

SATURDAY
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USPS BACKS AWAY FROM 5-DAY DELIVERY BUT FOR HOW LONG?

Nine weeks after Postmaster General Patrick Donahoe told a press conference that the Postal Service planned to unilaterally eliminate Saturday mail delivery beginning in August, the USPS Board of Governors announced that it was backing away from that plan.

In an April 10 press release following its spring meeting in Washington, DC, the board said the Postal Service would “follow the law” and would halt “implementation of its new delivery schedule”—for now.

“NALC is gratified that the Board of Governors has seen the light on the law,” NALC President Fredric Rolando said, “especially after Congress endorsed six-day mail and the Government Accountability Office affirmed that the continuing resolution mandating six-day mail is the law.”

The continuing resolution (CR), passed by Congress on March 21 and signed into law by President Barack Obama on March 26, funds the federal government through Sept. 30, the end of Fiscal Year 2013. The CR renewed the language that calls for six-day delivery. Meanwhile, the GAO stated unequivocally that Donahoe—despite his claims to the contrary—does not have the legal authority to reduce mail delivery service away from the current six-day schedule.

(The GAO’s legal opinion was requested by Rep. Gerry Connolly (D-VA) shortly after Donahoe’s Feb. 6

announcement. Read more about Rep. Connolly’s continued support for the Postal Service in our exclusive Q-and-A with him beginning on page 12.)

Although the governors effectively conceded that the postmaster general was wrong to initiate such a plan, their statement reiterated support for an eventual change to five-day delivery—meaning that letter carriers still have plenty of work left to do to make sure six-day mail service receives the legal protection it needs.

“I must credit the hard work of letter carriers, whose efforts to get the message out about Saturday delivery were critical to this positive development,” Rolando said. “But I cannot stress enough that this victory is only the most recent in our ongoing battle. Saturday mail is still far from being permanently protected—the Board of Governors stated that it expects legislation allowing elimination of Saturday mail to be included in legislation later this year. So all of us must remain diligent and continue to fight to retain this competitive advantage of ours that’s so critical to the future of the Postal Service.

“We understand better than anyone how losing Saturday delivery would reduce mail volume and revenue—sending the USPS on a death spiral,” he said. “It would disproportionately affect small businesses, the elderly, rural communities, the one-half of the

Letter carriers came from New Jersey to lobby their congressional representatives April 9-11. They gathered on April 10 for a rap session with President Rolando.



public that pays bills by mail and the many millions who lack access to reliable Internet service. And it would cost tens of thousands of good middle-class postal jobs.”

It is past time for the Board of Governors to reconsider its entire “shrink to survive” strategy, Rolando said. “Degrading the Postal Service’s last-mile network is a losing strategy. More than a third of all business mailers have told us that they want to keep Saturday mail service, and eliminating it would drive millions of customers away.

“What the Postal Service needs now is a growth strategy,” he said, “and Congress must enact comprehensive reform that overhauls the USPS governance structure and provides greater pricing and product flexibility.”

Above all, Rolando said, Congress needs to reduce or eliminate the crushing burden it placed on USPS in 2006 to pre-fund decades’ worth of future retiree health benefits—a mandate that is shared by no other government agency or private enterprise and that has caused more than 90 percent of this year’s financial loss so far. In fact, figures from the first quarter of Fiscal Year 2013, which covers September, October and November of 2012, show that, absent pre-funding, the Postal Service would have realized a \$100 million profit.

The Board of Governors’ statement had one final jab to make by calling for reopening and renegotiating postal labor contracts—“yet another sign that the Postal Service needs new executive leadership,” Rolando said. “Asking the NALC to renegotiate a contract that an arbitrator just settled in January is insulting and unnecessary.”

The 2011-2016 National Agreement, which reduced starting pay by 25 to 33 percent and allows for health care savings, also provides for several labor-management task forces to work on ways to increase revenues and cut costs.

Battling budgets

Also on April 10, as the Board of Governors was wrapping up its spring meeting, the Obama administration released its proposed budget for Fiscal Year 2014, a disappointing document that revived a number of the president’s past postal and federal employee provisions that the NALC continues to oppose.

“Once again, the administration supports in a deficit reduction plan the elimination of Saturday mail delivery, even though the Postal Service receives no taxpayer funds,” President Rolando said. “And once again, the administration has proposed balancing the budget on the backs of federal workers by calling for increasing Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) contributions of current postal employees—by 0.4 percent per year for three years—as well as for eliminating the FERS Social Security supplement for new employees, despite the fact that the postal pension accounts in the Civil Service Retirement and Disability Fund already are fully funded.”

President Obama also inserted into his budget one of the worst proposals he made during last year’s “fiscal cliff” talks with Speaker of the House John Boehner: a so-called “grand bargain” budget reduction plan to cut CSRS, FERS and Social Security benefits by calculating cost-of-living adjustments with a less generous version of the Consumer Price Index, known as a “chained” CPI.



President Rolando thanked the New Jersey NALC members for the work they’ve done to explain the need for meaningful postal reform to their senators and representatives.

A BUSY 2013

The year is only five months old, but it has been packed with legislative challenges and management opposition. Take a look back at how we got here.

Feb. 6: NALC released one statement that denounced Donahoe's decision and called for him to step down, and a second statement refuting Donahoe's claim that letter carriers and other postal employees were "fully supportive" of his plan.

Feb. 8: The Postal Service released its financial report for the first quarter of Fiscal Year 2013, reporting a \$100 million operational profit with increases in standard mail and package deliveries that more than offset the decline in first-class mail volume.

Feb. 6: Postmaster General Patrick Donahoe held a press conference to announce his intention to end Saturday delivery on Aug. 5, even though current law mandates six-day delivery. The PMG dubiously claimed that a "loophole" in the law would allow him to do this.

Feb. 7-15: In the days after Donahoe's announcement, dozens of members of both houses of Congress went on record to state that they considered his plan to go to five-day delivery to be counterproductive and legally suspect. (On Feb. 15, 24 senators sent a letter to Donahoe registering their concerns with his announced intent to end Saturday mail delivery.)

"This proposal would add insult to injury for federal and postal employees by further reducing their benefits and cutting Social Security benefits, even though such benefits do not have an impact on the current budget deficit," Rolando said.

"Moreover, it's just plain wrong to downplay the crushing pre-funding mandate and instead advocate a call to end Saturday mail," he said, "a move that would reduce the quality of service for our customers, weaken the Postal Service and slash letter carrier jobs at a time of high unemployment."

Obama's budget was due in February but was delayed in part by the administration's work on last year's late-breaking "fiscal cliff" negotiations. "Since the House and Senate already have passed budget resolutions of their own, all of these disappointingly rehashed proposals from the Obama administration are intended mainly to coax Republicans in Congress into negotiations over a balanced plan to reduce the deficit," Rolando said.

Not all of the news from the White House was bad, President Rolando noted. "Obama's plan does include a number of positive postal reform ideas, such as short-term relief on pre-funding, a refund of an estimated \$12 billion postal surplus in FERS, new commercial freedom for the Postal Service to serve state and local governments, and and a one-time postage increase.

"Unfortunately, these ideas fall far short of the needed fundamental reform of the Postal Service's structure, governance system, and business model, and funding provisions for retiree benefits."

Mixed messages and 'straw men'

A week before the Board of Governors' announcement, Postmaster General

Donahoe recorded a "State of the Postal Service" video to address what he called "a couple of mixed messages that need to be cleared up."

"Just amazes me," Donahoe said: "People say, well, it's first 'five day' [mail delivery], then it's going to be four, three, two and one. Unless their routes have no mail in them, I don't know how in the world you would deliver less than five days a week. The idea that there's plans on moving from six to five and then four, three, two? There's nothing to that," he said.

If the postmaster general was amazed, then President Rolando was startled by Donahoe's convenient forgetfulness. "Where on Earth would anyone get the idea that he would consider further reductions in delivery days?" How about from what he has said? Just look at his *USA Today* interview back in July 2011:

Asked about the long term, Donahoe said, "At some point, we'll have to move to three" days a week of mail delivery, possibly in 15 years.

—*USA Today*, July 19, 2011

The postmaster general resorted to a "straw man" argument in his video, Rolando said, by asserting that NALC has said that there are plans to go to four-day, three-day or two-day mail and then denying that such plans exist.

"The NALC has never said there is an actual plan to do this," he said. "What we've said is that this would be the consequence if the Postal Service were to continue to slash service and drive business away from USPS—revenue would decrease, weakening the Postal Service and necessitating further degradation of service."

Feb. 9: At the National Rap Session in Las Vegas, NALC announced plans for a March 24 national “Day of Action” against Donahoe’s plan.

Feb. 13: Sen. Bernie Sanders (I-VT) and Rep. Peter DeFazio (D-OR) introduced companion bills that address many of the key issues facing the Postal Service and that would help USPS return to financial stability while protecting the services it offers to Americans and their businesses.

March 5: Rep. Stephen Lynch (D-MA) introduced H.R. 961, a bill crafted to address the billions of dollars the Postal Service has overpaid since 1971 into its account within the Federal Employees Retirement System (FERS).

Feb. 13: President Rolando submitted written testimony to a Senate committee hearing on Donahoe’s plan. The president also issued a statement in reaction to the postmaster general’s testimony, reading in part: “His effort to justify to lawmakers his attempt to do an end-run around Congress by ending Saturday delivery failed badly. He acknowledged that he had not studied the impact on lost mail volume and revenue of going to a five-day delivery schedule, and that his figure of \$2 billion in potential savings was only an estimate.”

March 20-21: The House and Senate approved a continuing resolution that retained the language mandating six-day mail delivery. (President Obama signed the measure into law on March 26.)

Missing from the April 3 video was the bravado the postmaster general had presented two months earlier in his Feb. 6 press conference.

“I guess having dozens of members of Congress, a continuing resolution and the Government Accountability Office affirm that Saturday mail is the law of the land must have taken some of the wind out of Donahoe’s sails,” Rolando said. “And perhaps he’d already seen the handwriting on the wall when he acknowledged that an announcement on the matter was pending from his own postal Board of Governors.”

Donahoe’s seven-minute speech was not a complete waste of time for letter carriers, Rolando said. “The video did give us a valuable glimpse of what we continue to be up against from postal management as we fight to protect the Postal Service and its unique competitive advantage—delivery of the mail to every household and business address in America, six days a week.”

Legislation status

Bit by bit, letter carrier activism on Capitol Hill continues to pay off.

During Congress’ two-week spring recess, NALC activists across the country took advantage of the opportunity to lobby legislators in their home districts to support key postal reform bills before the House and Senate, resulting in a wave of new names added to each bill. On April 10, letter carrier activists from New Jersey came to Washington, DC, to lobby their state’s representatives to support NALC’s legislative agenda.

The result of that hard work is evident in the numbers showing that support for our legislative priorities continues to grow.

Following the break, seven more senators signed on as co-sponsors of S. 316, bringing the total supporters to 19 who back Sen. Bernie Sanders’ (I-VT) “Postal Service Protection Act” (at press time). That bill’s companion in the House of Representatives, Rep. Peter DeFazio’s (D-OR) H.R. 630, saw an influx of 37 new co-sponsors, for a total of 110.

Meanwhile, 27 House members added their names to Rep. Stephen Lynch’s (D-MA) H.R. 961, making for 57 representatives thus far who agree that the postal surplus under the Federal Employees Retirement System (FERS) should be recalculated using postal-specific factors instead of government-wide factors, with the resulting estimated \$12 billion surplus returned to the USPS.

And with 15 more signing on, 171 representatives now support Rep. Sam Graves’ (R-MO) H.Res. 30, expressing “the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.”

President Rolando was pleased with the success so far. “It is really great to see congressional support building like this,” he said. “It goes a long way toward helping us influence those members of Congress who are in charge of the postal oversight committees in each chamber. And if—or when—these bills come up for consideration, it helps us when a large amount of our friends in the House and Senate are armed with the right information that gives them the confidence to voice any concerns on our behalf.”

You can help keep this momentum going by checking out the “Legislation Status” section of the nalc.org home page, where you’ll see the latest totals, links to fact sheets about these bills,



From top: At a congressional breakfast on April 11, Reps. Donald Payne Jr. (D-NJ) and Rush Holt (D-NJ) vowed to work with carriers to ease the USPS’ burden of pre-funding retiree health benefits.



March 24: NALC held its national day of action to mobilize public support for Saturday delivery service. Across America, thousands of letter carriers joined friends, family, co-workers and community coalition partners at specified post offices in major media centers, holding signs and wearing T-shirts reflecting the feelings of the citizenry.

March 21: The Government Accountability Office issued a legal opinion stating that USPS is bound by current law and affirming the continuing resolution to fund the federal government, which requires “USPS to continue 6-day delivery and rural delivery of mail at not less than the 1983 level”—that is, six days a week.

April 10: The Postal Board of Governors said that the Postal Service would obey the law and comply with the continuing resolution adopted in March that mandates continuation of six-day mail delivery this year. The Board restated its support for a change to five-day delivery, but effectively conceded that the postmaster general’s claim that he could ignore the CR was wrong.

April 3: Postmaster General Patrick Donahoe recorded a “State of the Postal Service” video that restated his case for moving forward with unilaterally dropping Saturday mail delivery.

April 10: The Obama administration released its proposed budget for Fiscal Year 2014. Obama’s budget calls for eliminating, as part of a deficit reduction plan, Saturday mail delivery, even though the Postal Service receives no taxpayer funds; increasing the pension contributions of current postal employees; eliminating the FERS Social Security supplement for new employees; and cutting CSRS, FERS and Social Security benefits by calculating cost-of-living adjustments using a so-called “chained” CPI.

and links to help you contact your representatives to ask for their support—or to thank them for it.

In the news

The NALC was widely quoted on April 10 in the news media’s coverage of the Board of Governors’ announcement that it would not try to override Congress by unilaterally ending six-day delivery.

For example, President Rolando was the first person quoted (after Donahoe) by Bloomberg reporter Angela Greiling Keane in an April 10 story about the Board of Governors’ announcement. And not only was Rolando quoted in a story by Associated Press reporter Pauline Jelinek, he was given a chance to explain in detail the value of maintaining Saturday mail delivery.

The editorial pages in Sunday, April 14’s *Los Angeles Times*—the fourth largest newspaper in the country—contained a powerful one-two-three punch of letters from readers on the value of Saturday mail, covering the role of pre-funding in the USPS’ red ink, the need to preserve jobs, and the fact that eliminating Saturday delivery would generate its own expenses.

Meanwhile, clippings of coverage of the March 25 “USA for 6-Day” rallies continued to come into NALC Headquarters, with stories about the events having dominated the front pages of newspapers in such diverse places as New Haven, CT, and Pocatello, ID.

The *New Haven Register* story, for example, contained several paragraphs containing our position and reasoning, followed by a couple of points from Postmaster General Donahoe that were then rebutted by Sen. Richard Blumenthal and Rep. Rosa DeLauro, who both attended the local rally. (New

Haven Branch 19 President Vincent Mase also reported that Blumenthal—who was once Connecticut’s attorney general—said from the podium in his rally speech that if Donahoe were to try to actually institute five-day delivery, he would personally ask the U.S. Attorney General Eric Holder to have the postmaster general arrested for failing to carry out a congressional order.)

The *Idaho State Journal* story was told entirely from NALC’s perspective, leading with a clear explanation of the issues related to Saturday delivery by Idaho State Association President John Paige before discussing the rally, and then continuing with a succession of carriers explaining other matters such as pre-funding, jobs and package delivery growth.

Elsewhere, Eugene, OR Branch 916 President Tom Gates made a compelling argument for preservation of the Postal Service in a March 5 guest commentary in the *Eugene Register-Guard*. And in a March 6 letter in the *Lake County Examiner*, Gates asked readers to contact Rep. Greg Walden (R-OR) and ask him to sign on to pro-postal legislation before the House—H.R. 630, H.R. 961 and H. Res. 30. On April 10, Royal Oak, MI Branch 3126 Secretary John Serwach discussed the Postal Service’s financial situation on WDFN-AM’s “The Night Shift.”

Ohio State Association President John Dyce had a guest column printed in the Sunday, April 14 edition of the Steubenville *Herald-Star*. The paper reaches Upper Ohio Valley readers in both Ohio and West Virginia.

An April 15 *USA Today* story about the ongoing problem of hunger in America gave NALC’s Food Drive a nice nod. (See page 9 for more information about this year’s drive on Saturday, May 11.) **PR**