Senate hearing on US Postal Service lays out proposals for delivery cuts, post office closures

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A Senate hearing this week on the finances of the United States Postal Service (USPS) laid out the framework for a sweeping attack on one of the oldest public institutions in the country. Under the guise of "reforming" USPS's supposedly "broken business model," senators and postal management discussed cutting delivery days, closing post offices, outsourcing work, raising prices, attacking workers' compensation and eliminating regulatory restraints on management.

The hearing underscored the urgency of an independent fight by postal workers, developing rank-and-file committees to mobilize the broader working class in defense of the post office as both a workplace and a democratic institution.

Postmaster General David Steiner, a former CEO of Waste Management who took over USPS last year, claimed that USPS is "out of cash" and that Congress must either pay for the universal service mandates imposed on the agency or allow management to "shed" them. In his written testimony, Steiner declared that USPS had accumulated nearly $31 billion in cumulative defaults through fiscal year 2025 and was "borrowing from our employees' retirement funds to continue operations."

In his oral testimony, Steiner identified the basic functions of the Postal Service themselves as the problem. USPS, he said, is required to deliver to more than 170 million addresses six days a week. As a result, he claimed, 84 percent of city delivery routes and 52 percent of rural delivery routes are "financially underwater," while 58 percent of post offices—about 18,000 locations—lose money. "In a normal business," he said, "you would adjust the routes or close the stores. We are not allowed to do either."

This statement captures the significance of the hearing. Providing affordable mail to all Americans, no matter how remote and "unprofitable" the route, was a major achievement of the American Revolution. It was organized on the principle that communication, political information and participation in public life should be made accessible to all.

But now, on the eve of the 250th anniversary of the United States, these rights are under sustained attack. The same hearing raised President Donald Trump's illegal executive order directing USPS to refuse to provide mail-in voting for states that do not provide the federal government with voter registration lists. Under questioning from Peters, Steiner was asked whether USPS would still mail ballots from a state that refused to turn over its absentee voter list. "Under our proposed regulation, no," Steiner answered, adding that USPS would tell the state it needed the "manifest" in order to match ballots to what was being sent out.

A USPS document titled "Accelerating Progress: Elements of Postal Reform" estimates the annual cost of the Universal Service Obligation at $6.5 billion to $7.5 billion. It then lists "categories" for review: $2.9 billion to $3.5 billion from reducing delivery from six days to five; $700 million to $900 million from cutting the cost of small post offices; $1.9 billion to $2.1 billion from reviewing free or reduced-rate mail; $200 million to $400 million from the Alaska Bypass system; and $4 billion to $5 billion from a 14 percent increase in market-dominant prices, including raising the cost of a stamp from 78 cents to 90 cents.

The Republican chairman of the committee, Senator Rand Paul, gave the most explicit expression to the right-wing agenda. He denounced the conversion of 285,000 postal workers into career positions, claiming this raised pay and locked in pension and health obligations. He demanded a hiring freeze, increased use of private contractors, a halt to capital spending without a "clear return," consolidation of facilities, and proof that the service mandate could be met "without permanent losses."

During questioning, Paul pushed for even more drastic measures. He suggested that going from six-day to four-day delivery could save $6 billion, and floated making households pay extra if they wanted six-day service. "You could outsource," he said. "Contractors cost less than government employees." In his closing remarks, Paul told Steiner that USPS must "aggressively outsource and maintain the hiring freeze," adding, "You can fix the bottom line by going to four-day delivery."

Democratic senators made limited criticisms of service

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failures, worker safety and Trump's mail-in ballot rule. Ranking Member Gary Peters of Michigan noted that USPS has "helped bind our country together" for more than 250 years, but accepted the framework that USPS must be judged by losses and "financial sustainability." No senator mounted a principled defense of universal postal service as a public right.

A central plank of the restructuring is the proposed destruction or crippling of the Postal Regulatory Commission. The USPS reform document declares that the PRC "fundamentally harms" the Postal Service's ability to operate in a "rational, business-like manner." Eliminating the PRC would remove a key obstacle to price hikes, product restructuring, private logistics deals and further service cuts.

USPS complains that postal workers are covered by the Federal Employees' Compensation Act, administered by the Department of Labor, and that the system does not reflect "private-sector best practices." Its reform document says USPS could save hundreds of millions of dollars by adopting practices "such as settling claims" and proposes making the Postal Service a "test case for Workers' Compensation Reform," which could then be extended across the federal government.

In his testimony, Steiner complained that USPS is paying workers' compensation benefits to recipients over 100 years old because FECA does not limit how long injured workers can receive monthly benefits. The remark has a distinctly social-Darwinist character, presenting an income and healthcare for the elderly as irrational costs.

The reference to "private-sector best practices" means speedup, high injury rates, low pay, part-time labor, automation and immense turnover. UPS, whose unionized workforce consists mostly of part-timers, cut 48,000 jobs last year and intends to cut another 30,000 this year as part of its automation-led restructuring program.

At Amazon, "private-sector best practices" are already visible in the form of deaths, serious injuries and systematic mistreatment of injured workers. This is already being imposed inside USPS itself. At the Palmetto Regional Processing and Distribution Center in Georgia, four workers have died since the facility opened two years ago. In Detroit, 36-year-old maintenance worker Nick Acker was crushed to death inside a mail-processing machine. USPS was fined $26,481 by OSHA for his death.

The sums involved are trivial by the standards of American capitalism and militarism. USPS reported a $9.0 billion net loss in fiscal year 2025, with a controllable loss of just $2.7 billion. The annual cost USPS attributes to universal service is $6.5 billion to $7.5 billion.

But SpaceX's initial public offering this month raised $75 billion—more than eight times the entire annual USPS net loss—and Elon Musk became the world's first trillionaire. The FY2026 national defense budget request is about $1.01 trillion, or roughly $2.8 billion per day—more than USPS's entire annual controllable loss every 24 hours. S&P 500 companies spent a record $1.02 trillion on stock buybacks in the 12 months ending September 2025, more than 100 times USPS's annual net loss. US corporate profits after tax reached an annualized rate of $3.95 trillion in the first quarter of 2026—more than $10 billion per day.

The issue is not a lack of money. Unlimited resources are available for war, Wall Street, stock buybacks and billionaire enrichment, while a basic public service is told it must justify every delivery route, every post office and every injured worker on a balance sheet.

The postal union bureaucrats are trying to block all resistance to these historic attacks. In a series of livestreams, American Postal Workers Union President Jonathan Smith sought to cover up the scale of the proposals and dissipate opposition through Congressional letter-writing campaigns.

But the Senate hearing shows that Congress is the one preparing the attacks. This was the same basic dynamic as the House hearing in March, where the "financial future" of USPS was treated as a problem of modernization, revenue maximization and restructuring.

The National Association of Letter Carriers, whose contract expired last month, announced it intends to move directly to binding arbitration if talks do not produce a new deal by the end of a mandatory 60-day mediation period. This means that letter carriers will be denied even the right to vote on the terms of their own contract.

The Senate hearing makes clear that appeals to Congress are a dead end. The defense of the post office requires the organization of postal workers independently of both management and the union bureaucracy. Rank-and-file committees should be built in every facility to oppose closures, outsourcing, delivery cuts, unsafe conditions and attacks on workers' compensation, and to link postal workers with the communities that depend on the mail.

As the United States approaches its 250th anniversary, one of the oldest democratic institutions in the country is being prepared for dismantling. Postal workers must take the lead in stopping this. The defense of the post office as a public service and democratic institution must become a rallying point for the entire working class against austerity, privatization and the dictatorship of profit.

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