Attacks continue as August begins

Rep. Darrell Issa (R-CA)

The phrase, "6-day delivery and rural delivery of mail shall continue at not less than the 1983 level," is what grants Congress a say in the U.S. Postal Service's number of mail delivery days. That wording has been included in every financial services appropriations bill since 1984 until this year.

Rep. Darrell Issa (R-CA), chairman of the House Oversight and Government Reform Committee, has asked that the House Rules Committee assert that six-day language be "unprotected," on the grounds that it violates a congressional rule that prohibits legislating via an appropriations bill. Once legislative language is "unprotected," any member of Congress can challenge it by a point of order and remove it from a pending bill.

"Never mind that over the last 30 years, no one from either party has ever objected to that language being included in the appropriations bill," NALC President Fredric Rolando said. "But suddenly, in a cynical move designed to score political points rather than to do the right thing, Congressman Issa has inserted himself into the appropriations process, endangering 80,000 postal jobs and threatening to inconvenience millions of our customers."

As a result, Rolando sent out several urgent targeted and nationwide e-Activist Network alerts and urged letter carriers to call their representatives to press Rules and Appropriations committee members for support in keeping the six-day language in the appropriations bill. (If you're not a member of the e-Activist Network, use the special postcard in this issue to sign up.)

By the time this edition of *The Postal Record* reaches you, the six-day issue might already be resolved and Congress will likely have begun its summer recess—that is, unless our elected officials have taken things into overtime while they try to hammer out a debt-ceiling deal (see related story on page 15).

Either way, the month of August often provides letter carrier activists a terrific opportunity to meet with our congressional representatives during legislators' home office visits and town hall meetings, and to press for their support of issues important to letter carriers. And this summer, perhaps more than ever before, our activism could prove crucial to saving our jobs and our Service, in light of the ongoing assaults that unfortunately are not limited to the topic of six-day delivery.

Since a Republican majority took over the House of Representatives in January, Issa has demonstrated on a number of occasions his largely partisan-based interest in postal affairs. In April, for example, he took the unprecedented step of calling a full Oversight and Government Reform Committee hearing to scrutinize the recently negotiated bargaining agreement between the American Postal Workers Union and the Postal Service (see the May issue of *The Postal Record,* available online at nalc.org).

Then, on June 23, Issa and Rep. Dennis Ross (R-FL), chairman of the oversight committee's Subcommittee on the Federal Workforce, Postal Service and District of Columbia, introduced what they call a comprehensive postal reform bill. But rather than address the reasons behind the Postal Service's financial problems—the destructive mandate under the 2006 postal reform law to massively pre-fund future retiree health benefits—the Issa-Ross legislation instead proposes radical changes that would recklessly downsize the U.S. Postal Service in a way that would seriously damage not just the $1.3 trillion mailing industry but the entire U.S. economy. *(For a more complete analysis of the Issa-Ross measure, see "Avoiding the death spiral," page 20.)*

Ross misfires on myths, facts

Rep. Ross, meanwhile, has demonstrated his low regard for postal workers as well. The day after the Issa-Ross measure was introduced, the freshman Republican from central Florida's 12th Congressional District posted on his website's blog a statement titled "Postal Service 'Overpayment'—Myth v. Fact." There, he launched a lame attempt to dispel three so-called myths about the Postal Service's pensions and its retiree health pre-funding burden.

"Unfortunately, Ross' 'facts' are far from factual and they do more to confuse and mislead," President Rolando wrote in a rebuttal first posted at nalc.org/PostalFacts and later carried on a number of postal-focused blogs.

Alleged Myth 1: "The Postal Service has overpaid by $50 billion to $75 billion into the Civil Service Retirement System and Congress owes this money back."

"Ironically, this alleged myth is a myth itself," Rolando said. "Although virtually every business in the $1.3 trillion mailing industry, representing 7.5 million employees, agrees that the Service has overpaid into the CSRS pension fund, no one is asking 'Congress to pay the money back,' and we are emphatically not asking Congress for a taxpayer bailout. Rather, we're asking the Office of Personnel Management to recognize the true postal surplus in CSRS, and we're asking Congress to let us use these surplus funds to cover the cost of funding future retiree health benefits."

Alleged Myth 2: "The Postal Service is unfairly saddled with an annual $5.5 billion retiree health care pre-funding payment that is required of no other federal agency. If only the pre-funding requirement were eliminated, the Postal Service would be profitable again."

"Once again, Congressman Ross twists the myth before addressing it," Rolando said. "Supporters of H.R. 1351 aren't saying its passage will necessarily restore the Service to profitability forever. Rather, without this unfair burden, we would have been profitable over the past

Rep. Dennis Ross (R-FL)

Reaction to USPS statement regarding FERS contributions

The Postal Service announced on June 22 that it is suspending its bi-weekly contributions to the Office of Personnel Management (OPM) for Federal Employees Retirement System (FERS) benefits. The Service said it was doing so because its FERS account within the pension plan has a large surplus, and because it wants to preserve its cash reserves in the face of worsening economic conditions.

Earlier, Postmaster General Patrick Donahoe had announced that USPS would be unable to make its $5.5 billion future retiree health pre-funding payment scheduled for Sept. 30.

The Service has informed NALC that employee contributions to FERS will continue. However, it also told the union that USPS and OPM disagree about whether the Service can satisfy its bi-weekly FERS obligations with the surplus pension funds. The two agencies have agreed to ask the Department of Justice to decide the matter and meanwhile to continue to award service credit under FERS.

"This action by the Postal Service to use the postal surplus in FERS to meet its payroll obligations to FERS does not directly affect our members, because OPM has agreed to continue to award service credit under FERS until the Department of Justice resolves the issue," NALC President Fredric Rolando said.

"But this decision by USPS reinforces the necessity for Congress to do what we've been asking it to do for years, which is to address the Postal Service's pension surpluses in CSRS and FERS and thereby resolve the postal financial crisis by giving the Postal Service access to its own money," he added. ✉

Under consideration

Congress is considering a number of measures designed to address the Postal Service's financial problems. Here's a guide to some of the pros and cons of each.

H.Res. 137: 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 six-day mail delivery service. *Introduced March 2 by Rep. Sam Graves (R-MO).*

Pros:

✓ Simply supports six-day mail delivery

✓ Allows House members to go on record with their support

Cons:

✖ None

NALC support? Yes

H.R. 1262: Reform the Postal Service for the 21st Century Act. *Introduced March 30 by Rep. Gerry Connolly (D-VA).*

Pros:

✓ Strategies to attract new business and increase mail volumes

✓ Increase revenue by selling non-postal products

✓ The logical next step to the financial reforms of H.R. 1351

Cons:

✖ The comprehensive reforms in this bill could take time to debate in Congress

NALC support? Yes

H.R. 1351: United States Postal Service's Pension Obligation Recalculation and Restoration Act of 2011. *Introduced April 5 by Rep. Stephen Lynch (D-MA).*

Pros:

✓ An immediate solution that helps prevent USPS from defaulting on mandated future retiree health benefits pre-funding payments

✓ Gives USPS some "breathing room" to focus on other areas of concern

Cons:

✖ None

NALC support? Yes

H.R. 2309: Postal Reform Act of 2011. *Introduced June 23 by Reps. Darrell Issa (R-CA) and Dennis Ross (R-FL).*

Pros:

✓ None

Cons:

✖ Allows USPS to eliminate Saturday delivery

✖ Fails to address the pension surpluses that could be used to resolve the Postal Service's financial crisis

✖ Creates two unelected cost-cutting and service-reducing groups; one to list postal facilities to be closed, the other with financial oversight and the power to change or nullify collective-bargaining agreements

✖ Repeals postal employees' rights to bargain for health and life insurance benefits

✖ Gives pro-management factors top priority in interest arbitration

NALC support? No

S. 1010: Postal Operations Sustainment and Transformation Act of 2011. *Introduced May 17 by Sen. Tom Carper (D-DE).*

Pros:

✓ Calls for calculation of USPS' CSRS and FERS surpluses to be used to help pay off future retiree health benefit pre-funding obligation

✓ Calls for opening up the USPS' networks to offer new revenue-generating products and services

Cons:

✖ Allows USPS to cut the number of delivery days without seeking congressional permission

✖ Mandates that interest arbitrators consider pro-management factors, with no balance on behalf of workers, before issuing arbitration decisions

NALC support? Not at present; needs work

S. 353: U.S. Postal Service Improvements Act of 2011. *Introduced Feb. 15 by Sen. Susan Collins (R-ME).*

Pros:

✓ Calls for transfer of pension surpluses to cover future retiree health pre-funding payments

Cons:

✖ Unfair and unnecessary prioritization of USPS financial condition in interest arbitration matters

✖ Federal workers' compensation reform language fails to account for loss of CSRS and FERS benefits suffered by Federal Employee Compensation Act recipients separated from USPS

NALC support? Not at present; needs work

The NALC and its sister craft unions—the National Rural Letter Carriers' Association, the National Postal Mail Handlers Association and the American Postal Workers Union—made a plea to policymakers to preserve six-day mail delivery by way of a full-page ad published in mid-July in *The Hill, Roll Call* and *Congressional Quarterly Today.*

four years, since pre-funding costs of $21 billion explain 100 percent of the $20 billion in losses recorded over this period.

Rolando also noted how Ross failed to address the fairness of the pre-funding schedule. "No other agency pre-funds retiree health benefits—over any length of time," the president said.

Alleged Myth 3: "The USPS has a FERS surplus of $6.9 billion that should be immediately returned."

"In the private sector, a pension fund that is 80 percent funded for liabilities stretching over several decades into the future is considered extremely healthy," Rolando said. "The Postal Service's FERS account is now 110 percent funded. A private company in this circumstance would be encouraged under federal pension guidelines to use the surplus pension funds to boost funding of other post-retirement obligations, such as retiree health benefits. That is what we want to do."

NALC in the news

In the NALC's ongoing effort to take letter carriers' message directly to the American public, President Rolando did back-to-back-to-back drive-time radio interviews on June 21 with 15 broadcast stations or networks across the country, ranging from an Ohio network with 35 affiliates to a station in Boston, from Fox News Network with 300 affiliates nationwide to the 40 affiliates of Montana's Northern Broadcasting Network.

Listeners heard the truth about the real financial situation of the Postal Service, including the pre-funding problem and the legislative fix involving the internal transfer of USPS funds, the importance of maintaining six-day mail delivery, our ability to help the Postal Service adapt to society's changing needs, and the positive role letter carriers play in every community in America—from the Stamp Out Hunger food drive to looking after the elderly to the Cities Readiness Initiative.

For links to the various outlets' websites—many of which contain archives of past shows—go to nalc.org.

Our word is spreading in local and national publications as well. In late June, Rolando penned an op-ed commentary for The McClatchy Company, which owns several major newspapers (such as the *Miami Herald* and the *Sacramento Bee*) and provides wire content for print and online outlets. The president's piece, titled "The Truth About the Postal Service," was first published by McClatchy June 27 and has since appeared in dozens of print and online outlets across the country, including on blogs.

Then on July 7, Rolando wrote an op-ed article for the *San Diego Union-Tribune* that rebutted an error-filled opinion column published the week before. And the next day, the president's response to an earlier column by Rep. Issa was printed in the the *Washington Examiner.* (It was also carried in the *San Francisco Examiner* on July 10.)

On July 15, in a guest column in the *Florida Times-Union* (Jacksonville), Rolando responded to an earlier editorial in that paper titled, "Is bailout the next step?" (Hint: The short answer is "no.")

You can catch up on the latest examples of the media's coverage of your union at nalc.org/PostalFacts. ✉