

THE SACRAMENTO BEE

Viewpoints: How Congress undercuts the Postal Service

By: Bruce Maiman – April 16, 2013

Does Congress have it in for the U.S. Postal Service?

The Postal Service gets no tax dollars, yet is constantly hammered as a money-wasting government agency. Every time it seeks to cut costs, Congress puts up roadblocks.

In February, the Postal Service announced it would end Saturday mail delivery, saving the agency \$2 billion annually. But the new stopgap budget passed by Congress prohibits that with language mandating six-day delivery. Whenever the Postal Service tries to close an underperforming facility, lawmakers become apoplectic and try to prevent the closing, forcing the agency to throw good money after bad.

It's mind-boggling how Congress, a withering failure on fiscal matters, routinely castigates the Postal Service for hemorrhaging cash, yet continues to subjugate the agency to its own blundering fiscal whims.

The Postal Service's biggest financial burden, however, is something it couldn't control even if it had real autonomy: the Postal Accountability and Enhancement Act. Passed in December 2006, it required the Postal Service to annually pay \$5.5 billion to pre-fund retiree health benefits for the next 75 years, and do so all before 2017.

Never has Congress forced any private business or government agency to comply with such an onerous obligation.

Proponents of the measure argued that the Postal Service would become insolvent, leaving taxpayers on the hook for any unfunded liabilities.

Today they look at the Postal Service and say, "See, it's losing money. We were right." They don't tell you that the Postal Service was profitable every year through 2006, when the Postal Accountability and Enhancement Act became law. It has lost money every year since.

"Someone was out to get the Postal Service in 2006," Rep. John Garamendi, D-Walnut Grove, tells me. The law "is probably designed to bankrupt the Postal Service so that it would disappear."

It's a common suspicion, one many believe is driven by the American Legislative Exchange Council, or ALEC, the most powerful lobby you've never heard of. It's an organization of state lawmakers across the country, funded primarily by wealthy business donors like the Koch brothers, Big Oil, Big Pharma and Big Tobacco.

Some have called ALEC "Corporate America's Trojan Horse." Operating mostly in secret, ALEC drafts "model legislation" for lawmakers to present as their own, getting it passed into law. Arizona's infamous immigration law, SB 1070, is one such offspring. The Postal Accountability and Enhancement Act is another, fronted by then-New York Rep. John McHugh, a longtime member of ALEC. Another ALEC alum: Illinois' Dennis Hastert, the House speaker in 2006 who pushed the act through by voice vote, with no record of members present or their position.

FedEx's chief lobbyist, Bill Primeaux, and UPS operations manager Richard McArdle sit on the ALEC corporate board. What might private carriers gain should the Postal Service disappear?

The Cato Institute fully favors privatization of mail delivery. One of its board members: Fred K. Smith, CEO of FedEx. Who funds the Cato Institute? The Koch brothers. Smith and the Kochs are on record favoring privatization of the Postal Service. Interestingly, in 2006, the Postal Service considered replacing many of its vehicles – the largest fleet in the nation – with electric vehicles, a huge boost for that industry but hardly attractive to oil barons like the Koch brothers. That plan died when the Postal Accountability and Enhancement Act passed.

Also benefiting: CBRE, the world's largest commercial real estate broker and sole manager of all Postal Service property sales. Desperately attempting to raise cash, the Postal Service is selling properties in its control, like the historic downtown post office in Berkeley. The chairman of CBRE? Richard Blum, husband of Dianne Feinstein.

Even if the "ALEC conspiracy" isn't your fancy, expecting any business to pre-fund 75 years of entitlements and then complain that it's losing money is beyond logic. It's like putting a 200-pound bag of cement on a sprinter and complaining about his second-place finish.

A bill in the last Congress, HR 1351, would have repealed the Postal Accountability and Enhancement Act mandate. Despite 230 co-sponsors in the House, it died in the Committee on Oversight and Government Reform, chaired by Darrell Issa, R-Vista, another proponent of mail privatization. A bill supported by more than half the House defeated in committee by a handful?

Members can initiate a discharge petition, a procedural maneuver that circumvents committee votes and brings bills to the floor with 218 signatures. However, the bill must first be reported to the floor. The House speaker can block that reporting and thus the petition. Current Speaker John Boehner? Also a member of ALEC.

HR 1351 has a sequel, HR 961. Not even a month old, it already has 49 co-sponsors. We'll see.

Funny, though, how members of Congress want mail delivery privatized and then, when the Postal Service tries to act like a private business, Congress trumpets rules telling it what it can and cannot do.

Says Garamendi: "You've correctly identified the issue."

Yes, the Postal Service faces problems. It's just a question of whether the treatment is worse than the disease.