

Harmful Senate, House bills introduced

On Aug. 1, just before Congress broke for its five-week summer recess, Sens. Tom Carper (D-DE) and Tom Coburn (R-OK) introduced a postal bill “that pretty much landed with a thud,” NALC President Fredric Rolando said, “because it renews a commitment to the disastrous Bush administration policy to mandate the massive pre-funding of future retiree health benefits—and provides for major downsizing measures to pay for it.”

Pre-funding, of course, refers to the 2006 congressional mandate that requires USPS to place billions each year into the Postal Service Retiree Health Benefits Fund for employees who haven’t retired yet. No other public agency or private company is required to pre-fund such benefits at any level. (See “Numbers Don’t Lie” on page 8.)

The bill, S. 1486, calls for a three-year moratorium on these unaffordable pre-funding payments rather than an outright repeal, and would actually increase the overall costs.

“The Postal Service has already pre-funded decades of retiree health premiums, more than any other enterprise in America,” President Rolando said. “Indeed, it already has set aside \$49 billion

for such premiums, about half of the total expected costs over the next 90-plus years.

“The Carper-Coburn bill ignores this fact, and proceeds to add insult to injury by proposing to let the Postal Service have tools to slash our pensions and health benefits by making these federal employee benefits subject to interest arbitration,” Rolando said. “We were not even consulted about this planned change to our rights as federal employees or to our collective-bargaining process.”

Carper is chairman of the Senate Homeland Security and Governmental

Affairs Committee, which has oversight of USPS. Coburn is the committee’s ranking member.

As proposed, S. 1486 would:

- harm millions of businesses that want Saturday delivery—not to mention destroy tens of thousands of full- and part-time jobs in the process—by eliminating it after a one-year delay, plus give the postmaster general the authority to eliminate additional days of delivery going forward.
- mandate elimination of door-to-door delivery of mail for all businesses and new households, and call for the phase-out of door delivery to millions of established households, threatening more than 16,500 additional jobs.
- impose cruel, discriminatory changes on the federal workers’ compensation program that would leave injured federal workers vulnerable to impoverishment when they reach Social Security retirement age.

“The massive downsizing and assault on postal employee benefits contained in the Carper-Coburn bill are completely unnecessary,” Rolando said. “They are being driven by this irrational retiree health financing policy that no other business or agency in its right mind would adopt.”

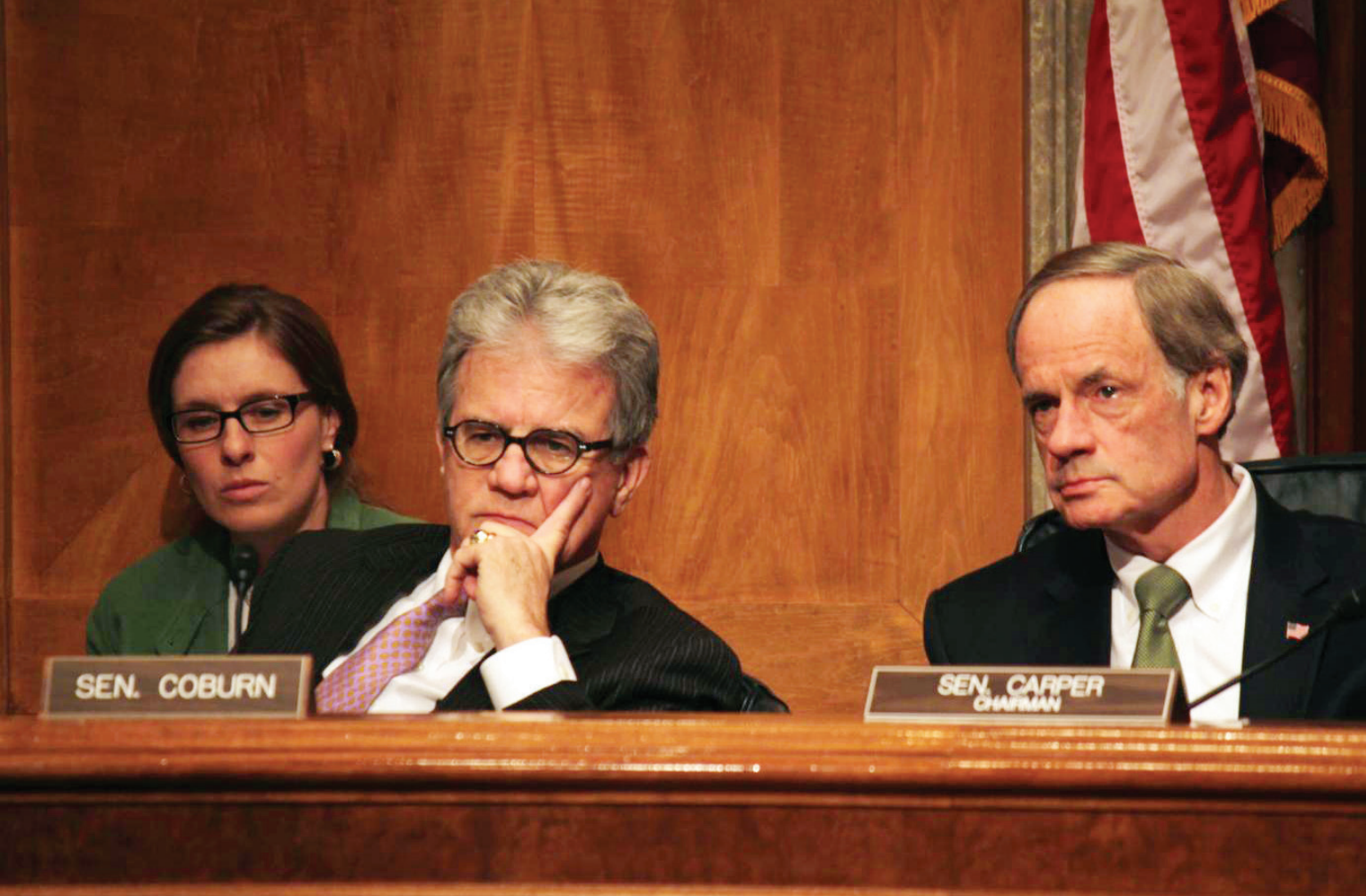
A few days after S. 1486 was introduced, President Rolando joined the presidents of the other three postal employee unions—the American Postal Workers Union, the National Rural Letter Carriers’ Association and the National Postal Mail Handlers Union—in signing a letter to Senate Majority Leader Harry Reid (D-NV) denouncing this dangerous bill.

S. 1468, they wrote, “would seriously harm the 7.5 million Americans who work in private companies that rely on the USPS.

“Just as the budget sequester has thwarted a strong economic recovery,”



Rep. Darrell Issa (R-CA)



they continued, “the adoption of more misguided austerity though a bad postal reform bill would make things worse.” (The letter can be found on nalc.org under Latest News.)

No further action was set on S. 1468 as this *Postal Record* was being prepared.

Already before the Senate is a much more sensible reform bill that NALC fully supports: Sen. Bernie Sanders’ (I-VT) S. 316. This bill would strengthen the Postal Service, promote innovation and, most importantly, resolve the retiree health and pension policies that have crippled the Postal Service in recent years.

S. 316 also contains, among other things, a call to shore up USPS finances by implementing the results of a 2010 private-sector audit of the postal account in the Civil Service Retirement System (CSRS). That audit found a surplus of \$50 billion to \$55 billion, using modern accounting methods that could easily be mandated by Congress.

The Sanders bill had 30 co-sponsors going into Congress’ recess. Its House of Representatives counterpart, Rep. Peter DeFazio’s (D-OR) H.R. 630, had 167 co-sponsors.

House hassles

Meanwhile in the House, Rep. Darrell Issa (R-CA) has once again focused his unique brand of attention on postal issues as well—and once again, with sadly predictable results.

On July 17, Issa, the chairman of the House Oversight and Government Reform Committee, held a committee hearing to discuss his own postal bill. It was the second House hearing on postal reform held this year.

“There is little in this new bill that distinguishes it from the one Issa proposed in 2011,” said President Rolando, who testified at the first hearing in April. “And there is very little difference between it and the Carper-Coburn bill in the Senate.”

This new House bill, H.R. 2748, repeats Issa’s previous calls for massive service cuts that, if implemented, would drastically diminish the quality and value of the mail by eliminating Saturday mail delivery service and phasing out door-to-door delivery to nearly 40 million American households.

It also leaves in place the onerous mandate to pre-fund the health benefits

From l: Sens. Tom Coburn (R-OK) and Tom Carper (D-DE)

of future retirees—and in fact, under H.R. 2748, the USPS could wind up on the hook for an extra \$5.8 billion over the next 11 years, under a revised pre-funding schedule.

During Issa's hearing, the chairman did manage to surprise observers by announcing his intention to incorporate into his bill Rep. Stephen Lynch's (D-MA) H.R. 961.

Lynch is the ranking member of the subcommittee with USPS oversight. His measure, introduced in the spring, calls for using postal-specific assumptions when evaluating USPS' Federal Employees Retirement System (FERS)-account surpluses. The USPS Office of the Inspector General estimated that an approach like this would result in a \$12.5 billion postal surplus. H.R. 961 bill had 140 co-sponsors when this magazine went to press.

"Despite this outward show of bipartisanship," Rolando said, "Chairman Issa's proposed legislation would still cripple the Postal Service through needless service cuts.

"It falls far short of what the Postal Service desperately needs," he said. "In fact, this bill could be destructive because it proceeds from a false premise—that the Postal Service is irreversibly failing—and it would diminish USPS' ability to take advantage of the obviously booming e-commerce market." The bill also targets for elimination more than 100,000 postal jobs.

H.R. 2748 has only two co-sponsors so far. As of this magazine's deadline, no consideration of it by the full House had been scheduled.

In the news media

Following the Aug. 9 release of the Postal Service's third quarter financial report, the NALC found that, despite the basic gloom-and-doom tone of the USPS press release, the report in fact showed a clear rebound in USPS fi-

nances (see page 8). Reporters for many prominent news media outlets reflected that trend—and NALC's views—in the stories they published in the days after the report's release.

President Rolando was quoted first in a *New York Times* story that cited a "better-than-expected performance" for USPS. *The Washington Post* quoted him as well, and he was the only person quoted in a similar story for Reuters and for *Bloomberg Businessweek*. Bloomberg's newswire service quoted Rolando extensively, too, as did *Federal Daily*.

A story in Washington, DC's *The Hill* used Rolando's quote that noted how USPS, absent pre-funding, would have shown a \$660 million profit in the third quarter.

Positive stories, clearly informed by NALC's statements on the report, also appeared in *Federal Times* and *The Wall Street Journal*.

Earlier, the July 24 mark-up of Issa's postal bill sparked a flurry of news media interest (see page 4). President Rolando spoke about it on Ed Schultz's radio show on July 25, and the president was quoted in a "Federal Diary" column about the bill on July 26 in *The Washington Post*. *The Nation's* John Nichols prominently cited NALC and Rolando on July 26 in his story about the bill.

Among those also representing NALC in news media coverage of Issa's bill:

- Region 3 Tony Hutson on an ABC-TV affiliate in Springfield, IL
- Region 5 RAA Troy Fredenberg on a Minneapolis CBS Radio affiliate
- Region 6 RAA Troy Clark on a public radio station in Bloomington, IN
- Region 11 RAA Mark Camilli on Upstate New York's WCSS-AM
- California State Association President John Beaumont on an ABC Radio affiliate in San Francisco
- Harrisburg, PA Branch 500 President Richard Wilson in a story in *The Sentinel*.



Executive Council meeting

Members of the NALC Executive Council traveled to NALC Headquarters in Washington, DC, in July to discuss important issues facing letter carriers. Some of the items the Council addressed included various task forces created by the national arbitration award for the 2011-2016 National Agreement, national level disputes, city carrier assistant interpretive disputes and several other contractual issues. The council also discussed key legislative items, including the mark-up of Rep. Darrell Issa's harmful postal bill in the House Oversight and Government Reform Committee.



Elsewhere, President Rolando had an op-ed in *Investor's Business Daily* on July 23 that dispelled some of the misinformation about the Postal Service's financial situation. He also had an op-ed piece on Aug. 6 in Bergen County, NJ's *The Record*, the second biggest newspaper in the Garden State.

Rolando's comments were included in an Aug. 7 Center for American Progress blog post about the Carper-Coburn postal bill (see page 4). His letter to the editor of the *San Antonio Express-News* ran Aug. 8. The paper is the biggest in the country's seventh-largest city, and it is a leading news source for South Texas. Another letter to the editor from Rolando ran in Talladega, AL's *The Daily Home* on Aug. 8.

On Sunday, Aug. 11, Rolando had a timely op-ed piece run in the Boulder, CO *Daily Camera* and a letter to the editor of the *Grand Island [NE] Independent*, the state's third-largest newspaper and a leading news source for central Nebraska.

NALC's grassroots activists provided media representation on a variety of stories. For example, how letter carriers dealt with this summer's heat was the

focus of a July 18 story on Dayton, OH's WDTN-TV that featured Dayton Branch 183 President John Oross and member Chris Smith.

Denver Branch 47's Cindy Kirby was quoted in a July 22 story in *Aspen Daily News*. NALC Chief of Staff Jim Sauber's comments closed out a July 21 story for *The Hill*.

NALC President Emeritus James H. Rademacher wrote a letter to the editor of *The Roanoke Times* that ran July 27. Vermont State Association President Jill Charbonneau's op-ed appeared on July 26 in the *Burlington Free Press*, and Idaho State Association President John Paige was quoted extensively in a July 25 story in the *Idaho State Journal*.

Rockford, IL Branch 245 President Kelly Pruka was interviewed for a July 25 story on WREX-TV. A July 27 story in the *San Antonio Express-News* about Issa's bill was accompanied by a photo of San Antonio Branch 421 letter carrier Argelia Aviles, and Gainesville, GA Branch 1441 letter carrier Gary Dover was the focus of a positive feature story on Aug. 6 in the *Gainesville Times*. **PR**