



The 113th Congress: Starting over on postal reform

As this edition of *The Postal Record* was being prepared, a few days still remained on the 2012 legislative calendar. That left a lingering last chance for the lame-duck 112th Congress to take up some measure of postal reform before the legislative calendar came to a close.

In fact, just after the previous magazine was completed, Sen. Joseph Lieberman (I-CT), the retiring chairman of the Homeland Security and Government Affairs Committee, held a bipartisan meeting of House and Senate leaders to discuss an alarming idea: to allow the U.S. Postal Service to end Saturday mail delivery service but retain package delivery service on that day.

“I’m sure Senator Lieberman’s intentions were good, but his misguided notion fell into the trap of failing to address the root cause of problems the Postal Service continues to face,” NALC President Fredric Rolando said. “His proposal virtually ignored the 2006 congressional mandate to pre-fund 75 years’ worth of future retiree health benefits and to do so within just 10 years.

“This crisis, manufactured by Congress, is what creates on Capitol Hill a false sense of urgency to act immediately,” Rolando said. “There is no argument that something needs to be done to solve the Postal Service’s financial problems, but any so-called compromise that would eliminate 25,000 city carrier jobs, jeopardize a \$1.3 trillion national mailing industry that employs 7.5 million Americans in the private sector, and drive more business away from the Postal Service by undermining the value of our service—not only is that not really a compromise, it would hurt the USPS’ ability to take advantage of the exploding package-delivery market.”

It’s this message that the president delivered in November and December in high-level meetings with Vice President Joe Biden and with White House staff members familiar with postal is-

sues, as well as in phone calls with key House and Senate members.

“The new Congress should take carefully measured steps to address pre-funding—especially since the pre-funding account already contains more than enough cash to meet the health benefit needs of future retirees for decades to come,” Rolando said. “Addressing pre-funding would help take away the manufactured sense of urgency and allow the entire postal community—employees as well as lawmakers and managers—to come together to develop a forward-looking business plan to help the Postal Service succeed in the 21st century.”

Mobilizing members

In the final weeks of 2012, the president sent several messages to members of the NALC e-Activist Network, alerting members to Lieberman’s plan and asking activists to remain vigilant at the end of the last session of Congress and also as the new one begins Jan. 3.

“The NALC is committed to fighting any back-room deal, especially one that could get attached to must-pass legislation,” Rolando said.

The union’s activists, meanwhile, were applying pressure to their members of Congress, calling them at their home offices during the Thanksgiving break and also at their Capitol Hill offices throughout December.

Rolando urged NALC members to keep phoning their congressional representatives to share their objections to the rumored compromises. He also mailed a letter to each senator, outlining the NALC’s concerns and offering up some alternative solutions.

“The good news is, with a new Congress coming in, we get to start all over again on getting actual, meaningful postal reform passed,” Rolando said, adding wryly: “The bad news is, we *have* to start all over.

“But we are looking forward to this fresh challenge, meeting with new

members of Congress and finding out where they really stand on postal issues now that the election is behind them,” he said. “In the coming months, we’ll be asking those members whose campaigns we supported to step up and put their pre-election words into post-election action.”

Pre-funding and USPS productivity

On Nov. 15, the Postal Service released its financial report for Fiscal Year 2012, which ended Sept. 30. Of particular interest was the report’s finding that the losses from postal operations are slowing—down by more than half, from \$4.9 billion in 2011 to \$2.4 billion in 2012.

“The report makes clear that the financial crisis at the Postal Service is largely political in nature,” President Rolando said, “and that the Postal Service is actually returning to health in operational terms as the economy improves.”

Rolando said that the report’s highlighting of \$15.9 billion in losses misrepresents the situation because most of that—\$11.1 billion—is from pre-funding, which has nothing to do with operations. Moreover, focusing on the \$15.9 billion obscures other key indications of improving financial health.

“Shipping revenues are up 8.7 percent, which is a positive sign for the future. Meanwhile, the decline of first-class mail has slowed and employee productivity is at a record high,” he said. “And only 16 percent of the overall losses actually had to do with mail delivery.”

The operational losses, Rolando said, would be easier to weather if it weren’t for the future retiree health benefit pre-funding mandate.

“While the Internet poses challenges (with more people paying bills online), it also presents opportunities for growth (with more people ordering goods online that need to be delivered),” Rolando said.

Federal-Postal Coalition

On Nov. 19, the 26 member organizations of the Federal-Postal Coalition—including NALC—sent a letter to members of Congress, urging them to oppose efforts during “fiscal cliff” negotiations to pay for proposed budget cuts on the backs of federal workers and retirees. The letter called on Congress and President Obama to remember that the federal workforce already has contributed a great deal toward budget savings over the past two years.

“Since the beginning of 2011, the budget savings derived from reduced compensation to the federal workforce have totaled at least \$103 billion (more than \$50,000 per employee) in pay freezes and reduced raises, the coalition said. “The federal workforce also contributed \$15 billion, achieved through a 2.3 percent increase in newly hired federal employees’ retirement contributions, used to offset the cost of an additional nine months of unemployment insurance spending as part of the Middle Class Tax Relief and Job Creation Act.

“Unless federal employees receive the modest 0.5 percent raise proposed by the president, they will be taking yet another hit,” the coalition’s letter said, adding that federal and postal employees and their families are middle-class Americans who have been struggling during the recovery from the effects of the Great Recession. “No other group has been asked to financially contribute the way they have, and it is time our nation’s leaders found other ways to reduce the deficit than continually taking from those who have dedicated their lives to public service.”

In the media

Many of the news reports on the release of the Postal Service’s 2012 financial statement included the

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NALC’s perspective, with quotes from President Rolando. And in a number of cases, the articles provided context that helped readers understand the reality behind the headlines.

For example, in the Nov. 15 *Washington Post*, columnist Joe Davidson wrote that without the pre-funding payments in 2012, the Postal Service’s net loss would have been \$2.4 billion—“not good, but more manageable.”

Davidson’s story also quoted President Rolando: “The mandate has depleted Postal Service funds, forcing the USPS to give up any quarterly or annual profits, empty its bank accounts and exhaust its borrowing authority. Without pre-funding, the Postal Service would have tens of billions of dollars in the bank, a full line of credit, and would be able to focus on the transitions required by an evolving society.”

A news story in *The Post* the same day quoted Rolando and also reported that the USPS “has repeatedly said that its financial woes are partly the result of the funds Congress requires the Postal Service to set aside for future retirees,” adding that postal unions like NALC “long argued that the agency can return to profitability if Congress eliminates the pre-funding mandate for [future] retirees.”

Rightly describing the Postal Service’s financial situation as “a manufactured crisis,” John Nichols of *The Nation* wrote on Nov. 15 that the likely result of USPS going over its own “fiscal cliff” would be both privatization and elimination of the universal service statutes. Nichols’ article also noted President Rolando’s description of the November election results as a rejection of the austerity agenda proposed by the Republican presidential ticket. “The election offers the prospect that the financial problems facing the United States Postal Service can be resolved in a fair and reasonable manner that benefits the public,” Rolando said.

An Associated Press story on Nov. 15 about the report said in its early paragraphs that “much of the red ink in 2012 was due to mounting mandatory costs for future retiree health benefits.” It also quoted Rolando, who said that lawmakers would be wiser to act on postal reform legislation in 2013. “The new Congress should start over in January and develop constructive legislation that fixes pre-funding,” the president said. “That would eliminate the biggest drain on postal finances.”

CNN also posted a short story about the financial report, and Rolando was the only person quoted in it.

Shortly after Congress returned to work following its Thanksgiving recess, a powerful op-ed by President Rolando was published on Nov. 28 in *The Examiner* in Washington, DC, a paper that’s circulated throughout the metropolitan area, leans conservative and is widely read by Republican members and staffers in Congress as well as by business leaders. “It’s important that lawmakers, administration officials and the public understand the actual situation at the United States Postal Service,” he wrote. “This is a matter that should unite conservatives, moderates and liberals. There has never been, and shouldn’t be, anything partisan here.”

On Dec. 4, Rolando’s op-ed ran in the *Union Leader*, the largest newspaper in New Hampshire and one of the most politically influential in New England—generally conservative and highly popular among Republicans and business leaders. Rolando’s piece was written in response to an editorial the paper ran earlier. “The conventional wisdom—that an agency losing billions of dollars a quarter because everyone’s on the Internet necessitates sharp cuts in service lest taxpayers be on the hook—is highly misleading,” he wrote.

And in an op-ed two days later in the *Charleston Daily Mail*, the president explained how the Postal Service’s



Illinois carrier shot on duty

East St. Louis, IL Branch 319 letter carrier **Willie Frazier** was shot while delivering the mail. Reports say Frazier, 60, was delivering on his route on Dec. 11 in Cahokia while a gun fight was taking place about a block away. The 20-year carrier, who has delivered mail on this route for 15 years, was reportedly struck in the left leg by a stray bullet. Region 3 National Business Agent Neal Tisdale says that Frazier was treated at a local hospital and quickly released, and is now recovering at home. Meanwhile, the police investigation into the shooting continues. **PR**

financial issues particularly affect the citizens of West Virginia. His piece effectively rebutted the paper's Dec. 3 editorial that called on Congress to allow USPS to cut service.

Letter carrier activists in the field have been busy getting the NALC's message out as well. For example, upon her return home following a second week of classes with the 14th NALC Leadership Academy (see article on page 20), a piece by Cape Girardeau, MO Branch 1015 member **Brenda Fisher** appeared in the Nov. 7 *Southeast Missourian*.

Davenport, IA Branch 506 President **Dave Burke's** letter to the editor of the *Quad-City Times* was published on Friday, Nov. 23. Two days later, a letter from Buffalo-Western New York Branch 3 President **Bob McLennan** was printed in *The Buffalo News*. And San Diego Branch 70 President **George Elias'** letter to the editor of *Federal Times* was published in the weekly paper's Nov. 26 edition.

Hitting the airwaves on Dec. 5 was Chicago Branch 11 member **Vince Atlas**, a guest on WBEZ-FM's "Morning Shift."

Sitting in with Atlas was Phil Rubio, an assistant professor of history at North Carolina A&T State University. Rubio carried mail for 20 years in Colorado and North Carolina, and is the author of *There's Always Work at the Post Office*. (See the June 2011 *Postal Record* story, "Same Work, Different Unions," available at nalc.org.) The Chicago radio show mainly addressed postal history, the role of the pre-funding mandate in the current fiscal woes and the performance of letter carriers in Chicago, and Atlas talked about his own relationship with the postal customers on his route.

NALC supporters have been spreading the message as well. *The Cap Times*, a weekly newspaper in Madison, WI, wrote a superb editorial on Nov. 21 on how Congress can undo the damage it's done to the Postal Service. A week later, Rep. Bill Owens (D-NY) wrote a solid, fact-filled letter to the editor of the Glens Falls *Post-Star* in response to an earlier editorial.

Links to all of these media stories can be found at nalc.org/PostalFacts. **PR**

Food drive set for Saturday, May 11

NALC branches throughout the country are getting ready for the 21st annual NALC Food Drive, which will take place this year on Saturday, May 11.

"On the second Saturday in May, letter carriers once again will proudly lead the country's largest single-day drive to help fight hunger in America," NALC President Fredric Rolando said. "What we see on our routes drives us to do what we can to help millions of Americans get the food their families



so desperately need, and I once again call on every active and retired NALC member to get started now to prepare to make this coming drive another successful one."

Customer generosity across America in 2012 helped letter carriers pick up 70.7 million pounds of non-perishable food items—the ninth consec-

utive year that collections topped the 70-million-pound mark. This brought the grand total to nearly 1.2 billion pounds collected since the national drive began in 1993.

"In both good times and bad times, letter carriers never back away from a challenge," Rolando said. "Millions of Americans depend on the food we collect to help carry them through the summer months. I am confident that our members will meet this challenge once again on May 11."

In December, branch food drive coordinators were mailed registration packets that should be returned as soon as possible—by Jan. 31 at the latest—to NALC Community and Membership Outreach Coordinator Pam Donato at NALC Headquarters. If you have questions or need help, call Donato at 202-662-2489 or send an e-mail to donato@nalc.org. **PR**