



September 30, 2015

## Oppose the Nominee Slate for the USPS Board of Governors

The Honorable Mitch McConnell, Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Harry Reid, Minority Leader  
United States Senate  
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Reid:

On behalf of the undersigned organizations, we write to express our opposition to the confirmation of the current slate of nominees to the Board of Governors of the United States Postal Service (USPS).

It is our understanding that the Senate will consider as a package the four nominees approved by the Committee on Homeland Security and Governmental Affairs on May 6, 2015. Our organizations are in agreement that it would be preferable to continue with a stripped-down Board of Governors than to fill those vacancies with a slate that includes nominees whose policy stances would be harmful to the USPS and ultimately to the public it serves.

Given the harmful effects of payday lending on the communities we represent, and given the value of and need for a vibrant, public Postal Service that provides affordable, universal mail service to all – including rich and poor, rural and urban, without regard to age, nationality, race, or gender – we are especially troubled by the nominations of Mickey D. Barnett, who has previously worked as a lobbyist for the payday lending industry, and of James C. Miller, III, who dating back at least to his tenure as director of the U.S. Office of Management and Budget (OMB) from 1985-88, has strongly supported privatizing the Postal Service.

Our opposition to Mr. Barnett's nomination is based on his work on behalf of the New Mexico Independent Financial Services Association, where Mr. Barnett lobbied policymakers to oppose regulation of the state's payday loan industry.<sup>i</sup> His efforts included opposing a modest reform bill in New Mexico in 2007 that still allowed 400 percent annual rates on payday loans. He said that at that rate, "I guarantee you they can't make money."<sup>iii</sup> Several years later, Mr. Barnett represented the World Finance Corporation of New Mexico, a short-term lender, arguing that a customer was required to seek arbitration of any disputes – in this case, over the company's misleading and abusive debt collection practices – but that the company itself was not. The Supreme Court of New Mexico unanimously rejected Mr. Barnett's and his client's position as unconscionable.<sup>iii</sup>

We are especially concerned about Mr. Barnett's ties with this industry, in the context of his reappointment, because of the close relationship between the USPS and the communities of color that have been disproportionately affected by payday lending and other predatory

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Wade J. Henderson

Executive Vice President & COO  
Karen McGill Lawson



forms of credit. Because the USPS is located nationwide in both urban and rural areas, it serves as an important employer in these communities and a potential lifeline to other essential services. It is no surprise that a Gallup poll released in November 2014 shows that Americans deliver high marks to USPS, rated highest out of 13 major federal agencies.<sup>iv</sup> This suggests the public's willingness to consider the USPS as a potential venue for an array of important financial services. We would be deeply troubled if anyone confirmed to a leadership position within the USPS used that position to promote the sorts of practices we have seen in the payday lending industry, or to block the advancement of alternatives.

Mr. Miller, on the other hand, has been clear about his own troubling preferences for the future of the U.S. Postal Service. As OMB Director in 1988, Miller stated, "There is no good reason why [the Postal Service] should remain part of the U.S. government and no good reason why it should enjoy a monopoly over the delivery of letter mail."<sup>v</sup> Speaking at his 2012 Senate confirmation hearing on his second nomination to the board, Mr. Miller stated that "I think it would be best for the world, for the economy, and for the American people if the Postal Service was de-monopolized and privatized."<sup>vi</sup> Our organizations believe that a public Postal Service is vital to our democracy and to commerce. While proponents of privatization point to cost savings and efficiency, recent examples such as the privatization of parking meters in Chicago cast serious doubt on these assertions.<sup>vii</sup> Furthermore, recent studies show that outsourcing government functions lead to a weakened infrastructure, insufficient oversight, crumbling tax bases, and a decline in wages and benefits.<sup>viii</sup> Privatization of our public Postal Service also undermines a fundamental tenet of democracy: a network that allows universal and affordable civic and political discourse, binding together each and every household in the country.

At a time when the future of the USPS is unclear, largely because of Congress's inability to pass a comprehensive reform bill, it is especially important that the Board of Governors be composed of individuals who have demonstrated a strong commitment to the public service role of this great institution, and who have shown an openness to exploring all reasonable, public service-oriented options which might contribute to the vitality and sustainability of the USPS. Unfortunately, on this basis, we must urge you to reject the current slate of nominees.

Thank you for your consideration of our views. If you have any questions, please contact Rob Randhava, Senior Counsel at The Leadership Conference on Civil and Human Rights, at (202) 466-3311.

Sincerely,

Wade Henderson  
President & CEO  
The Leadership Conference  
on Civil and Human Rights

Lee Saunders  
President  
American Federation of State, County and  
Municipal Employees (AFSCME)

Richard Trumka  
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Melanie Campbell  
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President & CEO  
National Council of La Raza

Marc Morial  
President  
National Urban League

Mary Kay Henry  
President  
Service Employees International Union (SEIU)

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<sup>i</sup> Steve Terrell, Payday-Loan Money Attracts the Elite of New Mexico Lobbying, The Santa Fe New Mexican, Mar. 6, 2005 at A-1.

<sup>ii</sup> Leslie Linthicum, A New Era in Payday Loans, Albuquerque Journal, Nov. 1, 2007, at <http://www.abqjournal.com/news/state/606966nm11-01-07.htm>

<sup>iii</sup> Cordova v. World Fin. Corp., 146 N.M. 256 (N.M. 2009)

<sup>iv</sup> Gallup poll, Nov. 11-12 2014, at <http://www.gallup.com/poll/179519/americans-rate-postal-service-highest-major-agencies.aspx> (survey of 1,020 adults).

<sup>v</sup> Judith Havemann, "Postal Chief Denounces Privatization Advocates," Washington Post, April 8, 1988.

<sup>vi</sup> Nominations of Hon. James C. Miller III and Hon. Katherine C. Tobin, Hearing before the Committee on Homeland Security and Governmental Affairs, U.S. Senate, June 21, 2012.

<http://www.gpo.gov/fdsys/pkg/CHRG-112shrg75218/html/CHRG-112shrg75218.htm>

<sup>vii</sup> Fran Spielman, "Emanuel to Introduce Privatization Rules to Avoid Repeat of Parking Meter Debacle," Chicago Sun-Times, July 28, 2015.

<sup>viii</sup> Daphne T. Greenwood, The Decision to Contract Out: Understanding the Full Economic and Social Impacts. Colorado Springs: Colorado Center for Policy Studies, 2014.