

SENATORS PUSH A JOB-KILLING, USPS-DISMANTLING BILL

JOINS HOUSE BILL THAT WOULD ELIMINATE MOST DOOR AND CURB-SIDE DELIVERY



On Nov. 2, the leaders of the Senate's Homeland Security and Governmental Affairs Committee—committee Chairman Joe Lieberman (I-CT), ranking member Susan Collins (R-ME), along with Tom Carper (D-DE) and Scott Brown (R-MA)—announced the introduction of yet another postal reform bill, a bipartisan measure they call the 21st Century Postal Reform Act of 2011 (S. 1789).

The NALC decried the effort, saying it would bring little help and much damage to the USPS.

"The bill is deeply flawed, fails to address most of the real problems facing the Postal Service and offers few solutions to these problems," NALC President Fredric Rolando told the tens of thousands of active and retired letter carriers who took part in the union's first-ever national teleconference on the evening of Nov. 6.

"If it becomes law, S. 1789 would cause irreparable harm to our nation's Postal Service," he said, "because it perpetuates a misguided policy that places pre-funding future retiree health benefits above the viability of a network that serves 150 million American households and businesses six days a week—a case of 'killing the Post-Office in order to save it.'"

"The bill doesn't address our \$55 billion to \$75 billion pension surplus in the Civil Service Retirement System," Rolando added, "and it also fails to address the unfair burden to massively pre-fund 75 years' worth of future retiree health benefits in just 10 years, a mandate no other government agency or private firm faces and which is the driving force behind the Postal Service's losses."

Worse, rather than do the right thing and repeal this pre-funding mandate, the bill calls for spreading the payments over 40 years.

"Forcing the Postal Service to continue pre-funding endangers the quality of mail service and threatens tens of thousands of good postal jobs," Rolando said. "And since the Postal Service is at the center of this country's \$1.3 trillion mailing industry, the 7.5 million private-sector jobs this industry supports are threatened as well."

Meanwhile, S. 1789 leaves on the table elimination of Saturday mail delivery—although it delays potential implementation for another two years—and it calls for phasing out door-to-door delivery over the

next four years for nearly all the homes and businesses that currently have it.

“These misguided strategies would hurt tens of millions of Americans, particularly senior citizens, rural residents and small-business owners who depend on the Postal Service,” Rolando said. “And they would drive additional volume into competitors’ hands, sparking a death-spiral from which the Postal Service could not recover.”

In addition, the Senate measure would tilt the scale in management’s favor by compelling arbitrators to consider management objectives before issuing interest arbitration decisions. It also contains Sen. Collins’ signature legislative goal—a cut in FECA benefits and a rule that would force off the rolls elderly injured postal workers on workers’ compensation, forcing them to live on grossly inadequate retirement incomes. Certain totally disabled workers would be exempt from the retirement-age benefit cut.

“If the idea was to dismantle the Postal Service and slowly close its doors, then S. 1789 is a huge step forward,” Rolando said. “But if the intent was to save the nation’s oldest institution and steer it toward fiscal solvency, then this bill is a miserable failure.”

Nevertheless, the bill was placed on an extremely fast track, with a markup session—where committee members can offer amendments to a bill—scheduled within days of the measure’s introduction.

The NALC moved just as swiftly, with Rolando sending numerous e-Activist messages targeted to letter carriers who live in committee members’ home states, urging those carrier activists to press their senators to support amendments that would steer the Postal Service toward greener financial pastures.

Despite the union’s best efforts, however, S. 1789 retained much of its misguided language and won committee approval by a 9-to-1 vote on Nov. 8. Although it is headed for a full Senate vote, no such vote had yet been scheduled as this issue of *The Postal Record* was being prepared.

“We acknowledge the need to reinvent the Postal Service for the 21st century, but we continue to press postal management and our country’s leaders to do so

in a way that preserves jobs and encourages growth at a time when the economy is struggling,” Rolando said. “Slashing service and inconveniencing customers will only drive more business away.”

SOME RAYS OF HOPE

Not all the news coming out of the Senate was bad. On Nov. 10, Sen. Bernie Sanders (I-VT) introduced S. 1853, the Postal Service Protection Act. Co-sponsored by Sens. Kirsten Gillibrand (D-NY), Patrick Leahy (D-VT) and Ron Wyden (D-VT), S. 1853 calls for applying a number of fixes to solve the Postal Service’s immediate fiscal problem.

If S. 1853 were to become law, it would repeal the burdensome pre-funding requirement, which costs the USPS about \$5.5 billion per year and accounts for all of the Postal Service’s \$20 billion in losses between 2007 and 2010, losses that wiped out USPS’ line of credit with the U.S. Treasury and took away its safety net to ride out tough economic times.

Sanders’ bill also would give the Postal Service access to the overpayments it has made into its pension accounts with both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). Independent studies by the Hay Group and the Segal Company found that USPS has overpaid between \$50 billion and \$75 billion into its CSRS account and about \$6.9 billion into its FERS account.

S. 1853 also encourages innovation, such as allowing the Postal Service to generate revenue through non-postal channels—for example, providing notary services or issuing licenses.

And significantly, Sanders’ bill would protect six-day mail delivery by establishing a permanent legislative requirement that the Postal Service deliver mail on Saturdays.

“Sen. Sanders proves that, even though things can sometimes look bleak for letter carriers, we still have friends in Congress who are looking out for our best interests,” Rolando said.

SUCCESSFUL SIGNATURE-GATHERING

At the National Rap Session in Las Vegas Oct. 16, President Rolando chal-



NALC members were out gathering signatures for the petitions (like members of Washington, DC Branch 142, pictured at top) and attending rallies to alert the media to better ways of saving the USPS (like the rally held by Portland, OR Branch 82 carriers, pictured above).

Ending Saturday mail delivery would hurt the public, small business and the economy

We know that difficult decisions must be made. But eliminating Saturday delivery is a step too far—from which the Postal Service would not recover. Consider:

- The Postal Service would sacrifice 17 percent of service to save at best 3 percent of costs, according to the Postal Regulatory Commission—not a rational business plan.

- It would disproportionately hurt rural residents, the elderly and those relying on Saturday delivery for medicines and other essential needs, the PRC concluded.

- It would damage small businesses, which rely on the industrial world's least-expensive mail system for Saturday financial transactions.

- Degrading the Postal Service, centerpiece of a \$1.3 billion U.S. mailing industry, would threaten the industry's 7.5 million private-sector jobs.

- It wouldn't save taxpayers or the government a dime, because the USPS funds itself through its own revenue. In fact, it would impose new costs on Americans compelled to contract with private carriers for Saturday delivery and put them on the hook for unemployment benefits for tens of thousands of postal employees let go in a recession (and no longer paying taxes).

- It would begin to dismantle the Postal Service and jeopardize future revenues by reducing the ability to seize a key Internet opportunity—delivering goods Americans increasingly order online. Private carriers benefit by having the USPS' inexpensive network deliver those packages; customers save money and the USPS earns a profit. The best day for this: Saturday, when people are home. Killing this growth area would be highly counterproductive.

For 235 years, the constitutionally mandated Postal Service and its employees have adapted to technological change. We can do so now, if political leaders act prudently.

More than 750,000 Americans have signed petitions to save Saturday delivery in the past three weeks; 214 voting members of the House from both parties have co-sponsored legislation to preserve Saturday service; and some 4,000 small-business owners petitioned the PRC to maintain Saturday delivery.

Please listen to them.

The National Association of Letter Carriers

A copy of the advertisement NALC ran in major newspapers to alert the super committee and Congress about the dangers of eliminating Saturday delivery is above.

lenged the branch leaders gathered there to return home and encourage members to gather signatures amounting to 10 times their branches' membership size in support of preserving six-day mail delivery service (see the November *Postal Record*).

"Dear Representative," the petition read. "We, the undersigned, urge you to call on the members of the Joint Select Committee on Deficit Reduction—the 'super committee'—to include preservation of six-day mail delivery service in its recommendations to Congress this fall. Please help protect one of America's most valued and trusted institutions."

Although the Postal Service hasn't received a dime of taxpayer money in three decades, part of President Obama's omnibus deficit-reduction proposal includes a provision calling for elimination of Saturday delivery by 2013.

"This petition drive was designed to send a message to the super committee that Americans want and deserve mail delivery six days a week," Rolando said.

Soon, thousands of petition sheets were streaming into NALC Headquarters via mail, fax and hand delivery—so much so that the Department of Legislation and Political Action was forced to seek the help of Peake-DeLancey, the DC-area firm the NALC ordinarily uses to tabulate ballots during contract ratification votes and national officer elections.

"Clearly, the American people value Saturday service and they want their elected officials to know that they want to keep it," Rolando said.

As this magazine was being prepared, the count stood at more than 750,000 signatures in support of saving Saturday mail delivery service, with thousands more still coming in. The NALC also was preparing to place full-page ads in major newspapers announcing the results of the petition drive and calling on Congress to abandon any effort to eliminate a day of mail delivery.

"To cut a day of delivery—17 percent of service—to save at best 3 percent in costs just doesn't make sense," the president said. "The Postal Service can't afford to give Saturday service away to competitors such as FedEx or UPS, companies that—unlike the Postal Service—charge a premium to delivery on Saturdays."

SUPER SOLUTIONS SOUGHT

On Oct. 11, President Rolando sent a letter to the members of the super committee, outlining several other proposals the NALC hoped the committee also would consider. Rolando urged the committee to use its authority to return to USPS the \$6.9 billion FERS surplus (now estimated to be \$10.9 billion), to officially recognize the \$50 billion to \$75 billion in CSRS surpluses and return that money to the Postal Service, to repeal the unfair requirement to pre-fund future retiree health benefits and to enshrine six-day mail delivery service into law.

Meanwhile, the NALC's 2006-2011 national collective-bargaining agreement between the NALC and USPS expired Nov. 20 (as this magazine went to press), and the union was hard at work in negotiations to hammer out a new contract. Considering the current political and economic climate, the NALC's resident national officers were exploring a whole range of ideas that take wages, health benefits and cost-of-living adjustments into account, just to name a few items. (See story on page 4.)

Negotiators had to keep an eye on a number of obstacles outside the contract discussions, however. On Nov. 15, the Postal Service announced that it had lost \$5.1 billion in fiscal year 2011. This figure did not count the \$5.5 billion pre-funding payment that Congress deferred until November 18, 2011.

"For the first time since the recession began in 2007, this year's Postal Service loss was largely driven by the continued impact of the worst recession in 80 years and the effect of Internet technology—above and beyond the crushing and unique burden of the congressional mandate to pre-fund future retiree health benefits," President Rolando said in a statement. "This same mandate is what accounted for all of the losses over the previous four years.

"Congress must renew its efforts to alleviate the pre-funding burden," he said, "and the Postal Service and its stakeholders must work relentlessly to reinvent the Post Office for the 21st century. We are working with the Postal Service, at the bargaining table, on doing just that."

HOUSE CALLS

In March, Rep. Stephen Lynch (D-MA) introduced H.R. 1351, the USPS Pension Obligation Recalculation and Restoration Act, a bill explicitly geared toward refunding the Postal Service's pension surpluses in CSRS and FERS. As this issue goes to press, that bill enjoys bipartisan House support of 227 co-sponsors—a majority.

Two months later, Rep. Darrell Issa (R-CA) brought out his own so-called postal reform act, H.R. 2309, which has exactly two co-sponsors—Issa and Rep. Dennis Ross (R-FL).

Yet, on Oct. 13, a House committee approved H.R. 2309 by a slim majority, while H.R. 1351 remains unable to move an inch.

"This might be one of the best examples of why it's so important to have strong letter carrier-friendly majorities in both houses of Congress," Rolando said. "Because Congressman Issa chairs the House Oversight and Government Reform Committee, he controls what proceeds and what doesn't.

"So, a postal reform bill that enjoys broad bipartisan support is left to wallow, while a distinctly anti-postal and anti-union measure with only two representatives' names on it can be brought to a vote and advance."

Instead of addressing the postal crisis caused by the pre-funding mandate, H.R. 2309 would exploit the crisis to advance anti-worker ideological goals, radically downsize the USPS and gut its employees' collective-bargaining rights.

H.R. 2309 also proposes ending door-to-door mail box delivery service for 90 percent of American households and businesses that now receive it.

So real was the threat that the House could vote on H.R. 2309 in November that the NALC launched an urgent campaign to garner support from postal customers—commercial as well as residential—who might not have known just how damaging the bill would be to the service our patrons now enjoy.

"Congressman Issa seems hell bent on taking the Postal Service apart just to advance his own agenda," Rolando said, "and the American public deserves to hear the whole truth."

The NALC's intensive lobbying effort appeared to have had an affect, since the union received word in mid-

November that the House probably won't consider H.R. 2309 until sometime in 2012.

"This is a welcome delay, and it gives us a chance to focus our efforts on the real solutions before the super committee and the Senate," Rolando said. "But H.R. 2309 is still on the House's agenda, which means all of us should use this extra time to lobby our representatives and encourage them to do what they can to kill this terrible bill."

IN THE MEDIA

On Oct. 28, CNBC posted on its website an interview with President Rolando, where he had a chance to go over the details of the Postal Service's financial situation. He also covered the various options to fix the USPS, the value of its universal network, its opportunities for growth, and how Congress can help.

Two weeks later, The Huffington Post's Dave Jamieson interviewed NALC workers' compensation expert Ron Watson about moves on Capitol Hill to cut benefits for federal workers who have been disabled on the job—a budget-trimming maneuver that critics warn could leave many injured civil servants and their families without enough to live on in retirement. Watson said that the reductions are "intentionally targeted at injured workers with families, their widows and widowers, and the elderly."

And Oak Brook, IL Branch 825's Melissa Rakestraw became something of an Internet sensation Nov. 8 after a video recording of an informal meet-and-greet conducted two days earlier by Rep. Joe Walsh (R-IL) went "viral." The clip contained a segment where Rakestraw bore the brunt of Walsh's rather lengthy rant in which he claimed that the banking industry had nothing to do with the recent financial meltdown. Rakestraw later appeared on MSNBC's "The Ed Show" on Nov. 11 to describe how she had calmly stood her ground during the exchange and also managed to work in a spot-on defense of the USPS as well.

Read about these and similar efforts at nalc.org/PostalFacts. ☒



VETERANS DAY AD

Just in time for Veterans Day, the NALC sponsored a 30-second television commercial that recognized the one-quarter of letter carriers who have served in America's armed forces.

"Of the 280,000 members of the NALC, about 70,000 are veterans of the Army, Air Force, Navy, Marines or Coast Guard, including recent service in Iraq and Afghanistan," President Rolando said. "This Veterans Day, we recognize these brave men and women for the vital service they have provided—and continue to provide as letter carriers."

Rolando called the commercial timely, as potential service cuts would deprive businesses and residents of needed services, threatening large-scale layoffs at a time of mass unemployment.

"The Postal Service is the core of a \$1.3 trillion mailing industry that employs 7.5 million Americans, and dismantling the Postal Service would jeopardize those jobs," he said. "And with President Obama having announced that thousands of Iraq War troops will soon come home, they deserve jobs to return to. The last thing Congress should do is take away decent jobs from our veterans."

"Their service never ended," read the commercial's tag line. "Neither should yours."

The ad aired throughout the day Nov. 9-11 on MSNBC and CNN.