

# In this new year, one battle on two fronts



**A**s a union, NALC's first priority is to protect the standard of living and job security of our members. In 2010 and beyond, that means we must work to shape a viable future for the Postal Service, helping to decide how it will thrive and serve the American people.

A major debate is coming in Congress over the Postal Service's "business model." In my message last month, I sketched out a few ideas and expanded on them in a recent speech (see excerpts, page 7). The Government Accountability Office will issue a report on the subject in March and congressional hearings will follow. Lawmakers will examine the outlook for mail volume, six-day delivery and post office closings, new services and revenue options—and the pre-funding of future retiree health benefits, now a staggering \$5.5 billion per year burden.

But even before spring arrives, Congress will make decisions that will have a huge impact on letter carriers and the financial strength of the Postal Service. The House and Senate are expected to finalize health care reform legislation, reform that will determine whether we (and the Postal Service) continue to face skyrocketing health care costs and whether we can bring the long-term cost of retiree health care down to a more affordable level.

**Health care reform is a second front** in our battle for lasting job security and the stakes could not be higher.

As our magazine went to press, the Senate was near decisive votes on a bill to expand affordable coverage to 30 million Americans with no health insurance and crack down on insurance companies abuses like a denial of coverage for pre-existing conditions and lifetime caps. The bill also would create state-level insurance exchanges where small businesses and individuals could take advantage of large group rates, reducing their costs. It would even require the Office of Personnel Management to provide two non-profit private national plans through these state exchanges.

Unfortunately, the Senate bill fails to meet several of the labor movement's most important goals. Most notably, it includes a 40 percent excise tax on high-cost, so-called Cadillac health plans—following the misguided advice of health care economists who believe (without supporting evidence) that the tax would reduce future costs. NALC strongly opposes this provision since, over time, it will hit the lower-cost "Chevy" plans provided by the Federal Employees Health Benefits Program.

NALC has worked shoulder-to-shoulder with the AFL-CIO and several unions (including APWU, AFGE and CWA) to fight the excise tax in the Senate while urging the House to stick with the funding mechanisms in its bill. I participated with other union leaders in a well-attended press conference to highlight how FEHBP plans eventually would be harmed by the tax. We sponsored briefings for House and Senate staffers to contest the excise tax as both bad policy and bad politics: Most employers would simply slash benefits, shift costs to workers and pocket the savings from reduced premium costs, and surveys show most Americans strongly oppose taxes on health benefits. Our activists, who have been on leave from the USPS to work with the AFL-CIO's health care field campaign, have helped mobilize union members all across America to contact their representatives in Washington.

**NALC will keep fighting to either fix the excise tax** so it only applies to true Cadillac plans, or to eliminate it altogether. Assuming health care legislation passes the Senate, we will have to make our voices heard to ensure a progressive result when the House and Senate reconcile their bills. We will fight to merge the best parts of the House legislation, including its employer mandate and strong public insurance option, with the best parts of the Senate bill.

A win on this front in our battle to secure the future of the Postal Service is crucial to kicking off the new year on the right foot. I can't wait to get started. Happy new year, brothers and sisters! ✉