

**National Business Agent's Report**  
**Mike Weir**  
**November 2009**

On September 30, I had a front row seat to watch grassroots democracy in action as the NBAs and the State Chairs lobbied Congress for passage of legislation to provide financial relief for the Postal Service. The language of H.R. 22 had been added to the Senate Appropriations Bill which was scheduled for a vote that day. Since this was the end of the fiscal year, we needed to achieve an affirmative vote and have President Obama sign the bill into law before midnight so that the Postal Service could cut four billion dollars from its retiree healthcare pre-funding obligation for fiscal year 2009. At the beginning of the day, we were optimistic that we would easily achieve our objective. However, just as our lobbying began in earnest, we were blind-sided by the typical lies and distortions that the enemies of working men and women have become so adept at spewing. In this instance, they publicly condemned H.R. 22 as a taxpayer bailout and indicated that they would attempt to have it stripped from the bill when it came to a vote. This tactic had us scrambling to get the message to Congress that this was not a bailout (no taxpayer money is involved), that the onerous pre-funding formula was flawed and unfair, and that the Postal Service needed this short-term fix in order to continue its mandate of providing universal service at uniform rates. Fortunately, common sense prevailed, and the Senate beat back this thinly-veiled assault on our jobs and benefits. At the end of the day, we finally had the relief we had worked so hard to achieve over the past several months.

Of course, as the old saying goes, there is no rest for the weary. NALC has already begun to work with Congress to craft a long-term solution to the USPS's financial woes. It has become increasingly clear that the previous administration's OPM "put the screws" to the Postal Service and all the crafts with regard to the issue of pre-funding retirees' healthcare. First of all, they understated the value of the postal surplus in the CSRS, so that only 17 billion dollars was credited to the pre-funding escrow account. Estimates of how much money was actually in the

postal surplus range as high as 80 billion dollars, which would be more than enough in and of itself to cover the future liability for retiree health benefits. Additionally, they assumed an extremely high rate of long-term healthcare inflation, one which no one else uses and which inflated the Postal Service's pre-funding payments. Even the OIG agrees that we could pre-fund at an average of 4 billion dollars less each year through fiscal year 2016 and still achieve the 80% pre-funding level mandated by the 2006 legislation. Our goal is to pass a second round of Postal Reform legislation to, among other things, correct this obvious inequity. We are also looking to redefine and expand the USPS's role in the delivery business.

Postal Service management, on the other hand, continues to beat the drum for five-day delivery as the only solution to our long-term problems. They have even taken their case to the workroom floor in a video where assistant PMG Donohoe puts a "happy face" on their plan. Even if we were to disregard the second-in-command's history of absurd announcements and costly as well as counterproductive policy ideas, we cannot ignore the obvious flaws in his latest scheme. First of all, the savings they expect to achieve are less than what we would achieve just by correcting the pre-funding formula. Additionally, the Postal Regulatory Commission has indicated that the actual savings from eliminating Saturday delivery would be considerably less than management estimates; and that doesn't even factor in the additional loss of revenue from such an approach. Secondly, common sense tells you that you do not cut back on service as a strategy for raising revenue. In such a scenario, you will immediately lose some revenue; and, ultimately, lose even more as other delivery companies step in to provide the public with alternatives for their mailing needs. What do we do then...cut another day of delivery to "save money?" Such a short-sighted strategy ignores the Postal Service's unique standing among delivery companies. We have the best "last mile" delivery network in the country (in the world, for that matter)! We deliver to 144 million addresses (a number which grows by over a million addresses each year), six days a week, while our competitors (combined) deliver to 15 million addresses, five days a week. We should be exploiting that advantage to generate new revenue

by expanding the services we offer to the public. Small and large, established and new companies count on six-day delivery to grow their business and provide the best service to their customers. Individuals would be adversely impacted by delays in payments, subscriptions, prescriptions, etc. in a five-day delivery environment. Stakeholders like direct marketers, major mailers, unions and even the management organizations all agree that the elimination of six-day delivery would not be in the best interest of businesses and consumers. It would certainly not be in our best interest, as it would eliminate jobs and, ultimately, lead to lower wages, lesser benefits and a lower standard of living for our families. Consider carefully the reality behind management's single-minded pursuit of five-day delivery, and join with your union leadership as we fight for a stronger Postal Service, one that will emerge from the current recession in a better position to grow the business and to continue its unique role in the delivery community.

Finally, I want to take this opportunity to thank all of the letter carriers who have stepped up to the plate as stewards throughout the region. You have one of the most difficult and thankless roles in the union, one which has been further complicated by the Postal Service's current financial crisis; but you perform your jobs with a professionalism and a level of expertise that is truly amazing. Without your dedication and determination, we would never be able to provide such quality representation to the members, nor would we be able to pursue such a long-term vision to preserve letter carrier jobs and benefits. All of us owe you a debt of gratitude which we can never fully repay. Please be assured that we recognize, appreciate and honor your efforts.

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