

PMG retirement, financial results keep carriers busy after midterms

With the Nov. 4 midterm elections now a memory, these weeks between Election Day and the swearing in of the 114th Congress in January provide letter carriers an opportunity to reflect on how our supported candidates and issues fared at ballot boxes across the country.

“While the results of the election might not be the ones we hoped for,” NALC President Fredric Rolando said, “it is important that all letter carriers—active and retired, full-time and part-time—understand how strong this union’s resolve is in protecting our brothers and sisters.”

Come January, Republicans will hold the majority in the Senate and will have an even stronger hold on the House of Representatives. But Rolando stressed that the issues letter carriers hold dear and the ideologies we battle are not party-specific.

“Protecting six-day mail delivery, addressing the onerous pre-funding man-

date, preserving existing service standards and continuing to innovate and grow by using the Postal Service’s valuable infrastructure and networks—none of these things are necessarily partisan-based,” he said. “Nor should we be.

“We have faced threats to all of those things before, regardless of which party controlled Capitol Hill or the White House,” the president said.

“As always, letter carriers will roll with those changes,” Rolando said. “But what will not change is our resolve to continue engaging and educating Republicans and Democrats alike on issues of importance to letter carriers, just as we always have.

“We have a duty to continue building alliances with the men and women on both sides of the aisle,” he said, “and to use our unparalleled network of activists to proactively find champions for our causes.”

Rolando thanked the active and retired NALC members who took some

form of get-out-the-vote action before and on Nov. 4. “Whether it was knocking on doors or making phone calls in the weeks leading up to Election Day, generously contributing to your political action fund, or simply exercising your right to vote,” the president said, “the efforts of letter carriers testified to the dedication and solidarity that make this union so strong.”

Rolando said that our continued hard work will be

vitally important as we move forward. “Ensuring the Postal Service’s viability and future hinges on what we do in the months ahead,” he said. “We must keep educating all members of Congress about the invaluable services we provide and about our importance to every community in America.

“We have not lost the opportunity to shape policy in a unified manner,” the president said, “and we will continue to do so devoid of political bias.”

Rolando urged all NALC members to stay in regular contact with their representatives, to remain informed via the e-Activist Network, and to contribute to the union’s political action fund, the Committee on Letter Carrier Political Education (COLCPE).

“These remain the best ways for all of us to protect our employer, our jobs and our standard of living as proud members of the NALC,” he said.

A tilt to the right

With the shift in the balance of power on Capitol Hill, there will be changes in the leadership of the committees that have Postal Service oversight, although committee leaders were scheduled to be decided after this issue of *The Postal Record* was prepared.

It’s worth noting that in the House of Representatives, Rep. Darrell Issa’s (R-CA) tenure as the chairman of the House Oversight and Government Reform Committee is ending. At press time, Rep. Jason Chaffetz (R-UT) appeared to be the frontrunner for the position, although Jim Jordan (R-OH), John Mica (R-FL) and Michael Turner (R-OH) were rumored to be candidates for committee chairman as well.

In the Senate, Sen. Tom Carper (D-DE) will become the ranking member of the Senate Homeland Security

Left: Two NALC members attended a rally for Sen. Mary Landrieu (D-LA).

Below: Carriers and volunteers worked to turn out the vote in Colorado.



and Government Affairs Committee. The current ranking member, Sen. Tom Coburn (R-OK), is retiring from the Senate at the end of this term. Committee member Sen. Ron Johnson (R-WI) is expected to be elected committee chairman when the 114th Congress begins work in January.

In an alarming bit of foreshadowing, Johnson told *Federal Times* after the November elections that the Postal Service should be put through a bankruptcy process to shed what he says are costly union contracts, while admitting that making that happen would be a long shot. Johnson also said he doesn't believe USPS should be tied to Saturday letter delivery.

Low turnout, no mandate

By all accounts, this year's voter turnout was disappointing: Only 38 percent of eligible voters showed up at the polls. A *New York Times* editorial analyzed these results and found that this low voter turnout proved to be a key factor in the election outcomes. In 43 states, the *Times* reported, voter turnout was less than 50 percent, and no state had a turnout of more than 60 percent. Overall national turnout was 36.3 percent, the *Times* said, noting that "only the 1942 federal election had a lower participation rate at 33.9 percent."

There was at least one useful lesson from the 2014 midterms, the *Times* said: "When voting is made easier, more people vote."

Letter carriers know well that one of the easiest means for voting is by mail-in ballot, so perhaps it was no accident that Colorado, which for the first time used mailed-in balloting statewide, had the nation's fourth-highest voter turnout. Turnout was the fifth-highest in Oregon, which has had vote-by-mail



Above: Philadelphia Branch 157's Clay Smith instructed other union members on how to canvass voters.

Right: NALC President Fredric Rolando visited the carrier volunteers working in Alaska.



for years now. Only one other state—Washington—has mail-in balloting statewide.

A few positive points

The overall results of Election Day might have seemed bleak for letter carriers and workers in general, but there were a few bright spots that showed up where voters had a chance to express their policy views through ballots directly, rather than through the filter of candidates.

According to a Hart Research poll commissioned by the AFL-CIO, many voters heavily support working-family issues. For example, 61 percent of voters favor an increase in Social Security benefits, while only 27 percent of voters support raising the Social Security retirement age and a mere 18 percent favor raising the Medicare eligibility age.

The Hart poll found that, across the country, 62 percent of voters also

support raising the federal minimum wage. At the state and local levels, initiatives to raise the minimum wage appear to be gaining momentum, with voters approving such increases in Alaska, Arkansas, Illinois, Nebraska and South Dakota, as well as in Oakland and San Francisco, CA.

In Anchorage, AK, voters defeated AO-37, an initiative that would have introduced so-called "right to work" measures in the city and prevented collective bargaining for city employees.

Meanwhile, voters in Oregon approved an equal pay measure, while in Massachusetts, a measure calling for up to 40 hours a year of paid sick leave for employees was approved. Paid sick leave measures also passed



“Stop Delaying America’s Mail” rallies in New York City (above) and Pasadena, CA (left)

would practically eliminate overnight mail delivery—even from one address to another within the same city or town.

At scores of locations across the country, active

and retired NALC members on Nov. 14 joined their sisters and brothers in the American Postal Workers Union, National Postal Mail Handlers Union and National Rural Letter Carriers’ Association, holding signs and wearing T-shirts to rally public sentiment against proposed cuts in mail delivery service.

“It makes no sense to degrade service and slow the mail, whether by ending Saturday delivery, stopping door-to-door delivery, closing processing plants or cutting post office hours, when the postal networks are profitable,” Rolando said. “Not only would these changes hurt the public and small businesses, they would destroy USPS itself by driving mail and revenue away.”

The Nov. 14 day of action was timed to coincide with the Postal Service’s release of its financial report for Fiscal Year 2014, which ended on Sept. 30. Speaking at one such rally outside Postal Service Headquarters in Washington, DC, following the Board of Governors meeting that morning, NALC Director of City Delivery Brian Renfro told the gathering that the downsizing strategy espoused by the board—and by too many members of Congress—is a doomed one.

“Building and strengthening our retail, processing and delivery networks to serve the emerging needs of our economy is what we need to do instead,” Renfro said. “If we stand together with the American people, and if we rally those citizens to protect the Post Office they love, we cannot lose.”

Sen. Jon Tester (D-MT) and Del. Eleanor Holmes Norton (D-DC) were among the speakers at the L’Enfant Plaza rally, along with American Postal Workers Union President Mark Dimondstein, National Postal Mail Handlers Union President John Hegarty, National Rural Letter Carriers’ Association President Jeanette Dwyer and American Federation of Government Employees President J. David Cox.

in Oakland, CA, and in Montclair and Trenton, NJ.

‘Stop delaying America’s mail’

On Nov. 14, members of the NALC joined with the three other postal unions for a national day of action to tell Postmaster General Patrick Donahoe and the USPS Board of Governors: “Stop delaying America’s mail.”

“The Postal Service is set to make severe cuts in mail delivery service that, if implemented, would cause hardships for customers, drive away business, and cause incalculable harm to its reputation,” President Rolando said.

In January, USPS plans to close or consolidate operations at 82 mail processing and distribution centers throughout the country. Such a move

Crunching the numbers

On Nov. 14, USPS Chief Operating Officer Tom Corbett announced in a conference call with reporters that the Postal Service made an operating profit of \$1.4 billion for Fiscal Year 2014, but had red ink of \$5.5 billion due to the 2006 congressional mandate to massively pre-fund future retiree health benefits—a mandate placed on no other agency or company in the country.

“This ongoing improvement in postal finances announced by the Postal Service—which doesn’t get a dime of taxpayer money—should reinforce to all Americans that the world’s most affordable delivery service remains strong and profitable,” President Rolando said, “and that improving postal finances are part of a long-term trend.”

But as usual, Rolando said, Corbett and Donahoe hyped the bad news in the report and buried the good, all in pursuit of USPS’ legislative agenda.

In fact, first-class and standard mail revenue combined showed the slowest decline in volume since before the Great Recession of 2009, while revenue from package deliveries showed its highest recorded annual increase—9.1 percent—spurred by continued increases in online shopping.

Complicating the news media’s coverage of this year’s financial results was the required annual rate adjustment for workers’ compensation. “Some years, this adjustment helps the Postal Service’s balance sheet; other years—such as this one—it hurts it,” Rolando said.

Nevertheless, Rolando said, this particular calculation is simply a paper adjustment related to projections of future interest rates in the broader economy.

“We renew our calls on Congress to reject measures that would cut service

and instead focus on the real cause of the crisis: the 2006 pre-funding mandate,” he said.

In the news media

President Rolando’s letter to the editor of *The Washington Post* ran on Saturday, Nov. 15. Three days earlier, the paper had run a misleading editorial that claimed “technological obsolescence and accumulated inefficiencies” have caused the Postal Service’s red ink. The president pointed out that USPS is operationally profitable and that the Internet is a net-positive for the agency thanks to online shopping for goods that get delivered.

On Nov. 12, *The Huffington Post* quoted Rolando in a story about

the Postal Service’s proposed plant closings. “With the Postal Service operating at a profit,” he said, “degrading service by closing processing plants and slowing the mail makes absolutely no sense. “It would hurt Americans and their businesses, eliminate overnight mail, cost jobs—and it would be destructive for USPS as well, because it would drive away mail and revenue.”

President Rolando also was quoted in a Nov. 4 article in *The Hill* about NALC’s legislative push for positive postal reform legislation. “This is about groups of people united on one thing, to stabilize a critical American institution,” he said. “We’re willing to discuss anything that makes sense.”

Meanwhile, Idaho State President **John Paige** has continued his work in spreading the truth about the Postal Service throughout the Gem State. Paige’s letter to the editor of the *Coeur D’Alene Press* ran on Oct. 22; a separate



Sen. Jon Tester (D-MT) and NALC Director of City Delivery Brian Renfroe (right) were two of the speakers at the event outside of USPS Headquarters in Washington, DC.





The scene in Madison, WI

letter to the editor of the *Idaho Statesman* ran on Oct. 26.

Paige was quoted in Nov. 7 news stories about the planned closure of a mail processing plant in Pocatello—in print in the *Idaho State Journal* as well as on-camera for NBC affiliate KPVI-TV.

The release on Nov. 14 of the Postal Service's financial report—combined with Donahoe's retirement announcement—brought about some fairly extensive coverage by the news media, with President Rolando quoted or paraphrased frequently about both of these items and often effectively linking them.

Continuing its improved and more comprehensive coverage of postal issues, *The Wall Street Journal's* story led with Donahoe's retirement news but reflected the good financial news. It also quoted President Rolando at length.

Government Executive had a good story that highlighted the brighter side of the Postal Service's financial progress and quoted Rolando first: "Today's annual USPS financial report reinforces the point that the postal networks are thriving. Dismantling the networks is precisely the wrong thing to do."

The Hill's wide-ranging story addressed future legislative prospects for the Postal Service, first quoting Rolando and then Reps. Darrell Issa (R-CA) and Gerry Connolly (D-VA). The piece also noted how opposition to elimination of Saturday mail delivery is bipartisan.

A *Washington Post* story also included a quote from Rolando and adequately reported on the Postal Service's financial picture.

The Associated Press story, which included a quote from Rolando on Donahoe's retirement as well as a good analysis of postal finances, was carried in publications across the country. **PR**

PMG Donahoe to retire in February; COO/EVP Brennan named as successor

Postmaster General Patrick R. Donahoe announced on Nov. 14 that he is retiring from the U.S. Postal Service, effective in February.

A 39-year veteran of the USPS, Donahoe has served as the agency's 73rd postmaster general since January of 2011.

Donahoe's announcement came during a board of governors meeting in Washington, DC, during which the agency's financial report for Fiscal Year 2014 was released (see page 7). The board named USPS Chief Operating Officer and Executive Vice President Megan J. Brennan to replace Donahoe.

"We wish Pat well in the future," NALC President Fredric Rolando said in a statement, "and we congratulate his replacement, Megan Brennan. We look forward to working with her."

"We hope that in addition to a new name," Rolando said, "this change also will bring a vision for the future that will enable the Postal Service to continue to adapt and to serve Americans and their businesses."

Donahoe started his postal career in 1975 as a clerk in his home town of Pittsburgh. He later transitioned to management and steadily moved up within the agency's hierarchy, holding a number of upper-level positions in postal operations and human resources.

In 2001, Donahoe was put in charge of mail operations; four years later, he was named deputy postmaster general and chief operating officer.

Brennan, a former NALC member, joined the Postal Service in 1986 as a letter carrier in Lancaster, PA. From there, she began a career in management, starting as a delivery and collection supervisor. She later served as district manager in Springfield, MA, and as plant manager for the Lehigh Valley and Reading, PA, processing and distribution facilities.

Brennan became vice president of Northeast Area operations in 2005, and later was named vice president of Eastern Area operations.

At Postal Service Headquarters, Brennan has previously held the title of manager of field support and integration. In De-

cember of 2010, she was named USPS chief operating officer and executive vice president, reporting directly to Donahoe.

When she takes over the Postal Service reins in February, Brennan will become the agency's first female leader.

Brennan is a graduate of Immaculata College in Pennsylvania, and she holds a master's degree in business administration from the Massachusetts Institute of Technology. **PR**



Patrick Donahoe



Megan Brennan