

Obama, Issa find something they can agree on: Postal Service cuts

After years of partisan squabbling between President Barack Obama (D) and the leaders of the majority-Republican House of Representatives, it seemed forever out of reach to think that the president would ever see eye-to-eye on anything with House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA).

A news headline that followed that committee's April 9 hearing on Obama's Fiscal Year 2015 budget request for the United States Postal Service, however, wasn't a mistake; "Issa embraces White House plan for postal reform" was a sadly accurate assessment.

To some, the meeting seemed less interested in fact-finding and more inclined to call attention to just how closely Obama's proposals to slash

postal services align with those put forth by Issa in his postal bill, H.R. 2748.

An agreement between Obama and Issa on the issue of Postal Service cuts wasn't really such a stretch, NALC President Fredric Rolando said after the hearing.

"All of these so-called Postal Service-saving proposals—Issa's as well as Obama's—were first developed during deficit reduction talks back in 2011," Rolando said, "and they have been inexplicably copied from one year to the next in the four budgets the White House has released since then."

Included in Obama's plan are calls for the end of Saturday mail delivery and for allowing the Postal Service to "begin shifting to centralized and curbside delivery where appropriate," moves that reflect the recommendations of Postmaster General Patrick

Donahoe and are included in Issa's H.R. 2748.

Admittedly, the Obama budget did offer a few reforms that the NALC considers to be positive, but on balance they would not go far enough to offset or overcome the negative ones.

"What Obama, Issa and Donahoe all fail to realize is that we are not dealing with the same Postal Service financial situation we were when H.R. 2748 and the administration's budget proposals were originally crafted," Rolando said. "Those proposals did not make sense in 2011 because they never offered a real solution to the Postal Service's financial challenges—which were largely created by Congress—and the proposals make even less sense now, because the Postal Service has returned to operational profitability



NALC President Fredric Rolando (r) explained the political situation in Washington to letter carriers from Maryland, Delaware, the District of Columbia and Virginia (opposite page) who came to Capitol Hill to lobby their members of Congress on April 10.



and is capturing a growing share of the booming e-commerce market.”

In fact, absent the mandate to set aside \$5.5 billion a year for 10 years to pre-fund 75 years’ worth of future retiree health benefits—a mandate placed on no other government agency or private enterprise—USPS had a profit of \$623 million in 2013, and in the first quarter of 2014 it had black ink of \$1.1 billion.

“Here in the present-day real world, we recognize how the Postal Service’s employees have done our part to help the Postal Service mount this tremendous comeback,” Rolando said. “Discussing job-killing proposals that degrade or dismantle our invaluable postal networks is not the conversation we should be having. Instead, Congress should focus on unchaining the Postal Service from pre-funding and free the agency to grow and innovate.”

A fresh attack?

H.R. 2748 was quickly marked up and approved by the oversight committee on a party-line vote just a few days after it was introduced last July. Since then, it has barely registered on the House of Representatives’ agenda, having not yet been scheduled for a vote by the full House.

But during the April 9 hearing, Issa said that after Congress resumes work on April 28 following its two-week spring recess, he planned to mark up new postal legislation that included some of Obama’s budget proposals and also kept some of the negative provisions of H.R. 2748.

With that in mind, President Rolando urged NALC members to be cautious and vigilant. “If any of Issa’s dangerous proposals were to become

law,” he said, “they would send the Postal Service into an irreversible decline.”

On April 14, a few days after the hearing, the presidents of the four postal employee unions wrote a letter to Issa, urging the congressman to consider instead sensible, targeted reforms that will free the Postal Service to innovate and grow—reforms that include a permanent fix to the pre-funding mandate. “Now that the USPS is recovering and has eliminated 75,000 career jobs since 2011,” the presidents wrote, “slashing service further makes even less sense.”

Pre-funding, President Rolando noted separately, has accounted for 80 percent of the Postal Service’s losses since the payments began in 2007 and 100 percent of USPS losses so far this year—indeed, since October 2012.

“Without pre-funding, the Postal Service would have reported a \$765 million profit in the first quarter of Fiscal Year 2014,” Rolando said, “on the strength of surging e-commerce package deliveries and a stabilization of letter mail volume that are made possible by a fully functioning Postal Service delivering mail and parcels six days a week—and sometimes seven days a week.”

This is why fixing the pre-funding mandate and allowing the Postal Service to innovate and exploit its existing networks to provide new services are such crucial components of true postal reform, Rolando said.

“Unfortunately, Obama’s budget and H.R. 2748 both fail to achieve these goals,” he said.

If the House is serious about reforming USPS, Rolando said, it can find a guide in Rep. Peter DeFazio’s (D-OR) H.R. 630, a bill that as this *Postal Record* was prepared had 178 co-sponsors from both parties. (Its companion in the Senate, Sen. Bernie Sanders’ (I-VT) S. 316, had 30 co-sponsors at press time.)

“The DeFazio and Sanders bills focus on protecting six-day delivery, freeing the Postal Service to innovate and relieving it of the unfair pre-funding mandate,” Rolando said. They also call for returning to USPS overpayments made into the Postal Service’s accounts within the Civil Service Retirement System—estimated at between \$50 billion and \$75 billion—and the Federal Employees Retirement System—estimated to be \$10 billion to \$12 billion.

“It’s time for Congress to get into a mindset of bolstering service for tens of millions of businesses and households that have come to rely on door-to-door delivery, six days a week,” Rolando said. “With the Postal Service on the comeback trail, Congress must act to strengthen the postal recovery, not cripple the Postal Service with even more destructive service and job cuts.

“The nation’s letter carriers are ready to work with Congress to pass real

Vafiades appointed Region 2 RAA

NALC President Fredric Rolando has appointed Longview, WA Branch 2214 member Nick Vafiades as a regional administrative assistant for Pacific Northwest Region 2 to fill the vacancy left by the departure of Mike Wahlquist.

A former president of Salt Lake City Branch 111 and a graduate of the Spring 2007 Leadership Academy, Wahlquist is returning to carrying the mail on his old route back in Utah.

Vafiades, the president of the Washington State Association and a graduate of the Fall 2008 Leadership Academy, has worked in the Region 2 office



Mike's shoes."

Vafiades' appointment is effective April 14.

for the past five years as a local business agent. He also is an arbitration advocate for Region 2. He spent eight years in the Marine Corps before he became a letter carrier. As a member of Branch 2214, Vafiades served in several branch office positions, including six years as president.

"Mike did an outstanding job in everything from arbitration to training and everything in between," Region 2 National Business Agent Paul Price said. "I am looking forward to having Nick step in to fill

reform that will strengthen the Postal Service, not dismantle it," he said.

Reinventing the 'postal ecosystem'

NALC Chief of Staff Jim Sauber was a featured speaker at the fourth annual PostalVision 2020 conference in Washington, DC, April 10-11.

"The NALC and the other postal employee unions are major participants in the debate over the future of the Postal Service," Sauber told conference attendees. "We believe that the Postal Service is an invaluable institution that is worth saving. We are committed to strengthening the Service's delivery, sorting, transport and retail networks—and we strongly oppose proposals that would weaken them, especially proposals that are driven by grossly unfair congressional mandates that no other companies or agencies face."

The conference focused on finding creative, 21st-century ways to

take full advantage of the U.S. Postal Service's unique delivery network, which reaches every residential and commercial mailbox—more than 150 million addresses—six days a week.

"Economists and policy makers agree that the Postal Service's last-mile delivery network gives it tremendous value and makes it a unique part of the nation's economic infrastructure," Sauber said. "We think that, with the right kind of postal reform from Congress, the right kind of executive vision and leadership from L'Enfant Plaza, and the right kind of technology, the Postal Service could offer affordable service seven days a week, not just six.

"But this can be done only if we can convince policy-makers—and, frankly, the Postal Service's top leadership—to stop thinking about the delivery network as simply a cost factor instead of an asset to be leveraged for innovation and growth," he said. "We are convinced that letter carriers and the last-mile network they embody can help the Postal Service innovate and grow. But we need Congress to take its boot off our necks and permit us to use our resources in an intelligent way."

Other PostalVision 2020 attendees and speakers included representatives from e-commerce, digital communications and logistics, as well as more traditional mailing and shipping organizations. Postal experts from across the United States were on hand, as well as from Europe, Australia and China.

In the media

President Rolando's March 31 piece on the Postal Service's value and finances, published by the national Watchdog.org website, followed a misguided story on VermontWatchdog.org about Sen. Bernie Sanders (I-VT), USPS and postal unions.

In a March 18 piece in Linn's Stamp News about the Postal Service's financial situation, Rolando was quoted first and extensively.

An April 2 commentary piece in Madison, WI's *The Cap Times* noted how "the U.S. Postal Service has long been and still is a major employer of American veterans." (In



From top: Reps. Joyce Beatty (D-OH) and Bill Johnson (R-OH) spoke to Ohio letter carriers at a congressional reception held on March 26.



Top: President Rolando thanks the Ohio congressional delegation for coming to Washington to inform their representatives about the need for positive postal reform. Above: NALC Chief of Staff Jim Sauber at PostalVision 2020

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fact, it's the largest civilian employer of military veterans.) The column drew heavily from an article in the March issue of *The American Legion Magazine* about veterans who work for USPS, a piece that focused on New York City Branch 36 letter carrier **Juan Feliciano** and also quoted Rolando, NALC Community and Membership Outreach Coordinator (and Army veteran) Pam Donato, and other Branch 36 members.

The Idaho State Journal covered a public meeting in Pocatello on the Postal Service's service-cut proposals. The April 3 story quoted NALC Region 2 National Business Agent Paul Price.

Region 9 NBA Judy Willoughby's letter to the editor of the *South Florida Sun-Sentinel* ran on March 15.

Idaho State Association President **John Paige** continued to take advantage of the letters-to-the-editor sections of his state's newspapers, with another such

piece in the April 13 *Twin Falls Times News*.

Ron Berry, a retired member of Marshfield, WI Branch 978 and a former local business agent, wrote a column in support of the Postal Service that ran April 9 in the *Marshfield News Herald*.

Anderson, IN's *The Herald Bulletin* ran Carmel, IN Branch 888 letter carrier **Ronnie Roush's** March 18 letter to the editor.

Washington County, NE's *Pilot Tribune & Enterprise* ran Fremont, NE Branch 89 letter carrier **Brian Greunke's** letter on March 19. Greunke also had a letter that ran a week earlier in the *Omaha World-Herald*.

A retired schoolteacher put together a terrific commentary on April 9 for Montana Public Radio, a piece she later updated by noting how the NALC had helped clarify with her that the Postal Service hasn't received any taxpayer money in decades. **PR**



Left: Sen. Bob Casey (D-PA) promises to work with NALC to protect Saturday delivery at the Pennsylvania congressional breakfast (bottom) held on March 25 in Washington, DC.



Rep. Patrick Meehan (R-PA)



Rep. Tom Marino (R-PA)



Rep. Michael Fitzpatrick (R-PA)



Rep. Chaka Fattah (D-PA)



Rep. Matt Cartwright (D-PA)

