

Merkley, workers rally to stop post office closure

Critics say move toward privatizing service will replace good jobs with minimum-wage jobs

BY EMILY GREEN
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Planned changes to the United States Postal Service (USPS) as it downsizes, and as mail delivery moves toward privatization will delay mail, replace living-wage jobs with minimum-wage jobs, and force customers to pay higher rates for overnight local delivery, say postal union organizers.

According to Portland's postal union president, Brian Dunsmore, USPS losses are manufactured, in part, to pave the way toward privatization, and officials are failing to act on proposed service expansions that would make the entity more profitable, save jobs and benefit underserved citizens.

USPS losses amounted to nearly \$20 billion over the last four years, and while many point to the rise of the Internet as the culprit, most of the loss can be traced to a 2006 mandate issued by a Republican-led Congress requiring USPS pay \$5.6 billion a year to prefund retiree health benefits for employees 75 years in advance. "No other federal agency has ever had to do that," says Dunsmore. "We're funding health care for workers that aren't even employed yet, and some that aren't even born yet."

Consumer advocate Ralph Nader crunched the numbers, and in 2011 sent a letter to former senator Joe Lieberman and Rep. Darrell Issa (R-Calif.) claiming that if the mandate to prefund payments had not been enacted into law, USPS would have had a \$1.5 billion surplus rather than a \$20 billion deficit.

Postal workers are taking to the street as policy makers continue with cuts while pointing to these losses as reason to do so. Because about 25 percent of postal workers are veterans, union organizers in Portland chose Veteran's Day to march along the downtown waterfront and rally against the Postmaster General's announcement that 82 mail processing plants across the country will be consolidated in 2015. They say this will amount to a loss of 15,000 jobs and downgraded mail service. Three Oregon mail-processing centers, located in Bend, Pendleton and Eugene, are among those slated for closure.

USPS has already consolidated 141 centers since 2012. According to a federal study published in September, since the initial closures two years ago, first-class mail delivery times have "generally increased" and national delivery performance is declining.

Postal workers say the planned closures in Oregon will mean delays to local first-class service, which will go from one-day delivery to two-day delivery. Customers seeking overnight service can take their mail to FedEx or UPS, but rather than paying \$0.48 for the service as they would with USPS, it will cost them upwards of \$23



using FedEx or upwards of \$25 using UPS. These costs were calculated for sending a standard letter weighing one ounce from North Portland to downtown Portland.

Sen. Jeff Merkley (D-Ore.) joined protesters on Veteran's Day in support of keeping mail centers open. "I'm going to be there with you," he told the crowd, "shoulder to shoulder."

A long-time supporter of the postal workers union, Merkley told Street Roots, "Since the U.S. Postal Service first made their plans public that they wanted to close processing centers and rural post offices in Oregon, I've been a vocal critic and have pushed the USPS to make sure that our delivery standards are not weakened and jobs are not lost. I was successful in keeping our rural post offices open, and I'm going to continue to argue that our processing centers in Bend, Eugene and Pendleton should stay open. We shouldn't be putting hardworking Oregonians out of work and increasing delays in mail delivery. No matter where you live that will hurt consumers, small businesses, the economy and in Oregon, our right to vote."

Merkley has called USPS "an essential part of the fabric of life in Oregon." Last year he joined Sen. Ron Wyden (D-Ore.) and 22 other senators in writing a letter to Postmaster General Patrick Donahue,

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in 82 stores was scratched after nationwide protests, but the retail giant's Post Office Approved Shipping program, which is already available in thousands of stores, will continue to sell USPS products and services.

"[USPS] needs to expand service, not downgrade it," says Dunsmore. "It's a backwards way of doing business." He pointed to postal banking as a potential solution.

In an op-ed piece published in the Huffington Post earlier this year, Sen. Elizabeth Warren (D-Mass.) argued for postal banking as a solution to two problems: It would help the 68 million

challenging his directive to discontinue Saturday mail delivery without Congressional approval, saying that not only was the move illegal, it also would result in the loss of 70,000 jobs. A House committee later voted to block the move to five-day delivery.

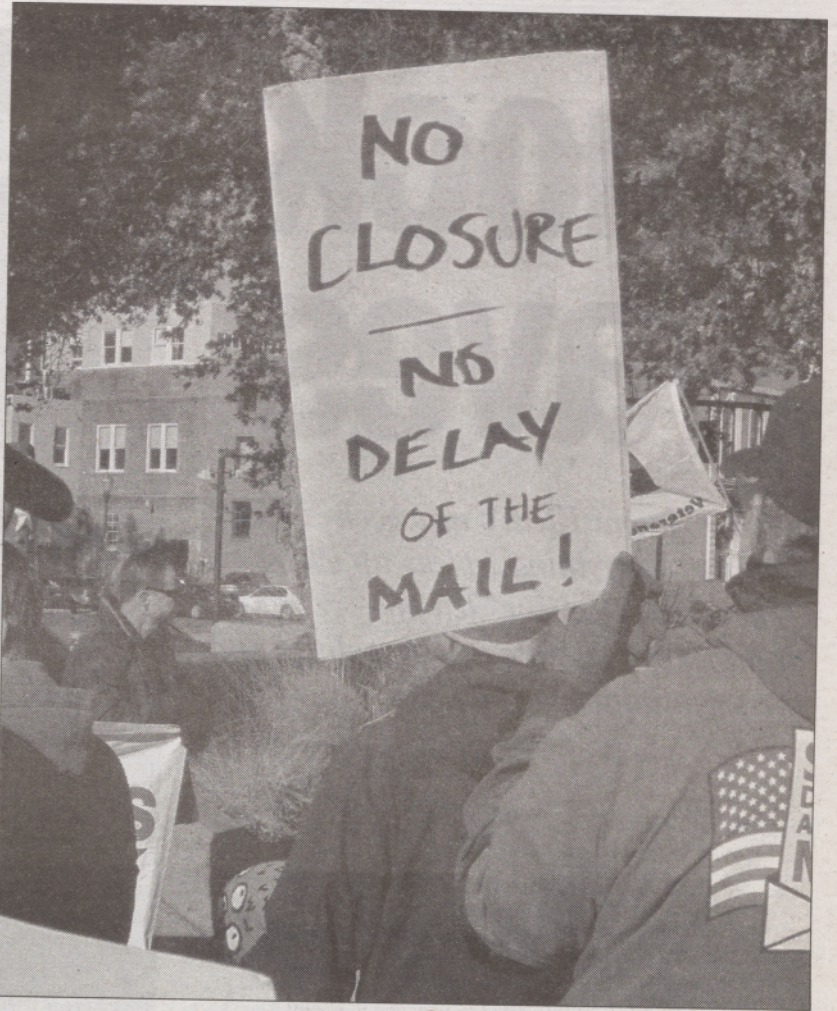
In addition to battling cuts and closures, postal workers worry USPS's no-bid partnership with the office supply store chain Staples, is moving mail delivery toward privatization and replacing good jobs with minimum-wage jobs. While the average postal clerk makes about \$25 an hour, most Staples employees earn less than \$10. A pilot program that put mini post offices manned by Staples employees

Americans without bank accounts avoid predatory check cashing and payday loan store fees and increase USPS's revenue. While Congress oversees USPS, it doesn't cost taxpayers a dime.

According to a January report by USPS Office of Inspector General, U.S. families without bank accounts in 2012 spent \$89 billion on interest and fees to check cashing and payday loan operators. Warren says that's "roughly 10 percent of its annual income on interest and fees — about the same amount they spend on food."

The Inspector General's report makes the case for supplementing USPS income by adding limited financial services, like check cashing, bill paying and e-commerce payments, at post office branches. "Financial services have been the single best new opportunity for posts to earn additional revenue. For the Postal Service, this might ultimately translate into \$8.9 billion per year," the report states. It also recommends post offices provide an alternative to payday loan operators. The average interest and fees associated with a \$375 payday loan is around \$520 — the same loan taken from a post office would cost borrowers \$48 in interest and fees. And, the report says, it would be a relatively easy transition, and the plan is already working at many international post offices.

"Instead of slowing down the mail, we should be speeding it up and looking at postal banking," says Dunsmore, "Slowing down the mail really affects you and me." But he says a common belief among postal workers is that the deficit created with prepaying retiree benefits and the partnership with Staples are part of an effort to "clear legacy cost to pave the way for privatization."



PHOTOS BY EMILY GREEN

On Veteran's Day, postal workers and supporters gathered on the downtown waterfront to rally against the upcoming closures of 82 mail-processing centers, three of which are in Oregon. Union organizers say the closures will result in slower first-class mail delivery and the loss of 1,500 jobs nationwide. At left, Sen. Jeff Merkley (D-Ore.) spoke to the crowd of postal workers, pledging to stand "shoulder to shoulder" with them as they fight upcoming closures.



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