National Business Agent's Report
Mike Weir
March 2009

In February, the 50 State Chairs and the National Business Agents converged on Washington, DC to lobby Congress. Our main focus was on providing immediate financial relief to the Postal Service with the passage of H. R. 22. This bill, which retains the same number as the Postal Accountability and Enhancement Act of 2006, deals with the pre-funding of future retiree health obligations. The 2006 Postal Reform legislation addressed the loss of first class volume, in part, by opening up new avenues for revenue generation and giving us the opportunity to compete on a more level playing field with UPS, FedEx, etc. Unfortunately, before we were able to take advantage of these new opportunities to generate growth in our priority mail and parcel business, the economy deteriorated into the worst recession since the 1930s. Suddenly, businesses cut back on their advertising budgets, thus reducing our Standard A mail volume; financial institutions and the housing sector reduced their mailings; and ordinary people cut back on their discretionary spending. As a result, in the last fiscal year, the Postal Service lost $2.8 billion, the mail volume fell by 9 billion pieces and the projections for the current fiscal year are for more of the same. It is clear that we have to find ways to help the Postal Service weather the current economic storm and give us a chance to remain viable until such time as the economy begins to recover. H. R. 22 is an essential component of this strategy.

Currently, the Postal Service is pre-funding its future retiree health obligations at the rate of, at least, $5.5 billion per year. No other public or private industry is required to prefund such costs at all, much less at such an onerous rate. Additionally, it pays $2-3 billion per year for current retiree health benefits. We simply cannot maintain such a payment schedule under current economic conditions. Our lobbying message to Congress was that we need to spread these

National Association of Letter Carriers
Mike Weir / National Business Agent, Region 5
2029 Woodland Parkway #101 / St. Louis, MO 63146-4247

payments out more evenly over the amortization period of 50 years, rather than front-load 80% of the payment over the first 10 years. Given the fact that this is not a bailout (it doesn't involve any taxpayer money; rather, it simply allows the Postal Service to use its own money, currently $32 billion, which it has been putting into an escrow account), and that it would save us $3.5 billion a year over the next 8 years, it's really a no-brainer. Once we explained the facts to the senators and representatives and/or their staff, all of them agreed with that assessment. Although there is no current companion bill in the Senate, we expect one to be introduced shortly. Passage of this legislation is NALC's first priority in the 111th Congress. Please be prepared to contact your representatives and senators, should it become necessary, in order to ensure that H. R. 22 is signed into law as soon as possible.

The deadline for the Interim Alternate Route Adjustment Process has come and gone. Although there were, certainly, some bumps in the road and there are still issues with some routes being out of adjustment, as there would be with any evaluation and adjustment process; overall, the process was handled very professionally and proceeded fairly smoothly. This is due, in no small part, to the fine work of the District Teams. Both the NALC and USPS members were very knowledgeable, had considerable experience with route adjustments and were able to work together, to a remarkable extent, to resolve issues and achieve fair evaluations and adjustments. In particular, I want to recognize the NALC members who took on a very difficult task and handled it with dedication and professionalism: Stephanie Stewart & Michael Birkett in Hawkeye; Rick Cooper, Marilyn McKernan & Chuck Walls in Central Plains; Jeff Rainey & Don Wall in Mid-America; and Gerard Henke & Charlie Sexton in Gateway. The local team members did a fine job as well. Management personnel at the district level, whose expectations for route reductions were based on DOIS projections, were, undoubtedly, disappointed. Nonetheless, both sides recognized the need to deal with falling mail volumes and revenue loss as expeditiously as possible, and were able to do so in a joint, cooperative manner. Hopefully, our situation will improve with the general economy in response to the Stimulus Bill; so that, in the future, we will be able to, once again, evaluate and adjust routes in a more stable mail volume environment.

Meanwhile, depending upon where you work in the Region and who is in charge, management continues to pursue policies which clearly violate the National Agreement and which are actually more costly for the Postal Service, financially and in terms of losing the good will of letter carriers and our customers. The contract has not changed, nor do we have any intention of allowing management to simply ignore it because they think it is now in their best interests to do so. When it comes to the survival of the Postal Service, we will continue to engage in joint, cooperative programs to protect the financial bottom-line. When it comes to management's violations of the National Agreement, we will continue to aggressively and effectively pursue letter carriers' rights through the grievance procedure. There is no question that we are in for a rough ride over the course of the next few years. Our focus will be on protecting our jobs, wages and benefits while ensuring that management abides by their obligations under the contract. Together, with a little patience and a lot of hard work, we will be successful.

Mike Weir
National Business Agent - NALC
St. Louis Region 5