

Delivering a national infrastructure bank...through the post office



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In late May, another bridge involving another interstate highway collapsed in the United States. This time, it was a bridge north of Seattle over which I-5 conveys millions of cars and billions in trade between Washington state and Vancouver, Canada. A few years ago, it was I-35 and a bridge over the Mississippi River in Minneapolis. In fact, bridges collapse almost every day, and more than 18,000 bridges have become structurally deficient over the past couple of decades.

And the problem of our crumbling infrastructure goes far beyond bridges or highway transport. Our water and sewage systems, our electrical grids, our airports and seaports,

and broadband systems are in desperate need of repair and modernization. The American Society of Civil Engineers has assigned a failing grade (D+) to the quality of our nation's infrastructure and has identified more than \$3.6 trillion in construction projects needed between now and 2020.

You may be asking, "What do collapsing bridges have to do with saving the Postal Service?" Do we have time to worry about these problems when the Postal Service is recklessly seeking to close post offices, reduce hours and eliminate Saturday delivery?

You might be thinking, "There's nothing we can do about this crisis at a time when there is mass unemployment, large federal deficits and a total unwillingness of Congress to allocate taxpayer funds for public investments." After all, President Obama has been calling for further action on jobs since his 2009 stimulus program helped prevent a Great Depression but failed to kick-start a strong jobs recovery—and Congress has balked every time.

But with a little imagination and the kind of can-do spirit and political will that America has summoned many times in the past, there is a way to address all these issues in a smart, creative way. We could create a national infrastructure bank (NIB) and we could use the nation's 32,000 post offices as its retail network, earning revenue for the Postal Service by providing basic financial services (savings and checking accounts, money transfers, etc.) while helping to rebuild America.

The first part of this idea—the NIB—has a lot of bipartisan support. Over the past six years, senators from both parties have introduced bills to create an NIB. The BUILD Act was initially introduced in 2007 by then-Sen. Chris Dodd, a blue state liberal, and Sen. Lindsey Graham, a red state conservative. That should not have been a surprise—citizens in all states need first-class

roads, bridges, sewers and energy networks regardless of their political beliefs. Both the AFL-CIO and the U.S. Chamber of Commerce have endorsed a major infrastructure program.

An NIB would provide a means to channel public funds into regional and national projects identified by political and community leaders across the country to keep the economy healthy. It could issue bonds, back public-private partnerships and guarantee long-term, low-interest loans to states and investment groups willing to rebuild our schools, hospitals, airports and energy grids. An NIB with \$10 billion in capital could leverage hundreds of billions in investments.

Yet opposition to using tax money for such a bank has stopped the BUILD Act in its tracks. But what if we set up the NIB without using taxpayer funds? What if we allowed Americans to open savings accounts in the nation's post offices and directed those funds into national infrastructure bonds that would earn interest for depositors and fund job-creating projects to replace and modernize our crumbling infrastructure? Rather than closing down post offices, let's find a new use for them.

To some, this may sound crazy. But more than 40 million Americans are "unbanked." In many rural areas, commercial banks are nowhere to be found. And in many low-income urban areas, banks are closing branches at an accelerated pace—a recent study for the banking industry predicts that 40 percent of the nation's 90,000 bank branches will close over the next 20 years. That's where our ubiquitous post office network could step in. Both the Sanders and the DeFazio postal reform bills we support would allow the Postal Service to diversify its range of services to meet un-met public needs.

A post office bank would not compete with private banks—it would not offer commercial loans or mortgages. But it could serve the unbanked and fund infrastructure projects selected by a non-partisan NIB.

Postal banks are common all over the world. In fact, we used to have one in the United States. Between 1911 and 1967, millions of Americans had savings accounts at the post office. Dozens of countries have postal banks, and new ones have been created in France, Italy and Brazil during the past decade. Although NALC has advocated postal financial services for years, this trend prompted a resolution at our last convention calling on the union to investigate the possibility of postal banking in America. NALC is now actively doing this with the assistance of the Public Banking Institute.

We can put millions of Americans back to work and strengthen our Postal Service at the same time—if we are willing to think big, as we did when we built the transcontinental railroads, the interstate highway system and the space program. The time has come for a national infrastructure bank. Let's do it with the Postal Service!