

# Wrecking America's Postal Service

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At a time of open-checkbook military spending, multiple imperial wars, Wall Street bailouts, handouts to other corporate favorites, transferring unprecedented wealth to America's rich, and preserving their tax cuts and other benefits for more, austerity is impoverishing millions, destroying their futures, and wrecking America's Postal Service (USPS).

The 1970 Postal Reorganization Act (PRA) made the Postal Service self-sustaining. It was exempted from the general budget, funding laws, and executive branch control. It's run as an independent federal agency on its own.

During the 1970s and 1980s, by administrative decision, it was at times included and excluded from executive budgetary consideration, depending on whether surpluses or deficits occurred.

In the 1989 Omnibus Reconciliation Act, it was put permanently off-budget. Congress made it independently self-financing. Since then (with no federal funding), it shared off-budget status with the Social Security Trust Fund, supplemental military allocations, and black Pentagon and intelligence ones.

In early December, USPS announced closure of over half its mail processing centers, 28,000 job cuts, and ending overnight first-class mail delivery.

Beginning in March, cuts will take effect. Standards in place for over 40 years will end. First-class mail will take two or three days, not one. Second class for newspapers and magazines, third class bulk mail, and fourth class will take much longer.

Pensioners dependent on benefit checks to pay bills, anyone buying drugs and other essentials by mail, and businesses needing prompt delivery to operate effectively will be impacted.

According to a Postal Regulatory Commission (PRC) Retail Access Optimization Initiative (RAOI) Advisory Opinion, so will rural America.

RAOI says small post office closures aren't about "rationalizing" the network as savings achieved are minimal. At issue is breaking the bond between small communities and USPS and hastening privatization to make delivery services another profit center instead of a public service.

Currently, USPS generates about \$62 billion annually in revenues. Corporate America wants them. Donahue serves their interests. So do union bosses.

They agreed to past work force reductions. In 1999, USPS employed over 900,000. Today

it's around 600,000, a nearly one-third drop, including attrition of over 100,000 under Obama.

On November 21, USPS Postmaster General/CEO Patrick Donahue's National Press Club speech was interrupted with calls, saying:

"Hey, hey, ho, ho, Donahue has got to go," and "Don't privatize the post office. It's a public service. It's not a profit center for Fed Ex and UPS to rip off the people. Return the overpaid pension funds....Stop closing post offices."

Outside the building protesters yelled, "This is what democracy looks like," and "We are the 99%."

Donahue claims mail delivery downgrading will save \$2.1 billion annually. Other cuts will save \$20 billion by 2015, he says. He also wants Congress to end no-layoff union contract clauses for career employees, halt retiree healthcare and pension contributions, and impose other anti-worker measures.

If fully implemented, his scheme will wreck USPS. However, claiming a fiscal crisis is duplicitous. USPS serves 150 million households and businesses daily. Operating as an independent US government agency, it's America's second largest employer after Wal-Mart.

It's not troubled by Internet competition or changed letter-writing habits. It's because Congress forced USPS to pay about \$5.5 billion annually into a trust fund for future retiree healthcare and pension benefits.

It's currently over-funded by \$75 billion. Moreover, USPS is burdened with other charges and obligations. As a result, it appears troubled. Treating the System equitably and fairly would change things. Instead, slash and burn is planned.

On December 7, Ralph Nader's article headlined, "Time to Save the Post Office," saying:

It's "headling for a free fall due to bad management, corporate barracudas, and a bevy of editors and reporters enamoured with the supremacy of the Internet which makes up their world."

Donahue's strategy stresses cuts, service delays, and higher prices. That's a "sure description for continuing decline....He mistakenly thinks closing additional USPS facilities" won't affect revenues.

At issue is no federal funding combined and billions paid annually for future retirees as explained above. Congress is considering corrective legislative action. Without it, USPS will face greater losses.

It's the only federal government creditor, operating as a hybrid public corporation. At the same time, it's "been run into the ground on the installment plan by commercial competitors aggressively taking advantage of" bad management under a corporate Board of Governors "ideologically rooting for corporate privatizers."

When Nader asked Donahue how he'll increase revenues, no response followed. "Postal Regulatory Commission Chairperson Ruth Goldway proposed about two dozen ways."

Other good ideas circulate. Instead of managing counterproductively, competing effectively with Fed Ex, UPS, and other express delivery operators should be prioritized. Congress also shares blame by restricting USPS services.

But that's no excuse for "long lines, long phone delays, other mismatches between staff and levels of fluctuating business," and other troubling issues, including excessive time spent on cutting, abandoning, closing, delaying and outsourcing services to Wal-Mart and K-Mart locations.

Edited by New York University Professor Steve Hutkins, Save the Post Office.com (SPO) supports saving and improving a vital service. The site has information on closures, consolidations, properties sold, constructive preservation efforts, and what ordinary people can do to help. It also has thoughtful analysis and opinions.

In a December 7 New York Times op ed, Hutkins said closing post offices and cutting staff won't "hasten the Postal Service's downward spiral."

Toughening user conditions will force them elsewhere for better alternatives. Moreover, declining revenues assure more cuts until the system's entirely degraded and replaced by private operators at much greater expense for small users.

"The so-called 'crisis' we're witnessing is a manufactured emergency, a strategy of 'shock and awe' designed to finish the job started in 1970, when the Department of the Post Office was turned into a government agency (made to) act 'like a business.' "

Today, privatization is planned. European countries did it. Anti-government/anti-union/corporatist/hard-right business and government ideologues want it.

Bulk mail industry shareholders, Fed Ex, UPS, and other delivery services urge it. Hutkins, like Nader and others, say saving the Postal Service requires Congress to stop assessing USPS \$5 billion annually for retiree benefits. Moreover, some or the entire \$75 billion overfunding amount must be rebated.

Doing so will make USPS fiscally sound. As a result, it'll be able to expand services and benefit everyone, not just large business mailers. Instead of downsizing, the Postal Service "should reduce its outsourcing to private companies (now getting \$12 billion in business). Much of that work could be done" internally.

Radical downsizing won't save USPS. It'll destroy it. It'll also cause "irrevocable harm" to thousands of postal worker families and communities nationwide. "Wake up America," says Hutkins. "They're coming for the post office."

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