

**“America does business six days a week  
and it’s our job to deliver what America needs,  
when America needs it.”**  
—NALC President Fred Rolando

**SATURDAY  
FRIDAY  
THURSDAY  
WEDNESDAY  
TUESDAY  
MONDAY**

# Delivering for America Six Days a Week

Forget the fear and start planning for the future

**F**acing the worst economic crisis since the Great Depression, Postal Service management has come up with a truly amazing response—slash service by retreating to five-day delivery and surrender to the economic tide without a plan for the future, only fear of the present.

And, apparently not content to embrace futility and impotence alone, USPS is trying to instill that same hopeless fear in postal employees, including letter carriers. The NALC flatly rejects that approach.

“There is no doubt the current recession is having a brutal impact on Postal Service finances. Some of the numbers are eye-popping,” NALC President Fred Rolando said. “But like President Roosevelt said, the only thing we have to fear is fear itself.”

“The Postal Service and the NALC see two different roads leading to two very different futures,” he continued. “They are taking a very dark road. Their road is to pull back, eliminate service and jeopardize the great institution that has been entrusted to them. They are setting us up for failure in the future.”

“As the most trusted agency of the government, we think there is unlimited potential in our ‘network,’” Rolando said. “We reach 145 million households and businesses six days a week, and our mastery of the ‘last mile’ of the delivery chain and development of

non-traditional services can lead us to a prosperous future.”

After months of rumors, speculation and gloom-and-doom talk, USPS officially informed NALC in early June that it is conducting a study of the impact of switching to five-day delivery—and developing an implementation plan to make the switch. Subsequently, officials at Postal Service headquarters at L’Enfant Plaza made it clear they are making plans to drop Saturday delivery in October 2010. Although postal officials said they wanted “input” from the union regarding the study, they have been slow to provide information requested by the NALC about how the study was being conducted and, at a meeting in early July, brushed off the union by saying they already understood our position.

NALC’s position is a belief that the Postal Service can weather this storm without sacrificing service to the American people. In the short-term, quick legislative relief is necessary to address the immediate economic crunch even as we continue to engage the USPS in win-win ventures such as MIARAP to deal with variations in mail volume. Then, we must devise new strategies to identify and meet the changing needs of the public we serve, both individuals and corporations.

“It will be a long road, and probably pretty bumpy. But at the end, we can have a successful company,” Rolando said.

THURSDAY

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### Problems in the solution

There is no dispute that mail volume has been dropping precipitously as the economy has slipped deeper into what is being called the Great Recession. The Postal Service stands to lose \$6 billion, perhaps more, this fiscal year. Sadly, management has blinders on when it comes to addressing the problem—the only solution in their playbook is cutting back to five-day delivery, an idea based on a highly suspect estimate of the potential savings.

Before going any further, it must be noted the Postal Service cannot unilaterally end Saturday delivery. Such a move would require a change in the law—there is a mandate that the USPS maintain service at least at the same level as in 1983—and a 90-day review by the Postal Regulatory Commission.

“NALC will fight any attempt to convince Congress to go along with this radical change,” President Rolando said. “I cannot emphasize enough that the long-term viability of the U.S. Postal Service is at stake.”

Admittedly, at first glance the idea of five-day, Monday-to-Friday delivery appeals to many letter carriers. But the hidden costs to postal employees, the public and the Postal Service itself are far from appealing.

First, for the Postal Service, eliminating a day of delivery poses the danger of a vicious cycle—reducing service risks pushing more mail out of the postal system, leading to further delivery cut backs and yet further volume declines. Once postal managers head down this road, they would destroy the value of the network and the undermine the source of future revenue growth.

Second, the USPS estimates it could eliminate more than 25,000 city letter

carrier positions by making the change. Five-day delivery is a threat to as many as one out of every six of your brothers and sisters on the workroom floor. (Of course, it could be you instead of one of them.)

A smaller workforce would mean a smaller union. Because nine out of 10 carriers already belong to the NALC, no amount of organizing success could compensate for the loss of active members. A smaller union would have less clout—both when bargaining for current employees and lobbying to protect retiree pensions and health care.

Third, L’Enfant Plaza’s insistence that it can maintain current levels of service after eliminating one day of delivery is preposterous. When a letter, bill, movie or parcel that could have been delivered on Saturday doesn’t arrive until Monday, that’s poor service. What if the delayed mail is a vital prescription? That’s worse than poor service—it’s putting a patron in peril.

It’s not hard to imagine how reduced service would impact standard mail and business mailers of all sizes who provide the bulk of USPS revenues. But precisely how much more volume would disappear? Would that then lead to four-day delivery?

“Remember, America does business six days a week, at least,” Rolando said, “and it’s our job to deliver what America needs, when America needs it.”

### Broader issues at stake

There are broader legal and philosophical issues at stake as well. If the USPS retreats to five-day service, it would create a strong case for opening Saturday delivery to private couriers. That jeopardizes not only the private express statutes but also the mailbox monopoly.

“Sticking our heads in the sand won’t do us any good. Cutting service and hoping for the best is not a plan for the future.”  
—NALC President Fred Rolando

Consider this: Once the mailbox is opened to anyone, what is the impact on letter carriers’ status as the “most trusted” government employees? A key argument in NALC’s successful battle in 2006 to stop the contracting out of carrier work was the danger posed by unscreened, unaccountable contract workers handling the nation’s mail.

“This is a good example of management’s short-sighted strategy,” Rolando said. “They’re willing to sacrifice the monopoly that is essential to maintaining universal service to capture a few billion dollars in savings.”

In fact, the savings USPS could expect from cutting back to five days is a matter in hot dispute. Last year, the Postal Regulatory Commission conducted a review of the Postal Service’s universal service obligation, as required by the 2006 postal reform law. It commissioned two studies as part of that work, but the USPS decided to cherry-pick from just one for its five-day delivery study.

IBM, the contractor for one study, concluded five-day delivery would increase USPS profits by \$3.5 billion annually. A study by George Mason University, however, calculated the increased profit as just \$1.93 billion. Not surprisingly, USPS is using the larger IBM number to buttress its position, even though both studies are hypothetical and include purely speculative assumptions about the impact on mail volume and how letter carriers would “absorb” the additional work created by the “Saturday” mail that presumably would reach their cases on Monday morning.

### Alternatives for success

Immediate savings is one area where the NALC already has set an alternate

course. Passage of H.R. 22, the bill to revise the pre-funding of retiree health costs, would save the USPS about \$2.5 billion per year with no impact on service (see story, page 12).

“There are other legislative issues we must pursue. We could call it Postal Reform Two,” Rolando said. “The pre-funding provisions of the law need fundamental reform—we must have a more fairer and more accurate estimate of future retiree health costs and we must implement a more reasonable and affordable pre-funding schedule after correcting errors made by the Office of Personnel Management when the Retiree Health Fund was established in 2007. These and other measures, such as providing Medicare Part D subsidies to the USPS and shifting the cost of FERS military benefits for postal employees to the Treasury, are worth billions of dollars a year.”

The NALC will continue to work with management to responsibly cut costs and improve operations, Rolando said, pointing to the Modified Interim Alternate Route Adjustment Process (MIARAP), and the parties should pursue new sources of revenue together—new products and services that take advantage of the universal, six-day presence of letter carriers in every city and town.

But, he said, while the NALC would prefer to work together on win-win solutions, the union is prepared to act on its own to defend the long-term viability of the U.S. Postal Service.

“Sticking our heads in the sand won’t do us any good,” Rolando said. “Cutting service and hoping for the best is not a plan for the future.

“We need to stand tall, think smart and be ready to grab the opportunities that come our way once this recession ends. That’s the road we should be on.” ✉



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**See story, opposite page, and the NALC website at [nalc.org](http://nalc.org).**

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**for COLCPE**