



# National Association of Letter Carriers

**William H. Young**  
President

100 Indiana Ave. NW  
Washington, DC  
20001-2144  
202.393.4695  
www.nalc.org

**Fredric V. Rolando**  
Executive Vice President

**Gary H. Mullins**  
Vice President

**Jane E. Broendel**  
Secretary-Treasurer

**George C. Mignosi**  
Asst. Secretary-Treasurer

**Dale P. Hart**  
Director, City Delivery

**Brian E. Hellman**  
Director, Safety & Health

**Myra Warren**  
Director, Life Insurance

**Timothy C. O'Malley**  
Director, Health Insurance

**Ernest S. Kirkland**  
Director, Retired Members

**Board of Trustees:**

**Larry Brown Jr.**  
Chairman

**Randall L. Keller**  
**Michael J. Gill**

## NALC President William H. Young Responds to Postmaster General's Testimony to the U.S. Senate on the Financial Crisis

On January 29, 2009, NALC President William H. Young urged letter carriers across the country to remain steadfast in the face of media speculation that the U.S. Postal Service plans to eliminate one day of delivery service. He issued the following statement:

There are no plans to eliminate six-day delivery. NALC is working with the Postal Service and other postal organizations on a common-sense approach to overcoming the economic crisis. Neither the American public, nor the postal industry, nor the key leaders of Congress, nor the NALC support any reduction in service.

Making the reduction of days of delivery *THE* answer is a red herring that the media has misleadingly laid at the doorstep of Jack Potter, the postmaster general. While Potter asked Congress for the flexibility to temporarily and selectively reduce the frequency of delivery if conditions worsen dramatically, he made it absolutely clear that eliminating a day of delivery was the last thing he wants to do. As NALC has done, Potter called on Congress to enact sensible financial reforms to correct the schedule for pre-funding retiree health benefits. That would protect retiree benefits while freeing up current funds to help the Postal Service overcome the devastating effects the financial meltdown has had on the U.S. economy.

The United States Postal Service is a critical part of the country's financial infrastructure. In a time of national financial crisis – with tens of millions of citizens under distress, millions of jobs disappearing, millions of homes being foreclosed, retail enterprises shutting their doors, factories closing – the very last thing this nation needs is to fracture the service that binds the nation together. The continued appearance of letter carriers delivering the mail to the doorstep of every home and business and bank and credit card company six days a week is absolutely essential to economic recovery.

Existing law requires USPS to do something no other agency of the federal government, no state or municipal government, and no private company in the Fortune 500 (or as far as we know, anywhere) is required to do: to pre-fund its retiree health obligations. Not only that, it requires that it pre-fund 80 percent of these costs over the next eight years – even though the very few companies that voluntarily pre-fund these benefits amortize them over 30, 40 or 50 years. While it certainly makes sense to gradually pre-fund such long-term obligations, it makes no sense to maintain such an onerous schedule.

In 2006, Congress mandated pre-funding to the tune of \$5.5 billion to \$5.7 billion per year over the next 10 years. It has already paid \$32.6 billion into a special fund for this purpose. On top of this, USPS pays about \$2 billion per year for its share of current retiree health premiums. To avoid unnecessary service cuts, Congress should enact H.R. 22, a bipartisan bill that will allow USPS to pay for its current retirees' health premiums out of the existing retiree health fund. Such a change would save USPS \$2 billion a year while it continues to build up its retiree health fund for the future. Indeed, if H.R. 22 were enacted, USPS would still be pre-funding its future retiree health obligations at a greater rate than any company in America.

NALC will vigorously resist any legislative attempt to slash the number of days of delivery. NALC members should consult upcoming *Bulletins* and future issues of *The Postal Record* for the latest information on this important issue.