

POINT/COUNTERPOINT: The slowdown of the U.S. Postal Service: Is there a better way to reform an ailing federal agency?

EDITOR'S NOTE: For the past month the Illinois Business Journal has gathered reactions to widely decried changes to the postal service being implemented by Postmaster General Louis DeJoy. Here is a sampling of voices from the debate.

U.S. Senate Majority Whip Dick Durbin, D-Ill., following a meeting with Illinois members of the United Postmasters and Managers of America to discuss a path forward for postal reform. During their conversation, Durbin received an update on postal operations in Chicago after months of delayed mail delivery on the Southside that led to more than 19,000 pieces of mail not being delivered during a single day despite being reported as delivered. “The drop in on-time performance – including a 22 percent drop for three-to-five-day mail from last year — was due to United States Postal Service Postmaster General Louis DeJoy’s disastrous operational plan that cut staff, removed sorting and processing capacity, and put an undue burden on letter carriers across the country. “Postmaster DeJoy’s irresponsible leadership has eroded the public’s trust in USPS and its ability to complete its mission set out by the Constitution. It is unacceptable that Illinoisans continue to experience mail delivery delays despite the tireless efforts of postal workers.” From Durbin release issued after the meeting.

U.S. Sen. Tammy Duckworth, D-Illinois, in a fund-raising letter to constituents. “Recently, Trump’s hand-picked Postmaster General Louis DeJoy implemented new rules cutting back first-class delivery times and reducing USPS hours across the country. “Millions of Americans rely on the USPS every day, and DeJoy’s attempts to gut its service put veterans and seniors at risk of not receiving life-saving medications on time. They put families at risk of missing paychecks, bills, credit card payments and court notices. Small businesses will struggle to get what they need to run their operations. “But DeJoy isn’t the only one at fault here. The USPS Board of Governors let DeJoy gut our postal service, so we need to replace DeJoy’s enablers as well.”

Laura Coordes, associate professor of law, Arizona State University Sandra Day O’Connor College of Law: “The need for more clarity on exactly what the USPS is — public agency or private

business — is increasingly important as the USPS plunges deeper into a financial crisis that is decades in the making. ... The way forward for the USPS is another restructuring, this time in the form of a commitment to transform the USPS into either a fully public agency or a fully private business. The status quo, in which it is unclear whether the USPS is one or the other, is simply untenable. “When a socially important enterprise experiences extreme financial distress, bankruptcy, bailout, or both may be used to rescue it. The USPS serves an important public function, yet the way out of its immediate financial predicament is complicated by the lack of clarity surrounding what the USPS is. The bankruptcy system cannot resolve the USPS’s financial problems because statutory, constitutional, and policy concerns all weaken the bankruptcy toolkit in this case. Instead, scholars and policymakers alike have realized that Congress must provide the way out of the USPS’s current financial predicament. A taxpayer-funded bailout, coupled with a significant restructuring of the USPS, is the most likely way forward. When that occurs, it will be important for Congress to choose to either cut the USPS free or embrace it as part of the federal government. Doing so will clarify both the USPS’s structural status and its options for future financial relief.” From an essay appearing in Emory Bankruptcy Developments Journal.

Illinois Attorney General Kwame Raoul, statement made upon joining a coalition of 20 attorneys general in submitting a formal complaint asking the Postal Regulatory Commission to order the U.S. Postal Service to present Postmaster General Louis DeJoy’s 10-year plan to transform the Postal Service to the commission for a hearing on the record and an advisory opinion: “Without the Postal Regulatory Commission’s statutorily-required review, the public will not have the opportunity to give input on a plan that could affect the quality of mail service across the country.” Raoul argues that the Postal Service’s proposed plan reflects multiple unprecedented changes in its operations and service, at a time when reliance on the mail remains at historic levels and states across the country are grappling with a resurgence of COVID-19 cases caused by the Delta variant. The coalition also argues that implementing these changes

without adhering to the statutory process deprives mail users of their rights and undermines public accountability.

Paul Steidler, a senior fellow with the Lexington Institute, a public policy think tank in Arlington, Va.: “On Oct. 1, 2021, USPS reduced first-class mail delivery standards ensuring mail service will be slower than it has been since the 1970s. Senior citizens, rural Americans, and the poor are hardest hit. The USPS action has been widely criticized by business, labor, consumer, and other groups. The bipartisan Postal Regulatory Commission, USPS’s regulator, was also highly critical of the proposal but unable to stop it since it legally can only offer an advisory opinion. “To fix mail delivery and return it to the standards that all Americans deserve, it will be important for Congress to do the following:

- **Bipartisan Approach.** Bashing Postmaster General Louis DeJoy or even having him replaced as Postmaster General won’t fix the problem. While DeJoy has led the charge for the October 1 reduction in mail service standards, USPS implemented a nearly identical plan in 2014 which had poor results. The focus and emphasis of USPS management has long been to prioritize its work in packages, a growing business, over mail, which is its public duty and will continue to be, even as mail volumes decline. Partisan rancor will only distract from a solution.
- **Probe the Relationship Between Packages and Mail Delays.** Congress should have the U.S. Government Accountability Office investigate if USPS is prioritizing package delivery over mail, a public service on which all Americans rely.
- **Document, Document, Document.** The slowdown in mail standards that USPS implemented was done in a vacuum. USPS

did not provide alternatives for meeting the reduced 2014 standards, i.e., saying what it would cost. USPS presented its mail slowdown proposal to the PRC on a stand-alone basis. Congress should require information from USPS about the cost to meet the 2014 mail standards and at least two other alternatives to the current program. “Patience and persistence are also essential. Replacing the Postmaster General, a step that itself will take some time even if it can be done, will not eliminate USPS’s focus on packages. Similarly, lawsuits take years. And longer-term changes in USPS’s Board of Governors are not likely to reverse the cultural bias against mail that is deep within management’s ranks.”

Economic Policy Institute, from previous commentary. “Allowing the Postal Service to fail, or speeding up the privatization process already underway, would harm the national economy while devastating many vulnerable households and communities, notably homebound seniors, people in rural areas, and residents of low-income urban neighborhoods. The corporations that stand to gain will do so not because they are more efficient than the Postal Service, but because they can shed public service obligations and pay their workers less. “Public policy needs to address market concentration and low-road labor practices in the e-commerce, shipping, and related industries. Amazon should be regulated, not arbitrarily forced to pay four times what it is currently paying the Postal Service for deliveries, as President Trump (previously) demanded. Increasing what Amazon pays for deliveries would primarily benefit the United Parcel Service and other competitors, not consumers, workers, small businesses, or the Postal Service itself.

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