



National Association
of Letter Carriers

Fredric V. Rolando, President

January 7, 2011 No. 11-01

NALC Bulletin

100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

Spreading the word

Rolando makes White House, TV, radio appearances

During the holidays, NALC President Fredric V. Rolando took advantage of a number of opportunities to debunk some myths about the U.S. Postal Service's finances and to tout the many good things letter carriers do as we deliver for America six days a week.

Rolando, along with AFL-CIO President Richard Trumka and about a dozen labor leaders in all, was invited to meet with President Barack Obama Dec. 17 in the Roosevelt Room at the White House. There, the group held a productive discussion about American jobs and joblessness and how to address the difficult times facing workers. Rolando had a chance to raise the issue of Postal Service finances, including the onerous mandate to pre-fund future retiree health benefits, and he spoke about the many challenges facing the Postal Service and letter carriers.

Then, on Dec. 19, Rolando appeared on CNN's "State of the Union" program, one of the leading Sunday morning network talk shows, and described to host Candy Crowley how the Postal Service can adapt to the "Age of the Internet."

Rolando noted, for example, that the Postal Service is probably the fastest growing "division" of competitors FedEx and UPS, delivering the last mile for each by taking their parcels door to door. "It makes more sense for us to do it," he said, "because we go to every house, while they may go to every 50th house or 100th house.

"What you have here," he said, "if you take the mail out of the equation, you've got this incredible universal network of the American people—probably the only universal network—that goes to every home, every business six days a week."

Rolando later kicked off 2011 with an appearance on "The Skeptical Economist," a Fox Sunday morning radio show broadcast from Indianapolis on News Talk 1430 WXNT. Show host Peter Dunn said that his initial hypothesis for his Jan. 2 show was, "Is the United States Postal Service the worst-run business in America?"

"How quickly I may have disproven that to myself," he said, noting that after speaking with Rolando, "there's evidence that the United States Postal Service may be the best-run business in America."

On the show, Rolando said, "You don't have any other kind of universal network like you have with the Postal Service. We've just got to look to the future as we come out of this recession and see how much of the mail comes back from the recession and how much has gone to the Internet, and we've got to adjust our business model. And the employees of the Postal Service and the unions are more than willing to take the lead and figure out what needs to be done to make the Postal Service successful."

Rolando told Dunn and his audience that the biggest challenge the Postal Service is not the recession, nor is it electronic diversion of the mail to the Internet, but rather the mandate to pre-fund future retiree health benefits.

"We have no objection to this pre-funding," Rolando added. "We just want to take our surplus money from the Civil Service Retirement System and transfer it over to make these [annual pre-funding] payments."



FREDRIC ROLANDO
Pres., National Association of Letter Carriers

Struck Iowa carrier recovering slowly

Greg Kline, a 23-year letter carrier from Bettendorf, IA, is slowly recovering from serious injuries he suffered when a vehicle struck him as he walked his route Dec. 22.

Kline was crossing the 1300 block of West 3rd Street in Davenport when he was hit by a van, which caused numerous broken bones, including several skull fractures, as well as other injuries. Kline was airlifted to the University of Iowa Hospitals and Clinics, where he was treated in the intensive care unit.

On Jan. 4, Kline was able to get out of bed and stand for the first time since the accident. Although he was scheduled to be transferred out of the ICU Jan. 7 and sent to a hospital closer to his home, he still faces a long recovery and rehabilitation.

Kline, an Army veteran, is a shop steward for Davenport Branch 506 and lives in Bettendorf with his wife Faye. He has two daughters.

Donations and cards may be sent to Kline and his family in care of NALC Branch 506, P.O. Box 911, Davenport, IA 52805.



Leadership Academy:

The members of the 10th Leadership Academy class received their certificates of completion in a ceremony at the National Labor College in suburban Washington Dec. 17. Beginning last July, the graduates—two representing each of the NALC's 15 regions—spent three non-consecutive weeks at the college taking in classes taught by NALC officers and headquarters staff members. Subjects included dispute resolution, public speaking skills, effective communications, the National Agreement and branch financial management. Between their classroom work at the NLC, students spent many hours with their mentors back home—usually a branch officer or national business agent—on homework assignments designed to develop their leadership skills. Participants for both of the 2011 classes have been selected, and the 11th class is set to begin its work in Washington Jan. 10. To clarify information in the January *Postal Record*, no decision has yet been made regarding participants in 2012 classes.



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President appoints RAAs

NALC President Fredric V. Rolando has announced the appointment of three regional administrative assistants.

James D. Henry (Region 1) became a letter carrier in 1988 after serving in the Marine Corps. Since then, he has served in several offices for Garden Grove, CA Branch 1100, from steward to chairman of the executive board to senior vice president. Henry has also worked on the dispute resolution team. He recently retired from the Marines as a reservist. As an RAA, he replaces Christopher Jackson, who was elected Region 1 national business agent last summer at the NALC Convention in Anaheim.

Mark Sims (Region 5) has been a letter carrier and NALC activist for 31 years. After serving as president of Springfield, MO Branch 203 and a Region 5 arbitration advocate, Sims came to NALC Headquarters in 2006 to work in the Contract Administration Unit. He replaces Dan Pittman, who was elected Region 5 NBA by the Anaheim convention.

Monica L. Walker (Region 8) has served as a letter carrier and NALC member since 1998. Her union offices have included Baton Rouge Branch 129 secretary and Louisiana State Association of Letter Carriers president. She also edited her branch newsletter and coordinated its food drive efforts. Walker is an NALC Leadership Academy graduate. She replaces Peter Moss, who was elected Region 8 NBA during last summer's convention.

A couple of friendly reminders

MDA: Local NALC branch fundraising totals for the Muscular Dystrophy Association in 2010 must be mailed to National MDA Coordinator Jim Williams c/o NALC Headquarters no later than Jan. 15. The form is available online at nalc.org/commun/mda.

Food Drive: The 2011 NALC National Stamp Out Hunger Food Drive is May 14—the second Saturday in May. Since it began in 1992, the drive has been held on the second Saturday in May, which often places it on the day before Mother's Day—but not always. Some calendars for 2011 were printed listing an incorrect date, on the assumption that the drive takes place on the day before Mother's Day. So please, mark your calendars now for the correct date: **Saturday, May 14.**

February 14-18

Advanced OWCP training for branch representatives scheduled

The NALC is offering advanced Office of Workers' Compensation (OWCP) training for branches with OWCP representatives who have experience representing injured workers as well as a serious interest in increasing their knowledge about OWCP issues and sharpening their representation skills.

The training will be held Feb. 14-18 at the National Labor College in Silver Spring, MD, just north of Washington. **There are only 30 spaces available for this class.**

Retired Assistant to the President for Compensation Ron Watson and an instruction team of NALC Headquarters staff will provide a theoretical grounding in OWCP law and regulations and how these intersect with our National Agreement with the U.S. Postal Service. The training also will offer in-depth and hands-on instruction on representing members when a claim is pending, accepted, denied or appealed. Employees' Compensation Appeals Board (ECAB), schedule awards and National Reassessment Process (NRP) issues also will be covered. Students can expect to spend up to 12 hours a day in the classroom, followed by evening assignments. For this reason, students are required to stay overnight at the Labor College.

The application form to attend the advanced OWCP training is printed below and is available online at nalc.org. **It must be completed and returned to NALC Headquarters no later than Jan. 14.**

Branches will be responsible for all transportation, lodging and related expenses. Do not make airline reservations before receiving confirmation of acceptance from the NALC Director of Education. The NALC has secured a rate of \$199 per day at the National Labor College, which includes a single-occupancy room and all meals. Lodging, reservation and payment information will be included in the letter of acceptance.

NALC ADVANCED OWCP REPRESENTATION SCHOOL

Application Form

NALC Branch No. _____ submits the following application to attend the
Advanced OWCP Representation class February 14-18 in Silver Spring, MD.

Name: _____ Contact phone # _____

Address: _____

City: _____ State: _____ ZIP: _____

E-mail address _____

Branches are responsible for all expenses travel and lodging. **Do not make airline reservations until receiving confirmation of acceptance from the NALC Director of Education.** The NALC has secured a rate of \$199 per day (\$995 total) at the National Labor College which includes a single-occupancy room and all meals. Lodging, reservation and payment information will be included in the letter of acceptance.

If this applicant is not initially selected, should he/she be kept on a waiting list for a possible cancellation?

YES NO

Briefly describe the applicant's experience representing injured workers with OWCP related issues. (How long, how many cases, what type, etc.) Attach an additional sheet if necessary.

Applicant's signature _____

Branch president's signature: _____

Mail completed form to: NALC Director of Education
100 Indiana Avenue NW
Washington, DC 20001-2144

NALC HQ Use Only	
Date Rec'd:	_____
App. #	_____
By:	_____



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On the record

Good publicity, Post problems and fun facts

Over the last few weeks, the U.S. Postal Service has received some good exposure in the national press from a number of outlets, but it also has been attacked—again—with more of the same-old, same-old from *The Washington Post*.

Positive press

On the positive front, NALC President Fredric V. Rolando was recently interviewed for the politically-minded news website *The Daily Caller*, and he took full advantage of the opportunity to talk to a new audience about some of the union's ideas for keeping the Postal Service solvent and relevant in the 21st century.



"There's so many things you can do with the most trusted employees and the only universal communications network," Rolando said in the Jan. 24 article. The delivery infrastructure lends itself to "working with the businesses that work out of their homes, becoming the only delivery vehicle with a green vehicle fleet throughout the country, using sophisticated scanners to

provide other services, using sensors on the vehicles to work with the Red Cross or Homeland Security," he added.

The president also restated the NALC's position on the Postal Service's proposal to drop a day of mail delivery, calling the notion "insane."

"It's just nuts to take this network and start to dismantle it," he said. "If anything, it would be ideal if you could expand it to seven days."

Wrong—again

Unfortunately, the afterglow of such upbeat news coverage was tarnished a mere three days later, when *The Washington Post's* editorial page once again displayed just how out of touch the paper has become on the subject of the Postal Service.



The paper's Jan. 27 editorial described the USPS' huge financial losses and applauded the planned closing of thousands of post offices to save money while it ignored the proverbial "elephant in the room"—that the biggest single drain on the Service's finances is the unique and onerous \$5.5 billion payment it has to make each year by congressional mandate to pre-fund future health benefits, an eminently fixable problem that merely requires congressional approval for an internal transfer of USPS money to make the payments.

By now, most managers, labor leaders and key legislators from both parties understand this reason, and most journalists do, too—except, evidently, the ones at the *Post*, since the paper's editorial completely ignored it, either because of willful misrepresentation of the situation or because of a startling lack of knowledge.

Earlier that week, a story in a *Post* competitor, *The Wall Street Journal*, noted prominently that the Service is "saddled with billions in unusually burdensome retiree health costs," and said that this obligation "contributed heavily to recent record losses."

"We're not asking for agreement with our position," President Rolando said, "but simply recognition of the facts. Tell readers why you don't think fixing the pre-funding problem is a good idea, but don't pretend the problem doesn't exist."

Secrets revealed!

Amid all the doom-and-gloom financial news and our ongoing efforts to save the Service, the core of what we do remains delivering the mail to every address in America, six days a week. The venerable *Reader's Digest* magazine reminded its readers of this simple fact when it spotlighted our craft in a February article entitled "13 Things Your Mail Carrier Won't Tell You." And since we all know there is more than a baker's dozen of such tidbits, the magazine also included a second story, "11 More Things Your Mail Carrier Won't Tell You."



Both articles touched on many of the challenges we deal with every day on our routes, and touted the advantages the USPS has over its competitors. "We go to great lengths to deliver to every address, no matter how remote," the articles noted. "That's why, in the most rural areas, even UPS and FedEx rely on us to make their final deliveries."

"Paychecks, personal cards, letters—anything that looks like good news—I put those on top," the lighthearted features also said. "Utility and credit card bills? They go under everything else."

But despite their overall tone, the stories didn't shy away from the realities of the job. "Sorry if I seem like I'm in a hurry," one item read, "but I'm under the gun: Our supervisors tell us when to leave, how many pieces of mail to deliver, and when we should aim to be back. Then some of us scan bar codes in mailboxes along our route so they can monitor our progress."

To prepare the articles, *Reader's Digest* writer Michelle Crouch spoke with President Rolando, as well as carriers in Missouri, New Jersey and North Carolina.

Pres. Rolando salutes King's commitment to working people

To honor the legacy of the Rev. Dr. Martin Luther King Jr., the AFL-CIO asked members of its executive council to travel to various cities across America to speak at observances of King's birthday, celebrated as a national holiday this year on Jan. 17.

The council, comprised of the heads of the largest organizations within the federation, includes National Association of Letter Carriers President Fredric V. Rolando, who was invited to give an address in Cincinnati as part of a weekend-long celebration of King's life.

"In addition to Reverend King's non-violent fight for civil rights for all Americans, he fought for the rights, the well-being and the dignity of those who work for a living," Rolando told a Saturday gathering at Cincinnati's Millennium Hotel. "Tragically, he died for them in Memphis. It is incumbent upon us to let neither his struggle nor his sacrifice be in vain."

King was assassinated on April 4, 1968, on the balcony of his motel room in Memphis, where he had come to lead a protest march in sympathy with the city's striking garbage workers.

Rolando acknowledged that holding the line against anti-labor forces remains hard to do, but that we can draw inspiration from King, who "never backed down when things were tough, he never hesitated when faced with tough odds, he never turned around when the path ahead was risky."

Too many people think of labor as either a relic of another era or as some fat-cat special interest group, Rolando said. "It is critical that we change that perception," he said, "because it affects everything we try to do. When we let ourselves be defined by our opponents, we should not be surprised when people's view of us does not square with reality—or when they simply tune us out."

"Even as he was fighting the gravest of injustices," Rolando added, "Martin Luther King knew that Americans want to do the right thing. Sometimes they just need a little push, a little encouragement."

Tax credit end brings annuity changes

The "Making Work Pay" tax credit expired Dec. 31. The credit was originally included as a part of the American Recovery and Reinvestment Act of 2009 (President Obama's economic stimulus package). As a result, many retired members could see higher federal tax withholding amounts this year, although due to an IRS delay, any adjustment of withholding levels did not actually take place until Feb. 1. Visit nalc.org for links to more information.

Education helps us better serve our fellow members

Secretary-treasurer training

NALC Secretary-Treasurer Jane E. Broedel recently conducted the first of two training sessions on financial administration for branches and state associations.

During the San Diego session Jan. 17-19, Broedel, along with a number of NALC Headquarters staff members and outside consultants, held discussions and facilitated breakout sessions on the importance of mastering the basics of union financial management.

Topics ranged from payroll tax withholding requirements to accounting systems and maintenance of proper internal controls, from reporting to the Department of Labor to financial officers' fiduciary duties under the Landrum-Griffin Act. Also discussed were the bonding of branch officers, handling NALC dues requirements, the legal limits on different types of union spending, and requirements for keeping financial records and filing the proper forms with the Internal Revenue Service.

The seminars are geared toward helping new branch secretary-treasurers as well as other local and state association officers who have a hand in managing their associations' financial matters.

Nearly 150 NALC members attended the San Diego session. A second is set for Feb. 27-March 1 in Orlando.

Arbitration advocate training

Also in January, 24 letter carrier activists traveled to suburban Washington to attend a special training session on arbitration.

The week-long seminar was held Jan. 24-28 at the National Labor College in Silver Spring, MD, and was facilitated by Director of Safety and Health Manuel L. Peralta Jr., Director of Education Jamie Lumm, Contract Administration Unit staff member Bill Bothwell and retired CAU staffer Steve Hult.

Topics included reviewing an actual arbitration file, making opening statements, interviewing and preparing witnesses, lining up questions for and then practicing direct and cross examination, and preparing closing statements.

Participants spent Wednesday evening gearing up for a mock arbitration hearing, and then put their preparation to work on Thursday, when they divided into groups of six—three representing management and three for labor—and spent the day practicing presenting an actual case before an arbitrator. Acting as arbitrators were four former national officers: retired Executive Vice President Jim Williams, retired Assistant Secretary-Treasurer Jim Korolowicz, retired Director of the Health Benefit Plan Tom Young and retired Region 7 National Business Agent Barry Weiner.

Before heading home Friday, the students conducted a post-hearing debriefing and discussed advocate ethics.



Left: NALC President Fredric V. Rolando discusses the role of preparation in representing letter carriers for arbitration hearings. Right: Retired Assistant Secretary-Treasurer Jim Korolowicz (l) acts as an arbitrator during a mock hearing.

Nalcrest vacancies now available

NALC President Fredric V. Rolando has announced that there are a number of apartment openings immediately available at Nalcrest, the union's retirement community in Florida.

The president serves on the community's board of trustees, along with Executive Vice President Timothy C. O'Malley, Assistant Secretary-Treasurer Nicole Rhine, Director of Retired Members Ernie Kirkland, and Nalcrest Committee members Matty Rose (retired Region 9 national business agent), Don Southern (retired national director of retired members) and Tom Young (retired national director of the Health Benefit Plan).



Nalcrest is situated along Florida Route 60, midway between Tampa and Vero Beach, east of Lake Wales. The development, which first opened for business in 1963, features nearly 500 garden-style, ground-level apartments.

Monthly rent ranges from \$365 for efficiency apartments to \$470 for a two-bedroom apartment, all of which are leased unfurnished on a yearly basis. Rent includes water, sewage, trash removal, basic cable TV, interior and exterior maintenance and use of all recreational facilities. No pets are allowed.

Potential Nalcrest residents must be retired and able to take care of normal housekeeping chores as well as themselves. Also, those offered apartments must be members in good standing with the NALC.

For information, call 863-696-1121. An application form was included in the February *Postal Record* and is also available at nalc.org.

Update on injured Iowa carrier

Greg Kline is getting better, slowly.

The letter carrier from Bettendorf, IA, suffered serious injuries just days before Christmas after he was struck by a van while delivering the mail in Davenport. Kline is now at home and has begun intensive physical therapy sessions.

Dave Burke, president of Davenport Branch 506, said even though Kline's therapy has just started, the 23-year carrier and shop steward has "already started sniffing out grievances."

Kline, a husband and father of two girls, also said as much during his recent chat with NALC President Fredric Rolando.

Kline was struck Dec. 22 while crossing a street on his route and sustained numerous injuries and bone fractures. So severe was his condition that he had to be flown by medevac to the University of Iowa Hospitals and Clinics for treatment.

Donations and cards may now be sent to this new address: Greg Kline, Ascentra Credit Union, 1710 Grant Street, Bettendorf, IA 52722.

"There's still a long road ahead for him," Burke said. "For now, his family is happy to have him home."

Collins introduces FECA reform bill

On Feb. 2, Sen. Susan Collins (R-ME), the ranking member of the Senate Homeland Security and Governmental Affairs Committee, introduced legislation to reform the federal government's workers' compensation program.

Her bill, the Federal Workers' Compensation Reform Act of 2011, would require a "transition" to regular retirement under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) for federal and postal employees, who receive benefits under the Federal Employees' Compensation Act (FECA) as a result of workplace injuries, once they reach their retirement age under Social Security.

Collins has argued that workers who have been permanently disabled by their injuries and who will never return to work should not be covered indefinitely by FECA, a program that is designed to provide income for workers injured on the job until they recover and return to work. The senator points to some 1,000 postal employees over the age of 70 who are still receiving FECA benefits, which are greater than retirement benefits provided by CSRS and FERS.

The NALC cannot support the legislation as drafted. It makes no provision for the loss of regular retirement benefits under CSRS and FERS suffered by FECA recipients who are separated from the Postal Service—since such injured workers get no years-of-service credit over the period of their injuries once separated, and since their annuities are based on their high-3 average salaries at the time of their separation, not at the time of regular retirement.

This loss of retirement income is compounded for FECA recipients covered by CSRS since those employees are unable to participate in the Thrift Savings Plan or to accrue benefits under Social Security—both of which make up two-thirds of the retirement package earned by FERS employees.

"We believe that any reform of the FECA program that requires a transition to retirement must be carefully constructed to ensure a fair retirement for injured workers," NALC President Fredric V. Rolando said. "It should not punish workers for being injured in the line of duty."

"NALC is committed to working with Sen. Collins and Chairman Joe Lieberman to achieve this result should the committee take up this legislation," the president added.



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February 22, 2011 No. 11-03

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President Obama's budget

Proposals preserve six-day delivery, offer postal relief

The U.S. Postal Service received mixed news from the Obama administration on Feb. 14 when the White House released its proposed budget for the 2012 fiscal year. The White House reaffirmed its commitment to six-day mail delivery by proposing the continuation of the annual appropriation provision that mandates it. It also requested legislation to defer \$4 billion of the \$5.5 billion pre-funding payment due in September for future retiree health benefits and to require the Office of Personnel Management to return to the Postal Service a \$6.9 billion pension surplus in its Federal Employees Retirement System (FERS) account over the next 30 years, a provision worth \$550 million per year.

Unfortunately, the administration's budget fails to address the massive over-funding of the Postal Service's Civil Service Retirement System (CSRS) pension obligations (some \$50 billion to \$75 billion, according to independent analysts). The NALC, the postal industry in general and the bipartisan leadership of our oversight committee in the Senate—Sens. Tom Carper (D-DE) and Susan Collins (R-ME)—support using this surplus to relieve the excessive burden of financing future retiree health benefits—a burden that no other agency or private company in America is required to carry.

"We are grateful that the administration confirmed its support for six-day delivery and welcome the short-term relief that will come with another deferral," NALC President Fredric V. Rolando said, "but Congress and the Obama administration have to step up on a permanent fix for pre-funding retiree health benefits, a fix that uses the CSRS surplus."

"With a divided Congress, there's little doubt that we face an uphill fight for real pre-funding reform," he said. "But we believe that a strong Postal Service is a bipartisan policy goal."

Aside from the six-day delivery provision, the most promising part of the 2012 budget proposal is the inclusion of wording that directs the Office of Personnel Management to refund the nearly \$7 billion surplus in the Postal Service's FERS account over the next 30 years, beginning with a \$550 million payment this year. While the NALC welcomes the administration's recognition that the FERS surplus should be returned to the USPS, we believe this policy should be applied to the much bigger CSRS surplus (\$55 billion to \$75 billion) and that the funds should be returned much more quickly so that they can be used to cover the cost of the pre-funding payments.

The president's budget also addresses reforms of the Federal Employee Compensation Act (FECA) and calls for eliminating the relatively small \$29 million annual payments to the Postal Service for past revenue forgone appropriations that were not paid to cover the cost of free mail to the blind. NALC is studying the administration's FECA proposal and will report full details in the days and weeks ahead, and we will oppose the cut in revenue forgone payments.

Collins bill: A good start, not ready for NALC backing

As the 112th Congress gets underway, the NALC's legislative goals remain firm. We continue to seek legislation that allows the U.S. Postal Service to use the pension surpluses in both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) to fully fund the Service's retiree health benefit account. We are asking Congress to repeal the burdensome mandate included in the 2006 postal reform bill that requires the USPS to pre-fund the retiree health benefit account to the tune of \$5.5 billion a year—an onerous obligation not shared by any other corporation or government agency. And we continue to push for legislation that requires the continuation of six-day mail delivery service.

On Feb. 15, Sen. Susan Collins (R-ME), the ranking member of the Senate Homeland Security and Governmental Affairs committee—which has oversight of the Postal Service—introduced S. 353, the Postal Service Improvements Act of 2011. Essentially, this is the same bill she brought forward last year, a measure that expired at the end of 2010.

Some of Collins' provisions in S. 353 mirror NALC legislative objectives. However, the bill also includes a number of provisions that the union cannot support.

Among the measure's positive points is an up-front call for the Office of Personnel Management (OPM) to recalculate the amount of the surplus retirement funds in the Postal Service's account in CSRS and to allow the Service to transfer that surplus—which her bill estimates is between \$50 billion and \$55 billion—into the Postal Retiree Health Benefit Fund. Additionally, the bill calls for allowing the OPM to use the surplus money in the Service's FERS account—nearly \$3 billion—to pay down debt or to fund the USPS' workers' compensation liability.

While those are good starts toward solving the Postal Service's financial problems, there are unfortunately two key provisions in the bill that prevent the NALC from throwing our full support behind it.

One section of the Collins' measure requires postal interest arbitration panels to consider the Postal Service's financial health when rendering decisions about collective bargaining agreements, a provision that, if passed, would put a thumb on the scale in management's favor during contract negotiations. Such a change is completely unnecessary because the financial situation of both parties always is presented during arbitration hearings and hence is considered. Arbitrators are required to consider every single exhibit and piece of evidence presented during arbitration proceedings before rendering a decision.

Another of the bill's provisions concerns federal employees who draw workers' compensation benefits—including postal employees. S. 353 calls for converting those workers over to retirement benefits when they reach the appropriate age, if their workers' compensation benefits end up exceeding their regular annuity payments. (This language was also included in the Federal Workers' Compensation Reform bill Collins introduced Feb. 4.)

One of the NALC's primary concerns with this provision is that it fails to take into account the loss of regular retirement benefits under CSRS and FERS that would be suffered by Federal Employee Compensation Act (FECA) recipients who get separated from the Postal Service. Such injured workers get no years-of-service credit over the period of their injuries once they are separated, because their annuities are based on their high-3 average salaries at the time of their separation, not at the time of regular retirement.

This potential loss of retirement income is compounded for FECA recipients covered by CSRS, since those employees are unable to participate in the Thrift Savings Plan or to accrue benefits under Social Security—which combined make up two-thirds of the retirement package earned by FERS employees.

"We thank our long-time friend, Senator Collins, for taking steps to help keep the Postal Service solvent for many years to come," Rolando said. "While the NALC can support some of the provisions in S. 353, we need to keep working with her and all of our friends in Congress to take out or amend other provisions in her bill before we can give it our full backing."

Help Stamp Out Hunger!

1,000-plus branches signed up for May 14 Food Drive

More than 1,000 NALC branches have already registered for the union's 19th annual "Stamp Out Hunger" national food drive—the largest one-day drive in the nation and a critical element of America's effort to combat hunger facing nearly 50 million men, women and children.

Updated food drive packets will be mailed shortly to all branch coordinators at those branches that already have registered for the May 14 drive. Any branch that has not yet registered should do so immediately. A list of registered branches will be available on the food drive page of the union's website, nalc.org.

On Feb. 15, NALC Community Services Coordinator Linda Giordano conducted a conference call with specially appointed regional coordinators from each of the NALC's 15 regions to help them get their regions' campaigns moving.

Postcards funded by the Campbell Soup Company, a long-time food drive partner, will be delivered to homes across America during the week before the drive to remind customers to place food donations out by their mailboxes. The postcard supply might be limited due to financial constraints, so branch food drive coordinators should submit their accurate order as soon as they receive the form included in the food drive packets.

As a major partner in the drive, the U.S. Postal Service will again deliver those postcards to postal customers to remind them that the drive is on its traditional second Saturday in May—this year, May 14. (The second Saturday often comes on the day before Mother's Day, but not this year.)



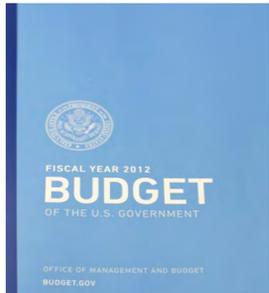
NALC President Fredric V. Rolando urges every NALC branch as well as every NALC member—active as well as retired—to begin immediately to work with local officials in preparing for the drive.

"If you enlist every school, every church, every civic organization, local governments, major businesses and the news media to help out, I'll guarantee your branch will have another successful drive," Rolando said. "Millions of American families in need depend on the food that we collect to help carry them through the summer months and we cannot—we must not—let them down."

In fact, the NALC food drive, which initially supplemented regular donation avenues for food banks and pantries, has been so successful over the years that it is now part of the fabric of fighting hunger in America. Last year, letter carriers collected a record 77.1 million pounds of food for community food banks, pantries and shelters in every state and U.S. jurisdiction.

Campbell Soup, the drive's principal corporate partner, has already begun its massive promotional campaign to support the "Stamp Out Hunger" effort. Also, the Valpak direct marketing firm, which has helped out for years, again is preparing to mail out some 44 million envelopes promoting the drive in April and early May. Other national partners, including the National Rural Letter Carriers' Association, also are primed to step up efforts.

Questions regarding the food drive should be directed to Linda Giordano by mail at NALC Headquarters, by e-mail to giordano@nalc.org, or by phone at 202-662-2489.



As the 112th Congress gets underway, the NALC's legislative goals remain firm. We continue to seek legislation that allows the U.S. Postal Service to use the pension surpluses in both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) to fully fund the Service's retiree health benefit account. We are asking Congress to repeal the burdensome mandate included in the 2006 postal reform bill that requires the USPS to pre-fund the retiree health benefit account to the tune of \$5.5 billion a year—an onerous obligation not shared by any other corporation or government agency. And we continue to push for legislation that requires the continuation of six-day mail delivery service.



Sen. Susan Collins (R-ME)

Regional Food Drive Coordinators

- | | | |
|---|--|--|
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|---|--|--|

NALC stands with our fellow public-employee unions

Increasingly over the last few months, the whole labor movement has had to play a lot of defense. We letter carriers have seen postal workers come under attack from anti-worker politicians who contend that labor costs are putting the U.S. Postal Service in a situation where it may need a bailout. But we're not alone—not by a long shot.

For example, officials in Maryland and Connecticut have been alleging that government workers' pensions are bankrupting various levels of governments, leading to demands for givebacks. Teachers unions in the District of Columbia, in California and in other places have faced sharp, mounting criticism. Ohio Gov. John Kasich and New Jersey Gov. Chris Christie have called for limiting their state employees' collective bargaining rights and right to strike. And in Wisconsin, Gov. Scott Walker has taken this a step further, by threatening to call in the National Guard if employees protest.

"Letter carriers know firsthand what a good union job means for our families and for the communities we live in," NALC President Fredric V. Rolando said in an e-Activist message to Wisconsin letter carriers. "What Gov. Walker is suggesting is nothing short of robbery for hard-working public employees. Now is the time to show our solidarity with them."

Keep an eye out for the March edition of *The Postal Record*, which will explore in depth this attack on public-employee labor unions and the role letter carriers will play in winning the battle.



Follow your union on Facebook, Twitter, YouTube, Flickr and via RSS feed. Visit nalc.org to get started.

House hearing March 2

PMG, NALC: Without pre-funding, USPS would have shown profits

NALC President Fredric V. Rolando told a congressional panel last week that fixing the pre-funding requirement for retiree health care should be the top priority this year in the effort to restore the financial health of the Postal Service.

"The single most important thing this subcommittee should do to address the crisis facing the Postal Service is to permanently reform the pre-funding provisions of the law," Rolando told the House Subcommittee on the Federal Workforce, Postal Service and Labor at its March 2 hearing.

"In the absence of the pre-funding mandate, which no other agency or private company in America faces, the USPS would have recorded a net surplus of \$837 million over the past four years, despite the worst recession since the Great Depression of the 1930s and despite continued electronic competition.

"It is clear in hindsight that [pre-funding] was a terrible mistake—particularly with the onset of the deep recession just around the corner," Rolando said.

Several other witnesses before the committee, plus a few legislators, backed Rolando's call for a rapid pre-funding remedy, as well as his assessment of the Postal Service's potential profitability.

Postmaster General Patrick R. Donahoe told the committee that the Postal Service has made money in operations since the pre-funding mandate took effect in 2007 as part of the Postal Accountability and Enhancement Act of 2006 (PAEA), and he called for immediate action. "These issues must be addressed through legislation this year," Donahoe said.

Rep. Stephen Lynch of Massachusetts, the panel's ranking Democrat, said that solving the pre-funding problem should come before dropping a day of delivery or other drastic measures are considered. "Before we tackle issues such as changing delivery frequency and cutting services and laying off hardworking Americans, there are certainly some more palatable actions we should consider first," Lynch said. "For example, we need to revisit the Postal Service's arbitrary and fixed retiree health benefit payment schedule."

Postal Regulatory Commission Chairman Ruth Goldway added her voice to the call for reform of the pre-funding requirement. "A majority of the commission believes the Postal Service's current financial predicament is rooted in the PAEA mandate to rapidly pre-fund health benefit premiums for future retirees," she told the panel.

Jim Sampsey, executive vice president of Cox Target Media, owners of the Valpak direct marketing company, also pointed to the pre-funding mandate. "We believe that much of the responsibility for the problems of the Postal Service lies with the Postal Accountability and Enhancement Act," Sampsey said, "and we urge the new Congress to fix that flawed legislation now."

Fixing the flaws

President Obama's budget proposal for 2012 called for a substantial reduction in the pre-funding payment for 2011 and a gradual return of the USPS's \$6.9 billion surplus in the FERS system, measures that would save \$4.55 billion this year but do not resolve the CSRS overfunding issue that is key to a permanent solution for pre-funding retiree health benefits. The budget also calls for retaining the legal mandate for six-day delivery.



House Subcommittee on the Federal Workforce, Postal Service and Labor Ranking Member Stephen Lynch (D-MA, left) and Chairman Dennis Ross (R)

One factor that might affect congressional action on reducing the pre-funding requirement, though, is that the annual \$5.5 billion payments count as income for the government, making annual budget deficits appear smaller. Any reform of the pre-funding requirement will therefore increase the deficit and draw opposition in Congress.

Donahoe emphasized that changes to the pre-funding mandate were not a "taxpayer bailout" as some members of Congress and media outlets have claimed, and he said that no taxpayer funds are needed to solve the Postal Service's problems. The pre-funding payments come from money the Postal Service earns through sales and service, and reducing pre-funding would simply involve allowing the Service to keep more of its own money for operations by slowing the rate of pre-funding.

The discussion about "bailouts" was a distraction initiated by a member of the panel more interested in launching shrill attacks on the Postal Service and setting up soundbites than in genuine problem-solving.

The panel also discussed the USPS's CSRS pension plan, which two independent audits by private consultants have concluded is overfunded by between \$50 billion and \$75 billion. The Office of Personnel Management (OPM) is resisting efforts to transfer some of these funds back to the Postal Service to make the pre-funding payments.

While some of the new committee members were skeptical of the inspector general's estimates, Donahoe and Goldway both insisted they were sound. Rep. Lynch, who was chairman of the subcommittee in the last Congress and has a firm knowledge of postal issues, noted that OPM has a history of shortchanging the Postal Service in pensions and benefits, and that Congress had to step in each time to require OPM to restore balance.

"Anybody can make a mistake, but in every single case, OPM overcharged the Post Office by tens of billions of dollars," Lynch said. "So that's the record we have here."



OWCP Training: In mid-February, 30 letter carrier activists from around the country came to suburban Washington for advanced Office of Workers' Compensation Programs training at the National Labor College in Silver Spring, MD. This first-of-its-kind class was led by retired NALC Director of Compensation Ron Watson and a team of expert instructors from the NALC, including Director of Education Jamie Lumm and Region 14 Regional Administrative Assistant Rick DiCecca. Students participated in a series of presentations and exercises designed to give them a grounding in OWCP theory and law, and to help them develop skills for handling problems with OWCP that occur when claims are pending, accepted or denied. Appeals to the Employees' Compensation Appeals Board (ECAB) also were covered. The class was so popular that NALC President Fredric V. Rolando has authorized a second session in April.



NALC President Fredric V. Rolando



Postmaster General Patrick R. Donahoe

NALC to play prominent role in defending, promoting labor

In a letter being mailed this week to the union's regional, state and branch leaders, NALC President Fredric V. Rolando outlines our union's national commitment to the cause of workers across the country.

"The economic crisis—triggered by decades of reckless deregulation and an out-of-control financial sector—caused the economy to crash, unemployment to soar, tax revenues to plummet and pension funds to tank in value," Rolando said. "The notion of 'shared sacrifice' and asking those who really caused the crisis to help close the budget deficits is entirely absent from the national debate. We have to change that."

Following an emergency strategy planning meeting of the AFL-CIO Executive Council on March 2, Rolando outlined labor's strategy to help turn back this assault on working people and their unions, and the role the NALC will play:

- The NALC Executive Council has authorized a substantial contribution to a national media and voter canvassing campaign.
- The union also will provide dozens of full-time activists to work in several states to resist the ideological assault on unions.
- And the NALC will join with the entire labor movement for a national day of action on April 4 to mobilize public support for the rights of all workers to organize and collectively bargain in both the private and public sectors.

"April 4 is the anniversary of the assassination of Martin Luther King Jr., who died in Memphis trying to help the sanitation workers of that city win dignity and bargaining rights on the job," Rolando said.

Details will be provided on the NALC website. Members can also keep up with the very latest news and activities related to the national campaign via the NALC's Activist Alert blog at nalcactivistalert.com.

In the coming weeks, the NALC also will recruit volunteer activists to help with the single biggest union-organizing campaign now underway in the United States. Through this month and next, nearly 50,000 transportation security officers who work at the nation's airports will be voting in a union-recognition election.

A letter from the AFL-CIO Executive Council, encouraging local branches from all unions to step up their participation in central labor councils and state federations of labor, is posted at nalc.org. Rolando urged all NALC branches to join local CLCs and state federations as resources permit.

"If the corporate-financed politicians, think tanks and special interests succeed in stripping state and local workers of their rights, it will be only a matter of time before they turn their sights on postal employees and our rights," the president said. "Let us join together and stop them now. Let's use the energy and solidarity of the fights in Wisconsin and elsewhere to strengthen our union and to spark an historic drive to rebuild the labor movement in the private sector as well."

Carriers join Wisconsin rallies

Letter carriers were prominent among the thousands who rallied in support of workers' rights in Madison, WI, last Sunday, including NALC members from as far away as Illinois, Minnesota, South Dakota and Wisconsin.

The gathering was among the latest to protest Gov. Scott Walker's proposals to eliminate the collective bargaining rights of his state's workers, which he claims is key to balancing Wisconsin's budget.

NALC Assistant Secretary-Treasurer Nicole Rhine and Wisconsin State Association President Scott Van Derven were among the rally's featured speakers. Rhine told those gathered that the NALC has a deep connection with Wisconsin and the labor movement.

"Letter carriers know what Wisconsin's public employees know: There is no greater force for fairness, dignity and democracy in the workplace than a union," she said. "There is no greater force for fairness, dignity and democracy in our country than the labor movement. That's why your fight in Wisconsin is our fight all across America."

Harry Gerakaris, a Carrier Corps member who made the trip to Madison from Downers Grove, IL, was among those who marched around the square outside the state capitol building.

"As the unions go, so the U.S. goes," the member of Branch 1870 told the *Wisconsin State Journal*. "Most people don't realize that unions are the middle class."

For nearly a month, Badger State letter carriers, alongside union and non-union workers, have been marching in Madison and elsewhere around Wisconsin to protest Walker's anti-worker budget-balancing strategy, noted State Association President Scott Van Derven.

And a recent poll shows that the relentless pressure seems to be swaying public opinion in workers' favor.

The poll, conducted by the conservative-leaning Wisconsin Policy Research Institute, found that 65 percent of respondents felt that Walker should try to find a compromise with state senate Democrats and public-sector unions.

And a recent *New York Times*/CBS News poll shows that 60 percent of Americans oppose any attempt to weaken the right to bargain collectively for pay, benefits and working conditions.

Nevertheless, legislators in other states have been trotting out budget strategies similar to Walker's. On March 2, Ohio lawmakers voted to cut collective bargaining for hundreds of thousands of workers, including teachers, firefighters and police officers. The legislation calls for hefty fines and possible jail time for public workers who go on strike.

And in Indiana, a bill that attempts to weaken unions was so close to passing that dozens of state legislators fled across the state line to Illinois in an effort to keep the bill from coming to a vote.



Scenes from the Wisconsin rally: NALC Assistant Secretary-Treasurer Nicole Rhine (left) and Wisconsin State Association of Letter Carriers President Scott Van Derven (center) were among the speakers who addressed the gathering; at right, members give a letter carrier cheer in support of collective bargaining rights for the state's public employee unions.

Food Drive postcard order deadline looms

The deadline for ordering the special postcards used to promote the NALC's National Stamp Out Hunger Food Drive on May 14 is fast approaching.

As noted in the last edition of the *NALC Bulletin*, financial constraints this year have forced food drive organizers to limit the amount of postcards made available to participating branches. So please note: Registered branches must place their orders for postcards by this Friday, March 11.

"Branch organizers who send in orders after that date stand a good chance of not seeing their request fulfilled," NALC Community Services Coordinator Linda Giordano said.

Giordano also noted that updated food drive coordinator packets have been mailed to the more than 1,300 registered branches, and that all coordinators should be receiving their information soon. Meanwhile, more branches continue to sign up every day.

The updated and growing list of registered branches can be found on the food drive page of the union's website, nalc.org.

The drive will once again take place on its traditional second Saturday in May—which this year is May 14—and NALC President Fredric V. Rolando is calling on active and retired letter carriers and their families to get in the food drive spirit.

"It's a sad reality that in 2011, millions of people in the richest country on Earth still struggle with hunger every single day," Rolando said. "Many of us see the harsh effects of poverty firsthand on the routes we walk and drive, Monday through Saturday."

"I'm asking all our members to lend a hand and support this very important effort," he said.

Check out the website at nalc.org to find whether your branch is on the registered-branch list. You also can find contact information for your region's food drive coordinators. And if you have questions about the food drive, contact Linda Giordano by mail at NALC Headquarters, by e-mail to giordano@nalc.org, or by phone at 202-662-2489.



National Association
of Letter Carriers

Fredric V. Rolando, President

March 29, 2011 No. 11-05

NALC Bulletin

100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

In PRC's finding, a 6-day victory

The Postal Regulatory Commission issued an opinion on March 24 that was sharply critical of key aspects of the U.S. Postal Service's proposal to eliminate Saturday mail delivery service. And in a clear win for letter carriers, the Commission embraced many of the criticisms of the plan expressed by NALC in our year-long campaign to preserve six-day delivery for the American people as well as 25,000 city carrier jobs.



"The NALC is gratified by the PRC's decision not to recommend a shift to five-day-a-week mail delivery," President Fredric V. Rolando said. "Thanks to the hard work of thousands of letter carriers who rang the alarm bell on the potential loss of Saturday delivery for citizens and small businesses all over America, Congress now has all the evidence it needs to conclude that '5-day is the wrong way,' indeed.

"We need to strengthen our only truly national communications network, not dismantle it," he added.

Reducing delivery service by 17 percent to save 2 or 3 percent in expenses has never been a good idea, Rolando noted, since it would shortchange the public while hurting future USPS revenue as others fill the vacuum.

Indeed, the three Republicans and two Democrats on the Commission found that the Postal Service's estimate of \$3.1 billion in savings was inflated by 45 percent, with the proper figure being closer to \$1.7 billion. Moreover, commissioners noted that the USPS would lose \$600 million in revenue in the first year, a figure that would grow over time.

The PRC also cited the potential for mail delays and for a substantial impact on rural customers.

Federal law requires the Postal Service to ask for an advisory opinion from the Commission whenever it seeks to make a nationwide change in its operations. The PRC is an independent federal agency charged with overseeing USPS operations, and its opinion on USPS' five-day plan is purely advisory since only Congress has the authority to permit USPS to drop Saturday delivery. However, the PRC's findings carry weight with Congress.

About a year ago, the USPS filed a request for a PRC opinion, and the Commission conducted extensive hearings on the Postal Service's plan over the course of several months, both in Washington and in locations around the country. President Rolando testified forcefully against USPS' plan at hearings in Washington, while other letter carriers expressed their opposition at field hearings. The report noted that the majority of people the PRC contacted said that they wanted to keep six-day mail delivery.

NALC argued in the hearings that USPS was grossly overestimating the savings it might achieve by going to five-day delivery. In their joint opinion, the commissioners agreed, noting that even with recent declines in mail volume, city carrier routes are generally at capacity and that overtime hours have recently risen. Squeezing the same amount of mail delivery into fewer days could compel USPS to create more routes to keep within the eight-hour standard, resulting in an actual increase in labor costs. The Commissioners rejected USPS' notion that it could "absorb" the mountains of mail that would accumulate on Mondays without any significant increase in letter carrier hours. Office time would rise, they said, since carriers would have to spend more time sorting mail, and there would also be an increase in street time, all of which would eat into the savings USPS projects from its five-day proposal.

All five Commissioners endorsed a single set of findings that pointed out major flaws in USPS' projections, but the PRC's joint opinion expressed no ultimate view on whether Saturday delivery should be eliminated.

Although the Commission's opinion is not binding, its findings that USPS' projections are seriously flawed will help Congress and the general public understand what a serious mistake it would be to eliminate Saturday delivery.

'We are one'

Labor event starts this weekend



Later this week, the NALC will join its brother and sister unions throughout the entire labor movement for a national mobilization. The goal? To raise Americans' awareness about the continuing threat against all workers' rights—in both the public and private sectors—to organize and bargain collectively for wages, benefits and working conditions.

Organizers of the "We Are One" mobilization chose April 4 as the focal point because of its symbolic importance to the labor movement. On that tragic day in 1968, the Rev. Dr. Martin Luther King Jr. was assassinated in Memphis, where he had gone to stand with sanitation workers demanding the right to bargain collectively for a voice at work and a better life.

Starting over the weekend of April 1 and continuing through the following week, unions and other progressive allies will host a range of community- and workplace-focused actions to demonstrate our solidarity with America's workers and to continue the fight to protect the rights of workers.

The latest mobilization details and updates will be provided at nalc.org.

"Join us in solidarity with working people across America in the fight against the well-funded, right-wing corporate politicians who are trying to take away the rights Dr. King gave his life for," NALC President Fredric V. Rolando said.

Legislative visit season underway



The spring lobbying season began in earnest this month as dozens of letter carriers representing NALC Regions 1, 2, 4, 5 and 8—a total of 19 states—traveled to Washington to meet with their respective senators and representatives on Capitol Hill and to press for legislative support for letter carrier issues. NALC President Fredric V. Rolando kicked off the four-day event on Monday, March 14 by hosting a rap session at NALC Headquarters. Although Tuesday was the official lobbying day on the Hill, the carrier activists also met with legislators following congressional breakfasts on Wednesday and Thursday.

Those two standing-room-only breakfasts provided more than two dozen House members—plus Colorado Sen. Michael Bennet—an opportunity to state their support for fixing the retiree health pre-funding requirement and for preserving six-day mail delivery. Left, NALC President Rolando addresses the rap session; center, at the Wednesday breakfast, Louisiana State Association President Michael Jenkins (r) introduces Rep. Cedric Richmond (D-LA); right, Missouri State Association President Kevin Boyer listens as Rep. Jo Ann Emerson (R-MO) addresses the Thursday breakfast gathering.

Sat., May 14

Millions will benefit from annual NALC food drive

The 19th annual NALC National Food Drive will be held again on the second Saturday in May—this year, on May 14—and more than 1,500 NALC branches from every state, involving more than 10,000 cities and towns, will help stock community food banks, pantries and shelters for the summer months.



The USPS will mail these buttons to all carriers participating in the food drive to wear to advertise the event in the two-week period prior to the drive.

To help paint a picture of what's at stake for this year's drive, NALC President Fredric V. Rolando pointed to recent Department of Agriculture statistics measuring hunger in the United States.

"Those figures show that the number of Americans living in homes lacking sufficient food topped 50 million in 2009," Rolando said, "with one in three of those—17.2 million—a child.

"Sadly, that represents a 30 percent increase in just one year," he said. "No doubt many of us have seen the evidence of this every day on our routes."

The president urged all letter carriers to enthusiastically join in the food drive effort and to encourage customers to put donations of non-perishable food—including baby food and pet food—by their mailboxes on May 14.

To help get the word out, more than 82 million postcards (including 2 million Spanish-language cards), sponsored by two national partners, the Campbell Soup Company and the Postal Service, will be delivered just before the drive as a reminder to residents. Branches that ordered the postcards can expect to see them arrive beginning April 15. (Branches that requested postcards after the ordering deadline passed and whose requests are unable to be filled will be notified by the end of the first week in April.)

The cards will supplement the more than 44 million special envelopes produced by national partner Valpak and scheduled for delivery throughout April and early May to promote donations.

National partners including the National Rural Letter Carriers' Association, the AFL-CIO, United Way Worldwide and its local United Way organizations, the national food bank network Feeding America, and Uncle Bob's Self Storage, are working diligently to help advertise the drive.

AARP is supplying 3 million special paper bags for drives in areas with particularly needy senior citizens, with special emphasis on Pennsylvania and Alabama.

Publix food stores—a longtime supporter of the drive—will again provide more than 8 million plastic bags for delivery to customers throughout Florida, Georgia and South Carolina.

In Oregon, Wells Fargo Bank is covering the state with plastic bags for the drive, and in northern California, International Paper has supplied another 400,000 paper bags.

Actor and musician Nick Cannon has recorded a public service announcement that is available on both YouTube and Facebook. Cannon, husband of singer Mariah Carey, also is highlighted on a PSA for magazines and on the food drive postcard alongside NALC Region 1 food drive coordinator Paula Miller (see example, right).

And Campbell Soup has arranged for advertisements to be placed in numerous national magazines and in Sunday newspaper coupon fliers just before the drive. Campbell's also maintains the official Facebook and Twitter social networking sites.



2011 rap session dates set

Save the dates! The 2011 NALC Rap Session is set for October 14-16 in Las Vegas. There will be a welcoming reception on the evening of October 14, a variety of workshops on October 15 and the Rap Session on the morning of October 16. Note that both the Health Benefit Plan and Mutual Benefit Association seminars, also in Las Vegas, have been scheduled to immediately follow the rap session. Check nalc.org for more details as they become available.

Graves introduces H.Res. 137

Rep. Sam Graves (R-MO) has reintroduced his resolution opposing the elimination of Saturday delivery in the new Congress.

H.Res. 137 expresses the sense of the House that the Postal Service should take "all appropriate measures" to ensure continuation of six-day mail delivery service.

"Six-day delivery makes the Postal Service unique," NALC President Fredric V. Rolando said. "Competitors either don't deliver or charge high premiums for Saturday delivery, while the USPS provides affordable universal service as mandated by the U.S. Constitution.

"American businesses value six-day delivery," he continued. "Business in the United States is conducted six and, in many sectors, seven days per week. Saturday delivery is especially important to growing companies like eBay, Netflix and CVS/Caremark, and long has been vital for delivery of news magazines.

"The elimination of Saturday delivery would make the USPS less valuable to business and accelerate electronic substitution," he said.

As Congress broke for recess in March, 36 House members had signed on as co-sponsors of H.Res. 137.

New MDA fundraiser!

'Fill the Satchel' set for Aug. 14

For more than 50 years, the Muscular Dystrophy Association has been the NALC's only official charity. Over that time, letter carriers have raised millions of dollars to support the ongoing fight against neuromuscular diseases, from pass-the-hat campaigns at branch meetings to car washes to the highly successful annual national bowlathon for MDA.



The third annual national bowlathon will be held Sunday, Nov. 6. But before then, NALC President Fredric V. Rolando has announced yet another way letter carriers can join the battle.

A national "Fill the Satchel" event, planned for Sunday, Aug. 14, is patterned after the firefighters' similar "Fill the Boot" campaign, a fundraising activity that has proven successful for our brothers and sisters in the International Association of Fire Fighters.

"While this is solely an NALC initiative," Rolando said, "I'm happy to announce that the Postal Service has agreed to allow us to wear our postal uniforms for this one-day event."

NALC National MDA Coordinator Jim Williams and Director of Community Services Linda Giordano, working with MDA, will provide all the necessary promotional materials, such as posters and banners.

Further details on "Fill the Satchel" and the bowlathon will appear in future editions of the *NALC Bulletin* and *The Postal Record*, and also at nalc.org.



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National Association
of Letter Carriers

Fredric V. Rolando, President

April 11, 2011 No. 11-06

NALC Bulletin

100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

Politicizing postal bargaining

This week's unprecedented congressional hearing on an agreement negotiated by the U.S. Postal Service and one of its craft unions shows just what letter carriers and the rest of the postal workforce are up against in the 112th Congress.

On April 5, the Republican-led House Oversight and Government Reform Committee held a hearing titled "Are Postal Workforce Costs Sustainable?" It was aimed at scrutinizing the tentative pact recently hammered out between the USPS and the American Postal Workers Union. Though the agreement has yet to be voted on by the union's members, some legislators were eager to voice their opinions of it, with several anti-labor committee members contending that it didn't go far enough in reducing postal costs.



Postmaster General Patrick Donahoe (l) and APWU President Cliff Guffey

Such negotiations have traditionally been left to the parties involved, and both the president of the APWU and the postmaster general testified about their satisfaction with the agreement they had reached. That didn't stop some legislators from offering their criticism of various aspects of the agreement and, more broadly, of a process they claimed—without offering any proof—is biased toward labor.

Three of the witnesses called to testify—APWU President Cliff Guffey, Postmaster General Patrick Donahoe and Postal Board of Governors Chairman Louis Giuliano—praised the agreement between the APWU and the USPS. They joined the fourth witness, Board of Governors member James Miller, in agreeing that the tentative contract was the best possible agreement that could have been reached under current laws.

Miller acknowledged that the Board had unanimously approved of the APWU-USPS deal, although most of his comments during the hearing, which he stated were made solely on his own behalf, served largely to agree with Committee Chairman Darrell Issa's unfounded complaints about postal pay and benefits.

The remaining three witnesses spoke in clear terms about the value of the USPS to our country and its residents, about the ways that good labor-management relations have helped lead to increased productivity and customer satisfaction, and about the give-and-take that produced the tentative agreement. A good number of legislators also voiced strong support for the Postal Service and its employees.

But they did so in the context of a hearing clearly aimed at discrediting the agreement and raising doubts about the collective-bargaining process itself, an effort that will not surprise those who live in Wisconsin, Ohio or other states where local officials have sought to vilify the notion of public employees engaging in bargaining and, in several cases, actually to strip workers of those rights.

"What we saw in Tuesday's hearing was nothing short of a kangaroo court," NALC President Fredric V. Rolando said. "We thought that Congress had gotten out of the business of interfering with the collective-bargaining agreements of government workers, but it turns out that some clearly want back in.

"Keeping politics out of postal bargaining has served the parties, the American people and the mailing public very well for 40 years," Rolando said. "We have decent jobs, the mailers get high-quality service at very affordable rates and the taxpayers don't have to foot the bill.

"This type of congressional interference," he added, "makes the results of next year's elections all the more important, and the need to begin preparing now for those contests all the more urgent."

What really matters

Issa (R-CA) focused on the tentative contract.

"We have deep concerns that some of the provisions of the [APWU] contract may in fact be the wrong direction," Issa said, "to less flexibility, less ability to trim the workforce and less ability to in the future make the kinds of investments we need to make." Rep. John Mica (R-FL) repeatedly referred to the Postal Service as a dinosaur in the age of the Internet.

At the same time, the hearing was replete with positive comments about the USPS and employees who for six consecutive years have been named by the public as the country's most-trusted federal workers. The central role the Postal Service and its employees play in America was a constant theme, as was the high proportion of veterans and other groups that form the Service's workforce.

The real financial situation at the Postal Service also was frequently mentioned, as several representatives and witnesses pointed to the fact that the agency's fiscal problems have nothing to do with labor costs and everything to do with the 2006 congressional mandate that the USPS pre-fund future retiree health benefits to the tune of \$5.5 billion a year. Without that requirement, which no other agency or company faces, the Postal Service would have been profitable over the past four years, even with the worst recession in 80 years and even with competition from the Internet.

Donahoe repeatedly pointed out that reforming the retiree health benefits pre-funding mandate and gaining access to USPS surpluses in the Civil Service Retirement System and the Federal Employees Retirement System are key pieces of the financial puzzle.

"What we need is your help on these big issues that are beyond our control," the postmaster general told the committee. "We have excellent relations with our employee unions and management associations. Take care of those things and you'll never see us again."

Several committee members, including ranking member Rep. Stephen Lynch (D-MA), Rep. Bruce Braley (D-IA) and Rep. Peter Welch (D-VT), praised the work of all postal employees—letter carriers as well as clerks and mail handlers—and congratulated the Postal Service and the APWU for arriving at a negotiated agreement that includes some gains and some losses for both sides. Rep. Danny Davis (D-IL) called the new pact "one of the best labor-management agreements I've seen in a long, long time."

The fight ahead

But for every instance where Donahoe or Democrats made their case, anti-labor members of the committee just as often returned to criticism of the APWU-USPS agreement. Many appeared to favor ideas that tipped bargaining scales in management's favor and that would reduce workers' benefits and wages. And Miller, an appointee of George W. Bush and a former Board of Governors chairman, has made no secret of his interest in privatizing the Postal Service and nullifying its collective-bargaining agreements with its craft unions.

Rolando put the session in a broader context.

"We letter carriers are fooling ourselves if we believe that we are going to get a pass from these anti-labor forces that are unfairly targeting firefighters and police, nurses and teachers, and are doing so with little regard for the facts," he said.

"And in this atmosphere, it won't be impossible to get our legislative agenda passed, but it will be extremely difficult. It will take all of us standing together, and working with our allies on Capitol Hill and elsewhere."

NALC, USPS agree to new route adjustment process

In March, National Association of Letter Carriers President Fredric V. Rolando signed a memorandum of understanding with the U.S. Postal Service on a new Joint Alternate Route Adjustment Process (JARAP) for 2011.

"The NALC and the Postal Service continue to recognize the advantages of jointly adjusting routes," Rolando said.

Three documents must be read in conjunction to fully understand JARAP 2011:

- the memorandum of understanding, M-01746
- the joint guidelines, M-01747
- the joint training document, M-01748

All three are available for download from the City Delivery page of nalc.org.

Some of the changes to the agreement include a new 3999 review process, lead time for more extensive training, inclusion of NALC Carrier Optimal Routing (COR) technicians in the process, and review of adjustments only upon request.

19th annual food drive

Saturday, May 14: Deliver mail, collect food

In 2010, collections in the National Association of Letter Carriers' national "Stamp Out Hunger" food drive reached 77.1 million pounds, which pushed the drive's 18-year total above the 1-billion-pound mark. And as America's letter carriers plan for another successful drive this year, NALC President Fredric V. Rolando notes that the need for our help is greater than ever.



"In every corner of this country, there are people and families who are hungry, including children," Rolando said. The latest available statistics indicate that about 50 million Americans live in families that lack sufficient food, and that one out of every three—17 million—is a child.

"As letter carriers, we have the privilege of serving communities six days a week, of getting to know people, and we are grateful to have the opportunity to serve them in this way as well," Rolando said.

The 19th annual food drive, the nation's largest, will be conducted this year on Saturday, May 14. On that day, letter carriers nationwide will collect non-perishable donations from homes as they deliver mail along their postal routes.

Donations are critical now, Rolando noted. "Because most school lunch programs are suspended during summer months, millions of children must find alternate sources of nutrition," he said.

Active and retired letter carriers and their families and friends will spread out in neighborhoods all across America to collect the donations and to take them to their local food bank, pantry or shelter, including hundreds affiliated with Feeding America, a national partner in the drive. Assisting the more than 1,400 local branches of the NALC will be members of the National Rural Letter Carriers' Association—a national food drive sponsor—plus other postal employees, members of other unions and civic volunteers.

Eighty-two million postcards, produced by the Campbell Soup Co., a national partner, soon will be on their way to postal customers to remind them of the drive. Campbell will again donate one pound of food (up to one million pounds) to the Feeding America food bank network for every person who joins the Stamp Out Hunger Facebook community at facebook.com/StampOutHunger.

"As letter carriers, we see people on our daily routes who rely on the generosity of others to help provide something as basic as a meal in a time of need," Rolando said. "We're proud to continue this program of critical assistance to needy families across the U.S."

Joining in the effort to stamp out hunger is another national partner, Valpak Direct Marketing Systems, which is using 44 million of its envelopes to encourage food donations. Also, Publix grocery stores and AARP are donating millions of specially marked food drive bags to help make collections easier.

Also supporting the drive as national partners are the U.S. Postal Service, the AFL-CIO, United Way Worldwide and Uncle Bob's Self Storage.

For more information, check out helpstampouthunger.com.

Spring training

Union's state, regional leaders meet in DC

The legislative chairs of the National Association of Letter Carriers' state associations, plus the national business agents from the union's 15 regions, gathered in Washington on April 3 for their annual strategy and training session.

The union's leaders hit the ground running with a two-hour phone-banking session, asking members to call their congressional representatives and press them to support letter carriers and the Postal Service ahead of that week's Oversight and Government Reform hearing (see above). Over the next few days, they discussed the union's political and legislative agenda with the NALC's Legislation and Political Action Department before lobbying their congressional representatives on our key legislative objectives. Sen. Tom Carper (D-DE) and Reps. Gerry Connolly (D-VA) and Elijah Cummings (D-MD) addressed the activists at an evening reception.

The workshops wrapped with a training session facilitated by representatives from the AFL-CIO.



Left, NALC President Fredric V. Rolando welcomes House Oversight and Government Reform Committee Ranking Member Elijah Cummings (D-MD) to Tuesday evening's reception. Right (from l), Rep. Gerry Connolly (D-VA), Wisconsin State President Scott Van Derven and Sen. Tom Carper (D-DE) share a lighthearted moment.



National Association
of Letter Carriers

Fredric V. Rolando, President

May 2, 2011 No. 11-07

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100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

19th annual food drive is May 14

Letter carriers stand ready to help 'Stamp Out Hunger'

With the 19th annual NALC Stamp Out Hunger food drive now just days away, legions of letter carriers are once again getting ready to lead the charge in the ongoing battle against hunger in America.

The country's largest one-day food collection effort gives active and retired letter carriers a chance to combine forces with other postal employees, family members and volunteers across the nation in the fight to ease the pain of hunger in thousands of neighborhoods to which we also deliver the mail six days a week.



As always, our priority is to help community food banks, pantries and shelters restock their supplies so needy families can have access to food throughout the coming summer months.

"It will be great if we can smash last year's record of 77.1 million pounds of food collected," National Association of Letter Carriers President Fredric V. Rolando said. "But the fact that so many of us will be out on our routes on Saturday, May 14, bringing in millions upon millions of pounds of food—that's the truest indication that our hard work pays off."

Rolando also encourages all active letter carriers, in these final days leading up to the drive, to sport the special Stamp Out Hunger promotional buttons that the Postal Service recently mailed out.

Charitable organizations that provide food for the needy look forward to our annual drive because the supplies they collect during winter holiday drives usually are depleted by the time the second Saturday in May rolls around. Making matters worse is the sad fact that, nationally, the need for food assistance has reached levels not seen since the Great Depression of the 1930s, thanks to the slow-to-fade effects of the recession.

NALC food drive coordinators at all levels remain confident that customers will answer the call and leave bags of non-perishable food items next to their mailboxes on May 14. And that call has blanketed the country in just about every form imaginable: in radio and television public service announcements (PSAs), in newspaper and magazine advertisements, and in online communities and social networks, not to mention the more-than 82 million drive-promoting postcards that are heading to the mailstream thanks to the U.S. Postal Service, a national Food Drive partner.

The postcards feature a photo of actor and musician Nick Cannon, who also recorded PSAs produced by national food drive partners Campbell Soup and the national food bank network Feeding America. (Branch food drive coordinators who ordered postcards were expected to receive them by April 30.)

National partner Valpak also is taking advantage of the mail as advertising medium with an announcement placed prominently on the front of its familiar blue envelopes urging nearly 44 million postal customers to participate in the drive.

The other 2011 Stamp Out Hunger national partners are the National Rural Letter Carriers' Association, the AFL-CIO, United Way Worldwide and its local United Way organizations, and Uncle Bob's Self Storage.

Branch food drive coordinators should mail the official results form to National Headquarters immediately following the drive's conclusion, to arrive at NALC no later than the May 27 deadline for publication in *The Postal Record* and for inclusion in the national total. Action photos, video clips and news media items also should be forwarded to Headquarters as soon as possible.

NATIONAL ASSOCIATION OF LETTERS CARRIERS

Stamp
Out
Hunger
FOOD DRIVE

PLEASE...

Leave non-perishable food items
at your mail box Saturday

May 14th!

This food drive billboard has been placed in strategic locations along highways in California.

Support for H.R. 1351 grows

Last month, Rep. Stephen Lynch (D-MA), the ranking member of the House Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia, introduced a bill to address the accounting error that has led the Office of Personnel Management (OPM) to overcharge the Postal Service, by billions, for payments into the Civil Service Retirement System.

H.R. 1351, The United States Postal Service's Pension Obligation Recalculation and Restoration Act of 2011, deals only with the CSRS and FERS overcharges. Its passage would place the Postal Service on a good path toward a financially sound future.



Rep. Stephen Lynch (D-MA)

The measure calls on the OPM to recalculate the USPS surplus in the Civil Service Retirement System, using a methodology that fairly allocates the cost of pensions between the old Post Office Department and the modern U.S. Postal Service.

Once the accurate postal surplus is determined, OPM would have 15 days to transfer the surplus to the Postal Service Retiree Health Benefits Fund (PSRHBF).

H.R. 1351 also calls on OPM to allow the Postal Service to use most of its FERS surplus (estimated at \$6.9 billion) to make this year's mandated \$5.5 billion pre-funding payment into the PSRHBF (which already holds \$42 billion), plus a \$1.2 billion payment to the Department of Labor for workers' compensation expenses.

Any money left over from the FERS surplus would go toward the Service's future FERS obligations.

Already the main focus of discussions between letter carriers and our elected officials, H.R. 1351 counted 35 House members as co-sponsors by the beginning of Congress' two-week spring recess. Most representatives and senators spend their breaks meeting with constituents in their home district offices, so scores of letter carrier activists, including congressional district liaisons as well as rank-and-file NALC members, took advantage of this opportunity to press their representatives to add their names to the list of H.R. 1351 co-sponsors.



Follow your union on Facebook, Twitter, YouTube, Flickr and via RSS feed. Visit nalc.org to get started.

PERF helps relieve the pain caused by nature's fury

The springtime storms and tornados that have ripped across the Midwest and South over the last few weeks, killing dozens of people in Missouri, Alabama and North Carolina in particular, remind us that the destructive forces of nature can be unleashed at any time, regardless of season.



Postal
Employees'
Relief
Fund

Fortunately, letter carriers and all postal workers have access to a helping hand in times of trouble, thanks to the Postal Employees' Relief Fund (PERF).

PERF was created by the NALC, the Postal Service and other postal unions and management organizations in the aftermath of the havoc wrought by the 1989 natural disasters of both Hurricane Hugo and San Francisco earthquake. It assists postal employees who suffer substantial damage to their homes and property in natural disasters such as tornados, hurricanes, earthquakes, floods and wildfires, or because of a house fire.

The fund provides grants ranging from \$2,000 to \$35,000, depending on the total amount of qualified loss after insurance and other relief assistance are paid out. Millions of dollars in grants have been issued since PERF's inception.

NALC-represented letter carriers, as well as other postal craft and management employees who are on the active rolls at the time of a disaster, are eligible for assistance, subject to meeting specific criteria. (Employees who retired from the Service under Form 50 and who are victims of a disaster that occurred after December 18, 2003, also are eligible.)

NALC President Fredric V. Rolando is a PERF trustee, along with Postmaster General Patrick Donahoe and the presidents of the participating unions and management associations. Linda Giordano, assistant to the president for community services, is our union's appointed representative on the PERF executive committee, which handles day-to-day operations of the fund, reviews requests for assistance and authorizes grants.

Contributions to PERF are received primarily via payroll deduction through the annual Combined Federal Campaign (CFC), although individual and group contributions also are received.

For information on donating to PERF or to obtain an application form for assistance, go to postalrelief.com, call 202-408-1869, or write to the Postal Employees' Relief Fund, P.O. Box 34422, Washington, DC 20043-4422.

New York, Maryland/DC carriers come to Capitol Hill

Scores of letter carriers from the New York and Maryland/DC state associations visited Washington recently, giving NALC activists an opportunity to discuss a number of important topics with their national leaders as well as with their senators and representatives.

On April 12, NALC President Fredric V. Rolando led a rap session for Empire State carriers. A reception followed, attended by Sen. Kirsten Gillibrand (D) and Reps. Timothy Bishop (D-1st), Richard Hanna (R-24th), Brian Higgins (D-27th), Nita Lowey (D-18th), Carolyn Maloney (D-14th) and Paul Tonko (D-21st). NYSALC members spent the following two days meeting with these and other New York representatives on Capitol Hill.

Then, on April 14, members of the Maryland/DC association attended a rap session led by President Rolando before heading to the Hill to speak with their congressional representatives.



MD/DC State Chair
Tonya Detrick



Left, Reg. 11 NBA Dan Toth, Reg. 15 NBA Larry Cirelli and New York State Chair George Mangold listen as NALC President Fredric V. Rolando addresses the New York State Association rap session. Right, Sen. Kirsten Gillibrand (D-NY) poses with members of the New York delegation during a reception.

Date changed!

'Fill the Satchel' is now Oct. 2

NALC President Fredric V. Rolando has announced that the date has changed for our newest fundraiser for the Muscular Dystrophy Association, our union's official charity.



The first-ever national NALC "Fill the Satchel" campaign will now take place on **Sunday, Oct. 2**, not Aug. 14 as originally planned.

The event will be similar to the International Association of Fire Fighters' annual "Fill the Boot" MDA fundraiser.

NALC National MDA Coordinator Jim Williams and Director of Community Services Linda Giordano, working with MDA, will provide all the necessary promotional materials, such as posters and banners.

Keep an eye out for further details on "Fill the Satchel" in future editions of the *NALC Bulletin* and *The Postal Record*, and also at nalc.org.

Have you seen the Ryan budget plan?



The U.S. House of Representatives recently approved a budget plan for 2012 created by Rep. Paul Ryan (R-WI), chairman of the House Budget Committee. Have you taken a look at what's inside it?

— Trillions of dollars of cuts in Medicare and Medicaid that experts believe could essentially end both programs as they now work.

— More giant tax cuts to the wealthiest Americans.

— Our pension contributions would double, amounting to a 6 percent pay cut.

— A federal wage freeze until 2015, which would likely shape the Postal Service's approach to bargaining on our contract this fall.

Don't like what you see? Stay informed! Become an e-Activist by joining the NALC e-Activist Network. Find out how at nalc.org.



National Association
of Letter Carriers

Fredric V. Rolando, President

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100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

A flawed POST Act introduced in the Senate

Postal financial fix marred by delivery frequency, arbitration changes

Last week, Sen. Tom Carper (D-DE) introduced the Postal Operations Sustainment and Transformation (POST) Act, S. 1010. The bill, introduced in conjunction with a Senate subcommittee hearing on the financial condition of the U.S. Postal Service, aims to resolve the pension and retiree health pre-funding burdens that continue to weigh heavily on the Postal Service's ledgers.

The POST bill would require the Office of Personnel Management (OPM) to accurately calculate the Service's surpluses in both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) and allow the USPS to use those surpluses to help take care of its onerous obligation to pre-fund future retiree health benefits for 75 years. Additionally, POST calls for opening up the Postal Service's networks to offer new products and services to generate additional revenue.

"The NALC strongly supports the POST Act's retirement-cost provisions and the new commercial freedoms it offers," President Fredric V. Rolando said. "These provisions would go a long way toward restoring the long-term viability of the Postal Service."

"Unfortunately, the bill is marred by two provisions that we cannot support—the elimination of six-day delivery and the addition of pro-management changes to the law governing collective-bargaining disputes."

The POST act would let the USPS cut the number of delivery days without seeking congressional permission and without limit—indeed, it would permit management to cut two or even three days of delivery. It also would permanently mandate that interest arbitrators consider pro-management factors, without considering balancing factors important to postal workers, before issuing an arbitration decision to resolve contract impasses.

"We believe that the delivery-frequency provision is unwise and that the arbitration changes are both unfair and unnecessary," Rolando said.

"Given divisions in Congress over many elements of comprehensive reform proposals like those offered by Senator Carper, the NALC believes a narrow finance bill that enjoys the broad support of the postal industry and wide bipartisan backing in Congress has the best chance of enactment," he added.

On the House side, for example, more than 120 representatives have already signed on as co-sponsors of H.R. 1351, the bill with a more narrow focus on finances introduced in March by Rep. Stephen Lynch (D-MA) to recover the Postal Service's pension surpluses.

"We look forward to working with both parties, and both houses of Congress, to ensure the financial viability of the Postal Service without damaging its ability to provide affordable universal postal services or cutting costs on the backs of postal employees," Rolando said.

Soon, the NALC will be sending every branch president an outline of talking points to help letter carriers across America get the facts out to the media and to key decision-makers in Congress and in the administration. Also, in association with all the postal unions and management associations, the NALC is working to create a media fund to help shape the debate about the future of the Postal Service. The goal is to get the truth out about the real causes of the Postal Service's financial situation and to educate the public about the true value of the work we do for the country and the economy.

The Service's employee groups also are working together to build a labor-business coalition to support financial reform and are reaching out to USPS allies in the mailing industry and business community to garner further support for a strong and healthy Postal Service.

NALC-backed coalition opposes House budget plan

The Federal-Postal Coalition, writing on behalf of the 4.6 million federal and postal workers and annuitants represented by a number of national organizations including the NALC, recently wrote the leaders of the Senate Budget Committee, asking them to reject several provisions contained in the Fiscal Year 2012 budget resolution drafted by Rep. Paul Ryan (R-WI) and passed by the House of Representatives.

The letter, dated May 12, also asked the Senate committee, as it works on its own corresponding budget bill, to ignore some of the recommendations made by the National Commission on Fiscal Responsibility and Reform.

"The House Budget Resolution's plan to freeze federal employee pay for five years, cut the workforce by 10 percent, and require employees to significantly increase their contributions to the Civil Service Retirement and Disability Trust Fund (is) short-sighted, unfair and unreasonable," the letter states.

"Requiring federal workers to contribute a higher share of their salary toward their defined benefit annuity will ultimately result in a significant pay cut, an outcome Congress should avoid during these difficult economic times."

The letter also voiced strong opposition to changing the "high-3" formula to a "high-5" approach for computing federal and postal employee pensions. "It is unfair to move the goalposts for employees reaching the end of their careers," the letter states. "For Civil Service Retirement System (CSRS) annuitants, this change will create an estimated loss of \$7,148 in retirement income over five years. For FERS annuitants, the loss will be \$2,322 over five years."

In addition, letter-signers oppose a plan to turn the Federal Employees Health Benefits Program into a defined contribution premium support arrangement, in which federal employees and retirees would be given a voucher to secure health insurance. The Congressional Budget Office has estimated that a proposal such as this would result in Medicare recipients paying up to 68 percent, essentially doubling their premium by 2030.

You can read the letter online at nalc.org under "Latest News."



Rademacher honored: NALC President Fredric V. Rolando (l) honored NALC President Emeritus James Rademacher's 70 years of NALC membership at a ceremony at NALC Headquarters in Washington on May 13. Rademacher, a member of Detroit Branch 1 who now lives in Roanoke, VA, was president of the NALC from 1968 to 1977, a period that included the Great Postal Strike of 1970 and negotiations of the union's first collective-bargaining agreements with the Postal Service.



Sen. Tom Carper (D-DE)

2011 Food Drive

Letter carriers help feed America's hungry

NALC members across America once again demonstrated their compassion for and commitment to postal customers and communities by taking part May 14 in the NALC Stamp Out Hunger Food Drive.



Gillette, WY Br. 1548's Matt Mongiello unloads his LLV filled with food donations.

As this *NALC Bulletin* was prepared, collection results still were being tabulated at NALC Headquarters. Coordinators are expected to immediately submit branch collection totals to Linda Giordano, the union's community services coordinator, **with all totals due in Washington no later than May 28.** A final national total for the drive was scheduled to be announced in early June, and a complete report on the drive, including branch-by-branch results, will appear in the July issue of *The Postal Record*.

This year's drive involved more than 1,400 NALC branches and 100 National Rural Letter Carriers' Association installations in more than 10,000 cities and towns in all 50 states and U.S. jurisdictions.

NALC President Fredric V. Rolando applauded the hard work and dedication of NALC members. He also praised the thousands of members of the NRLCA, a food drive national partner, and the thousands more postal employees and volunteers involved in the largest one-day effort to combat hunger in America.

"It is gratifying to see so many NALC members and other volunteers sacrifice their time and energy to make sure this humanitarian effort is a success, year after year," Rolando said. "I'm sure that the recipients of our efforts appreciate it during these difficult economic times."

Rolando thanked the union's other national partners in the drive: the U.S. Postal Service, Campbell Soup Company, Valpak Direct Marketing Systems, United Way Worldwide and its local United Ways, the AFL-CIO, the Feeding America food bank network and Uncle Bob's Self Storage. He also thanked "Family Circus" cartoonists Bil and Jeff Keane, who have provided special artwork each year.

There were a number of other major supporters to the drive. For example, Wells Fargo pitched in to help the Oregon Food Bank in that state and in eastern Washington with more than 600 volunteers joining in at 47 locations, along with a hefty monetary contribution.

In Toledo, the local news media, aided by the local police chief among others, played letter carriers from Branch 100 on the basketball floor, with donated food items as admission fare. Letter carriers lost 95-80, according to an NBC 24 report, while the food drive was the clear winner.

In Wood County, WV, students at Neale Elementary School, acting on a suggestion by Parkersburg Branch 481 letter carrier Roger Francis, brought in 2,800 pounds of food for the Wayside Good Samaritan Center food pantry.

WPLG-TV in Miami promoted the drive by showing food coming into a facility at Miramar and by interviewing South Florida Branch 1071's Laurie Miale.

"We have kidney beans. We have chicken," Miale said as she handled the canned goods. "These are very valuable items because they make up the source for a full meal."

In the Philadelphia suburbs, Bux-Mont Branch 920 carrier Edward Stahl of Upper Moreland expressed the feeling of many who had to work harder on May 14.

"It's a nice way to give back to the community," Stahl said. "We do what we can."

Aiea-Pearl City Branch 4682 carrier Adele Yoshikawa, who has led the effort for collections for the Hawaii Food Bank for several years, told KRON-TV2 that the food drive might be able to help many of their postal customers in need.

"Being a mail carrier, the customers almost become like a second family," she said.



A South Florida Br. 1071 letter carrier moves an impressive haul to the loading dock.

PERF needs your help

PERF desperately needs your help.

"A lot of charities have seen a dramatic drop in supporting donations over the last few years, mainly thanks to the Great Recession and its lingering effects," NALC President Fredric V. Rolando said, and the Postal Employees' Relief Fund is no exception.



"But sadly, there has been no similar reduction in the amount of natural disasters, and now PERF is struggling to stay afloat," he said.

PERF is the charity created by the NALC, the Postal Service and other union and management organizations following a string of natural disasters in the late 1980s. It helps letter carriers and other postal employees who suffer substantial damage to their homes and property following natural disasters such as tornadoes, earthquakes, floods and wildfires. Since its inception, it has issued millions of dollars in grants.

Relief services across the country have struggled to keep up with demands following the recent flooding along the Mississippi River, not to mention the record number of tornadoes that ripped across Alabama and North Carolina in April.

Disasters in the Midwest

Then, as this *NALC Bulletin* was being prepared, rescue workers in Joplin, MO, were sifting through the damage caused by an enormous, deadly tornado on May 22. The twister killed as many as 122 people and destroyed the homes of at least 11 letter carriers, including the home of Southwest Missouri Branch 366 President Tracy Parkes. Early reports also indicated that the storm killed the husband of a National Rural Letter Carriers' Association member and injured a number of craft employees and supervisors.



Some of the damage left by the May 22 tornado in Joplin, MO. Photo by Clint McManaman.

Meanwhile, reports from the tornado-stricken states of Kansas, Oklahoma and Arkansas were just beginning to stream in to NALC Headquarters.

"Now is the time to help your brothers and sisters by giving to PERF," Rolando said.

After insurance and other relief assistance are paid out, PERF provides grants ranging from \$2,000 to \$14,000, depending on the total amount of qualified loss.

Immediate donations can be mailed to PERF at P.O. Box 7630, Woodbridge, VA 22195. For more information, visit postalrelief.com or call 202-408-1869. And this fall, when the Combined Federal Campaign kicks off, consider designating PERF (#10268) as one of your CFC beneficiaries.

2011 Rap Session update

The 2011 National Rap Session is set for Oct. 14-16 in Las Vegas at the Planet Hollywood Hotel. A welcoming reception will be held Friday evening, Oct. 14, followed by a variety of workshops on Oct. 15 and the rap session itself on the morning of Oct. 16. Please note that both the Health Benefit Plan and Mutual Benefit Association seminars, also in Las Vegas, have been scheduled to immediately follow the rap session. Go to nalc.org for travel, airport shuttle and hotel information.

Accepting applications for 2012 Leadership Academy classes

The application period for the 2012 Leadership Academy classes opens on June 1 and closes on Sept. 30. Application forms are available on the NALC website or can be obtained from your national business agent's office.

Any active member may apply for one of the 60 available spots. Those who applied for the 2011 classes but were not selected need not reapply. However, you are encouraged to send updated information to be added to your previously submitted applications.

Two Leadership Academy classes will be held in 2012, each consisting of three non-consecutive weeks of instruction at the National Labor College outside Washington. Students will also be required to complete outside learning projects. And following graduation, students will spend a week working in their national business agent's office.

Two applicants from each of the 15 NALC regions will be chosen for each of the 2012 classes. Those selected will be notified around the end of October.



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National Association
of Letter Carriers

Fredric V. Rolando, President
June 27, 2011 No. 11-09

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100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

Issa introduces draconian postal reform bill

Rolando: Misguided bill is 'a missed opportunity'

On June 23, Rep. Darrell Issa (R-CA), the chairman of the House Oversight and Government Reform Committee, and Rep. Dennis Ross (R-FL), chairman of the Subcommittee on the Federal Workforce, Postal Service and District of Columbia, introduced a comprehensive postal reform bill in the House of Representatives.

Sadly, H.R. 2309 fails to address the central cause of the financial crisis facing the Postal Service—the destructive and unique mandate to massively pre-fund future retiree health benefits that accounts for 100 percent of the Postal Service's losses over the past four years.

Instead, the bill proposes radical changes that would recklessly downsize the U.S. Postal Service in a way that would seriously damage the \$1.3 trillion mailing industry and the entire U.S. economy.

"We are very disappointed in the Issa/Ross bill," NALC President Fredric V. Rolando said. "We hoped for a more common sense, practical and non-ideological approach to an institution that has historically engendered strong bipartisan support. Instead, we got a draconian downsizing plan and a misguided and unjustifiable attack on hardworking postal employees who provide the most affordable and highest quality mail service in the world."

Rather than taking sensible action to avert a financial crisis that would result from the failure of the Postal Service to make the next unaffordable \$5.5 billion pre-funding payment for future retiree health benefits (due in September), the bill seeks to take advantage of the pending cash crisis to force a massive downsizing and to launch a frontal assault on the pay, benefits and collective-bargaining rights of postal employees.

Indeed, it fails to even mention the massive surpluses in the Postal Service pension accounts that two private, independent auditors have confirmed exist. These surpluses can and should be used to resolve the financial crisis caused by the pre-funding mandate.

Under the Issa/Ross plan, tens if not hundreds of thousands of good middle-class jobs, many of them filled for decades by military veterans, would be needlessly destroyed.

The core of the bill is the creation of two unelected groups authorized to take extreme steps to cut costs and reduce services, one to generate lists of post offices and facilities to be closed and one to serve as financial overseers with the power to alter or nullify collective-bargaining agreements and to make other operational decisions to reduce expenses. The Board of Governors and Congress would be effectively marginalized under the bill.

The bill would allow the Postal Service to eliminate Saturday delivery—inconveniencing millions of residents and businesses—and would repeal the right of postal employees to bargain over health and life insurance benefits, a right won more than 40 years ago. It would also inject political issues into the process for resolving collective-bargaining impasses and unfairly restructure interest arbitrations by giving pro-management factors top priority in the law.

"It seems the war on collective bargaining that we have seen in the states has come to Washington," Rolando said.

NALC is in the process of studying the lengthy Issa/Ross bill in detail. Meanwhile, the union will continue to work with the Obama administration and with leaders in the Senate from both parties to develop more moderate and sensible solutions to the Postal Service's problems.

We will also seek to work with Rep. Stephen Lynch (D-MA) and the bipartisan group of 153 other co-sponsors of his bill, H.R. 1351, to make progress in the House of Representatives. H.R. 1351 would allow the USPS to use its pension surpluses to cover its pre-funding costs, thereby resolving the immediate financial crisis without collateral damage.

"We regret very much that Representatives Issa and Ross have taken this approach. We view it as a missed opportunity," President Rolando said. "Historically, the constitutionally mandated Post Office has been an issue that has been spared the destructive impact of partisan politics. We remain hopeful that a more reasonable, bipartisan bill can be developed in the House using H.R. 1351 as the starting point."

Critic bombs in his 'postal' premiere

Glenn Garvin—by all appearances, a distinguished *Miami Herald* journalist—now serves as that paper's television writer. But for some reason, he decided to step out of the box on June 6 to write a critique of the U.S. Postal Service, and to say that he tripped badly in doing so would be a grave understatement.

"Perhaps the freedom to offer subjective reactions to television programs without reference to verifiable facts in his day job can explain his complete misunderstanding of the situation facing the Postal Service," NALC President Fredric V. Rolando said. "But that is no excuse for a supposedly seasoned newspaper reporter."

Garvin may have set some sort of journalistic record for distorting an issue and misleading his readers in a single paragraph—an amazing eight gaffes in one paragraph alone.

Just how misleading is Garvin's commentary on the USPS? Head to nalc.org/PostalFacts and count the ways with us.

What to do if your branch lost its tax-exempt status

A number of NALC branches have received a notice from the Internal Revenue Service (IRS) advising them that their tax-exempt status has been revoked because they failed to file either a Form 990, Form 990-EZ or Form 990-N over the past three years.

In 2007, the IRS, and subsequently, the Office of the NALC Secretary-Treasurer, announced the change in the IRS requirement to file a Form 990 even if the branch has no income. This change results from the Pension Protection Act of 2006.

A branch that loses its tax-exempt status is liable for taxes on its dues income. However, the IRS is providing a chance for branches or state associations that have lost tax-exempt status to be reinstated by filing Form 1024 and Form 8718, and by paying a user fee.

Branches that were eligible to file a Form 990-N (e-Postcard) can obtain transitional relief by applying for reinstatement of tax-exempt status by Dec. 31, 2012. Such branches will be treated by the IRS as having established reasonable cause for their filing failures and their tax-exempt status will be reinstated retroactively to the date it was automatically revoked.

More information for Form 990-N-eligible branches is available at www.irs.gov—see Notice 2011-43.

Branches that should have filed Form 990 or Form 990-EZ at least once in the last three years will have to show reasonable cause for their failure to file in order to receive retroactive reinstatement. Full details are available in Notice 2011-44 at www.irs.gov.

Additional information on the reinstatement process, including retroactive reinstatement, can be found on the IRS website, which also provides a list of organizations whose tax-exempt status has been revoked. The NALC website, nalc.org, also offers information pertinent to the application for reinstatement, including answers to some of the less-obvious questions on the Form 1024, as well as a PDF of the "IRS Determination Letter" issued to NALC Headquarters, which covers NALC branches and state associations.

A link from the NALC website to the pertinent IRS website information and forms also will be available.

Every branch receiving income from dues is urged to ensure that its tax-exempt status is in place presently, and if not, to apply immediately for reinstatement.

In addition, all branch fiduciary officers should ensure that the appropriate Form 990, Form 990-EZ or Form 990-N is filed in a timely fashion, as failure to file still can result in the loss of tax-exempt status.

Branches with no dues receipts are advised to contact their National Business Agent's office or the Office of the Secretary-Treasurer for advice. Further instructions for zero-income branches may be available in a few weeks on the NALC website.

NALC reacts to USPS statement regarding 2011 FERS contributions

The Postal Service announced on June 22 that it is suspending its bi-weekly contributions to the Office of Personnel Management (OPM) for Federal Employees Retirement System (FERS) benefits (11.7 percent of basic pay) because its FERS account within the government-wide pension plan has a large surplus and because it would like to preserve its cash reserves in the face of worsening economic conditions.

Earlier this year, Postmaster General Patrick Donahoe announced that the USPS would not be able to make the \$5.5 billion retiree health pre-funding payment scheduled for Sept. 30 and called on Congress to enact postal reform to avert a funding crisis that will occur when the USPS exhausts its \$15 billion debt limit early next year.

The Postal Service has informed the NALC that employee contributions to FERS (0.8 percent of pay) will continue. However, it also told the union that the USPS and OPM disagree about whether the Postal Service can satisfy its bi-weekly FERS obligations with the surplus pension funds. The two agencies have agreed to ask the Department of Justice to decide the matter and to continue to award service credit under FERS.

"This action by the Postal Service to use the postal surplus in FERS to meet its payroll obligations to FERS does not directly affect our members, because OPM has agreed to continue to award service credit under FERS until the Department of Justice resolves the issue," NALC President Fredric V. Rolando said.

"But the Postal Service action drives home the need for Congress to resolve the problems caused by its 2006 mandate that the USPS pre-fund future retiree health benefits."

The mandate requires the USPS to pre-fund most of the retiree health benefits payable over the next 75 years within a decade—something no other public agency or private firm does. The resulting annual payments run \$5.5 billion a year.

Without that unique burden, the Postal Service would have been profitable over the past four-and-a-half years. Even with the worst recession in 80 years, even with Internet diversion, the USPS has taken in more money from its postal operations than it has spent. And without the pre-funding payments, the USPS would have cash reserves and would not have exhausted its \$15 billion borrowing authority.

"This decision by the USPS reinforces the absolute necessity for Congress to do what we've been asking it to do for years, which is to address the Postal Service's pension surpluses in CSRS and FERS and thereby resolve the postal financial crisis by giving the Postal Service access to its own money," Rolando said.

What USPS management, the unions, the Postal Regulatory Commission, key Republican and Democratic legislators on postal issues and other stakeholders are asking is simply this: Allow the Postal Service to stop depleting its operating funds to make these payments, and instead permit an internal transfer of funds from its pension surpluses—as any responsible business would do.

This is Postal Service money earned by the sale of products and services, with zero taxpayer involvement. Making such a transfer would still leave both funds, pensions and retiree health benefits, generously funded well into the future, while putting the USPS operational budget back on sound financial footing on paper—as it's been all along in practice.



Rolando on the radio: NALC President Fredric V. Rolando did back-to-back-to-back drive-time radio interviews via telephone on June 21 with 15 broadcast stations or networks across the country, ranging from an Ohio network with 35 affiliates to a station in Boston, from Fox News Network with 300 affiliates nationwide to the 40 affiliates of Montana's Northern Broadcasting Network.

Listeners heard the truth about the real financial situation of the Postal Service, including the pre-funding problem and the legislative fix involving the internal transfer of USPS funds, the importance of maintaining six-day mail delivery, our ability to help the Postal Service adapt to society's changing needs, and the positive role letter carriers play in every community in America from the Stamp Out Hunger food drive to looking after the elderly to the Cities Readiness Initiative.

Many stations stream their content live online and/or archive their news content for later listening. Check out nalc.org for links to the various outlets' websites.

Stamp Out Hunger!

In May 14 drive, letter carriers collect 70.6 million lbs. of food

The results are in: On May 14, America's letter carriers collected more than 70.6 million pounds of nonperishable food in our national Stamp Out Hunger food drive and delivered it to community food banks, pantries and shelters that provide the needy with a lifeline of basic nutrition to help carry them through these difficult economic times.



"Six days a week, letter carriers see firsthand the needs in the communities they work in, and we're privileged to be able to help the needy and to lead an effort that brings out the best in so many Americans," NALC President Fredric V. Rolando said.

Active and retired NALC members, plus countless thousands of rural carriers, other postal employees and citizen volunteers provided critically needed goods to food distribution centers in more than 10,000 cities and towns in all 50 states as well as U.S. territories.

The collection figure brought the 19-year total to more than 1.1 billion pounds. Full drive coverage plus a complete list of branch collection amounts are in the July issue of *The Postal Record*.

Rolando thanked all those who participated, and also expressed the NALC's gratitude to our national partners in the drive, including the National Rural Letter Carriers' Association, U.S. Postal Service, Campbell Soup Co., Valpak Direct Marketing Systems, United Way Worldwide and its local United Ways, AFL-CIO, Feeding America food bank network and Uncle Bob's Self Storage.

This year's national total of 70.6 million pounds of food collected was down from last year's record 77.1 million pounds picked up. And local totals often reflected the national trend. Many food drive coordinators blamed collection drop-offs on this year's shortage of food drive reminder postcards. Only 80 million cards were distributed nationally this year, a reduction from the 126 million sent last year, thanks mainly to a severe drop in funds made available to cover printing costs.

Even so, it still marked the eighth consecutive year that the drive surpassed the 70-million-pound mark. Meanwhile, efforts already have begun to solicit help in restoring full postcard funding for the 2012 drive.

Rain on Food Drive Day hampered collection efforts in some areas, but in other places, where weather-related calamities had recently occurred, collections actually increased. For example, in Alabama, which had been hard-hit by a number of tornadoes just a few days before the drive, residents used the collection effort to respond in a big way to the disaster.

Bags provided by longtime supporters such as the Publix and Kroger grocery store companies again provided a tremendous lift to various branch efforts, and this year they were joined by AARP, Wells Fargo and International Paper Co. as key supporters of the drive.

The drive also was helped by extensive public service advertising by Campbell's and Feeding America, whose messages reached millions of Americans via the Internet, newspapers and national magazines, and radio and television. Campbell's also made a 1 million-pound donation of its products to Feeding America on behalf of the drive and gave more than 96,000 additional pounds in response to Facebook account-holders who clicked the "Like" button on that website's Stamp Out Hunger page.

The NALC already is hard at work to get ready for the 20th annual NALC National Food Drive on May 12, 2012—as always, the second Saturday in May.



Follow your union on Facebook, Twitter, YouTube, Flickr and via RSS feed. Visit nalc.org to get started.



National Association of Letter Carriers
 Fredric V. Rolando, President
 July 25, 2011 No. 11-10

NALC Bulletin

100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

Postal Facts

NALC sets the record straight, in print and online nationwide

The NALC is gaining ground in our fight to dispel the persistent myths about the U.S. Postal Service's finances. But just like this summer's wildfires in Arizona, no matter how hard we try to stamp out the various falsehoods, they seem to keep popping up again and again.



In late June, President Fredric V. Rolando presented our side of the story in an op-ed commentary for the McClatchy Company, which owns several major newspapers across the country, including *The Miami Herald* and *The Sacramento Bee*, and provides wire content for print and online outlets.

The president's piece, responding to a prior McClatchy column, explained how the Postal Service would have netted hundreds of millions in profit over the last four years were it not for the 2006 congressional mandate that the Service pre-fund 75 years' worth of future retiree health benefits, and do so in only 10 years at a rate of \$5.5 billion a year. This is an obligation no other public agency or private company faces.

McClatchy circulated the op-ed on June 27, and it has since appeared in dozens of print and online outlets across the country, including on blogs.

Then, on July 7, Rolando wrote an op-ed article for *The San Diego Union-Tribune*, which had printed an opinion column the week before that was replete with errors, including the absurd notion that the Postal Service is seeking a taxpayer bailout.

The president wrote: "What USPS management, unions, the Postal Regulatory Commission, key Republican and Democratic legislators on postal issues and others ask of Congress is simply this: Let the Postal Service stop depleting its operating funds to make these [pre-funding] payments, and instead allow an internal transfer of funds from its pension surpluses." Several independent accounting firms have estimated that the surpluses in USPS' Civil Service Retirement System and Federal Employees Retirement System accounts ranges from \$50 billion to \$75 billion.

Separately, Rolando also has spelled out the letter carriers' solution to the postal financial crisis in separate op-ed pieces for *The Washington Examiner* and *The Florida Times-Union*.

You can read all about it at nalc.org/PostalFacts, where you'll also find a thorough debunking of Rep. Dennis Ross' blog post, "Postal Service 'Overpayment'—Myth v. Fact." Ross (R-FL) is the chairman of the House Subcommittee on the Federal Workforce, Postal Service and District of Columbia.

Also on Postal Facts, you'll find a document outlining the recommended talking points for branch leaders to employ when discussing the postal financial crisis—and when debunking the myths.

HQ memorial to honor carriers killed in the line of duty

Honoring those who have fallen in the line of duty has always been a priority for the armed services. The NALC also has strived to do the same for members of the letter carrier craft.

That's why the union has commissioned a plaque for display at NALC Headquarters in Washington that will bear the names of those men and women who have been killed while delivering mail.

"As a union, our mission is to protect the safety of letter carriers," President Fredric Rolando said, "but our service shouldn't end with their lives. We have a commitment to honor their legacies as well."

The plaque will include the names of the carriers, their branches, the cities they carried mail in and the dates of their deaths.

Note: Submissions for the plaque can come only from a branch president, who should use the official form posted on the NALC website.

To be honored on the plaque, carriers must have died in the line of duty from accident or attack and not from natural causes or illness.

"We intend to make this a tradition, as a way to never forget those who gave their lives in the fulfillment of their duties," Rolando said.

Once completed, the plaque will be installed later this year.



Become an e-Activist today! Win \$100!

Cynical politics threatens six-day mail delivery

Every federal appropriations bill since 1984 years has contained this phrase:

"6-day delivery and rural delivery of mail shall continue at not less than the 1983 level."

It's the way Congress has set the policy on the frequency of mail delivery for nearly 30 years. But now it's under special scrutiny, thanks to Rep. Darrell Issa (R-CA), the chairman of the House Oversight and Government Reform Committee.

In just the last two weeks, President Fredric Rolando has sent numerous e-Activist Network alerts about this latest threat to six-day mail delivery service.

"Over the last 30 years, no one from either party has ever objected to that language being included in the appropriations bill," he said. "But suddenly, in a cynical move designed to score political points, Congressman Issa has inserted himself into the appropriations process, endangering 80,000 postal jobs and threatening to inconvenience millions of our customers."

Issa has asked that the House Rules Committee leave the six-day language "unprotected" on the grounds that it violates a congressional rule that prohibits legislating via an appropriations bill. Once legislative language is "unprotected," any member of Congress can challenge it by a point of order and remove it from a pending bill.

To stay on top of this and other threats to letter carrier jobs, benefits and pensions, make sure you're a member of the NALC e-Activist Network. You can sign up at nalc.org.

As an added incentive for you to join the network, the NALC will conduct a drawing for 10 \$100 American Express gift cards at the end of the year. To be eligible to win, you must be on the e-Activist rolls with a valid e-mail address by Dec. 1. Of course, winners will be notified via letter mail as well as e-mail.

Watch out for insurance scams

Are you receiving advertisements or questionnaires at work from insurance solicitors?

Have insurance solicitors asked to be allowed to address your branch meetings or state conventions?

Has the Postal Service allowed insurance vendors to solicit products to employees at your station?

Insurance vendors are aggressively targeting postal employees at the workplace and at state and local branch meetings.

Under the Freedom of Information Act, solicitors are allowed to request a roster of Postal Service employees.

While this information can be provided to requestors, *Administrative Support Manual* Section 271.641 states: "Employees must not receive personal mail at their place of employment." Section 271.642 addresses the exceptions, such as union correspondence.

There are federal regulations that govern solicitations on Postal Service property as well, such as 39 CFR Section 232.1, "Conduct on postal property," which states that "[s]oliciting alms and contributions, campaigning for election to any public office, collecting private debts, soliciting and vending for commercial purposes...are prohibited."

It is the Postal Service's responsibility to adhere to these regulations. If insurance solicitors are allowed on postal premises, a grievance should be initiated and you should notify your national business agent.

If an insurance company is allowed access to solicit or request members' personal information at state or branch meetings, that might be considered an endorsement, which would violate Article 8 of the *Constitution and Laws of the United States Letter Carrier Mutual Benefit Association*.

Article 8, "Prohibitions," states that "[n]o State Association or Branch of the NALC, or officer or member of the NALC, shall take any action or make any statement whose purpose is to undermine the MBA, encourage a rival to it, or bring about a violation of its legal or contractual obligation."

It's been reported that some Medicare-eligible retired members have been approached concerning dropping out of the Federal Employees Health Benefit Program and enrolling in Medicare Advantage.

Be careful. Once you drop out of FEHBP under this condition, you cannot get back in.

The right for lifelong health care is a benefit that was earned through legislation and negotiations over many years. It should not be discarded without a clear understanding of your rights.

Those with questions should contact their branch leadership for guidance.



Follow your union on Facebook, Twitter, YouTube, Flickr and via RSS feed. Visit nalc.org to get started.

Attention MBA representatives

Register for MBA rep. training

The Mutual Benefit Association will offer a branch representative training seminar at the Flamingo Hotel and Casino in Las Vegas. The training will begin Sunday, Oct. 16, with registration from noon to 4 p.m. A general session on Sunday from 2 p.m. to 4 p.m. will cover MBA representative responsibilities, accidental death benefits and branch supplemental plans. That session will be followed by a meet-and-greet from 4:30 p.m. to 6 p.m.

Monday through Wednesday, the MBA will offer sessions from 10 a.m. to noon and again from 1 p.m. to 3 p.m. that will cover whole, term and universal life insurance, hospital confinement, disability income, maturity income and the MBA's website. Continental breakfast will be served all three days.

Special sessions also will be held for those who serve their branches as both MBA and Health Benefit Plan representatives. These sessions will be held Monday through Wednesday from 7 a.m. to 9 a.m.

Space is limited, so make your reservation as soon as possible. Use the form below or download the form from the MBA web page at nalc.org. For additional information on the MBA representative training, please contact NALC Director of Life Insurance Myra Warren at (202) 638-4318.



First National MBA Representative Training
 October 16 – 19, 2011
 The Flamingo-Las Vegas, NV

REGISTRATION FEE: \$60.00
 REGISTER EARLY-SPACE IS LIMITED/FIRST COME BASIS!!!

Name: _____ Title: _____
 Branch Number: _____ Branch City: _____
 Number of years as an MBA Rep: _____

Mailing Address for Confirming Your Registration:

Street: _____
 City: _____ State: _____ Zip: _____
 Business Phone: _____ Home Phone: _____
 E-mail Address: _____

Date of Arrival: _____ Date of Departure: _____

Name(s) of Guest(s): _____

Registration Fee Includes
 Seminar Materials
 Sunday Meet & Greet (\$40.00 fee for guests)
 Continental Breakfast Each Day
 Lunch on Monday & Tuesday

Make your check payable to the MUTUAL BENEFIT ASSOCIATION and mail with this form to:

U.S. Letter Carriers Mutual Benefit Association
 Attn.: Dianne Williams
 NALC Building-Suite 510
 100 Indiana Avenue, N.W.
 Washington, D.C. 20001

Please contact Myra Warren at (202) 638-4318 with questions or for additional information.

The Flamingo Reservation line: 1-800-557-3606

\$55.00 per night group rate until September 16, 2011
 Group Code SFMBA1

Join President Rolando for the NALC Rap Session @ Planet Hollywood on Sunday from 8 a.m. – Noon

I will attend the NALC Rap Session I will not attend the NALC Rap Session



National Association
of Letter Carriers

Fredric V. Rolando, President

August 24, 2011 No. 11-11

NALC Bulletin

100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org



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Contract negotiations underway

NALC is ready to start bargaining despite USPS' 'bad-faith' beginning

NALC President Fredric V. Rolando and the union's Executive Council opened negotiations with the U.S. Postal Service Aug. 18 on a new collective-bargaining agreement.

But overshadowing the occasion was the surprise, pre-emptive attack that USPS launched a week before, releasing two "white papers" to Congress and the national media in an attempt to lobby for legislative action to eliminate negotiated no-layoff clauses and postal workers' health and pension benefits. (For more on that, see the story below.)

"It is extremely unfortunate that you have taken actions in the last two weeks which intend to render collective bargaining a futile, sterile exercise," Rolando said during his opening statement at Postal Headquarters. "We are disappointed, disturbed and insulted by this misguided assault on the employees and institution, and we will do everything in our power to block this attempt to destroy the Postal Service."

Rolando reminded Donahoe that the current financial crisis was not caused by Postal Service workers and that a solution should not be enacted at the expense of its hardworking letter carriers.

"We are prepared to negotiate a fair, responsible and innovative labor agreement to reward our members and to position the Postal Service for a stronger and better future," Rolando said. "We are here to help you grow the business and find real solutions to preserve America's only universal communication network. We are ready to move boldly into the future, and we hope you will join us."

"Let me, first of all, say thank you to the city letter carriers," Donahoe said during his opening statement. "You do an outstanding job representing the Postal Service and providing excellent service to the American public. You're out there every day, six days a week, and even on Sundays with Express Mail."

"We have faced some big-time economic challenges and I think you have stepped up, from working with us on route consolidation and changes that have allowed us to minimize the disruption to the employees and to the customers."

The present five-year contract covering more than 200,000 city carriers expires Nov. 20. If the parties fail to reach an agreement, federal law calls for mediation and binding arbitration to resolve the dispute. Strikes are forbidden. Since 1970, most contracts have been successfully negotiated.



NALC President Fredric Rolando (l) and Postmaster General Patrick Donahoe concluded the opening of formal collective-bargaining negotiations with a handshake. (USPS photo)

Surprise move reveals USPS' hand going into contract negotiations

Seven days before the NALC opened negotiations on a new collective-bargaining agreement with the U.S. Postal Service, our employer launched a fresh and unexpected offensive against key provisions of our collective-bargaining agreement, not to mention the benefits we have worked hard to earn and maintain since 1970.

"The Postal Service decided to send us a clear message—that it intends to use its financial crisis—caused by the deep recession and the crushing congressional pre-funding mandates—to strip postal employees of our bargaining rights," NALC President Fredric V. Rolando said.

The surprise assault included a mandatory stand-up talk delivered in mid-August by supervisors in post offices across the country.

"This talk was part of a concerted campaign by top postal management to convince Congress to slash postal employees' health and pension benefits and override layoff protection provisions in the postal unions' contracts," Rolando said.

The campaign also included a press release on the subject issued to the national news media and two "white papers" distributed to congressional decision-makers.

One paper proposed that Congress allow the Postal Service to set up its own health plan outside the Federal Employees Health Benefits Plan, as well as its own pension plan separate from the Federal Employees Retirement System and the Civil Service Retirement System—a move that, unsurprisingly, would dramatically cut employee benefits below those earned by other federal employees and potentially move letter carriers out of the Thrift Savings Plan.

The other white paper brazenly asked Congress to step in and void the layoff protection provisions of the various postal union labor contracts.

Supervisors incorrectly claimed during the stand-up talks that postal unions had been "briefed" on both proposals. "The USPS developed its plans without any discussion or negotiation with NALC or any of the other unions," Rolando said. "Let me be clear: We would never agree to any benefit plan unilaterally designed by postal management. We will resist this or any other blatant attempt to subvert and circumvent collective bargaining."

The same stand-up talks included the Postal Service's latest mantra: "If we were a private company, we would have already filed for bankruptcy and gone through restructuring—much like major automakers did two years ago."

"Of course, it's not true," Rolando said. "If the Postal Service were a private company, it would not have to file for bankruptcy because it would not be subject to the special postal reform mandate to pre-fund 75 years' worth of future retiree health benefits within just 10 years—because no other private enterprise or government agency labors under such an unfair mandate."

"And if we were a private company, we would not have used all our borrowing authority to pre-fund. Instead, we would have it available to ride out the bad economy," he added.

"But the USPS seems to think that if it repeats this 'big lie' often enough, most people—and especially members of Congress—will think it's true."

Fortunately, letter carriers are smart enough to know better, Rolando said. "The Postal Service is not going bankrupt. Rather, Washington politics is killing it."

Rep. Stephen Lynch (D-MA) understands the truth, too. His bill, H.R. 1351, calls for letting the Postal Service transfer its massive pension surpluses (found by two independent audits to amount to \$50 billion to \$75 billion) to cover the cost of pre-funding future retiree health benefits. When the House went on recess earlier this month, 181 members from both parties had signed on as co-sponsors of Lynch's legislation, and many letter carrier activists were taking advantage of the recess period to press for more congressional support during home-office visits and town hall meetings.

How the debt ceiling deal affects letter carriers

On Aug. 2, Congress and the White House managed to hammer out a deal to raise the nation's \$14.2 trillion "ceiling" by another \$2.1 trillion in two stages.

The increase, which will go toward expenses the U.S. has already incurred, will be balanced with about \$2.5 trillion in spending cuts spread over the next 10 years.

But what does all this mean for letter carriers?

For now, postal employees' pensions and health benefits remain off-limits in the first round of cuts in discretionary spending. However, the second set of cuts could expose our health benefits and pensions to reductions.

It all depends on the outcome of negotiations within the newly created Joint Select Committee on Deficit Reduction, the so-called "supercommittee" of 12 legislators consisting of six representatives and six senators, each group evenly divided between Democrats and Republicans.

A simple majority of this supercommittee has until November to approve a cost-cutting plan. However, if Congress rejects the plan, across-the-board cuts to defense and domestic spending could take effect automatically. Our benefits would not be subject to such automatic cuts.

Stay informed! Make sure you're signed up to receive alerts through the NALC e-Activist Network. Sign up online, or make sure your e-mail address is up-to-date, at nalc.org/activist.



September COLA: \$978

The final cost-of-living adjustment as negotiated under the 2006-2011 National Agreement will be \$978 annually, based on the July Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) announced Aug. 18 by the U.S. Bureau of Labor Statistics.

The cost-of-living adjustment (COLA) is effective in Pay Period 20, which begins Sept. 10 (pay date Sept. 30). The COLA was based on the increase in the CPI-W between January 2011 and July 2011.

The COLA is equal to 47 cents per hour, or \$37.60 per pay period.

The accumulation toward the 2012 retiree COLA stands at 3.3 percent based on the July CPI-W.

Because there was no retiree COLA for 2010 or 2011, the 2012 COLA will be determined by comparing the average CPI-W during the third quarter of 2011 and the average during the third quarter of 2008, the benchmark set when the retiree COLA was last paid.

The COLA for the 2017 Federal Employees' Compensation Act (FECA) beneficiaries, determined on the CPI-W change from December 2010 to December 2011, stands at 3.4 percent based on the July data.

Pre-funding default: What does it mean for us?

The U.S. Postal Service announced Aug. 5 that, by the end of the third quarter of Fiscal Year 2011, it had lost \$5.7 billion. And that's where we stand as we approach the deadline for the USPS to make this year's \$5.5 billion pre-funding payment for retiree health benefits—a payment Postmaster General Patrick Donahoe has already stated the USPS will not be able to make.

That means that the USPS will be in default. But what will default really mean for the Postal Service?

"There is sure to be a media firestorm," President Fredric V. Rolando said. Headlines have already started to announce that the Postal Service is "bankrupt," although most media reports ignore the fact that all of the USPS' losses since 2006 can be attributed to postal reform's pre-funding mandate.

But the postmaster general has pledged that, even in default, the Postal Service will continue to fulfill its constitutional obligation to provide universal mail delivery six days a week, and that workers and vendors will be paid.

No doubt some will attack the USPS, calling it a poorly run federal agency in need of a taxpayer bailout, conveniently forgetting that the USPS is financed by postage-payers, not taxpayers.

So, it will be up to us when we are off the clock to spread the truth about where we are and how we really got here, to prevent anti-postal foes from trying to insert themselves into our collective-bargaining process and use the default as an excuse to force our company to downsize.

L.A. selected as 2016 convention site

The NALC Executive Council, meeting Aug. 15-18 in Washington to prepare for the opening of negotiations for a new collective-bargaining agreement with the U.S. Postal Service, also voted to select Los Angeles as the site of the union's 70th Biennial National Convention in 2016.

The Council vote followed a report from the Convention Site Committee headed by Secretary-Treasurer Jane E. Broedel, which reviewed possible sites based on the geographic rotation established by the NALC Constitution.

This will be the first time the convention has been held in the City of Angels since the 33rd gathering was held there in 1941. It will be held Aug. 15-19, 2016, and the host will be Los Angeles Branch 24.

Next summer's 68th biennial convention in 2012 will be held July 23-27 at the Minneapolis Convention Center. The 2014 event will be take place July 21-25 at the Philadelphia Convention Center.



Free LM seminar for Mid-Atlantic carriers

The Washington District office of the Office of Labor-Management Standards is offering a free seminar on union finances, LM reporting, and officer elections Aug. 30 in Hagerstown, MD. Officers, trustees, auditors and other interested union members are encouraged to attend. The registration form is available at nalc.org.

Delivery Unit Optimization (DUO) update

NALC Secretary-Treasurer Jane E. Broedel advises branches existing under Delivery Unit Optimization (DUO) that, at the beginning of the DUO process, the dues of the letter carriers who are moved to another installation may be reimbursed under the already existing branch's finance number. Those funds eventually will be reimbursed back to the branch whose letter carriers were moved.

"A branch that receives dues as a result of a DUO should not spend those funds and should alert the NALC Membership Department at 202-662-2836," Broedel said.

The memorandums of understanding regarding DUO can be found on the City Delivery page at nalc.org.

Make sure your branch is represented at the 2011 national rap session

The 2011 national conference—better known as the "National Rap Session"—is just a few short weeks away, and NALC President Fredric V. Rolando reminds branch and state leaders to make sure you've made your travel and hotel arrangements before time runs out.

This year's conference is Oct. 14-16 in Las Vegas at the Planet Hollywood Hotel. A welcoming reception starts off the weekend the evening of Friday, Oct. 14. Then, it's on to business, with a variety of workshops all day Saturday, Oct. 15 and the actual rap session on Sunday morning, Oct. 16.

Note that both the Health Benefit Plan and Mutual Benefit Association seminars, also in Las Vegas, have been scheduled to immediately follow the rap session. A registration form for the MBA seminar was printed in the previous *NALC Bulletin* and can be found online at nalc.org/depart/mba. See below for information on signing up for the HBP seminar.

Don't delay!

Register for HBP's 30th seminar

As you have been reading in the last few *HBR Reports* and articles in *The Postal Record*, the time for the NALC Health Benefit Plan's 30th seminar is swiftly approaching.

This year's seminar is scheduled for Oct. 16-19 at the Flamingo Hotel and Casino in Las Vegas. Registration, a health fair and an opening "meet and greet" reception kicks things off on Sunday, Oct. 16. Then, the following days are packed with educational classes, presentations by special speakers and a branch participation awards luncheon.

Health Benefit Plan Director Brian Hellman reminds letter carriers who are planning to attend to get their registration forms filled out and submitted as soon as possible.

"This is a great opportunity to meet your brother and sister letter carriers and learn about your Plan," Hellman said. "We look forward to seeing you there."

Fill out the registration form below and mail it in as soon as possible.



**NALC Health Benefit Plan
30th National Health Benefit Seminar
October 16 - 19, 2011
The Flamingo Las Vegas**

REGISTRATION FEE: \$100.00

Please complete a SEPARATE form for each Registrant

Name: _____ Title: _____

Branch: _____ Branch City: _____

Number of Years HBR: _____ Number of Seminars Attended: _____

Mailing Address for Confirming Your Registration:

Street: _____

City: _____ State: _____ Zip: _____

Daytime Phone: _____ Home Phone: _____

E-Mail Address: _____

Arrival Date: _____ Departure Date: _____

Guest (Name): _____

Guest tickets (Payment must accompany registration for advance purchase):
 Meet & Greet (Sun.) \$40 Cont. Breakfast \$30 (per day) Awards Lunch (Mon.) \$45 Reception (Tues.) \$65

Special Dietary Needs (Luncheon): _____

Will you be attending the MBA Seminar? Yes No (Separate registration required.)

Will you be attending the National Rap Session*? Yes No

*President Rolando will not be speaking at the Health Benefit Plan Seminar. You are welcome to attend the Rap Session on Sunday, October 16th from 8am-12pm at Planet Hollywood to hear his presentation.

Registration Fee Includes:

- ▶ All Seminar Materials
- ▶ Health Fair (During Registration)
- ▶ Continental Breakfast Each Day
- ▶ Sunday Meet and Greet
- ▶ Monday Awards Lunch
- ▶ Tuesday Closing Reception

Please make the Registration Fee (\$100.00) payable to the NALC Health Benefit Plan. The Registration Fee must accompany this form. (We are sorry but the NALC HBP cannot accept Credit Card payments for the Registration Fees.)

Mail registration form with your check to:

NALC Health Benefit Plan
ATTN: 2011 Seminar
20547 Waverly Court
Ashburn, Virginia 20149

QUESTIONS??? - Please Call (703) 729-8104

Save America's Postal Service!

Rallies set for Sept. 27 in every congressional district

The NALC has enlisted the support of the three other postal unions to designate next Tuesday, Sept. 27 as a national day of action to Save America's Postal Service.

Together, the NALC, the American Postal Workers Union and the National Postal Mail Handlers Union and the National Rural Letter Carriers' Association will rally in every congressional district in the country to build support for H.R. 1351, a bill introduced in the House by Rep. Stephen Lynch (D-MA).

"With the huge amount of misinformation out there about the Postal Service's financial situation and how it can be improved, along with congressional failure thus far to address the crisis, letter carriers must take action now," NALC President Fredric Rolando said. "I urge NALC members to work with our brothers and sisters in the other postal unions to organize the rallies. We must let every member of Congress know that we need his or her support."

The Lynch bill is essential to addressing the financial crisis facing the USPS—without reducing mail delivery, firing 120,000 workers or ending collective-bargaining rights. It would allow the Postal Service to apply billions of dollars in pension overpayments to the unique congressional mandate that requires it to pre-fund the healthcare benefits of future retirees. No other government agency or private company bears this burden, which forces the USPS to pre-fund a 75-year liability in 10 years—at a cost of \$5.5 billion annually. Without the mandate, the USPS would have shown a net surplus of \$611 million over the past four fiscal years.

Unfortunately, Rep. Darrell Issa (R-CA), chairman of the House Oversight and Government Reform Committee, has another idea. Word on Capitol Hill is that Issa is blocking consideration of H.R. 1351. Instead, he has introduced a bill that would destroy the Postal Service as we know it, that ignores the cause of the USPS financial crisis and that does nothing about the pension overpayments or the pre-funding requirement.

At the same time, the Postal Service is proposing legislative changes that would authorize management to eliminate Saturday delivery, lay off 120,000 workers and remove postal employees from the Federal Employees Health Benefits Program and from federal retirement plans.

At the rallies on Sept. 27, off-the-clock union members will be asking legislators to co-sponsor H.R. 1351. Where lawmakers already have signed on, the rallies will thank them for their support and ask them to pledge to do everything in their power to ensure its passage.

Each union has volunteered to be responsible for specific congressional districts, and the National Association of Postal Supervisors has also pledged its support.

The unions have developed a website, saveamericaspostalservice.org, which provides information about the Sept. 27 rallies. Most rallies will be held from 4 p.m. to 5:30 p.m., except where noted on the website.

Note: These rallies will not be protests. Our message will be tightly focused on the legislative process and the value of the Postal Service, **not** on our grievances with postal management or anybody else.

'Not going broke!'

NALC's message gains national traction

Over the last few weeks, President Fredric Rolando has taken to the nation's airwaves and newspapers the union's message regarding the truth about the Postal Service's financial situation.

On Sept. 6, an estimated 3 million Americans saw Rolando take part in a lively discussion about the USPS on "PBS NewsHour." The president repeatedly drove home the notion that the Postal Service isn't broke, but that it simply needs access to its own funds, which Congress can readily provide, if it acts.

He told host Gwen Ifill that the solution is giving the Postal Service its own money, not cutting services in ways that will hurt the American people and hurt the Postal Service's business future.

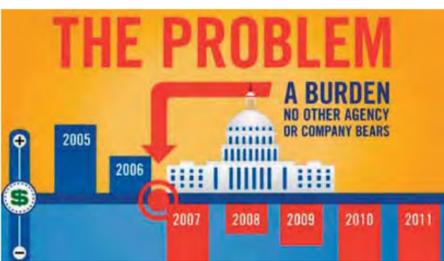
"We're not looking to in any way diminish what needs to be done for future health benefits or future retirees," Rolando emphasized. "It's just that you don't have to do 75 years' worth of pre-funding in a 10-year period. You could re-amortize what needs to be done."

Postmaster General Patrick Donahoe, who also appeared on the program, stuck largely to the Postal Service's script regarding its misguided proposals to cut a day of mail delivery service, to lay off tens of thousands of workers and to move postal retirees from the federal system to a postal system. Even so, he admitted that the USPS and the NALC shared some common views.

"Fred is exactly right around the issues that we have faced in the last few years," Donahoe said. "Here's what Congress has to do: Congress has got to pass legislation that, Number 1, resolves retiree health benefits."

More recently, a reporter from *The Des Moines Register* phoned the NALC on Sept. 15 in search of a comment to go with a story on the USPS' plant-closing proposals. Rather than comment on those plans directly, President Rolando instead gave the reporter some context, clueing him in on the unfair pre-funding burden and the pension over-payments. The result? A richer story that added some depth to the coverage, going beyond the local comments from an Iowa congressman and Des Moines' mayor lamenting job losses.

And the NALC, in cooperation with the American Postal Workers Union and the National Postal Mail Handlers Union, has produced a TV commercial designed to expose the real reason the USPS is facing a financial crisis that jeopardizes the nation's mail system. "The Postal Service is recording financial losses," the ad states, "but not for reasons you might think." The commercial is airing throughout the day on CNN, MSNBC and Fox News and can be viewed anytime on the NALC's YouTube page.



A commercial airing on cable TV explains the real reasons behind the Postal Service's financial problems.

Not a done deal!

NALC vows to oppose 5-day delivery in Obama plan



NALC President Fredric Rolando

President Barack Obama sent a deficit-reduction package Sept. 19 to the special joint committee of Congress—the so-called "supercommittee"—established by the debt limit law to find ways to reduce the federal budget deficit. The package included a number of reforms to address the financial crisis at USPS.

"Although we are somewhat encouraged by the proposed short-term cash relief provided to the Postal Service in the president's package," President Rolando said in a statement posted at nalc.org, "NALC is bitterly disappointed that the Obama administration has given in to postal management's relentless two-year campaign in favor of five-day delivery."

"The administration has proposed giving the USPS the authority to eliminate Saturday mail delivery service," he said, "although it called for a delay in its implementation until January 2013. In doing so, the administration has embraced the downsizing strategy demanded by the majority on the USPS Board of Governors who were appointed by President George W. Bush."

"We will fight this proposal in Congress and renew our demands that the administration fill the two vacancies on the Board with people who believe in the mission of the Postal Service and who will seek to balance a sensible cost-cutting agenda with a revenue-growth strategy."

"We applaud the proposed recovery of the postal pension surplus in FERS," he said, "but we regret that the administration failed to propose the return of the much larger CSRS surplus."

Rolando stressed that the Obama administration's recommendations are proposals that cannot become law unless Congress adopts them.

"We want to assure our members and all those who are interested in preserving the U.S. Postal Service that we will work with everyone involved, including members of the joint congressional committee, to build a strong Postal Service that will continue to provide exceptional service to the public six days a week," he said.

Check out the website at nalc.org for a complete analysis of Obama's proposal.

Senate committee holds hearing on postal finances, proposals

On Sept. 6, the Senate Homeland Security and Government Affairs Committee held a hearing to discuss some of Postmaster General Patrick Donahoe's recent, radical proposals to help return the USPS to financial solvency.

The Postal Service had already proposed reducing weekly mail delivery service from six days to five and closing thousands of post offices across the country. Then in August, the USPS announced a new scheme to withdraw its funds from CSRS, FERS and the Federal Employees Health Benefit Plan (FEHBP) and to create a new pension and health benefit system. It also took the unprecedented step of asking Congress to write legislation to allow the USPS to override postal unions' no-layoff clauses.

"We adamantly oppose the Postal Service proposal to leave the federal retirement programs," said American Postal Workers Union President Cliff Guffey—the only representative of the Postal Service's employee unions who was called to testify during the hearing. "This is nothing more than an attempt to impose very large benefit cuts on postal employees."

In a statement, NALC President Fredric Rolando said: "The Postal Service's latest legislative proposals are nothing more than bold-faced attempts to slash our health and pension benefits and override our negotiated layoff protection provisions, neatly disguised as desperately needed cost-cutting measures."

"Our employer should stop wasting its time pursuing such frivolous and unnecessary measures and should focus its energy on recovering massive surpluses in its CSRS and FERS pension accounts," he said. "This is the responsible strategy called for by Congressman Stephen Lynch's H.R. 1351, a bill that now has at least 211 co-sponsors from both parties."

Sen. Tom Carper (D-DE), who sits on the committee and chairs the Senate subcommittee that oversees the Postal Service, expressed some concerns over the Postal Service's request for Congress' permission to override contractual no-layoff clauses. "If this new authority would allow the USPS to overturn existing labor contracts," he said, "it would likely be costly, time-consuming and potentially unconstitutional."

The senator has introduced his own bill, which contains a proposal similar to that found in H.R. 1351, to use pension surpluses to pay down the Postal Service's pre-funding obligation for future retiree health benefits. But the NALC cannot fully support Carper's measure, since it also proposes dropping a day of mail delivery and includes language to require arbitrators in postal labor disputes to unfairly favor management's arguments.

Leadership Academy deadline is Sept. 30

The deadline for NALC activists to apply for the two 2012 Leadership Academy classes is Sept. 30. Any active member may apply for one of the 60 available spots—four from each of the NALC's 15 regions.

Those who applied for 2011 classes but weren't selected need not reapply but are encouraged to send updated information.

The Leadership Academy focuses on developing the skills members need to become effective leaders. Under the tutelage of their mentors—established NALC leaders such as branch presidents or national business agents—students combine three separate weeks of classroom learning at the National Labor College in suburban Washington with take-home assignments and special projects.

Each in-class week of the Academy includes an ongoing emphasis on effective written and oral communication skills in such forums as rallies, membership meetings, awards ceremonies and with the media, as well as written reports and oral presentations about their "take-home" projects.

The application form is available at nalc.org or from a member's national business agent. Those selected will be notified around the end of October.

NALC delivers \$1.75 million for MDA



NALC members representing the top fundraising branches for MDA presented a check for \$1.75 million in donations during the live telethon broadcast Sept. 4 on television stations across the country.

Several NALC members, led by NALC Executive Vice President Timothy O'Malley, presented the Muscular Dystrophy Association with a check for \$1.75 million during the MDA's 46th annual Labor Day Telethon on Sunday, Sept. 4.

The carriers' contribution helped push the total amount raised through contributions and pledges for this year's six-hour event to \$61 million—an increase from last year's total of \$59 million raised.

"Letter carriers pulled through for MDA again this year," President Fredric Rolando said. "And we did it big!"

NALC has raised money for MDA, the union's only official charity, since the first telethon aired in 1952. O'Malley appeared live on the show, which was broadcast from the South Point Hotel in Las Vegas, and he introduced letter carriers representing the top fundraising NALC branches:

- Grand Prize:** New Jersey Mgd. Br. 38, \$101,142
- Category I (2,000 or more members):** Long Island, NY Mgd. Br. 6000, \$48,500
- Category II (1,500 to 1,999 members):** Milwaukee Br. 2, \$16,675
- Category III (1,000 to 1,499 members):** Louisville Br. 14, \$18,800
- Category IV (700 to 999 members):** Northeastern NY Br. 358, \$22,796
- Category V (500 to 699 members):** Grand Rapids, MI Br. 56, \$17,206
- Category VI (350 to 499 members):** Shreveport, LA Br. 197, \$13,441
- Category VII (200 to 349 members):** Saginaw, MI Br. 74, \$13,388
- Category VIII (100 to 199 members):** Fargo-West Fargo, ND Br. 205, \$13,300
- Category IX (50 to 99 members):** Freehold, NJ Br. 924, \$6,620
- Category X (10 to 49 members):** New City, NY Br. 5229, \$11,491

"Our commitment to MDA is to be here until a cure is found," O'Malley told television viewers as he presented the NALC's donation.

Innovations 2011

NALC co-hosts international forum on new products, services

On Sept. 6 in Washington, DC, NALC President Fredric Rolando kicked off a forum on postal innovation that featured postal leaders from every corner of the world sharing ideas on how postal systems should continue to evolve to remain vital in an increasingly digital age.

"This forum comes at a very difficult time for the global postal industry," Rolando said, opening the forum. "We are in the midst of a 'perfect storm' as political, economic and technological factors have caused traditional mail volume to decline precipitously all over the world."

Rolando pointed to the financial crisis that still grips many of the world's economies, the wave of privatization and deregulation that has opened the postal sectors to new competitors, and the advances of the Internet that threaten many postal services.

"Finding new uses of the mail—and new uses of our networks—is crucial to a viable future for our employers and for the job security of our members," he said.

The day-long event, hosted by NALC, UNI Global Union and the Canadian Union of Postal Workers (CUPW), was divided into three panels that discussed ideas ranging from vote-by-mail to high-tech solutions to banking. The U.S. Postal Service isn't allowed to provide banking services, although the success of postal banking in Brazil, Japan and parts of Africa shows its potential for USPS, especially in light of talks to allow the Postal Service to explore non-postal services, including banking, as part of future legislative action.

Stay informed!

Make sure you're an e-Activist

As this *NALC Bulletin* went to press, Rep. Darrell Issa (R-CA), chairman of the House Oversight and Government Reform Committee, had called a subcommittee hearing to mark up of his bill, H.R. 2309, for Sept. 21.

NALC e-Activist Network members were among the first to be notified of this hearing.

"H.R. 2309 is a radical proposal that does nothing to address the immediate financial concerns of the Postal Service," Rolando said. "Instead, it seeks to dismantle the USPS, piece by piece."

"Drastically downsizing the Postal Service is not the answer, especially when the real cost will be passed on to postal customers throughout the country," he said. "H.R. 2309 fails to address the real cause of the postal financial crisis: a congressional mandate that requires the Postal Service to pre-fund future retiree health benefits at a grossly accelerated rate of \$5.5 billion a year. No other agency or company faces such a burden."

"The bill also fails to return tens of billions of dollars in overpayments to the Postal Service's portion of the CSRS Pension Fund," Rolando said.

"But a different bill, H.R. 1351, goes right to the heart of the problem and offers real solutions for the Postal Service's financial future," he said.

Sign up to get the very latest alerts from the NALC via the e-Activist Network. Go to nalc.org today to sign up or update your e-mail address.



Upcoming NALC/MDA events

Mark your calendar for the first-ever national NALC "Fill the Satchel" campaign for MDA on Sunday, Oct. 2.

"The satchel is a symbol of our status as America's most trusted federal agency," President Fredric Rolando said, "so we hope the public will feel good about filling our satchels for this worthy cause."

The president also thanked the Postal Service for allowing carriers to wear their uniforms and use their satchels to raise funds for this charity event.

And don't forget the third annual NALC Bowlathon for MDA on Sunday, Nov. 6

Carriers, family members and friends will fill Bowlathons around the nation to raise money for MDA's many programs.



National Association
of Letter Carriers

Fredric V. Rolando, President

October 24, 2011 No. 11-13

NALC Bulletin

100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

2011 National Rap Session

Saving Saturday mail delivery, next contract top rap agenda



NALC President Fredric Rolando addresses the 2011 National Rap Session.

More than 1,500 branch and state NALC leaders from all over the country gathered at the Planet Hollywood hotel in Las Vegas Oct. 14-16 for a national rap session to discuss the present and future challenges faced by letter carriers and the Postal Service.

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Saturday was a day of workshops and seminars, where topics ranged from national contract issues to the postal financial crisis, from branch financial management and branch bylaws to the NALC's legislative and media strategies.

The three-hour rap session on Sunday morning started off with a show of solidarity with the NALC and its leadership at this time of crisis by the three living former NALC presidents: James Rademacher, who served as NALC president from 1968 to 1977; Vincent Sombrotto, president from 1979 to 2002; and William Young, president from 2002 to 2009.

After that, it was down to business.

"Letter carriers are out in force all across America telling the truth about the Postal Service," President Fredric Rolando said in his keynote address. "We deliver the mail to 150 million addresses, six days a week. We've been the most trusted federal agency for six years in a row. We're at the center of a \$1.3 trillion mailing industry that supports 8 million to 9 million jobs."

The problem, he said, is that the USPS has no cash, and worse yet, no vision for the future.

"And what's the Postal Service's response to this? To attack workers, dismantle the service, attack collective bargaining, push for layoffs and slash benefits," he said.

The NALC also is up against an Office of Personnel Management that refuses to correct the pension overpayment problem, he said. In addition, we face a media more interested in theater than facts and a White House that has reversed its earlier position and now embraces five-day mail delivery as part of the administration's budget deficit reduction plan.

There is good and bad coming out of Congress, Rolando said, noting both the positive and negative parts of Sen. Tom Carper's postal reform bill. Sen. Max Baucus also has introduced a measure that closely resembles Rep. Stephen Lynch's, while the union is working with Sen. Bernie Sanders on a bill that addresses the NALC's priorities.

In the House, the Postal Service is up against an anti-worker and anti-government majority, the president said. "Congressman Lynch is still a friend," he said, "and we now have a bipartisan majority of 226 House members on H.R. 1351.



More than 1,500 letter carrier activists attended the rap session.

called "super committee," he said. "Getting six-day mail delivery attached to its deficit reduction plan or getting a continuing [budget] resolution that further defers our pre-funding obligation are our only hopes for true postal relief this year."

The next contract

With our current contract set to expire at midnight on Nov. 20, Rolando gave an update on talks toward a new collective-bargaining agreement that included bringing in game-changing new players.

"We've taken dramatic steps to move forward, bringing in experts in restructuring to review, examine and pursue alternative business strategies," he said, announcing that the NALC had retained the services of restructuring expert Ron Bloom and the financial advisory firm Lazard to help the NALC guide the Postal Service away from strategies designed to dismantle itself.

Bloom recently worked in the Obama administration as a special assistant on manufacturing policy, and helped save the U.S. auto industry. He also has experience working for the United Steelworkers and SEIU and played a major role in the restructuring of the steel and airline industries. Lazard is a New York-based firm with a long history of working with large, unionized companies.

"The combination of Bloom and Lazard gives us instant credibility in our good-faith effort to engage the Postal Service and to develop winning strategies to grow the business and increase revenue," he said.

"Our strength is in our members and our solidarity," he said as he closed out the rap session. "We are 280,000 strong. We have the history, the vision, the focus and the solidarity—and we damn well better have each others' backs!

"Together, we are going to succeed and preserve the Postal Service in spite of itself, thanks to the integrity of the men and women of the NALC."

NALC honors union's 2011 National Heroes of the Year

Six letter carriers and one branch were honored during the NALC's 2011 National Heroes of the Year celebration on Sept. 29 in Washington.

"Letter carriers feel the pulse of everyday life as they stop at every home and business along their routes," NALC President Fredric Rolando said before an audience of the union's resident national officers, leaders of other postal unions, top Postal Service executives and other honored guests. "They can tell when something is not right, and they are often the first to act, sometimes putting their own lives at risk."

A panel of independent judges reviewed stories about letter carriers' heroic and humanitarian acts published in *The Postal Record* between July 2010 and June 2011 before selecting this year's honorees.

Honored as the 2011 NALC Heroes of the Year were:

National Hero of the Year: Keith McVey of Akron, OH Branch 148, who performed CPR on a man who had stopped breathing.

National Humanitarian of the Year: John Conde of Wilmington, NC Branch 464, a Bronze Star winner and Iraq veteran who went on a medical mission to the Dominican Republic.

Branch Service Award: Wheeling, IL Branch 4739, whose members worked with the USPS to ensure that a boy with inoperable cancer fulfilled his lifelong dream of becoming a letter carrier.

Eastern Region Hero: Paula Johnson of Lynchburg, VA Branch 325, who rescued a 95-year-old customer from her burning home.

Central Region Hero: David Bartaway of Western Wayne County Branch 2184, whose keen eye on his route helped police track down and arrest a habitual burglar.

Western Region Hero: Dustin Lawson of Shawnee, OK Branch 883, who provided eyewitness information to police about a robbery in progress at a pharmacy where he was delivering mail, leading to the suspects' apprehension.

Special Carrier Alert Award: Laura Garibaldi of Garden Grove, CA Branch 1100, who ran to an 86-year-old customer's swimming pool to help the man and his daughter escape after their vehicle became submerged.

"You may never see these heroes immortalized in a comic book or in a Hollywood movie," Rolando said, "but these are real people who have performed real heroics. They represent the nation's letter carriers well—and for that, we are proud of them."



Pictured at the 2011 NALC National Heroes of the Year are (from l) Paula Johnson, Lynchburg, VA Branch 325; Postmaster General Patrick Donahoe; Stephanie Alfano, Wheeling, IL Branch 4739; David Bartaway, Western Wayne County, MI Branch 2184; Dustin Lawson, Shawnee, OK Branch 883; Keith McVey, Akron, OH Branch 148; John Conde, Wilmington, NC Branch 464; Laura Garibaldi, Garden Grove, CA Branch 1100; and NALC President Fredric Rolando.



Three NALC presidents emeritus were on hand at the rap session as a special show of solidarity. Pictured (front, from l) James Rademacher, William Young, Vincent Sombrotto, President Fredric Rolando; (rear, from l) Reg. 11 NBA Daniel Toth and National Trustees Larry Brown and Mike Gill.

"But then there's Congressman [Darrell] Issa's 'postal destruction act,'" Rolando said. "It has two co-sponsors, yet it's out of committee and on its way to the House floor."

The NALC holds out hope for some assistance from Congress or from the Joint Select Committee on Deficit Reduction—the so-called "super committee," he said. "Getting six-day mail delivery attached to its deficit reduction plan or getting a continuing [budget] resolution that further defers our pre-funding obligation are our only hopes for true postal relief this year."

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Petition drive gathers signatures, support of Saturday mail delivery

On Oct. 16, during the National Rap Session in Las Vegas, NALC President Fredric Rolando announced the launch of a national petition drive designed to build on the momentum generated by the Sept. 27 "Save America's Postal Service" rallies.

"We want to take our message to the American people and deliver a strong message to Congress that America wants and deserves first-rate service six days a week," he said.



At the National Rap Session, branch presidents pledge on behalf of their members to gather "Save Saturday Delivery" petition signatures amounting to 10 times their branch's size.

The plan is to gather signatures amounting to 10 times a branch's size—for example, a branch of 500 is expected to collect 5,000 signatures.

"We need to get all members of the branch involved," Rolando said, and he encouraged letter carriers to gather support from central labor councils and family members, at Sunday schools, malls and sports arenas.

"Cutting out Saturday mail delivery service would be an enormous mistake," he said of the Postal Service's plan. "A 17 percent cut in service just to chase 3 percent in cost savings is absurd."

Also, dropping a day—or more—of mail delivery service would put thousands of postal jobs at risk as well. "Unemployment in this country hovers at 9 percent," Rolando said. "To throw away 80,000 middle-class postal jobs does not make sense, especially when there are more reasonable solutions on the table."

The president noted that the National Rural Letter Carriers' Association was lending its full support to this petition drive.

The petition and fliers are available for download at saveamericaspostalservice.org.

Petitions should be sent to the Department of Legislative and Political Affairs at NALC Headquarters by Nov. 14, so time is short. The department will track branch signature totals and collect the petitions to send to the appropriate congressional office, the president said.

"Our goal is to tabulate the number of signatures we collect and then take out full-page ads in key newspapers listing those numbers," Rolando said. The timeline is so aggressive, he said, because the unions need to have the signatures gathered in time to present them to the Joint Select Committee on Deficit Reduction—the "super committee"—which must make its deficit reduction recommendations to the full Congress by Nov. 23. Postal-focused proposals might form part of the "super committee's" overall deficit-reduction plan, even though the USPS is off-budget and does not receive a dime of taxpayer money.

"Our drive is made all the more urgent," Rolando added, "because President Obama's own deficit-reduction proposal includes allowing the Postal Service the flexibility to cut Saturday mail delivery."

"We know the American people don't support such a cut, and we want to gather enough signatures to prove it," he said.



Postal employees in Louisiana's 6th Congressional District were among the thousands of activists across the country who rallied on Sept. 27 to "Save America's Postal Service."

Rolando sends proposals to the 'super committee'

NALC President Fredric Rolando has written a letter to the members of the Joint Select Committee on Deficit Reduction, better known as the "super committee," outlining several proposals the NALC would like the committee to consider.

"As a member of the Special Joint Committee on Deficit Reduction, you are charged with fairly reducing the deficit over the long run while doing all you can to attack the American jobs crisis in the short run," Rolando wrote. "I write on behalf of the 280,000 members of the National Association of Letter Carriers, which represents active and retired employees of the U.S. Postal Service, a crucial infrastructure service of the U.S. economy and the hub of a \$1.3 trillion industry that employs about 8 million private-sector employees across America."

"We believe the special joint committee should follow President Obama's lead and address the crisis at the Postal Service in the legislation you propose to the Congress," he wrote. "Congress caused the USPS financial crisis in 2006—by mandating a crushing schedule of unaffordable payments (\$5.5 billion per year) to pre-fund 75 years in advance future retiree health benefits—and Congress should fix it now without needlessly slashing service or damaging a major sector of the economy."

"While we appreciate the president's efforts to provide the Postal Service with short-term financial relief in his proposal to your committee, we believe a permanent solution to the pre-funding burden should be adopted," Rolando wrote. "At the same time, we are bitterly disappointed and cannot support the president's proposal to end six-day mail delivery service in 2013, a step that will slash service by 17 percent and generate modest short-term savings (\$1.7 billion, according to the Postal Regulatory Commission) and likely lead more mailers to abandon the system as delivery times rise."

Rolando urged the "super committee" to include elements of the president's proposal as well as provisions from several pieces of legislation now pending in Congress from members of both political parties. He also called for:

- Adopting President Obama's proposal to return the \$6.9 billion FERS surplus to USPS.
- Implementing the 2010 findings of either independent audit of the postal sub-account of the CSRS, by the Hay Group or the Segal Company, which found overpayments into that account ranging from \$50 billion to \$75 billion.
- Repealing the remaining scheduled \$5.5 billion annual pre-funding payments mandated by the Postal Accountability and Enhancement Act of 2006 and hold the Postal Service to private-sector accounting and pre-funding standards.
- Mandating six-day mail delivery service by law.

The full text of President Rolando's letter is posted at nalc.org.

H.R. 2309 update

Issa plan would dismantle the USPS

The GOP-controlled House Oversight and Government Reform Committee passed a radical and partisan postal reform bill, H.R. 2309, offered by its chairman, Rep. Darrell Issa, on Oct. 13.

"Rather than address the postal crisis caused by the pre-funding mandate," NALC President Fredric Rolando said, "Issa's bill seeks to exploit the crisis to advance anti-worker ideological goals."

"Radically downsizing the government and gutting the collective-bargaining rights of hardworking postal employees appear to be the main goals of the legislation," he said.

Unfortunately, by destroying the hub of a \$1.3 trillion industry that employs about 8 million private-sector workers, H.R. 2309 may be the most anti-business bill taken up by Congress in years, Rolando said. Slashing service and forcing a massive round of post office closings would seriously damage the printing, publishing, paper and financial services industries. Tens of thousands of veterans who work for the Postal Service would face the loss of their jobs. At a time of massive unemployment, H.R. 2309 would mandate, not just lead to, the destruction of hundreds of thousands of jobs.

Issa claimed his bill's avoidance of the CSRS over-funding issue was justified when the Government Accountability Office (GAO) released its most recent report on the dispute. The report repeated the GAO's long-held view that the Office of Personnel Management (OPM) used acceptable accounting methods. However, the report also admitted that the methods proposed by two independent audits were reasonable as well, and that Congress has the ability to instruct OPM to use these methods.

Full reports on both H.R. 2309 and the GAO's findings are available for download at nalc.org.

FEHBP Open Season: Nov. 14-Dec. 12

The Federal Employees Health Benefits Plan Open Season, which runs Nov. 14 through Dec. 12, is a prime opportunity for you to check out many of the new benefits the NALC's Health Benefit Plan offers.

NALC President Fredric Rolando noted that the Plan is owned and operated by letter carriers—New York Branch 36 member Brian Hellman is the Plan's director—and has responded to the input and special requirement of letter carriers and their families since it was founded in 1950.

In 2012, the Plan will include new benefits, more choices and lower prices for some services. Indeed, the cost of premiums for employees enrolled in the NALC Plan barely increased this year.

The Plan is open to all federal employees, and thousands of active and retired letter carriers put their health in the hands of the NALC Plan.

"The plan works hard to keep our confidence," Rolando said. "The excellent coverage, the competitive costs and the attention to service make our Plan the best for letter carriers and for federal workers."

A special insert in the November *Postal Record* outlines the many new benefits of the Plan for 2012. Details also are available at the Plan's website at nalcbbp.org.

"I urge my fellow letter carriers to compare our Plan to any other," Rolando said. "I think you'll find it's the one that will keep you on your feet."



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National Association
of Letter Carriers
Fredric V. Rolando, President
November 28, 2011 No. 11-14

NALC Bulletin

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New deadline set for Dec. 7

NALC contract talks extended

NALC President Fredric Rolando announced on Nov. 20 that the 2006-2011 National Agreement between the letter carriers union and the U.S. Postal Service has been extended to Dec. 7, giving both parties additional time to negotiate the provisions of a new contract.



NALC President Fredric Rolando

The 2006 agreement had been set to expire at midnight Nov. 20. "We have been working in good faith to hammer out a new contract and we hope that this extension will lead to an agreement that our members can enthusiastically ratify," Rolando said.

Up until the expiration of the collective-bargaining pact, all 28 members of the NALC Executive Council—the 10 resident national officers, 15 national business agents and three trustees—had been sequestered at a hotel in Washington since Nov. 13, working around the clock with the USPS negotiating team on the terms of a new National Agreement.

During daily negotiations that often stretched late into the night, council committees engaged management counterparts in intensive discussions on the full range of contract issues affecting working conditions and workplace rights.

President Rolando continues to coordinate the work of all the committees, and he has taken the lead on the key economic provisions of the contract, including wages, workforce structure, subcontracting, health benefits and other matters.

As the expiration date approached, the focus of discussions shifted toward finding innovative ways to reduce the cost of employee health care while preserving and protecting the benefits of NALC's members. **So far NALC has made no agreements with the Postal Service on health care for actives or retirees, either within or outside of FEHBP.** We have agreed to seriously explore mutually advantageous ways to deliver high-quality health benefits at a lower cost to both the Postal Service and its employees. **No agreement will be made that does not have the support of the NALC's membership.**

The round of bargaining kicked off in August at a time of great challenges for the Postal Service, with the congressional mandate to pre-fund future retiree health benefits continuing to cripple the agency's finances. As bargaining talks gathered momentum, the parties agreed that more time could help them come to an agreement.

"We remain committed to negotiating a fair contract that will advance the best interests of the nation's city letter carriers," Rolando said.

Senate advances job-killing, USPS-dismantling bill

On Nov. 2, the leaders of the Senate's Homeland Security and Governmental Affairs Committee announced the introduction of a bipartisan postal reform bill called the 21st Century Postal Reform Act of 2011 (S. 1789). But upon closer inspection, the NALC found the measure to be sorely lacking.

"The bill is significantly flawed, fails to address most of the real issues facing the Postal Service and offers few solutions to the problems plaguing the USPS," President Fredric Rolando told the thousands of active and retired letter carriers who took part in the union's first-ever national teleconference on the evening of Nov. 6.

Within days of the bill's introduction, though, committee members had proposed a number of amendments to the measure and scheduled it for markup, moves that prompted Rolando to alert the union's e-Activists who live in the committee members' states. Nevertheless, the measure retained much of its misguided language and wound up being approved by the full committee. It is now headed for a full Senate vote.

"Needless to say, we are bitterly disappointed that this legislation made it out of committee," Rolando said. "If it becomes law, S. 1789 will cause irreparable harm to our nation's Postal Service because it perpetuates a misguided policy that places pre-funding future retiree health benefits above the viability of a network that serves 150 million American households and businesses six days each week—a classic case of 'killing the Post Office in order to save it.'"

"The bill is beyond damaging for the future of the Postal Service and offers no long-term solutions to the current financial situation of the USPS," the president said. "It doesn't address the more than \$55 billion pension surplus in Civil Service Retirement System, and it fails to fundamentally address the unfair burden to massively pre-fund future retiree health benefits, a policy no other government agency or private firm operates under." And rather than repealing this mandate, the bill calls for spreading out pre-funding over 40 years.

Worse, S. 1789 would allow for five-day mail delivery in two years' time and calls for the phase-out of almost all door-to-door delivery over the next four years.

"Both of these strategies would negatively affect tens of millions of Americans, particularly senior citizens, rural residents and small-business owners who depend on the Postal Service's commitment to high-quality service," Rolando said. "They would drive additional volume out of the system, sparking a death-spiral from which the USPS could not recover."

"If the idea was to dismantle the Postal Service and slowly close its doors, then S. 1789 is a huge step forward," Rolando said. "If, however, the intent was to save one of the nation's oldest institutions and steer it toward the path of fiscal solvency, it fails miserably. Nothing in this legislation addresses the Postal Service's long-term business and financial needs."

But not all the news coming out of the Senate was negative. On Nov. 10, Sen. Bernie Sanders (I-VT) introduced S. 1853, the Postal Service Protection Act, which calls for applying a number of fixes to solve the Postal Service's immediate fiscal problem.

If S. 1853 were to become law, it would repeal the burdensome pre-funding requirement, and it would give the Postal Service access to the billions in overpayments it has made into its pension accounts with both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

And significantly, Sanders' bill would protect six-day mail delivery by establishing a permanent legislative requirement that the Postal Service deliver mail on Saturdays.

"Sen. Sanders proves that, even though things can sometimes look bleak for letter carriers, we still have friends in Congress who are looking out for our best interests," Rolando said.

In the House, the Oversight and Government Reform Committee approved a radical postal bill on Oct. 13 that doesn't address the postal crisis caused by the pre-funding mandate, but instead exploits the crisis to advance clearly anti-worker goals—to radically downsize the USPS and to gut employees' collective-bargaining rights.

H.R. 2309 also proposes ending door-to-door mail box delivery service for 90 percent of American households and businesses that now receive it.

The threat that the House could vote on H.R. 2309 in November moved the NALC to launch an urgent campaign to garner support from postal customers—commercial as well as residential—who might not have known just how damaging the bill would be to the service our patrons now enjoy.

"The American public deserves to hear the whole truth," Rolando said.

Our efforts have proven effective. The union has learned that the House has delayed consideration of H.R. 2309 until sometime in 2012.

In press conference, Rolando outlines USPS-saving strategies

NALC President Fredric Rolando held a well-attended conference at the National Press Club in Washington on Nov. 21, shortly after the postmaster general concluded a press luncheon at the same venue.

While the PMG emphasized his downsizing plan that would eliminate Saturday delivery and shutter postal facilities across the country at the cost of tens of thousands of jobs, Rolando focused on the NALC's attempts to develop an alternative strategy.

He emphasized the preservation of the USPS' valuable networks and the importance of revenue growth as well as sensible cost-cutting. He highlighted the union's hiring of business restructuring expert Ron Bloom and a team of investment bankers from Lazard Frères, as well as the need to develop a business model that will permit the Postal Service to provide new services even as traditional mail volume declines.

"We know the Postal Service faces very serious problems," Rolando said. "But we also know that the Postal Service, if properly restructured, can be as relevant for the 21st century as it was for the 18th, 19th and 20th. And we are prepared to work with all interested stakeholders to craft a comprehensive plan to take the Post Office from where it is to where it needs to be."

The president noted that carriers are in the midst of contract negotiations with the Postal Service. "During these negotiations, we have put forward serious and innovative proposals designed specifically to produce billions of dollars in cost reductions for the USPS," he said.

Among the ideas proffered is a new approach to health benefits that Rolando said could save the Postal Service up to \$20 billion over the next 10 years, "if it were applied to all postal employees through a combination of legislation and agreements negotiated by other bargaining units and managerial groups." Savings would derive from adoption of best practices on disease management and wellness care, improved purchasing power for drugs and other medical services, and sensible integration of NALC members' health insurance plans with Medicare benefits, among other sources.

"We will continue to advance that engagement in the weeks ahead and look forward to successfully negotiating an historic agreement," the president said. He touted the union's decades of experience in running one of the best-rated health plans in the Federal Employees Health Benefits Program.

Rolando also said that the NALC continues to look for ways to deepen letter carriers' role in promoting Customer Connect.

"The Postal Service and my members lie at the heart of a set of industries that employ 7.5 million workers, generating \$1.3 trillion annually," he said. "That's 8 percent of the entire national economy."

"The NALC is committed to saving America's Postal Service," he said, "and we will embrace and lead the changes required for the USPS to remain a vital institution that will serve our nation for decades to come."



NALC President Fredric Rolando fields questions from reporters Nov. 21 during a press conference held at the National Press Club in Washington.

Deadlines set for Minneapolis convention

By now, all branches should have received the official "Convention Call" for the 68th Biennial Convention in Minneapolis, July 23-27. Any branch that has not received it should immediately contact the secretary-treasurer's office.



The Minneapolis skyline serves as a backdrop for the convention center.

Included with the call is a delegate allotment card advising each branch of its maximum number of delegates, based on the branch's active and retired membership as of Oct. 1 this year. All state associations have two delegates.

Delegate eligibility lists will be sent in late January or early February and must be completed and returned to the office of

Secretary-Treasurer Jane Broendel at NALC Headquarters no later than May 24, for branch representatives to be registered as convention delegates.

The NALC has made special arrangements with 19 hotels within easy reach of the convention center to accommodate letter carrier delegates. Locations and room rates for these NALC-block hotels were shown in the November *Postal Record*. The Hilton Minneapolis will be the NALC Headquarters hotel.

The NALC and the 'super committee' What deadlock means for letter carriers

On Nov. 21, the leaders of the Joint Select Committee on Deficit Reduction—better known as the "super committee"—announced that the group had failed to come up with an agreement designed to find more than \$1 trillion in reductions.

Congress created the special committee in August as a compromise, after risking a catastrophic default on the nation's debt by refusing to raise the nation's debt ceiling. According to the agreement, if the super committee was unable to reach a decision, a number of automatic defense and entitlement cuts would be set in place to take effect in 2013. For now, postal employees' pensions and health benefits remain off-limits in the automatic cuts.

"For letter carriers, this latest example of congressional gridlock is a double-edged sword," NALC President Fredric Rolando said. "On the one hand, a deal could have brought some financial stability to the Postal Service—but if it had taken the recommendations of President Obama, it also would have spelled the end of Saturday mail delivery."

Obama's debt reduction proposal to the committee had called for ending six-day mail delivery in 2013, a step that would have slashed service by 17 percent to generate a modest 3 percent savings while driving more volume out of the mail stream. But it also included a reform of the 2006 mandate that requires the Postal Service to follow a crushing, unaffordable schedule of \$5.5 billion annual payments to pre-fund 75 years' worth of future retiree health benefits in just 10 years.

Over the past few weeks, we have mobilized the public to oppose the elimination of Saturday delivery—collecting more than 800,000 signatures on petitions throughout the country. Our message got through—even before the super committee's negotiations broke down, the NALC learned that the committee had rejected the move to five-day delivery.

"Our full attention now turns toward ensuring that Congress takes the appropriate steps to relieve the financial burdens it placed on the Postal Service, without mandating unnecessary service cuts," Rolando said.

834,000 signatures and counting...to a million



At the National Rap Session in Las Vegas in October, NALC President Fredric Rolando launched a national petition drive designed to deliver a strong message to Congress that America wants and deserves first-rate service six days a week.

"We know the American people, when presented with the facts, don't support such a cut, and we want to gather enough signatures to prove it," he said.

Branch leaders were asked to gather signatures amounting to 10 times their branch's size. The drive's success has been overwhelming: **By Thanksgiving, NALC members had gathered more than 834,000 signatures.**

"It's clear we have some serious momentum, not to mention the support of the American people," Rolando said, "so let's keep it going."

In a national e-Activist Network message sent Nov. 23, Rolando asked members to set their sights on a new goal: **To help ring in 2012 by collecting a total of 1 million petition signatures.**

The petition is available for download at saveamericaspostalservice.org. Forms should be sent to the NALC's Department of Legislative and Political Affairs, which will track branch signature totals and collect the petitions to send to the appropriate congressional office.



Follow your union on Facebook, Twitter, YouTube, Flickr and via RSS feed. Visit nalc.org to get started.



National Association
of Letter Carriers

Fredric V. Rolando, President

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100 Indiana Ave. NW Washington, DC 20001-2144 202.393.4695 www.nalc.org

Contract talks extended into 2012



NALC President Fredric Rolando

The NALC and the Postal Service announced Dec. 16 that the two parties had agreed to extend contract negotiations until midnight on Jan. 20, 2012.

“This extension will allow us to keep working on important economic, health care, workplace and other contractual issues,” NALC President Fredric Rolando said. “We’re encouraged that progress is still being made, and we want to take all the time necessary to reach an agreement that serves the interests of America’s city letter carriers, of the Postal Service and of the American public.

“We are committed to achieving a win-win contract at this crucial time in the history of the Postal Service,” he said.

The negotiating period for a new agreement initially had been set to expire at midnight on Sunday, Nov. 20. A first extension moved the deadline to Dec. 7; a second took it to Dec. 16.

Congress postpones pre-funding payment

With just two weeks to go before year’s end, Congress approved an omnibus spending bill that will keep the federal government operating through September.

Letter carriers noted that this measure included a sensible provision to again move the deadline for the Postal Service’s 2011 future retiree health benefits pre-funding payment, to August. And perhaps even more significantly, the bill included language to keep the Postal Service delivering mail six days a week.

The legislation was awaiting President Barack Obama’s signature as this *NALC Bulletin* was being prepared.

“The nation’s letter carriers applaud Congress and the president 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.”

But this bill is a temporary win, Rolando said. “Congress can still take legislative action in 2012 that could close post offices, end Saturday mail delivery and lay off hundreds of thousands of postal employees—moves that could risk damaging a \$1.3 trillion mailing industry that supports about 7.5 million jobs.”

Rolando also noted that none of these actions on Capitol Hill addresses the heart of the Postal Service’s financial problems: the 2006 postal reform mandate that the USPS spend \$5.5 billion a year to pre-fund future retiree health benefits, an onerous requirement that no other government agency or private enterprise bears.

“We’re not looking to diminish in any way the health benefits of future retirees,” he said. “Rather, Congress simply needs to adjust this pre-funding mandate to keep it from unnecessarily ripping apart one of America’s most cherished institutions.”

Penalty Overtime Exclusion for 2011

This is a reminder that during a four-week period (two consecutive pay periods) in December, the application of penalty overtime is suspended. (See Article 8, Sections 4 and 5 of the National Agreement.)

The Postal Service has designated the Penalty Overtime Exclusion period for 2011 to be Dec. 3-30 (Pay Period 26-11, Week 1 through Pay Period 1-12, Week 2).

Closings moratorium announced

In response to a request made by more than 20 senators, the Postal Service announced on Dec. 13 that it had agreed to delay closing or consolidating any post offices or mail-processing facilities until at least May 15.

“This is a positive step, provided the parties use the time wisely to put together a positive plan for the future, a plan that includes ways to grow the business as well as efficiencies that make sense,” NALC President Fredric Rolando said. “That requires maintaining our universal delivery network, which is vital to the ability of the Postal Service to adapt to an evolving society and to meet the needs of the public and America’s businesses, something we’ve been doing for more than 200 years.”

Sen. Bernie Sanders (I-VT), one of the senators who called on Postmaster General Patrick Donahoe to implement the delay, agreed. “This moratorium will give Congress the breathing room it needs to enact comprehensive postal reform to protect universal service while ensuring the Postal Service will succeed in the 21st century,” he said. Sanders’ Postal Service Protection Act, S. 1853, is awaiting further action in the Senate.

G20 postal services report

USPS ranked No. 1 in the world



A review of the performance of universal postal service providers found that the United States Postal Service has the best overall ranking among mail-delivery agencies in the G20 group of the world’s wealthiest nations.

The study by Oxford Strategy Consulting (OSC) determined 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,” NALC President Fredric Rolando said. “But that can only improve it so much—someone still has to actually deliver the goods, and no one does that better than the letter carriers who already visit every household and business address in America six days a week.”

The OSC ranking, released Dec. 15, provides a benchmark of universal postal service providers’ performance over the last three years across three key areas: access to vital services, resource efficiency, and performance and public trust.

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 on the survey.

“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.

“If you could live anywhere in the world, and were sending a present to someone this Christmas,” Scott-Jackson said, “you’d want to be in the U.S.”

In letter delivery, the USPS reigns supreme, delivering close to twice as many letters per delivery employee as Japan Post, its closest competitor.

The report found that, for many rural customers, postal mail is the only viable means of receiving or sending goods and of engaging in e-commerce. It also showed that there is room for growth for USPS in the parcels business. Many Postal Service stakeholders agree, saying that a major path toward growing the USPS lies in increasing its share of the package delivery market.

Rank	Service	Citizens per P.O.	Letters per delivery employee	Parcels per delivery employee
1	USPS	8,409	268,894	2,633
2	Japan Post	5,213	103,146	7,795
3	Australia Post	5,573	166,776	6,633
4	Korea Post	4,065	41,082	8,919
5	Deutsche Post	6,085	47,670	4,476

The full report is available at oxfordstrategicconsulting.com.

68th Biennial Convention: Minneapolis

Just a quick reminder that the NALC’s 68th Biennial Convention next summer will take place in **Minneapolis July 23-27**. For the latest updates and news, go to nalc.org.



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