

What's Up in Washington: February 2014

By: Meredith Place

February proved to be another exciting month in DC. After months of postponed mark-ups the Senate Homeland Security and Government Affairs committee approved S. 1486 making it available for a floor vote. Shortly after, the Postal Service released a 'highly encouraging' financial report for the first quarter of Fiscal Year 2014. More recently, President Rolando appointed Lew Drass as Vice President and Brian Renfroe as City Delivery Director.

On February 6th, the Senate Homeland Security and Government Affairs committee finished debating S. 1486 "The Postal Reform Act of 2013" and passed the bill out of committee by a vote of 9-1. S. 1486 was authored by Chairman Tom Carper (D-DE) and Ranking Member Tom Coburn (R-OK). Even though this bi-partisan bill went to committee likely to pass, NALC and the other three postal unions continued negotiations with lawmakers and committee staff to change the language of the bill. Unfortunately, our efforts were ultimately unsuccessful and the bill passed out of committee with only one dissenting vote. President Rolando offered the following statement after passage.

"[S. 1486] Paves the way for eliminating six-day delivery and door-to-door service [that] would hurt millions of residents and small businesses as well as the Postal Service itself, because it would slow service, drive mail out of the system and reduce the earned revenue that funds USPS..."

To read NALC's full statement and learn which Senators supported the bill in committee [click here](#).

S. 1486

- Eliminates day of service after mail volume drops to 140 billion pieces annually (2017-2018)
- Pushes mail to the curb by eliminating door delivery to 30 million households and businesses
- Restructures USPS pension and healthcare financing
- Forces USPS to begin pre-funding worker's compensation benefits
- Allows shipment of beer and wine

On February 7th, the Postal Service released its financial report for the first quarter of Fiscal Year 2014, which covers the last three months of 2013. While several media outlets continue to disseminate misinformation about the Postal Service's financial condition (do not discuss pre-funding payment), the Postal Service made money delivering the mail last quarter. In fact, the upsurge of online shopping and Amazon Sunday delivery in now 900 zip codes,

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the Postal Service's "shipping and packaging business increased by \$479 million, or 14.1%, over the 2013 first-quarter results"¹. NALC President Fredric Rolando's reaction to the report:

*"[The] figures for the first quarter of 2014 are **highly encouraging** and show why the postal network must be maintained and strengthened, not degraded...This quarter's \$765 million operating profit compares with the \$100 million from the first quarter of 2013—another sign of improving postal finances. In light of these results, lawmakers should strengthen the postal network while addressing the remaining problem: the congressional mandate to pre-fund future retiree benefits required of no other public or private entity in the country. Degrading the network and reducing services to the public and businesses would jeopardize the postal turnaround."*

On the last day of the month, President Rolando appointed two "smart, hard-working and totally dedicated letter carriers" to the office of Vice President and City Delivery Director. To fill the vacancy left by George Mignosi, President Rolando appointed Lew Drass as national Vice President. Lew is one of the most energetic national officers who began his career in 1977. Lew has served as Director of City Delivery since 2010. To fill the position of national Director of City Delivery, President Rolando appointed Brian Refroe of Hattiesburg, MS Branch 938. Brian came to DC in 2011 to work in the CAU and was appointed special assistant to the President last summer.

In Solidarity,

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¹Ron Nixon, *Postal Service Reports a Decline in Losses*, New York Times (2014)
<http://www.nytimes.com/2014/02/08/us/postal-service-reports-a-decline-in-losses.html>