

# Financial relief crucial to preserve Postal Service



punishing section of the 2006 Postal Accountability and Enhancement Act. The PAEA requires the Postal Service to pre-fund retiree health benefit obligations with payments of \$5.5 billion to \$5.7 billion per year through 2016. The money is held by the Office of Personnel Management in a special account that already totals about \$32 billion.

"That's not fair," Young said. "No private company and no other federal, state or city government is required to pre-fund their health benefit liability" over just 10 years. In fact, the few private companies that voluntarily pre-fund such benefits typically amortize them over 30, 40 or 50 years.

At the same time it pays the pre-funding, USPS also spends more than \$2 billion a year for current retiree health premiums. While the combined burden would be a tidy sum in good economic times, today it is a fiscal low blow to the USPS, which lost \$2.8 billion in 2008. If not for the excessive pre-funding expense, the Service would have been profitable last year.

## A ray of hope

In January, the day the 111th Congress convened, Reps. John McHugh (R-NY) and Danny Davis (D-IL), both longtime friends of letter carriers and the NALC, introduced H.R. 22 to lighten that load. The measure, which recycles the H.R. 22 designation used for the 2006 postal reform legislation, would allow the USPS to tap the OPM fund now to pay for its current retiree health benefits, while continuing the pre-funding payments at a lesser level. It would save USPS more than \$2 billion annually while evening out the pre-funding schedule over the next 48 years.

**P**ersuading Congress to ease at least part of the Postal Service's multibillion-dollar retiree health benefit burden is the NALC's top legislative priority for 2009, President William H. Young told a meeting of the union's top legislative leaders last month.

"If we don't take care of this, we won't have to worry about vote-by-mail, the Employee Free Choice Act, or anything else," Young said in opening the union's annual spring state legislative chairs

training conference, held February 9-13 in Washington. "Instead, we'll be fighting to save our jobs."

The president told the gathering, which also included the union's 15 National Business Agents and members of the NALC Auxiliary's executive board, that the new bill H.R. 22 is designed to ameliorate a financially



**President William H. Young (top) welcomes the National Business Agents and state association presidents to Washington. At a dinner reception, Rep. Ed Towns (above) and Rep. Darrell Issa spoke of the need to protect the Postal Service in this economic crisis and beyond.**



Before the conference, President Young and members of the Legislative Department met with three state association presidents, (from l: Pennsylvania's Joe Antal, North Dakota's Rick Olek, Young, and North Carolina's Eddie Davidson Jr.) to discuss updating NALC's legislative field plan. The presidents, from three distinctly different states, explained what was working in their states and what they would like to see changed going forward.



"It's a win-win for everyone," Young observed. "Retirees keep their benefits, and the Postal Service gets some help in these awful economic times."

"Best of all, it's not a bailout. It's not a handout," he emphasized. "All we're doing is asking for earlier access to the retiree health benefit funds we've already set aside. The taxpayer is not on the hook for this."

Enactment of H.R. 22, Young said, would also help quiet some of the hubbub over possible service cuts and facility closures that Postmaster General Jack Potter told Congress might be necessary as the USPS navigates the current dire economic straits.

"The situation at the Postal Service is bad, but it's not hopeless," the NALC leader said. "When the postmaster general mentioned cutting delivery service back to five days, he sure got everyone's attention. But no one we've talked to in Congress thinks that's a good idea."

Indeed, early reports from the state leaders who lobbied on Capitol Hill on February 11 suggested that most legislators contacted were not only against the idea of five-day delivery, they were enthusiastic—and in some cases even a bit relieved—that a partial solution to the Postal Service's financial problems would not cost taxpayers a cent.

As this issue went to press, H.R. 22 had attracted two dozen co-sponsors from all across the political spectrum—right, left and center. That was an increase of 20 in the days immediately following the lobbying effort.

## A time to reflect

Also during the week's sessions, the legislative activists reviewed the 2008 election and the success enjoyed by the

NALC and the labor movement in general. Many of those present had served among the nearly 240 letter carriers released by the NALC to work full-time on the AFL-CIO's get-out-the-vote campaign, Labor 2008.

Guests of honor at a special dinner session included Rep. Ed Towns (D-NY), chairman of the House Oversight and Government Reform Committee, which has jurisdiction over the USPS, and Rep. Darrell Issa (R-CA), the committee's ranking Republican. Both Reps. McHugh and Davis, authors of H.R. 22, are members of the panel's Postal Service subcommittee.

Introducing Issa, President Young noted that NALC supports legislators who support letter carriers regardless of party, but "there are not as many pro-labor Republicans as there used to be."

"I look forward to the day when more members of Congressman Issa's party follow his lead in opening a dialogue with the representatives of America's working people," he said.

In his remarks, Issa told the assembled letter carriers, "We need to make sure, as a Congress, that we give you an opportunity to continue to provide great service, to ensure that we have a (postal) system in place 230 years from this day." ✉

After meeting with President Young and briefings by NALC's Legislative Department, participants (below) journeyed to Capitol Hill to lobby their representatives to support H.R. 22.

