

It's been quite awhile since I wrote a column for our Branch Bulletin. To start off, I'd like to thank all of the members for giving me the opportunity to represent Branch 78 at the 64th Biennial National Convention in Honolulu. Because of this, I have come back with enough information for a few columns from the seminars I attended. I'll write these over the next few months so as not to bombard everyone at once. To start off this series of columns, I'm going to begin with Postal Reform.



Postal Reform is a big topic around the country, not only here in Columbus and the surrounding areas, but in Washington D.C. There are many reasons for this. Some are more prevalent than others. A couple of reasons for Postal Reform is the fact the volumes are declining and the Postal Service can't operate the same way as it has since 1970. I'm sure that shrinking volumes are debatable on our routes and in our stations. As the use of electronic means of communicating continues to accelerate, the volume of mail will continue to decline. In turn, the Postal Service will need to increase rates, volumes will decline because of this and before you know it...the Death Spiral. To give you an idea on the scope of this, in 2003, the Postal Service lost 13 billion pieces of mail to electronic communications which resulted in a loss of \$4.3 billion. This equates to 20 days of work for the Postal employee.

As the volume of mail continues to decrease, our jobs are more at stake than ever. Since 1997, the Postal Service has eliminated 100,000 jobs; and of those, 18,000 were letter carriers. That's about 214 carrier jobs lost EACH MONTH! The Postal Service has fewer employees now that it had in 1970. Automation in my opinion is a big key in this. I'm waiting for the day when after we clock in we head to the street. If you don't think this will happen, just wait and see. I'm hope that I'm wrong. I can't imagine spending ten hours outside in January delivering mail with only my thirty minute lunch and two ten minute breaks.

There are costs that the Postal Service must now absorb/fund since 9/11. One of these is the use of biohazard detection equipment. This amounts to \$770 million which has to come from somewhere. This was a cost which was never planned for. All of this on top of the fact that as the Postal Service adds 2 million addresses each year, the Postal Service loses money on each address. Universal Service is expensive with us delivering six days a week to 140 million addresses. So, how do you save money here? HCR's (Highway Contract Routes). Be sure to read Randy Hartman's articles on these. One thing we have at our disposal is the carrier. We are the key to maximize the first and last mile in the process of getting mail from point A to point B.

There are a couple of bills on Capital Hill that deal with Postal Reform. There is a Senate version and a House version. The Senate version is S 2468 while the House is HR 4341. S 2468 (known also as the Collins-Carper bill) is sponsored by Sen. Susan Collins, Sen. Tom Carper, and Sen. Joe Lieberman. The bill was passed by the Senate Government Affairs Committee unanimously 17-0. HR 4341 (also known as the Davis-Waxman bill) is sponsored by Rep. Tom Davis, Rep. Henry Waxman, Rep. Danny Davis and Rep. John McHugh. The House Government Reform Committee passes this also unanimously 40-0.

These two bills have a few things in common however.

Structural Issues.

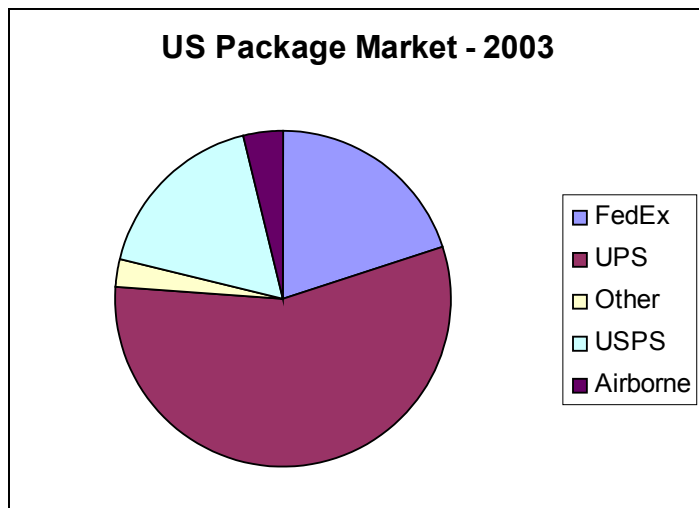
1. That the Postal Service be a for-profit service
2. Reduce the monopoly
3. Define Postal Service (i.e. prohibit non-postal services)

Labor Issues

1. Reduce fact finding with mediation
2. Repeal CSRS reform (i.e. transfer \$27 billion in military retirement to the Treasury)
3. Require funding of retiree benefits (\$25 billion - \$50 billion)

As many of you may remember the Bush Commission and they're suggestions. Well, the Committee on Postal Reform rejected the anti-labor provisions such as giving the Postal Rate Commission (PRC) jurisdiction over collective bargaining. The commission also proposed the negotiation of health benefits, a downsizing commission, and that the PRC have a role in defining universal service.

UPS – 56%
FedEx – 20%
USPS – 17%
Airborne – 4%
Other – 3%



One thing that I have never been able to understand is how the Postal Service lost so much of its business for packages. We should be at the top of this list. As can be seen, the Postal Service has its work cut out for them in gaining more of this very profitable sector. The deal with Ebay was a great start in the right direction. I feel that the Postal Service needs to continue its efforts in this arena. The new Carrier Pickup program was way over due. The Christmas season could make or break this program.

Postal Reform will have an impact on

Collective bargaining issues, such as:

1. Price indexing system
2. Productivity and wages
3. Strategic bargaining and revenue generation
4. Mediation versus fact finding

Postal Unions, such as:

1. NALC and NRLCA
 - a. Pricing flexibility to optimize the last mile
 - b. Route evaluations (i.e. less letters, more small parcels)
2. APWU and NPMHU
 - a. Limitations on work sharing

Postal Reform will affect both the mailers and the public.

The issues that affect the mailers are:

1. Will they continue investing in the Postal Service?
2. Will the Postal Service continue to be affordable?
3. Will mail retain its value?

The issues affecting the public:

1. Will the USPS be able to maintain universal service?
2. Will the public accept more pricing variability?
3. Will local Post Offices maintain a competitive environment?
4. Will the USPS be granted enough commercial freedom?

All of these questions and more will be debated in Washington D.C. Let's hope that the elected officials are able to answer these questions with common sense and make the Postal Service the powerhouse it should be!

This was just an overview of what was discussed in the seminar. I hope that I have educated and given every member something to think about. Our jobs, our futures, and the future of the Postal Service are at stake. As carriers we can do a few things like learn about the issues, get training and give to COLCPE.

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