means abandoning USPS's obligation to hire veterans and disabled veterans. It means taking good-paying jobs with robust benefits, and replacing them with lower-paying jobs with subcontractors—some of whom are known for anti-worker or anti-union practices.

In light of these developments, I must urge you to ensure that the legislation which funds the USPS's FY09 operations, whether a Continuing Resolution, omnibus, or a separate Financial Services bill, will suspend the USPS's misguided plan to privatize BMC operations.

Sincerely,

Patrick J. Murphy
MEMBER OF CONGRESS