

# World Socialist Web Site

## Who decides the fate of the US Postal Service?

Kayla Costa and Shuvu Batta

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Workers have responded with outrage to the recent leaked memos detailing efforts to privatize the United States Postal Service (USPS) by implementing major cost-cutting measures, slowing down the mail delivery speed, and making the federal agency seem unreliable in the middle of an election year that will see an increase of mail-in voting due to the COVID-19 pandemic. The internal memo, released July 10, stated that mail deliveries would be delayed due to cost-cutting and prohibitions on overtime, with “more to come.”

On July 27, newly appointed Postmaster General Louis DeJoy declared: “The Postal Service is in a financially unsustainable position, stemming from substantial declines in mail volume, and a broken business model.”

DeJoy continued: “We are currently unable to balance our costs with available funding sources to fulfill both our universal service mission and other legal obligations. Because of this, the Postal Service has experienced over a decade of financial losses, with no end in sight, and we face an impending liquidity crisis.”

### **The campaign to privatize the Postal Service**

This is only the latest in a campaign to privatize the Post Office spanning over a half century, which began in 1970 with the adoption of the Postal Reorganization Act after a nationwide postal workers’ strike. The law, first proposed under President Johnson in 1967, outlawed strikes in favor of binding arbitration, and spun off the Post Office Department, formerly a cabinet-level agency, into a publicly owned corporation, the United States Postal Service.

By the 1980s, the USPS was cut off from all federal funding, forcing it to rely solely on revenue from its own products and services. In 2006, George Bush’s Postal Accountability and Enhancement Act forced the USPS to fully fund retirement benefits without governmental assistance, creating a mountain of debt for the agency. The USPS has had declining revenue since the early 2000s as a result of the decline of paper mail delivery, and it has been losing money since 2007.

In 2018, the Trump administration released a plan calling for the USPS to either be sold off to a private company or become a publicly traded entity with shares bought and sold by wealthy investors on the stock market.

The working class faces the brunt of the consequences for these conscious actions to undermine the USPS as a public service. According to a 2019 article by *Government Executive*, the USPS has slashed 300,000 “career worker” jobs since 1999, an average of 14,285 per year.

Public postal services have already been privatized throughout Europe and in Japan, a process that is praised as a model to use in the United States by the right-wing Cato Institute think tank:

“Congress should prepare for longer-term changes by studying European experiences with postal service reform and readying the USPS for privatization and increased competition.”

For the ruling class, it is not a matter of *if* the USPS will be privatized, but *when* and *how* it will be done. Those who currently manage the USPS are well aware of their aims.

### **Who runs USPS?**

The USPS’s Board of Governors, equivalent to a board of directors for a private company, is given the power to direct and control its expenditures, review its practices, conduct long-range planning, approve officer compensation and set policies on all postal matters.

Board members are appointed by the president and must be confirmed by the Senate. The Postmaster General is appointed and voted on by the Board of Governors. Since 2006, members serve terms of seven years and supposedly must represent “public interest generally and cannot be representatives of special interests.”

But the current members of the USPS Board of Governors represent their class with all of its criminal, profit-driven, and anti-worker characteristics.

**Louis DeJoy** is the new Postmaster General, approved unanimously by the Board of Governors in May. He is the former president of investment firm LDJ Global Strategies and long-time CEO of New Breed Logistics, which merged with XPO Logistics in 2014 for a reported \$615 million. Along with his record as a wealthy corporate executive, he serves as a “mega-donor” and well-known fundraiser for the Republican Party and Donald Trump. DeJoy is the first Postmaster General to be appointed from outside the USPS in decades.

**Robert M. Duncan** is the Chairman of the Board, appointed by Trump and approved by the Senate with 86 bipartisan votes and 11 abstentions in August 2018. Like DeJoy, he is well-known for his service to the Republican Party, having served in an administrative position under George H.W. Bush. As Chairman of the Republican National Committee, his USPS web biography explains, “he raised an unprecedented \$428 million and grew the donor base to 1.8 million—more donors than at any time in RNC history.” He also sits on the boards of the coal industry lobby group American Coalition for Clean Coal Electricity, a private liberal arts college in Kentucky, and a regional bank chain in Kentucky.

**Ron A. Bloom** was also appointed by President Trump and unanimously approved by the Senate in August 2019. With a background in investment banking, Bloom is more closely aligned with the Democratic Party and the unions. He served as Special Assistant to the President of the United Steelworkers (USW) between 1996 and 2008, representing the union in contract negotiations with steel companies that caused hundreds of thousands of workers to lose their jobs and pensions.

From 2009 to 2011, he advised the Obama administration during its restructuring of the auto industry, which returned US automakers to profitability by slashing wages in half for new hires and shedding tens of thousands of jobs. Bloom has advised over 100 corporate restructurings with similar results.

While his career “accomplishments” have been devastating to the lives of many workers, Bloom is beloved by the unions, who gained access to lucrative pension and health care investment funds from the restructuring agreements.

According to a CNN article in 2011, the National Association of Letter Carriers (NALC), one of the four postal unions and which covers 250,000 workers, hired Bloom to help them develop “a ‘pro-growth’ business plan that would supposedly ‘save’ the postal service while avoiding drastic cuts.” At the time, NALC President Frederic Rolando said that Bloom had “extensive experience helping to revitalize numerous large and complex business enterprises around the world.”

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**John M. Barger** was appointed as a board member by President Trump and unanimously approved by the Senate in August 2019. He is registered as a Republican and continues to operate as the active “managing director of NorthernCross Partners, an investment and advisory firm providing private capital and advisory services to middle market companies and private equity funds.” Barger has resided on the management boards of a variety of private e-commerce and logistics companies, offering financial and investment advice.

Barger also served as chairman of the Board of Investments of the Los Angeles County Employees Retirement Association (LACERA) between 2011 and 2014, overseeing \$65 billion in pension assets for more than 150,000 public county employees. During that time, he offered expert advice on placing those public assets into Wall Street and business investments.

**Roman Martinez IV** was appointed by Trump and approved by the Senate in August 2019. Previously, he had been a leading investment banker with Lehman Brothers since 1977, when it first merged with Kuhn Loeb & Company. Over the decades, Martinez has become an expert in mergers and acquisitions and in corporate restructurings. Since his retirement in 2003, he has served on the board of directors for a few companies, including the private health insurance corporation Cigna.

**Donald M. Moak** and **William D. Zollars** joined as governors in June, after being appointed by Trump and approved by voice vote in the Senate. Moak is a long-time donor to the Democratic Party and serves as CEO for his own public affairs and business consulting firm. He has served on the AFL-CIO Executive Council and Financial Oversight Committee of one of its departments. Zollars was a corporate executive of private transportation company YRC Worldwide from 1999 to 2011 and an executive of Ryder Integrated Logistics in the mid-1990s, and currently resides on the boards of various logistics and technology corporations. YRC faces allegations of fraud for financial practices carried out while Zollars was CEO.

## **The bipartisan gang-up against the USPS and the response of the working class**

In short, the USPS is headed by former Wall Street and corporate executives, whose collective millions are derived from decades of corporate raiding and financial speculation, ramping up corporate profits at the expense of the working class.

The fact that all of the current members received overwhelming bipartisan support in the Senate demonstrates that regardless of their pretensions, both Democrats and Republicans are united in their assault against postal workers and the social rights of the working class. This truth obliterates the claim by the unions, Bernie Sanders, and the Democratic Socialists of America that postal workers can “save USPS” by pressuring Congress to provide adequate financial assistance.

Moreover, the presence of many union advisors on the Board shows that unions themselves are involved in this bipartisan conspiracy. No doubt the postal unions stand to receive billions of dollars in public stock and other financial incentives, similar to the 2009 restructuring of the auto industry when the United Auto Workers became the largest shareholder in General Motors.

The management of the critical social service provided by the USPS cannot be left in the hands of the corporate oligarchs or their union lackeys. Postal workers must take matters into their own hands and form rank-and-file workplace committees to oppose the privatization of the post office. They should demand that the USPS be transformed instead into a fully funded public utility, run democratically by the working class, with the wages and benefits of all employees and retirees fully guaranteed.

This must be connected to the fight for safe working conditions during the pandemic. The USPS facilities must undergo regular cleaning, with regular testing of postal workers and prompt reporting of all confirmed cases. If the working environment is unsafe, workers should insist that they have the right to not work under such conditions.

The defense and transformation of the USPS can only be secured through the mobilization of the working class as an independent force, opposed to both capitalist parties. Such a struggle will not be authorized by the union executives, who are completely tied to the Democratic Party and will continue to benefit from the pro-business deals negotiated by Ron Bloom and others.

Rather, postal workers must link up with their real allies in the American and international working class, including Amazon and other logistics workers, transit workers, autoworkers and teachers, all of whom face similar conditions.