

## You've got (no) mail

Apr 30th 2009 | NEW YORK  
From *The Economist* print edition

### **The postal service has been hit hard by the recession and by faster competition**

ENGRAVED magnificently above the columns of the main post office in Manhattan is a promise of the postal service's resilience. "Neither snow nor rain nor heat nor gloom of night", runs the motto, "stays these couriers from the swift completion of their appointed rounds." Inclement weather is one thing, but the downturn is posing a greater challenge. Starting on May 9th, New York's main post office, which prides itself on being open 24 hours a day, will close its overnight window. Other post offices round the country may close down completely.

This recession has been particularly cruel to the postal service, already battered by the popularity of e-mail. Last year saw the biggest decline in mail since the Depression: volume fell by 4.5%, or about 9 billion pieces. The postal service ended the 2008 fiscal year with a \$2.8 billion loss, and the next two years may well be worse. "No one knows at what point mail volume will bottom out," said the postmaster-general, John Potter, in his testimony before the Senate in January. He thinks the service could lose as much as \$6 billion in 2010.

Congress has encouraged the postal service, which is an independent agency under the control of the executive branch, not to rely on government money and to function more like a company. It has not given the agency a handout since the early 1980s. So Mr Potter has been trying to cut costs. The country's third-largest employer, the postal service is reconfiguring delivery routes, reducing work hours and cutting staff through attrition. It is raising rates to try to bring in more revenue, and also planning a summer sale to entice businesses to send mail in bulk at discounted rates. Some of its biggest customers, the housing and financial industries, have sharply reduced their direct-mail budgets because of the recession. The postal service wants to lure them back.

In spite of these cost-cutting measures, Mr Potter knows that, without help, the service could run out of cash by the end of the year. He has asked Congress to consider changing the law and allowing the postal



This PHOTOCOPIABLE worksheet has been downloaded from [www.intelligent-business.org](http://www.intelligent-business.org)

1

Copyright © Pearson Education Ltd 2009. Publishing as Pearson Longman. All rights reserved.



# Intelligent Business

service to cut deliveries from six days a week to five. A Gallup poll shows that most Americans would rather see a cut in services than an increase in stamp prices or a government bail-out. But not everyone agrees. Businesses, which send advertisements in bulk, will be fierce opponents of any reduction in delivery days. And fewer deliveries may give the impression that the mail is slower and less reliable than it was before the recession.

Mr Potter has also asked Congress to modify a 2006 law that requires the service to pre-pay employees' future retirement benefits. It is the only agency that does such a thing, and delaying the payments would save \$2 billion this year.

The timing of Mr Potter's call for help was inopportune, to say the least. He never asked Congress directly for a bail-out in his testimonies before the House and Senate, but he was in the company of CEOs from the car, insurance and financial-services sectors who did. False reports that Mr Potter earned \$800,000 in 2008 tended to distract from his cause. "We're not asking for a handout," he says.

Whatever action Congress takes to help the postal service weather the recession, a larger question looms. Will new technologies kill the mail? Letter-writers and advertisers are increasingly going online, and customers are paying their bills over the internet. Postal services in other countries are experimenting with offering electronic mail services to customers; some have expanded into banking too. But the Postal Accountability and Enhancement Act of 2006 actually forbids America's postal service to do anything but handle the mail—in snow, rain, heat and gloom, and in the teeth of possibly mortal competition.



This **PHOTOCOPIABLE** worksheet has been downloaded from [www.intelligent-business.org](http://www.intelligent-business.org)

2



## Worksheet

### Before you read

#### A Discuss

Which of the following industries and services are owned by the government and which are owned by private investors?

- 1 The newspaper industry
- 2 The health service
- 3 Rail transport
- 4 The postal service
- 5 The prison service
- 6 The national football team
- 7 The electricity network
- 8 The airline industry
- 9 The television service
- 10 The army

In your opinion should these industries and services be privately owned and administered, or should they be government controlled?

#### B Discuss and make notes

How has the postal service in your country changed since the development of email and the Internet? How has the recession affected the postal service?

You are going to read an article about the postal service in the USA. What sort of problems do you imagine the US postal service is experiencing?



# Intelligent Business

**C Read the article quickly. Choose the best summary from the four listed below.**

- 1 The US postal service is facing severe losses owing to a reduction in demand for its services. The service plans to increase the cost of postage stamps in order to cover these losses.
- 2 The US postal service is facing severe losses owing to a reduction in demand for its services. The service plans to reduce its costs by cutting deliveries from six days a week to five in order to cover these losses.
- 3 The US postal service is facing severe losses owing to a reduction in demand for its services. The service plans to ask the US government for money in order to cover these losses.
- 4 The US postal service is facing severe losses owing to a reduction in demand for its services. The service plans to offer electronic mail services and open banks in post offices in order to cover these losses.

**D Read the article again carefully. Choose the correct answers to complete the sentences below.**

- 1 The economic downturn is a greater challenge to the US postal service than ...
  - a) the telephone service.
  - b) bad weather.
  - c) the popularity of email.
- 2 John Potter, the postmaster general, thinks demand for postal services ...
  - a) will continue to decline.
  - b) will not continue to decline.
  - c) is likely to increase.
- 3 The US postal service ...
  - a) is a privately owned company.
  - b) employs more people than most big American industries.
  - c) pays its employees too much money.



This **PHOTOCOPIABLE** worksheet has been downloaded from [www.intelligent-business.org](http://www.intelligent-business.org)

4



# Intelligent Business

- 4 The housing and financial industries ...
- a) are sending fewer bulk direct mail letters.
  - b) want to take over the postal service.
  - c) have found that unsolicited junk mail is ineffective.
- 5 A Gallup poll suggests that, in order to save the postal service, US consumers would prefer ...
- a) an increase in postal charges.
  - b) less frequent postal deliveries.
  - c) less junk mail.
- 6 The laws in the United States ...
- a) guarantee that the postal service will survive.
  - b) prevent private companies from competing with the postal service.
  - c) limit the ability of the postal service to react to the downturn.
- 7 New technology ...
- a) offers the postal service an opportunity to overcome the recession.
  - b) will make the postal service more efficient.
  - c) may be an even greater threat than the recession.

**E Choose words from the box below to complete these sentences. Look at the example.**

resilience	motto	cruel	attrition
entice	lure	fierce	inopportune

- 1 "Two for one" discounts are used to entice customers into the store.
- 2 The \_\_\_\_\_ of the New York Times is 'All the news that's fit to print.'



# Intelligent Business

- 3 People who are tired or under-nourished have little \_\_\_\_\_ against the virus.
- 4 It is \_\_\_\_\_ to try to sell umbrellas when the sun is shining.
- 5 A \_\_\_\_\_ dog guards the front door.
- 6 She thinks it is \_\_\_\_\_ to keep animals in cages.
- 7 Put a small piece of cheese on the mousetrap to \_\_\_\_\_ the mice.
- 8 We cannot expect to achieve an immediate victory but we will win through \_\_\_\_\_.

**F In groups, create your own statements using the words in the box.**

**G Write an English language motto for your company, your family or your profession.**

**H Discussion. Should the US Postal Service be saved or be allowed to collapse? What is your solution for funding uneconomic but essential services?**



This **PHOTOCOPIABLE** worksheet has been downloaded from [www.intelligent-business.org](http://www.intelligent-business.org)

Copyright © Pearson Education Ltd 2009. Publishing as Pearson Longman. All rights reserved.



# Intelligent Business

## Teacher's Notes and Key

- A Open answers. *Expect different responses from learners from different backgrounds.*
- B Open answers. *Encourage students to make notes of their predictions about the text. If necessary, feed in language to allow learners to express their ideas.*
- C 2 is the best summary.
- D 1b, 2a, 3b, 4a, 5b, 6c, 7c
- E 1 entice, 2 motto, 3 resilience, 4 inopportune, 5 fierce, 6 cruel, 7 lure, 8 attrition
- F Open answers.
- G Open answers.
- H Open answers.



This **PHOTOCOPIABLE** worksheet has been downloaded from [www.intelligent-business.org](http://www.intelligent-business.org)

7



Copyright © Pearson Education Ltd 2009. Publishing as Pearson Longman. All rights reserved.