



Bernie Sanders to Deliver a Commonsense Plan to Save the Postal Service

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Earlier this year, President Donald Trump seethed on Twitter that the United States Postal Service had become Amazon's "Delivery Boy." "P.O. leaders don't have a clue (or do they?)" he fumed, vowing that "THEY LOSE A FORTUNE, and this will be changed."

After reportedly dwelling on the issue for weeks, Trump ordered the creation of a task force to review the agency's finances, declaring that "the USPS is on an unsustainable financial path and must be restructured." The task force will be led by Treasury Secretary Steven Mnuchin and Office of Management and Budget Director Mick Mulvaney, two of the Trump administration's biggest proponents of private industry.

The USPS has indeed seen better days: Despite its growing package business, the agency has recorded billion-dollar losses every year for over a decade, and traditional mail volumes are still falling. But Senator Bernie Sanders (I-VT), a longtime advocate for the Postal Service, believes the Trump task force's "restructuring" could destroy the agency altogether.

In a letter shared with *The Nation* ahead of its release, Sanders warned Mnuchin, who is chairing the task force, that "it would be a disaster if the President or members of his Administration believe the ultimate solution is to privatize the Postal Service."

"If the goal of the Postal Service is to make as much money as possible," Sanders told *The Nation*, "tens of millions of people, particularly low-income people and people in rural areas, will see a decline in or doing away with basic mail services."

Instead, Sanders urged Mnuchin to support sweeping reforms that would allow the agency to offer new services and escape restrictive funding obligations. Some of these proposals would require Congress to pass new laws, while others would require Postal Service management to undo years of internal cuts.

First among the Vermont senator's proposals is an end to the USPS's burdensome pre-funding mandate, which requires it to pre-pay decades of retiree health benefits. This unique requirement, which costs the USPS billions every year, was imposed by Congress in 2006, when mail volumes were historically high, but after the recession it became impossible to make the payments.

Congress could pass a bill at any time to eliminate the requirement, but with Republicans in control of both chambers that's extremely unlikely. The postal workers' unions claim that this mandate has created a "manufactured crisis" at the USPS, and that without it the agency would be in the black. The nonpartisan Congressional Research Service has argued that the agency's financial troubles run deeper, but admits that the mandate is the single biggest obstacle to profitability.

But Sanders's letter also looks toward the future, exhorting Mnuchin to endorse measures that would help the USPS adapt to the digital age. Since 2006 the agency has been barred from offering new products and services: At present, it cannot notarize documents, wrap presents, or ship alcoholic beverages. Sanders argues that Congress should allow the agency to do all these things and more, even suggesting it could expand into digital services and "offer a non-commercial version of Gmail."

These proposals may sound surprising, but experts say they enjoy broad support among Postal Service stakeholders, and that the USPS would probably offer many of them if it could.

"Bernie may seem like a radical on some issues, but on the post office, he's just plain common sense," said Steve Hutkins, an NYU professor who runs the website Save the Post Office. Hutkins says most of Sanders's proposals have been endorsed by the unions and the major mailers.

Sanders also argues that the USPS *already* has the authority to offer some "postal banking" services such as cashing checks and opening bank accounts, though that interpretation of the existing statutes could be challenged in court. Earlier this year, Senator Kirsten Gillibrand (D-NY) introduced a bill that would explicitly broaden the agency's mandate, requiring all post offices to offer savings accounts and low-interest loans; according to one estimate, these services could generate up to \$9 billion a year.

"Postal banking makes complete sense for this country right now, and it's great that Bernie is supporting it" said Mehrsa Baradaran, a professor at the University of Georgia who has written extensively about the USPS. "A whole bunch of people are left out of the banking sector, and the post office is the last place that a lot of these people have access to." (Baradaran helped write the Gillibrand bill.)

But Sanders's letter criticizes not only Congress but also Postal Service management itself. He says that the USPS should resume overnight delivery and speed up delivery overall, noting that late deliveries have skyrocketed since 2012 after the agency repeatedly cut service standards. The USPS downgraded service after the recession as part of an austerity strategy that also shuttered dozens of post offices and eliminated thousands of jobs. Further cuts, Sanders warned, will lead to a "death spiral"—service will worsen, which will drive customers away, resulting in even lower revenue.

The only people who benefit from such a crisis, Sanders said in the letter, are those who "want to profit off of [the USPS's] failure." He told *The Nation* that he believes some of those people are currently in the White House.

"President Trump is dead wrong if he believes the ultimate solution to the issues at the Postal Service is to privatize it," he said. "But by putting people like Mick Mulvaney on the Postal Service task force—someone who is sympathetic to privatization and is a friend of the payday lending industry—I am afraid that's exactly what he wants to do."

Right-wing think tanks like the Cato Institute have long proposed privatizing the USPS, arguing that the agency is inefficient and survives because of an unfair monopoly—arguments that also appeared in Trump’s initial executive order. In his confirmation hearing, Mulvaney dodged a question about whether he believes the USPS should be privatized, claiming “there is bipartisan agreement that the current structure of the Postal Service is not working.”

It was a desire to privatize the USPS, Baradaran said, that led Republicans to hamstring the agency in 2006. If the USPS hadn’t been so limited going into the recession, she said, it might not be so vulnerable now.

“This isn’t the first time the Postal Service has been hit by a disruptive technology,” said Baradaran, “but the difference is that, every other time, it’s been able to adapt and respond. This time, its hands are tied.”