

Polis (not Trump) would privatize mail

Jimmy Sengenberger

August 24, 2020

For months, Democrats have shouted that President Trump wants to "destroy the Post Office" and/or privatize it. Congressional Democrats first pushed for a USPS bailout in April; as Republicans and the Trump administration resisted, the Democrats started crying more about this supposed anti-USPS agenda.

Now, as we get closer to November, they've ramped up these attacks. Last week, <u>Speaker Nancy Pelosi falsely claimed Republicans</u>, led by Trump, are "trying to undo" USPS because "they want to interfere with the election. But," she added, "they've been after the post office for a while. Why? Because they want to privatize it."

Yet, Trump has never once suggested USPS be privatized. On the contrary, in 2018, his Postal Reform Commission suggested a number of changes. <u>Not one included privatization.</u>

In contrast, when it comes to advocating USPS privatization, Pelosi need look no further than her former colleague, Jared Polis.

In 2001, Gov. Polis, then on the State Board of Education, <u>published an extensive issue paper</u> for the Independence Institute, "Privatizing and Eliminating the Monopoly of the United States Postal Service." It is one of the strongest, most effective arguments for privatization you'll find.

"USPS is hamstrung by a pseudo-governmental status that stifles innovation and excellence in both itself and the competition," Polis begins. "Through inertia and intransigence, USPS remains owned by the United States government, which also grants it a monopoly in key categories, including home mailbox delivery."

He wants to "end all monopolistic protections and special treatment enjoyed by USPS" and to "transfer the capital stock of USPS into private hands more capable of exercising meaningful diligence and improving operating efficiency, thus allowing the profits and stock appreciation to accrue to the benefit of the employees and other shareholders."

Polis explores the historical evolution of USPS and points out that, while the Constitution gives Congress postal powers, the Framers "did not mandate that the federal government actually perform mail deliveries."

The paper contends that, since USPS was revamped in 1970, the internet has drastically decreased the need for traditional mail delivery and requires innovation. Polis quotes Ruth Goldway, then a member of the Postal Rate Commission: "Why would a consumer advocate and liberal Democrat push to privatize the Postal Service with 900,000 government employees? Simple: Because it would be the best way to save the institution from oblivion and put government resources to their most efficient and socially responsible use."

Polis tackles the "great dangers" that "USPS as a government-owned monopoly" poses "to itself and others." He discusses their "preferential treatment before the law," including exemptions from local zoning laws, vehicle registration costs and most federal, state and local taxes; its power to take private property using eminent domain, and its "damaging" ability to regulate its own competition.

There are "tradeoffs," however, like "restrictions that place it at a disadvantage relative to its private competition." For example, USPS must endure a multiyear bureaucratic process to raise prices or negotiate deals with private companies. In essence, USPS has harmful competitive advantages, but its hands are tied as a quasi-government agency.

Polis's paper highlights other Western countries that partially or wholly privatized their postal services and counters the idea "that we should subsidize the postal industry to provide services any better or more cheaply than the market equilibrium would provide given the optimal allocation of resources by the market itself."

The Democrat's bottom line: We must "move quickly to privatize and de-monopolize USPS...(W)aiting to act would decrease the market value of USPS and result in less return to the taxpayers and employees when it is ultimately sold or liquidated; privatization should be done now, while USPS still has valuable assets."

You might counter, "This was 19 years ago. Surely Polis has changed his mind." Yet on April 28, 2016, while in Congress, he tweeted a Cato Institute article arguing for "Privatizing the U.S. Postal Service."

Why would a congressman, who had published his own paper advocating for privatization 15 years earlier, share an article making that very case on Twitter?

Because he still believes it. And in reality, the state of the Post Office has only deteriorated since 2001, meaning Polis's arguments are even more salient now than then.

So, let's keep in mind that privatizing and de-monopolizing USPS is a bipartisan idea. Donald Trump and Nancy Pelosi don't want it, but Jared Polis and Jimmy Sengenberger sure do.