



National Association
of Letter Carriers

Fredric V. Rolando, President
December 21, 2009 No. 09-22

NALC Bulletin

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

Health Care Reform Advances To Vote on Passage in Senate

FEHBP Protected; Battle Over Excise Tax Continues

Senate Democrats reached consensus on health care reform over the weekend and voted to break a unanimous Republican filibuster in the early morning hours on December 21, setting up a vote on passage of the Senate version of reform for Christmas Eve and then a critical House-Senate conference to reach a compromise with House-passed legislation.

As amended by Senate Majority Leader Harry Reid (D-NV), the legislation would expand coverage to 31 million uninsured Americans through expanded Medicaid eligibility and subsidies to the uninsured to purchase private health insurance while imposing stiff new regulations on insurance companies.

The bill would reduce the federal deficit by hundreds of billions of dollars over the next 20 years.

NALC and the rest of the labor movement supports the much stronger bill passed by the House of Representatives because it offers a public insurance option to the uninsured that would compete with for-profit health plans and because its funding provisions are more equitable.

"While the Senate bill is flawed and needs to be improved in the House-Senate conference, we are pleased that progress toward expanded coverage and insurance reform is being made," said NALC President Fred Rolando. **"We received the protections we need for the Federal Employees Health Benefit Program (FEHBP) and there is still time to fix or eliminate the excise tax on so-called Cadillac health plans."**

NALC vigorously lobbied Senate leaders on two provisions in particular. One would require the Office of Personnel Management (OPM), the agency that administers FEHBP, to make at least two national plans (with at least one, not-for-profit plan) available to workers and small businesses that purchase health insurance through the state health care exchanges to be set up in 2014. The other would impose a 40 percent excise tax on high-cost health plans as early as 2013. The union was successful in convincing the Senate to wall off our health plans in FEHBP from the new OPM plans for the state exchanges – winning separate risk pools and several other administrative protections. However, the Senate bill retains the tax on high-cost health plans (with allegedly "Cadillac" benefits) that we oppose.

The excise tax will hit family health plans that cost more than \$23,000 annually and self-only plans that cost more than \$8,500 annually in 2013. Although the average FEHBP plan costs well below these threshold amounts now (\$13,000 and \$6,900), and though the threshold amounts are indexed to inflation plus one percent (CPI+1), our concern is that the tax will eventually hurt plans like the Blue Cross-Blue Shield Standard Plan and the NALC Health Benefit Plan by the end of the decade since health care costs tend to rise much faster than ordinary inflation.

NALC and the AFL-CIO prefer the House legislation. It does not have the excise tax and would finance reform with a surtax on the wealthiest of Americans whose income tax bills were slashed dramatically over the past decade.

When Congress returns in January following its holiday recess, NALC will mobilize letter carrier activists to lobby House and Senate leaders to use the House-Senate conference committee to fix or eliminate the excise tax and to enact the most progressive legislation possible on health care reform.

"Letter carriers and the Postal Service need relief from the ever-escalating cost of health insurance," Rolando said. "At the same time, we can't miss this chance to improve the nation's health care system and to extend coverage to our brothers and sisters who work for a living in America."

No Accumulation Towards Sixth COLA

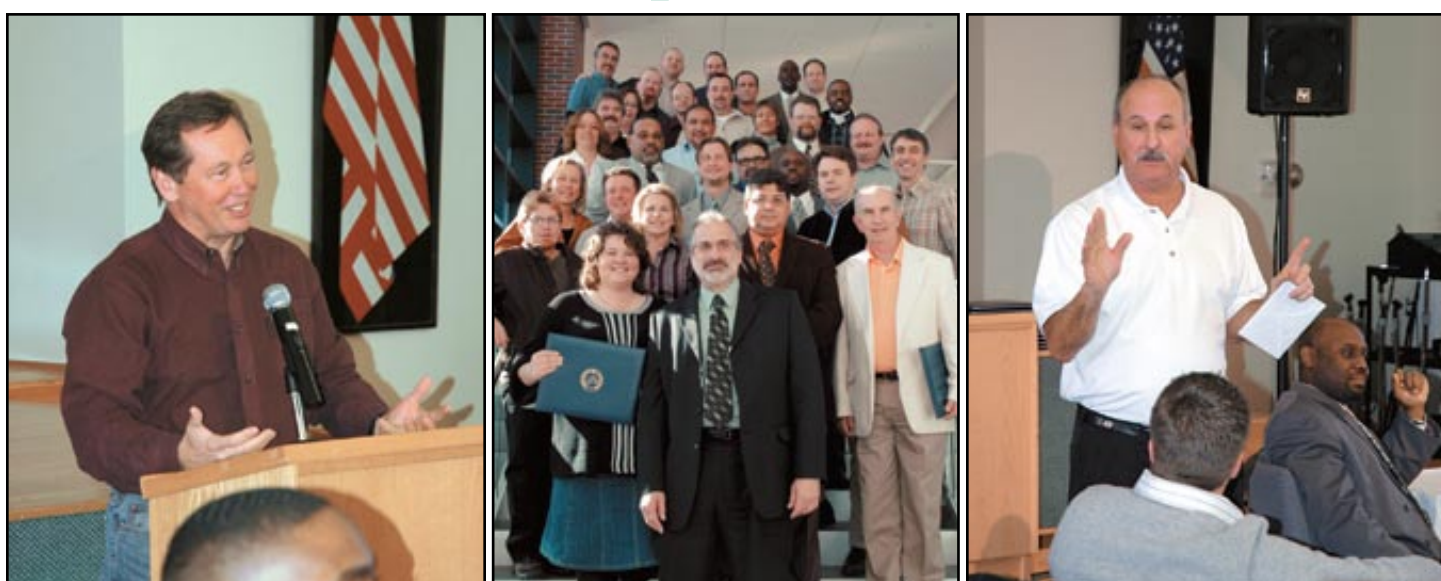
There is no accumulation toward the sixth regular cost-of-living adjustment for active letter carriers based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for November, released December 16 by the U.S. Bureau of Labor Statistics.

The November CPI-W at 631.491 was still below the base month level of 644.303 for July 2008. The sixth COLA, if any, will be based on CPI-W data in the report for January 2010, released in February.

There is also no accumulation yet toward 2011 COLAs for retirees under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). As previously announced, retirees will not receive a cost-of-living adjustment in 2010 because of declining prices.

The projected accumulation toward the 2009 Federal Employees' Compensation Act (FECA) COLA stands at 3.5 percent according to the latest data. The 2009 FECA COLA will be based on the increase in the CPI-Index between December 2008 and December 2009 and will be effective on March 1, 2010.

New Leadership Class Graduated



In center photo, President Rolando stands with graduates of the NALC Leadership Academy at the Meany Center in suburban Maryland near the nation's capital December 11. It was the first leadership class of Rolando's presidency. In left photo, Academy instructor and former NALC Executive Vice President Jim Williams speaks to the graduates, and in right photo, instructor and former Assistant Secretary-Treasurer Jim Korolowicz gives a presentation. (Photos by Mike Shea.)



George Davis

The NALC regrets to inform the membership of the death of former Director of Safety and Health George Davis, who passed away December 18 in Milford, Delaware.

Davis joined the Postal Service in Chicago in 1957 following a brief professional football stint with the Chicago Bears and a stalwart career at Tennessee State University.

His Postal Service career took him to Memphis, Tennessee where he became a shop steward, vice president and then president of Branch 27. He was a past chairman of the NALC's Board of Trustees and was elected as the union's first national director of safety and health when the 55th Biennial Convention created the position in 1986.

"The deep interest of Brother Davis throughout his postal years that the highest safety and health standards be maintained on the workroom floor and on the street will be an everlasting monument to his dedicated union career," said President Rolando.

Davis is survived by his wife, Ruth, of Milford, Delaware; a daughter, Judy Davis, of Memphis; two sisters; a granddaughter, and great grandson. A memorial service is scheduled for December 26 from the Rogers Funeral Home in Milford. The family requests that, in lieu of flowers, a memorial contribution can be made to a charity of one's choice.

Delegates: Circle August 10!

Baseball Night at Convention

The NALC has reserved 7,000 tickets to the Los Angeles Angels-Kansas City Royals baseball game on Tuesday night, August 10, 2010 for a special National Association of Letter Carriers Baseball Night on the second evening of the 67th Biennial NALC Convention in Anaheim, California.



The special night will afford NALC delegates and family members an opportunity to see one of the best teams in baseball, the American League West champion Los Angeles Angels of Anaheim with newly acquired Hideki Matsui, against an improving Royals team headed by American League Cy Young Award winner Zack Greinke.

These NALC night tickets will be sold to branches at a special reduced price — in lot — for distribution to their delegates. They will not be sold individually.

In recognition of the massive NALC gathering, President Rolando has been invited to throw out the first pitch during a special pre-game ceremony at Angels Stadium prior to the 7:05 p.m. start of the game.

Further information, along with a form for branches to purchase tickets, will be included in a future issue of the NALC Bulletin.

Set for May 8!

Registration to Begin Soon For 2010 NALC Food Drive

The annual NALC National Food Drive to "Stamp Out Hunger" is on the verge of setting a milestone – breaking through the one billion-pound level in total donations collected since the drive began in 1993.

NALC President Fred Rolando is challenging all branches to increase their effort in the 2010 drive scheduled for Saturday, May 8 — the second Saturday in May — and to surpass the record 73.4 million pounds delivered to community food banks and pantries in 2009.

"The impact (of the NALC drive) on fighting hunger in America has been tremendous, but with the recession, new data shows that more than 49 million Americans face insecurity in providing food for their families," Rolando said in a letter to branch presidents. **"Hunger is an even greater problem today than when the drive began, but we cannot give up."**

Rolando emphasized that what each branch does on May 8 in collecting donations from our postal customers will have a significant impact on providing food for families in their local area who need help in getting enough nutrition.

"A large percentage of people who are now going to food banks, pantries, and shelters are from working families who just can't make ends meet in this troubling economy," he added. "Many are children and a growing number are the elderly who are in need of food assistance for the first time in their lives."

Registration forms for branches to participate in the 2010 drive will be mailed to all NALC branch presidents over the next few weeks and are due back at NALC headquarters by January 25 in order that coordinators' packets can be sent to those branches. The packets will include forms for ordering the FREE Campbell Soup-U.S. Postal Service postcards and the official food drive poster.

Branches that have participated in the food drive in the past still must re-register for the 2010 drive with updated information in order to receive the packet and postcard order form.

Questions should be directed to Drew Von Bergen, national coordinator of the food drive, at (202) 662-2489, by email at vonbergen@nalc.org, or by mail at NALC headquarters.

NATIONAL ASSOCIATION
OF LETTER CARRIERS

**Stamp
Out
Hunger**

FOOD DRIVE