

# White House attacks postal workers, carries UPS water



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**I**magine reading a book about the 2016 presidential election and discovering that it barely mentions President Trump. You'd quickly conclude that it's not a very useful book. You'd reach the same conclusion about a government report on the financial viability of the Postal Service that barely mentions the retiree health pre-funding mandate—which is precisely what the White House task force report on the Postal Service does.

Given that the pre-funding mandate accounts for nearly 90 percent of the Postal Service's losses since it went into effect in 2007, this "oversight" is extraordinary. The report also fails to mention the 2016 rollback in postage rates—the repeal of the 4.3 percent exit-

gent rate increase—in its description of the financial challenges facing the USPS, even though this rollback costs the Postal Service \$2 billion in lost revenue annually. Absent the pre-funding mandate and the price rollback, the USPS would be profitable today.

The task force report, "United States Postal Service: A Sustainable Path Forward," was issued on Dec. 4. Rather than grapple with the real issues facing the Postal Service, the task force—chaired by Treasury Secretary Steve Mnuchin—wrongly concluded that the Postal Service's current business model (affordable universal service financed by a regulated monopoly) is unsustainable. It went on to unleash a broad-based attack on letter carriers and other postal workers, called for massive service cuts and openly advocated for the commercial interests of the Postal Service's private-sector competitors.

The report is perhaps the most radically anti-union and anti-postal worker report ever issued by the federal government. It proposes repealing the collective-bargaining rights of postal workers—eliminating NALC's right to directly negotiate pay and benefits that was won in 1970—and exposing us to the political whims of Congress with the return of "collective begging." It calls for gutting the Federal Employees Retirement System (FERS) by eliminating the FERS Basic Annuity and turning the program into a lower-value defined contribution plan. It urges the Postal Service to contract out postal worker jobs. And it suggests massive cuts to workers' compensation benefits provided by the Federal Employees' Compensation Act (FECA).

**But the report doesn't stop there. It targets tens of thousands of letter carrier jobs and the interests of the nation's households and businesses by calling for massive service cuts—by propos-**

ing to give the USPS the unilateral right to reduce the frequency of delivery (from six to five, four or even three days of delivery) and roll back door delivery at will. Indeed, it even proposes to redefine the Postal Service's Universal Service Obligation (USO) to a limited number of products (personal correspondence in rural areas, government mail, etc.) that the private sector would not provide on its own. In fact, its proposal for defining the USO based on the purpose of letters (covering personal communications but excluding commercial mail) instead of the physical attributes of mail is totally unworkable.

These proposals are not just direct attacks on postal employees and the American people we serve; these and other recommendations are designed to advance the commercial interests of private companies that compete with the Postal Service. The goal of United Parcel Service (UPS) is a down-sized and weakened Postal Service. And the White House task force fully embraces this agenda, calling for the Postal Service to issue separate financial statements and balance sheets for its market-dominant and competitive services and for adopting UPS's proposals on pricing and cost allocation—proposals that have been repeatedly rejected by the Postal Regulatory Commission (PRC) as harmful to the Postal Service and the American public. Worse, creating a separate division for competitive products is surely the first step in forcing the Postal Service out of the package delivery business. A more destructive policy for American consumers and American society is hard to imagine.

**As I made clear in our initial public statement on the White House report, we were pleased with two aspects of the report.** First, the task force backed off of the Office of Management and Budget's plan (announced in June 2018) to restructure the Postal Service to privatize it. Second, the task force embraced one of our ideas for reducing the burden of pre-funding by adopting a "vested liability" target for pre-funding (see my President's Message in the May 2018 *Postal Record*). But these victories are cold comfort and do not outweigh the overall disappointing character of the report.

Nearly all of the recommendations contained in the report can be implemented only by Congress or the PRC. Given the strength of our activism, we are well positioned to resist their destructive intent—especially after our success in November in electing pro-letter carrier candidates from both parties. The arrival of this report should serve as a reminder of why it is so important for NALC to remain fully engaged in politics and public policy. Our jobs, our standard of living and the future of America's Postal Service depend on it.

Our team in Washington is poring over the report and we will produce a comprehensive analysis and rebuttal before the new Congress or the PRC takes up any of the report's recommendations. With your help, NALC will do what it has always done—we will fight to protect the interests of letter carriers and to defend affordable universal service for the American people.