

# As Trump demands \$200 billion for Iran, USPS announces it will run out of money next year

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19 March 2026

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Less than 24 hours before the Trump administration demanded an additional \$200 billion for the war against Iran, members of Congress from both parties convened a hearing to warn that the United States Postal Service (USPS) could run out of money by next February.

Testifying before the House Oversight Committee, Postmaster General David Steiner, a former CEO of Waste Management and board member of FedEx, bluntly warned that the agency is approaching collapse. “At our current rate we will be out of cash in less than 12 months,” Steiner said. “So in about a year from now the Postal Service will be unable to deliver the mail, if we continue the status quo.”

The financial crisis of the United States Postal Service was presented to Congress this week as a matter of bipartisan concern, with leading Democrats and Republicans united in calling for sweeping “cost-cutting” measures that would further erode wages, staffing and universal service.

The USPS, which employs over half a million workers and delivers more than 100 billion pieces of mail annually, reported annual losses of roughly \$9 billion. By contrast, the Pentagon’s budget has surged to nearly \$1 trillion a year, before the additional \$200 billion is factored in.

In the opening days of the war against Iran, the US burned through more than \$12 billion. In other words, the cost of less than a single week of war exceeds the yearly losses at USPS, which will be used to justify the deepest cuts in the history of the post office.

The “financial crisis” invoked by both parties is not simply the result of declining revenue but due to longstanding policy decisions. Above all is the requirement that the Post Office be entirely self-funding, first enacted in 1971 when it was demoted from a cabinet-level department of the federal government to an independent agency. This has been used to justify decades of cuts and set the stage for its eventual privatization.

This reached a new level over the past few years with the “Delivering for America” program, aimed at restructuring the USPS network along Amazon lines. Conditions in the

“modernized” facilities are atrocious. Two workers, Nick Acker of Michigan and Russell Scruggs of Georgia, died late last year in separate incidents. Acker died after falling into a mail sort machine; his body was not found for hours. Scruggs died of a heart attack on the floor; EMS was considerably delayed in reaching him because of the fact that cell phone signals are blocked in the facility.

In Tuesday’s hearing, committee Chair Pete Sessions of Texas, a Republican, opened by emphasizing his close political alignment with ranking Democratic Representative Kweisi Mfume of Maryland, referring to his “good friend” and declared that the two “share many of the same ideas not only about America’s bright future but about our responsibility on Oversight,” particularly in advancing measures aimed at making the Postal Service “viable and cost effective.”

Sessions stressed that the committee was “very focused” on “cutting costs” and suggested that “private industry will be the path forward,” signaling support for further privatization of the constitutionally mandated public service.

Mfume responded in kind, thanking Sessions for his “kind and gracious remarks,” affirming their shared approach. “Americans are paying more for a service that is not as good as it was,” Mfume said, adding that the Postal Service “has continued to lose money at an alarming rate.”

Citing official figures, Mfume noted that the USPS recorded a “\$9 billion net loss last year” and an additional “\$1.3 billion” loss in the first quarter of the current fiscal year, warning of an impending “liquidity crisis.” Without “significant reforms,” he stated, the agency “will not have enough cash on hand to meet its required payments as early as 2027.”

The conclusion drawn by both parties was unequivocal. “The Postal Service obviously needs to cut costs and increase revenue,” Mfume declared, underscoring what he described as a productive bipartisan collaboration. “It’s been a pleasure working with this chairman who shares many of my ideas, and I share many of his on this. We’ve tried to approach this as a bipartisan effort.”

Postmaster General Steiner’s proposed “solution” is a sweeping restructuring of the Postal Service along corporate

lines, centered on cost-cutting, privatization and the dismantling of long-standing public service obligations.

He complained that the agency is “mandated by law to deliver to every address ... more than 170 million of them, six days a week,” adding that this requirement leaves “71 percent of our delivery routes ... financially underwater.” He further objected to the continued operation of post offices in less profitable areas, stating that “keeping Post Offices open and not being allowed to consider losses as a reason to replace them with alternative means is another \$840 million.”

The USPS is already contracting out its “last mile” delivery network for use by private companies through a new bidding system launched this January, undermining its status as a common carrier which is mandated to treat all mail equally. In reality, USPS already functions as an Amazon delivery service provider in many areas of the country.

Even if USPS nominally remains a government agency, the elimination of universal service mandates, combined with a shift away from its common carrier status would amount to its privatization in all but name. It would function as a logistics contractor operating only in those areas of the country where it is profitable to do so, rather than as a public service.

Steiner also called for higher prices on mail and package delivery, as well as fundamental changes to how postal workers’ retirement funds are managed. “We can only invest our retirement in Treasury notes,” he complained, signaling his desire to open workers’ pension funds to speculative investment in the casino known as the stock market.

The drive to slash labor costs was a central focus of the hearing. In response to questioning from Republican Representative James Comer, Steiner noted that the Postal Service has already eliminated “30,000–35,000 employees” over the past four years under “Delivering for America.” He added that the agency is expanding its reliance on “non-career” workers, that is, lower-paid, second-tier employees with fewer benefits and reduced retirement obligations.

Both parties made clear their support for this agenda. While Comer pressed for further cost reductions, Democratic ranking member Mfume likewise demanded to know what additional steps were being taken to “reduce costs.” Republican Representative Gary Palmer explicitly called for revisiting “some of these mandates,” including those related to pension funding.

Far from organizing opposition to these measures, the postal unions are falling into line behind them. The National Association of Letter Carriers (NALC) and the National Rural Letter Carriers Association American (NRLCA) have both long endorsed “Delivering for America.”

The American Postal Workers Union (APWU) has moved to align itself with the restructuring plans advanced by Steiner and Congress.

In a message to members titled “US Mail Not For Sale,” the union warned that the Postal Service could “run out of money

by February of next year” and endorsed what it described as Steiner’s “commonsense policy fixes,” which it said “must happen as soon as possible.”

While invoking the threat of privatization, the union promoted the very framework being used to justify cuts, urging workers to “get ready for the fight to come” while advancing no concrete plan to oppose layoffs, wage suppression or the expansion of non-career labor.

Postal workers require no further warnings of a future “fight.” The restructuring of the Postal Service is already underway, with tens of thousands of jobs eliminated and working conditions steadily eroding. The bipartisan campaign to impose austerity, backed by the union apparatus, underscores that the defense of jobs, wages and public services cannot be left in the hands of either corporate-controlled party or the trade union bureaucracy.

At the same time that Congress demands cuts to a public service employing more than half a million workers, it is allocating vast sums to war. The issue is not a lack of resources, but the social interests that determine how those resources are used.

The consequences of this policy are already being borne by postal workers. The USPS Rank-and-File Committee, aligned with the International Workers Alliance of Rank-and-File Committees (IWA-RFC), has warned that the restructuring of the Postal Service is part of a broader assault on the working class, carried out across industries and national boundaries.

Opposing both the corporate management of the USPS and the collaboration of the union apparatus, the committee calls for the independent organization of workers to defend jobs, wages and working conditions.

It has also launched an independent inquiry into workplace deaths and safety, in opposition to stonewalling from management and the union bureaucracy.

From the standpoint of modern technology and global productive capacity, there is no material barrier to providing safe, efficient and universal mail delivery, not only within the United States but on a global scale.

The real constraint is not technical or financial, but social. The resources and infrastructure exist, but they are subordinated to a system that prioritizes profit, cost-cutting and war over human need. The same ruling class that insists there is “no money” for public services diverts vast wealth into war and genocide, while maintaining the artificial division of workers along national lines to prevent a unified struggle against the capitalist system.



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