



National Association  
of Letter Carriers

William H. Young, President  
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# NALC Bulletin

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## Postal Reform in Jeopardy!

### NALC to Oppose Postage Rate CPI Index; Mailers, White House Insist on 'Hard Cap'

NALC's support for comprehensive postal reform legislation is now cast in doubt after key mailers walked away from an effort to find a reasonable compromise on the issue of price indexing that lies at the heart of the legislation languishing in Congress. The mailers abandoned negotiations with pro-reform employee groups, including NALC, and lined up behind the Bush Administration's demand for the inflexible, "hard price cap" included in the Senate-passed version of the bill.

The demand is just one of many damaging anti-labor proposals being pushed by the White House, including one to interfere with our collective bargaining by tilting the interest arbitration process in favor of postal management and another to saddle the USPS with military pension obligations.

NALC President William H. Young announced July 13 that NALC will oppose a CPI-based limit on postage hikes if a compromise is not reached on so-called "exigency" language contained in bills set to go to a House-Senate conference to work out a compromise bill.

"I have been crystal clear over the past several years," Young said. "We have been prepared to accept a streamlined rate-setting process based on the Consumer Price Index as a key element of postal reform, but only if there was a reasonable mechanism for the USPS to seek regulatory approval for additional revenues if warranted in unusual circumstances."

#### Flexibility is Answer

A flexible exigency provision would be such a mechanism.

**A streamlined price indexing system would be less costly and time-consuming while giving the USPS the kind of pricing flexibility it needs. However, an inflexible hard price cap would not only force the USPS to make damaging service cuts in response to adverse conditions that might arise (congressional budget actions, regional natural disasters, unusual cost spikes not captured by the CPI, etc.), but it would also damage letter carriers at the collective bargaining table.**

"A so-called hard cap would force employees to bear the entire burden of adjusting to external shocks rather than sharing it with mailers and other postal stakeholders," Young said.

NALC made clear its opposition to the inadequate exigency clause contained in S. 662 both before and after it passed the Senate. That clause would permit the USPS to seek an above-CPI rate increase only in "unexpected and extraordinary" circumstances, which are said to be limited to national emergencies like the September 11 attacks.

Sen. Susan Collins, R-ME, chairman of the Senate Homeland Security and Governmental Affairs Committee, indicated her willingness to seek a compromise between the exigency provisions contained in the House and Senate bills, and urged employee groups and major mailers to work with her to find a reasonable compromise. NALC and its allies crafted two possible alternatives, but the mailers rejected them and refused to offer a counterproposal.

#### White House Demand

Instead, they have backed the White House demand for an unacceptably inflexible index. They sent a terse letter to Rep. Tom Davis (R-VA), chairman of the House Government Reform Committee, on July 11 calling on him to simply drop the flexible exigency language drafted by a bipartisan group in his committee — himself and Reps. Henry Waxman (D-CA), John McHugh (R-NY), and Danny Davis (D-IL) — in favor of the Senate language, a demand which NALC finds wholly unacceptable. NALC and five other employee organizations sent a letter on July 12 urging Chairman Davis to reject the mailers position.

**"We write to urge you to resist the pressure from certain mailing industry interests to accept the exigency language in the Senate postal reform bill. A price indexing system will only work in the postal industry if there is sufficient flexibility for the Postal Service to seek the revenues it needs to serve an ever-expanding network of households and businesses when conditions warrant it. The exigency language in Section 3622(e) of your bill, H.R. 22, provides that flexibility. The language in the Senate bill does not."**

Joining in the letter with NALC were the **National Rural Letter Carriers Association** and **National Postal Mail Handlers Union** and all three postal management associations — the **National Association of Postmasters**, the **National League of Postmasters** and the **National Association of Postal Supervisors**.

The letter added:

"Although the Consumer Price Index serves as a workable index and target for the USPS under normal conditions, the CPI is no more than a statistical average of price trends affecting American consumers and may not always capture the business conditions facing the USPS. Other businesses sometimes need to raise prices by more than the growth rate in the CPI for perfectly legitimate reasons. The Postal Service should have the ability to do the same, provided it demonstrates the need and earns the approval of the Postal Regulatory Commission."

#### e-Activist Alert

**President Young called on all NALC members and the union's tens of thousands of e-Activists to remain at the ready to fight for positive postal reform as the House-Senate conference goes forward.**

"I say this more in sorrow than in anger," Young said. "But I am really disappointed with a number of the major mailers. Reform of an institution as important as the Postal Service can only be done if a truly equitable and bipartisan consensus is reached. This union has worked for years to build such a consensus, and while postal reform is urgently needed, the men and women I represent will not support just *any* postal reform. It has to be fair to them, to the mailers and the American people."

## August 1 Deadline Set for Applications To New Leadership Academy Classes

Letter carriers interested in being considered for two planned Leadership Academy classes next year must have their applications in to NALC Headquarters by August 1.

After reviewing the applications, NALC President William H. Young will select 30 individuals — two from each of the 15 NALC regions — for the first session expected to begin in late January 2007. The same pool of applicants will be used in selecting 30 more individuals for the second session planned for the fall of 2007.

**Application forms are available on the NALC website: [www.nalc.org](http://www.nalc.org) and also are available from branch presidents and national business agents. Applicants must have a local NALC officer or NBA as a sponsor to mentor them.**

The program consists of three separate one-week training sessions at the National Labor College near Washington, DC involving numerous classes and seminars to develop the skills, knowledge and understanding required for union activists to guide the NALC through the 21st century.

For additional information, see the May 2005 *Postal Record*.

## Young Says Postal Service 'Misguided' In Contracting Out of Air Mail Centers

Top postal management has informed our sister unions who represent mail processing workers that it is considering plans to subcontract work now performed by bargaining unit employees at more than half the nation's Air Mail Centers.

President Young urged the Postal Service to reconsider the wisdom of contracting out the tender and receipt of mail at these facilities.

**"I believe the USPS would make a serious mistake if it goes through with these misguided plans," Young said. "Contracting out almost always costs more money than keeping the work in-house."**

He noted that vendors "routinely low-ball their bids, seek and obtain renegotiated fees, and pursue profits by skimping on service while employing low-wage, unproductive and unstable workforces."

The move by postal management comes at a time when concern about airport security is at an all-time high.

Young cited an observation by Mail Handlers President John Hegarty:

**"Highly trained career employees who have undergone background checks, testing and other security measures should not be replaced by [outsiders chosen] to perform this work for the lowest possible bid."**

The President's Commission on the United States Postal Service learned that the overwhelming majority of the American people do not favor postal privatization. Contracting out is privatization, pure and simple.

"The Postal Service should be a model employer," Young said. "It should not contribute to the impoverishment of middle-class workers who lose their jobs, their health benefits and their pensions when companies take the low road of contracting out."

Although postal management's plans at the Air Mail Centers will not directly affect letter carriers, contracting out in the Postal Service is a threat to all postal employees.

"NALC will fiercely resist any attempt to employ this repugnant practice into the city carrier craft," Young said.

## NALC Blood Drive Scheduled For Las Vegas Convention

### Will Occur August 18 in Convention Center

The NALC, in association with United Blood Services in Las Vegas, will sponsor a blood drive on Friday, August 18 from 7 am to 12 noon at the Las Vegas Convention Center in Room N101, located on Level One.

**For information on donor qualifications or to make an appointment for a donation during the blood drive, link on to: [www.bloodhero.com](http://www.bloodhero.com).**

You should enter the association code: "NALC"; select the time you would like to donate; then enter your name, date of birth and other requested information.

Delegates who do not have the opportunity to schedule an appointment in advance of going to Las Vegas, can sign up on site at the Health Benefit Plan office, Room N217, Level Two, in the Las Vegas Convention Center.

Sign-up at the convention will be available at the following times:

Sunday, August 13	11:00 a.m. – 3:00 p.m.	Wednesday, August 16	9:00 a.m. – 3:00 p.m.
Tuesday, August 15	9:00 a.m. – 3:00 p.m.	Thursday, August 17	9:00 a.m. – 3:00 p.m.

**Those who intend to donate blood, should bring a complete list of medications taken in the past month.**

#### Going, Going ...!

### Few Seats Left for Retiring Officers' Dinner

More than 1,300 tickets have already been sold for the August 17 Retiring Officers' Dinner during the Las Vegas Convention, leaving the event at near **sell-out status** as this issue of the NALC Bulletin went to press. Less than 100 seats remain available.

**Those wishing to obtain any of the remaining tickets should call (202) 662-2880 immediately and be prepared to arrange for immediate payment for the appropriate amount.**

The celebration, on the Thursday evening of Convention Week, will be at the Las Vegas Hilton Hotel and will honor 11 National Officers who have retired since the last convention or will retire at the end of their current terms in December, according to Secretary-Treasurer Jane E. Broendel. **See the April 28 NALC Bulletin for additional information.**

Honorees are Executive Vice President Jim Williams, Assistant Secretary-Treasurer Jim Korolowicz, Director of Retired Members Don Southern; retired Director of Safety and Health Alan Ferranto and retired Director of Health Benefits Thomas H. Young Jr.; National Business Agents Arthur Buck and Dale Hart; retired NBAs Richard Gentry, Matthew Rose and Barry Weiner; and National Trustee Daniel Rupp.