

Postal unions condemn plan to end Saturday delivery

WASHINGTON, D.C. — Postmaster General Patrick Donahoe's plan to end Saturday mail delivery beginning Aug. 5 was met with calls for his resignation by leaders of several postal workers unions. Donahoe says the U.S. Postal Service (USPS) can save \$2 billion a year by taking the action.

"Slowing mail service and degrading our unmatched last-mile delivery network are not the answers to the Postal Service's financial problems," responded National Association of Letter Carriers (NALC) President Fredric Rolando. "It is a disastrous idea," that

will hurt "millions of customers" — particularly businesses, rural communities, the elderly, the disabled and others who depend on Saturday delivery.

"USPS executives cannot save the Postal Service by tearing it apart," added American Postal Workers Union (APWU) President Cliff Guffey. "These across-the-board cutbacks will weaken the nation's mail system and put it on a path to privatization."

The root cause of the agency's fiscal problems, union officials say, is the unique congressional requirement — the Postal Accountability and Enhancement Act — that USPS prefund retirement benefits for decades into the future. Guffey called for repeal of that requirement in order to restore financial stability to the USPS.

"No other entity — public or private — bears this burden. Since the Postal Accountability and Enhancement Act took effect in 2007, the Postal Service has been required to pre-pay some \$5.5 billion per year. Yet the same law prohibits the Postal Service from raising postage rates to cover the cost," Guffey said.

The U.S. Postal Service is, by law, an "independent establishment" of the executive branch of the federal government. It gets no tax dollars for its day-to-day operations, but it must follow budget mandates passed by Congress.

The union leaders noted that USPS already has begun slashing mail service by closing 13,000 post offices or



A protester sits outside the Vancouver Hilton Hotel in August, where Postmaster General Patrick Donahoe was speaking about cuts to USPS.

drastically reducing hours of operation, shutting hundreds of mail processing facilities, and downgrading standards for mail delivery to homes and businesses.

Jim Cook, president of Portland-based NALC Branch 82, believes corporate interests, working through their friends in Congress, created a phony financial crisis to soften the agency up for union busting and privatization. USPS is a \$67 billion a year business with over \$100 billion surplus in its pension and retiree health benefit funds, 200,000 vehicles, and over

30,000 post offices, many of which are located on prime downtown real estate.

"The postmaster general has been selling off assets and dismantling the postal service right before our very eyes," Cook said.

Union officials insist USPS can't eliminate Saturday mail without congressional approval. Donahoe disagrees, saying the agency has the autonomy to make the change.

Rolando said Donahoe's action "flouts the will of Congress, as expressed annually over the past 30 years in legislation that mandates six-day de-

livery." Rolando said as recently as the last Congress, which ended in January, a bi-partisan majority of representatives co-sponsored legislation backing the continuation of Saturday delivery.

The two sides also disagree on the impact on jobs if the cutbacks are implemented. Union officials predict a loss of some 80,000 jobs nationally (150 to 200 in the Portland metro area). Donahoe says 22,500 jobs would be eliminated.

Rolando said if Donahoe "is unwilling or unable to develop a smart growth strategy that serves the nearly 50 percent of business mailers that want to keep six-day service, and if he arrogantly thinks he is above the law or has the right to decide policy matters that should be left to Congress, it is time for him to step down," he said.

Arbitrators set three of four postal contracts

Three of four postal unions have been forced to binding arbitration after the Postal Service refused to come to terms on new collective bargaining agreements.

The most recent was last month, when a federal interest arbitration board set the terms of a new national labor agreement between the National Association of Letter Carriers (NALC) and the U.S. Postal Service (USPS). The contract is retroactive to Nov. 21, 2011, and runs through May 20, 2016.

The National Rural Letter Carriers Association received an interest arbitration award last year, while the National Postal Mail Handler Union is still waiting for a decision (possibly in March).

Members of the American Postal Workers Union ratified a contract in 2011.

For the most part, the arbitrators rejected the Postal Service's proposals to freeze pay, eliminate cost-of-living adjustments (COLAs), contract out work, and impose a two-tier wage schedule.

NALC's new contract provides three general wage increases between now and the end of the contract: 1 percent in November 2013, 1.5 percent in

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