USPS on the radar as Congress resumes work in Washington

Congress' winter break was set to end just after this edition of *The Postal Record* was going to press, and the second session of the 122nd Congress promises to have a lot on the agenda, including a wide variety of bills filed under a "postal reform" label.

"These bills will probably come fast and furious," NALC President Fredric Rolando said, "so we'll be relying on every active and retired letter carrier to stay on top of the latest developments and to be ready to quickly contact their representatives."

Up for consideration

Few of the measures that are expected to come up for congressional consideration truly address the core of the Postal Service's financial problems: the 2006 mandate that the USPS spend about $5.5 billion a year to pre-fund its future retiree health benefits, something no other government agency or private enterprise is required to do.

Without this onerous requirement, the Postal Service would have recognized a profit of almost $611 million over fiscal years 2007 to 2010.

In the Senate, the postal-focused measure that's getting most of the attention is S. 1789, a bipartisan bill introduced in November by Sen. Tom Carper (D-DE). The bill pulls together many elements of earlier Senate proposals, but it leaves out language calling for the return of an estimated $50 billion to $75 billion surplus in the USPS' retirement account under the Civil Service Retirement System, a surplus confirmed by two separate independent accounting firm audits commissioned by the USPS' Inspector General and the Postal Regulatory Commission.

Perhaps worse, S. 1789 stops short of calling for repeal of the pre-funding requirement, relying instead on a call for reducing it. And it includes highly unfortunate language that allows for the reduction of mail delivery days by 2014.

"Because Senator Carper is the chairman of the committee that oversees the Postal Service," President Rolando said, "his bill is in the spotlight. Fortunately for us, though, it's not the only one before the Senate. Our friend from Vermont, Senator Bernie Sanders, has introduced his own bill, S. 1853, which truly addresses all of our legislative priorities."

Included in S. 1853 are provisions to retain six-day mail delivery and door-to-door mail service, to overturn the pre-funding requirement and to refund the CSRS overpayments.

"Once the Senate starts to figure out what real postal reform should look like, we expect that pieces of a true reform measure will come from the various bills that have been introduced—including Senator Carper's and Senator Sanders'," Rolando said. "It will be up to us to let our senators know where the path to true postal reform lies."

Meanwhile in the House, Rep. Peter DeFazio (D-OR) introduced a bill that mirrors the language in S. 1853. Unfortunately, DeFazio's measure also faces obstacles.

"The chairman of the House Oversight and Government Reform Committee Chairman is California's Darrell Issa," Rolando said, "a man who—to put it mildly—has shown little interest in reaching across the aisle to find real solutions to the Postal Service's problems."

Issa has introduced his own bill—H.R. 2309—that, like S. 1789, ignores the pre-funding issue. Worse, his bill would abrogate postal collective-bargaining agreements, end door-to-door mail delivery service for most American households and businesses, and end Saturday mail delivery.

Passage of either bill would not just hurt customers or destroy nearly 80,000 postal jobs, Rolando said. "They also threaten the $1.3 trillion mailing industry and the 7.5 million private-sector jobs that depend on it," he said.

"With the crowded legislative calendar, there's no telling when either the House or Senate bill might come up for votes," Rolando said. "That's just one more reason why all NALC members need to stay informed, every single day."

Pre-funding payment postponed

Just as 2011 was coming to a close, Congress managed to pass an omnibus spending bill designed to keep the federal government operating through this coming September.

Of note for letter carriers were provisions attached to the measure that shift the deadline for the Postal Service's 2011 pre-funding payment to August, and language that keeps the Postal Service delivering mail six days a week. President Barack Obama signed the spending bill into law on Dec. 23.

"We applaud Congress for acting swiftly, for avoiding partisan bickering and for not shutting down the government," NALC President Fredric Rolando said. "And we are encouraged that Congress took wise steps toward preventing a financial catastrophe for the USPS."

No. 1 in the world

A review of the performance of the world's universal postal service providers found that the USPS has the best overall ranking among operators in the G20 group of the world's wealthiest nations.

The study by Oxford Strategic Consulting (OSC) found that despite increasing competition from digital communications, postal services retain a key role in societies across the globe, and that the expansion of e-commerce means there is an even greater need for postal services to be fast, efficient and reliable.

"For more than 200 years, letter carriers have embraced advances in communications technology," President Rolando said. "But it can only improve so much—someone still has to actually deliver the goods. And who better to do that than the letter carriers who already visit every household and business address in the country six days a week?"

The USPS topped the ranking due to its high operating efficiency and the American public's faith in its performance. The OSC report also found that the Postal Service delivers more than five times more letters per full-time delivery employee than Germany's privatized provider, Deutsche Post, which ranked No. 5 overall.

"People tend to think the Internet has made the postman redundant," said the report's author, OSC Director William Scott-Jackson. "But postal services provide the backbone for e-commerce deliveries."

The report also found that, for many rural customers, mail is the only viable way to receive or send goods and to engage in e-commerce.

The full report is available for download at oxfordstrategicconsulting.com.

The cost of slower mail

In December, the Postal Service agreed to a request by almost two dozen senators to hold off until May its plans to close postal facilities and to slow first-class mail delivery. But if the USPS ultimately goes through with its plan, a recent study by Miami-based research firm REL Consulting suggests that taking away next-day delivery of first-class mail could cost the typical large company up to $100 million a year, because it would take longer for customer payments to reach such companies.

A typical company takes more than five weeks to collect from customers, REL found. The firm also estimates that more than 60 percent of all invoices are delivered by first-class mail, and 40 percent of that is delivered the next day. REL ran the numbers and concluded that eliminating next-day first-class mail delivery could add at least two to four days to the collections cycle, and that extending the number of days a bill is outstanding could cost large companies millions.

"This latest study adds weight to the idea that you can't cut your way to prosperity," President Rolando said. "Instead of looking for ways to cut services, the Postal Service needs to get creative in finding channels where its business can grow."

In the news

On Dec. 29, President Rolando contributed an op-ed to *The Orange County Register,* one of California's largest newspapers and one of the top regional papers in the country. It rebutted Rep. Darrell Issa's Dec. 20 misleading commentary piece stating a taxpayer bailout of the Postal Service is "inevitable."

Rolando's "taking exception" letter ran Dec. 16 in *The Washington Post.* It rebutted a George Will op-ed column on Nov. 27 that called for privatization of the USPS, as well as a Dec. 6 story in the *Post* that ignored the key reasons for the financial crisis facing the Postal Service, such as the pre-funding mandate.

In a letter published Dec. 19, Rolando praised the Norfolk, VA *Virginian-Pilot's* Dec. 8 knowledgeable editorial about USPS' financial problems. "What a pleasure to read an editorial about the U.S. Postal Service that shows knowledge of the subject," he wrote, "instead of parroting misleading conventional wisdom like so many Washington-area media outlets."

Also on Dec. 19, a letter by Region 14 National Business Agent John Casciano to the editor of *The Boston Globe* was published. Casciano was writing in response to a Dec. 11 *Globe* column by Jeff Jacoby contending that a lack of competition is what is hurting the Postal Service.

Meanwhile, a letter by Massachusetts Northeast Merged Branch 25 President Dave Barbuzzi to the editor of the *Boston Herald* was published Dec. 21. Barbuzzi was writing in response to a Dec. 10 *Herald* op-ed that suggested reduced services, layoffs and bailouts were needed to save the USPS.

On Dec. 14, President Rolando was a guest on the California public radio program "Background Briefing with Ian Masters." Rolando discussed the irony that Congress created the Postal Service's financial problems by imposing the burdensome mandate to massively pre-fund the health benefits of future retirees—and that now some in Congress are calling for addressing the financial crisis at the USPS while ignoring the pre-funding issue.

Local activists kept up the effort, too. For example, Lawrence, MA Branch 212's Kevin Poe's letter to the editor of the Lawrence *Eagle-Tribune* ran Jan. 8. In it, he touched on the pre-funding mandate and the surpluses in the USPS' CSRS and FERS retirement accounts. ✉