

APWU president Smith on USPS financial crisis: “nothing to see here”

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The American Postal Workers Union bureaucracy is telling postal workers that the financial crisis at the United States Postal Service is not a crisis at all—but a “situation,” and that “victory is only a phone call away.”

That was the central message of APWU President Jonathan Smith’s livestream last Tuesday, an exercise not in organizing opposition to the massive concessions being prepared against postal workers, but in getting out in front of rank-and-file resistance in order to smother it.

The reality is far different from Smith’s complacent claims. Earlier this month, Postmaster General David Steiner warned Congress that USPS is approaching a liquidity crisis so severe that, “At our current rate we’ll be out of cash in less than 12 months.” Without new borrowing authority, he said, “the postal service would be unable to deliver the mail.”

Steiner’s testimony before the House Oversight subcommittee made clear that management is preparing sweeping restructuring measures. He pointed to the collapse in mail volume from a historic peak of 213 billion pieces annually to 109 billion today, amounting to what he described as more than \$80 billion in lost revenue. He complained repeatedly that 71 percent of delivery routes are “financially underwater,” that the current \$15 billion borrowing cap is too low and should be raised to \$30–40 billion, and that USPS is burdened by restrictions on pension investments, post office obligations and the universal service mandate itself.

He demanded higher stamp prices—proposing raising first-class postage from 78 cents to as much as 90 or 95 cents—along with expanded borrowing authority, changes to pension fund investment rules and relief from retirement obligations. “If you want the same number of delivery days and post offices, we can do that,” Steiner told Congress. “But someone has to pay for it.”

The crisis is already being paid for by workers. USPS has suspended its biweekly employer contributions to the Federal Employees Retirement System—roughly \$200 million every two weeks—to preserve cash, effectively looting workers’ deferred compensation and using it as an emergency reserve.

Smith’s livestream was aimed at suppressing opposition to these attacks. He insisted repeatedly that Steiner’s warning did not represent a genuine emergency, dismissing reports of layoffs or collapse as “fiction.” Referring to reports on the hearing, he declared: “not true, not true, not true.” He claimed Steiner’s presentation was intentionally exaggerated and “salacious” in order to pressure Congress and denounced “negative headlines”

and “newspaper articles” reporting on the hearing.

Significantly, Smith did not actually deny the facts laid out by Steiner. Instead, he presented three “common sense solutions,” all in complete alignment with USPS management: raise the borrowing limit from \$15 billion to \$40 billion, change how pension funds can be invested and accounting corrections to pension obligations.

He even handwaved away the suspension of pension payments, assuring workers that it did not mean benefits would be reduced and treating it as a temporary technical issue rather than a warning of what is coming.

His solution was for workers to call Congress!

“Victory is only a phone call away,” Smith told workers. He berated and blamed them for not calling lawmakers, telling workers to stop complaining and insisting that “any reason that you give me is an excuse.” He declared, “I work with you, not for you,” shifting responsibility for the crisis away from USPS management and Congress—and the union bureaucracy itself—onto the backs of postal workers.

Nobody can seriously believe this will stop the attacks. Congress has imposed austerity on workers for decades while funding illegal wars, corporate bailouts and trillions of dollars for Wall Street at the drop of a hat. This is not because constituents failed to make enough phone calls, but because the real constituents of both parties are corporate America and the financial oligarchy.

Corporate America is salivating over the prospect of privatizing USPS. Steiner’s appointment itself—he comes from FedEx’s board of directors—is a signal of what is under consideration. Last year, a five-point Wells Fargo memo laid out the steps needed for privatization: Higher prices, route restructuring, removal of regulatory constraints and greater emphasis on parcel delivery over universal service. Much of this is being carried out under the guise of resolving the present “financial crisis.”

The “Delivering for America” restructuring launched under former Postmaster General Louis DeJoy was aimed, though thus far without achieving profitability, at reorganizing USPS along Amazon-style logistics lines and making it more attractive to investors.

USPS is increasingly being transformed from a public service into a last-mile delivery contractor for private corporations. In many areas it already functions as Amazon’s de facto delivery service partner. Similar arrangements are being pursued elsewhere, undermining the universal service obligation and creating

privatization in fact if not yet in name.

Smith's attacks on "headlines" and "panic" were in particular a response to warnings raised by the *World Socialist Web Site* and by growing opposition among postal workers, especially through the Postal Workers Rank-and-File Committee.

The same day as Smith's webinar, the Springfield, Massachusetts RFC issued a statement declaring, "USPS is a public service, not a profit-making enterprise." That statement explained:

"This manufactured 'liquidity emergency' is the product of the 1971 corporatization of the service and recent restructuring programs such as 'Delivering for America,' which have increased precarious non-career staffing, intensified workloads, and produced unsafe workplaces and massive losses in first-class mail revenue. Meanwhile, management and both parties in Congress demand further austerity."

The committee explained that it was founded because workers "reject the current, non-democratic union structure and strive to build a movement that is by the worker, for the worker."

Smith was clearly determined to prevent any such opposition from emerging. During the livestream Q&A, he explicitly told workers to keep their questions "germane," shutting down broader discussion of restructuring, layoffs and the political causes of the crisis.

This was the third livestream this year aimed at getting out in front of the opposition of workers, especially around issues raised by the Postal Workers Rank-and-File Committee (PWRFC).

The first, "Talk is Cheap: Safety Matters," came in the aftermath of a series of horrific workplace deaths that became the subject of independent investigations by the PWRFC.

Among the victims was Nicholas Acker, a Detroit-area postal worker who died after falling into a mail sorting machine, with his body not discovered for hours. Another was Russell Scruggs, who died of a heart attack at the new Palmetto, Georgia RPDC, where blocked cell phone signals and the inability of EMS to quickly reach the site contributed to deadly delays.

In the course of its investigations, the PWRFC uncovered appalling conditions in these facilities and others, including multiple deaths at Palmetto.

Smith dealt with none of these facts. He did not mention Acker or Scruggs by name. Instead, while carefully avoiding identifying the victims, he denounced workers for speaking "anonymously."

"No one is going to respond to an anonymous complaint," he declared. "Put your name on the form. Stand up and be counted."

This was an obvious attack on workers who had provided anonymous testimony to the PWRFC because of well-founded fears of retaliation. Smith's answer was to demand they expose themselves while the union apparatus—which has done nothing to stop these deaths—offered no protection.

The second livestream centered on the 1970 postal wildcat strike, repeatedly cited by PWRFC statements as an example for workers today.

Smith recast what was in reality a rebellion against the labor bureaucracy, which was dutifully enforcing anti-strike laws, into a harmonious "bottom-up" movement in which the bureaucracy and workers moved together.

The bureaucracy's settlement of that strike traded immediate wage gains and collective bargaining rights for long-term concessions whose consequences workers still face today. The no-strike law remained in place. It also paved the way for the 1971 Postal Reorganization Act, transforming the Post Office Department into the self-funding USPS—the first major step toward privatization.

The webinar openly boasted of "binding arbitration" as a victory. In reality, arbitration robs workers of the right to vote on their own contract because even if they reject a deal, a virtually identical agreement can be imposed through arbitration. This mechanism was used against National Association of Letter Carriers (NALC) members and set the pattern elsewhere. The current APWU agreement includes raises of just 1.3, 1.4 and 1.5 percent per year—real wage cuts after inflation.

The unions have worked hand in glove with management for years. They backed the 2022 Postal Service Reform Act, which rescinded the prefunding mandate for retiree health benefits while requiring future retirees to enroll in Medicare. NALC and the rural carriers union (NRLCA) openly support Delivering for America, which has eliminated thousands of routes for their own members, while signing side agreements allowing invasive electronic monitoring and massive pay cuts.

There is no doubt that when attacks on jobs are openly announced, the union apparatus will support them as unfortunate but necessary "shared sacrifice."

In reality, this is a manufactured crisis created by decades of deliberate policy. USPS's \$9 billion net loss last year amounts to only a few days' worth of munitions in the imperialist assault on Iran. It is a class policy: To free up resources for Wall Street and for war by carving them out of the backs of the working class.

And it is international. Canada Post is preparing to eliminate 30,000 jobs out of a workforce of little more than 50,000 and slash home delivery, a sign of what is being prepared in the United States.

The APWU webinar underscores the necessity for rank-and-file organization. The bureaucracy functions to enforce the dictates of management and anti-democratic strike bans even as the ruling class violates every law at will under the Trump administration.

The answer is not "common sense" appeals to Congress, but the class struggle. Conditions for this are rapidly emerging as workers across the country radicalize in response to dictatorship, war and austerity, and as major strikes break out.

Postal workers must find new channels that they themselves control, giving them real agency over their own struggle. The International Workers Alliance of Rank-and-File Committees (IWA-RFC) and the Postal Workers Rank-and-File Committee are fighting to build those channels.



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