



National Association of Letter Carriers

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March 17, 2010

Dear Brothers and Sisters:

This is my second personal letter to your home.

I promise not to abuse the privilege, but this is a critical time in the history of the Postal Service and I want to make as sure as I can that everyone — and their families — are up to speed.

This letter will not ask you to do anything today except to give your whole-hearted attention and focus to the problem — and to start getting ready for the fight of our lives and our livelihoods.

In my first letter to you in July 2009, just days after assuming the office of NALC President, I outlined the grim facts of the “worst recession since the Great Depression,” and said that “with this national economic crisis, the danger to the USPS and our jobs has become extreme and immediate ... there is no way to sugarcoat it: extraordinary measures will be needed to preserve the Postal Service as we know it.” Two months later, the Postal Service literally ran out of money and could not pay the \$5.4 billion required by law to pre-fund future retiree health benefits (a requirement that of no other business or government entity faces in our country). Congress, at the last minute, authorized a one-year “pass” for the USPS and deferred \$4 billion of the 2009 payment until after 2016. But it failed to address the underlying problem, which is the dire need to permanently reform the pre-funding law.

So it is no surprise the USPS is now facing another \$5.6 billion bill for future retiree health benefits this fall, again without the money to pay it. Congress, again, is ducking the long-term solution. This time, in a congressional election year when voters are angry and Congress is afraid of anything that looks like another “bail out,” a last minute reprieve is by no means a safe bet.

The fact that the solution to the USPS problem is not a “bail-out” — and that we are simply trying to give the Postal Service’s access to its own money to solve the problem — is beside the point. This is politics — where perceptions matter more than reality — at their worst.

Meanwhile, despite some early glimmers of hope that the national recession has bottomed out and turned the corner, the Postal Service’s outlook has gotten worse. Even grimmer, the Postmaster General is projecting that postal finances will continue to deteriorate for the next 10 years, with projected volume dropping another 26 billion pieces over the next decade.

Many of you have no doubt read or have seen reports about the Postal Service’s new “action plan” to deal with the crisis (Ensuring a Viable Postal Service for America) that was released on March 2. There are some scary numbers in the report — especially the claim that the USPS will lose \$238 billion over the next 10 years if it does nothing. Of course, such a projection must be taken with a gigantic grain of salt. Nobody can reliably predict what will happen next year, much less a decade from now, and of course the Postal Service is not going to *do nothing* in reaction to the crisis — nor will Congress, nor will the NALC. The purpose of the dire prediction was to justify major changes in how the Postal Service operates and how it is structured. Many of the changes, such as fixing the underlying \$75 billion pension funding error made by the Office of Personnel Management and reforming the retiree health pre-funding provisions of the law, are ones we can support. But NALC will not sit idly by as the Postmaster General seeks radical changes that threaten the long-term viability of the Postal Service.

Indeed, the Postal Service is now asking the Congress for the power to drop Saturday delivery and eliminate Saturday collections. Let’s be honest with each other. Saturdays off — a weekend with the family like nearly every other worker in America — has long been a cherished goal of many letter carriers. But we cannot pursue this at the cost of a mortal blow to the fundamental business of USPS.

Eliminating Saturday delivery and offering slower service is penny-wise and pound foolish — it will lead more mailers that rely on Saturday delivery (news magazines, mail order merchants and pharmacies and DVD rental firms, to name a few) to exit the postal system — and eventually worsen the USPS bottom line. Worse, repeal of the 6-day delivery requirement would allow the USPS to eventually cut additional days of service and lead new companies to enter our business to fill the void left by the USPS. In the pages of major newspapers and business magazines, we have already seen reports of companies salivating to fill the void left on Saturdays and writers urging the Postal Service to go further and to reduce deliveries to 3 or 4 days per week. How long would it be before these new competitors demanded access to American's mail boxes and how long would it be before those same companies demanded a repeal of the letter mail monopoly to "level the playing field."

If we were to pursue a way to offer regular carriers weekends off, we would do it the way we did it in 2006 contract negotiations when NALC tabled a proposal to reorganize city carrier work while preserving Saturday delivery service for the millions of customers who value it. As you will recall, NALC offered our "Macro Proposal" to the Postal Service, which would have created a special Saturday workforce, only to have it shot down by a Board of Governors. Going forward, it may be possible to explore this approach again — but we must do all we can to lobby Congress to oppose those parts of the Postal Service's plan that threaten affordable universal service and decent jobs for city letter carriers.

Let me emphasize this point: the Postal Service cannot unilaterally implement its action plan. Only Congress can authorize five-day delivery and many other legislative changes that the Postmaster General seeks. And many other proposals in the plan (such as increased "workforce flexibility") must be negotiated with NALC and the other postal unions. With your help, NALC will make the voices of city letter carriers heard in Washington and at the bargaining table and do all in its power to preserve the long-term viability of the Postal Service.

With lead editorials in the *New York Times* and *Washington Post* supporting the Postmaster General's draconian proposals and many managers falsely suggesting to carriers on the workroom floor that these changes are inevitable, it is important for carriers to know that the Postal Service's action plan is not a done deal. I urge every member to visit our website (www.nalc.org) to sign up and/or update your e-Activist account (to make sure we have your current e-mail address) and to review our legislative fact sheets. We need you to completely understand the issues that will affect your future pay, benefits and job security so that you can act when we call on you to do so.

Today, March 17, marks the 40th anniversary of the Great Postal Strike of 1970. Thanks to the courage and energy of that generation of letter carriers, we enjoy a standard of living that none of them could have imagined. Today, the Postal Service faces a crisis every bit as challenging as the one that prompted NALC members to take to the streets in 1970. We will have to rely on different methods, but we will need the same kind of courage and commitment in the weeks and months ahead to preserve the good jobs we all enjoy. I know I can count on you to do your part to help. Individually, we are powerless; together, we are strong — 300,000 members strong!

In Solidarity,



Fredric V. Rolando
President

p.s. Please read the April issue of *The Postal Record* for a complete report on the Postal Service's action plan.