



MAIL HANDLER UPDATE

NATIONAL POSTAL MAIL HANDLERS UNION

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John F. Hegarty
National President

USPS MOVES FORWARD ITS ILL-ADVISED PLAN TO REDUCE SERVICE STANDARDS



Mark A. Gardner
Secretary-Treasurer

On Monday, December 5, the Postal Service filed a request with the Postal Regulatory Commission (PRC), asking for an advisory opinion to relax the service standards for first-class mail and periodicals. The NPMHU condemns this action as extremely short-sighted, and believes that substantial cuts in service like those being proposed could potentially contribute to the end of the Postal Service as we know it.

“A service-oriented business such as the USPS should not be cutting service in an effort to save money” said National President John Hegarty. “At such a critical time for the USPS and for the American economy generally, the Postal Service should be improving service and attempting everything in its power to grow the business rather than degrading service. This misguided action is the definition of “penny wise and pound foolish,” as it will simply drive more and more customers away, sending them to the internet, and to our competitors.” Hegarty added: “I agree that the Postal Service can justify acting and reacting to its financial situation in crisis mode, but that does not mean it should be in panic mode, making knee-jerk decisions that could ultimately ruin the Postal Service.”

Another part of this plan is to shutter more than 200 mail processing centers around the country, and eliminate over 200,000 career positions over the next few years. At precisely the time when the economy is trying to rebound, the last thing that is needed is the addition of 200,000 more workers to the unemployment rolls.

The NPMHU and the other major postal unions have been advocating Congressional passage of H.R. 1351, which would give the Postal Service access to its own money, namely billions of dollars which have been overpaid into the CSRS and FERS retirement systems. Access to these funds would put the USPS on sound financial footing, and give the agency the time to turn its business around, without ruining service. Senator Bernie Sanders of Vermont also has recently

introduced a postal reform bill in the Senate, S. 1853, which we also support.

This latest move by the Postal Service is a follow-up to the September 21, 2011 release of its “Proposal to Revise Service Standards for First-Class Mail, Periodicals, and Standard Mail.” The September 21, 2011 document actually was an Advanced Notice of Proposed Rulemaking, which the NPMHU commented on. Below are excerpts from those comments:

At the very outset of its Proposal, the Postal Service candidly acknowledges that one of its core missions over the years has been to build up its mail processing and transportation networks to the point where those networks are sufficient “to achieve” the Postal Service’s current service standards for First-Class Mail and Periodicals, “particularly their overnight service standards.” See 76 Fed. Reg. at 58,434 (emphasis added). Yet in what can only be described as a defeatist—and self-defeating—response to “sharp revenue declines associated with falling [mail] volumes,” id., the Postal Service is now proposing effectively to abandon that core mission by: (i) eliminating the expectation of overnight service for First-Class Mail and Periodicals; (ii) substantially narrowing the two-day delivery range and substantially enlarging the three-day delivery range for such mail; and (iii) dismantling to a large degree the robust processing and transportation networks that have enabled the Postal Service “to achieve” its current service standards for such mail, “particularly their overnight service standards.”

The Postal Service’s Proposal is ill-conceived and should unceremoniously be laid to rest. By increasing the delivery time for most First-Class Mail and Periodicals by one day, and by eliminating the expectation of overnight service for such mail, the Postal Service would effectively be abandoning what it itself acknowledges has been one of its core missions over the years and conceding that it is no

longer capable of fulfilling that mission on behalf of the American people.

On its face, this is a defeatist approach to the Postal Service’s current financial difficulties. In an effort to reduce its costs, the Postal Service is proposing to severely downgrade its current service standards and dismantle its current mail processing and transportation networks, in a truly radical fashion that is guaranteed to result in a further precipitous decline in Postal Service revenues. Nothing in the Proposal indicates that the Postal Service has made any kind of careful assessment of these revenue losses; nor has the Postal Service compared those revenue losses against the Proposal’s anticipated cost savings, which are themselves overstated. To put it bluntly, the Postal Service has failed to come to grips with the distinct possibility that adoption of its Proposal would not “bring operating costs in line with revenues,” but instead would exacerbate the Postal Service’s current financial difficulties and beget further downgrades in service standards, in a true “death spiral.”

Before embarking on the untested and dangerous path of severely downgrading its service standards and repositioning itself as a provider of second- or third-tier shipping services, the Postal Service should painstakingly exhaust all alternative means of “bring[ing] operating costs in line with revenues”—including means that are calculated to augment rather than further diminish the Postal Service’s revenue streams.

The Postal Service is expected to issue a Notice of Proposed Rulemaking shortly. At that point, interested parties will be allowed to file additional comments and reactions.

We also expect the PRC to invite comments on this proposal, and possibly to hold hearings inviting testimony. We urge all mail handlers to become active in this fight. Write to your members of Congress in support of H.R. 1351 in the House and S. 1853 in the Senate, and stay tuned for further notices as to how you can make your voices heard in this process.

CONTRACT NEGOTIATIONS EXTENDED THROUGH DECEMBER 16, 2011

On Wednesday, December 7, 2011, the National Postal Mail Handlers Union and the United States Postal Service again agreed to extend the deadline for their bargaining over the terms of a new National Agreement. As earlier announced, the deadline previously was extended

from November 20 through December 7. The parties have now agreed to a new deadline of December 16, 2011. The parties will continue to meet and discuss the important issues that need to be resolved in our joint efforts to reach a negotiated settlement.

Happy
Holidays!