Obama's mixed bag

Budget supports 6-day delivery, falls short on pension relief

The U.S. Postal Service received mixed news from the Obama administration Feb. 14 when the White House released its proposed budget for the 2012 fiscal year. The White House reaffirmed its commitment to six-day mail delivery by proposing the continuation of the annual appropriation provision that mandates it. It also requested legislation to defer $4 billion of the $5.5 billion pre-funding payment due in September for future retiree health benefits and to require the Office of Personnel Management to return to the Postal Service's $6.9 billion pension surplus in its Federal Employees Retirement System (FERS) account over the next 30 years, a provision worth $550 million per year.

Unfortunately, the administration's budget fails to address the massive overfunding of the Postal Service's Civil Service Retirement System (CSRS) pension obligations (some $50 billion to $75 billion, according to independent analysts). The NALC, the postal industry in general and the bipartisan leadership of our oversight committee in the Senate—Sens. Tom Carper (D-DE) and Susan Collins (R-ME)—support using this surplus to relieve the excessive burden of financing future retiree health benefits—a burden that no other agency or private company in America is required to carry.

"We are grateful that the administration confirmed its support for six-day delivery and welcome the short-term relief that will come with another deferral," NALC President Fredric V. Rolando said, "but Congress and the Obama administration have to step up with a permanent fix for pre-funding retiree health, a fix that uses the CSRS surplus.

"With a divided Congress, there's little doubt that we face an uphill fight for real pre-funding reform," he said. "But we believe that a strong Postal Service is a bipartisan policy goal."

Aside from the six-day delivery provision, the most promising part of the 2012 budget proposal is the inclusion of wording that directs the Office of Personnel Management to refund the almost $7 billion surplus in the Postal Service's FERS account over the next 30 years, beginning with a $550 million payment this year. While the NALC welcomes the administration's recognition that the FERS surplus should be returned to the USPS, we believe this policy should be applied to the much bigger CSRS surplus ($55 billion to $75 billion) and that the funds should be returned much more quickly so that they can be used to cover the cost of the pre-funding payments.

The president's budget also addresses reforms of the Federal Employee Compensation Act (FECA) and calls for eliminating relatively small $29 million annual payments to the Postal Service for past revenue forgone appropriations that were not paid to cover the cost of free mail to the blind. NALC is studying the administration's FECA proposal and will report full details in the days and weeks ahead, and we will oppose the cut in revenue forgone payments.

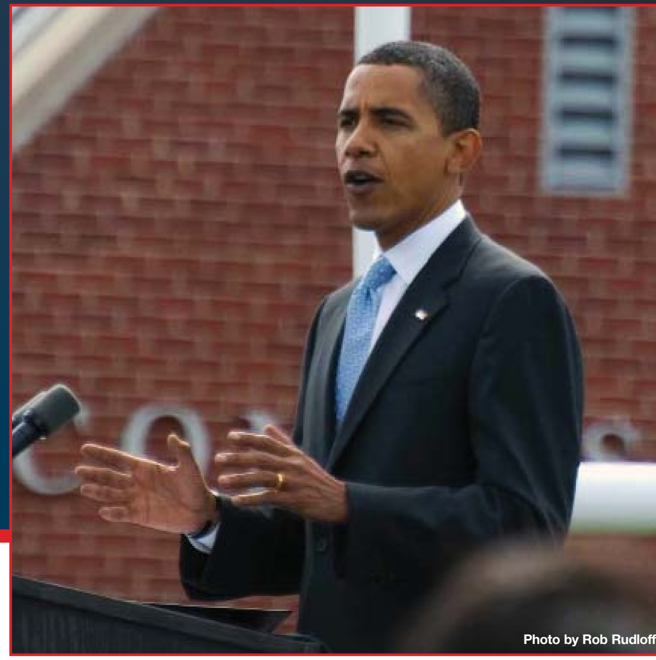


Photo by Rob Rudloff

The PMG speaks

Elsewhere, postal concerns have been getting increasing coverage in the news media—much of it positive.

In late January, newly sworn-in Postmaster General Patrick R. Donahoe spoke with *The Washington Post* for a free-wheeling discussion on the state of the Service and his plans to keep it afloat. Donahoe took over as the head of the USPS following the retirement of Jack Potter.

Donahoe said that one of the key ways he plans to differentiate himself from his predecessor is to focus on raising revenue—not only for the Postal Service, but for the entire package and mail delivery industry.

"There's still plenty of work in the package business, whether we're working with FedEx and UPS," he said. "We've seen growth there.

"We also know that we bring a lot of value to the whole market, from the standpoint from what we can bring with Priority Mail and other offerings," he added.

Donahoe also had a lot of positive things to say about his entire workforce, letter carriers included.

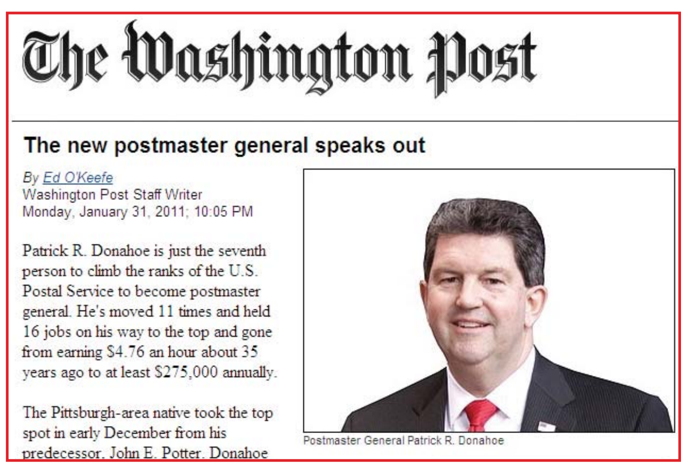
"People come to the Postal Service for a good, safe career," he said. "We're very fortunate, because most people who come here turn out to be great employees. They jump in, they get that spirit of delivering to customers and they do a great job.

"If you are a letter carrier," he said, "you're out on the street—it might be cold or snowy in some parts of the country, but you're out there, you're meeting with your customers, you're working pretty much on your own all day.

"We still have one of the best jobs in the country, when you compare them to many other places in the country where there's a lot more hardship," Donahoe said.

Another topic that surfaced during the interview was the Service's contract negotiations with the American Postal Workers Union and the National Rural Letter Carriers' Association. (As this issue of *The Postal Record* went to press, talks with the APWU were ongoing, while the collective bargaining agreement between the USPS and the NRLCA was headed to binding arbitration.)

Donahoe said that none of the postal unions, including the NALC, is standing in the way of making necessary changes. "They are led by good people," he said. "They're looking at the challenges that we have with the same 'oh my goodness' that everybody else does."



The Washington Post

The new postmaster general speaks out

By Ed O'Keefe
Washington Post Staff Writer
Monday, January 31, 2011; 10:05 PM

Patrick R. Donahoe is just the seventh person to climb the ranks of the U.S. Postal Service to become postmaster general. He's moved 11 times and held 16 jobs on his way to the top and gone from earning $4.76 an hour about 35 years ago to at least $275,000 annually.

The Pittsburgh-area native took the top spot in early December from his predecessor, John E. Potter. Donahoe

Postmaster General Patrick R. Donahoe

Sadly, one Potter goal Donahoe seems intent on pursuing is cutting Saturday mail delivery service—even though slashing service would seem to be very much at odds with his objective of raising revenue. “Let us move from six to five days,” he said, claiming that “we’ll take care of what we need to in terms of revenue generation, we’ll take care of employment costs and administrative and union costs.”

And while the story in *The Washington Post* did not touch on the NALC’s preferred solutions to the Postal Service’s most pressing financial concerns—the transfer of retirement fund surpluses to the retiree health benefit account, and the repeal of that account’s pre-funding requirement—Donahoe did bring up the subject in his remarks at his swearing-in ceremony on Jan. 14.

“We are looking for every opportunity to control costs and raise revenue,” he said. “We will do everything we can to ensure that money can be used by the Postal Service to pre-fund retiree health care or pay down debt.”

Meeting the press

Meanwhile, President Rolando sat down for an interview with *The Daily Caller’s* Alexis Levinson, and he took full advantage of the opportunity to talk to that news website’s audience about some of the union’s ideas for keeping the Postal Service solvent and relevant in the 21st century.

“There’s so many things you can do with the most trusted employees and the only universal communications network,” Rolando said in the Jan. 24 article. The delivery infrastructure lends itself to “working with the businesses that work out of their homes, becoming the only delivery vehicle with a green vehicle fleet throughout the country, using sophisticated scanners to provide other services, using sensors on the vehicles to work with the Red Cross or Homeland Security,” he added.

The president also reiterated the NALC’s position on the Postal Service’s proposal to drop a day of mail delivery, calling the notion “insane.”

“It’s just nuts to take this network and start to dismantle it,” he said. “If anything, it would be ideal if you could expand it to seven days.”

A longer-term plan, Rolando said, would include “innovation and adapting the business model. And the short-term solution allows us to do that ’cause you’ve got the breathing room, you’ve got the finances, you’ve got the cash.” ✉

COLCPE contest update

After last month’s special COLCPE issue of *The Postal Record* went to press, the Department of Legislative and Political Affairs learned that a letter carrier in Iowa had been left off the list of automatic contributors—Mark Fallis of Central Iowa Merged Branch 352, better known to his fellow Iowans as their former state chair.

In 2010, Fallis gave $300 to COLCPE, and adding in his contributions to his state’s total nudges Iowa over rival Kansas in the 2010 COLCPE contest. Not wishing to ruffle any Hawkeye or Jayhawk feathers, NALC President Fredric Rolando has declared the 2010 Iowa-Kansas match-up a tie.

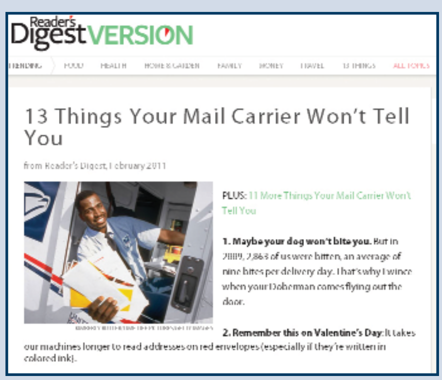
Also, please note that $260 in automatic contributions made last year by Santa Clara, CA Branch 1427’s Robert Madrid were inadvertently left out of the COLCPE listing as well.

Secrets revealed!

Amid all the doom-and-gloom financial news and efforts to save the Service, the core of what we do remains delivering the mail to every address in America, six days a week. The venerable *Reader’s Digest* magazine reminded its readers of this simple fact when it spotlighted our craft in a February article entitled “13 Things Your Mail Carrier Won’t Tell You.” And since we all know there are many more than a baker’s dozen of such tidbits, the magazine also included a second story, “11 More Things Your Mail Carrier Won’t Tell You.”

Both articles touched on many of the challenges we deal with every day on our routes, and touted the advantages the USPS has over its competitors. “We go to great lengths to deliver to every address, no matter how remote,” they noted. “That’s why, in the most rural areas, even UPS and FedEx rely on us to make their final deliveries.”

“Paychecks, personal cards, letters—anything that looks like good news—I put those on top,” the lighthearted features also said. “Utility and credit card bills? They go under everything else.”


Reader's Digest VERSION

FOOD HEALTH HOME & GARDEN FAMILY MONEY TRAVEL 13 THINGS ALL TOPICS

13 Things Your Mail Carrier Won’t Tell You

from Reader’s Digest, February 2011

PLUS: 11 More Things Your Mail Carrier Won’t Tell You

1. Maybe your dog won’t bite you. But in 2009, 2,863 of us were bitten, an average of nine bites per delivery day. That’s why I wince when your Doberman comes flying out the door.

2. Remember this on Valentine’s Day: It takes our machines longer to read addresses on red envelopes (especially if they’re written in colored ink).

But despite their overall tone, the stories didn’t shy away from the realities of the job. “Sorry if I seem like I’m in a hurry,” one item noted, “but I’m under the gun: Our supervisors tell us when to leave, how many pieces of mail to deliver, and when we should aim to be back. Then some of us scan bar codes in mailboxes along our route so they can monitor our progress.”

To prepare the articles, *Reader’s Digest* writer Michelle Crouch spoke with President Rolando, as well as with carriers in Missouri, New Jersey and North Carolina. ✉