



Postal finances bill progresses in House

Letter carriers' work to help place the Postal Service back on a path to financial health, as well as to save Saturday mail delivery service, continued through May in a variety of venues and media outlets.

Progress on H.R. 1351

In April, Rep. Stephen Lynch (D-MA), the ranking member of the House Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia, introduced H.R. 1351, The United States Postal Service's Pension Obligation Recalculation and Restoration Act of 2011. The bill was crafted to address the accounting error that has resulted in the Office of Personnel Management (OPM) overcharging the Postal Service, by billions, for payments into its pension funds.

The bill's passage would help the Postal Service regain financial stability by calling on the OPM to recalculate the USPS surplus in CSRS, using a methodology that fairly allocates the cost of pensions between the pre-1971 Post Office Department and the modern Postal Service.

Once an accurate surplus is determined, OPM would have 15 days to transfer it to the Postal Service Retiree Health Benefits Fund (PSRHBF).

H.R. 1351 also calls on OPM to allow the Service to use most of its FERS surplus (estimated at \$6.9 billion) to make this year's mandated \$5.5 billion pre-funding payment into the PSRHBF (which already holds \$42 billion), plus a \$1.2 billion payment to the Department of Labor for workers' compensation expenses. Any money left over from the FERS surplus would go toward the Service's future FERS obligations.

Without this legislative relief, Postmaster General Patrick R. Donahoe has indicated that the Service will be forced to default on its PSRHBF pre-funding obligation when it comes due Sept. 30.

In early May, National Association of Letter Carriers President Fredric V. Rolando sent an urgent e-Activist alert to tens of thousands of that network's members, asking them to contact their representatives and urge them to sign on to Lynch's legislation.

"We got the word out, and many of our allies in the House heard it and responded," Rolando said. "Thanks to members' personal visits, phone calls and letters, we're up to nearly 100 co-sponsors of H.R. 1351" by the time this issue of *The Postal Record* went to press in mid-May.

"But Congress moves slowly, and the clock is ticking," Rolando said. "So we letter carriers have our work cut out for us if we're going to take charge—again—of saving the USPS. It's up to each of us to educate our representatives in Congress on why a viable Service is key to the country's health and security, and that we desperately need their help in relieving some of the financial burden—much of it their doing—that's holding us back."

And to help rank-and-file letter carriers inform both lawmakers and reporters alike on the pre-funding problem and a number of other postal issues, a letter to every branch president is being prepared to help local union leaders determine the best way to present the facts behind the Postal Service's predicament, and garner greater support for legislative solutions that treat the problems' causes rather than their symptoms.

Debunking postal myths

On May 1, the *Athens Banner-Herald* in Georgia printed a letter written by NALC President Rolando. The letter was in response to a column by New York *Newsday* columnist Lane Filler. In the piece, which had been published a few weeks earlier in the Athens paper and a handful of others, Filler had called for an end to home mail delivery, claiming that postal customers would be better served by traveling to get their mail from a local post office or supermarket.

Rolando rejected Filler's idea. "The inconvenience to the public, the huge waste of fuel and money and the massive impact on traffic and parking make this a non-starter," the president said.

Rolando then took full advantage of this opportunity for rebuttal to also educate the paper's northeast Georgia readers about what he called "a surprising amount of misinformation about the

Have you seen the Ryan budget plan?

The U.S. House of Representatives recently approved a budget plan for 2012 created by Rep. Paul Ryan (R-WI), chairman of the House Budget Committee. Have you taken a look at what's inside it?

- ❖ Trillions of dollars of cuts in Medicare and Medicaid that experts believe could essentially end both programs as they now work.
- ❖ More giant tax cuts for the wealthiest Americans.
- ❖ Our pension contributions would double, amounting to a 6 percent pay cut.
- ❖ A federal wage freeze until 2015, which would likely shape the Postal Service's approach to bargaining on our contract this fall.

Don't like what you see? Stay informed! Become an e-Activist by joining the NALC e-Activist Network. Find out how at nalc.org.



Pennsylvania carriers lobby



NALC members from Pennsylvania came to Washington for their annual lobbying trip May 10-12, ready to press Keystone State congressional representatives to support a multitude of letter carrier issues, especially H.R. 1351.

As a result of their visit, Pennsylvania activists were able to convince six more of their House members to sign on to H.R. 1351, bringing the total from that state to nine.

United States Postal Service...an institution that serves 150 million households six days a week, and has been named by Americans as the most-trusted federal agency.”

The president analyzed the reasoning behind Filler’s suggestions, which seemed to reflect many of the myths that are continually presented as fact by the media and many politicians, and he fought back with some key facts about the Service’s actual financial situation.

For one thing, “the Postal Service doesn’t use a dime of taxpayer money, nor has it for more than a quarter-century,” Rolando wrote. “Its revenue comes from the sale of its products and services to the public.”

He also noted that Americans get inexpensive mail service. “They can send a letter from Georgia to Alaska for less money than residents of postage stamp-sized countries—pun intended—spend for mail that goes 20 miles,” he wrote.

And mail volume is on the rise, Rolando noted, adding that the Postal Service “reported an increase last quarter, and this year projects the first annual increase in four years.”

The 2006 congressional mandate to pre-fund 75 years’ worth of future postal worker retiree health benefits within 10 years is the root cause of the financial problems, he wrote.

“That means every year, postal management has to come up with \$5.5 billion to pre-fund future benefits, including for people not yet born,” he added. “No other public agency or private firm in America does anything like this.

“Fortunately, there’s an easy solution,” Rolando continued, “one backed by the USPS, the four unions that represent the postal workforce, and members of both parties in Congress who’ve offered legislation on this matter.”

In a nutshell, the answer lies in allowing the USPS to make those annual pre-funding payments by transferring its own \$55 billion to \$75 billion surplus in its pension funds, account overages that independent auditors have shown are the result of a government actuarial error dating back to the creation of the Postal Service in 1971.

“Using some of that surplus would leave both funds with a large surplus while averting such counterproductive measures as ending Saturday delivery,” Rolando wrote. The president encouraged readers to contact their House of Representatives members and ask them to co-sponsor H.R. 1351, which addresses the pre-funding issue. ☒



Pictured from top (l-r): Sen. Bob Casey (D), Rep. Mark Critz (D-12), Rep. Tom Marino (R-10), Rep. Chaka Fattah (D-2), Rep. Mike Doyle (D-14), Rep. Charlie Dent (R-15), Rep. Jason Altmire (D-4), Rep. Michael Fitzpatrick (R-8) and Rep. Jim Gerlach (R-6).