FROM 19 POSTAL BILLS

FINDING ONE LEGISLATIVE SOLUTION

The cycle seems almost predictable. Postmaster General Patrick Donahoe appears on TV to roll out a new proposal that he says will solve the U.S. Postal Service's financial problems, usually through a reduction of—or outright elimination of—some component of mail service.

A public outcry comes next, followed by the introduction of a bill in Congress that's touted to solve not just this most recent problem but to help rescue the Postal Service from the brink of financial ruin.

A few weeks go by and a congressional committee hearing or two might be held, but little else happens, and the USPS sinks deeper into debt.

And the cycle begins again.

"There is an imbalance in this cycle, and it starts with the Postal Service's approach to its problems," NALC President Fredric Rolando said. "Think about its plans to eliminate Saturday mail delivery and to slow down first-class service by closing postal facilities. It seems clear that the USPS is stuck on one misguided notion: that dismantling itself is somehow the only way it can save itself.

"Finding efficiencies is a valid strategy as long as it's part of a comprehensive business plan," he said. "But what the Postal Service needs to focus on is coming up with a rational strategy that looks both for efficiencies in mail processing and delivery and—more importantly—for ways it can grow its business."

Unfortunately, the USPS faces two major obstacles: It is running out of time and it is running out of money.

"Congress needs to step in and help," Rolando said, "and unless it acts fast to give the USPS some real financial relief, the Postal Service has stated that it will run out of cash to pay for operational expenses in a matter of months."

But help from Capitol Hill has historically been slow to arrive and has usually been scattershot at best. The 2012 legislative calendar is no exception. There are something like 19 separate House and Senate measures, most of which in one way or another attempt to address a couple of the Postal Service's problems, with a few actually proposing comprehensive reform.

Some of these measures are well meaning but insufficient, but others barely hide their cynical attempts to gut employees' collective-bargaining agreements while dismantling our centuries-old, constitutionally mandated postal system.

A HAMSTRUNG HOUSE

Last March, Rep. Stephen Lynch (D-MA) introduced H.R. 1351, which went right to the heart of the Postal Service's financial problems, calling for the return of the billions of dollars in pension surpluses that two independent accounting firms found within the Postal Service's retirement accounts under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). H.R. 1351 required an accurate calculation of these surpluses and then authorized their transfer to satisfy the USPS mandate to pre-fund its future retiree health benefits account, a burden required by a 2006 postal reform law.

As letter carriers well know, the unfair pre-funding requirement is shared by no other government agency or private company, and the annual $5.5 billion payments that the USPS has been forced to make to meet this mandate have driven it to the brink of financial ruin. Without it, the Postal Service would have broken even over four of the last five years.

But despite its inherent sensibility and despite having at least 227 co-sponsors from both parties, H.R. 1351 has almost no hope of advancing out of the House Oversight and Government Reform Committee to a vote by the full House, thanks largely to politics. The committee is chaired by Rep. Darrell Issa (R-CA), who has demonstrated his lack of interest in working in a bipartisan way to help the USPS, and who has introduced his own so-called postal reform measure, H.R. 2309.

Issa's proposal doesn't touch the causes of the Postal Service's financial problems. Instead, it calls for adding layers of bureaucratic oversight, gutting employees' collective-bargaining agreements, ending door-to-door mail delivery service for most American households and businesses and for ending Saturday mail delivery.

And while H.R. 2309 has, besides Issa, just one co-sponsor, the California congressman's position as committee chairman has allowed him to ram it through the markup process. It had been scheduled for a floor vote in November, but after letter carriers launched an intensive lobbying and public education effort, that vote was put off for sometime in 2012—perhaps as early as this month.

Meanwhile, friends of carriers have introduced pro-postal measures in the House, with bills brought forth from Reps. Gerry Connolly (D-VA), Elijah Cummings (D-MD) and Peter DeFazio (D-OR), to name a few. And, there's H.Res. 137, the resolution that supports keeping six-day mail delivery, introduced by Rep. Sam Graves (R-MO), with 216 co-sponsors from both parties.

"Thanks to the overwhelming bipartisan support of both H.R. 1351 and H.Res. 137," President Rolando said, "there might be enough political will in the House to strip out of H.R. 2309 the elimination of Saturday delivery. But that still leaves us with a bad House bill."

PROPOSE AND DISPOSE

"As the old adage says, 'The House proposes and the Senate disposes,'" Rolando said. "The 2006 postal reform law came out of the Senate and was passed by the House on an up-or-down vote, and we could be looking at history repeating itself in 2012."

Letter carrier activists will continue to work hard this year to stop H.R. 2309 from being passed by the House. But even if it does gain approval, Sen. Tom Carper (D-DE) has expressed a number of reservations about the bill and has even questioned its constitutionality.

Carper is one of the four co-sponsors of S. 1789, a bipartisan reform measure introduced in November. The bill combines many of the provisions of two earlier Senate proposals, S. 353 and S. 1010, but left out the refund of the estimated $50 billion to $75 billion surplus in CSRS, instead pressing for a return of the smaller, less controversial surplus in FERS, now estimated to be about $10 billion. Also, S. 1789 merely calls for reducing the unfair pre-funding burden rather than for its outright repeal, and its language sets up a two-year delay in the reduction of mail delivery days instead of dropping the notion.

"S. 1789 is also a job-killer," President Rolando said. "By failing to repeal the

Photo courtesy Christiana Care

Sen. Tom Carper (D-DE)

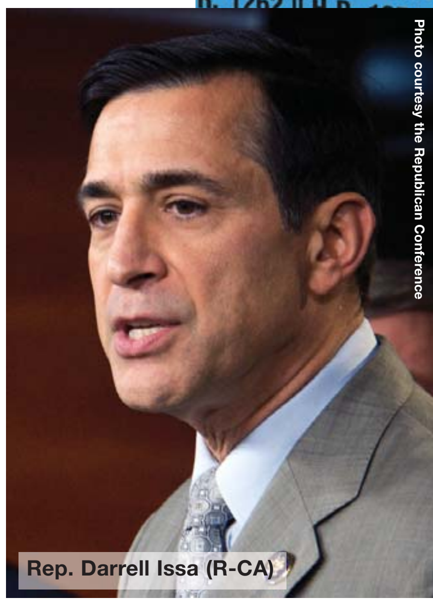


Photo courtesy the Republican Conference

Rep. Darrell Issa (R-CA)

Postmaster General Patrick Donahoe discusses the Postal Service's financial crisis at the National Press Club on Nov. 21.

NALC President Fredric Rolando holds a press conference shortly after the postmaster general's appearance at the NPC.

pre-funding requirement, it all but guarantees the elimination of Saturday and door-to-door mail delivery, which not only will threaten 80,000 good-paying middle-class postal jobs at a time when the national unemployment rate hovers around 9 percent, it also will risk damage to the $1.3 trillion mailing industry and the 7.5 million private-sector jobs that depend on it."

A promising counterbalance to S. 1789 is S. 1853, the bill introduced in November by Sen. Bernie Sanders (I-VT). On Dec. 7, Rep. Peter DeFazio (D-OR) introduced H.R. 3591, a bill that mirrors the language in the Senate version.

"S. 1789 and H.R. 3591 contain nearly all of the NALC's legislative priorities," Rolando said, including saving Saturday and door-to-door delivery, repeal of pre-funding and a refund of the CSRS surplus. "By lobbying hard to get as many co-sponsors as possible signed on both bills, we can make sure our legislative needs get heard when postal reform is debated on Capitol Hill."

NALC believes that, as the Senate focuses on postal reform, pieces of the various other bills will come together. That's why it's crucial for letter carriers to throw our approval behind the bills we can support, to boost the likelihood that they will be considered.

Additional Senate support will likely come from such letter carrier friends as senators Max Baucus (D-MT) and his Big Sky State colleague Jon Tester (D), who have each introduced their own bills that strongly support the Postal Service.

TICKING CLOCK

"In case letter carriers haven't noticed, 2012 is an election year," Rolando joked. "For one thing, that means we can expect a shortened legislative calendar, as all of our representatives and one-third of our senators will wind up spending a lot of their time focusing on election campaigns—their own or their colleagues'."

That means that a lot of bills are expected to move early in 2012, including the various postal reform measures in both the House and Senate.

"You'll need to keep an eye out for breaking developments and calls to action," he said. "We will need every member's help on a moment's notice."

In addition to updates in *The Postal Record* and *NALC Bulletin,* the latest information available will be posted to nalc.org and also blasted out via e-mail to the members of the NALC e-Activist Network.

"If you haven't yet joined your more than 42,000 active and retired brother and sister letter carriers as an e-Activist, then now would be a good time to sign up," he said. The registration form can be found at nalc.org.

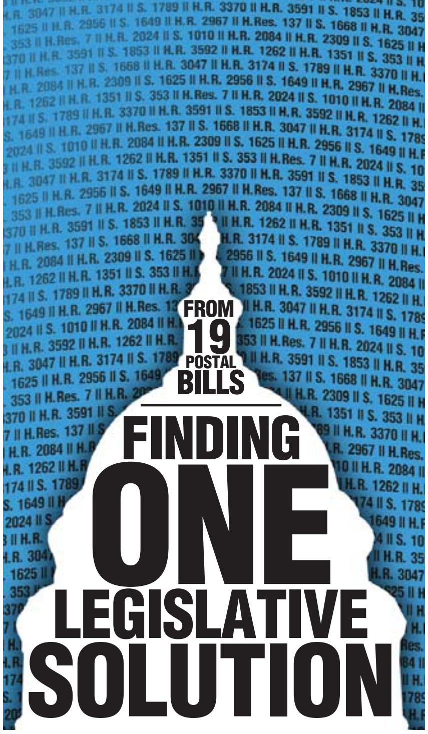
Indeed, things were moving quickly even as this magazine was being prepared. On Dec. 5, Postmaster General Donahoe announced another of his service-cutting proposals: a series of postal facility closures and consolidations that he claimed would save the USPS about $3 billion a year but also would eliminate the possibility of next-day delivery of First-Class Mail.

Just over a week later, however, a group of 15 senators announced that it had reached an agreement with the Postal Service to enact a five-month moratorium on closing postal facilities, which the legislators said would give them more time to pursue meaningful postal reform.

"These senators understand what we've been saying all along: that you can't cut your way to solvency," Rolando said. "The Postal Service should be looking for ways to expand its service, not cut it, and more and more of our friends in Congress are coming around to that notion."

A NEW APPROACH

President Rolando held a well-attended conference at the National Press Club in Washington on Nov. 21, where he emphasized the preservation of the USPS' valuable networks, and the importance of revenue growth as well as sensible cost-cutting. He also noted that the



NALC remains in contract negotiations with the Postal Service.

"During these negotiations, we have put forward serious and innovative proposals designed specifically to produce billions of dollars in cost reductions for the USPS," he said.

Among the ideas proffered is a new approach to health benefits that Rolando said could save the Postal Service $20 billion over the next 10 years, "if it were applied to all postal employees through a combination of legislation and agreements negotiated by other bargaining units and managerial groups." Savings would derive from adoption of best practices on disease management and wellness care, improved purchasing power for drugs and other medical services, and sensible integration of NALC members' health insurance plans with Medicare benefits, among other sources.

He also touted the union's decades of experience in running the NALC Health Benefit Plan, one of the best-rated health plans in the Federal Employees Health Benefits Program.

IN THE NEWS

The many media appearances by President Rolando and the other national officers, as well as rank-and-file members' ongoing engagement with broadcast and print reporters, are paying off slowly but surely. Nowadays, almost every news item about the Postal Service's financial situation includes at least a line or two that describes how its unique pre-funding mandate is a key reason behind its money problems.

The proof is in the print: An editorial in the Dec. 8 *Virginian-Pilot* in Norfolk, for example, hits the nail on the head regarding the Postal Service's financial problems, saying the agency is "being crushed under the weight of a 2006 law passed by—you guessed it—Congress."

And a terrific editorial in Dec. 12's *Buffalo News* called on the USPS to grow, not cut, its way to financial stability, and also quoted Buffalo-Western New York Branch 3 President Robert McLennan.

Meanwhile, President Rolando took the NALC's case to *The New York Times* in an op-ed piece that ran Dec. 7 as part of that paper's "Room for Debate" feature. "In 2007, a congressional mandate that the Postal Service pre-fund future retiree health benefits for the next 75 years and do so within a decade—something no other public agency or private company has to do—was implemented, and it's cost the agency $21 billion since then," he wrote. "That alone accounts for 84 percent of the Postal Service's red ink."

Two days later, another op-ed from Rolando ran in *The Atlanta Journal-Constitution.* "A strong Postal Service remains in the national interest… because it offers the most affordable service of any industrial country, six days a week," he wrote. "All this doesn't cost taxpayers one dime."

Rolando's response to a misleading article in *The Economist* was printed in a blog post on the magazine's website Dec. 11. He lambasted the article's author, noting how he had "misstated the financial challenges, the value of the USPS and the attitudes of Americans."

"Journalistic speculation is a delicate endeavor, and this time you really missed the boat," Rolando wrote.

And in CNN Money's coverage of the moratorium on postal facility closures, the president's remarks represented the postal unions' reaction to the announcement. "This is a positive step," he said, "provided the parties use the time to put together a positive plan for the future, including ways to grow the business as well as efficiencies that make sense." ✉

During his press conference, Rolando explains how NALC is working to save America's Postal Service.