Press Associates, Inc. (PAI) – 8/16/2019

NALC's Rolando Uses Postal Service Report to Push Reform, While Postal Service Boss Responds With More Planned Cuts

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WASHINGTON (PAI)—Letter Carriers President Fredric Rolando is using the Postal Service's latest financial report to push again for reforms to put the USPS on sound financial ground.

That's not the view of Postal Service bosses, though. Announcing a loss on paper of $2.3 Billion from April through June, Postmaster General Megan Brennan's reaction was a 10-year USPS financial plan full of cuts to workers – including no pensions for new hires.

Rolando reiterated the point, made for years by postal unions and their congressional allies, that without two big financial hits starting in 2006, the USPS would have been in the black and would still be in the black, despite a decline in first-class mail volume.

That's because its package service is booming, thanks to the "last mile" service Letter Carriers provide to every U.S. household and address, even for packages originally shipped privately, ordered over the Internet, or both.

But "external matters beyond USPS control" shove it into the red, Rolando said. Those external matters are a yearly $5 billion advance payment USPS must make to cover future retirees' health care costs, and a $2 billion yearly loss, which even Brennan told Congress "can never be recovered," from a 2016 rollback of stamp prices.

The health care pre-payment "goes on the books as red ink whether or not it's actually paid in a given year," and that accounts for most of the red ink, Rolando said.

And the stamp price rollback "was the first since 1919 and it makes little financial sense because USPS already has the industrial world's lowest rates," Rolando said. "Without the prefunding burden and the price roll-back, the Postal Service would likely have reported an operating profit through the first nine months of the fiscal year," which ends Sept. 30.

While stamp prices rose since 2016 – a first-class stamp now costs 55 cents – "Congress should address the pre-funding burden it imposed in 2006," Rolando said. That GOP-passed law 13 years ago "requires USPS, alone among all public and private entities, to prefund future retiree healthcare benefits decades into the future. This produces an onerous annual burden of billions of dollars."

“Addressing these external financial burdens would allow USPS, which is based in the Constitution and which enjoys broad public and political support, to continue providing Americans and their businesses with the industrial world’s most affordable delivery network.”

But union leaders’ protests aren’t enough, so NALC has set up a political hotline for its members and their allies to contact lawmakers about the issue. Their objective is to force solons to pass HR2382, the latest postal reform legislation.

The union’s Legislative Action Center “gives members a powerful tool for contacting your representatives and tracking legislation in Congress,” NALC says. Workers can use it via “the government affairs section of the NALC Member App or on nalc.org by selecting ‘Government Affairs’ and then ‘Legislative Activities.’”

The center’s tool first lets members find out the names of their lawmakers, if they’re cosponsors of HR2382 – and then shows how to contact them, especially if they aren’t.

That measure, pushed by Rep. Stephen Lynch, D-Mass., a union member, would end the health care pre-funding requirement and also let the USPS into other lines of business, such as postal banking and providing notary public services.

Supporters, including Senate sponsor Bernie Sanders, Ind-Vt., note up to one-quarter of U.S. residents are “unbanked”: They lack access to bank branches and basic services, such as checking accounts. That forces many to depend on shady alternatives, such as pawn shops and extortionate payday lenders. Letting USPS enter the banking business, using its national network of branches, would help those unbanked people, postal reform backers say.

Government Executive and *Huffington Post* reported Brennan’s reply to the red ink was a draft 10-year management plan to – among other things – force pension cuts on present and prospective workers. New hires would get no pensions at all, and current workers would have to kick in more money every year than they do now.

Brennan also wants to resume closing USPS big mail distribution centers. Her predecessor started such closings, and thus could fire their unionized workers. But uproar, off and on Capitol Hill, halted that scheme.

That’s because the closings forced mail even from one part of a big city to another to go to a distribution center tens or hundreds of miles away, slowing its delivery.

And Brennan wants to expand the number of part-timers at USPS, who get lower pay and fewer benefits. She also pitched ending six-day delivery to every address, an idea Congress – but not the anti-worker GOP Trump administration – has rejected. Even right-wing Rep. Mark Meadows, R-N.C., leader of the so-called “Freedom Caucus,” told her to forget it.

A check of the USPS website shows the agency has not posted the plan.

The Trump administration wants to go even farther: Privatize the USPS and trash its unions and its contracts. In a report last December on the USPS and its “red ink,” a panel of Trump Cabinet members also recommended virtually establishing complete bosses’ control over the workers. It also backed killing six-day delivery, eliminating delivery to all addresses, and instituting the moves Brennan discussed, as well.