

Statement of William H. Young
President, National Association of Letter Carriers
Before the President's Commission on the United States Postal Service
February 20, 2003

Good morning. I am William H. Young, president of the 305,000-member National Association of Letter Carriers, AFL-CIO, a 113-year old union representing city delivery carriers employed by and retired from the United States Postal Service. Our union's *Constitution* has clearly stated since 1889 that one of the objectives of the organization is "to strive for the constant improvement of the Service," and consequently, I am happy to have the opportunity to appear before you today to discuss my union's position on work sharing.

Our specific views on the issue of work sharing are rooted in our overall perspective on the question of postal reform. And so, with the Commission's indulgence, I would like to begin by briefly outlining our basic position on postal reform.

First, I must emphasize that we believe that the Postal Reorganization Act of 1970 has been a great success. Over the last 30-plus years, the Postal Service has greatly expanded its influence in the American economy as it has become more efficient and better able to serve the American public. Today, the Postal Service delivers more than twice as much mail to 80 percent more households and businesses than it did in 1971. It does this with fewer than 5 percent more employees. The productivity gains that have made this possible have been broadly shared by the American public and the postal community. Tax-payers have saved tens of billions of dollars with the elimination of operational subsidies. The mailing public has enjoyed postage rates that are among the lowest in the world with overall rates increasing at or below the rate of general inflation.

Having said all that, the crafters of the modern Postal Service could not have anticipated today's technological and communications revolutions and their impact on the viability of the Postal Service. In essence, mail volume is declining at a time when the universal service network continues to grow. The NALC believes that universal service, delivering to every household and business in America six days a week, must be preserved. It is this delivery network that gives the Postal Service its unique position and is the key to generating the revenue necessary for it to survive. In short, we have to find ways to expand services, not contract them.

It is for this reason that the NALC endorses work sharing and thus work sharing discounts when they are appropriate. But it is important to note that we define work sharing in a far more expansive way than it was conceived of in the 1970s when work sharing discounts began. For the NALC, work sharing includes any and all technological innovations that mailers can deploy to make the processing and delivery of mail more efficient and economical for both mailers and

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the American public. In fact, the Service's entire automation program begins with mailers applying bar codes to mail so it can be processed and delivered faster and cheaper. And since mailers have been able to use technology to accomplish *some* of the functions inherent in getting mail from point A to point B, it is only proper that mailers benefit from taking on costs the Postal Service would otherwise have to shoulder. In fact, if it were not for the deployment of technology at the front end of the process—that is, in the preparation of the mail—mail processing and delivery costs would be much greater today than they are. Obviously postage rates would have spiraled skyward as a consequence. As a result, the Postal Service cannot turn its back on customers who feel that they can reduce mailing costs by taking advantage of work sharing.

But ultimately, work sharing stops at the “last mile.” As John Campanelli of R.R. Donnelley Logistics has effectively stated, it is essential that postal reform initiatives retain the Postal Service's “economy of scope and economy of scale.” Mr. Campanelli further pointed out that “By maintaining all current services, the Postal Service is able to provide convenience, privacy and security. Protecting its unrivaled ‘last mile’ is essential to its ability to continue to serve the public.” To put this in more direct terms, the nation's letter carriers must remain the trusted couriers of the nation's mail, ensuring its safety and its security—today more important than ever. Work sharing and the full deployment by the mailing community of technology is absolutely necessary to enable letter carriers to complete the essential “last mile” of the postal journey.

Having expressed my union's support for work sharing in general, I must add that I hope the commission does not get bogged down trying to determine the appropriate level for work-sharing discounts. As this commission looks at a new governance model for the Postal Service, measuring the appropriate discount for work sharing should be left to whatever rate making process is part of a restructured and reformed Postal Service.

I look forward to having the opportunity to explore this and any other issue the Commission is interested in pursuing.