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—President William H. Young

Bill to block contracting out bolsters letter carrier efforts

With letter carriers waging an all-out effort to thwart Postal Service plans to contract out delivery work, a new legislative initiative to block the management scheme has been introduced in the U.S. Senate. At the same time, a House resolution warning the

USPS to discontinue the practice was gathering strength.

Sen. Tom Harkin of Iowa threw a roadblock in the way of a privatization plan to radically expand the use of Contract Delivery Service with his proposed Mail Delivery Protection Act, S.1457, introduced on May 23. It would set strict limits on the extent to which the delivery routes of both city and rural carriers can be contracted out to private companies or individual contractors, banning the Postal Service from subcontracting any route that has at least one family per mile living on it.

“Outsourcing mail delivery to people who have not undergone the Postal Service’s extensive screening and training process leaves open the possibility that convicted felons, identity thieves or other undesirable workers could have access to the sensitive materials that pass through the mail on a daily basis,” said Harkin, a four-term Democrat widely recognized as a champion of working families.

The bill’s initial co-sponsors included Sens. Bob Casey (D-PA), Jeff Bingaman (D-NM), Patty Murray (D-WA) and Patrick Leahy (D-VT), but other lawmakers hastened to add their names to the list of supporters.

NALC President William H. Young, who has warned postal managers they are marching toward self-destruction, hailed Harkin’s bill, declaring it “will write some sense into the law and will help ensure that the job of delivering the mail in this country remains in the domain of professional, dedicated, reliable letter carriers directly employed by the United States Postal Service.”

Young said Congress must quickly address the issue of turning over the mail to a cadre of low-pay-no-benefit contract workers who have no career opportunity and little if any incentive to provide first class service to the public.

“There is a very real danger that this CDS program will ultimately corrupt public confidence in the sanctity and security of their important personal and professional communications,” Young said, adding, “That would be a death sentence for the Postal Service, which we have worked so hard to preserve and help flourish.”

The Postal Service responded to the Harkin bill with a letter to Capitol Hill riddled with misleading statements and misrepresentations—and the NALC immediately fired off a reply to set the record straight (*see page 6*).

While the Harkin bill would establish the one-family-per-mile standard, existing Highway Contract Routes would remain in effect and could be renewed. Also, rural routes that drop below the one-family-per-mile standard could be converted into HCRs.

Growing support

Even before Sen. Harkin offered his bill, there was growing support for a like-minded “sense of the House”



President Young (c) thanked the congressional district liaisons from Ohio during the state's congressional breakfast in June, saying that nationwide, the union's CDLs are the soldiers on the line in the fight against contracting out.

resolution on the other side of the Capitol. Following a lobbying visit in March by his constituent New Jersey letter carriers, Rep. Albio Sires introduced H.R. 282, which calls on the Postal Service to "discontinue the practice of contracting out mail delivery services." At last count, nearly half the members of the House had signed on as co-sponsors. A "sense of the House" resolution is non-binding, but agency leaders who ignore the wishes of lawmakers often rue their decision.

During its decisive debate on postal reform legislation in 2005, the House clearly demonstrated its disdain for the notion of contracting out letter carrier jobs. When Arizona Rep. Jeff Flake trotted out an amendment to require pilot tests of privatized and alternative forms of delivery in 20 cities, the House voted it down by a decisive 379-51 tally.

Rank-and-file letter carrier activists made a definite impact in the battle against contracting out as state delegations continued their annual legislative visits, going door-to-door through congressional office buildings, outlining the dangers of contracting out, explaining why Congress needs to act, and nailing down support.

In late May, hundreds of New York State Association letter carriers made the trip to Washington to lobby. At a congressional breakfast on May 24, they heard NALC Executive Vice President Fred Rolando explain that contracting out "is a public policy issue, one that Congress must address."

"The question is, do Congress and the American people want a privatized, unscrutinized workforce delivering sensitive mail, with all the dangers that implies," Rolando said.

NATIONAL ASSOCIATION OF LETTER CARRIERS

Several members of Congress from Ohio, attending a June 6 breakfast in Washington hosted by Buckeye State carriers, spoke out forcefully against privatization and voiced support for H.R. 282.

Rep. Dennis Kucinich (D-OH), a Democratic presidential candidate, denounced Postal Service efforts to privatize the work of postal employees. He said contracting out not only disrupts the smooth delivery of mail, but also violates workers' rights.

"In public service, privatization is wrong," Kucinich said.

A trio of freshmen Ohio Democrats, all elected last fall with the help of letter carriers, declared their support for H.R. 282.

"I wouldn't be standing here without your support," Rep. Betty Sutton acknowledged. "You deliver much more than mail. You deliver votes."

Rep. Zack Space made the point that contracting out of letter carrier work could undermine national security. "There is no place for that in this society," he said.

Rep. Charlie Wilson said the new 110th Congress is "making a voice for working America" but has much to do to reverse misguided policies adopted in recent years, including contracting out ▶

Congratulations New Jersey!

President Young offers his hearty thanks to the members from New Jersey for doing an amazing job lobbying their members of Congress. Both senators and all 13 representatives have signed onto the corresponding contracting out legislation—H.R. 282 and S. 1457!

New York carriers at a legislative briefing.





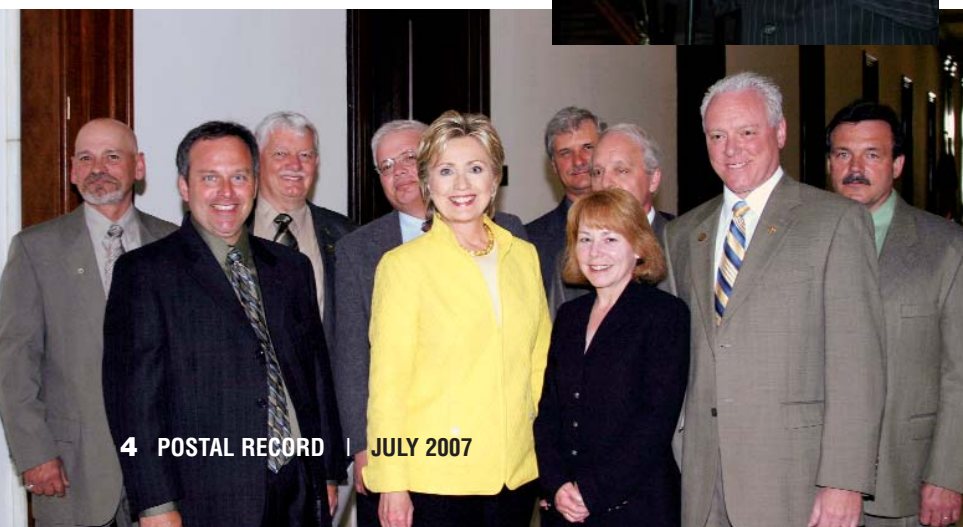
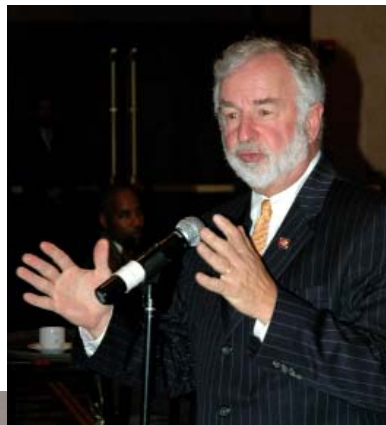
Above: NALC President Emeritus Vince Sombrotto (l) acknowledges a standing ovation after a plaster cast of a bust of his likeness was unveiled during a rap session for New York State Association members who came to Washington in late May on a lobbying visit. Leading the applause is President Bill Young, who praised New York Br. 36 member Sombrotto for his 24 years' leadership of the union. When completed, the bronze bust will be displayed in the lobby of the NALC Headquarters—now named the Vincent R. Sombrotto Building, as approved by the National Convention last summer.



Above right (l-r): Democratic New York Reps. Carolyn McCarthy, John Hall, and Michael Arcuri speak at the New York congressional breakfast held on May 24.

Right: Rep. Timothy Bishop (D-NY).

Bottom: A group of New York NALC members had a chance to lobby their senator, Hillary Rodham Clinton (c, in yellow), while they were on the Hill.



government services, and get the country back on track.

Veteran Republican Rep. Steve Chabot also announced his support of H.R. 282.

A call for action

At the time this issue of *The Postal Record* went to press, more than 25 senators from both parties had signed on as co-sponsors of S.1457. Across the Capitol, 212 members had signed up as co-sponsors of H.R. 282. (You can check the House and Senate web sites to see whether your senators and representative have signed on as backers of the two measures.)

Meanwhile, the NALC's legislative staff, in conjunction with congressional district liaisons across the country, made plans to encourage NALC members to take advantage of Congress' Independence Day recess by contacting lawmakers when they are "back home" for Fourth of July picnics and parades.

"It appears Congress is slowly but steadily awakening to the threat of contracting out," President Young said. "But we don't have 12 years to work on this, like we spent on our struggle for postal reform. We need this Congress to take up this issue and put



Above: Carriers from the 13th District in Ohio pose for a photo with their representative, Betty Sutton (third from r).

Above right: Ohio Rep. Patrick Tiberi (fifth from r) promised to co-sponsor H.R. 282 after being lobbied by Ohio members—a promise he kept.



Left: Rep. Steve Chabot (R-OH) speaks during his state's congressional breakfast, held on June 6.

Below left: Rep. Zack Space (D-OH).

Below: President Young shakes hands with Rep. Charlie Wilson (D-OH).

a stop to the Board of Governors' privatization pipedream."

With that in mind, President Young sent out an urgent dispatch to the members of the NALC's e-Activist Network. "Now is the time for letter carriers to explain to their senators the importance of protecting reliable mail delivery service by trusted career letter carriers," he wrote. ✉

To join the NALC e-Activist Network and receive alerts when action is needed on any issue that directly affects active and retired letter carriers, or to update your contact information, see the bottom of the home page at www.nalc.org.



Below left: After meeting with a group of Ohio carriers, Republican Rep. Steven LaTourette (standing, second from r) signed on as a co-sponsor to H.R. 282.



Below: Democratic Rep. Dennis Kucinich (fifth from r) poses for a photo with carriers after listening to their concerns.



Letter carriers leaders debunk PMG's missive

Striking back quickly, NALC President Bill Young, joined by National Rural Letter Carriers President Donnie Pitts, sent a letter to members of the U.S. Senate last month that debunked the postmaster general's defense of contracting out delivery work and the USPS' opposition to legislation to curb the practice.

Together, Young and Pitts represent 325,000 city and rural letter carriers, and the two unions have worked in tandem to confront the USPS contracting out campaign. Both support Sen. Tom Harkin's bill, S. 1457, to forbid contract delivery on a route that has at least one family per mile (see story, page 2, and President's

Message, page 1).

PMG John Potter attacked the Harkin bill in a June 13 letter sent to senators and selected House members who are leaders on postal issues. He tried to make the case that rapid expansion of Contract Delivery Service was nothing new; that contracting out was necessary to achieve "efficiencies" required by the new postal reform law; and that any congressional effort to control subcontracting of deliveries was unjustified intervention in a "collective bargaining" matter.

"The arguments are preposterous and the 'evidence' is outrageous," President Young said. "Congress certainly must get involved if the Postal Service is determined to pursue this ▶



...[T]he Postal Service strongly opposes S.1457, the "Mail Delivery and Protection Act." This bill would override current collective bargaining agreements and effectively eliminate an important tool needed by the Postal Service to continually introduce greater efficiencies into its operation. If enacted, with an exception of a very limited use, no new contracts for mail delivery could be initiated...and new opportunities for small businesses to carry contracts for transporting and delivering mail would be eliminated.

On behalf of the nation's 325,000 letter carriers, we write to respond to the misleading letter sent to you by the Postmaster General of the United States.... Contrary to the assertions made by Mr. Potter in his June 13 letter, the bill would not override our collective bargaining agreements and would not interfere with the existing collective bargaining process. Rather, the legislation restores the status quo that existed before the Postal Service decided to begin outsourcing urban and suburban mail delivery with the recent creation of Contract Delivery Service. ...[Potter] claims S. 1457 would "eliminate an important tool needed by the Postal Service to continually introduce greater efficiencies into its operation." The attached slide from a management training program being used to promote contracting out letter carrier work illustrates the kind of efficiencies the Postal Service has in mind: no health insurance, no retirement, no life insurance, no ties to union agreements, etc.

Currently 99 percent of our contract delivery services are performed by small, minority- or women-owned businesses. This use of private-sector services is not new. The Postal Service has used contractors to transport and deliver mail since 1785, when Congress first authorized the Post Office Department to contract with stagecoach companies.

Perhaps the most outrageous claim in the letter is the assertion that "99 percent of our contract delivery services are performed by small, minority- or women-owned businesses." Combining unlike categories (company size, race and gender) is a cute device to get a large percentage to cloud the issues and to mislead your reader, but it is really beneath the Postmaster General to do so in a communication sent to all 100 members of the Senate. It is not accurate to assert that the individual contractors who bid on part-time, low-wage, no-benefit CDS contracts to deliver mail...are small businesses. In fact, they are exploited workers, working in urban and suburban neighborhoods alongside career postal employees who enjoy decent pay and benefits. There are tens of thousands of minorities and women who would love to work as career letter carriers for the U.S. Postal Service. These workers deserve the same pay and benefits as career postal employees

Under the Postal Accountability and Enhancement Act of 2006, the Postal Service can no longer raise postage rates to directly cover its cost increases. The new law broke the link between costs and prices by imposing a Consumer Price Index price cap on 90 percent of postal revenues. This change was intended to encourage further cost reductions and efficiencies. In mandating a price cap, the new law did not provide any new cost control tools. Consequently, the consideration of contracts for delivery service consistent with our established labor agreements remains a critical element in controlling one of our primary costs.

self-destructive course. Constructing a two-tier system of mail delivery built on the backs of exploited, low-wage, no-benefit subcontractors is a recipe for the poison that will kill the public's trust and confidence."

In their letter, sent June 18, Young and Pitts pointed to a slide (at right) taken from a postal management training program that reveals the real "efficiencies" the USPS desires—contract workers who have "no health insurance, no life insurance, no retirement... no tie to union agreements."

Excerpts of Potter's letter and the union leaders' response appear below. The full text of both letters is available on the NALC web site, www.nalc.org, under "Latest News."



Why are contract routes more cost efficient?

- Perform the same duties as city and/or rural letter carriers
- No health insurance
- No life insurance
- No retirement
- Provide own vehicle
- No tie to union agreements
- No Liability to Postal Service

(Potter's) letter also seems to suggest that the decision to create CDS was driven by the CPI rate index contained in the postal reform legislation.... CDS was created before postal reform passed.... Not once in the 12-year debate over postal reform did the Postal Service tell anyone that reform would lead to widespread outsourcing. The large bipartisan majorities in Congress who voted for postal reform did not intend it as a green light for the USPS to outsource letter carrier work and to add to the tens of millions of Americans without health insurance or adequate pension protection.

The collective-bargaining process is a complex exchange of positions, ideas, and proposals.... Ultimately, it is intended to produce a working agreement with provisions acceptable both to management and to the labor unions—and that work for our customers. The Postal Service and (the NALC and NRLCA) are currently engaged in that process for new collective bargaining agreements. Enactment of this legislation would undermine this historical precedent of collective bargaining, thus derailing the negotiating process. Should the Postal Service and a union be unable to reach a consensus, Title 39 of the United States Code requires that binding arbitration be used to settle the dispute.

Our unions are now preparing for interest arbitration to resolve our collective bargaining agreements. We are seeking to protect the jobs of existing bargaining unit letter carriers, whom we have the legal right and obligation to represent. However, contractors and their associations do not have collective bargaining rights and Congress has the right to place limits on outsourcing as a policy matter. Indeed, during the debate over postal reform, the House of Representatives voted 379-51 against an amendment that would have tested privatized delivery in 20 American cities. Yet the Postal Service ignored this vote and proceeded to expand CDS anyway. It should not be allowed to evade the will of Congress.

[C]areer carriers continue to serve as the backbone of the delivery network of the Postal Service. However, given the new law's requirements, it is imperative that the Postal Service retain contracting for all services as an option.

If Congress does not act, we could have tens of thousands of contractors and a two-tier delivery service in America in the not too distant future. S.1457 would block the Postal Service from adopting such a misguided strategy.

The public policy issues at stake regarding contracting out core government functions are serious ones. One needs look no further than our sad experience with outsourced maintenance services at Walter Reed Hospital. We believe that CDS is a similarly penny-wise and pound-foolish program that will seriously undermine the Postal Service's status as the "most trusted agency" in the federal government....

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supermarket, convenience, stationary or greeting card store, or perhaps at a Post Office cleaned and maintained by a contracted service provider. Just as likely, postage was provided by a meter, owned and loaded by a private-sector provider. And you may have deposited or picked up your mail at one of almost 4,000 contract postal retail units operated by respected local business people in their communities.

By suggesting the services we provide directly with the services provided by others, we have been able to better manage costs, improve efficiency, and provide even more convenient access for our customers. Viewed within the totality of our business, contract delivery service represents the smallest portion of our outsourced activities—and less than 2 percent of our total deliveries.

Like the United States House of Representatives, which conducts for all of the internal delivery and collection of its mail, the Postal Service takes a number of steps in assessing contractors and subcontractors who are selected to provide mail delivery service. For the Postal Service, potential contractors undergo background checks, screening, and fingerprinting. Their suitability is ultimately determined by the Postal Inspection Service, the federal law enforcement group charged with protecting the security of the mail. Anyone—whether a Postal Service employee or a contractor—who is involved in the criminal mishandling of the mail is subject to the criminal penalties contained in Title 18 of the United States Code.

The collective-bargaining process is a complex exchange of positions, ideas, and proposals. Because it is a collective process, it requires both parties to consider and adjust their own priorities in the light of those of the other. Ultimately, it is intended to produce a working agreement with provisions acceptable both to management and to the labor unions—and that work for our customers. The Postal Service and the National Association of Letter Carriers (NALC) and National Rural Letter Carriers' Association (NRLCA) are currently engaged in that process for new collective bargaining agreements. Enactment of this legislation would undermine this historical precedent of collective bargaining, thus derailing the negotiating process. Should the Postal Service and a union be unable to reach a consensus, Title 39 of the United States Code requires that binding arbitration be used to settle the dispute.

Since the mid-1970s, the collective bargaining agreements with the four major postal unions have contained provisions that govern the adjustment or contracting out of delivery routes. This subject was then, and continues to be, an appropriate subject for bargaining. In addition, the collective bargaining agreements protect the vast majority of union-represented postal employees from the "last career carrier" being laid off as a result of any contracting for delivery services. These contract provisions are the product of negotiations and were the result of negotiations by two parties, each of whom gained and lost in the negotiation.

As the numbers above demonstrate, career carriers continue to serve as the backbone of the delivery network of the Postal Service. However, given the new law's requirements, it is imperative that the Postal Service retain contracting for all services as an option. For these reasons, the Postal Service strongly opposes S. 1457, the "Mail Delivery and Protection Act." I appreciate your consideration of these views.

Sincerely,

John E. Potter
John E. Potter

performed by small, minority- or women-owned businesses." Combining unlike categories (company size, race and gender) is a cute device to get a large percentage to cloud the issues and to mislead your reader, but it is really beneath the Postmaster General to do so in a communication sent to all 100 members of the Senate.

It is not accurate to assert that the individual contractors who bid on part-time, low-wage, no-benefit CDS contracts to deliver mail in urban and suburban neighborhoods are "small businesses." In fact, they are exploited workers, working in urban and suburban neighborhoods alongside career postal employees who enjoy decent pay and benefits. There are tens of thousands of minorities and women who would love to work as career letter carriers for the U.S. Postal Service. These workers deserve the same pay and benefits as career postal employees.

It is true that the USPS has long used contractors to transport mail. But to suggest that delivery has been contracted out since 1789 is misleading. The Post Office began city delivery with career employees in the 1860s and rural free delivery began in the early 20th Century. What happened before that may be interesting as a historical matter, but is largely irrelevant.

Contractors do go through background checks, but to suggest that they are subject to the same level of oversight as career letter carriers is to be blind to reality. Once a contract is signed, very little supervision occurs and the widespread use of sub-contractors leads to a total loss of accountability. It is noteworthy that all three postal management associations—the National Association of Postal Supervisors, the National League of Postmasters and the National Association of the Postmasters of the United States—oppose the expansion of CDS. Dale Goff of NAPUS testified during a recent oversight hearing that "with contractors, you get what you pay for" while Ted Keating of NAPUS warned that contracting out delivery "would be the death of the Postal Service."

Our unions are now preparing for interest arbitration to resolve our collective bargaining agreements. We are seeking to protect the jobs of existing bargaining unit letter carriers, whom we have the legal right and obligation to represent. However, contractors and their associations do not have collective bargaining rights and Congress has the right to place limits on outsourcing as a policy matter. Indeed, during the debate over postal reform, the House of Representatives voted 379-51 against an amendment that would have tested privatized delivery in 20 American cities. Yet the Postal Service ignored this vote and proceeded to expand CDS anyway. It should not be allowed to evade the will of Congress.

Left unchecked, the Postal Service will assign a growing portion of the two million new deliveries created each year to contractors. It may even seek to outsource existing deliveries. In fact, the Postmaster General has already asserted the right to contract out entire delivery units (indeed entire cities and states). If Congress does not act, we could have tens of thousands of contractors and a two-tier delivery service in America in the not too distant future. S. 1457 would block the Postal Service from adopting such a misguided strategy.

The public policy issues at stake regarding contracting out core government functions are serious ones. One needs look no further than our sad experience with outsourced maintenance services at Walter Reed Hospital. We believe that CDS is a similarly penny-wise and pound-foolish program that will seriously undermine the Postal Service's status as the "most trusted agency" in the federal government, as a recent national survey concluded. That is why we urge you to support the enactment of S. 1457.

Sincerely,

William H. Young
President
National Association of Letter Carriers

Donnie Pitts
President
National Rural Letter Carriers Association