

Does the new PMG see the glass as half-full?



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You can't judge a new CEO on the basis of only one week on the job. That would be like judging a book based on its opening chapter or the color of its cover. But I was encouraged by the performance of Megan Brennan during her first week on the job as the 74th postmaster general of the United States—at least in comparison with her predecessor. Three things stand out.

First, she posted a letter to all postal employees on the USPS website that set a very positive tone—focusing on themes that will unite us: innovation, growth and working together to overcome the challenges we face.

Second, she immediately met with each of the presidents of the Postal Service's four employee unions. Doing so shows respect for the craft employees who make the Postal Service what it is every day, an amazing public service and an invaluable part of the nation's economic infrastructure. My first conversation with her was very constructive and useful; I look forward to many more like it.

And third, she shifted—in a subtle but significant way—the manner in which the Postal Service communicates with the media and the public about our financial performance, again accentuating the positive. I want to focus on this last step the most because I think it is essential for achieving the kind of postal reform legislation that will strengthen the Postal Service, not dismantle it.

A year ago in this space (the March 2014 issue of *The Postal Record*), I called the way the Postal Service was communicating its quarterly reports “financial malpractice.” That's because its press releases routinely highlighted the negative and buried the good news. The opening lines of its press release for the first fiscal quarter of last year was typical: “The U.S. Postal Service ended the first quarter of its 2014 fiscal year with a net loss of \$354 million. This marks the 19th of the last 21 quarters that it has sustained a loss.” Never mentioned in that release was the cost of the Postal Service's grossly unfair mandate to pre-fund future retiree health benefits, which was responsible for the entire loss. Also not mentioned was the Postal Service's operating profit (“controllable profit/loss”) of \$754 million.

The press briefing that followed the release was even worse. The first slide featured a grossly misleading portrayal of the Postal Service's balance sheet—highlighting an allegedly huge gap between the agency's assets and liabilities. (See page 12 of this issue to read about a new report on the Postal Service's assets and liabilities, by the USPS Office of Inspector General, that offers a more accurate picture of the Postal Service's balance sheet.) The clear message was: the Postal Service was failing at best and a financial basket case at worst.

Why all the doom and gloom before now? The headline of the press release for that quarter provided the answer: “U.S. Postal Service Records Loss of \$354 Million in First Quarter, Underscoring Need for Comprehensive Legislation.” The former PMG wrongly believed that the best way to get Congress to enact postal reform was to “yell fire in crowded theater.” This panic-creating approach never worked to convince lawmakers to enact the changes he wanted.

That's why it is so refreshing to see the new PMG portray the first-quarter results for FY 2015 more accurately. She didn't bury the impact of pre-funding, but she put it in proper perspective—it's a problem that must be solved by Congress to help the Postal Service build on its strong recovery. Indeed, the title of the press release this year says it all: “U.S. Postal Service Delivers on ‘Our Season.’” The release highlighted a 4.3 percent increase in revenue, a 3.5 percent increase in Standard Mail volume and a 12.8 percent increase in package volume along with the overall net loss figure.

During the press briefing, the agency's chief financial officer managed to acknowledge that the USPS had a “fantastic” quarter—a fair characterization of a \$1.1 billion operating profit.

This shift in focus is crucially important. Congress, the mailing industry, postal employees and the public all need to know that the Postal Service is not a lost cause, that its future can be bright with the right kind of reform. We don't need to dismantle the Postal Service; we need to invest in its future, which was another positive theme in the new PMG's letter to postal employees. So all in all, it was a good opening week for the new boss.

Of course, we know that we will have disagreements with PMG Brennan in the future; it is the nature of a collective bargaining relationship. But as I told her, if she is willing to negotiate in good faith to reward career carriers and CCAs alike for our hard work, NALC will reciprocate and seek to creatively solve problems at the bargaining table and on Capitol Hill.

If we can both do that, the glass will be more than half-full.