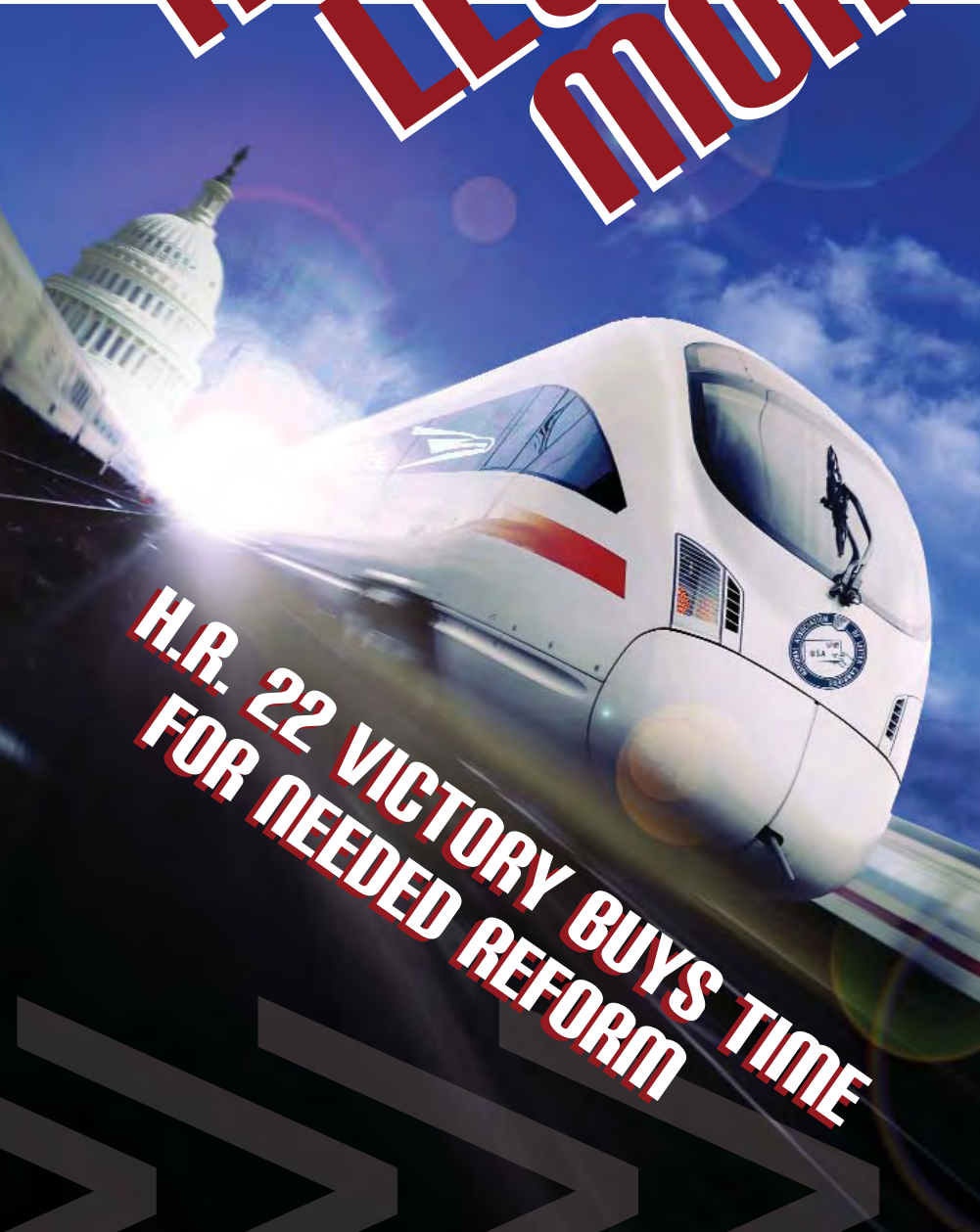


NALC GAINS LEGISLATIVE MOMENTUM



H.R. 22 VICTORY BUYS TIME FOR NEEDED REFORM

With the clock running down on the fiscal year—and spurred on by a comprehensive letter carrier lobbying effort—Congress approved legislation on September 30 that granted the Postal Service \$4 billion in immediate financial relief, a one-time boon that provides some much-needed time to seek long-term solutions to the USPS' financial bind.

To capitalize on the momentum of the victory, NALC is stepping up its campaign to win bipartisan support for a complete overhaul of the unreasonable schedule of pre-funding payments for future retiree health benefits that has helped push the Postal Service to the edge of a financial abyss.

The deferral of part of the pre-funding, approved by lawmakers and signed by President Obama, will substantially reduce what had been a projected \$7 billion USPS deficit for 2009, most of it attributable to the \$5.4 billion retiree health fund payment called for under the 2006 postal reform law. The 2009 USPS deficit now will be around \$3 billion.

The relief came when NALC-backed H.R. 22 was folded into the legislative appropriations bill for the new fiscal year that began October 1. That measure was needed so Congress could keep operating into the 2010 budget year, so lawmakers were especially motivated to pass it.

The NALC will continue to build bipartisan support to secure long-term relief for the Postal Service. Under the 2006 reform law, the USPS would have been obligated to add the \$5.4 billion to its retirees health benefit fund in FY

2009, with similar payments scheduled annually to 2016.

NALC was uneasy about the schedule when the reform law was passed and cited it among problems with the legislation that needed to be fixed. The recession, which has ravaged mail volume and USPS revenues, has strengthened the case for improving the law. While only a one-year change was achieved this time, it creates a little breathing room for the Postal Service, postal stakeholders including letter carriers, and lawmakers to develop other measures to help the USPS cope with the economic downturn and adapt to the challenges of the Internet.

Leading NALC activists from across the country, fortuitously gathered in Washington for the annual state chairs training, were able to amplify the message being delivered by e-Activists and members of the Carriers Corps as they lobbied for the measure. In a full-court press, they visited every House and Senate office in a single day to rally support.

>> **RANK-AND-FILE MUSCLE**

“Our rank-and-file activists provided the grass roots muscle and our state leaders delivered the message face-to-face,” said NALC President Fredric Rolando. “Every letter carrier owes them all a special thank-you, because there were powerful conservative forces fighting us every step of the way.”

The legislation, which easily cleared the House, came under fire in the Senate from a hard-core group of anti-Postal Service, anti-letter carrier



»» Tonight we can
celebrate, but tomorrow
we must start working on
the long-term solutions.

—NALC President Fredric Rolando, on
the passage of postal financial relief

THE LAST MILE PROJECT

What are your ideas to boost Postal Service revenues? How can we take advantage of our strengths to create a prosperous future? Write it all down—we want to know.

The USPS should be developing innovative programs and new products that capitalize on what we do best—deliver the best service over the nation's most extensive network to every business and home in America.

In short, we own the “last mile.”

The NALC's Last Mile Project is a way for you to share your ideas on how to exploit the Postal Service's incomparable transportation network—a network that shines above all others thanks to the union carriers who dominate the last mile of the delivery chain.

Send your suggestions to **LAST MILE PROJECT**, c/o NALC, 100 Indiana Ave. NW, Washington, DC 20001-2144. Yours could be the one that sparks a postal revolution. ✉

On the night that the bill was passed, giving USPS much-needed financial relief, the chairman of the House Postal Service subcommittee, Rep. Stephen Lynch of Massachusetts (l), spoke of the need for further legislative action. As a longtime friend of letter carriers, he advocated reforms to make the Postal Service stronger. Joining him was Utah Rep. Jason Chaffetz (below), the ranking Republican on the subcommittee. Noting that the U.S. Constitution mandates a Postal Service, he has vowed to work with NALC to find ways to expand USPS's business.



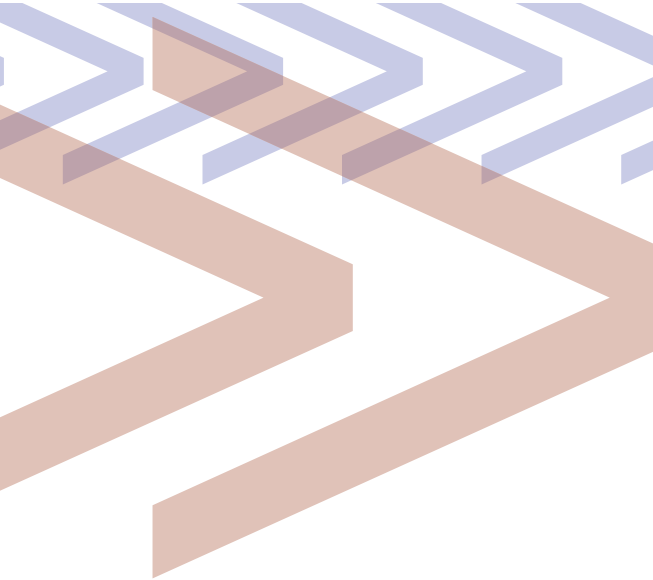
Republicans who often drag more moderate lawmakers along with them to stymie legislation. In increasingly bitter and polarized Washington, facts often are not important when these senators decide to lash out.

For instance, the misrepresentation of H.R. 22 as a “taxpayer bailout” continued. Sen. Judd Gregg (R-NH), who tried to eliminate the postal language from the bill on a technicality, erroneously asserted that Congress “should not add another \$4 billion to the budget that is going to go directly to the debt our children will have to bear.” That is false—the legislation did not require any taxpayer funds and, as the Congressional Budget Office reported, does not increase the deficit by one cent.

On the critical vote, the pro-carrier senators prevailed, voting 61-39 to overrule Gregg's objection (*see the October 2 NALC Bulletin on your office bulletin board or at nalc.org for the roll call tally on the key vote*).

It was a happy coincidence that the annual state legislative chairs dinner was taking place as the vote occurred. President Rolando was able to report the outcome and express his gratitude to all of the activists who have worked tirelessly since the beginning of the year for passage of H.R. 22.

“Tonight we can celebrate,” the NALC leader said, “but tomorrow we must start working on the long-term solutions.”



Rolando said it was appropriate and gratifying that both House Postal Subcommittee Chair Stephen Lynch (D-MA) and ranking Republican Jason Chaffetz (R-UT) were at the dinner when the legislation was finally approved.

“The strong leadership of Chairman Lynch and Ranking Member Chaffetz was critical when this went through the House and their leadership will be needed even more in future months as this union—and the Postal Service—takes the next steps to ensure a vital and effective Postal Service in the coming decades for all Americans,” Rolando said.

>> STRENGTHENING USPS

A long-term reform of the pre-funding schedule for future retiree health benefits—the money USPS is setting aside to pay its share of retirees’ health insurance premiums in years to come—is at the core of the legislative relief NALC is advocating.

President Rolando has been in contact with a bipartisan group of lawmakers, including Rep. Chaffetz and Sen. Susan Collins (R-ME), working toward a consensus on the issue and how to help USPS weather the current financial storm.

H.R. 22 was originally intended as a long-term measure, but was boiled down to a one-shot deal—a brief respite from the unaffordable and unfair pre-funding schedule established in the Postal Accountability and Enhancement Act of 2006 (PAEA), which, among its many provisions, set

up the Postal Service Retirees Health Benefit Fund.

There are several problems with the burden placed on USPS by the law. First, the Service is the only enterprise in the country required by law to pre-fund retiree health benefits. Two-thirds of Fortune 1000 companies don’t pre-fund at all.

Second, the Postal Service is being required to effectively pre-fund 80 percent of a projected 75-year liability—roughly \$55 billion—over just 10 years, from 2007-2016.

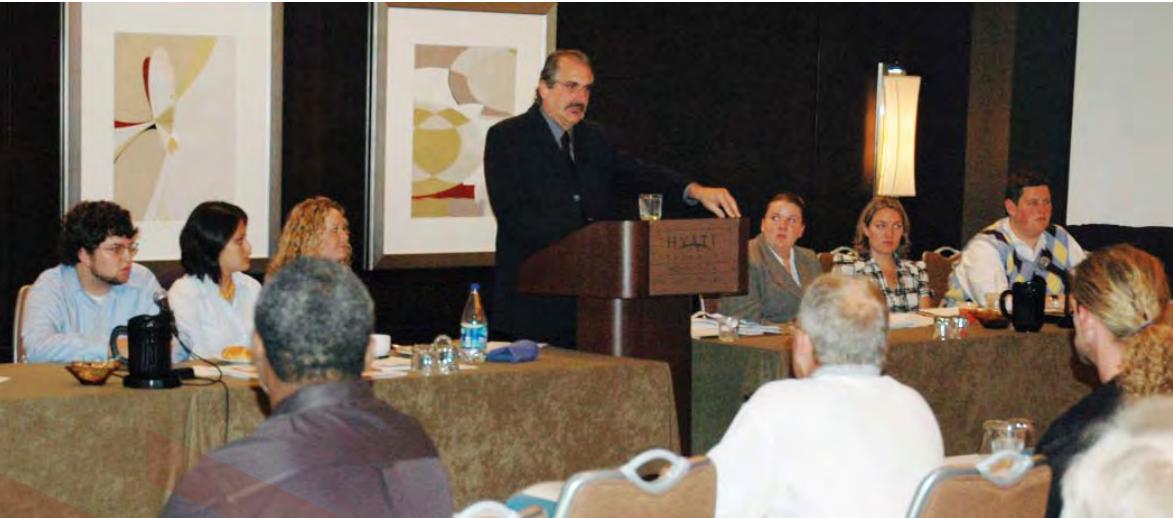
The reasons are complicated, but key calculations in this process were badly skewed by the Bush administration. Simply put, the Office of Personnel Management (OPM) grossly underestimated the size of the postal CSRS pension surplus, which Congress used to set up the retiree fund, and significantly overstated the cost of future retiree health liabilities. As a result, the Postal Service has been saddled with a pre-funding schedule that would be a heavy lift at any time—but in the midst of the worst recession in 80 years threatens its future viability. (A detailed fact sheet on the issue is available in the Legislation and Politics section of the NALC website.)

NALC will continue to press Congress to adopt a more accurate and affordable pre-funding schedule—a change that should be made before Congress even considers radical measures like the elimination of Saturday delivery. ☒

Top: President Rolando met recently with Sen. Susan Collins (R-ME) to continue discussing their mutual concern for the financial future of the Postal Service.

Above: NALC members representing Iowa met with Sen. Tom Harkin (second from r) while they were here. Pictured from l are Auxiliary Treasurer Kathy Miller, Iowa State Association President Mark Fallis and Region 5 National Business Agent Mike Weir.





President Fred Rolando welcomes the NALC state chairs to their political and legislative training program.



NALC ACTIVISTS HONE THEIR SKILLS

Effectively communicating NALC's legislative goals—to members of Congress—as well as to the union's membership—was a key training and discussion topic during the fall state chairs conference, held in Washington September 29 through October 2.

NALC President Fred Rolando welcomed the union's state association presidents, national business agents and members of the NALC Auxiliary board to the first session on Tuesday the 29th, which opened with a briefing on the status of the union's legislative priorities, especially efforts to win passage of H.R. 22, the measure allowing the Postal Service to defer part of the fiscal 2009 pre-funding obligation for future retiree health benefits. Later, to prepare the leaders for the following day's lobbying marathon on Capitol Hill, Iowa Rep. Bruce Braley and Tom Nagle, former NALC legislative staffer and now chief of staff for New Mexico Sen. Tom Udall, reviewed strategies for effectively getting the letter carrier message through to elected officials.

The state chairs put what they learned into practice on Wednesday as they swarmed both sides of the Hill, visiting the offices of every senator and representative. Those meetings appeared to have paid off: At a dinner that evening

attended by House Postal Subcommittee Chair Stephen Lynch of Massachusetts and the ranking Republican, Jason Chaffetz of Utah, participants were able to celebrate final passage of a larger appropriations measure that included H.R. 22's provisions (*see page 8*).

Thursday's training emphasized embracing technology as a means to spread the union's message. Newly elected AFL-CIO Secretary-Treasurer Liz Shuler spoke during lunch, reminding letter carriers that both the federation and the NALC need to act swiftly to take full advantage of the labor-friendly Congress and White House they helped elect.

The chairs headed home Friday afternoon with a fresh reminder from Political Director Tucker McDonald to continue their push both for increased member contributions to the letter carriers' political action fund, COLCPE, and for more participants in the e-Activist Network. ☒



Top right: Iowa Rep. Bruce Braley instructed the attendees on effective lobbying skills.

Right: AFL-CIO Secretary-Treasurer Liz Shuler spoke about the need for coordination between NALC and the AFL-CIO to get worker-friendly reforms passed in Congress.

Below: The state chairs faced a busy week of training and lobbying.

