

## USPS, GAO Give Mostly Favorable Reviews To Commission's Report

While criticizing a number of recommendations made by the Presidential Commission on the U.S. Postal Service, Postmaster General John Potter told a Senate panel last week that he generally supports the proposals found in the commission's final report.

Potter endorsed commission proposals to make workers' health care and retirement benefits negotiable – benefits now guaranteed by law – and to provide mandatory mediation as a new step in the collective bargaining process.

Potter and David Walker, Comptroller General of the General Accounting Office, presented their official views on the commission's proposals at a Senate Governmental Affairs Committee hearing on Nov. 5. Walker also said he generally endorsed the commission proposals.

Potter was sharply critical of the recommendation to create a Postal Regulatory Board. The proposed PRB would have the authority to alter the USPS universal-service obligation and the postal monopoly. "These are matters best left to Congress," he said.

The regulatory board, he noted, also would have the power to establish a wage cap that could not be exceeded in contract negotiations. "The powers given to a regulatory board," he said, "would effectively destroy meaningful collective bargaining."

Potter also criticized the commission's recommendation to take authority away from the USPS Board of Governors, which would be replaced by a "corporate-style" board whose members would not be subject to Senate confirmation. The current system, he noted, assures that no more than five members of the board can belong to the same political party: "It's provided for the bipartisan oversight that has served the Postal Service well for three decades."

The Postmaster General also rejected the commission's call for the creation of a Postal Network Optimization Commission to decide which processing and distribution plants should be closed or consolidated, noting that such an approach would effectively "exclude the Postal Service from the decision-making process."

"It is ironic that the Postmaster General, the postal Board of Governors, and so many others supported the creation of the presidential commission," said APWU President William Burrus, "and now they are attempting to embrace some parts of the report while rejecting others. Sometimes you get what you wish for. The APWU has opposed the commission from the beginning."

Potter declined to provide details about the latest Postal Service plans for closing facilities. When pressed by Sen. Tom Carper (D-DE) to outline the USPS consolidation strategy, Potter offered only that "we're constantly looking at our operations to determine where and how we can ef-

ficiently process mail and what alternatives may exist." "So there is no strategy?" Carper asked rhetorically.

Potter also urged that postal reform legislation include language to repeal a provision of the Civil Service Retirement Funding Reform Act of 2003. Starting in 2006, a provision of the reform act will prevent the Postal Service from using the billions it saves under that law to pay down its debt to the Treasury and to fund health care and pay increases.

Passed to keep the Postal Service from overfunding its pension obligations for most employees hired before 1984, the law currently requires that savings after 2005 be placed in an escrow account until Congress decides how the funds should be used. Potter warned that mailers would face a steep rate increase in 2006 if Congress does not remove the escrow provision.

GAO chief Walker also expressed concerns about postal finances. Despite an estimated \$4 billion in net income during fiscal year 2003, he noted, the Postal Service's future is jeopardized by \$92 billion in unfunded pension, retiree health-care, and workers' compensation benefits. All this, he said, comes at a time when "first-class mail appears to be on the brink of long-term decline as Americans take advantage of cheaper electronic alternatives."

"Given the enterprise's bleak fiscal outlook," Walker said, Congress needs to pass comprehensive postal reform. "An incremental approach, would yield too little too late."

Calling the commission's report "a valuable contribution" to postal reform efforts, Walker said each of its legislative proposals merited consideration by Congress.

Asked by Committee Chairwoman Susan Collins (R-ME) which of the commissions' recommendations he considered most important, Walker named three but acknowledged that each is "particularly controversial and difficult."

First, he said, a decision must be made on what the scope of universal service must be. Second, the postal infrastructure must be "rationalized" (by closing post offices and consolidating mail processing operations). Third, workforce policies and practices must be "modernized" to reduce the size and cost of the postal workforce.

Walker also criticized the Postal Service's failure to reveal its consolidation plans and to clearly state its plans for reducing labor costs. He called on the USPS to develop and make public a comprehensive plan to "optimize its infrastructure and workforce."

Sen. Collins announced that she and Sen. Carper intend to craft a bipartisan postal reform bill early next year. Meanwhile, the committee is expected to hold additional hearings, although none has been scheduled. The House Government Reform Committee has yet to set a hearing on postal reform proposals.

private-sector organizing fund. Of the 41-cent increase coming from transitional employees, 20 cents goes to locals, 11 cents to the general fund, and 10 cents to the private-sector organizing effort.

Effective Nov. 29, Level 10 and 11 Electronic Technicians will be upgraded to Levels 11 and 12. For the purpose of implementing this part of the contract extension agreed to a year ago, the upgrades are based on a step-to-step upgrade mechanism, including credit for waiting period time already served.

Updated pay scales can be found in the November/December edition of *The American Postal Worker*. Pay scales also can be seen at [www.apwu.org](http://www.apwu.org).

## Raise, Upgrades Take Effect This Month

APWU-represented postal workers will receive a 1.3 percent increase in their annual salaries Nov. 15, based on their wage rates as of Sept. 13, 2003. Effective with Pay Period 25-03, this pay hike will be reflected in paychecks issued Dec. 5.

In compliance with Article 16, Section 2, of the APWU National Constitution and Bylaws, the raise means an automatic dues increase of 60 cents per member per pay period for career employees, and 41 cents per member per pay period for transitional employees.

Thirty cents of the 60-cent increase goes to the career employees' locals, 16 cents goes to the national union's general fund, and 14 cents goes to the union's

## Voluntary Early Retirement

### Court Releases Interim Decision, Final Ruling Expected in January

#### Judge Says Late 2004 Deadline Protects Employee Rights

Noting that the Postal Service's Voluntary Early Retirement Authority has 14 months to run – and that employees' rights would not be impaired until that authority expires – U.S. District Court Judge Reggie B. Walton has denied the APWU's motion to compel the Postal Service to immediately arbitrate grievances over the VER program.

Walton's decision is a preliminary ruling and postpones for two months any resolution over whether the court will compel arbitration of the APWU dispute with the Postal Service over the VER program. The judge wrote that if he ultimately orders arbitration of that dispute, he will reconsider the union's request to order arbitration expeditiously.

"So that employees who are entitled to take early retirement are afforded this option before the VERA closing date," Walton wrote, "the Court will endeavor to decide the defendant's motion to dismiss by January 2, 2004." The Postal Service has taken the position that the dispute is not subject to arbitration.

In reaching its conclusion, the court relied on the fact that the Postal Service's VER authority extends until Dec. 31, 2004. When the union filed its petition to compel arbitration, the Postal Service's authority to grant voluntary early retirement was set to expire Sept. 30.

The APWU petition argued that members are being denied the right to take VER and need immediate relief. "Although the plaintiff's concern may be legitimate," the court

concluded, "there is nothing in the record that supports its claim that immediate intervention by the Court is compelled to protect its members from irreparable harm. As the Court already stated, the Postal Service has VER authority for approximately another 14 months. And the plaintiff has failed to establish that its members would suffer irreparable harm by not being permitted to exercise the early retirement option immediately.

"While an individual may suffer irreparable harm if he or she is precluded from ever being able to exercise the option to retire early pursuant to a VER, there is absolutely nothing in the record which establishes that this will occur without immediate judicial intervention or that one of APWU's members is actually suffering such harm now as a result of not being able to exercise the option immediately."

The APWU argued that any further delay in ordering arbitration might mean that arbitration could not be concluded in time to provide access to VER by Dec. 31, 2004. The court held that this contention was "grounded principally upon speculation regarding how long it will take to have this dispute arbitrated if the Court fails to order expedited arbitration."

Finally, because he hopes to decide the merits of the case by Jan. 2, 2004, the judge ordered the APWU to submit its brief on the underlying suit to compel arbitration no later than Nov. 21, 2003, and ordered the Postal Service to file its reply by Dec. 5, 2003.

## Penalty Overtime Exclusion Period Set

There are four consecutive service weeks each year during which penalty overtime regulations do not apply.

This four-week period is referenced in Article 8 (Sections 4 and 5) of the National Agreement.

For this year, the time period during which the penalty overtime regulations are not applicable begins with Pay Period 26-2003, week 2 (Dec. 6, 2003), and ends with Pay Period 02-2004, week 1 (Jan. 2, 2004).

## 80,000 Grocery Workers Strike Over Health-Care Benefits Cuts

About 80,000 unionized grocery workers have gone on strike, largely in an effort to maintain affordable health coverage.

The striking workers charge that their employers are increasingly seeking to shift rising health care costs as part of an attempt to maximize profits. Most of the strikers are in southern California, where 70,000 members of seven United Food and Commercial Workers locals walked off the job in Safeway-owned grocery stores on Oct. 10. They were soon joined on the picket lines by UFCW members in West Virginia, Ohio, Kentucky, and Missouri.

The employers – Safeway, Kroger, Albertson's and others – collectively show profits nearly double of what they

were four years ago and they make health-care contributions far below the national average, according to the UFCW. In California, employers are proposing that workers who make just over \$19,000 annually would pay an average of \$4,944 per family to maintain current benefits.

The striking workers are "taking a stand for all American working families who are being squeezed beyond their limits by our broken and inadequate health care system," AFL-CIO President John Sweeney said in a recent press release.

The UFCW and the AFL-CIO have created a national strike fund for the grocery workers. To learn how to make a contribution, visit [www.ufcw.org/hold\\_the\\_line](http://www.ufcw.org/hold_the_line).

## Legislators, APWU Representatives Tour Soon-to-Reopen Washington P&DC

In a visit organized by Del. Eleanor Holmes Norton (D-DC) and House Government Reform Committee Chair Tom Davis (R-VA), a group of about 50 public officials, union leaders, and members of the press toured the Washington postal facility that has been closed since October 2001.

The processing and distribution facility has been renamed to honor Joseph Curseen Jr. and Thomas Morris Jr., APWU members who died during anthrax terrorist attacks on the nation's mail system two years ago.

"My presence here demonstrates that I'm convinced that it is safe for our members to return to the Curseen-Morris facility," said APWU President William Burrus. "While I would not be here unless convinced there was no risk, I can understand why some workers will continue to have misgivings about returning to work here."

With many citing safety concerns, about 50 of the 1,300 employees of the former Brentwood Road facility have expressed interest in relocating.

Regarding APWU-represented workers, Burrus said, "Our Clerk Craft directors have worked out an agreement that many of these workers will be classified as 'excess'

employees and therefore will retain their seniority if they relocate."

The tour was led by Tom Day, vice president of engineering for the USPS, and included the workroom floor, the cafeteria, and several administrative offices.

As a means of reassuring that the building is safe, Norton, a member of the Government Reform Committee, last year proposed that she and other public officials be among the first to enter the facility following its decontamination and renovation.

The House committee held a hearing last month on safety matters related to its re-opening, now set for later this month. The facility is not likely to be fully operational until early next year.

"I wanted to join Congresswoman Norton on this tour because I agree with her that doing so sends an important message to postal employees and the public: that the former Brentwood facility is safe and open for business," Davis said. "It's also an appropriate time to once again remember and honor the two dedicated employees who tragically lost their lives."