

NALC fighting for relief for Postal Service

When the 111th Congress convened January 6 in Washington, the nation was under siege from unrelenting bad news about the economy: retail sales plunged, home values and stock markets kept falling, and another 700,000 Americans had lost their jobs in December.

With the outlook for 2009 increasingly grim, the new Congress focused on a massive economic recovery program. In meetings that began before his inauguration, President Obama outlined a program of tax cuts, infrastructure spending and economic assistance totaling around \$750 billion over the next two years. House leaders unveiled their own \$825 billion package, and there was speculation that, when all was said and done, the cost could exceed a whopping \$900 billion.

Against that background, NALC President William H. Young welcomed the new Congress and the new president to Washington with this pledge: “We stand ready and able to work with both parties to overcome the dire circumstances that now confront our country.”

The deepening recession is slamming the Postal Service financially, so the NALC and USPS have joined forces with key stakeholders in the postal industry to seek some relief from Congress by reducing the burden of “pre-funding” health benefits for future retirees.

Under current law, the USPS must pay for both current retiree health benefits—at a cost of more than \$2 billion annually—and pre-fund future retiree health costs by paying some \$5.5 billion per year into the Postal Service Retiree Health Benefit Fund (PSRHBF). That fund is held by the Office of Personnel Management and is closed to the USPS until 2016. It now has a balance of \$32 billion.

On the opening day of the session, Reps. John McHugh (R-NY) and Danny Davis (D-IL) introduced a bill as H.R. 22—the same bill number assigned to the Postal Accountability and Enhancement Act of 2006—that would allow the USPS to pay for current retiree health benefits out of the OPM fund immediately. That would, in effect, save the USPS more than \$2 billion per year and create a more affordable pre-funding schedule.

“No other company in America is required to pre-fund retiree health benefits over 10 years,” President Young told congressional leaders in a letter. “The Postal Service should not be required to do so at a time when the economic crisis has severely damaged its financial stability.” He pointed out, “H.R. 22 is no taxpayer bailout—we simply want access to our funds to cover our own costs.”

NALC urged that H.R. 22 be incorporated into the economic recovery legislation, which was on a fast track to enactment. Noting that giving a hand to the Postal Service will serve the same purpose as providing aid to struggling state and local governments, Young said, “Relief for the Postal Service early in 2009 will help avert painful service cuts and postage rate increases that would only deepen the recession.”

“A strong Postal Service is vital to the economic recovery we all want and need,” he added. ☒

ADJUSTMENT EXTENSION

THE NALC AND THE POSTAL Service agreed to extend to February 20 the deadline for finalizing adjustment packages pursuant to the Interim Route Adjustment Process. The Memorandum of Understanding, Re: Interim Alternate Route Adjustment Process (M-1695, available on nalc.org), originally stated that all adjustment packages had to be finalized by January 16. The extension, announced in early January by NALC Executive Vice President Fred Rolando, lets Joint Route Adjustment teams at the district and local levels continue working beyond the earlier time limits. ☒

Special mailing

The NALC made a special mailing to every member of the House and Senate shortly after the inauguration that included a copy of the December 2008 *Postal Record*—the 80-page issue honoring thousands of NALC members who worked during the 2008 campaign. The magazine included more than 170 pictures of members active along the campaign trail.

In an accompanying letter, President Young praised the union membership and reminded the elected officials the NALC wields unusual clout, since it has politically active members everywhere.

During the campaign, he noted, “In every state and every congressional district, our active and retired members went all-out on behalf of candidates in both parties, incumbents and challengers, who share our vision of a prosperous and peaceful nation with a vibrant, sustainable postal service.”

“Our members are not only dedicated to maintaining the best, most cost-effective postal service in the world, they are also committed members of their communities, fully engaged in local and national efforts to create a better life for all our citizens,” Young wrote. ☒

