Now on to the House

Postal legislation moves to 'lower chamber'

With the U.S. Senate having passed S. 1789, the NALC is focusing its attention on how the House of Representatives will deal with the U.S. Postal Service's financial problems over the coming months.

As reported in last month's *Postal Record,* the Senate on April 27 passed the 21st Century Postal Service Act by a vote of 62 to 37. In seeming alignment with Postmaster General Patrick Donahoe's own "reform" agenda, the Senate measure places most of its emphasis on downsizing the Postal Service while failing to repeal the burdensome and unfair mandate to pre-fund decades of future retiree health benefits decades in advance—something no other government agency or private enterprise is required to do. This requirement of the 2006 postal reform law is the cause of 95 percent of the USPS' red ink this fiscal year—$6.2 billion of $6.5 billion—as well as almost all of its losses in recent years.

The bill did manage to slightly cut the level of required pre-funding, but the overall cost of the mandate remains far too great to allow the USPS to get back on its financial feet. And S. 1789, if it becomes law, would allow Donahoe to move to five-day delivery in two years.

"Still, as bad as S. 1789 is—and make no mistake: it is bad—it doesn't come anywhere near to what the House's anti-worker leaders are up to," NALC President Fredric Rolando said.

Rather than simply take up S. 1789 for consideration, the House instead plans to debate H.R. 2309, the draconian and regressive measure introduced last fall by House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA).

"Congressman Issa's bill reflects his belief that the only way to save the Postal Service is to take it apart, brick by brick," Rolando said.

H.R. 2309 does not address the pre-funding mandate at all, the president said. Instead, the bill calls for creating new levels of postal bureaucracy: one board of unelected officials who would oversee the closure of thousands of post offices and other facilities, and another that would be given authority to take control of USPS' operations and to modify or outright nullify existing collective-bargaining agreements if such a move were deemed necessary.

The Issa bill also includes language that would force the Postal Service to reduce operating costs by $2 billion, a move that would no doubt result in devastating cuts in mail delivery service plus the associated loss of tens of thousands of postal jobs.

"Some in Congress—including some of our friends—seem to think that all H.R. 2309 needs is a few tweaks here and there," the president said. "But they're wrong. This bill is a hopeless case from beginning to end, and the House needs to scrap it and start over from scratch."

Fortunately, Rolando said, many of the pieces of a true postal reform measure already exist in the House, including Rep. Peter DeFazio's H.R. 3591, which had 43 co-sponsors as this magazine was being prepared. Among other things, it calls for creation of a commission of business owners, innovators and letter carrier and postal representatives, who would work together to come up with news ways to take advantage of USPS' universal delivery network and pursue new revenue streams.

"Also, we still have our bipartisan majorities signed onto both H.R. 1351 and H. Res. 137," Rolando said. The former, with 229 co-sponsors at press time, was introduced by Rep. Stephen Lynch (D-MA) in 2011 and calls for returning to the USPS the tens of billions in postal account surpluses within the Civil Service Retirement System and the Federal Employees Retirement System. The latter, by Rep. Sam Graves (R-MO), is a "sense of the House" resolution in support of maintaining six-day mail delivery. It had 222 co-sponsors at last count.

However, the House seems headed toward consideration of H.R. 2309, and with that chamber set to resume business after the July 4 recess, the NALC was readying both a special field plan to rally overall opposition to H.R. 2309, as well as a targeted grassroots and media campaign to urge key representatives to vote "no" on the measure—and perhaps prevent it from reaching the House floor at all.

"We understand all too well what's at stake," Rolando said, "and we will use all of our resources to oppose H.R. 2309."

Even so, the president again reminded letter carriers about the long road that remains ahead for postal reform. "Once the House acts—assuming it does—a House-Senate conference committee would then need to come up with a compromise bill that both chambers would have to pass before it could go to the president for approval," he said. "That leaves us with plenty of work still to do."

Reaching the public

On June 13, President Rolando again took part in the annual Postal Vision 2020 conference in Washington. The conference serves as a forum for discussions about the future of postal communications and shipping, and what that future means to those who regulate, supply and use the mail. Besides Rolando, among the leaders featured at this year's conference were Postal Regulatory Chairman Ruth Goldway, Postal Service Inspector General David Williams, Postmaster General Patrick Donahoe, Association for Postal Commerce President Gene Del Polito and technology author Phil Simon.

"The USPS' universal last-mile network is becoming totally integrated with the logistics networks of the major private package delivery industry," Rolando told attendees. "This private-public integration makes sense in many ways, and it should be expanded—but none of it will be possible if we dismantle or degrade the Postal Service's networks, which the Senate bill will do gradually and the House bill would do quickly." Several reporters spoke with Rolando following his panel, and he was featured in a *Government Executive* article that discussed NALC's ideas for effective postal reform.

On June 9, Rolando's letter to the editor of *Barron's* responded to the magazine's May 26 editorial, which he noted overlooked pre-funding as the cause of the Postal Service's financial problems. "Operationally, the agency is coping well with a poor economy," he said. "In fiscal 2012's first quarter, the Postal Service announced a $200 million net profit delivering the mail—but a paper loss exceeding $3 billion because of pre-funding payments exceeding $3 billion."

His letter to the editor of *Politico* was published the previous day. "Degrading service—as in the current Senate and House bills—isn't a business plan," he wrote. "Instead, it's a path toward dismantling the unique network and driving customers away. Congress must do better."

On May 30, *The Philadelphia Inquirer* ran a story on its Philly.com website that described the Cities' Readiness Initiative, in which letter carriers voluntarily train to deliver medicines to residents in case of a biological terror attack. In noting that Philadelphia is among the handful of cities where the initiative has been tested so far, the paper lauded the program's importance to public health and safety, not to mention the constructive role of the union and the bravery of letter carriers.

"Congressman Issa's bill reflects the chairman's belief that the only way to save the Postal Service is to take it apart, brick by brick."

—NALC President Fredric Rolando

The same day, *The Vernal (UT) Express* ran a commentary piece from Julie Todich, vice president of the Utah State Association. Todich explained to readers the Postal Service's requirement to pre-fund future retiree health benefits and the effect that this unfair and burdensome mandate has had on USPS finances.

And on May 29, Region 12 National Business Agent William Lucini appeared on "The Rick Smith Show" on central Pennsylvania radio to discuss letter carriers' efforts to deal with the Postal Service's financial crisis. Lucini's presentation was so effective that Smith has asked him to return periodically to provide updates to the listening audience. ✉