

Iowa State Association of Letter Carriers



President's Report

May 2012

Greetings Sisters and Brothers,

Despite many phone calls from letter carriers to our Senators' offices asking for them to oppose S.1789, both chose to vote for its passage. Apparently they thought that doing something was better than doing nothing. If the "something" was the right thing to do, I would agree. This bill, however, continues the requirement to prefund retiree health benefits, although at a slower rate. Is that a good thing? No, not really.

Imagine you have a business and go to a bank for a loan to operate your business. Your banker requires you – in addition to making your regular monthly loan payments - to also make additional monthly payments into an escrow account during the next 5 years to cover the entire cost of your 30 year loan. You know, just in case you can't make your regular payments somewhere down the line. Sounds outrageous but they make the rules and your business is making a pretty good profit. A couple years later, your business slows because of competition and sudden poor economic conditions - and despite making drastic cuts to your costs and labor force, you finally get to the point where you can't make your \$5000 monthly payment. You call on your banker to explain your predicament. He offers to reduce your monthly payment to \$3500, but alas you must inform your banker that you cannot meet that payment either. Your banker calls you up and says they need your monthly payment or they're going to close you down. Not to worry, you remind them that - as they have required - you have made the extra payments into the escrow account and have more than enough money to meet your business expenses including the monthly loan payment. Sorry, you must have missed the small print says your banker – you are not allowed to use the escrow account for another 20 years. Guess we'll have to call in the loan, and now we can sell off your assets to the highest bidder and take the proceeds. Oh, and speaking of the money in that escrow account - since you failed to make your payments - you just forfeited that to us as well. Better tell your employees that they are out of a job, the new company will replace them with much cheaper labor. That seems quite unfair you say, Mr. Banker - you can change your rules to allow me to use my own money. It will save my business and thousands of jobs and the companies we do business with in our community won't suffer economic setbacks and have to lay off their employees. Think of all the people who have loans with you, they might not be able to their payments either. Yes, we can take them to the cleaners too says your banker, we make the rules for everyone.

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The House has a chance to make changes to S. 1789 when it comes over to them. Let's hope they can see what has happened to the Postal Service as a result of the onerous prefunding requirements that Congress imposed. Let's hope they can see what can happen to our residential customers and our many business customers that depend on us for their financial well-being. Let's hope they can see what an economic setback this could be for the entire country before it's too late.

No – let's not just hope. We must let our representatives hear from us when the bill comes to them for a vote. We cannot depend on someone else to speak up for us. Be a part of saving your job and the jobs of your brothers and sisters in the NALC as well as many other working men and women across the country in related industries. Be a part of something that will make a difference. Sign up for e-activist so that you can act as quickly as possible.

As I have said before - doing nothing is not an option – not for Congress and not for us. But Congress must do the right thing. Passing a bill that simply delays the demise of the Postal Service when instead it could be put on the right path is a disservice to the American public and the American economy.

In Unionism,

Jim Beach

President

Iowa State Association of Letter Carriers, AFL-CIO

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