



An open door for carrier concerns

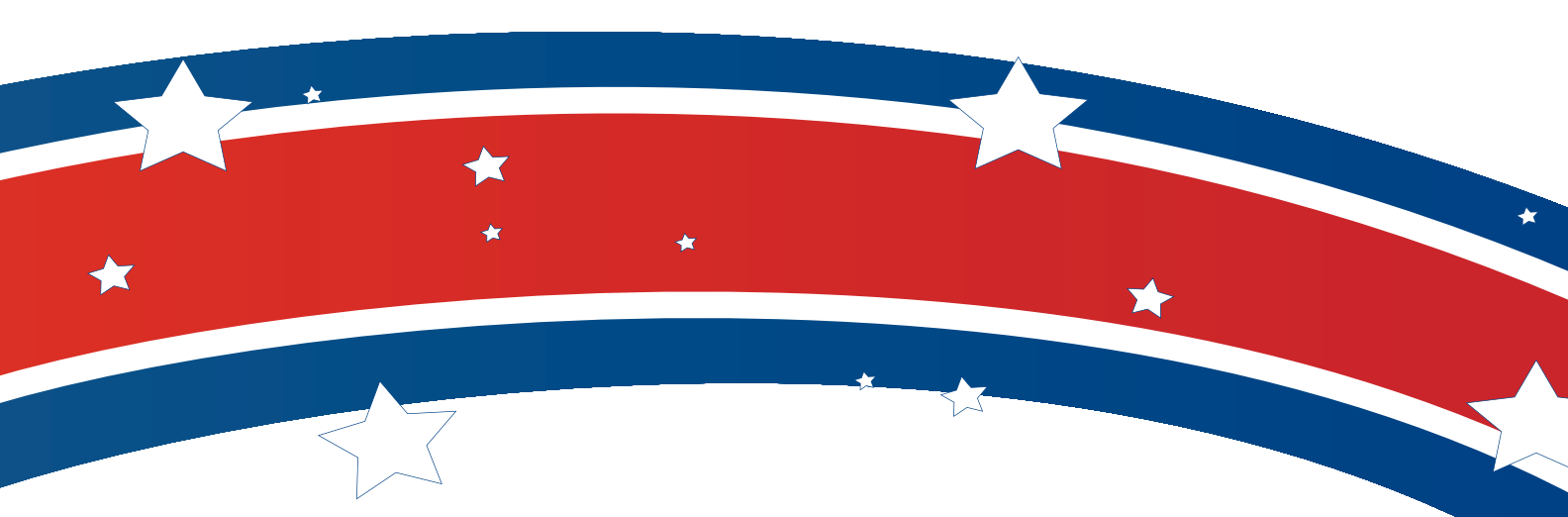
With the arrival of a new president

and an improved Congress, official Washington is a far more welcoming place for letter carriers and other working families. President-elect Barack Obama promises a 180-degree switch of attitude toward the people who do honest work all day long. No longer will the interests of a slick hedge fund manager automatically outweigh the needs of the men and women who carry a satchel.

Stronger pro-worker majorities on both sides of Capitol Hill mean NALC members will find many more open doors as we make the case for preserving the Postal Service and protecting our jobs and benefits. In the Oval Office, we can expect a welcoming hand when we seek legislative reforms instead of the deaf ear turned our way for the past eight years.

Just as important, the proven power of our political activism has earned us a guiding role in restoring our nation's economic health. In this fresh political landscape, we now stand on higher ground as we begin the fight to rebuild the middle class—a fight we must win in order to ensure our own way of life.

Lost jobs, lost homes, lost retirement savings—millions of families have been beaten down so far they can't see the light of hope for better days. As members of the broader labor movement, we share an obligation to help them, to realign the nation's priorities, to promote new jobs and sound economic growth. By extending a helping hand to those who are struggling, we can help ourselves—both at the bargaining table and in our hearts—by expanding the middle class and making America stronger.



Over just the past few weeks, our nation has seen the “to do” list from the long 2008 campaign morph into a “must do” list in the face of a deepening recession and the worst global financial crisis since the Great Depression of the 1930s:

- ❑ We must save our manufacturing base, starting with the major auto companies.
- ❑ We must invest in national infrastructure to generate jobs; to prevent the collapse of critical services like water supplies, sewers and the electrical grid; and to repair crumbling highways, bridges and schools.
- ❑ We must develop alternate energy sources and “think green” to protect an increasingly fragile planet.
- ❑ We must revive the housing industry, for the sake of the craftsmen who build and the families who buy.
- ❑ We must recreate the financial industry, restoring the flow of credit that lubricates the great engine of the American economy, but with far stricter oversight and accountability.

And, most important for us, we must preserve the U.S. Postal Service, by helping it address the short-term problems brought on by the recession and new technology, and by working on long-term solutions to maintain this great national resource—and along with it letter carriers’ jobs, benefits and place in the middle class.

Members of the NALC know this list represents only some of the daunting challenges that confront the new Congress and President-elect Obama.

“The Bush gang left President Obama holding the bag for this recession—the loss of more than 2 millions jobs last year, the stock market, and the rest,” NALC

President Bill Young said. “It certainly took some of the shine off the excitement that came with his election. It also means the president and the Congress have a lot on their plate as we start the year. But that doesn’t mean our issues have to take a back seat. It just means we may have to push harder to get where we want to go.”

The NALC’s legislative priorities for the new Congress include the overarching issues that carriers across the nation championed during the campaign—especially the restoration of the middle class through a major economic recovery program and passage of the Employee Free Choice Act—as well as postal concerns.

Help for the USPS


It’s no secret the Postal Service faces serious financial problems. The collapse of the housing bubble in 2007 and the resulting mortgage crisis and credit crunch of 2008 devastated some of the most mail-intensive industries. Every letter carrier has seen the evidence—a dramatic drop in mail from real estate, housing, banking and insurance companies. For instance, in the first six months of 2008, according to banking industry analysts, 500,000 fewer credit card solicitations were mailed to households across the country. Multiply that by the other industries reeling in the recession and the threat to the Postal Service is clear.

The USPS lost \$2.8 billion in fiscal 2008. The outlook for 2009 is bleaker, despite the best efforts of postal unions and management to think creatively and to act jointly to cut costs.

There is one avenue for quick and sure relief—and the NALC is helping lead the campaign before the Congress to win its approval. Under current law—the Postal Accountability and Enhancement Act of 2006, or the PAEA—USPS is required to *pre-fund* post-retirement health benefit liabilities.

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Specifically, the Postal Service must pay more than \$5.5 billion per year between now and 2016 into a Postal Service Retiree Health Benefit Fund, on top of the \$2-\$3 billion it pays for current retiree premiums. Even in a booming economy, this 10-year-long demand would be hard to meet. Today it is most certainly impossible.

That is why the postal unions and management are working to amend the PAEA with a simple solution: At the same time USPS is paying in the \$5.5 billion, Congress can authorize the Postal Service to pay current retiree health care premiums out of the retiree health fund, which now has more than \$32 billion in it. This change would produce financial relief for USPS worth more than \$2 billion annually, and the fund would still grow. (Any change to the law would not affect the health insurance benefits of any postal retiree.)

Help for the middle class

While several issues demand President-elect Obama's immediate attention, putting the economy on the road to recovery is on the top of his list. To do so, he has offered a general proposal to launch the greatest public works project since the 1950s, when the Interstate highway system was built.

Some congressional leaders say the price tag could range from \$400 billion to \$700 billion—a huge commitment, but less than the financial industry bailout. In describing his plan, Obama expanded the usual litany of repairing roads and bridges to include infrastructure for Internet access, efforts to make government office buildings more energy efficient, “green jobs” that focus on reducing energy use (and global warming) with energy-efficient appliances and heating and cooling systems, and developing alternate energy sources.

Obama has not projected a cost figure, but he has said it would be “a record amount” and include such projects as work on schools, sewer systems, mass transit, the electrical grid, dams and other public utilities. (The nation's governors already have given Obama a \$136 billion “wish list” of transportation projects.)

His goal is not only to create jobs immediately, but to create jobs attuned to the new technologies of the 21st century. He has said he wants a plan on his desk that will generate 2.5 million jobs in the first two years of his administration.

(The relationship between the nation's crumbling infrastructure and the fate of the middle class was discussed in the March 2008 *Postal Record*.)

Creating good jobs

Even more than simply creating jobs, it is important to create good jobs—with decent pay, health benefits and pensions—and that brings us to another major piece of unfinished business: final approval of the Employee Free Choice Act.

As a senator, Obama was a sponsor of the Act and he pledged in his letter to the NALC Convention in Boston accepting the union's endorsement last summer that he would sign it into law as president. The bill passed the House last year but was filibustered in the Senate by Republicans—and President Bush would have vetoed it anyway, had it cleared the Senate. In the 111th Congress, the House has a larger pro-worker majority, but Senate Democrats are a few votes short of the filibuster-proof 60-seat majority. Nonetheless, firm political persuasion could pry the bill loose and send it to Obama's desk.

“The Employee Free Choice Act is an essential step toward our goal of rebuilding the middle class and protecting the wages and benefits letter carriers enjoy,” Young said. “It is a critical piece of legislation that NALC will support with all our might.”

One major reason for the decline of the middle class over the past 25 years has been the decline of the labor movement and “union density”—the percentage of workers who belong to unions.

When unions were at their peak, in the 1950s and 1960s, workers made great gains. And when large groups of unionized manufacturing workers—at auto plants and steel mills, for example—got better pay and benefits, they established a benchmark for other workers to point to when negotiating

with their employers.

Today, the reverse is true.

Employers point to millions of poorly paid workers with no benefits as they try to extract concessions from employees—just look at the attempts to beat down the wages of autoworkers as a condition for bridge loans to the auto industry.

The decline of unions can be traced to weaknesses in U.S. labor law, which employers have exploited. Over the past three decades, the federal government has often been a collaborator, from pro-business National Labor Relations Boards and anti-worker Labor Departments, to some residents of the White House itself. Ronald Reagan, who declared open season on unions by firing federal air traffic controllers and started the campaign to “outsource” government jobs to non-union contractors, and George W. Bush, who used “national security” and the threat of terrorism as an excuse to strip nearly 1 million federal workers of their bargaining rights, were especially hostile to the labor movement.

The Employee Free Choice Act would give workers the power to bargain for a better life—better pay, health benefits, pensions, better work rules, and added safety precautions to highlight a few top items—by allowing them to form a union if a majority of workers in a workplace sign a card stating that is their preference. Right now, if a majority of employees sign cards, the employer can reject their decision and demand a secret-ballot election, supervised by the NLRB. During such elections, managers often employ delaying tactics, intimidate workers and fire union organizers.

In addition to allowing the card-check method (as well as the traditional ballot if workers choose it), the Employee Free Choice Act would require employers to bargain with the new union. Now, companies can negotiate endlessly while refusing to reach agreement on a contract. Under EFCA, such impasses would automatically

go to binding arbitration to settle a first agreement. Also, fines against employers who interfere with workers who are trying to form a union would be sharply increased.

Also on the table

Many important issues have been kicked to the political wayside over the past eight years. Once President Obama has addressed the staggering economy, the financial industry crisis, two nagging wars, and whatever surprises await him in his first months in office, the nation has other priorities that are also important to carriers.

Perhaps foremost is health care reform. The present broken system only costs more and more each year while returning less care. Millions of families have no insurance, meaning they forego needed treatment, or add to the “uncompensated care” burden on hospitals that gets tacked onto everyone else’s health care costs, or are treated under taxpayer-funded programs. This malfunctioning system has a direct impact on the cost of the health care NALC members receive.

The defined-benefit pension system is collapsing, and the 401(k) alternative has been revealed as a dubious replacement thanks to the collapsing stock market. Needed reforms there must complement the work undertaken to address the issue of long-range Social Security solvency.

You undoubtedly can tick off more—relief from the GPO and WEP provisions, added resources for education, serious energy and environmental reforms. There is no doubt great challenges are ahead of us. Changing the players in Washington was a great first step. Now, we must stand together and confront these challenges.

As the old saying goes, in unity is our strength. ☒

