

Who's pushing post office privatization?

By [Joseph Piette](#) on August 11, 2013 (Joe is a retired Letter Carrier & CLUPJS activist)

Postal and community activists struggling to save the U.S. Postal Service from privatization need to know who they are fighting against.

The Postal Service was established in 1775. It needed government administration as it was so important for communication.

Even in today's age of Internet communication, 20 percent of the U.S. population lack Internet access and depend on the post office for bills, bank statements and letters. (Gallup World, Aug. 4) The Postal Service is still essential for the \$1.3-trillion mailing industry.

The campaign to privatize and de-unionize the USPS threatens the livelihood of every affected worker and neighborhood. Hardest hit will be communities of color that suffer depression-level unemployment.

While the post office clearly provides a vital service, can it withstand attacks from privatizers set on eliminating universal delivery in their search for profits?

Who are the privatizers?

The USPS has 522,144 workers and 31,272 retail stores. Its 2012 revenue was \$65 billion. Mandated to deliver mail at affordable prices to over 150 million U.S. addresses, it holds a statutory monopoly on the delivery of first-class mail.

Under congressional control, the USPS is prohibited from lobbying Congress or contributing to political campaigns.

Corporate executives consistently resist workers' demands for even nickel wage increases yet spend millions to influence politicians. The penny-pinching owners of capital and exploiters of workers demand favorable results from their "investments" in politicians. With \$3.31 billion spent on congressional lobbying and \$6 billion contributed to election campaigns in 2012 alone, the U.S. holds the title of the most corrupt political system in the world. (Center for Responsive Politics – OpenSecrets.org)

United Parcel Service has 322,100 employees and 5,722 retail locations. Its 2012 revenue was \$54 billion. It delivers only when and where it can make a profit. UPS pays the USPS to deliver 100 million to 300 million parcels annually to less profitable locations, according to the industry watchdog group, Courier Express and Postal Observer. Clearly it has a stake in eliminating its main U.S. competitor — the Postal Service. In 2012, UPS spent \$5 million lobbying Congress and another \$3.1 million on candidates.

FedEx employs 300,000 workers worldwide and logged \$45 billion in revenue in 2012. It also delivers when and where it is profitable and uses the USPS for 30.4 percent of its ground mail delivery. The USPS pays \$1.4 billion annually to move letters and parcels via FedEx air cargo planes. FedEx spent almost \$12 million in 2012 lobbying and another \$2.5 million in campaign contributions.

Pitney Bowes has 27,000 workers worldwide. Its 2012 revenue was \$5 billion. It paid for a "White Paper" in 2013 that recommends the privatization of postal trucking, retail and mail processing. Operating 36 processing plants — the largest U.S. pre-sorted mail network — PB would vastly increase its profits if those recommendations bore fruit. PB contributed half a million dollars to campaigns and spent another \$1.25 million lobbying Congress. (savethepostoffice.com, March 15)

These aren't the only companies that would benefit from postal privatization.

Boston Consulting

Boston Consulting Group, the world's largest management consulting firm, plays a major role preparing companies for deregulation and privatization. BCG was behind the dismantling of public school systems and the establishment of charter schools in Chicago, Philadelphia and New Orleans. It is involved in the restructuring of postal institutions globally, including in Switzerland, Canada, Norway and England, whose government just announced its intent to privatize Royal Mail.

BCG, Accenture and McKinley & Company produced a 2010 study entitled "Ensuring a Viable Postal Service for America – an Action Plan for the Future." The study recommended increased use of part-time workers, as in the Netherlands and Germany, where 40 percent of postal workers work part time. The privatized Dutch post office, PostNL, fired older letter carriers and replaced them with workers paid per item or part time, many earning less than minimum wage. (ernstseconomyforyou.blogspot.com, March 28)

Both UPS and FedEx belong to the powerful American Legislative Exchange Council or ALEC, an ultra-conservative organization of the well-to-do, the corporations and the politicians that promotes right-wing legislation on local, state and federal levels. (Sourcewatch.org)

Two of the richest men in the U.S. — Charles and David Koch — with combined assets of \$40 billion, are ALEC's largest funders. They also fund the Cato Institute, Citizens for a Sound Economy, Freedom Works, the Heritage Foundation, the Tea Party and other right-wing organizations.

ALEC bills undermine environmental regulations, deny climate change, support school privatization, undercut health care reform and limit the political influence of unions. They mandate laws to disenfranchise voters and increase incarceration rates to benefit the private-prison industry. In over 20 states, ALEC helped pass "stand your ground" legislation, which right-wingers used to justify George Zimmerman's racist killing of Trayvon Martin.

For years, ALEC worked to influence Congress to pass the Postal Accountability and Enhancement Act of 2006, requiring the USPS to pay \$5.5 billion annually for pension health care benefits 75 years in advance. No other agency carries that burden. In 2006, before the PAEA, the USPS profit was \$0.9 billion.

Under pressure of this substantial red ink, postal management in the last year closed 30 percent of its processing and distribution plants; reduced hours up to 75 percent in half of the post offices; put 10 percent of buildings up for sale; subcontracted trucking and mail handling; cut thousands of mail routes; and eliminated 60,000 living-wage postal jobs. These cuts all slow down the mail system.

Tea Party House Rep. Darrell Issa (R-Calif.), the richest man in Congress with a net worth of \$448 million, heads the House Oversight and Government Reform Committee. (KSBW.com, Dec. 27, 2011)

Issa is the congressional pitbull most insistent on passing postal privatization. Issa's HR2748 bill would end Saturday delivery, replace door-to-door delivery for 40 million homes with neighborhood cluster boxes and eliminate 100,000 postal jobs.

The use of cluster boxes not only inconveniences mail recipients but would de-skill jobs that require stamina and a good memory, allowing the USPS to follow the anti-labor example of the Netherlands in hiring part-time, low-paid workers.

The Koch brothers contributed \$107,000 to 13 Republican members of the HOGRC — \$12,500 just to Issa, who sent staff members to a Koch brothers' think tank. (Press Enterprise, Feb. 27, 2011)

Issa appointed staffers to the HOGRC who are linked to lobbying firms that accepted \$1.2 million from Pitney Bowes and \$240,000 from FedEx.(opensecrets.org)

On Aug. 2, Sen. Tom Carper (D-Del.), chair of the Senate Homeland Security and Government Affairs Committee, and Sen. Tom Coburn (R-Okla.) released Senate postal reform bill S1486. American Postal Workers Union President Cliff Guffey said: “This bill is fatally flawed. It betrays the working men and women of the USPS; it slashes service to the American people; and it fails to protect the USPS from the impending financial disaster Congress set in motion in 2006 with the passage of the PAEA.” (APWU Web News, Aug. 2)

Over the last two years, Carper accepted contributions from UPS (\$59,000) and FedEx (\$72,500). (opensecrets.org)

Bankers' role

Barclay's, UBS, Bank of America, Merrill Lynch and Goldman Sachs were recently selected by the British Parliament to lead a banking syndicate overseeing privatization of the Royal Mail, valued at \$4.8 billion. Goldman Sachs also supported privatization campaigns in Japan, Germany, the Netherlands and Austria.

Not coincidentally, Issa hired former Goldman Sachs vice president, Peter Haller, to serve on the HOGRC. Bank of America was Issa's fifth highest campaign contributor at \$21,850 (2012). Carper received \$56,740 from Bank of America.

These millionaires and billionaires may look powerful, and they're certainly rich, but postal workers can still win against them if they're united with the great global working class.