

NALC disappointed, but determined, as Senate passes S. 1789



Top: NALC President Fredric Rolando explains to a delegation of Pennsylvania letter carriers why S. 1789 is a flawed bill.

Above: An advertisement NALC ran in Washington, DC-area publications, alerting senators and their staff to the problems with S. 1789.

On April 25, the U.S. Senate adopted the 21st Century Postal Service Act, the deeply flawed postal reform bill introduced last fall by Sens. Joe Lieberman (I-CT), Tom Carper (D-DE), Susan Collins (R-ME) and Scott Brown (R-MA).

Better known to letter carriers as S. 1789, the legislation passed the upper chamber by a vote of 62 to 37, just over the 60-vote supermajority required under Senate rules.

"This bill does nothing to advance a viable business strategy for the Postal Service," NALC President Fredric Rolando said. "Rather, it embraces a downsizing strategy for the USPS, and it fails to fully lift the onerous burden to pre-fund 75 years' worth of future retiree health benefits decades in advance—a burden no other government agency or private enterprise bears."

"If it were to become law," Rolando said, "it would be almost impossible to save Saturday mail delivery for the American people and their businesses."

The bill passed by the Senate gives Postmaster General Patrick Donahoe the authority to propose a switch to five-day delivery in just two years—at a cost of 80,000 postal jobs—if he believes that such a change is needed to preserve the "solvency" of the Postal Service. Such a determination would be subject to review by the Postal Regulatory Commission (PRC) and the Government Accountability Office (GAO).

While S. 1789 does call for slightly reducing the level of required pre-funding—which was set by the 2006 postal reform law at about \$5.5 billion through 2016—the cost of even a smaller payment plan is still far too heavy to allow the USPS to regain a sound financial footing, Rolando said.

"While the outcome was disappointing, this union and its members owe a great deal of thanks to the thousands of letter carriers who joined together to lobby the Senate in the days leading up to the vote," he said. "Following our Sunday

night national tele-town hall on April 22, letter carrier activists and allies flooded the senators' offices with tens of thousands of calls and other contacts."

Rolando noted that although these waves of calls ultimately were unsuccessful in striking from S. 1789 the five-day delivery provision or the bill's regressively unfair Federal Employees' Compensation Act (FECA) cuts, tens of thousands of letter carrier jobs were protected when the Senate adopted, on a voice vote, the door-to-door delivery amendment sponsored by Sen. Charles Schumer (D-NY).

Wheels in motion

Rolando reminded letter carriers, however, that this setback in the Senate is just the latest step in a legislative process that is far from over.

In the House, the NALC's top priorities—preserving six-day delivery and fixing the pension and health care funding provisions of the law—enjoy much bipartisan support. Indeed, a majority of representatives support both H. Res. 137 (regarding six-day service) and H.R. 1351 (regarding pension equity).

"The problem is, thanks to the power structure in the House, the only bill that right now has any chance of coming up for a vote in that chamber is H.R. 2309," Rolando said. "S. 1789 was a bad bill passed by a Senate with a labor-friendly majority, so you can imagine how bad H.R. 2309 must be."

The House's so-called "postal reform" bill, introduced last year by House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA), fails to address the real cause of USPS' financial problems and instead seems to reflect a belief that the only way to "save the Postal Service" is by dismantling it.

"H.R. 2309 does not address the pre-funding mandate," Rolando said. "And it does nothing to provide the USPS access to the \$50 billion to \$75 billion surpluses in the Postal Service's pension account in CSRS."

Instead, the House bill calls for what amounts to a hostile takeover of the USPS by setting up layers of bureaucracy, with a new board of unelected officials who would oversee the closure of thousands of post offices and other facilities. Another unelected commission would be empowered to seize control of all USPS' operations and assume the ability to nullify any existing collective-bargaining agreement and to "reject, modify or terminate" any clause of a labor contract, all in the name of cost savings.

Additionally, H.R. 2309 would force the Postal Service to slash its network costs by \$2 billion as recommended by these commissions, resulting in drastic cuts in mail delivery service—not to mention the elimination of tens of thousands of good middle-class jobs, nearly a quarter of which are held by military veterans. And unmasking Issa's anti-worker bias, the bill contains several provisions intended to cut the pay and benefits of postal employees—including mandating pay standards that right now are collectively bargained between workers and the USPS. In addition, H.R. 2309 draws from a familiar anti-labor talking point by calling for the institution of an arbitration procedure that favors management's priorities, thus rendering good-faith bargaining impossible.

An ongoing process

"The message we now need to convey to our representatives in the House is that S. 1789 is not the solution and that H.R. 2309 is an unfixable mess," Rolando said. "Congress must go back to the drawing board and come up with a postal reform measure that truly allows the USPS to develop a viable business plan that will allow it to thrive in the 21st century while maintaining essential, affordable and reliable service for the American people."

In December, Sen. Bernie Sanders (I-VT) and Rep. Peter DeFazio (D-OR) introduced in their respective chambers the Postal Service Protection Act (S. 1853 and H.R. 3591). Among the many items in the bills that the NALC fully supports is a call for the creation of a blue-ribbon commission composed of the owners of businesses large and small, innovators and thought-leaders, as well as representatives of letter carriers and other postal

and worker organizations, who would come together and brainstorm on how the Postal Service can capitalize on its unique, universal delivery network and offer new services.

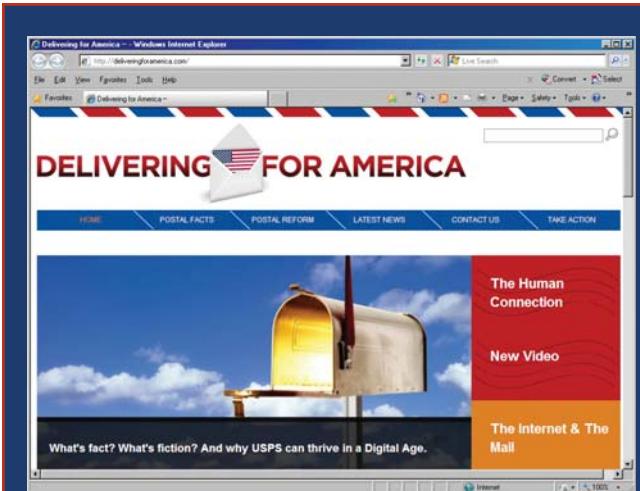
"Such a commission would give letter carriers a seat at the debate about the future of the Postal Service," Rolando said, "and would allow a coalition of like-minded people the opportunity to help Congress do what current postal management seems unable to do: Develop a business plan that emphasizes expanding service rather than cutting it for short-term, short-sighted and limited financial gains."

But no matter what happens on the road to postal reform, the president said, "the process still has a long way to go to get to the finish line." For now, the wait is on for the House to act; assuming it comes up with a measure, the next step would be formation of a conference committee not just to reconcile a House bill with the one passed by the Senate's, but also to come up with legislation President Obama would be willing to sign into law.

As this *Postal Record* was being prepared, Rolando was preparing to send an e-ACTivist Network message containing a link to a page on nalc.org that summarizes S. 1789, highlighting the many areas where the bill falls short of addressing the real issues facing the USPS or where it is downright damaging to the network and its employees. The page also provides talking points for letter carrier activists to use in their meetings with their Senate and House representatives.

Election with consequences

Of course, the elections, and the campaigns leading up to them, will have a tremendous impact on the conversation about postal reform.



DELIVERING FOR AMERICA

In April, the NALC launched a special website, DeliveringforAmerica.com, designed to help spread the word about postal reform. The site, geared toward the public, answers questions about current postal legislation and provides visitors with some tools to allow them to take action on postal reform.

"Until Congress adopts a plan to preserve the Postal Service and allow it to grow," NALC President Fredric Rolando said, "the public needs to understand just how dangerous it is for Congress to advance its existing 'reform' legislation, particularly when what's out there now will do nothing but hasten the Postal Service's decline."

"We created this special site to be a one-stop hub for information on postal reform," he said, "a resource that people can share with friends and family to help inform them about our issues."



R U ready 4 txts?

All the kids are sending text messages these days, and now your union is looking at doing it, too.

The NALC recognizes just how important it is to get word to you as quickly as possible about developments related to your pay, your benefits and your working conditions.

And now we're looking at going full-steam ahead on sending you alerts via text message, adding this 160-character, cell phone-based method of communication to an arsenal that includes the mail, the telephone, the web, e-mail and social media.

In the coming weeks, we plan to try out this medium by sending a test message to all the cell phone numbers we have in our membership files. This message will give you instructions on how to either stay in the system or opt out of it.

We know that some of our members have unlimited text plans while others pay per message. To accommodate both groups, we plan to limit our use of this text-message system to only the most urgent calls to action. But this channel will help ensure that we reach you when we need you to act.

You can use the sign-up form for the NALC e-Activist Network posted on nalc.org to make sure we have your cell phone number for this exciting new service.

"We've seen what can happen when anti-worker candidates assume office and, in the case of the House, assume power," Rolando said. "Too much is riding on the upcoming elections to allow us the luxury of standing on the sidelines, which is why dozens of letter carriers again will be released to work on the AFL-CIO's Labor 2012 campaign.

"The struggles over the last few years have shown us how important it is to have labor-friendly candidates in office," he said. "This fall, with the White House, the entire House of Representatives and a third of the Senate up for grabs, we all must do our level best to work to elect candidates who will truly represent our interests."

And those of us who are not released to work on campaigns have equally important roles to play, Rolando said.

"The reality is that money talks in Washington," he said. "Your contributions to COLCPE, our political action fund, can go a long way toward making sure that candidates for federal offices hear what we have to say about ensuring that the Postal Service has what it needs to remain strong and vibrant for generations to come."

The president also stressed the importance of participating in the Department of Legislative and Political Affairs' Carrier Corps 2012 campaign, and he encouraged all NALC members to sign up to receive the latest information and calls to action via the e-Activist Network. (And, for a look at how the NALC is planning to add text messaging to its information arsenal, at left.)

Looking at finances

On May 10, the USPS released its financial statement for the second quarter of the current fiscal year, covering January through March of 2012.

"In its report, the Postal Service stated, in effect, that \$3.05 billion of its \$3.18 billion in losses—96 percent—has nothing to do with mail delivery expenses, but rather results from the pre-funding mandate," President Rolando said. "This just confirms our view of the financial situation facing the USPS and how it can be fixed."

The report follows last quarter's financial statement by the Postal

Service, which also showed that in operational terms the Postal Service is doing quite well. In fact, last quarter there was a \$200 million operational profit delivering the mail, with pre-funding accounting for all of the losses.

"The Postal Service's own data shows that the first thing Congress needs to do is address this artificial political burden that is driving almost all of the red ink," Rolando said, pointing out that for the first half of this fiscal year, the USPS reports that pre-funding accounts for \$6.2 billion of the \$6.5 billion in red ink—a burden that Congress imposed and that Congress can fix.

The Postal Service's own figures and financial statement show that the major cause of the financial problems is not Internet competition. In fact, the USPS in the second quarter, as in the first, cited a sharp rise in the shipping of packages ordered online as contributing to the good operational performance.

"That bodes well for the future," Rolando said, "because that part of the business will continue to grow."

"If Congress will step up and fix the pre-funding problem it created, the USPS can focus on taking full advantage of this and other opportunities to better serve the public," he said.

In the media

President Rolando's letter to the editor of *USA Today* appeared in the paper's May 14 edition. Rolando said that an earlier editorial "discussing postal unions' views about postal reform" had the issue backward. "It stated, 'Postal unions insist that the core business is fine, and that the post office's troubles stem entirely from an onerous requirement that it pre-fund retiree health benefits.' On the contrary, we say the Postal Service has failed to develop a forward-looking business plan to meet the very real challenges it faces because it is spending so much effort and money on a [pre-funding] burden no other agency or company in the USA faces."

On May 12, the *Idaho Statesman* published President Rolando's letter to the editor, a response to the paper's April 10 editorial about the Postal Service's financial situation. "We appreciate your

Congressional visits

NALC members from the states of New York, Maryland and Pennsylvania traveled to Washington, DC, during April and May to lobby their congressional representatives about the need for meaningful postal reform.

interest in the U.S. Postal Service," he wrote, "but degrading services won't work. The USPS's red ink isn't caused by offering Americans the world's most efficient and affordable postal system. Eliminating Saturday delivery or slowing delivery times would drive people away and reduce revenue. Folks in your beautiful and expansive state have a stake in preserving this vital institution, and we hope Idaho's congressional delegation will help."

An April 26 op-ed in *The Charlotte Observer* by retired letter carrier Phillip Kridel of Charlotte, NC Branch 545, responded to a piece written a few days earlier by Sen. Richard Burr (R-NC). "Critics complain that labor costs make up a higher percentage of total USPS costs," Kridel wrote, "but the comparison is misleading. The USPS is a universal service provider of basic services... indeed, the Postal Service's last-mile delivery network is so efficient that the private companies rely on it to reach places they don't serve."

Taking to the airwaves, Region 6 National Business Agent Pat Carroll on April 24 was interviewed about postal issues on Doc Thompson's afternoon-drive program on Detroit radio station WXYT-AM 1270, while NALC Chief of Staff Jim Sauber was interviewed April 27 on the Sirius/XM "POTUS" channel program "Stand Up!"

The Nation's John Nichols discussed the debate leading up to the Senate's vote on S. 1789, in a blog post on April 18, and he quoted President Rolando: "Nothing is inevitable about the so-called decline of the U.S. Postal Service." The same day, the *Boston Globe* published NALC Region 14 National Business Agent John Casciano's remarks about the Postal Service's financial situation. "We think that eliminating Saturday delivery would be the beginning of a death spiral for the Postal Service," he said.

Casper, WY Branch 1681 President Rene Eberhardt's letter to the editor appeared in the April 15 edition of the *Casper Journal*, explaining how "saving the Postal Service can be done with zero cost to taxpayers" if Congress would fix the pre-funding problem it created.



Rep. Carolyn Maloney
(D-NY)



Rep. Michael Grimm
(R-NY)



Sen. Charles Schumer (D-NY)



Rep. Paul Tonko
(D-NY)



Rep. Brian Higgins
(D-NY)



Sen. Kirsten Gillibrand (D-NY)



Rep. Chris Gibson
(R-NY)



Rep. Eliot Engel
(D-NY)



Rep. Kathy Hochul
(D-NY)



Rep. Chaka Fattah
(D-PA)



Rep. Michael Fitzpatrick (R-PA)
Left: Rep.
Patrick
Meehan
(R-PA)



Sen. Bob Casey (D-PA)

Keeping tabs on how senators voted

Even with a labor-friendly majority in the Senate, a number of powerful senators tried to use the debate over S. 1789 to attack unions and working people by attempting to shoehorn into the debate some radical, right-wing amendments.

Sen. Rand Paul (R-KY) prohibiting postal employees from engaging in collective bargaining, plus a strictly partisan head-scratcher from Sen. Jim DeMint (R-SC) called for preventing

something called the “Postal Employees’ Union” from using dues to pay for union’s political activities—never mind that this is something already forbidden by federal law and is the reason the NALC maintains its strictly voluntary political action fund, COLCPE.

Meanwhile, a pro-postal amendment offered by Sen. Tom Udall (D-NM)—and ultimately rejected—called for preserving six-day mail delivery, and a pro-

worker amendment from Sen. Daniel Akaka (D-HI) that would have prevented deep cuts to federal employee workers’ compensation benefits was similarly rejected.

Below, for your information, are lists of senators who voted in favor of each of these four amendments. (Note: Sen. Mark Kirk (R-IL) remains away from the Senate while he recovers from a stroke he suffered in January and thus did not vote.) ☐

Udall Amendment

Max Baucus (D-MT)
Mark Begich (D-AK)
Michael Bennet (D-CO)
Richard Blumenthal (D-CT)
Barbara Boxer (D-CA)
Sherrod Brown (D-OH)
Maria Cantwell (D-WA)
Ben Cardin (D-MD)
Robert Casey (D-PA)
Christopher Coons (D-DE)
Richard Durbin (D-IL)
Al Franken (D-MN)
Kristen Gillibrand (D-NY)
Tom Harkin (D-IA)
Dean Heller (R-NV)
Daniel Inouye (D-HI)
Tim Johnson (D-SD)
John Kerry (D-MA)
Amy Klobuchar (D-MN)
Herb Kohl (D-WI)
Frank Lautenberg (D-NJ)
Patrick Leahy (D-VT)
Carl Levin (D-MI)
Joe Manchin (D-WV)
Claire McCaskill (D-MO)
Robert Menendez (D-NJ)
Jeff Merkley (D-OR)
Barbara Mikulski (D-MD)
Patty Murray (D-WA)
Bill Nelson (D-FL)
Benjamin Nelson (D-NE)
Jack Reed (D-RI)
Harry Reid (D-NV)
John Rockefeller (D-WV)
Bernard Sanders (I-VT)
Charles Schumer (D-NY)
Jeanne Shaheen (D-NH)
Olympia Snowe (R-ME)
Debbie Stabenow (D-MI)
Jon Tester (D-MT)
Tom Udall (D-NM)
Mark Udall (D-CO)
Sheldon Whitehouse (D-RI)
Ron Wyden (D-OR)

Akaka amendment

Daniel Akaka (D-HI)
Max Baucus (D-MT)
Mark Begich (D-AK)
Jeff Bingaman (D-NM)
Richard Blumenthal (D-CT)
Barbara Boxer (D-CA)
Sherrod Brown (D-OH)
Maria Cantwell (D-WA)
Ben Cardin (D-MD)
Robert Casey (D-PA)
Kent Conrad (D-ND)

Christopher Coons (D-DE)

Richard Durbin (D-IL)
Dianne Feinstein (D-CA)
Al Franken (D-MN)
Kristen Gillibrand (D-NY)
Tom Harkin (D-IA)
Dean Heller (R-NV)
Daniel Inouye (D-HI)
Tim Johnson (D-SD)
John Kerry (D-MA)
Amy Klobuchar (D-MN)
Herb Kohl (D-WI)
Frank Lautenberg (D-NJ)
Patrick Leahy (D-VT)
Carl Levin (D-MI)
Joe Manchin (D-WV)
Robert Menendez (D-NJ)
Jeff Merkley (D-OR)
Barbara Mikulski (D-MD)
Patty Murray (D-WA)
Bill Nelson (D-FL)
Benjamin Nelson (D-NE)
Mark Pryor (D-AR)
Jack Reed (D-RI)
Harry Reid (D-NV)
John Rockefeller (D-WV)
Bernard Sanders (I-VT)
Charles Schumer (D-NY)
Jeanne Shaheen (D-NH)
Olympia Snowe (R-ME)
Debbie Stabenow (D-MI)
Jon Tester (D-MT)
Tom Udall (D-NM)
Mark Udall (D-CO)
Sheldon Whitehouse (D-RI)
Ron Wyden (D-OR)

Paul amendment

John Barrasso (R-WY)
Richard Burr (R-NC)
Saxby Chambliss (R-GA)
Bob Corker (R-TN)
John Cornyn (R-TX)
Mike Crapo (R-ID)
Jon Tester (D-MT)
Tom Udall (D-NM)
Jim Webb (D-VA)
Sheldon Whitehouse (D-RI)
Ron Wyden (D-OR)

John Barrasso (R-WY)
Richard Burr (R-NC)
Saxby Chambliss (R-GA)
Bob Corker (R-TN)
John Cornyn (R-TX)
Mike Crapo (R-ID)
Jon Tester (D-MT)
Tom Udall (D-NM)
Jim Webb (D-VA)
Sheldon Whitehouse (D-RI)
Ron Wyden (D-OR)

DeMint amendment

Lamar Alexander (R-TN)
Kelly Ayotte (R-NH)
John Barrasso (R-WY)
Roy Blunt (R-MO)
John Boozman (R-AR)
Barbara Boxer (D-CA)
Sherrod Brown (D-OH)
Maria Cantwell (D-WA)
Ben Cardin (D-MD)
Thomas Carper (D-DE)
Robert Casey (D-PA)
Thad Cochran (R-MS)
Susan Collins (R-ME)
Kent Conrad (D-ND)
Christopher Coons (D-DE)
Richard Durbin (D-IL)
Dianne Feinstein (D-CA)
Al Franken (D-MN)
Kristen Gillibrand (D-NY)
Charles Grassley (R-IA)
Kay Hagan (D-NC)
John Hoeven (R-ND)
Tom Harkin (D-IA)
Daniel Inouye (D-HI)
Tim Johnson (D-SD)
John Kerry (D-MA)
Amy Klobuchar (D-MN)
Herb Kohl (D-WI)
Mary Landrieu (D-LA)
Frank Lautenberg (D-NJ)
Patrick Leahy (D-VT)
Carl Levin (D-MI)
Joseph Lieberman (I-CT)
Claire McCaskill (D-MO)
Jeff Merkley (D-OR)
Barbara Mikulski (D-MD)
Jerry Moran (R-KS)
Lisa Murkowski (R-AK)
Patty Murray (D-WA)
Bill Nelson (D-FL)
Benjamin Nelson (D-NE)
Mark Pryor (D-AR)
Jack Reed (D-RI)
Harry Reid (D-NV)
Pat Roberts (R-KS)
Bernard Sanders (I-VT)
Charles Schumer (D-NY)
Jeanne Shaheen (D-NH)
Olympia Snowe (R-ME)
Debbie Stabenow (D-MI)
Jon Tester (D-MT)
Tom Udall (D-NM)
Mark Udall (D-CO)
Mark Warner (D-VA)
Jim Webb (D-VA)
Sheldon Whitehouse (D-RI)
Roger Wicker (R-MS)

Final passage

Lamar Alexander (R-TN)
Max Baucus (D-MT)
Mark Begich (D-AK)
Michael Bennet (D-CO)
John Cornyn (R-TX)
Mike Crapo (R-ID)
Jon Tester (D-MT)
Orrin Hatch (R-UT)
James Inhofe (R-OK)
James Lankford (R-OK)
Mike Johanns (R-NE)
Ronald Johnson (R-WI)
Jon Kyl (R-AZ)
Mike Lee (R-UT)
John McCain (R-AZ)
Mitchell McConnell (R-KY)
Rand Paul (R-KY)
James Risch (R-ID)
Jeff Sessions (R-AL)
Richard Shelby (R-AL)

Lamar Alexander (R-TN)
Max Baucus (D-MT)
Mark Begich (D-AK)
Michael Bennet (D-CO)
John Cornyn (R-TX)
Mike Crapo (R-ID)
Jon Tester (D-MT)
Orrin Hatch (R-UT)
James Inhofe (R-OK)
James Lankford (R-OK)
Mike Johanns (R-NE)
Ronald Johnson (R-WI)
Jon Kyl (R-AZ)
Mike Lee (R-UT)
John McCain (R-AZ)
Mitchell McConnell (R-KY)
Rand Paul (R-KY)
James Risch (R-ID)
Jeff Sessions (R-AL)
Richard Shelby (R-AL)