

**Program:** League of Women Voters We Must Save U.S. Postal Service Webinar/Meeting

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**Date:** Wed., May 20, 2020

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**QUESTIONS**

1. How has the Covid-19 health crisis/Pandemic affected mail service and USPS revenues?
2. Has the Congress given the USPS adequate Stimulus money to resolve its crisis already?
3. What will happen to the US Postal Service if Congress does not give them emergency aid and temporary loans in the next 18 months to cover USPS's revenue shortfalls?
4. Has Congress created the fiscal and revenue shortfall problems the USPS faces?
5. What are the options we solve the USPS revenue and financial problems?
6. Why is the US Postal Service efficient, reasonably priced and able to offer good service?
7. Why is President Trump refusing to agree to a USPS bailout his bipartisan USPS Board of Governors recommended when there was a bipartisan consensus for that bailout?
8. What are the specific demands being made by the Treasury Department and those who are seeking structural reforms in how USPS operates – and who seek full privatization?
9. What has been the experience of privatization in other countries?
10. What changes in law can resolve the USPS fiscal crisis – and to fix what Congress broke?
11. What are the ways the USPS could resolve its fiscal crisis by changing its operations to expand its revenues within the scope of its existing powers (or by public minded reforms)
12. What is a public Postal Service important, what does it do, why was it created?
13. Why is US Postal Service an essential service we must keep running in a Pandemic?
14. Why is the fiscal crisis of the USPS being exploited to bring about structural reforms
15. Can the USPS shut down? Can the USPS go bankrupt? Can the USPS be privatized?
16. Should be adopt Postal Banking? Should we expand Post Office roles in other areas?

**WHY WE MUST SAVE THE POST OFFICE NOW [OUTLINE]**

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**WHY WE MUST SAVE THE POST OFFICE NOW [OUTLINE]**

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## **WE MUST SAVE US POSTAL SERVICE WITH BAILOUT, FIGHT PRIVATIZATION**

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### **I. US POST OFFICE WILL NOT SURVIVE TO FIGHT PANDEMIC W/O STIMULUS**

USPS is a first line of defense at the Frontline of battling the Covid-19 Pandemic. But the USPS is suffering huge losses of revenue from declining mail volume as the economy declines. It is estimated the US Postal Service will lose 50-57% loss of revenue by July. This is because of the loss of one third of its letter mail delivery. USPS has broken even, except for pension costs – until this loss of volume due to an economic collapse, just as happened in 2008-2009.

The United States Postal Service (USPS) is facing revenue losses of \$22 billion due to a sharp decline in mail volume (of about a third) from the Covid-19 Pandemic. This has happened before in a crisis and as the Post Office has faced prior deficits.

““By the end of September, the Postal Service could run out of cash if it’s not given relief.” (Said Phil Rubio on Jake Tapper’s CNN Show on May 15, 2020). Should Postal Service run out of money by Sept, it could affect a Nov election.

“The Covid-19 crisis has resulted in a precipitous decline in mail volume. Current USPS chief Megan Brennan, who is retiring effective June 15, has warned Congress the agency could face financial ruin by the end of September without a rapid infusion of emergency funds.”<sup>1</sup>

If lost mail volume continues, USPS officials predict losses of \$23 billion in 18 months.<sup>2</sup>

US Postmaster General told WBUR in Boston, an NPR station, that “USPS anticipates a loss of \$13 billion in revenue this fiscal year due to the crisis and another \$54 billion in losses over 10 years.” Philip Rubio, professor of history at North Carolina Agricultural and Technical State University, who just published a new book on the Postal Service, said “I think the Trump administration is playing a costly game of chicken with the post office, and I really don't think they want to run it into the ground in an election year.”<sup>3</sup>

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<sup>1</sup>National Assoc of Letter Carriers Branch 40, Article: “Vote-by-Mail Under ‘Existential Threat’ as Deputy Postmaster General Reportedly Forced Out,” Newsletter (May 13, 2020). <http://www.nalcbranch40.com/we-are-nacl-branch-40/latest-news/>

<sup>2</sup>Nicholas Fandos and Reid J. Epstein, “A Fight Over the Future of the Mail Breaks Down Along Familiar Lines,” NYT (May 10, 2020). <https://www.nytimes.com/2020/05/10/us/politics/postal-service-trump-coronavirus.html>

<sup>3</sup>Tonya Mosley and Samantha Raphaelson, WBUR, “U.S. Postal Service Stands To Suffer Huge Losses From Coronavirus Pandemic,” (April 21 2020).

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### **II. US POST OFFICE IN MICHIGAN HAS BEEN HIT HARD BY CORONAVIRUS**

“US postal service has had 386 employees test positive for COVID-19 nationwide.”

In Michigan, there are many workers who tested positive for Covid-19 who are staying at home sick or are in quarantine, slowing down operations at three mail processing plants in Detroit, Pontiac and in Allen Park.” Mlive, Justin Hicks, “Michigan mail delivery slows as coronavirus hits postal service workers,” (4-7-20). A Detroit distribution mail handler in Allen Park, Anthony Smith, died of Covid-19 after working at the USPS for 30 years.<sup>4</sup>

In April, Detroit residents were getting mail delivered every other day, instead of every day, because of staffing issues due to Covid-19.

The USPS began to offer 80 hours of paid leave to its workers if they are sick or need to offer dependent care under the Families First Coronavirus Response Act. USPS has struggled to offer masks, gloves, cleaning supplies, sanitizing products and to insure there are barriers at counters, and that cleaning of facilities follows the CDC guidelines.<sup>5</sup>

### **III. WHAT DOES THE POSTAL SERVICE DO?**

The USPS employs over 600,000 Postal Workers to visit 159 million addresses to deliver mail and packages in America 6 days a week. USPS has largest work force in country after Walmart. The Postal carriers are the eyes and ears of our communities, checking on home bound seniors and reporting crimes, taking care of all of us.

Today USPS carries fewer letters but more packages.

A Pew study found 90% of Americans gave a favorable rating to the US Postal Service.

The Postal Service by law has a presence in every community, touches every American at their homes and places of businesses every day (six days a week), as the face of Government.

It binds together all communities and all citizens in their private and public lives to do commerce, to communicate in every possible way, to transact the affairs of business and their social lives.

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<sup>4</sup>Id.

<sup>5</sup>Id.

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### **IV. POSTAL SERVICE IS NOT REQUIRED TO BE FUNDED BY LAW.**

The Postal Service is provided as a public institution mandated by the US Constitution. Congress, by statute, said the Postal Service must provide these essential services. Fed Gov provides this public service of mail delivery to all 160 million addresses at a uniform price.

““The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by an Act of Congress, and supported by the people.”

39 U.S.C. §101(a). But the 1970 Postal Act did not mandate Congress subsidize USPS operations, as had been the case from 1844-1984. Instead, it created a pay as you go system and set up the USPS as a government corporation. But then it regulated the USPS so it could not control its operations and insure it had enough revenue to meet all of its obligations. USPS has been able to pay its costs out of operating revenues. It can also pay its legacy costs – but the current laws require it to pay more than its fair share of its retiree health obligations. The USPS is also limited in its ability to borrow. And so it needs emergency loans and a temporary bailout.

### **V. WE NEED USPS FOR VOTE-BY-MAIL, TO BATTLE PANDEMIC & ECON CRISIS**

[What's At Stake?] “The U.S. is barreling toward a November election without a nationwide, universal system in place for mail-in voting, which many advocates believe is necessary to safely conduct elections amid the Coronavirus pandemic.”<sup>6</sup>

We need the US Postal Service now more than ever – for Covid-19 test kits, medications, and essential supplies delivered to our doorsteps. The Stimulus and unemployment checks come by mail for many Americans.

- A. Elections – Vote By Mail. We use USPS to send in absentee ballots and Census forms. Every Michigan resident will have the opportunity to vote by mail.
- B. Census – Counting to Deliver Federal Funds, Support Redistricting. Census role of USPS could be expanded further.
- C. Court System – Legal notices are sent by U.S. mail under state/federal court rules.

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<sup>6</sup>National Assoc of Letter Carriers Branch 40, Article: “Vote-by-Mail Under ‘Existential Threat’ as Deputy Postmaster General Reportedly Forced Out,” Newsletter (May 13, 2020). <http://www.nalcbranch40.com/we-are-nacl-branch-40/latest-news/>

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### **V. WE NEED USPS FOR VOTE-BY-MAIL, TO BATTLE PANDEMIC & ECON CRISIS (continued)**

- D. Public Health System/Medical Care. Covid-19. Postal Workers deliver Covid-19 test kits and essential supplies.
- E. Military. 90% of Veterans rely on USPS to get medications. Military Post offices
- F. Collecting Taxes
- G. Commerce/Trade. Package Delivery. FedEx, UPS, Amazon rely on the USPS for “last mile” delivery. USPS is the internet’s final leg and backbone of its system.
- H. Household Finance. Over 40% of Americans use USPS to pay monthly bills.
- I. International Trade (and Communications).
- J. Basic Financial Transactions – Bill Payment

### **VI. STIMULUS BATTLE WILL BE FOUGHT OVER USPS COVID-19 LOSSES**

US Postal Service needs \$25 billion in Stimulus funding and additional ability to borrow from the Treasury Department to help it survive the Pandemic. It needs \$50 billion more by end of 2021 (as the Postal Board of Governors requested in a bipartisan vote). \$25 covers operations losses due to Pandemic related declines in mail volume, \$50 billion covers upgraded operations.

In 6 of last 7 years, the Postal Service took in as many revenues as it had costs--and had no losses. US Post Office operated without Congressional subsidy from 1789-1845 and since 1984 – except for pre-funded pensions required by 2006 Act. So the Post Office can survive without subsidy.

If USPS does not get Stimulus funding it needs, a majority of Americans will pay much more for mail and package delivery, services will be reduced and some areas may lose service entirely. USPS could be sold to a private company or go bankrupt. If this happened, the public would still be left to pay the retiree health care and pension costs. A subsidy from Congress will prevent the worst outcomes (higher prices, lower services, selling off Postal assets in a fire sale).

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The US Postal Service Board of Governors voted unanimously asked for \$25 billion aid to help it survive. A bipartisan package was presented in the biggest Stimulus bill (the CARES Act) that had \$25 billion in funds for the Postal Service.

The CARES Act gave \$2.3 trillion in funding for businesses, individuals and hospitals. Each American got \$1200 in funding. Hospitals received a \$100 billion Emergency Fund. The US Postal Service was slated to get \$25 billion in Stimulus funds in the original Senate bill in March. It needs \$50 billion more to upgrade its operations.

### **VII. CONGRESS GAVE USPS A \$10 BILLION TEMPORARY LOAN IN CARES ACT FIRST 4 STIMULUS BILLS DID NOT USPS FUNDING OR LOANS IT NEEDS**

The most recent Stimulus bill ("Stimulus 3.5") did not give the USPS any funds. Pres. Trump said will give the Postal Service \$10 billion. It needs \$75 billion by the end of the year.

It is crucial we lobby Congress to send the US Postal Service funds it needs to continue operations. Sen. Gary Peters (D.-Michigan) is the Ranking Member on the Senate Committee that oversees the US Postal Service. We should support his efforts to lobby on this in Michigan and nationally.

Without fully funding USPS, it cannot continue to protect our Democracy (as it now does) or help combat the Covid-19 health crisis and help rebuild our economy to meet the crisis.

Under the CARES Act, the US House proposed "the \$2.5 trillion Take Responsibility for Workers and Families Act is the third and largest emergency funding bill lawmakers have introduced to mitigate the pandemic's strain on the economy and the health system."<sup>7</sup>

### **VIII. CARES ACT GIVES THE USPS THE LOANS AND ABILITY TO BORROW**

"In addition to setting aside \$25 billion for USPS until September 2022, the 1,400-page bill would also forgive the Postal Service's \$11 billion debt to the Treasury Department and allow the agency to borrow another \$15 billion. The bill would also eliminate a \$3 billion annual borrowing limit for this line of credit from Treasury."<sup>8</sup> This proposal died because Secy Mnuchin said that Pres Trump would veto any Stimulus that contained USPS bailouts without reforms.

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<sup>7</sup>Jory Heckman, "House coronavirus spending bill gives USPS \$25B, wipes slate on its Treasury debt," Federal News (March 20, 2020).

<sup>8</sup>Id.



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### **IX. HOUSE PASSED THE HEROES ACT TO FUND THE POST OFFICE IN 2020**

On Fri, May 15, 2020, the US House passed the HEROES ACT, unveiled May 12, 2020. “At over \$3 trillion, the House bill would constitute the single largest piece of economic support legislation ever enacted to support the US economy during the Coronavirus.” The HEROES ACT gives \$25 billion to the USPS – short of its \$75 billion request. Trump issued a formal veto threat against the HEROES ACT before the House had even passed the bill.

### **X. HEROES ACT BOLSTER VOTE-BY-MAIL WITH USPS FUNDING**

The HEROES ACT (H.R. 6800) (an 1815 page bill)<sup>9</sup> has these postal provisions:

1. An emergency \$25 billion appropriation for lost revenue due to COVID-19
2. This emergency appropriation will ensure that USPS has the financial resources to continue serving the nation thru the end of the year and beyond.
3. Ensures that USPS has access to the \$10 billion line of credit with no strings attached;
4. Provides postal and other essential frontline workers the hazard pay they deserve.
5. Protects the democratic process by ensuring that every voter can access no--excuse absentee vote--by--mail in the upcoming election, and every federal election thereafter.

APWU Legisl & Political Director Judy Beard said House bill meets needs, Senate should pass it

### **XI. CONGRESS CREATED FINANCIAL CRISIS FOR USPS IN THE 2006 ACT**

When Fortune Magazine or the Treasury Secretary or Pres Trump or any Senator says the USPS is losing money, they are talking about the \$5.5 billion in unfunded retiree health liability. This is a phony number. These monies are not owed today or any time soon. It is a made up debt.

The USPS retiree health care debt is totally on paper. It is not a true fiscal crisis. It is not an amount of money the USPS has to have on hand to pay its bills.

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USPS was put in a fiscal crisis, to fund the retiree health care debt obligations imposed by the 2006 Law. As a result, the USPS did not upgrade its fleet, or upgrade buildings or innovate.

The 2006 Law that was not expected to create this kind of fiscal crisis (by many in Congress who voted for 2006 Postal Accountability Act by voice vote in lame duck).

The 2006 Law put the USPS in a mind set and budget environment of false crisis to be forced to raise prices, cut costs. This was part of an intentional strategy to reduce its future liabilities to make it easier to sell, privatize.

Congress created an artificial structural deficit for USPS that guarantees it will have to be bailed out or restructured. The unrealistic retiree health funding obligations that the 2006 Postal Accountability Act imposed have been carried on the USPS books for 14 years now. The law requires the Post Office to prepay over 10 years all expected future retiree health care benefits.

Here is how the Pres of the APWU described the law:

“The post office’s financial problems, almost all of them, go back to this 2006 Postal Accountability and Enhancement Act, when the Postal Service was burdened with something no other company and no other federal agency is burdened with: pre-funding retiree health insurance at 100 percent, 75 years into the future.

**Seventy-five years into the future in 2006 meant that not only was the post office paying for people that didn’t yet work for the post office, it was paying for people who weren’t even born. It took \$5.5 billion a year from the Postal Service budget—which is not taxpayer money—into the federal treasury for something they were meeting their obligations on already. That was a “fix.” But it was also a manufactured financial crisis by Congress.”<sup>10</sup>**

**The 2006 pre-funding mandate for retiree health care obligation is unworkable.** No company is 100% funded as to its retiree health care liabilities, and it doesn’t need to be, as APWU President Mark Dimondsen has said.<sup>11</sup> The USPS can pay the liabilities as it goes. The Treasury Dept has said it can change how the liabilities are calculated – to reduce the money that the USPS has to pay in to cover only those employees nearing retirement age. This reform should be implemented and eliminates USPS’s structural deficit.

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<sup>10</sup>See Sarah Holder, “A Prayer for the Post Office,” City Lab, Dec. 20, 2018.  
<https://www.citylab.com/life/2018/12/postal-service-white-house-task-force-mail-privatization/577891/>

<sup>11</sup>Id.

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**The 2006 pre-funding mandate for retiree health care obligation is unprecedented.**

No other municipal or state government or any other federal agency requires such pre-funding. There is no private corporation required to pre-fund retiree health obligations this far ahead. The private and public corporations and municipal governments around the world don't require 100% pre-funding of retiree health care costs 75 years ahead. Most socialize the costs.

So the U.S. Postal Service fiscal crisis during the Pandemic is due to a temporary loss of revenue. The USPS fiscal crisis due to lack of money to pre-fund retiree health care is artificial.

All that Congress would have to do to fix the USPS fiscal crisis is repeal the 2006 law. The USPS has shown it can fund its current operations, and upgrade its fleet and buildings, by using the revenues it earns from mail and package delivery and related services.

Under this 2006 law, "[t]hose [mandated prefunding] payments [of retiree healthcare benefits] totaled \$38 billion through 2011, with further installments of between \$5.6 billion and \$11.1 billion a year due through 2016.

The Postal Service stopped paying in 2012 because it didn't have the money, but the accrued obligation, which was more than \$47 billion as of the end of the 2019 fiscal year, still overhangs reported earnings."<sup>12</sup>

"Without the retiree health benefit obligation, the USPS would have eked out a modest operating profit every year since 2013, according to a report issued by a task force empaneled by Trump in 2018 and led by the Treasury Department."<sup>13</sup>

## **TRUMP TEAM WILL RESOLVE USPS FUNDING, ELECTION, HEALTH CRISIS**

Trump and Treasury Secretary Mnuchin have sought to attach terms to a \$10 billion emergency loan to the USPS that would allow the administration to dictate package prices, review and alter bulk-discount contracts known as negotiated service agreements (NSAs), appoint the next postmaster general and direct negotiations with labor unions.<sup>14</sup>

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<sup>12</sup>See Michael Hiltzik, LA Times Columnist, "The Postal Service is America's most popular government agency. Why does Trump hate it?," LA Times, Jan 9, 2020.

<https://www.latimes.com/business/story/2020-01-09/postal-service-trump>

<sup>13</sup>Id., LA Times Column, 1-9-20, citing Treasury Department Report entitled: "The United States Postal Service: A Sustainable Path Forward" (Report from the Task Force on the United States Postal Service) (Dec. 2018).

<sup>14</sup>National Assoc of Letter Carriers Branch 40, Article: "Postal Service to review package delivery fees as Trump influence grows," Newsletter (May 14, 2020).

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House leaders said failure to bailout USPS meant it will become insolvent by September.

““The Postal Service is in need of urgent help as a direct result of the coronavirus crisis. Based on a number of briefings and warnings this week about a critical fall-off in mail across the country, it has become clear the Postal Service will not survive the summer without immediate help from Congress and the White House,” House Oversight and Reform Committee Chair Carolyn Maloney (D-N.Y.) and Government Operations Subcommittee Chair Gerry Connolly (D-Va.) said in a statement.<sup>15</sup>

““Raising rates like that on the post office, which is a thinly veiled attempt to get at Bezos, will merely result in Amazon and other shippers moving their business,” said Mark Cohen director of retail studies at Columbia Business School. “It will kill the post office.”

There was bipartisan agreement to give the USPS \$13 billion in aid until the Trump Administration issued its conditions on any USPS funding and issued its veto threat.

Congress approved the \$10 billion emergency loan authority without Trump’s rider that imposed conditions and required reforms. We can expect the same back and forth in next bill.

The next Stimulus bill will see this Battle on all issues fought again.

“The 200,000-member American Postal Workers Union accused the Trump administration of exploiting the coronavirus crisis to privatize the agency.”<sup>16</sup>

We may see USPS answer to President’s demands as his new Postmaster General takes office. “Every member of the agency’s bipartisan governing board is a Trump appointee.”<sup>17</sup>

“Democratic vice chairman of the Postal Service governing board, David Williams, resigned April 30, fed up with Trump’s approach to the agency.”<sup>18</sup>

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<http://www.nalcbranch40.com/we-are-nacl-branch-40/latest-news/> ,citing Jacob Bogage and Josh Dawsey, “Postal Service to review package delivery fees as Trump influence grows,” WAPO (May 14, 2020). <http://archive.is/d3QS7#selection-1461.0-1461.71>

<sup>15</sup>Id.

<sup>16</sup>National Assoc of Letter Carriers Branch 40, Article: “Vote-by-Mail Under ‘Existential Threat’ as Deputy Postmaster General Reportedly Forced Out,” Newsletter (May 13, 2020). <http://www.nalcbranch40.com/we-are-nacl-branch-40/latest-news/>

<sup>17</sup>Id.

<sup>18</sup>Id.

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In the first week of May 2020, “Louis DeJoy, finance chairman of the 2020 Republican National Convention, was named as the new postmaster general.”

“Deputy Postmaster General Ronald A. Stroman resigned on May 8. Stroman had years of experience working with congressional Democrats and had become agency point man on vote-by-mail initiatives for the November election.”<sup>19</sup>

### **XII. CONGRESS SUBSIDIZED POST OFFICE TO UNIVERSAL SERVICE (1844-1984)**

Congress has bailed out the Post Office from 1845 until 1984 to cover any temporary deficits. In the Wall Street Crisis of 2007-2009, mail volume declined (as it is now declining) by about 35 billion pieces of mail (or about 17%) in fiscal years 2007 to 2009, according to Philip Herr, a Govt Accountability Office (GAO) expert who testified in Congress on the US Postal Service Physical Infrastructure crisis at that time. Mr. Herr said the Postal Service had close to \$12 billion in losses per year. So we’ve seen declining mail volume create a financial crisis for USPS before. This financial crisis is twice as bad because the decline in mail volume is worse.

In 2009, GAO added the USPS to a High Risk List and urgently called for it to restructure its operations. There was also a structural pension funding deficit in 2009 from USPS’ failure to set aside the \$5.6 billion per year it was required to set aside under the 2006 Postal Accountability. This led to a structural pension funding shortfall over \$16 billion on top of operating losses of \$25 billion. If you take that into account, the USPS is now in about as bad a shape as it was in 2009.<sup>20</sup>

### **XIII TRUMP REFUSES USPS FUNDING OR LOANS WITHOUT MAJOR REFORM**

Trump continued to say one month after the CARES Act passed that he would continue to block aid to USPS Service unless it raised its rates by quadrupling the package delivery rates.<sup>21</sup>

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<sup>19</sup>Id.

<sup>20</sup>See Rubio, Undelivered, citing Phillip Herr 2009 Testimony in Congress, footnote 1, citing GAO, High-Risk Series: Restructuring the U.S. Postal Service to Achieve Sustainable Financial Viability, GAO-09-937SP (Washington, D.C.: July 28, 2009). USPS’s transformation efforts and long-term outlook were on our high-risk list from 2001 to 2007. See also GAO Report from April 22, 2010 with Philip Herr’s 2010 Testimony. Link here: <https://www.gao.gov/assets/130/124488.pdf>

<sup>21</sup>Lisa Rein and Jacob Bogage, “Trump says he will block coronavirus aid for U.S. Postal Service if it doesn’t hike prices immediately,” WAPO (April 24, 2020). <https://www.washingtonpost.com/us-policy/2020/04/24/trump-postal-service-loan-treasury/>

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President Trump Wants to quadruple rates for shipping packages, raising prices beyond what many can afford at a time when package delivery has become essential to staying at home.<sup>22</sup> Trump said one goal of raising USPS package rates is to hurt Amazon, owned by Jeff Bezos. Bezos owns the Wash Post newspaper as well and WAPO has been very critical of Pres Trump.<sup>23</sup>

But the higher rates on packages Trump proposes will affect Americans like a tax. The current cost data do not justify this price hike. The Postal Regulatory Commission did not recommend it. The package delivery revenues have helped to stabilize the USPS finances.

This could cause huge decline in USPS volume/revenues, causing further financial crises. “Higher package rates would cost shippers and online retailers billions of dollars, potentially spurring them to invest in their own distribution networks instead of relying on USPS.”<sup>24</sup>

Amazon already delivers one half of its packages on its own. USPS package rate increases could spur it to deliver even more of its own packages, costing it billions (which are costs to be passed on to consumers). Trump says package delivery rates are too low; the retiring US Postmaster General disagreed, saying no evidence exists of package delivery rates below market levels.<sup>25</sup>

### **XIV. POST OFFICE BUILT AMERICA AND POLITICAL SYSTEM BY SUBSIDIES**

The Constitution was debated and ratified by pamphlets sent out to all Americans to read. This is called the Federalist papers. It was part of the first use of the Postal Roads and delivery. The newspapers and pamphlets got special rates and were carried at below cost to their readers. By subsidizing newspapers from 1792 until the early 1900's, the Postal Act of 1792 and under Congressional statutes, “the post office forged a communications revolution just as far-reaching as telegraph and internet revolutions,” as Winifred Gallagher argued “How the Post Office Created America” and as Alexis de Toqueville said in Democracy in America. Post Office carried newspapers/ pamphlets at low or no cost, helping stimulate debate, grow Democracy.<sup>26</sup>

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<sup>22</sup>National Assoc of Letter Carriers Branch 40, Article: “The Postal Service is the Most American Thing We’ve Got,” Newsletter (May 15, 2020).

<http://www.nalcbranch40.com/we-are-nacl-branch-40/latest-news/>

<sup>23</sup>Id.

<sup>24</sup>National Assoc of Letter Carriers Branch 40, Article: “Postal Service to review package delivery fees as Trump influence grows,” Newsletter (May 14, 2020).

<http://www.nalcbranch40.com/we-are-nacl-branch-40/latest-news/>

<sup>25</sup>Id.

<sup>26</sup>See Lisa McGirr, “Two Books Recount How Our Postal System Created a Communications Revolution,” NYT Book Review of Winifred Gallagher’s “How the Post Office

**XV. USPS RANKED FIRST AMONG POST OFFICES IN THE WORLD**

USPS stacks up well against other postal services in international service rankings:

“In late 2011, Oxford Strategic Consulting, a British firm, released a report ranking the postal services of the G-20 countries based on three metrics: “provision of access to vital services,” “operational resource efficiency,” and “performance and public trust.” Guess who came in first? That’s right: the good old U.S. of A.<sup>27</sup>“

**XVI. WHY WAS USPS RANKED BEST MAIL DELIVERY IN THE WORLD?**

The US Postal Service is a good value as it may not charge more than the rate of inflation. In US, Americans receive mail delivery 5 days a week at prices competitive with rest of world.

1. U.S. Mail carriers are better at using limited resources than other postal carriers worldwide: “ In one year, America’s mailmen and women delivered 268,894 letters and 2,633 parcels per carrier — more than any other country — to 151 million addresses.”<sup>28</sup>
2. Returned letters come back faster in the U.S. (Key marker of efficiency): “ when researchers in a different study tested 159 countries’ post offices on how fast an average letter sent to a fake address would be returned, the United States also came in first.”<sup>29</sup>
3. Falling demand means post offices being closed and higher number of citizens per post office.
4. Declining demand for regular mail delivery and falling revenues is a worldwide phenomena.
5. Increased health care costs in U.S. is causing health care retiree benefits to be more costly.

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Created America,” (July 8, 2016). See link:

<https://www.nytimes.com/2016/07/10/books/review/neither-snow-nor-rain-and-how-the-post-office-created-america.html>

<sup>27</sup>Id.

<sup>28</sup>Id.

<sup>29</sup>Id.

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### **XVII. THE USPS BY THE NUMBERS – THE NATIONAL NETWORK**

1. Unions. The Postal Service has collective bargaining agreements with seven unions, representing 500,000 employees, the largest workforce in the U.S. except for Walmart.
2. Collection Boxes (Blue): 141,900 of them; 58 miles if put side by side.
3. Tires: 579,000 tires purchased in 2019 (new ones). 244 miles long stacked end to end
4. Rubber bands: 750 million of them. 41,096 miles.
5. Self-Service Postal Kiosks. In 2019, the Postal Service received \$291.8 million in revenue from 2,733 postal self-service kiosks.
6. Salaries (90% of operating revenue): \$2 billion in salaries/benefits paid every 2 weeks.
7. 48% of World's Mail is delivered by the U.S. Postal Service.
8. International Travel via Passport Applications: 6.6 Million Passports in 2019.
9. 44<sup>th</sup> Largest Corporation in the U.S. If USPS were a private sector company, the Postal Service would rank 44<sup>th</sup> in 2019 Fortune 500. It is 136<sup>th</sup> in 2019 Global Fortune 500 list.
10. Emails. 3.5 Million corporate emails daily from 222,000 email accounts.
11. Zip Codes: 42,000 ZIP Codes
12. Miles Traveled: 1.34 billion miles. During FY 2019, USPS employees traveled 1.34 billion miles to deliver your mail, equivalent to 53,640 laps around Earth, 5,305 trips to the moon or about 15 trips to the sun. \*Based on the average moon and sun distance.
13. Military Postal Service: Delivery in 67 Countries. Diplomatic Mail service is provided in 113 countries. 678 land-based and 389 onboard-ship Military Post Offices. 40 Diplomatic Post Offices. 1,069 ZIP Codes in Military and Diplomatic Postal Service around world.
14. Operating Revenue: USPS had \$71.1 billion in operating revenue in 2019. These types of mail brought in most of the \$71.1 billion in operating revenues in 2019: First-Class Mail — \$24.4 billion; Marketing Mail — \$16.4 billion Shipping and Package Services — \$22.7 billion; Periodicals — \$1.2 billion
15. Employees (Career): 496,934 career employees (136,174 non-career employees.)
16. Total Mail Volume: 142.6 billion mail volume



**XVI. THE USPS BY THE NUMBERS – THE NATIONAL NETWORK (continued)**

17. Delivery Points. 160 million delivery points
18. Address changes. Nearly 36 million address changes were processed in 2019.
19. Post Offices: 31,322 retail Post Offices in the U.S.
20. Customer Visits: 811.8 million customer visits in 2019
21. Retail Revenue: \$12.7 billion retail revenue
22. USPS is at core of U.S. mailing industry; 7.3 million employed, \$1.6 Trillion revenue.
23. Internet Traffic: 2.6 Billion [www.usps.com](http://www.usps.com) visits.
24. Online Sales: \$301 Million online sales (in 2019).
25. USPS operates in all areas of country --binding nation in one communication network.

**XVII. Top Twelve Things the United States Postal Service Wants You to Know About It**

1. Zero tax dollars used. The Postal Service receives NO tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.
2. Security. U.S. Mail is protected by more than 200 federal laws enforced by the Postal Inspection Service, one of the nation's oldest law enforcement agencies.
3. Dependable. The Postal Service is the only organization in the country that has the resources, network infrastructure and logistical capability to regularly deliver to every residential and business address in the nation.
4. Affordability. For 55 cents, anyone can send a letter, regardless of geographic location, to anywhere in the United States.
5. Competition and collaboration. The Postal Service both competes and collaborates with the private sector. UPS and FedEx pay the Postal Service to deliver hundreds of millions of their ground packages, and USPS pays UPS and FedEx for air transportation.
6. Vehicles. The Postal Service has more than 228,000 vehicles, one of the largest civilian fleets in the world. New next-generation vehicles will have improved ergonomics, safety features, fuel efficiency and design flexibility.

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### **XVII. Top Twelve Things the United States Postal Service Wants You to Know About It (Continued)**

7. **Global business.** The Postal Service processes and delivers 48 percent of the world's mail and is constantly innovating to make customer experiences better.
8. **Retail giant.** The Postal Service has the nation's largest retail network — bigger than McDonald's, Starbucks and Walmart combined, domestically.
9. **Greener than you think.** Free Priority Mail boxes meet Sustainable Forestry initiative and Forest Stewardship Council certification standards. This means the paper for those boxes comes from well-managed forests. In addition, the boxes include at least 30-percent recycled content.
10. **All heart.** The Postal Service is at the core of the \$1.6 trillion U.S. mailing industry that employs more than 7.3 million people.
11. **Veterans.** The Postal Service employs more than 97,000 military veterans and is one of the largest employers of veterans in the country.
12. **The Postal Service supports communities** from facilitating nation's largest one day food drive, preventing dog bites, to educating on consumer protection, delivering at holidays.

### **XIX. POSTAL OFFICE IS A PILLAR OF US CONSTITUTION AND DEMOCRACY**

U.S. Post Office is older than the United States – it came into existence one year before the nation was founded. The same people who founded the post office wrote the Constitution and created the U.S. national government.

Logistically, in the 1780's there could not have been a national government without the postal routes established to communicate between states, and to bring commerce from one state to the other.

This is why the postal service has a universal service mandate at uniform cost which is designed as a public good and not to earn a profit.

The post office was created by “James Madison, Alexander Hamilton, and George Washington, with the help of Postmaster General Benjamin Franklin, as legal scholar Mehrsa Baradaran has written.

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The Founders made three crucial decisions in passing the **Postal Act of 1792**:

[1] The post office would be self-sustaining, but not profit-oriented;

[2] the post office would serve every community regardless of costs; and

[3] the post office would be the agent of democracy by subsidizing the dissemination of information from the capital to the rest of the country.”

### **XX. POST OFFICE IS A CORE GOVERNMENT FUNCTION IN CONSTITUTION**

Article I, Section 8, Clause 7 of the United States Constitution, known as the Postal Clause or the Postal Power, empowers Congress "To establish Post Offices and Post Roads,"<sup>30</sup> as a core function of the Federal Government along with four other core government functions:

1. Establish Post Office and Postal Roads (Art I, Sec. 8, Clause 7)
2. The power to tax and borrow,
3. The power to declare war,
4. The power to coin money,
5. Establish federal courts and issue patents and copyrights.

Congress is not required to establish post offices. It merely has the power to do so if it chooses to. And it chose to do so in 1792 when it passed the “Postal Service Act”. ... All it takes to repeal an Act of Congress is another Act of Congress- not a constitutional amendment.

**Those seeking to privatize the Post Office do not have history on their side. There has been a Congressional mandate to maintain a Post Office since the country was founded.**

Congress required the U.S. Post Office to meet the constitutional requirement since the country was founded to deliver mail as a public good. The recent statute mandates that:

“The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people. The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities.”

See 39 U.S. Code §101(a). Postal policy. <https://www.law.cornell.edu/uscode/text/39/101>

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<sup>30</sup>Throughout US History , the US Post office has been reliable and efficient and played a central role in creating & operating routes of national commerce, as Mehrsa Baradaran argues. Baradaran, Mehrsa, “Postal Banking, Let’s Bring it Back,” The Nation, Jan 7, 2016. <https://www.thenation.com/article/archive/postal-banking-worked-lets-bring-it-back/>

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### **XXI. HOW WILL CONGRESS FIX USPS FUNDING CRISIS? NO ONE KNOWS – BUT THE LONGER IT GOES ON, MORE WE LOSE.**

#### **A. Shut Down Threat Is Leverage to Private Pension, Land Assets, Cut Pay.**

Threats to shut down USPS are best understood as attempts to gain leverage in privatization war. Goal is to reduce pay/benefits and eliminate collective bargaining rights of Postal workers, while expanding role for private business to profit on the People's assets owned by a public institution.

No one will buy USPS to continue universal service or uniform rates or assume its debts.

**B. Private Couriers Cannot Replace Post Office.** UPS and other package delivery companies could not survive a Post Office shut down. "For pure business reasons, UPS and FedEx partner with the Postal Service on local delivery, especially for packages ordered via Internet shopping. A shutdown would have a ripple effect on the whole package delivery business, and on businesses that market through the mail." Last mile package delivery is crucial to how private carriers can reach all customers at reasonable cost.

**C. USPS Cannot Be Operated As a Business** It is a required service, not business.

**D. USPS Should Continue to Operate on Utility Ratemaking Model.** It is universally mandated service that must be priced and regulated using utility model of cost based ratemaking (as in how we price and maintain electrical utility or water service to all homes in a community). There is probably a legal obligation to provide access to mail for government communications – and can be reasonably paid for only if government spreads cost across many.

### **XXII. TRUMP'S TREASURY DEPT HAS AGGRESSIVE PRIVATIZATION PLAN**

In 2018, Pres. Trump's Treasury Secretary issued a Postal Task Force Report that sought to privatize the U.S. Postal Service under the most aggressive plan ever proposed in any country:

1. "This month [Dec. 2018], the U.S. Department of the Treasury released a Postal Task Force Report outlining a strategy for securing the U.S. Postal Service's sustainable future.
2. "It recommended cutting wages for postal workers and eliminating collective bargaining, to cut down on service costs. It floated several new monetization models, including leasing out parts of post offices, and selling third parties access to personal mailboxes."
3. "Perhaps most upsetting to postal fans, the report also considered reevaluating the terms of the office's Universal Service Obligation (USO), which today ensures that every address, no matter how remote, is served.
4. "A White House-released government reform plan released this June [2018] put it more bluntly, recommending a sale or an initial public offering."

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The sale of stock to investors would privatize ownership of the USPS was done in Germany (and, partly, in UK and Japan). But in all three of these countries, universal service is required.

### **XXIII. TRUMP'S TREASURY DEPT DEMANDED FULL PRIVATIZATION OF USPS**

Trump is demanding Postal Reforms outlined in Treasury/OMB Report from 2018:

1. increase postal prices, esp on packages (quadruple package delivery rates)
2. decrease services (close post office buildings),
3. decrease worker pay, benefits,
4. end collective bargaining,
5. end USPS monopoly at house and in Post Office,
6. end universal service mandate,
7. Create partnerships (franchise operations) with businesses,
8. Lease public postal buildings to private retail and housing developers,
9. invest pensions in Index Funds not just Treasury Bonds,
10. reduce role of USPS to a delivery carrier network without its current additional functions.

### **XXIV. MOST COUNTRIES MAINTAIN PUBLIC POSTAL SERVICES**

All countries have a public postal system, except recently privatized ones – and that list includes only Japan (since 2007), the UK (since 2013) and Germany. (Note: Germany has the only fully privatized post office among the G-20 countries).

Germany privatized in 1995, and got rid of 100,000 positions and all but 24 of its physical buildings – though its still required to deliver mail nationwide six days a week. German post offices have moved into private buildings – and lease space as a tenant (e.g. in banks, grocery stores, malls). Full privatization would be a massive land grab and the government becomes a tenant paying rent to private landowners). German delivers less than 1/5 volume of letters that the USPS delivers – and it would be hard to replicate the German privatization model on a scale of the USPS system demands.<sup>31</sup>

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<sup>31</sup>See Joshua Keating, “The World’s Best Post Offices The much-maligned U.S. Postal Service stacks up surprisingly well in international rankings,” Foreign Policy (Feb 7, 2013).

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### **XXV. NEW ZEALAND'S EXPERIENCE IN PRIVATIZATION WAS A FAILURE**

In 1998, New Zealand privatized only the profitable aspects of its postal service. This meant the Postal Service no longer had a monopoly. 25 private companies entered the market. However, the public postal service still had to offer public mail delivery by law.

New Zealand's privatized postal service became expensive and limited. It ran into large financial problems, ceased daily delivery – going to every other day. It ceased next-day delivery.

In New Zealand, the private mail services “cherry picked” the most profitable services. Public revenue fell. The private companies took over express mail delivery, rejecting unprofitable deliveries. Many areas have limited services.

### **XXVI. UK, GERMANY & JAPAN CAN PRIVATIZE, U.S. POSTAL SERVICE CAN'T**

1. U.S. Congress will not surrender mandating universal service at uniform affordable rates. Without surrendering this, there is no way for the USPS to privatize its ownership.

2. There will be public opposition to any effort to privatize, just as there was to closing of postal facilities in Congressional districts, and pressure to maintain existing service, rates, pay.

### **XXVII ARGUMENT VS. PRIVATIZATION, FOR USPS AS REGULATED MONOPOLY**

Privatization will bring quality down and prices up and employee pay and benefits will be down.

There is public utility model that could be followed to set rates and have private ownership. But service cuts and price increases would deny service to a large segment of low income population.

It would balkanize the country in terms of ability to participate in commerce, the community.

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### **XXVIII. HOW DO WE SAVE THE USPS WITHOUT SELLING IT**

USPS avoided being privatized in 1970 and under Pres. Reagan (1980-1988) and in 2006 when the battle was fought **again in a GOP controlled Congress**. USPS avoided partnership with Staples to sell postal services on premises – which Postal Unions called mini-privatization.<sup>32</sup>

### **XXIX. HOW CAN USPS THRIVE WITHOUT PRIVATIZING?**

1. Bridge Rural-Urban Divide by using universal service & uniform rates for support.
2. USPS can cut structural debt by not pre-funding retiree health: Repeal 2006 Act.
3. USPS can expand its offerings in digital services – EpostBrief (DHL, Germany), Bill Pay online, Financial Document online service.
4. Good jobs are family-sustaining, community-building, w/good wages, benefits & rights
5. Expand Post Office services in areas of governmental service esp in rural areas. “A bipartisan bill proposed by Republican Congressman Jason Chaffetz, **the Postal Service Reform Act of 2017**, included a clause that would allow the post office to take over more functions of the state. In rural areas, many customers travel 120 miles just to get to a state agency, when the local post office was right there in a small town.”<sup>33</sup>
6. Expand Postal Office functions to return to Postal Banking returning from 1917-1967.
7. Expand Postal Office retail functions to sell products to customers who visit the Postal Service at retail offices 2.7 billion times in 2016. The foot traffic could be profitable.
8. Expand financial services without establishing postal banking (e.g. paycheck cashing, money orders, international wiring of money)
9. Expand & protect and promote the privacy of the U.S. mail as a way to communicate. Adopt secure email to postal delivery services.
10. Expand vote by mail to include this an option in every federal election & every state.

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<sup>32</sup>See Sarah Holder, “A Prayer for the Post Office,” City Lab, Dec. 20, 2018.  
<https://www.citylab.com/life/2018/12/postal-service-white-house-task-force-mail-privatization/577891/>

<sup>33</sup>Id.

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### **XXIX. HOW DID USPS SURVIVE PRIVATIZATION BATTLES?**

11. Electrical charging stations at all U.S. Post Offices and next to all Delivery Boxes.
12. US Post Office could be in charge of all follow up Census services
13. USPS could provide notary services and charge a reasonable cost for the service.
14. Modernize fleet with cars that get higher fuel economy and lower carbon emissions

**Conclusion:** USPS can be profitable without franchising, leasing, raising prices on packages by quadrupling them, cutting pay or benefits greatly or selling off land or putting pensions in Index Funds instead of in Treasury Bonds. The USPS is efficient and a good price value for its services.

(Source:: Mark Dimondsen, Pres, American Postal Workers Union (APWU), AFL-CIO affiliate. (APWU represents 200,000 of the 650,000 Postal Workers, one of the seven postal unions).

### **XXX. USPS FACED OPERATING DEFICITS & BAILOUTS BEFORE**

US Postal Service has self-funded its operating expenses as required by federal law. As the USPS website states: “The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.” (USPS, 4-15-20).<sup>34</sup>

USPS has not relied on major taxpayer subsidies until the Pandemic. This is by design. The USPS is required to charge rates sufficient to recover operating expenses and pay loan debts.

Postal rates have been independently set by the Postal Regulatory Commission. When the Post Office fails to meet its current operating expenses, the Postal Commission raises the rates.

Congress and the Post Office have avoided bailouts before by closing post offices, by reducing opening hours, closing processing plants and slashing its work force, and by debating end of Saturday delivery (which never happened), not upgrading buildings, vehicles (running a capital deficit and letting its fleet and buildings become old and out of date, decrepit).

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<sup>34</sup><https://about.usps.com/newsroom/national-releases/2020/0415-usps-tops-list-again-as-americans-favorite-government-agency.htm>



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### **XXXI. THE POSTAL CHARTER CREATES THE PROBLEM WE NOW FACE**

“The U.S. Postal Service has been fighting for its life since it was born [in 1970.]”<sup>35</sup> The federal government ran a Post Office up to 1970 as a Cabinet Level public agency. After that, the new law was passed to convert the U.S. Post Office into a government corporation that had to pay its own way without government subsidies using rates to fund its expenses.

The 2006 Law was part of a compromise to pay higher wages to 100,000's of striking postal workers and to give them formal collective bargaining rights. Ronald Reagan spent 8 years trying to sell off the USPS for cash.<sup>36</sup> There was no buyer willing to assume the debts (and Congress subsidized it through 1984). The USPS enacted reforms to avoid being sold.

Congress then did not subsidize it until the law was changed to require the USPS to pre-fund its retiree health benefits in 2006. Then Congress did not pay to cover those pre-funding liabilities, allowing USPS to borrow money and go into debt. This created a problem of inability to sell the USPS again – no buyer wants to assume the debt.<sup>37</sup>

“There has been a longstanding conservative agenda that has regarded the postal service — and even before that the post office — as a dinosaur from the past or socialistic or something that should be privatized with its most lucrative services sold off to private carriers like UPS or to FedEx,” said Prof. Phil Rubio. “And what happened with the postal financial crisis of 2009 is it provided that kind of, I guess you could say, self-fulfilling prophecy.”<sup>38</sup>

The Post Office had a monopoly on mail delivery and funding from Congress until 1970. Then Congress changed Post Office charter, harming its ability to compete and be solvent

[1] In 1970, when the Postal Reorganization Act was passed and signed by Pres Nixon to convert the US Postal Service from a public service paid for from general revenues into a government corporation (that had to pay as it went, covering its own costs). At the same time, Congress then began to erode the Postal Service’s monopoly on letter and package delivery, by allowing private courier delivery services to compete with the Postal Service.

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<sup>35</sup>See Sarah Holder, “A Prayer for the Post Office,” City Lab, Dec. 20, 2018.  
<https://www.citylab.com/life/2018/12/postal-service-white-house-task-force-mail-privatization/577891/>

<sup>36</sup>Id.

<sup>37</sup>Id.

<sup>38</sup>Tonya Mosley and Samantha Raphaelson, WBUR, “U.S. Postal Service Stands To Suffer Huge Losses From Coronavirus Pandemic,” (April 21 2020).

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[2] Then Congress limited ability of Postal Service to charge what is required for mail delivery (with prices capped at inflation measured by the Consumer Price Index, not its actual costs); and, the Congress took away USPS's ability to innovate with new digital services such as computerized mail delivery, postal email or customer bill pay online. Congress limited the USPS from engaging in these areas of e-commerce. By contrast, Europe, national postal systems have offered digital services (to remain competitive/financially solvent in the internet revolution).<sup>39</sup>

[3] In 2006, Congress forced the Postal Service to prepay future retiree health costs at \$5.5 billion/yr. over 10 years – a pre-funding of retiree health costs not required of any government or private corporation in the US or in any other country. In these three ways, Congress created the fiscal crisis the US Postal Service faces every bit as much as temporary declines in revenue caused it.<sup>40d</sup>

The Post Office “is a federal institution and Congress has an oversight role (along with the executive branch), but the Postal Service has to pay its own way.” The 2006 Act requires the Post Office “to fund its employee retirement plan for decades in advance,” a huge financial burden that cannot be met out of current operations even without decline in postal revenues. The Post Office “has taken a huge financial hit on profits from first-class mail and package delivery, thanks to UPS, FedEx, the Internet, and mobile devices.”<sup>41</sup>

The end game here is to force USPS to continue to be in financial crisis based on deadlock in Congress until it goes bankrupt or the fear of bankruptcy causes the Postal Unions to agree to major concessions (to avoid bankruptcy). In 2012, U.S. Sen. Rand Paul (R-Ky) “told the conservative website Newsmax that a bankruptcy filing was certainly in the Postal Service’s future.”<sup>42</sup> “Paul says USPS, as private or public institution, needs to contain union costs, and only a bankruptcy filing would let the Post Office cut expenses related to its unionized employees.”<sup>43</sup>

So if Congress does nothing, opponents of having a Post Office as a governmental institution with public unions may win privatization war.

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<sup>39</sup>See Lisa McGirr, “Two Books Recount How Our Postal System Created a Communications Revolution,” NYT Book Review of Winifred Gallagher’s “How the Post Office Created America,” (July 8, 2016). See link: <https://www.nytimes.com/2016/07/10/books/review/neither-snow-nor-rain-and-how-the-post-office-created-america.html>

<sup>40</sup>Id.

<sup>41</sup>Scott Bomboy, “Can America survive without the United States Postal Service?,” U.S. Constitution Center (Aug 6, 2012). <https://constitutioncenter.org/blog/can-america-survive-without-the-united-states-post-office>

<sup>42</sup>Id.

<sup>43</sup>Id.

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Those seeking to privatize Post Office want to profit from it by having USPS monetize real estate inventory with deals with private developers: “the USPS could monetize its huge real estate inventory, valued as high as \$105 billion [in 2012 dollars], to defray costs, attract investment and remain competitive with other delivery services.”<sup>44</sup>

Those seeking to privatize USPS want to invest its pensions in Wall Street Index Fund.

Postal Union leaders say Congress caused a Postal financial crisis and inability to adapt:

“Fredric Rolando, the head of the letter carriers' union, says it's an issue with congressional policy that is causing the business crisis. Besides bringing the Postal Service to the financial precipice, pre-funding also has prevented the agency from doing what it has done for 200 years--adapt to an evolving society. Instead, this artificial political crisis has focused management's entire energy on a desperate attempt to pay bills that no one else has to pay," he said in a statement.”<sup>45</sup>

### **XXXI WHAT WERE CAUSES OF USPS DEFICITS BEFORE PANDEMIC?**

Postal Service faced market driven obstacles & Congressional pension funding mandates. There has been a decline of 47% in regular first class mail delivery since 2001: “ First-class volume peaked at 103.7 billion pieces annually in 2001. As Americans switched to automatic bill payment, email and evites, volume fell 47% by fiscal 2019 to 54.9 billion.”<sup>46</sup> The Postal Service Task Force and Treasury Department report on future of Postal Service shows that this decline in the bread and butter delivery of regular mail poses a structural financial challenge.

The US Postal Service has made up revenues lost to declining regular mail by package delivery – the increased package delivery is not as profitable (due to higher vehicle, fuel costs).<sup>47</sup> Yet, the Package Delivery volume increases in 2014-2016 solved the USPS operating deficits. In those three years, the USPS generated surpluses of over \$600 million per year.

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<sup>44</sup>Id.

<sup>45</sup>Id.

<sup>46</sup>See Michael Hiltzik, LA Times Columnist, “The Postal Service is America’s most popular government agency. Why does Trump hate it?,” LA Times, Jan 9, 2020. <https://www.latimes.com/business/story/2020-01-09/postal-service-trump>

<sup>47</sup>Id.

## **WE MUST SAVE US POSTAL SERVICE WITH BAILOUT, FIGHT PRIVATIZATION**

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### **XXXII. THERE IS A COALITION FORMING TO PROTECT POST OFFICE**

There is a coalition of groups forming to protect the US Postal Service so it survives the Pandemic. Please Join this coalition in calling on Congress to fund the Postal Service. Please share this Press Release and the resources to empower our coalition partners to lobby Congress.

Postal Unions have led fight to fully fund Post Office & keep it operating with revenues.

Amazon, Ebay, Fed Ex and UPS all oppose privatization. Small and large businesses will oppose it once it is clear how it will increase their costs, and reduce available service.

Municipal officials, esp. clerks who run elections, should oppose it with their citizenry (once it is clear how privatization threatens the free and fair functioning of elections).

DNC Chair Tom Perez has sent out letters, emails and ads to support the USPS bailout during the Pandemic to secure the Census and Elections and to save it from bankruptcy.

Social Security Works and its leader Nancy Altman has supporting a Postal Bailout in the Stimulus Bills and presented a petition to the White House signed by over 400,000 people

MoveOn.Org has a petition calling on Pres Trump to fully fund the US Postal Service  
<https://sign.moveon.org/petitions/fully-fund-the-united-states-postal-service>  
(This campaign was started by Matthew Hildreth.)

The Rural Organizing Action Network has published a letter (dated April 27, 2020) to ask U.S. Senators to fully fund the USPS. I think this is a very worthwhile lobby to the GOP. (30,913 letters have been sent; and they are seeking to send 51,200). (Over 200,000 rural residents demanding fully funded Postal Services signed an online petition).

<https://actionnetwork.org/forms/monday-april-27-2020-national-mail-in-day-to-save-the-post-office>

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### **XXXIII. USPS PRIVATIZATION CAMPAIGN BEGAN IN 1985 BY BIG MONEY**

UPS' founder & President is on CATO Institute Board of Directors. CATO Institute began its long campaign to say USPS is collapsing, failing fiscally and in need of privatization over 35 years ago (on Feb 12, 1985).

Big Money campaigns play the decades long game – just as they did in seeking a constitutional right for corporate speech leading to Citizens United, and in a long quest to gerrymander the states to favor Republicans that culminated in Redmap in 2010 and in their voter suppression efforts.

I want to point out that in 35 years the attack on USPS has not changed. Read James Brebard's "The Last Dinosaur: The U.S. Postal Service."

There are a long list of CATO Institute books attacking the USPS as "failing" and seeking to privatize it. These books were followed by conferences in the 1980's and 1990's attended by Heritage Foundation officials, corporate leaders and government officials, including the Postmaster General.<sup>48</sup>

This is called rent seeking. It is called Corporate dominance of politics based on money.

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<sup>48</sup>Philip F. Rubio, Undelivered: From the Postal Strike of 1970 to the Manufactured Crisis of the U.S. Postal Service (Univ of N.C. Pr., May 11, 2020)(Chap 8, "Downsizing, Financial Crisis, and the Challenge for Postal Labor, 2000-2019: "Who Deal this Mess?"), Kindle Edition, Loc. p. 185 of 290.)

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### **XXXIV. CONCLUSION: THIS IS BATTLE TO SAVE ESSENTIAL PUBLIC GOODS**

**The attack on the USPS is an attack on a Public Institution.** It will survive as a public option only if there is a strong and bipartisan and grassroots coalition of citizens and businesses who see its benefits and defend it. What will you do to defend the Post Office?

I have argued U.S. Postal Service is a national treasure, a public good, and that it is essential to insuring fair and free elections in a Pandemic and to insure public health.

It is vital to keep the Post Office as a public institution to secure the court system, the rule of law, for the Census, to bind communities into a nation with a single communication network.

USPS must have some monopoly role and a universal service mandate and uniform rates. This is the only way to insure that there is equal access to mail and other communications via the mail.

A.

My argument is broader. I argue the Postal Service is a Pillar of Democracy. I think this fight is similar to fights to preserve public education, fair and free elections, access to simple banking, free and open public libraries, highways and roads and safe, clean affordable water and utilities.

C.

Privatization advocates say the Post Office and Public Education should not be a public function They say it harms the economy and denies consumer welfare and choice. The opposite is true. Keeping them public and strong builds the economy and maximizes consumer welfare.

D.

On their own terms So the prophets of Privatization have it exactly backward: they promise economic benefits to the consumers and the functioning of the private market. The market cannot provide what a publicly managed US Postal Service provides at reasonable cost available to all.

E.

The plan to privatize the USPS produces the exact opposite of what they promise – higher prices (\$2-3 per letter in many areas), fewer services, lower pay, benefits and loss of universal service at uniform and affordably priced services that pay for themselves without unreasonable profits.