



## Preserving the U.S. Postal Service and Protecting Postal Workers

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***This explainer draws on the work of, and reflects contributions from, Public Citizen, Institute for Policy Studies, American Postal Workers Union, National Association of Letter Carriers, and The Leadership Conference on Civil and Human Rights, among others.***

### Background

#### ***The Unique Risks to U.S. Postal Workers***

Almost 650,000 workers in the U.S. Postal Service are on the front lines of the COVID-19 pandemic. In their service to our families and our national welfare, postal workers are at exceptional risk of contracting the novel coronavirus — going door to door in the face of a pandemic, initially without the necessary personal protective equipment to safeguard them from illness.<sup>1</sup> These essential workers do so much more than deliver our mail. They bring us our prescription medications, our ballots to vote safely from our homes, and the packages that we rely on during retail business closures.<sup>2</sup>

The importance of the U.S. Postal Service is heightened during the coronavirus shutdowns as so many Americans work from home, educate their children at home, and conduct their personal, medical, and business affairs remotely. The role of the U.S. Postal Service is so vital to a functioning democracy that it is enshrined in the United States Constitution. Its workforce is one of the most diverse and representative in the country, providing millions of African-Americans and Hispanics with strong middle-class jobs, while creating leadership opportunities for women.<sup>3</sup> In appreciation for generations of reliable and affordable service, Americans love the Postal Service, giving it the highest overall positive rating of any federal agency, with 91% approving of its role in society.<sup>4</sup>

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<sup>1</sup> Ashley Collman, “USPS mail carriers say service isn’t doing enough to protect them from coronavirus and are mixing DIY sanitizer and buying gloves online to stay safe,” *Business Insider*, April 3, 2020.

<https://businessinsider.com/coronavirus-usps-workers-say-doing-too-little-to-protect-them-2020-4>

<sup>2</sup> American Postal Workers Union, “Statement from President Dimondstein: Postal Workers in a Time of Crisis,” March 25, 2020.

<https://www.apwu.org/press-release/statement-president-dimondstein-postal-workers-time-crisis>

<sup>3</sup> United States Postal Service. “Workforce Diversity and Inclusiveness.”

[https://about.usps.com/strategic-planning/cs09/CSPO\\_09\\_087.htm](https://about.usps.com/strategic-planning/cs09/CSPO_09_087.htm)

<sup>4</sup> Pew Research Center, “Public Holds Broadly Favorable Views of Many Federal Agencies, Including CDC and HHS,” April 9, 2020.

<https://www.people-press.org/2020/04/09/public-holds-broadly-favorable-views-of-many-federal-agencies-including-cdc-and-hhs/>

But due to the vulnerability of postal workers to the coronavirus, tragically, the Postal Service has seen by far the highest number of illnesses and deaths of any federal agency, with 60 deaths, 24,000 illnesses, and more than 17,000 workers sent into self-quarantine by late May.<sup>5</sup> Even months into the pandemic, there are still reports of outbreaks at postal facilities where hundreds of workers risk infection.<sup>6</sup>

### **The Threat to the U.S. Postal Service**

As postal workers risk their lives to provide this vital public service, the U.S. Postal Service is facing a fiscal crisis in the context of a global pandemic. Demand for its most profitable first-class mail delivery has plunged during the economic slowdown, while package delivery demands have skyrocketed.

Unlike any private firm or other government agency, the Postal Service is obligated by the 2006 Postal Accountability and Enhancement Act (PAEA) to pre-fund retiree health benefits more than 50 years in advance. Without this requirement, the institution would have shown a profit every year between 2013 and 2018.<sup>7</sup>

The pre-funding mandate is responsible for an overwhelming share of the Postal Service's net losses, and the Postal Service has defaulted on its pre-funding payments since 2012. For years, conservatives in the Congress have used this manufactured financial crisis to justify calls for service cuts, pay freezes, and even privatization of the USPS. In June 2018, OMB recommended postal privatization as one of 32 recommendations to modernize the USPS.<sup>8</sup> Later that year, a task force headed by Treasury Secretary Steven Mnuchin called for privatization of wide swaths of the Postal Service, reducing delivery days, closing post offices, and drastically increasing prices on package service and first-class mail. In the midst of these proposed austerity measures which would have further reduced public trust and usage of the USPS, the task force opposed the repeal of the pre-funding mandate.<sup>9</sup>

Postal unions and advocates have called for the passage of the USPS Fairness Act (H.R. 2382, S. 2965). This bill, introduced in the U.S. House and Senate with bipartisan support on December 3, 2019, passed the House by an overwhelming 309-106 margin. It would have repealed the pre-funding mandate, allowing USPS to return to an annual, pay-as-you-go

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<sup>5</sup> Eric Katz, "These Federal Agencies Have Seen the Most COVID-19 Deaths," *Government Executive*, May 22, 2020.

<https://www.govexec.com/workforce/2020/05/these-federal-agencies-have-seen-most-covid-19-deaths/>

<sup>6</sup> Hayley Sanchez, "USPS Processing Center Stays Open Despite Denver Health Officials Order To Close Over COVID-19 Cases," Colorado Public Radio, May 22, 2020.

<https://www.cpr.org/2020/05/21/usps-processing-center-stays-open-despite-denver-health-officials-order-to-close-over-covid-19-cases/>

<sup>7</sup> Sarah Anderson, Scott Klinger, Brian Wakamo, "How Congress Manufactured a Postal Crisis — And How to Fix it," Institute for Policy Studies, July 15, 2019.

<https://ips-dc.org/how-congress-manufactured-a-postal-crisis-and-how-to-fix-it/>

<sup>8</sup> Eric Katz, "White House's Plan for the Postal Service: Fix It, Then Privatize It," *Government Executive*, June 21, 2018.

<https://www.govexec.com/management/2018/06/white-houses-plan-postal-service-fix-it-then-privatize-it/149195/>

<sup>9</sup> Department of the Treasury, Task Force on the United States Postal System, "United States Postal Service: A Sustainable Path Forward," December 4, 2018.

[https://home.treasury.gov/system/files/136/USPS\\_A\\_Sustainable\\_Path\\_Forward\\_report\\_12-04-2018.pdf](https://home.treasury.gov/system/files/136/USPS_A_Sustainable_Path_Forward_report_12-04-2018.pdf)

system to fund retiree health benefits.<sup>10</sup> But progress on this work was stymied by Senate Majority Leader Mitch McConnell and the arrival of the pandemic.

The fiscal demands imposed by the PAEA have put the USPS in a financial bottleneck heading into the pandemic. In the years since the PAEA went into effect, USPS has slashed costs, eliminating more than 200,000 staff positions, and placing a strain on rural postal delivery and in cities that see large numbers of Amazon packages.<sup>11</sup> These cuts are disproportionately harming low-income communities, senior citizens, tribal residents, and others on the margins of the American economy.<sup>12</sup>

But the financial picture has continued to deteriorate in the face of this manufactured fiscal crisis and the COVID-19 pandemic. In her testimony to the U.S. House Committee on Oversight and Reform, outgoing Postmaster General Megan Brennan predicted insolvency for the USPS as soon as September 30, 2020 if it did not receive an infusion of coronavirus stimulus funds.<sup>13</sup>

Rather than shoring up the finances of the U.S. Postal Service, the CARES Act legislation in March 2020 specifically excluded the USPS from any direct funding support, other than loans, subject to draconian conditions imposed by Secretary Mnuchin.<sup>14</sup> Now, with the leverage of the COVID-19-induced economic shutdown, the Republican Senate and Administration are using the opportunity to exert further influence over how the USPS operates, including its critically important work delivering the packages that people rely on during the coronavirus lockdowns. President Trump has threatened to veto any further aid to the USPS unless it quadruples its rates for package delivery, as part of his ongoing war of words with Jeff Bezos, who owns Amazon.com and the *Washington Post*, which has been critical of his Administration.<sup>15</sup> (The stated rationale was that USPS loses money on delivering packages for Amazon and other online sellers. The *Washington Post* Fact-checker gave this claim a Four Pinocchio rating for maximum untruthfulness.<sup>16</sup>) Senate Majority Leader Mitch McConnell indicated unwillingness to include support for the USPS in the next coronavirus package.

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<sup>10</sup> American Postal Workers Union, The USPS Fairness Act, <https://apwu.org/usps-fairness-act>

<sup>11</sup> Jack Bittle, "Disastrous at a time like this: the US Postal Service is on the brink of crisis," *The Guardian*, June 3, 2020.

<https://www.theguardian.com/us-news/2020/jun/03/us-postal-service-is-struggling--bad-for-election>

<sup>12</sup> Leadership Council on Civil & Human Rights, "Congress Must Provide Robust Funding for the United States Postal Service," May 6, 2020.

<https://civilrights.org/resource/congress-must-provide-robust-funding-for-the-united-states-postal-service/>

<sup>13</sup> Postmaster General Megan J. Brennan, "The Financial Condition of the Postal Service: Testimony to House Committee on Oversight and Reform," April 30, 2020.

<https://oversight.house.gov/legislation/hearings/the-financial-condition-of-the-postal-service>

<sup>14</sup> Jacob Bogage, "White House rejects bailout for U.S. Postal Service battered by coronavirus," *Washington Post*, April 11, 2020.

<https://www.washingtonpost.com/business/2020/04/11/post-office-bailout-trump/>

<sup>15</sup> Myah Ward, "Trump: Postal service is a 'joke' that must raise prices to get bailout money," *Politico*, April 24, 2020.

<https://www.politico.com/news/2020/04/24/trump-us-postal-service-coronavirus-bailout-206851>

<sup>16</sup> Glenn Kessler, "Analysis: Trump's claim the Postal Service loses money on every e-commerce package it delivers," *Washington Post*, April 27, 2020.

<https://www.washingtonpost.com/politics/2020/04/27/trumps-claim-postal-service-loses-money-every-e-commerce-package-it-delivers/>

Allowing the USPS to go bankrupt during a deadly pandemic would represent a grave threat to our democracy. Millions of Americans are now requesting and receiving ballots by mail, to protect their health and reduce the spread of the coronavirus. Vote at home and no-excuse vote-by-mail have accelerated rapidly due to the pandemic, as described in detail in the CPC Center's explainer [Protecting Democracy and Advancing Vote at Home](#).

In April and May 2020, Republican oversight and control of the U.S. Postal Service was cemented with the selection of Louis DeJoy, the finance chairman of the 2020 Republican National Convention, as the new postmaster general. Traditionally, this role has been filled by career postal officers. Deputy Postmaster General Ronald A. Stroman, a senior officer who was charged with developing the postal strategies on voting by mail, announced his resignation shortly thereafter.<sup>17</sup>

In the face of these pressures, the USPS has now taken steps to accommodate some of the Trump Administration's agenda. Following a longstanding Trump demand, the Postal Service announced that it would review the rates that it charges for package delivery, a key item in Trump's struggles against Jeff Bezos.<sup>18</sup>

It is clear that the U.S. Postal Service and its employees, [40 percent of whom](#) are people of color, have been politicized to an unprecedented extent, in the pandemic and against an increased urgency to support universal Vote at Home to protect the public health. Forcing the USPS to capitulate to politically-motivated demands, or allowing it to go bankrupt, would profoundly undermine our democracy and weaken one of the core institutions that binds us together as a nation.

## Federal Actions to Protect the U.S. Postal Service and Postal Workers

As the extent of the impact of the coronavirus and the integral role of the Postal Service became clear, progressive organizations and labor unions have advocated for strong federal support for the U.S. Postal Service. Yet the relief packages passed thus far by Congress and signed into law have included only modest support for postal workers and the USPS.

### **CARES Act**

In advance of the passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748) on March 27, there was a strong push to protect postal workers and to shore up the finances of the USPS.

For example, House Financial Services Chair Maxine Waters and Ranking Member on the Senate Banking Committee, Sherrod Brown, introduced legislation to create FedAccounts. Their proposal would ensure that no one needs to use an expensive check cashing service to access their stimulus payment, because the Federal Reserve in partnership with the U.S. Postal Service could deliver the payments to every household, while shoring up the USPS.

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<sup>17</sup> Jacob Bogage, "Under fire from Trump, Postal Service braces for arrival of new postmaster general allied with White House," *Washington Post*, May 7, 2020.

<sup>18</sup> Jacob Bogage and Josh Hawsey, "Postal Service to review package delivery fees as Trump influence grows," *Washington Post*, May 14, 2020.  
<https://www.washingtonpost.com/business/2020/05/14/trump-postal-service-package-rates/>

This item was into the House version of the CARES Act in March but did not make it into the final legislation.<sup>19</sup>

As ultimately passed into law, the CARES Act provided only a \$10 billion lending facility for the USPS from the Treasury Department, if the agency determines it “will not be able to fund operating expenses” without assistance. The National Association of Letter Carriers and other postal advocates protested strongly that the terms and conditions placed onerous burdens on the USPS and its employees, and fundamentally mischaracterized the nature of the Postal Service’s financial and other challenges.<sup>20</sup> Due to USPS leaders’ objections to the conditions required by Treasury Secretary Mnuchin, including rate hikes and service cuts, no loan agreement has yet been negotiated.<sup>21</sup> The *Washington Post* Editorial Board and others criticized the ultimate package as insufficient and flawed given the critical importance of the U.S. Postal Service and the extent of the fiscal needs.<sup>22</sup>

### **Heroes Act**

The Heroes Act was passed by the Democratically-controlled House of Representatives on May 15, 2020. The bill is a major step forward in preserving the independence and financial stability of the USPS as well as protecting the safety of postal workers. A detailed comparison of the CPC provisions and the Heroes Act by the Progressive Caucus Action Fund shows overwhelming commonality on the issues facing the Postal Service.<sup>23</sup> There was also widespread support for the provisions from organized labor.<sup>24</sup>

The Heroes Act:

- Provides \$25 billion to ensure continued operations of the US Postal Service, without repayment obligations
- Requires additional protections to ensure the health and safety of postal workers, such as Personal Protective Equipment,
- Grants pandemic premium pay for all postal employees, with an additional \$13.00 an hour for time worked from January 27, 2020, capped at \$25,000 per worker. This would begin with a lump-sum payment retroactive to January, and then continue with a \$13.00 per hour increase until 60 days after the pandemic ends.

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<sup>19</sup> Raul Carrillo, “The Pandemic Has Shown That We Need a Public Option for Banking Services,” Inequality.org, May 14, 2020. <https://inequality.org/research/public-option-banking/>

<sup>20</sup> National Association of Letter Carriers, “President Trump is Being Misinformed About the Postal Service,” April 25, 2020. <https://www.nalc.org/news/nalc-updates/president-trump-is-being-misinformed-about-the-postal-service>

<sup>21</sup> Jacob Bogage and Lisa Rein, “Trump administration considers leveraging emergency coronavirus loan to force Postal Service changes,” *Washington Post*, April 23, 2020. <https://www.washingtonpost.com/business/2020/04/23/10-billion-treasury-loan-usps/>

<sup>22</sup> *Washington Post* Editorial Board, “Congress gave the Postal Service a Band-Aid. It needs a permanent fix.” *Washington Post*, April 20, 2020. [https://www.washingtonpost.com/opinions/congress-gave-the-postal-service-a-band-aid-it-needs-a-permanent-fix/2020/04/20/5247aaf6-8003-11ea-8013-1b6da0e4a2b7\\_story.html](https://www.washingtonpost.com/opinions/congress-gave-the-postal-service-a-band-aid-it-needs-a-permanent-fix/2020/04/20/5247aaf6-8003-11ea-8013-1b6da0e4a2b7_story.html)

<sup>23</sup> Progressive Caucus Action Fund, Progressive Priorities in the Heroes Act, May 14, 2020. <https://static1.squarespace.com/static/53cab2c3e4b0207d2957d0d2/t/5ebdbad5e9a43f5a39f05ff/1589492438335/Progressive+Priorities+in+the+HEROES+Act+Final.pdf>

<sup>24</sup> Lia Russell, “Unions react to the HEROES Act proposal,” *Federal Soup*, May 14, 2020. <https://federalsoup.com/articles/2020/05/14/unions-praise-heroes-act.aspx>

- Repeals the restrictions on the USPS's \$10 billion in borrowing authority from the Treasury Department established as part of the CARES Act

The Republican-controlled Senate is not expected to engage on this legislation until at least June. As the Senate takes up the Heroes Act, it is likely that the financial and policy support for the U.S. Postal Service will be attacked.

## **A Progressive Vision for the Postal Service**

Regardless of the outcome of the Heroes Act negotiation, it is imperative for the U.S. Postal Service, its hundreds of thousands of employees, and 330 million Americans, that we as a nation work to resolve USPS's long-term financial and governance challenges.

In the near term, Congress needs to come through with emergency relief to ensure the Postal Service can survive the current crisis and serve the country for decades to come. Progressive members of Congress have been at the forefront developing a vision for the future of this vital public service that would make it more resilient and more responsive to public needs. This vision could include allowing the USPS to expand financial services as an alternative to predatory check-cashing and other high-fee financial firms. One option with considerable momentum is the idea of individual Federal Reserve accounts for every American, accessible through the U.S. Postal Service. Today, only privileged banks and governmental entities can access these high-interest, low-fee Fed accounts. But the Fed could easily offer everyone the same types of accounts, with stronger consumer safeguards as well as higher interest rates on savings than Wall Street banks provide. As noted above, despite inclusion of this element into the House version of the CARE Act, it was removed from the bill signed into law.

Innovations like Fed Accounts and similar progressive priorities would help secure the unique and constitutionally required role of the U.S. Postal Service while protecting its hundreds of thousands of employees and the communities that rely on them.