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.

“We are raising some serious red flags about S. 1789. Don’t let Washington kill your Postal Service!”

Don’t let Washington kill your Postal Service!
Everyone loves the Postal Service for its service, dedication and pride. Everyone loves the Postal Service for its service, dedication and pride.

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We’re raising some serious red flags about S. 1789.

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Delivering for America We’re raising some serious red flags about S. 1789.

Don’t let Washington kill your Postal Service!
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Delivering for America
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.

DEVELOPING 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.”
“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
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.
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**
Christopher Coons (D-DE)
Richard Durbin (D-IL)
Dianne Feinstein (D-CA)
Al Franken (D-MN)
Kristen Gillibrand (D-NY)
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)
Bill Nelson (D-FL)
Benjamin Nelson (D-NE)
Mark Pryor (D-AR)
Jack Reed (D-RI)
Harry Reid (D-NV)
John Rockefeller (D-WV)
Benjamin Nelson (D-NE)
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)
Scott Brown (D-MA)
Richard Burr (R-NC)
Saxby Chambliss (R-GA)
Daniel Coats (R-IN)
Tom Coburn (R-OK)
Thad Cochran (R-MS)
Susan Collins (R-ME)
Bob Corker (R-TN)
John Cornyn (R-TX)
Mike Crapo (R-ID)
Jim DeMint (R-SC)
Michael Enzi (R-WY)
Lindsey Graham (R-SC)
Charles Grassley (R-IA)
Orrin Hatch (R-UT)
Dean Heller (R-NV)
John Hoeven (R-ND)
Ron Johnson (R-WI)
Jon Kyl (R-AZ)
Mike Lee (R-UT)
Richard Lugar (R-IN)
John McCain (R-AZ)
Amy Klobuchar (D-MN)
Herb Kohl (D-WI)
Mary Landrieu (D-LA)
Bob Corker (R-TN)
John Cornyn (R-TX)
Mike Crapo (R-ID)
De MInt (R-SD)
Jeff Thad Cochran (R-MS)
Susan Collins (R-ME)
Bill Nelson (D-FL)
Benjamin Nelson (D-NE)
Kent Conrad (D-ND)
Michael Enzi (R-WY)
Olympia Snowe (R-ME)
Olympia Snowe (R-ME)
Goodman (R-SD)
Richard Blumenthal (D-CT)
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)
Jeff Sessions (R-AL)
John Thune (R-SD)
Patrick Toomey (R-PA)
David Vitter (R-LA)

**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)
Sherron Brown (D-OH)
Maria Cantwell (D-WA)
Ben Cardin (D-MD)
Robert Casey (D-PA)
Kent Conrad (D-ND)

Jeff Bingaman (D-NM)
Harry Reid (D-NV)
Nelson (D-FL)
Benjamin Nelson (D-NE)
Kent Conrad (D-ND)
Christopher Coons (D-DE)
Dianne Feinstein (D-CA)
Al Franken (D-MN)
Kristen Gillibrand (D-NY)
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)
Debbie Stabenow (D-MI)
Jon Tester (D-MT)
Tom Udall (D-NM)
Jim Webb (D-VA)
Sheldon Whitehouse (D-RI)
Ron Wyden (D-OR)

John Thune (R-SD)
Patrick Toomey (R-PA)
David Vitter (R-LA)

**Final passage**
Lamar Alexander (R-TN)
Max Baucus (D-MT)
Mark Begich (D-AK)
Michael Bennet (D-CO)
Jeff Bingaman (D-NM)
Harry Reid (D-NV)
Bill Nelson (D-FL)
Benjamin Nelson (D-NE)
Kent Conrad (D-ND)
Christopher Coons (D-DE)
Dianne Feinstein (D-CA)
Al Franken (D-MN)
Kristen Gillibrand (D-NY)
Dean Heller (R-NV)
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Richard Lugar (R-IN)
John McCain (R-AZ)
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Richard Lugar (R-IN)
John McCain (R-AZ)
Mitchell McConnell (R-KY)
Jerry Moran (R-KS)
Lisa Murkowski (R-AK)
Rand Paul (R-KY)
Rob Portman (R-OH)
James Risch (R-ID)
Pat Roberts (R-KS)
Marco Rubio (R-FL)
Jeff Sessions (R-AL)
Richard Shelby (R-AL)
Lamar Alexander (R-TN)
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Ron Wyden (D-OR)