



THEN

9

NOW

STANDING TALL

**EVERY GENERATION OF
AMERICANS FACES GREAT CHALLENGES,**

and we somehow always find a way to rise to meet them.

Throughout our history, from civil and world wars to depressions and recessions, Americans have never backed down from fighting the good fight.

The same is true of the nation's letter carriers. During times of tremendous struggle, NALC members know we can always rely on our brothers and sisters for help shouldering any burden. It was true in 1970, when rising inflation and stagnant wages made it nearly impossible for our members to support a family on a meager letter carrier's salary alone. By banding together, facing a threat of fines, job loss and even criminal charges, tens of thousands of desperate carriers walked off the job—a bold and illegal act of defiance that not only forced Congress, the president and the public to focus on our plight, but that also led to the rebirth and preservation of our generations-old postal service.

A similar spirit is called for once again from the current generation of NALC members. Our Postal Service faces dire economic conditions, thanks to

a perfect storm of a faltering economy and electronic diversion of the mail, not to mention the unfair requirement to overpay into our retiree health benefit fund. But if we stand together and make our voices heard, loud and clear, we can convince Congress that cutting service is not the answer—and that we know the right way to save the Postal Service.

We must make them hear us again. That's our fight.

In honor of the history-making strike and the looming battle for today's carriers, we present a look back and a look ahead. You'll find coverage of the 40th anniversary of the Great Postal Strike—from several points of view—beginning on page 5. And then you'll also see how the war of words over USPS' proposed five-day delivery plan has already broken out, and what NALC intends to do about it, on pages 13-19.

Opposite page, top: Pickets at the Dearborn Post Office in Michigan.

Photo by Ira Rosenberg, *Detroit Free Press*

Bottom: New York NALC members outside the Capitol.

'ALL ON THE LINE'

NATIONAL POSTAL MUSEUM ORAL HISTORIES CELEBRATE GREAT POSTAL STRIKE'S 40TH ANNIVERSARY

Letter carriers answering the call to go beyond what is good just for themselves, to rally around what helps all postal workers and the Postal Service itself, was a recurring theme during the National Postal Museum's panel discussion to commemorate the 40th anniversary of the Great Postal Strike of 1970, a wildcat walkout that had its origins in New York City but soon spread like wildfire across the United States and crippled the nation's mail system.

Dozens of active and retired letter carriers and their families attended the March 20 event, where museum director and former postal employee Allen Kane introduced the panel's three distinguished speakers: NALC President Emeritus Vincent R. Sombrotto, American Postal Workers Union President William Burrus, and George Gould, a former congressional aide and retired NALC lobbyist who helped shape what became the Postal Reorganization Act of 1970.

"That dispute helped shape the future business model of the Postal Service," Kane said, noting how "40 years later, we find ourselves in the midst of a fight to once again save the Service."

Sombrotto also remarked on the odd similarity between the Post Office Department's situation in 1970 and the one the Postal Service faces today.

"Our motivation for going out on strike then was not only simple unionism," said the member of New York City Branch 36, who later served as NALC president from 1979 until his retirement in 2002. "There was an upbeat, positive, almost carnival atmosphere on the picket lines,

a camaraderie that came from knowing what we were doing was for the good of everybody in the Post Office. We were rallying around our brothers and sisters in need."

Sombrotto was quick to point out, however, that the 1970 walkout wasn't the first postal strike. "In July of 1968, letter carriers in two stations in the Bronx—Kingsbridge and Throggs Neck—walked out" for one day, in protest of low wages and poor working conditions, he said.

"I can't explain the electricity that went through the station I worked in," he said, referring to Manhattan's Grand Central Station. "Over 660 carriers worked in my station. And everybody was asking the same question: If they went out in Kingsbridge and Throggs Neck, when do we go?"

NALC President Emeritus Vincent R. Sombrotto (c) recounts tales from the postal strike as part of a panel with APWU President Bill Burrus (l) and former congressional aide George Gould.



Striking members of Brooklyn, New York Branch 41 rally on March 22, 1970, against President Nixon's proposed wage increase.

World Wide Photos



Picketing against a few postal workers who crossed the line.

SETTING THE STAGE

The starting pay for a letter carrier in 1970 was just over \$6,176. After 21 years, that could go up to \$8,442. But by comparison, the average American family was making around \$11,000, so many carriers were forced to work second and sometimes third jobs just to make ends meet.

These were also the days before collective bargaining, meaning Congress needed to approve any pay raises for federal workers.

"But Congress wasn't paying a lot of attention to postal workers' pay," said Gould, who should know, having served as a House staff member for a number of committees related to postal operations. "They viewed a job at the Post Office as a safe civil service job. The pay wasn't as important as that security.

"They knew that postal workers often had two jobs, but the attitude was that at least they had one secure one," said Gould, who later worked for 27 years as NALC's director of legislation and politics, beginning in 1979.

So it was that in early 1970, when Congress approved a 40 percent pay hike for itself and a measly 4 percent for postal workers, the members of New York City Branch 36 decided they had had enough of broken promises, Sombrotto recalled. In February, the branch approved a motion to hold a strike authorization vote during its March meeting.

Sombrotto vividly remembered the mayhem at the meeting on the evening of March 17 at New York City's Labor Temple. Word of a possible strike had rapidly spread throughout New York's five boroughs, and hundreds of letter carriers and other postal workers attended the gathering to witness the vote while a woefully ill-prepared security force tried to keep some order, all under the watchful eye of the media.

As all this was taking place, Branch 36's officers were holding their executive board meeting across the street, and Sombrotto said the branch's president, Gus Johnson, was skeptical. "They're

just a few crazies and radicals," Sombrotto recalled Johnson saying. "He said, 'They're never gonna vote for a strike.'"

Of course, the motion to strike was ultimately approved, by a 3-to-2 margin. "To his credit," Sombrotto said, "once the strike was official, Johnson supported it, directing stewards to inform the members and to set up picket lines."

"At the time, most letter carriers didn't involve themselves in these kinds of grand political things," Sombrotto said. "You wrote a letter to your congressman saying, 'Please vote for this bill so we can get an increase in wages.'"

"But we were living in an environment where—and I must say, it's starting to come back again now—where authority meant nothing, where everybody challenged authority," he said. "You had the Vietnam protests, teachers went out on illegal strikes, as did sanitation workers and transit workers, and oftentimes, the strikes were successful.

"Our people had invested their lives in the postal service," he said. "That was all on the line, as far as they knew. They could lose that at the signature of a pen."

A VIEW FROM THE FIELD

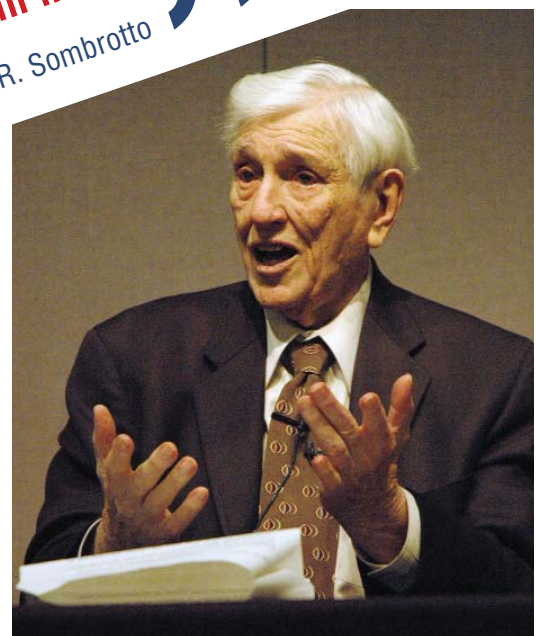
"I was in Cleveland at the time [of the strike], in my 16th year of service," said William Burrus, president of the American Postal Workers Union since 2001. He began his postal career as a distribution clerk there in 1958, and by 1970, he was an active member of the National Postal Union—the APWU did not come into existence until 1971, when NPU merged with four other postal unions.

It was a tough time, he said. "I was making \$3 an hour—barely enough to live off of, after deductions."

The approval of lopsided pay raises for Congress and postal workers was one insult too many. "We had suffered that defeat before," said Burrus, who later served as the president of the APWU's Cleveland local from 1974 to 1980. "But you had all these factors—civil unrest, rebellion against authority, Vietnam—

“There was an upbeat, positive, almost carnival atmosphere on the picket lines, a camaraderie that came from knowing what we were doing was for the good of everybody in the Post Office. We were rallying around our brothers and sisters in need.”

—President Emeritus Vincent R. Sombrotto



and then, after repeated promises, Congress failed the postal workers.”

Picket lines were set up in many post offices all over the country, Burrus recalled, “and when clerks arrived for work the next day, they refused to cross the line.”

Sombrotto remembered that the question of the clerks’ support came up in New York the night the strike vote was taken. “Everybody starts screaming, ‘What about you, Moe? Are you on strike?’” “Moe” was Moe Biller, president of the NPU’s New York local. He went on to become national president of APWU from 1980 to 2001.

Sombrotto remembered how Biller reminded him that NPU was a democratic union, and he could not call a strike on his own. “We’re a labor union; we won’t cross a bona fide picket line,” Sombrotto said, quoting Biller. “I said, ‘That’s good enough for me!’”

Many Cleveland workers soon joined the strike, Burrus said, as did postal employees in Pittsburgh, Chicago, and other cities across the country.

“This was a strike of city letter carriers and clerks,” he stressed. “I’m sure others supported it individually,” he added, “but the other organizations did not rally their members.” Burrus noted that the presidents of some other postal unions issued a statement saying they could neither support nor condone a strike, and instructed all employees to return to work immediately.

“We were threatened by the government, the various postmasters, and local supervisors, too,” Burrus said. “But we achieved our goal. We got their attention.”

Did they ever. The work stoppage so hobbled the nation’s mail system that on March 23, President Richard Nixon addressed the nation on television and announced that he was calling out the National Guard to go into New York City post offices to try to get the mail moving again (*see Declassified: A look inside the government’s response to the postal strike, page 11*).

Although highly qualified to defend the country and to provide critical assistance in times of natural disaster, the Guard simply did not have the know-how to sort, case and deliver the mail. In desperation, Nixon called NALC President James Rademacher to the White House to hammer out a deal to get postal workers back on the job.

“He did some good things,” said Sombrotto of Rademacher’s role. “Not one person was fired—and 200,000 had walked out.” This was a big deal and a point of real concern, Sombrotto said, since “anyone who even mentioned the word ‘strike’ was subject to a \$10,000 fine and five years in prison.” In the 1968 walkouts in the Bronx, the penalty wound up being a two-week suspension for each participant.

Strikers walk the picket line at the main post office in New York City.

World Wide Photos





Top: Pittsburgh, Pennsylvania Branch 84 carriers.

Above: Three NALC presidents were in attendance at the Postal Museum event (l-r): retired Presidents William H. Young and Vincent R. Sombrotto and current President Fredric V. Rolando.

“Jim was also able to work out an agreement to ultimately get a significant increase in

wages,” Sombrotto said, and because of that, on March 25, letter carriers agreed to end the strike and return to work. Just over a week later, on April 2, Rademacher and Nixon announced they had reached an accord that called for, among other things, two successive pay raises and a reduction in the time it took to go from entry in the service to the top pay step, from 21 years to eight years.

But perhaps most importantly of all, President Rademacher convinced the Nixon administration to agree to allow letter carriers to bargain collectively and to have the right to binding contract arbitration. *(See pages 9-10 for Rademacher’s first-person account of his historic role.)*

Burrus said he understood that the March 25 agreement was not actually the end of the struggle. “Congress was still the only body that could authorize pay raises,” he pointed out. “But we were comfortable enough that this time, their promises would be fulfilled.”

WHEELING, DEALING

Gould noted that serious efforts at postal reform had already been in the works since 1968, when, at the recommendation of Postmaster General Larry O’Brien, President Lyndon Johnson formed a commission comprised of business and labor leaders, including George Meany, the president of the AFL-CIO. Among the commission’s recommendations was the creation of an independently financed “postal service” corporation. Nixon, who succeeded Johnson in January 1969, also approved of the group’s work.

As one might expect, Congress had a number of concerns with the commission’s findings. But it turns out NALC was also nervous that making any drastic changes would damage its relationship with members of the House and Senate, many of whom were sympathetic to the

carriers’ plight. In the fall of 1969, together with other labor unions, NALC successfully lobbied against the bill.

After the strike was settled, a more robust postal reorganization measure, with the provisions of the Rademacher-Nixon agreement added in, quickly moved through Congress, and Nixon signed it into law on August 12, 1970—nearly five months after the week-long walkout first got underway.

“The bottom line is, without the unions and their strike, without their involvement and their tenacity, and their relationships with members of Congress, postal reform wouldn’t have happened,” Gould said.

“In my view, the Postal Reorganization Act would never have passed unless that strike took place,” Sombrotto said. “It affected all postal employees, not just letter carriers. The starting salary for a letter carrier now can reach \$50,000 a year,” he said.

Hundreds of thousands of carriers and federal workers—if not millions—have moved into the middle class because of that strike, Sombrotto said, adding that, for labor, it was one of their shining moments—a moment when carriers and clerks came together to put the needs of their brothers, their sisters, and even the Postal Service itself, ahead of their own personal desires, despite the very real threat of fines, firings and even criminal prosecution.

No one on the Postal Museum’s panel expressed any regrets. “I’m just glad I had an opportunity to play the role that I did,” Sombrotto said. ✉

To view the complete video coverage of the Postal Museum’s panel discussion, go to youtube.com/SmithsonianNPM and click on “40th Anniversary of the 1970 Postal Strike.” A fuller account of NALC’s history, including an analysis of the strike’s causes and repercussions, is included in *Carriers in a Common Cause: A History of Letter Carriers and the NALC*, available by calling the NALC Supply Department at 202-393-4695.



THE PERSPECTIVE FROM WASHINGTON

By James Rademacher, President Emeritus

March 17, 1970, will go down in NALC history as the greatest event, producing the greatest result, which most unions would certainly envy. The object of it all and the success of it all was when NALC went from collective begging of Congress to true collective bargaining with strong arbitration rights.

SUFFERING

For years, our members suffered guaranteed poverty. When I was elected in 1968, the first two resolutions concerned getting the right to strike.

I was blasted by some Republican congressmen when I dared to state in June 1969, before the House Committee on the Post Office and Civil Service, that if we were not treated better, there would be a strike that I would not be able to control.

When we were getting nowhere and a veto of a pay bill was threatened, we put on a mammoth campaign with the public. We asked the public to write Nixon and demand better treatment for letter carriers. To their credit, under President Gus Johnson, Branch 36 members affixed thousands of stamps and the White House got 3 million letters from all over the country. That is when I was summoned to the White House on December 5, 1969. They had gotten the message and wanted to meet.

WILLING TO MEET

The meetings centered around the establishment of a corporate Postal Service. My concern was about where Labor would stand in the new plan. The original plan had collective bargaining with the postmaster general's appointed board settling all impasses.

The plan would also take carriers out of the Civil Service. After each meeting with the president's legal counsel, Chuck Colson, he would report to the president.

These were secret meetings and the legislators prepared new legislation to include our tentative agreements.

The agreed-upon legislation was sent to the Hill where the chairman of the committee, Ted Dulski, had his own reorganization bill. But he agreed to accept the Nixon-NALC bill. We were shocked when he then held a press conference and denied he would do so.

With such a delay taking place and our members getting anxious for me to do something, I issued a letter to all branches asking to take a vote assuring me of their support. I got a completely favorable response.

When Gus Johnson read that letter his members decided to have a vote, not at the meeting but at a special voting place on March 17, 1970. Many thought they were actually voting to strike and that's what they did the next day.

'LET IT BLOW'

Gus Johnson, a great supporter, called me at home at midnight about the vote. I said, "Let it blow." Many branch leaders told me they thought the New York walk-out was my signal to hit the bricks.

The PMG called me at home at 7 a.m., demanding I come to see him at once. Strange, but it took a strike for him to finally meet with me, as he had never met with me in his two years in office.

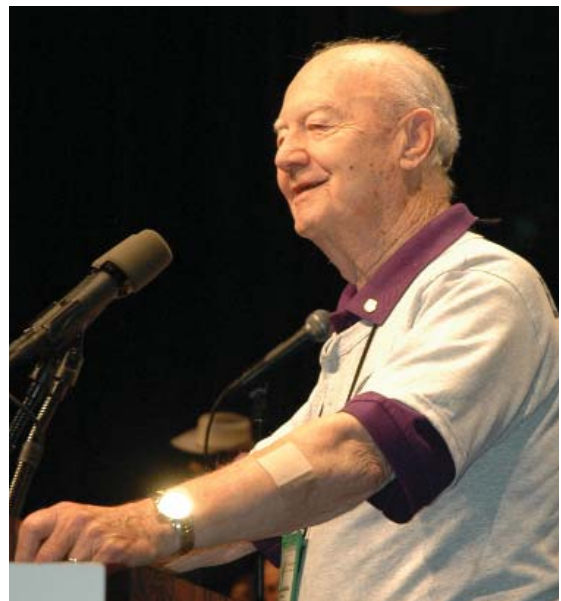
His name was Winton Blount, an anti-union contractor from Alabama. At the meeting, he ordered me to get the carriers back to work or he would:

1. immediately discontinue dues check-off,
2. immediately discontinue the government's share of health and insurance benefits, and
3. use every means to punish, fine and imprison leaders of the walkout.

He demanded I get in touch with Gus Johnson to have the men return to work.

President Nixon meets with NALC President James Rademacher (r).

President Emeritus Rademacher addresses the delegates to the 2008 NALC Convention.





Top: Rademacher signs the first collective bargaining agreement with the Postal Service in July 1971. Also shown is Postmaster General Winton M. Blount (l).

Above: The mail piles up during the strike.

I sent Gus a telegram but, of course, he was picketting and didn't receive it.

I called a meeting of all large branch presidents for March 20. More than 400 attended. After much discussion, the meeting voted, almost unanimously, to allow me five days to settle the situation.

THREAT OF A NATIONWIDE STRIKE

At a meeting with Secretary of Labor George Schultz and other associations, we were told there would be no negotiations until all carriers were back to work. When I threatened a nationwide strike, Schultz decided he had better start negotiations now. The PMG refused to attend that meeting. We met for five days and then came up with a proposal to immediately raise salaries by 6 percent.

As we ended the discussions on pay, Assistant PMG Ted Klassen proposed incorporating the reorganization legislation. I said NALC would accept reorganization only if it would provide the bargaining over wages, fringe benefits and working conditions, and if we were paid for accepting the long opposed reorganization plan. I demanded 8 percent.

Branch 36 stubbornly resisted returning to work and Nixon was forced to ask the Army to move in. That was a colossal failure, with all due respect to our great military, as they were better suited to fighting battles than delivering the mail.

At one point, I said that the strike was urged on by members of the Students for a Democratic Society who had recently been employed by the Postal Service. I had received bad information about it, and I know that none of the striking members tolerated SDS members in the picket lines.

While placing the blame on SDS may have eventually saved the jobs of thousands of carriers, it would have been better to not have mentioned it at all.

The strike came to an end once we spread the word that an agreement was reached with Nixon. The last carriers agreed to go back to work on March 25.

Gus Johnson was fined \$10,000 daily while the strike lasted, but an appeal to higher levels canceled his fine. I tried to convince the White House that the strike was a necessity to demonstrate the hardships suffered by the nation's letter carriers,

with some receiving welfare and food stamps. Nixon looked at a poll that showed 80 percent of the people agreed with their carriers' actions, so he ordered no discipline. The one casualty of it all was the president of Hartford, Connecticut Branch 86, who was fined \$2,500. NALC should have paid that fine.

When Congress took so long to pass the reorganization legislation, I met with Montana Rep. Arnold Olsen and asked him to introduce an amendment making the 8 percent retroactive to April 6. He did so, and the Postal Reorganization Act was passed with the retroactive clause and signed into law on August 12, 1970.

FROM 21 TO EIGHT

Our first task, which never gets enough mention, was to sit down and implement the Nixon promise to reduce the time it took to attain the top pay grade from 21 years to only eight.

The next order of business was reaching agreement on a contract. It was easier doing that than writing a 36-article labor agreement from scratch.

That first contract provided for a \$1,250 increase, a one-time \$300 bonus and a first cost-of-living adjustment capped at \$166. The following contract in 1973 called for another hike of \$1,310 and elimination of the COLA cap. That has meant more than \$18,000 in wages per year for the top grade salary since 1973. It is now estimated the top carrier wages and fringe benefits (salary, health insurance, life insurance, annual and sick leave) exceed \$83,000 annually.

Because of the political split caused by the strike, I have withstood verbal and written abuse ever since. But just look at the record: From 1900 to 1925, pay raises averaged \$40. From 1925 to 1943, there were no raises at all. From 1943 to 1969, increases averaged \$200 yearly. But, since 1970, annual wage increases have averaged more than \$1,000 annually.

NALC, as a union of brothers and sisters, should receive all the credit, not one individual. When I met with the president, I was representing the NALC. I was invited there, not because of me but because of the NALC. I continue to believe it does not cost as much as it pays to be an NALC member. Right on! ☐

A LOOK INTO THE GOVERNMENT'S
RESPONSE TO THE POSTAL STRIKE

DE-CLASSIFIED

GovernmentAttic.org, an online clearinghouse for declassified federal documents, released two reports in 2009 that offer a glimpse into the U.S. government's mindset during the 1970 postal strike, revealing paranoia, caution and—as with most government documents—meticulous detail.

The first report, from the Bureau of the Chief Inspector of the Post Office Department—predecessor of the Postal Inspection Service—reveals that the Post Office was concerned about a strike even before the March 18 walkout. However, they believed the strike's instigation came from outside the Post Office.

With very little evidence, the Bureau focused on Students for a Democratic Society, a radical and sometimes militant political group. After a lengthy investigation, only seven carriers, clerks and mailhandlers, out of 750,000 nationwide, were alleged to have ties to SDS or any socialist organizations. Four of these were from San Francisco—nowhere near New York's Branch 36.

BUNKER MENTALITY

Paranoia appeared to descend on the Post Office Department when the strike exploded. Postmaster General Winton Blount received 24-hour personal protection, and he transformed his office into a virtual bunker, with patrols and closed-circuit cameras to monitor everyone who entered.

That mentality didn't extend to the General Post Office in Brooklyn. There, strikers freely used the lobby's bank of payphones and the second floor's restrooms and cafeteria, while guards and police just stood by.

Meanwhile, the Bureau turned its attention to filing injunctions against

strikers, but with little effect. "Perhaps the fact that the position of letter carrier, clerk or mail handler is so low in the overall pay scale in the New York, N.Y. area leaves these employees with a feeling that it would be just as well to lose their positions," read one document.

OPERATION GRAPHIC HAND

The second released report, *Operation Graphic Hand After Action Report*, details what happened from the military's perspective. From the start, the Department of the Army was highly concerned about military mail, which flowed through New York to troops stationed overseas. All APO mail was rerouted to Frankfurt, West Germany, where military postal clerks processed it.

On the home front, as the postal strike spread across the country, President Richard Nixon ordered the preparation of a plan to use military personnel to process mail. The Secretary of the Army joined with leaders of other armed forces branches and devised what became known as Operation Graphic Hand.

Five days after the strike began, Nixon announced on television that troops would be used "to begin in New York City the restoration of essential mail services." That night, a military task force went into the first three post offices, followed by forces from the National Guard the next day.

Though the call-up of National Guardsmen went smoothly, a decision was made not to use members of the Individual Ready Reserves, one of the groups of the Army Reserves—mainly because the normal mode of contacting them was by mail.



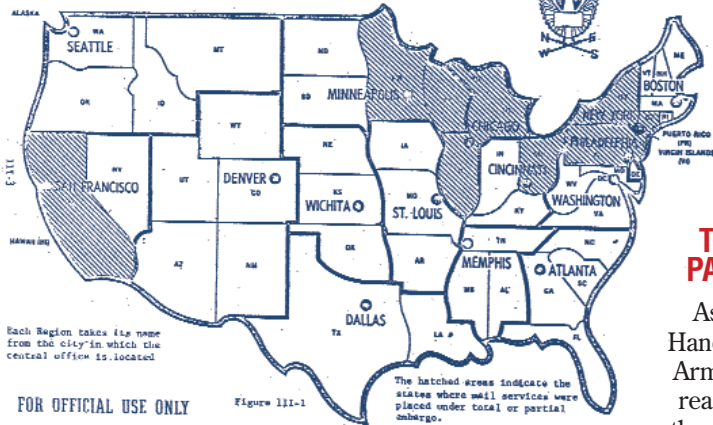
A soldier sorts mail at the Brooklyn General Post Office.

Photo by Barton Silverman, The New York Times



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POSTAL REGIONS



CAUTION IS THE BETTER PART OF VALOR

As Operation Graphic Hand planning continued, Army leaders strove to reassure strikers—and the general public—that

the military's goal was not to

act as a force against a civil disturbance. They feared such a sentiment might lead to a nationwide postal strike, or even a general workers' walkout.

This cautious mentality was evidenced in the after-action report. "(O)n one occasion," it read, "postal employees were assembled and voting in front of the General Post Office. In order to preclude an adverse psychological effect, it was necessary to divert an enroute military convoy to a holding area, pending the results of the vote."

Further, the military decided to issue rations to the troops, rather than provide allowances to buy lunches, "in an effort to avoid confrontations with strikers in nearby restaurants or on the streets," the report said.

Packets containing the operation's orders were prepared for troops to go into 34 other cities if the postal strike continued and expanded nationwide. But only the New York City plan was implemented.

COUNTER CULTURE

The Bureau of the Chief Inspector noted efforts by SDS and other radical organizations, such as the Black Panthers

A map of the area where postal operations were halted, from the *Operation Graphic Hand After Action Report*.

and "Hippies," to use the strike as a launching point for their own social protests. One such plan, the anti-draft Philadelphia Resistance, called for flooding the mail with phone books and other material to "impede the military handling of the mail," the bureau reported.

In Harrison, Pennsylvania, about 50 people staged a post office sit-in, though their message may have gotten lost. "No direct interference with movement of patrons, but created nuisance with the noise and discarded foodstuffs and peanut shells," noted the bureau's report.

"The consistent reaction of the employees was to refuse any offered participation and assistance from outside organizations," the report concluded, "and [they] spoke out loud and clear throughout the strike that they neither desired or appreciated being identified with individuals nor units from outside the postal establishment."

A CIVIL AFFAIR

Both declassified reports make clear how civilly all parties handled the strike. As the Bureau reported, "Acts of violence did not occur and field reports relate that in most locations, a good humored air of camaraderie existed among the picketing employees and patrons.

"Only two incidents of property damage were reported. In both instances, employees were not involved and the damage was considered attributable to irate patrons chagrined by the fact the installation was closed."

In the end, with meticulous detail, the Army report claimed that more than 20,000 military personnel processed 12.8 million pieces of outgoing mail and 4.4 million pieces of city mail, cased 3.2 million pieces, and delivered 2 million pieces to businesses and charities as well as 3.2 million pieces to callers. The total cost came to almost \$3 million.

The Army sent Postmaster General Blount a bill for \$2.5 million of it. ✉

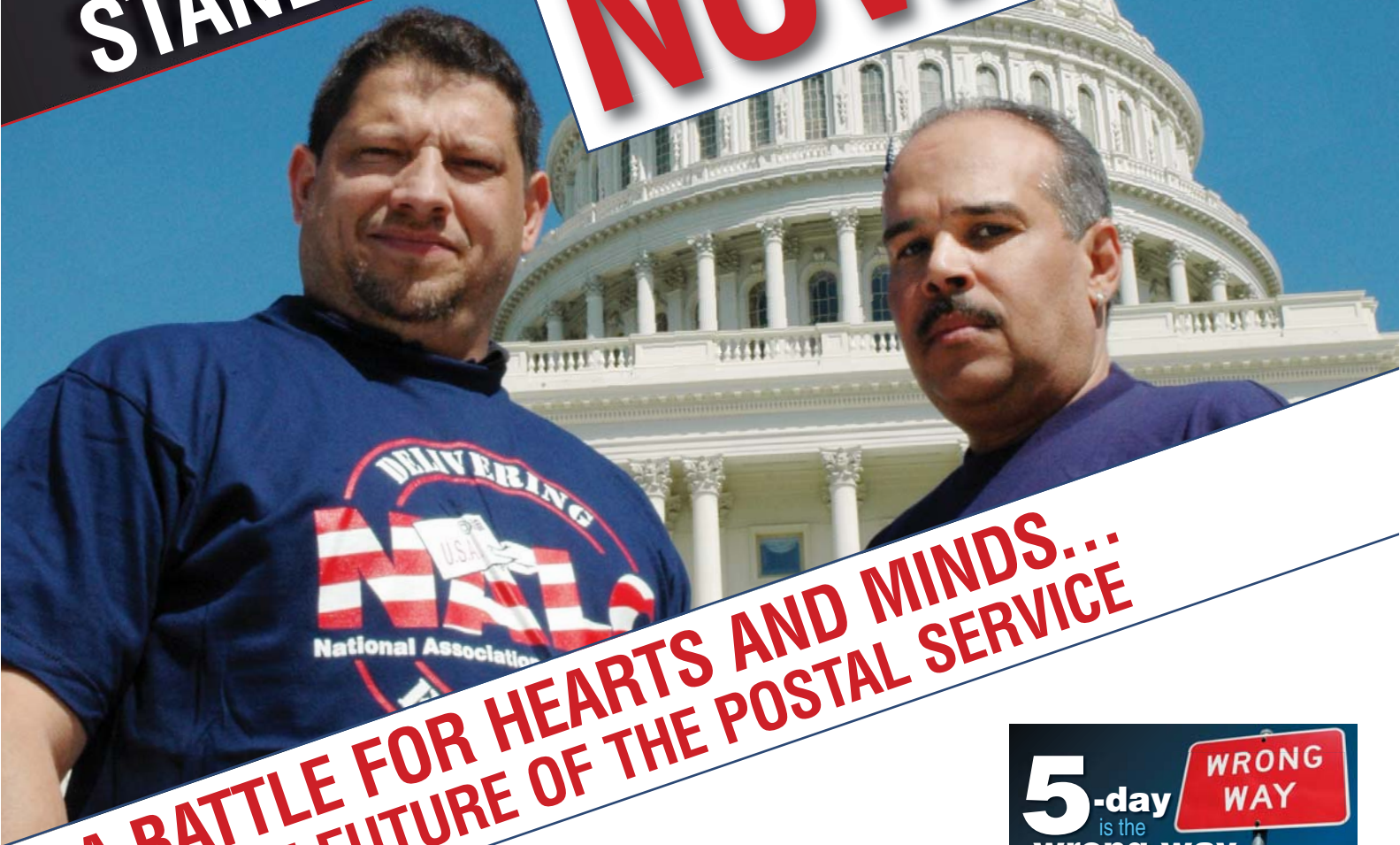
PDFs of both reports can be read on the [Postal Record](http://PostalRecord.pageofnalc.org) page of nalc.org. Special thanks for this article goes to Tom Gates.

Picketing postal workers at the Eighth Avenue Post Office watch as federal reserve troops arrive.

UPI photo



STANDING TALL NOW



A BATTLE FOR HEARTS AND MINDS... AND THE FUTURE OF THE POSTAL SERVICE

The letter carriers who went on strike in 1970 knew that sometimes you have to choose sides and fight for what you think is right. Forty years later, letter carriers face the same choice.

Multiple battles are raging in Washington over the future of the Postal Service and carriers must decide what to do about it. Do we sit back and accept our fates—or at least cede the power of deciding our fates to postal managers who think reducing service and downsizing is the only way to survive—or do we fight for a better alternative for ourselves and the American people?

In March and April, we made our choice to fight for a better way.

On March 17, President Fred Rolando sent a letter to every city letter carrier in the country, members and non-members alike, in response to the Postal Service action plan announced in March—including its multimillion-dollar campaign to sell it. You've probably even gotten a postcard from Postmaster General Jack Potter himself.

Our letter expressed support for many aspects of the Postal Service's plan—especially those regarding legislative reform of the Postal Service's retiree health funding obligations. But it also urged carriers not to be bamboozled by the USPS media blitz in support of eliminating Saturday delivery as a key strategy in averting catastrophic financial losses forecast by its economic consultants—forecasts based on predictions about mail volume over the next 10 years that are unreliable by definition. Specifically, Rolando wrote:

5-day is the **wrong way** to **save** the **Postal Service**

Five-day delivery is not a done deal, or a good deal, for the Postal Service, Letter Carriers or the public.


The Postal Service cannot reduce service to 5-day delivery without Congress' okay—and NALC is working hard to prevent that.

Eliminating Saturday collections and delivery will slow service, accelerate the shift to electronic alternatives, drive away mailers that value Saturday delivery (newsweeklies, DVD distributors, mail order pharmacies, Parcel Select customers, etc.), and make the Postal Service's financial problems worse, not better.

Giving away the competitive advantage of six-day delivery will open a path for competitors to deliver on Saturday, expose the sanctity of the mail and of the mailbox, and eventually threaten the letter mail monopoly that makes universal service possible.

There is an answer to the Postal Service's financial woes: Let us use \$75 billion of our own money—the amount the Inspector General says we were overcharged for pension liabilities—to eliminate the onerous cost of pre-funding future retiree health costs (saving at least \$8 billion annually).

5-day is a bad deal—not a done deal!

 www.nalc.org

APPROPRIATION COMMITTEES NOT EASILY SWAYED

Only Congress has the authority to decrease the Postal Service's days of service, thanks to a clause in an appropriations bill that Congress renews every year. That means both the House and Senate appropriations committees will have a big say in whether the Postal Service can end Saturday delivery, and it doesn't look like they're ready to give the Postal Service's plan an easy pass.

In April, House Financial Services Appropriations Subcommittee Chairman José Serrano told *The National Journal*, "While I understand the seriousness of the Postal Service's fiscal issues, I remain supportive of a six-day delivery schedule. I will be in conversations in coming weeks with the senior postal leadership and the postal unions in an effort to avoid service cuts."

On the Senate side, in an exchange between Postmaster General Jack Potter and Sen. Richard Durbin (D-IL) during a Senate Appropriations subcommittee hearing in March, Potter said that if USPS was able to recover the \$75 billion it has been overcharged for the Civil Service Retirement System's pension fund, cutting back to five-day delivery wouldn't be necessary. (For the full exchange, see April's Postal Record.)

"Fortunately, the congressional representatives on the appropriations committees have not been snookered by the Postal Service's arrogant media campaign," President Fred Rolando said. "We intend to educate them on the real issues at the heart of the Postal Service's funding problems, and on what we think will be the best fixes for the Service, today and in the future." ☒

Eliminating Saturday delivery and offering slower service is penny-wise and pound-foolish—it will lead more mailers who 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 Americans' mailboxes and how long would it be before those same companies demanded a repeal of the letter mail monopoly to "level the playing field"?

In the days that followed, the Postal Service unveiled a new website to sell to mailers and the American people its plan for five-day delivery. NALC expressed its dismay over the arrogance of the move. The website seemed designed to convince mailers that elimination of five-day delivery in fiscal year 2011 was a done deal. It was launched:

- ◆ despite the fact that current law requires six-day delivery and that Congress has not given its approval to the Postal Service's proposal to cancel delivery and collection services on Saturday;
- ◆ despite the fact that neither the appropriations committees nor the Postal Service's oversight committees have even held hearings on the radical proposal to slow service and destroy 50,000 to 80,000 good jobs in the middle of a jobs crisis; and
- ◆ despite the fact that the Postal Service has not even filed for an advisory opinion from the Postal Regulatory Commission, which must hold hearings and subject the Postal Service's questionable financial claims to democratic scrutiny.

"The arrogance of the Postal Service in launching this website to sell five-day delivery as the answer to the Postal Service's problem is astounding," President Rolando said. "Given that Congress has shown very little interest in eliminating Saturday service, the Postal Service should focus its energies on real solutions, not risky and counterproductive service cuts."

NALC countered with its own campaign to stop the Postal Service's short-sighted drive to slash service. Within days, "5-Day is the Wrong Way" posters were distributed to every postal station in the country to convey NALC's full-throated opposition to eliminating Saturday delivery. The home page on the NALC's own website, nalc.org, now features a wealth of information to help members understand the stakes in the fight over Saturday delivery and provides daily updates on developments in Congress and in the media. As major mailers announce their opposition to five-day delivery and key members of Congress weigh in on the debate, the NALC website shares the news. Carriers are encouraged to check the site daily to stay informed and to prepare to act.

Going forward, the NALC is working with other postal unions and allies in the mailing community to develop a media and lobbying strategy to convince Congress to reject postal management's plan for five-day delivery, embracing instead a more enlightened strategy for the future that will include retirement funding reforms in the short run and an agenda of innovation and new revenue generation in the long run.

President Rolando ended his letter to the members noting that its date, March 17, was the 40th anniversary of the start of the 1970 strike: "Today, the Postal Service faces a crisis every bit as challenging as the one that prompted NALC members to take to the streets. 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." ☒

ACTIVISTS TAKE CENTER STAGE ON POSTAL FUTURE FLAWS IN USPS PLAN, GAO REPORT EXPOSED

The night before dozens of NALC activists from New York fanned out across Capitol Hill to convince their representatives that “5-day is the wrong way” to save the Postal Service and to advocate financing reforms for retiree health benefits, Rep. Dan Maffei (D-NY) rallied letter carriers by reminding them just how important the Postal Service is to America and to the United States Congress. “Look in your copy of the Constitution,” he said. “When the Founding Fathers listed the powers of Congress, the establishment of the Post Office was Number 7 on the list, way before the powers to declare war, raise armies and navies or to create federal district courts.”

The task before NALC in the weeks and months ahead is to remind every member of Congress how important six-day universal service is to this country.

The work begins with our subcommittees and committees of jurisdiction in both the House and the Senate. But the appropriations committees also have an important say over the issue of six-day delivery, even though the Postal Service does not receive taxpayer support for its operations (see box on p. 14). NALC President Fred Rolando met with virtually every member of these committees throughout March and April and looks forward to testifying before oversight hearings as they arise.

Those hearings began in earnest in April when both the House and Senate

subcommittees held their first hearings of the year, focusing on two reports issued by investigative agencies, the Government Accountability Office and the Postal Service Office of Inspector General. The GAO’s report, *U.S. Postal Service: Strategies and Options to Facilitate Progress Toward Financial Viability*, was a deep disappointment (see story on p. 17), while the IG’s report provides Congress with a roadmap for returning the Postal Service to financial stability—stability that is needed to give us time to develop a new business model that will work over the long haul.

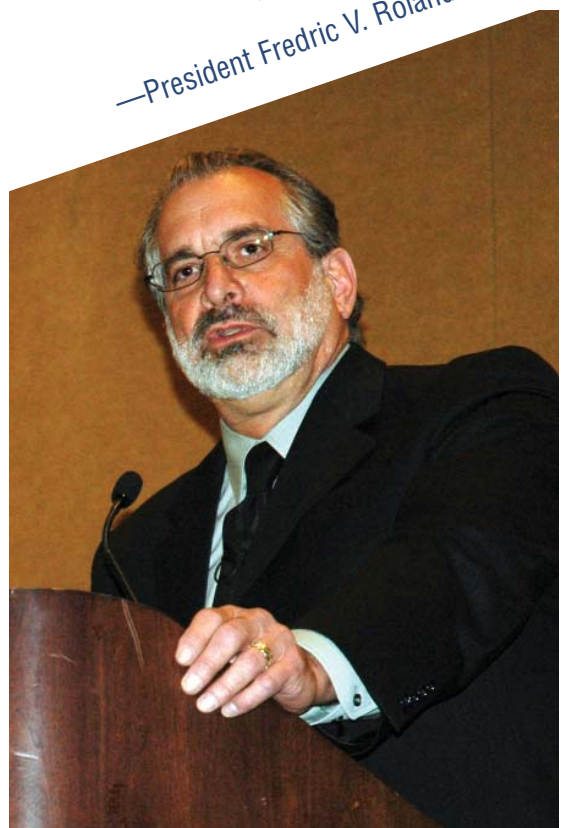
HOUSE HEARING ON USPS, GAO, OIG REPORTS

The House hearing on April 15 featured a government-only panel of witnesses, including USPS Postmaster General Jack Potter, Inspector General David Williams and GAO Director of Physical Infrastructure Issues Phillip Herr—all of whom testified about reports they issued on the crisis facing the Postal Service. Also called to testify were representatives of the Postal Regulatory Commission, the Office of Personnel Management and the Congressional Research Service.

The PMG made the case for a change to five-day delivery and other aspects of his action plan (see the April issue of *The Postal Record*, pp. 9-10) based on a projected \$238 billion loss over the next 10 years. He renewed his request for financial relief from the burden to pre-fund future retiree health benefits, but back-tracked on a statement he made before the Senate in March, a suggestion that elimination of Saturday delivery ▶

“TODAY, THE POSTAL SERVICE FACES A CRISIS EVERY BIT AS CHALLENGING AS THE ONE THAT PROMPTED NALC MEMBERS TO TAKE TO THE STREETS.”

—President Fredric V. Rolando



President Rolando gives marching orders to NALC activists from New York (l), in town to lobby their congressional representatives.





STATE CHAIRS SET TONE FOR NALC ACTIVISTS

Remarking that the Postal Service's strategy to drop Saturday delivery seems to fit with a pattern of private industry attacks on public employees, AFL-CIO President Richard Trumka (pictured at left) told a dinner gathering of the NALC's state legislative chairs and other union activists March 23 in Washington that his federation continues to fully support carriers' effort to preserve delivery of mail six days a week as well as our drive to reduce the onerous overpayment USPS is required to make into the retiree health benefit fund.

The dinner was but one part of the annual week-long state legislative conference, five full days packed with plenty of legislative activity and training led by the members of the union's Department of Legislation and Political Action. Union leaders representing every state and NALC region took part in discussions about all aspects of the legislative agenda and geared up for their day on Capitol Hill, lobbying senators and representatives on

why moving to five-day delivery is the wrong way to save the Postal Service (as Region 1's delegates did with Sen. Harry Reid below—Reid is second from l). The activists also picked up some tips for lobbying state legislators back home about letter carrier concerns, and discussed early plans for the fall elections, when every House seat and a third of the Senate will once again be up for grabs.



OHIO CONGRESSIONAL BREAKFAST

Ohio letter carriers held their congressional breakfast in Washington on March 18 before going to Capitol Hill to lobby their congressional representatives on the dangers of the proposed five-day delivery plan.

Right: Rep. Zack Space (D-18)
Below: Rep. Mary Jo Kilroy (D-15)
Below left: Rep. Steve Driehaus (D-1)



Below: NALC activists met with Democratic Rep. Dennis Kucinich (c) in his Washington office.
Below left: Republican Rep. Steven LaTourette (standing third from l) poses for a photo with Ohio letter carriers.





L-R: House Postal Subcommittee Chair Stephen Lynch (D-MA) and ranking Republican Jason Chaffetz (R-UT) ask questions of the postmaster general during a hearing held April 15.

would be unnecessary if the Postal Service's retiree health fund were credited with the \$75 billion USPS has been overcharged by the Office of Personnel Management.

The GAO's Herr called on Congress to assemble a panel of independent experts to propose changes in postal collective bargaining, universal service obligations and the structure of the Postal Service's retail and delivery networks to allow USPS to remain viable in the future. With respect to bargaining, the GAO appeared to endorse the Postal Service's proposal to require interest arbitration panels to give special consideration to the agency's financial condition when issuing their decisions, a change that would unfairly bias the process in favor of management. It also highlighted—without context or explanation of the unions' views—the fact that postal employees pay less for health benefits than other postal employees.

In a statement posted on the union's website on April 14, President Rolando denounced the GAO report as a "full-throated attack on postal collective bargaining."

The inspector general sparred with OPM's witness over the validity of the IG's report in January that found that

OPM had overcharged USPS by \$75 billion in Civil Service Retirement System pension payments over the past 40 years by using an inequitable method for allocating costs between USPS and the federal government for benefits paid for work performed before the creation of the Postal Service in 1971. NALC strongly backs the OIG's conclusions and has led the fight to correct the unfairness of OPM's methods. That \$75 billion in pension assets is more than enough to close any remaining unfunded liability for future retiree health benefits—and enough to justify repeal of the retiree health pre-funding provisions of the 2006 postal reform law, the Postal Accountability and Enhancement Act. ►

Postmaster General Jack Potter (l) and GAO Director of Physical Infrastructure Issues Phillip Herr testified together before the House subcommittee.



FLAWED GAO REPORT ATTACKS EMPLOYEE BENEFITS

Setting the debate over how to save the Postal Service backward rather than forward, the Government Accountability Office released an audit report in April calling on Congress and the Postal Service to cut wages and jobs, to shift more work onto part-time employees, and to look into contracting out craft functions—the result of lazy research and a purposeful misreading of the report's congressionally mandated mission. Unsurprisingly, the *Strategies and Options to Facilitate Progress toward Financial Viability* report landed with a

thud in the middle of the ongoing five-day delivery debate.

In 2006, Congress directed the GAO to take five years to produce a report, "evaluating in depth various options and strategies for the long-term structural and operational reforms of the United States Postal Service." It was asked to suggest structural changes that would minimally impact all parties and still maintain affordable universal service.

Instead, the GAO released a hurried and ill-prepared audit report that accepts problematic projections and calls for wholesale changes to the

Postal Service that, if enacted, would have long-term, damaging effects on labor and management alike.

"The Congress outlined, in detail, what it ordered GAO to do, and how to do it," said NALC President Fredric Rolando in a statement about the report. "GAO ignored Congress." (*President Rolando further outlines the union's reaction to the GAO report in his President's Message on page 1.*)

The GAO claims that the USPS business model has failed because it has "lost \$12 billion over this period [2007-2009], despite achieving billions ►

POSTAL REGULATORY COMMISSION TAKES UP 5-DAY DELIVERY PLAN

“IT’S NOT A DONE DEAL BY ANY MEANS,” SAYS PRC CHAIR

THE POSTAL REGULATORY COMMISSION (PRC) wants answers about the Postal Service’s proposal to eliminate Saturday delivery, collections and incoming mail processing next year. So does the NALC.

That is why the union has joined dozens of other interested parties that have intervened as formal participants in a proceeding initiated by the PRC on March 30 to review the controversial proposal.

The PRC’s Docket N2010-1 will involve months of litigation, field hearings and debate and will lead to a non-binding advisory opinion regarding the USPS proposal.

“It would be inconceivable for the Postal Service to adopt its plan to slash delivery and collections services,” NALC President Fred Rolando said. “For that reason, the union will spare no effort to convince the commission that the Postal

Service’s plan would recklessly endanger its ability to provide affordable universal service to America’s mailers and the citizens who rely on the USPS every day.”

Among the key questions to be raised in the PRC proceeding are:

- ◆ Will the savings the Postal Service anticipates be as significant as it estimates?
- ◆ Will mail volume decline more than the Postal Service anticipates?
- ◆ Will businesses and citizens have service that remains adequate to meet their needs?
- ◆ Will the national economic impact of service reductions offset or add to the savings that are predicted?

NALC will seek ways to help the PRC answer these questions and will provide detailed testimony and evidence to sup-

PRC Chairman
Ruth Goldway



port our view that eliminating Saturday delivery would be a tragic mistake.

“Of course, only Congress can approve elimination of Saturday delivery,” Rolando observed, “but the PRC process is a very important exercise and an opportunity to educate the public about the value of six-day delivery for the nation’s economy and for the country as a whole.” ✉

USPS PLANS, GAO NUMBERS DON’T HOLD UP TO SCRUTINY

Subcommittee Chairman Stephen Lynch (D-MA), full committee Ranking Member Darrell Issa (R-CA), subcommittee Ranking Member Jason Chaffetz (R-UT), Rep. Gerry Connolly (D-VA) and several other members raised many questions about the validity of the postmaster general’s projection of a \$238 billion shortfall over the next 10 years, USPS’ claim that elimination of Saturday delivery is essential to its future viability, and whether the GAO study has true

value if the assumptions it used are now being called into question.

Rep. Issa warned the PMG against seeking support from Congress with plans to turn career jobs into part-time jobs, citing workers’ needs for decent wages and benefits to support families and to afford decent housing.

Rep. Connolly grilled the Postal Service and the GAO on how they could project a \$238 billion shortfall over the next decade. Under questioning, both Potter and Herr were forced to admit that the numbers in the Postal Service’s action plan were “theoretical” and based

in cost savings, reducing capital investments, and raising rates.” However, it virtually ignored the fact that the legally mandated pre-funding of the retiree health benefits fund accounts for \$12.4 billion—more than the amount GAO claims USPS lost.

While the report acknowledges that changes should be made to that pre-funding requirement, it glosses over that change as one minor blip within USPS’s projected shortfall of \$238 billion over the next 10 years—a prediction that has been roundly criticized both by the NALC and members of Congress.

“It’s an unacceptable practice to look at economic numbers during the

worst recession in 80 years and then claim that those conditions won’t change over the next decade, resulting in a disastrous loss,” Rolando said.

Continuing its behavior of uncritically using questionable figures, the GAO also accepted as gospel the Office of Personnel Management’s valuation results, even though the Office of the Inspector General’s report says OPM has overcharged USPS for civil service retirement funds by \$75 billion.

“[W]e did not assess the reasonableness of these [retiree health valuations] or OPM’s actuarial assumptions and methodology,” GAO’s report admits. “We utilized OPM’s valuation results to

analyze the financial impacts of selected options for funding USPS’s retiree health benefit obligations. We did not assess the validity of USPS’s financial and mail volume projections due to time and resource constraints.”

These self-imposed “time and resource constraints”—remember, Congress wasn’t expecting a report until sometime in 2011—lie at the heart of questions about the report’s validity, making its conclusions that much harder to swallow—conclusions that call for Congress to, among other things, allow the Postal Service the ability to close post offices, cut Saturday mail delivery, decrease wages, increase the number

NEW YORK CONGRESSIONAL RECEPTION

on “worst-case scenarios” that assumed that neither Congress nor the USPS would take any action over the next 10 years to ensure the Service’s viability. Connolly scoffed at the explanations and concluded that the projected \$238 billion loss was a “bogus” number.

The hearing concluded with Chairman Lynch expressing his sympathy for the Postal Service’s side in the dispute with OPM over the proper allocation of pension costs in CSRS. He urged the agencies to work together to hash out an agreement on how to fairly divide these costs. The same agencies were preparing to testify before the Senate on April 22 as this *Postal Record* went to press.

NALC is expected to be called to testify at the next round of committee hearings. “Letter carriers can help amplify the message I will give the committees by getting involved in our legislative activities,” President Rolando said. “Working together, we have the power to reach our representatives in Congress in ways that capture their attention and bring them around to our point of view.”

As wave after wave of state associations continue to climb Capitol Hill in the coming months, that power will become much more apparent. ☒

of part-time employees, increase the amount of employees’ contributions to their health insurance, and contract out craft functions to private businesses.

“GAO has issued a full-throated attack on collective bargaining, our contractual COLA clause, our contractual limits on contracting out, and our contractual protections of full-time career positions,” Rolando said.

The president pointed out that since the GAO basically ignored Congress’ instructions, House and Senate leaders should instead consider the findings of the Postal Regulatory Commission, which is not only preparing its own reports on the validity of both USPS’

projections and OPM’s valuations, but is also listening to average postal customers, all in an effort to help it determine which changes will ensure a strong Postal Service for years to come.

“NALC will spare no effort in bringing the truth—and the real data—to the Congress for its deliberation,” Rolando said. “And NALC’s membership will rise to the challenge to make sure that the real public, their patrons and the mailers, know the facts and act on them. The country deserves nothing less.” ☒

For the full GAO report, go to gao.gov/new.items/d10455.pdf. For Rolando’s statement and all the latest news, go to nalc.org.

On April 14, members of the New York congressional delegation had the opportunity to lobby their representatives during a reception.

At right: Rep. Carolyn Maloney (D-14) got a rousing cheer when she spoke of the need to preserve six-day delivery.

Pictured below (clockwise from top left): Rep. Tim Bishop (D-1), Rep. Mike McMahon (D-13), Rep. Dan Maffei (D-25), Rep. Paul Tonko (D-21) and Rep. Scott Murphy (D-20).

