

1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

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2009

## Pass H.R. 22

# Young: Relief from Congress could ease postage rate increases

**I**n a national press release on the day first-class postage rose to 44 cents, NALC President Bill Young explained that rate increases—while necessary for the U.S. Postal Service to function effectively this year—can be delayed or even avoided in the future if Congress is willing to help.

“Six-day, universal mail delivery in the United States remains the best postal bargain in the world,” said Young. “Despite the economic climate, letter carriers and other postal employees are working hard to maintain top-rate service for all Americans while adjusting to the many technological changes in the communications field.”

But Young said the rate hike should not have been needed, at least not at this time.

“Future postage rate increases could be delayed or even avoided on a regular basis if Congress would act to rescind some of the onerous financial shackles imposed on the Postal Service by the previous administration,” he said in the May 11 statement.

Young said Congress should pass and send to President Obama H.R. 22, the measure to correct the payment schedule for pre-funding retiree health benefits of postal employees, which currently drains more than \$5.5 billion a year from Postal Service coffers. The legislation would save the USPS an average of \$3.5 billion a year by adjusting the pre-funding schedule, and allow those funds to be used for day-to-day postal operations.

No other government agency or major corporation has such an onerous and unnecessary retiree health benefit funding obligation, and the change would in no way affect the health benefits due to postal retirees.

In addition, Young said Congress needs to rescind the requirement that the Postal Service pay retiree benefits for employees covered by the Federal Employees Retirement System (FERS) for the years they served in the U.S. military. That change also would save the Postal Service billions of dollars. ✉

## USPS reports \$1.9 billion loss

**T**he Postal Service reported May 5 that it ended the second quarter of its fiscal year (Jan. 1—March 31) with a net loss of \$1.9 billion due to the effects of the recession, long-term financial pressure and continuing erosion of mail volume. Mail volume during the quarter was 43.8 billion pieces, down 14.7 percent from the same period a year ago.

“The economic recession has been tough on the mailing industry, and we have seen an unprecedented decline in mail volumes and revenue that continued to accelerate during the second quarter,” PMG John E. Potter told the Board of Governors. He said the Postal Service is aggressively realigning costs and developing incentive programs to increase mail volume. ✉