



National Association  
of Letter Carriers

Fredric V. Rolando, President  
March 12, 2010 No. 10-5

# NALC Bulletin

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## NALC Battles USPS Plan To End Six-Day Delivery

### Rolando Responds to 'Plan for the Future'; Says Proposal Would Worsen Bottom Line

#### Thousands of Letter Carrier Jobs in Jeopardy

The NALC reacted quickly when Postmaster General John E. Potter released the Postal Service's seven-point "action plan for the future" in Washington March 3, making sure that Congress, the Obama administration, large mailers and the general public know the disastrous consequences of ending Saturday mail delivery.



President Rolando explains to New Jersey NALC activists March 11 how the union would continue six-day mail delivery and work to resolve the Postal Service's financial difficulties. (Photo by Mike Shea)

Many of the ideas outlined in the action plan — such as repealing the retiree health prefunding requirement by fixing the USPS's overfunding of CSRS pensions and liberating the Postal Service to offer new products and allow pricing flexibility — are ones that NALC embraces.

"Unfortunately, the plan also endorses the elimination of Saturday mail delivery, which the NALC believes is unnecessary and counterproductive," Rolando said. "Reducing the scope and quality of service will not restore the Postal Service to health — it is likely to drive mailers away and therefore worsen, not improve, the Postal Service's bottom line."

Rolando noted that many American businesses, such as those that distribute mail order prescription drugs, DVDs and weekly magazines, rely on six-day delivery. The plan also threatens to unnecessarily eliminate thousands of letter carrier jobs at a time when the country faces a severe unemployment crisis.

In a statement to the press immediately after Potter's announcement, Rolando noted that a January report released by the postal Inspector General showed that the USPS was overcharged by \$75 billion for postal pension costs and urged Congress to take immediate steps to correct the error.

"If Congress takes such action, the Postal Service will have the financial breathing room needed to develop a more successful plan," Rolando said.

The PMG's plan received a cool reception from several of the most important lawmakers on Capitol Hill.

### Congress Skeptical

In Maine, the Associated Press reported that Sen. Susan Collins, ranking Republican on the Senate Homeland Security and Governmental Affairs Committee, which has jurisdiction over postal matters, expressed skepticism about Potter's proposal.

"The Postal Service should focus on serving the customers better, attracting new customers and increasing volume — not on cutting services," Collins said, according to the AP. She added that businesses will seek other alternatives if mailing days are cut, further eroding the Postal Service's shrinking mail volume and leading to more severe financial problems.

**"Saturday is an important delivery day — everything from bank statements and dealing with your bills to the social component of going down to the post office"** — Rep. Jason Chaffetz (R-UT) ranking Republican on the House Postal Subcommittee.

"Those are serious changes," warned Rep. Marcy Kaptur, (D-OH). "There may be businesses that are harmed. There may be hospitals that are harmed (without) Saturday delivery." She said she would keep an open mind until congressional hearings are held.

The Potter plan, entitled "Ensuring a Viable Postal Service for America," was put together with the assistance of two consulting companies, the Boston Consulting Group (BCG) and McKinsey and Company. BCG produced a forecast of future mail volume that predicts a continued decline from 177 billion pieces in 2009 to 150 billion pieces in 2020, while McKinsey helped the USPS analyze various business strategies and develop its plan.

After the report came out, NALC issued a press release and engaged the news media to defend universal, six-day delivery and the interests of letter carriers and the general public they serve.

"It is deeply disturbing that the Postal Service appears to be committed to eliminating Saturday service, though Congress would have to approve such a change," Rolando said. "NALC will fiercely resist this proposal on Capitol Hill."

To be successful, the union will need the help of every active and retired letter carrier in the nation. Those who have already signed up as e-Activists will be kept abreast of strategies and plans on a regular basis. Those who have not yet signed up, should do so immediately!

"Don't put this off for a single day. There is no tomorrow. Today is the time we all must act to save the Postal Service for the American public and to save jobs for letter carriers this year and for decades to come," Rolando said.

### Map Out Strategy

Later in March, the union will hold its annual legislative conference in Washington for all state NALC leaders and a strategy will be mapped out to make sure every lawmaker and all Americans know what is at stake in this ill-conceived proposal.

Some parts of the Postal Service's plan — concerning "workforce flexibility" — will require negotiation with the NALC and the other postal unions at the bargaining table. NALC fully expects to engage the Postal Service in the months and years ahead to find win-win solutions through negotiations.

"We have proven over the past 18 months that we are capable of adapting and responding to the crisis," Rolando said. "But we will insist on protecting good quality jobs and Congress must do its part to help stabilize the Postal Service by addressing the pre-funding issue."

On March 24, the House Subcommittee on the Federal Workforce, the Postal Service and the District of Columbia will hold a hearing on the Office of Inspector General's report on the postal pension surplus. If correctly calculated and transferred to the Postal Service Retiree Health Fund, the surplus postal funds in the CSRS could significantly reduce or eliminate the pre-funding payments altogether.

NALC is working around the clock with allies in Congress and in the Obama administration to address the financial crisis facing the USPS. Check the union's website [www.nalc.org](http://www.nalc.org) regularly for more details on the USPS plan and the union's views on its components and to sign up as an e-Activist.

**"I think there's going to be a great deal of negotiation, a lot of haggling ... before plans are actually set in stone"** — Rep. Danny Davis (D-IL).

### The First Step!

## Congress Must Act to End the Obscene \$75 Billion Pension Overcharge on USPS

The proposal by the Postal Service that six-day delivery be eliminated so that the Service can get back to a healthy financial status highlights one glaring point: the gross inequity that Congress and the past administration imposed on USPS regarding retiree health benefits.

"This union is as strong as any in its determination to protect every employee's future retiree health benefits," said President Rolando. "But this continuing \$5 billion a year pre-funding requirement makes no sense when surplus pension funds could be used to entirely pre-fund these benefits. It is an unconscionable albatross that could lead to the death of the Postal Service as we know it. Congress must immediately terminate this burden and let the Postal Service begin to regain its financial health."

A special report by the USPS Office of Inspector General strengthens the case NALC has made over the past three years that the Office of Personnel Management (OPM) badly miscalculated the postal surplus in the Civil Service Retirement Fund.

The OIG's investigative research unit report shows USPS was overcharged an astounding \$75 billion for pension liabilities that should have been paid for by the U.S. Treasury, since they relate to service performed before USPS was created in 1971.

This means the onerous pre-funding schedule included in the 2006 Postal Accountability and Enhancement Act is grossly inflated, since OPM shortchanged the Postal Service Retiree Health Fund in 2007, when the agency transferred the surplus into the fund.

Go to [www.nalc.org](http://www.nalc.org) for a fact sheet and links to the full OIG report.

## New Jersey Leads Off NALC Lobbying Visits



Sen. Robert Menendez (D-NJ) makes a point at a New Jersey Rap Session March 10 in Washington, DC (top photo) during the state's annual lobbying trip to the nation's capital that allowed NALC activists to tell their lawmakers face to face how they feel about the proposed end of six-day mail delivery. Pictured are (l-r) Vice President George Mignosi, Exec. VP Gary Mullins, President Rolando, Menendez, New Jersey State President Tony Massa, Dir. of Health Benefits Timothy O'Malley, and Region 12 NBA William Lucini. In bottom photos (l-r) Reps. Rush Holt, Donald Payne, John Adler and Bill Pascrell, all (D-NJ), and Rodney Frelinghuysen, (R-NJ), emphasize support for letter carriers' issues at NJSALC congressional breakfast March 11. (Photos by Mike Shea)

## President Rolando Reacts to Twin Editorials In New York Times and Washington Post

On March 11, President Rolando sent letters to *The New York Times* and *The Washington Post* in response to lead editorials in both newspapers a day earlier endorsing PMG Potter's call for elimination of six-day delivery and other aspects of the Postal Service's "plan for the future."

Although the editorials were slightly different in scope (*The Post* was much harsher), Rolando addressed the key points in both responses:

**"No business ever bounced back to health by rushing to offer slower service and turning customers away. Eliminating Saturday delivery would send the wrong message to both citizens and businesses, that this public service is about to get a lot worse. That alone could push away many mailers, including movie and video game distributors, prescription drug companies and magazines.**

**"We agree the Postal Service needs more flexibility to provide new services and win new revenues. But the single most important step Congress could take immediately is to reform the mandate to pre-fund future retiree health care obligations.**

**The worst thing the Congress could do is allow the USPS to drop Saturday delivery instead of fixing the pre-funding problem. That course would damage the long-term prospects for the Postal Service and destroy another 50,000 good jobs, just when officials are scrambling to create more."**

## Rolando Joins AFL-CIO Colleagues In Backing Measure to Create Jobs

### Vice President Biden, Secretary Solis Address Labor Leaders

NALC President Rolando joined his fellow members of the AFL-CIO Executive Council at their mid-winter meeting in Orlando, Florida in passing a resolution calling for nationwide action by unions and the progressive movement to put America back to work and target politicians who voted to deny aid for the unemployed and against creation of jobs.

The council also called for strong actions against Wall Street firms that pay enormous bonuses but won't pay taxes, and against corporations that take the public's money and use it to downsize and outsource jobs.

"Mass unemployment is intolerable," the Council said. "Action is required. The AFL-CIO calls upon the entire labor movement — our affiliated unions, our state and local labor councils, the millions of members of Working America and our allies in communities and progressive movements across this country — to come together in a great effort to create and protect good jobs."

Rolando was also on hand to hear Vice President Joe Biden defend the administration's bailout of the banking industry, saying without it "we would have been in a flat-out depression and millions more would be out of jobs."

"Had we not done these unpopular things to stabilize the banking industry, the auto industry, the housing sector, if we didn't have growth of nearly 6 percent, we wouldn't have any shot at all," Biden said. "They're necessary preconditions to create genuine, renewed economic growth."

Labor Secretary Hilda Solis said that creating good jobs that offer affordable health care and retirement security is the Obama administration's top priority.

"I wake up every morning worried about the millions of Americans out of work — about the millions of Americans who have given up even looking for the jobs that aren't there," she told the Council. "None of us expected this and we did not create this crisis — but each and every one of us is called to do more."

## Going, Going .....!!!

More than half of the available reserved seat ticket orders and payments for a special Baseball Night during the 67th NALC National Convention in Anaheim, California, have been purchased already by NALC branches for their delegations attending the convention.

As the *NALC Bulletin* went to press, more than 3,600 tickets had been purchased by delegates and their family members for the Tuesday, August 10 game between the American League West champion Los Angeles Angels and the Kansas City Royals at Angels Stadium.

Tickets are \$10 each for NALC delegates and family, with bus transportation to and from the game provided FREE of charge.

To obtain tickets, mail the form that was included in the February 12 *NALC Bulletin*, and include with it a check (made out to "Secretary-Treasurer, NALC") for the entire amount. The forms and checks should be mailed to: NALC Baseball Night; 100 Indiana Ave., NW; Washington, DC 20001-2144.

There is limited handicapped seating at Angels Stadium. Please indicate with your order if any special handicapped seating is needed.

Questions should be directed to Drew Von Bergen, NALC Director of Public Relations, at (202) 662-2489 or [vonbergen@nalc.org](mailto:vonbergen@nalc.org).

### 20 Million+!

## Postcard Orders Arriving Daily For May 8 National Food Drive

After a series of delays caused by the multiple East Coast blizzards and some other logistical problems, the special packets for the 2010 NALC National Food Drive went into the mail March 5 & 8 in Priority Mail envelopes to branch food drive coordinators across the country.

Included in the packets are order forms for the FREE Campbell Soup/U.S. Postal Service postcards that are to be delivered to postal customers involved in the drive during the week before the May 8 food drive. Branches should IMMEDIATELY return the completed form by mail to NALC Headquarters. If desired, the form can also be faxed to the number on the ordering form.

As the *NALC Bulletin* went to press, orders had already been received for more than 20 million postcards.

There are two separate forms for the postcards: one for ordering English language postcards that will be to most addresses in the nation, and another for ordering Spanish language postcards that will be utilized in Puerto Rico and parts of other U.S. cities with large Hispanic populations.

In addition, the packet includes a third form for ordering (at cost) the official full-color poster for the 2010 drive featuring a "Family Circus" cartoon by artists Bill and Jeff Keane. Included in the packet is a reduced-size sample draft of the poster.

The posters are available for purchase in bulk at the same cost as last year: 25 posters for \$15; 50 posters for \$25; 100 posters for \$45; 200 posters for \$85, and 500 posters for \$200. Full payment must accompany all orders.

Questions regarding the food drive should be directed to Drew Von Bergen at [vonbergen@nalc.org](mailto:vonbergen@nalc.org).



Front of Campbell Soup/U.S. Postal Service postcard for the 2010 NALC National Food Drive.