

Cut to five-day postal delivery not a done deal

Postal unions will rally July 1 to save six-day delivery

September 25 is set to be the last Saturday with regular mail pickup and delivery — or so the U.S. Postmaster General is proposing. Postal Service unions, allied with business customers like Netflix and eBay, are asking Congress to say “no” to the move to five-day-a-week mail service, and instead take other measures to repair U.S. Postal Service (USPS) finances.

USPS says ending regular mail service on Saturday would save \$3 billion a year, mostly by eliminating an estimated 40,158 positions, including 36,400 letter carrier jobs. Five-day service is USPS’ proposed answer to four years of net losses. Saturday is the low-

est volume mail day, and it’s a day when over a third of U.S. businesses are closed.

USPS is a government enterprise, but it’s required to be self-supporting, and has received no taxpayer support since 1982. It’s massively efficient, handling 40 percent of the world’s mail volume, delivering to 150 million addresses, and tracking address changes in a nation where 14 percent of the population moves every year.

But three developments have undermined its bottom line. Businesses are cutting bulk mail in the recession. First Class mail is losing out to the Internet as a way to get and pay bills. And private sector companies are competing with USPS in the market for package delivery and express mail. USPS mail volume peaked in 2006 with 213 billion pieces of mail delivered. Since then, volume has fallen every year — last

year to 177 billion.

And yet, union leaders say, none of that explains the current balance sheet crisis. Management has kept expenses in line with revenue by aggressively cutting hours and eliminating positions: USPS’ workforce has shrunk over 120,000 since 2008, and today stands at 594,000.

“The Postal Service doesn’t have a budget problem,” says Kevin Card, secretary-treasurer of National Association of Letter Carriers Branch 82. “It’s got an accounting problem. And Congress is our accountant.”

In 2006, Congress passed a law requiring USPS to “pre-fund” future retiree health care benefits, on a short time-table. No USPS competitor nor any other government agency faces such a requirement. Those charges, to build up a fund that pays for retiree health care, total over \$5 billion a year.

That would more than account for the \$3.7 billion net loss USPS reported for 2009. Meanwhile, the retirement fund that pays pension benefits is overfunded, by \$75 billion.

USPS has publicized opinion polls in which majorities say they’d rather have Saturday delivery cut than see stamps go up in price or have the government subsidize the postal system. But Card says that’s a false choice: With Congress’ approval, USPS could transfer resources from the overfunded pension to the underfunded retiree health fund, and return to solvency. Or it could be given more time to fill the retiree health fund.

Card thinks the whole proposal to go to Saturday may be about bargaining, with the union, and with Congress.

USPS will bargain new contracts with its unions in the next year.

“It’s a classic bargaining technique,” Card said. “You pull your pockets out and you say, ‘Not only do I not have any money, but I’m going to be the red down the road.’”

Card says Postal Service management wants to roll back wages and benefits and get a much more “flexible” workforce, by the use of more lower wage temporary part-time workers.

As for Congress, Card thinks the

threat may be what it takes to get relief from the retiree health pre-funding requirement.

“Congress never responds to smoke,” Card said. “They only respond to fire. It’s going to take the concept of getting rid of Saturday delivery and closing down post offices for Congress to act.”

But NALC is taking the threat seriously, Card said, and trying to win public support with a nationwide campaign.

“The biggest hurdle we have right now is to let the public know that it’s not a done deal,” Card said. “Most people think [eliminating] Saturday delivery is a done deal. Our argument is, ‘It’s not a done deal, it’s a bad deal.’”

To broadcast its appeal to “Save Saturday delivery,” NALC members will join postal workers from the American Postal Workers Union, the Mailhandlers Union, and the National Association of Rural Letter Carriers for an informational picket Thursday, July 1, from 2:30 to 6:30 p.m. at the Portland Main Post Office at 715 NW Hoyt St.

And on July 8 at 7 p.m., Congressman Earl Blumenauer (D-Oregon) will hold a postal forum for postal employees and customers at St. Charles Borromeo Catholic Parish, 5310 NE 42nd Ave.

Seniors be alert for Medicare rebate scam

Attorney General John Kroger warns Oregon seniors and other Medicare recipients not to provide personal information to anyone calling about the Medicare \$250 rebate check.

The Affordable Care Act passed by Congress and signed by President Obama earlier this year contains some important benefits for Medicare recipients. Beginning June 10, many Medicare recipients will receive a one-time, tax-free \$250 rebate check. Those who qualify for the tax-free \$250 rebate will automatically receive their check. No additional information or actions are required to receive the rebate.

Most Medicare drug plans have a coverage gap. Medicare recipients on expensive or numerous drugs can find themselves paying the full cost of their prescription out-of-pocket while in the

coverage gap. The term “donut hole” refers to the coverage gap under Plan D, where Medicare stops paying pharmaceutical coverage at \$2,830 before it starts paying again at \$4,550. The one-time \$250 tax-free rebate check for folks that enter the “donut hole” is the federal government’s first step toward closing the Medicare prescription drug coverage gap.

Scam artists are already trying profit by spreading misinformation about the \$250 rebate checks. To avoid falling for the scam, Kroger offers the following advice:

- Do not give out personal information to anyone calling about the \$250 rebate check.
- Unless a Medicare beneficiary is already receiving Medicare Extra Help, anybody with Medicare prescription

drug coverage is automatically eligible for the one-time \$250 rebate check.

- The check will automatically be sent to qualifying recipients.
- Recipients do not need to provide any personal information like their Medicare, Social Security, or bank account number to receive the rebate.
- There are no additional forms to fill out.
- The rebate is tax-free.

Medicare recipients can make sure the government has their correct home address by calling Social Security at 1-800-772-1213.

For more information, or to report a scam artist, call 1-800-MEDICARE. Additionally, the Attorney General’s Consumer Hotline can help people with rebate check questions at 1-877-877-9392.

Tees.



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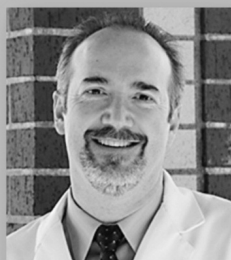


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