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June 19, 2012

MOTION to Petition Elected Leaders to Take Action to Retain Historic Venice Main Post Office and Those in Other Communities Across the Nation

SELECTED SUPPORTING DOCUMENTS

http://about.usps.com/who-we-are/postal-facts/welcome.htm#H11

SIZE AND SCOPE

The United States Postal Service delivers more mail to more addresses in a larger geographical area than any other post in the world. The Postal Service delivers to more than 151 million homes, businesses and Post Office boxes in every state, city, town and borough in this country. Everyone living in the U.S. and its territories has access to postal products and services and pays the same postage regardless of their location. By the Numbers 66 billion — revenue in 2011, in dollars 167.9 billion — number of mail pieces processed in 2011 554 million — average number of mail pieces processed each day 23 million — average number of mail pieces processed each hour 384,000 — average number of mail pieces processed each minute 6,400 — average number of mail pieces processed each second 40 — percent of the world's mail volume handled by the Postal Service 1.9 billion — dollar amount paid every two weeks in salaries and benefits 546,000 — number of career employees 31,509 — number of Postal Service-managed retail offices 34 million — number of work hours reduced equals 19,000 full-time employees 213,881 — number of vehicles — the largest civilian fleet in the world 1.2 billion — number of miles driven each year by letter carriers and truck drivers 39.9 million — number of address changes processed in 2011 35.5 — percent of retail revenue from alternative access channels in 2011 1.2 million — number of people who visited usps.com each day 62 million — number of inquiries handled by Postal Service Contact Center in 2011 236 million — dollar amount of online stamp and retail sales at usps.com in 2011 467 million — total revenue, in dollars, from Click-N-Ship label purchases in 2011 5.6 million — number of passport applications accepted in 2011 116 million — number of money orders issued in 2011 543 million — amount in revenue from 2,500 Automated Postal Centers 71,000 — number of stores, banks and ATMs that sell postage stamps 636,530 — number of new delivery points added to the network in 2011 0 — tax dollars received for operating the Postal Service

Mail is Big Business

The U.S. Postal Service is the core of the **trillion** dollar mailing industry that employs more than 8 million people.* These classes of mail brought in most of the \$66 billion in revenue in 2011:

- First-Class Mail \$32.2 billion
- Advertising \$17.8 billion
- Shipping Services \$9.0 billion
- Periodicals \$1.8 billion
- Package Services \$1.6 billion



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If it were a private sector company, the U.S. Postal Service would rank 35th in the 2011 Fortune 500.

In the 2011 Global Fortune 500 list, the U.S. Postal Service ranked 109th.

*The Envelope Manufacturers Association reported in the "2008 Economic Jobs Study for the Mailing Industry" that there are 8.4 million jobs and over \$1 trillion in revenue attributed to the mailing industry.

What the Postal Service Wants You to KnowSetting the Record Straight

For more than 235 years, the U.S. Postal Service has been delivering the nation's mail in snow, rain and in the dark of night. However, tough economic and market conditions and unrealistic legislative expectations have created challenges that have never before been faced. Misconceptions about the future of the U.S. Postal Service abound — it's time to set the record straight.

- The Postal Service receives NO tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. We are required by law to cover our costs.
- The Postal Service has the world's largest retail network larger than McDonald's, Walmart and Starbucks combined (in U.S.).
- The Postal Service can and does compete with the private sector and it collaborates, too. UPS and FedEx pay the Postal Service to deliver more than 400 million of their ground packages to residences and the Postal Service pays them for air transportation taking advantage of their comprehensive air network.
- The Postal Service is the only organization in the country that has the manpower, network infrastructure and logistical capability to deliver to every residence and business in the U.S. and its territories.
- An independent assessment by Oxford Strategic Consulting named the U.S. Postal Service the best postal service among the 20 largest economies in the world. Criteria included the average number of citizens served, the number of letters and parcels delivered, service reliability and public trust.
- The Postal Service is environmentally friendly and is a respected sustainability leader. It was promoting sustainable
 practices long before doing so was encouraged, mandated or governed.
- Mail is a great communication tool. No monthly plans. No signal outages. No roaming charges. Regardless of geographic location, anyone can send a letter for just 45¢ anywhere in the United States and its territories.
- Mail is reliable, trusted and secure federal laws protecting the sanctity of the U.S. Mail are enforced by the U.S. Postal Inspection Service
- The Postal Service has the world's largest civilian fleet and the world's largest alternative fuel-enabled fleet of vehicles.
- The Postal Service delivered 168 billion pieces of mail in 2011 facilitating \$10 trillion in commerce.

Innovation and Technology

From the telegraph, to the telephone, to the terabyte, the U.S. Mail has complemented every new technology.

Information Technology

- We have one of the world's largest e-mail systems. Over 3 million e-mails a day over 1 billion annually are delivered to nearly 208,000 e-mail accounts.
- The Postal Service has the world's third-largest computing network.
- The Postal Service maintains one of the world's largest intranets.
- The Postal Service has a total inventory of 957 applications with 469 classified as national applications. Of those, 234 are considered critical to postal business functions.
- There are 3,473 remote locations within the postal system that receive Internet service via satellite.
- Our communications network supports and maintains 125,000 desktop computers, 21,000 notebook computers, 85,000 printers, 11,000 Blackberrys, 152,000 phone lines and 310,857 handheld scanners.
- The Postal Service maintains 29,000 informational pages on its Website, <u>usps.com</u>.
- The Postal Service has 22 petabytes of storage capacity equivalent to more than 59,000 years of songs on an MP3 player with no repeats.



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- MeetingPlace hosts more than 50,000 meetings per month.
- The Postal Service maintains 47,000 point of sale (POS) terminals nationwide.
- 355 million internal e-mail messages and more than 13 million external e-mail messages are scanned for viruses every month.
- There are nearly 103,000 e-mail messages blocked monthly due to viruses and more than 281,000 blocked due to content.
- The Postal Service has nearly 284,000 vendors doing \$16 billion in business annually using electronic money transfers.
- More than 340 million credit and debit card transactions are processed annually in Post Offices and through <u>usps.com</u>.

Innovative Technologies

- The Postal Service has the largest gantryrobotic fleet in the world using 174 robotics systems to move 314,000 mail trays per day.
- The Postal Service is the world leader in optical character recognition technology with machines reading 93 percent of all hand-addressed letter mail.
- The Postal Service uses more than 8,500 pieces of automated processing equipment to sort nearly half the world's mail.
- The Postal Service has one of the largest material-handling systems in the world for moving mail. There are over 200 miles of conveyors within postal processing facilities.
- Intelligent Mail increases the value of mail for both the Postal Service and its customers. The Intelligent Mail barcode (IMb) identifies individual pieces of mail, trays, sacks and containers of mail, and tracks them through the processing system.
- The Flats Sequencing System (FSS) sorts "flat mail" (large envelopes, magazines, etc.) in carrier walk sequence at 16,500 pieces per hour.
- In 2011, the Postal Automated Redirection System (PARS) automatically intercepted and forwarded more than 2 billion pieces of mail for the nearly 40 million address changes submitted.
- The Advanced Facer Canceller System (AFCS) positions letter mail and cancels stamps at 36,000 pieces per hour.
- The Delivery Barcode Sorter (DBCS) reads the barcode on letters and sorts them at 36,000 pieces per hour.
- The Automated Flat Sorting Machine (AFSM) sorts flat mail at 17,000 pieces per hour.
- The Automated Package Processing System (APPS) processes packages and bundles of mail at over 9,500 pieces per hour.
- The Automated Parcel and Bundle Sorter (APBS) processes packages and bundles of mail at over 6,000 pieces per hour.

http://nader.org/2012/04/26/letter-to-postmaster-general-patrick-donahoe-it-is-time-to-resign/

Letter to Postmaster General Patrick Donahoe – It Is Time to Resign

Dear Mr. Donahoe,

You are actively presiding over the demise of one of our country's greatest founding institutions. The U.S. Postal Service is an institution that was conceived by Benjamin Franklin and which has succeeded brilliantly over the generations to service, connect, and allow the people of our land to communicate with each other anywhere at a common rate regardless of whether they live in urban, suburban, or rural areas.



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In recent years the cost-cutting and reduction of staff have coupled with the Congressional restrictions on new business opportunities – demanded by corporate interests averse to competition – to place the Postal Service in a cul de sac. Nor can the USPS overcome the draconian requirements to prepay retiree health benefits greatly in advance – an imposition unheard of in either the corporate world or by any other government agency.

Removing the devastating fiscal effect of these prepayments would take care of 80 percent of the postal service's deficit. Moreover, the federal government already owes the postal service, according to the U.S. Postal Service's Inspector General, over \$80 billion dollars in overpayments the USPS has made to the Civil Service Retirement System and the Federal Employees Retirement System. You need to recover these overpayments. Yet while you have infrequently mentioned these strangleholds, that is not what you are known for in your direction of this historic institution.

What you are known for is a repeated demand to cut services and raise rates – a surefire way to destroy the USPS on the installment plan, a strategy that any business executive knows sets an accelerating downward course. You make the case for shutting rural post offices, slashing 150,000 postal employees' jobs, ending Saturday delivery, and extending delivery dates as if they do not produce a spiral of decline and loss of customers who will not come back. You make the case, using the cliché of "running the postal service like a business," when you are ruining the service like a self-destructive business all the while forgetting that postal management for decades has cross-subsidized third class, corporate commercial mail with first class mail but now opposes any cross-subsidization of, at a more modest amount, the community rural post offices that you wish to close down after the May 15, 2012 moratorium ends. Your saying that such close-downs will save \$200 million a year completely ignores a greater monetary and human cost of residents having to go without or traveling miles to the next post office by millions of rural Americans already strip-mined of other essential services.

Turning to your gross neglect of a "turn-around" strategy, you have failed in your promise to focus "on selling the business" which you announced you would do when you escalated to your present position. You said it was the USPS's "job to sell them on the mail." Although you have received many practical ideas, some within your statutory authority, including nearly two dozen suggestions from Ruth Goldway, chair of the Postal Regulatory Commission, and others from one of the conferences on innovation held in the summer of 2010, inaction has been the only follow-up for the most part. Questions we put to you on this subject have received no replies.

Senator Bernie Sanders, among others, has mentioned some of the easy revenue ideas – an honest notary service (badly needed in an era of robo-signings), cashing most checks, selling fishing and hunting licenses, wrapping holiday gifts, or accepting wine or beer for delivery. In mentioning these revenue expanders, he also pointed to the need for Congress to free the Postal Service to enter the digital world that is draining away some of its first-class business.

But we do not hear Mr. Donahoe loud and clear on these matters, especially before Congress. We do not see Mr. Donahoe getting his assistants and encouraging its thousands of postmasters to speak out



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and stand up for an expanding, innovative, entrepreneurial postal service. Instead, our feedback from the field is that your constant refrain of cutting services and raising rates, together with huge losses of experienced employees, has produced an emerging perilous and costly drop in morale. You must know the operational consequences of that feeling of institutional depression. We do not see the Postmaster General rallying postal employees and gathering postal consumers to pull together for an expansive postal service. You even throw cold water on reviving the U.S. postal savings system, shut down in 1967 under pressure from the banks. At its peak in 1947, the postal savings system had deposits of the equivalent of about \$35 billion in today's dollars. Today there are over 30 million unbanked people who could use such a service provided by a delivery system in 35,000 communities – greater than the number of outlets of McDonald's, Starbucks, and Wal-Mart combined. When we last suggested this idea, you told us you would look into it. Recently, you dismissed postal savings as not being part of the "core business" of the USPS, after the distinguished Appleseed group, with detailed expertise in the scope of the unbanked, wrote you an unanswered letter on October 14, 2011. (attached) There is, in Washington, D.C., a combination of relentless ideological opposition to the USPS's very existence as a public institution joined by thoughtless upper-income pundits and editorial writers who really do not use the postal service as they clutch their e-mail and text-messaging gadgets. They are both remote from the tens of millions of Americans who rely on the postal service in tangible and intangible ways that these deprecators could rarely understand or imagine. There are reporters, however, who have written compelling features from the field on what would happen were a rural post office closed to the people (many of them elderly) living there.

Which constituency are you obliging here?

If you truly wanted to be responsive to postal customers, there is a simple action that you could have taken: publicly requesting Congressional authority to establish a Post Office Consumer Action Group (POCAG). POCAG would be a non-profit group dedicated to representing the interests of postal consumers. Several million people would join, and all that is required would be a simple law directing the Postal Service to send residential postal patrons a letter periodically (perhaps twice per year), which would give them the opportunity to pay a small amount of dues to join and support POCAG. This would not only encourage greater organization and consumer participation in the services the postal service provides, but also in the crucial decisions the Postal Service makes regarding how to best provide those services.

Private corporations pay huge sums for focus groups that help them make business decisions and be responsive to consumer sentiment. A self supporting, non-profit POCAG could, among other things, function as a ready-made focus group that the USPS could help assemble at a minimal cost. After all, the Postal Service has already delivered postcards to all residences nationwide carrying postal promotional messages from cartoon characters – the periodical POCAG letters would certainly be no more burdensome. If you and your immediate predecessor were concerned about postal customers, POCAG is an idea that would have been implemented by now. Instead, it is telling that this important reform remains missing in any discussion of postal consumers.



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You are not setting a personal example as you push for unjustifiable cuts. In 2011, despite Congressionally manufactured deficits for the USPS and real deprivations, the value of your compensation package was nearly \$400,000. This is nearly double what Treasury Secretary Tim Geithner and Defense Secretary Leon Panetta made in the same year. Granted you were not spending \$675 million in 2011 just to guard the U.S. Embassy in Baghdad. And granted you are running the only major institution – whether governmental or corporate – that receives no money from the Federal government (e.g. tax revenue or corporate welfare) and is a major net creditor of Uncle Sam (a status you should tout more). But, together with other Postal Service executives with annual base pay of over \$200,000, how can you damage your moral authority to govern by asking so many people inside and outside the USPS to bear the burden of contraction but not yourselves?

Whether it is in asking consumers to pay more for poorer services, or in slashing postal employee's jobs and hours, in closing postal facilities and denying the surrounding communities that relied on them, in cutting off citizens throughout the United States who do not have access to the internet from the outside world by closing post offices, or simply proposing cutting services across the board, a leader leads by example, not by exempting himself and his executives from any sacrifices.

Take a couple hours some weekend and stroll slowly through the National Postal Museum only a few blocks from your office. Absorb how previous leaders of the Post Office overcame enormous barriers and hurdles to build and expand the services in the 18th, 19th, and early 20th century – even delivering farmers' eggs. The internet challenge, if the USPS were to participate and provide services, is modest compared to the mountains that the earlier postal service had to climb.

Returning from your visit to the Museum, you may wish to ponder our recommendation that you resign and request that President Obama, who needs to visit this Museum as well, nominate someone who can lead, inspire, and expand the Postal Services of this nation in the 21st Century, while achieving efficiencies that advance rather than retard the mission of the USPS. A leader with vision who can revitalize a mismanaged operation and use the feedback suggestions from your own employees solicited through the Voice of the Employee (VOE) survey.

In a phrase, you are not up to the job!

Sincerely, Ralph Nader P.O. Box 19312 Washington, D.C. 20036

Robert Weissman President Public Citizen 1600 20th Street NW Washington, D.C. 20009 Linda Sherry Director, National Priorities Consumer Action P.O. Box 70037 Washington, D.C. 20024

Judy Lear Acting Director Gray Panthers 1319 F Street NW, Suite 302 Washington, D.C. 20004

John Richard Essential Information P.O. Box 19405 Washington, D.C. 20036

Carol Miller Public Health Activist



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http://www.buffalonews.com/editorial-page/buffalo-news-editorials/article897607.ece

Postmaster is on notice

Postal Service needs better leadership to restore it to sound fiscal footing

June 11, 2012

Updated: June 11, 2012, 3:02 AM

Brian Higgins has the right idea, and for a couple of reasons. The Democratic congressman from Buffalo last week called for the removal of Postmaster General Patrick R. Donahoe on the grounds that he has badly mishandled the financial crisis besetting the U.S. Postal Service. Donohoe certainly has done that.

The Postal Service is in terrible shape, probably the worst in its history. Its very existence is under attack by digital communications: e-mail, texting, online shopping and bill-paying and more. It is a problem that is familiar to many industries including music, publishing and travel. We are in the midst of social and economic change that is profound and unstoppable. Adapting to it requires skills that Donahoe has not displayed.

We are mainly referring to the Postal Service's ill-conceived plan to close processing centers, including one in Higgins' Buffalo district. Higgins and others fought the plan to shutter the William Street center, successfully arguing that it made no sense. In doing so, Higgins helped preserve the center's 700 jobs for at least three years.

Under that failed plan, letters mailed from one Buffalo address to another Buffalo address would first have traveled to Rochester, delaying delivery at least a day. It also would have closed one of the Postal Service's most efficient processing centers. The William Street location had won the Postal Service's gold-standard rating for efficiency and cost-effectiveness.

That's not the kind of management this problem needs, and Higgins is right to challenge Donahoe's leadership. Despite the encroachment of the Internet, the post office remains a critical national service. Its survival will certainly require painful decisions that could include elimination of Saturday mail deliveries and more closings. But those decisions have to be well-considered, not capricious. We don't know that Donohoe will actually be removed, but it is to the benefit of both the Postal Service and Buffalo for Donahoe to know that Higgins is watching. At a minimum, he should consider himself put on notice that slapdash restructuring plans won't fly.



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It is worth mentioning that Higgins and Congress have important roles to play in rebooting the Postal Service, as well. Six years ago, Congress unfathomably required the Postal Service to pay \$5.5 billion annually to fund workers' health benefits for the next 75 years. Thus, the Postal Service is setting aside ever-dwindling resources to cover benefits for employees who haven't even been born yet. Eliminating or at least modifying the requirement would go a long way toward strengthening the Postal Service. Congress should get busy with that, and Higgins should take a leading role.

Still, there is a difference between failing to act and instigating action that undermines the goal of financial health. It's time for new leadership at the post office.

Comments

SORT:NEWEST FIRST | OLDEST FIRST

All the comments about technology reducing first class mail miss the mark. The internet has generated large amounts shipping business. What one orders on line must be physically delivered. PMG Donahoe is fond of saying that first class mail pays the freight and we know such mail is going away. The problem is that such a rate structure violates the Postal Reorganization Act of 1970 which requires each class of mail to pay its own way. Years of efforts by corporate lobbyists have got them discount rates at the expense of the public, sending revenues out the door, along with a privitization ideological push from members of the Board of Governors, who the PMG reports to.

Postal retirement accounts, based on a number of audits, are over funded by \$60-\$80 billion, all postage money. These accounts are not "off budget", so to return this postage money to the USPS would increase the deficit.

This sets the stage for a far right privitization agenda that includes more deregulation, cutting taxes for the wealthy, etc. under the cover of shrinking government.

This agenda means that the social security surplus is now almost equal to the Bush tax cuts, so SS must be cut. Two wars not paid for and more than doubling of the Defense budget, without a dollar in revenue to pay for it, means privitizing govenment functions, getting rid of government employees, including police, firefighters,, teachers, and yes postal workers and the Postal Service.

I am hardpressed to name another entity that did \$66 billion in revenues last year that is obsolete. They said the Postal Service would be gone in the 19th century, first with the telegraph, then the telephone. This is an ideological agenda with the USPS, it's customers, and its workers as the next victims.

JAMES BERTOLONE, ROCHESTER, NY on Mon Jun 11, 2012 at 04:51 PM



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http://savethepostoffice.com:

THE NATIONAL TRUST FOR HISTORIC PRESERVATION has named the Historic Post Office Building to its annual list of the 11 most endangered places. ...

The Trust notes that the "lack of a transparent and uniform national process from the Postal Service — one that follows federal preservation laws when considering disposal of these buildings — is needlessly placing the future of many historic post office buildings in doubt." ...

Legacy for Sale

Three-fourths of the country's 32,000 post offices are housed in leased spaces, but the Postal Service owns about owns 8,989 post-office properties, including post office buildings, vacant land for post-office development or modular post offices. According to <u>David Partenheimer</u>, a postal service spokesman, some 28% of those properties — about 2,500 — are either on the National Register of Historic Places or eligible to be listed due to their historical significance. A search of the <u>National Register</u> shows 869 post offices currently listed, most no longer active. A preliminary review suggests there are over 300 currently active post offices on the National Register. You can see images of many of the post offices on the National Register on <u>wikipedia</u>.

(In an <u>AP story</u> about the National Trust's announcement, USPS spokesperson Sue Brennan said there are 55 post offices on the National Register. We're checking on that.)



Over a thousand post offices were built during the New Deal. They are particularly significant because of their famous murals. According to <u>Dallan Wordekemper</u>, Postal Service historian, about 800 of the New Deal post offices contain priceless sculptures and murals, often prized more than the buildings

themselves. Although often mistakenly identified as WPA murals, they were produced under the Treasury Department's Section of Painting and Sculpture, later called the Section of Fine Arts. Over the past year, the Postal Service has embarked on a plan to dispose of its vast real estate holdings, and many of these New Deal post offices have already been sold. Last July, the Postal Service <u>entered</u> <u>into a contract</u> with the largest commercial real estate company in the world, <u>CB Richard Ellis</u>, to manage lease negotiations and sales. In November, CBRE and the USPS started a <u>website</u> displaying some of properties for sale. There are about 80 listed right now, a good number of them historic properties.

As of last September, the Postal Service had already sold \$140 million in post offices and other property during fiscal year 2011, according to USPS spokesperson Sue Brennan. As the<u>Wall Street</u> <u>Journal</u> reported, "Postal officials say it's unclear how many of these historically significant post offices will be sold, but many communities are already starting to see the for-sale signs go up." Over the past year, at least 38 historic post offices have been sold or put on the market:



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Bethesda, Maryland Palm Beach, Florida • • Boone, North Carolina Palo Alto, California • • Buffalo, New York Princeton, New Jersey • • Camas, Washington Pinehurst, North Carolina • • Redlands, California • Charleston, Illinois • Cheraw, South Carolina Reno, Nevada • Eugene, Oregon San Rafael, California • • **Fairfield Connecticut** Santa Barbara, California • • Fernandina Beach, Florida Santa Monica, California • • Fullerton, California St. Joseph, Missouri • • Geneva, Illinois Stamford, Connecticut • • Gulfport, Mississippi Ukiah, California • • Venice, California Greenwich, Connecticut • • Huntington Beach, California West Chester, Pennsylvania • • La Jolla, California Villa Park, Illinois • • Modesto, California Washington, D.C • • Norristown, Pennsylvania Westport, Connecticut • • • Northfield, Minnesota Yankton, South Dakota Norwich, Connecticut York, Pennsylvania

(If you know of other historic post offices sold or for sale, please use the contact link at the top and send us a note.)

•••

"Not closing, just moving"

Usually when the Postal Service wants to close a post office, it must go through a formal discontinuance process that's governed by law (Title 39) and additional regulations in the Code of Federal Regulations (CFR). It can be a lengthy process, and there's plenty of opportunity for community input.

But many of the historic post offices being sold are not going through that process. That's because the Postal Service is usually relocating the retail business to another location and not actually "discontinuing" the post office. In other words, the historic post office may be closing and the building being sold, but the town still has a post office somewhere. It just got relocated.

While it's too late for communities that have already lost their historic post office, it will come as welcome news to many others that the National Trust has put the post office on its list of endangered places. These historic post offices are a national treasure, and they are most definitely endangered.

(Photo credits: <u>La Jolla post office</u>; mural in Norwich, CT post office: "<u>Taking up the fight-1776</u>"; <u>Geneva,</u> <u>Illinois post office</u> by Matthew Gilson)



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NALC says Senators overlooked critical information in postal reform discussion

Sat, 2012-06-09 19:55

NALC President Fredric V. Rolando's letter to the editor of Politico was published on Friday, June 8. He calls "unrealistic" the 2006 congressional mandate that the Postal Service prefund retiree health benefits for the next 75 years, and do so in 10 years, which accounts for 95 percent of the Postal Service's red ink this fiscal year and almost all of its losses in recent years and is something no other government agency or private enterprise faces.

Rolando's letter is below:

Sens. Joe Lieberman (I-Conn.), Susan Collins (R-Maine), Scott Brown (R-Mass.) and Tom Carper (D-Del.), while pushing their postal bill in their Opinion piece, "House Must Deliver on Postal Reform" (POLITICO, June 4), overlooked critical information.

They speak of a Postal Service in "financial free fall" — blaming the Internet and workers. But they omitted the factor that's caused 95 percent of the red ink this fiscal year — \$6.2 billion of \$6.5 billion — and almost all losses in recent years. The 2006 congressional mandate that the Postal Service pre-fund retiree health benefits for the next 75 years, and do so in 10 years, is an unrealistic obligation no other agency or company faces.

In fiscal 2012's first quarter, for example, the Postal Service announced a \$200 million operational profit delivering the mail — but a paper loss exceeding \$3 billion. Why? A pre-funding payment exceeding \$3 billion.

We know that fixing this won't solve all issues. More people, for example, are paying bills online. But fixing it would, according to USPS data, eliminate most of the red ink.

In addition, by removing the crisis atmosphere, it would let stakeholders — the USPS, mailing industry, employees, legislators, federal regulators — craft a business strategy to meet the needs of an evolving society.

Degrading service — as in the current Senate and House bills — isn't a business plan. Instead, it's a path toward dismantling the unique network and driving customers away.

Consider the push to end Saturday delivery. It would save 2 percent of the budget — by stopping 17 percent of service. Moreover, it jeopardizes the future. The Postal Service credited the sharp rise in e-commerce packages for its \$200 million profit. The best day to deliver packages: Saturday, when most people are home.

Congress must do better.

Fredric Rolando, President National Association of Letter Carriers



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June 19, 2012

http://savethepostoffice.com/free-post-office

June 7, 2012

BY MARK JAMISON

The United States Postal Service has abandoned the American people. At the direction of its Board of Governors and through the efforts of its primary officer, the Postmaster General, it has abandoned its mission of service and its basic responsibilities to the citizens of this country.

In place of an uplifting vision of binding the nation together, the leaders of the Postal Service have embraced a cynical view that denies the traditional American commitment to community and to building a solid national foundation in favor of a purely individualistic pursuit of selfish greed.

The leaders of the Postal Service have been aided and abetted in their actions by a Congress that is no longer able to act in a bipartisan way to serve the interests of the people of the United States. Hell, the vast majority of the members of Congress are no longer able to define the interests of the people of the United States. Instead, Congress splits, parses, and divides the common interest and ends up serving the deepest pockets and the most influential and wealthiest among us.

Also helping in the demise of a treasured national institution has been the Administration in Washington, a group that was elected on the promise of hope and change but instead has governed on the basis of business as usual. Its appointments relating to postal matters are either based on cynical political calculation or simply reflect complete surrender to a vision of America that severs us from generations of progress on equality and community.

Blame can also be laid at the feet of the various employee organizations. With few exceptions, the unions and management associations have increasingly accepted a corporatized postal system that redefined service into little more than a huckster's sales pitch. They have countenanced an ever more incestuous relationship with a small segment of the marketing industry. Instead of finding a common purpose and a community of interest, these organizations have fought with each other for meaningless shreds of advantage and thereby enabled senior management to divide and conquer, leaving employees and the public worse off.

The media get it wrong, as usual

The mavens of the media deserve a lot of the blame too. Especially opinion makers like Joe Nocera of the New York Times, who recently wrote a column that suggested that there is nothing ideological in the destruction of hundreds of thousands of jobs or the abandonment of critical national infrastructure that helpfully serves millions of Americans.

No, Mr. Nocera opines, there is nothing ideological or partisan in what's happening to the United States Postal Service. It is simply the natural of order of things and all will be well if we only follow the



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prescriptions of the Postmaster General. All will be well, he tells us, if only Congress will stop meddling in the business of the Postal Service and let cooler and more thoughtful heads prevail.

The media coverage of the travails of the Postal Service has been terrible, to say the least. Our chattering and scribbling classes have become masters of repeating the conventional wisdom and the preferred narrative. They have failed to acknowledge even the most basic of facts, and while they are adept at telling us how dysfunctional Congress is, they thrive on reporting shallow controversy and ignore their basic responsibility to dig deep enough and give stories proper context.

Of the hundreds of stories written on the trials of the Postal Service, Mr. Nocera's may be the most aggressively ignorant. For a reporter who has written extensively on the financial crisis, it is unconscionable that Mr. Nocera should suggest that Congress should simply get out of the way and let business do its business, rather than doing its job and tending to the Nation's business. Mr. Nocera would let the inmates run the asylum. He would have us accept the plans of those who have brought a two hundred and fifty year old institution to its knees while destroying hundreds of thousands of jobs.

The fault lies here too

Finally, the American public must also bear responsibility for the current plight of an institution they both want and need. America and Americans have profited most and done best when we acknowledged the idea that a rising tide lifts all boats. Our greatest successes have come when we recognized that the individualism embodied in the American character served us best when balanced by our strong sense of community and sense of common purpose.

In the last few decades we have succumbed to the distorted idea that we are not a collection of communities but a cacophony of individuals and special interests. Instead of offering a hand up, we greedily shoulder our way to the front of the line. It's an ethic of every man for himself and he who has the biggest pile wins. It ignores the fact that the greatness of this nation came not from those who cut the best deal but from the sense of shared responsibility in building a solid foundation, following a course of internal improvements, and recognizing that ultimately the government is us and the responsibility for success is ours.

The great fault lies with all those who accept the premise that cutting service and cutting jobs is a reasonable course of action. It lies with those who accept the phony accounting tricks that heaped untenable and unnecessary burdens on the institution. It lies with those who use the promise of technological advance as a means of abdicating current responsibilities. It lies with the premise that for some to succeed many must fail.

The value of infrastructure

In all the pieces I've written that appeared on Save the Post Office, I have argued that the postal network is not overbuilt industrial capacity that needs to be right-sized. The postal network is something much more than that. It is an essential national infrastructure designed to ensure a basic foundational necessity of a healthy democracy — the free flow and transfer of information and opinion.



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The postal network is neutral. It allows access to virtually everyone, and it does so in a secure manner that preserves privacy. It doesn't matter what one's political affiliations or economic interests are — the postal network provides transfer of information to every house and business in the United States. While there are other networks that offer some of the same potential, including the Internet, the fact remains that they are all either the property of commercial interests or commercial interests provide the means of transfer.

While I've been told that I put on my tin foil hat when making such claims, the fact is that difference is not insignificant. The Founders saw fit to provide for the security of personal papers and communication, and the Fourth Amendment sees to that. The postal network is the physical embodiment of that ideal.

More and more of our lives have come to be controlled by and directed by commercial interests. In the last thirty years or so, the checks and balances that protect us have eroded as we have embraced the idea of business for business's sake without regard to social responsibility. The postal network and the grand mission of binding the nation together should not be discarded casually, especially with regard to that ideal.

The postal network has also provided a physical infrastructure that facilitates commerce and enhances commercial opportunity. It has done so in a manner that allows equal access at affordable rates. Many of the current changes to the network and the accompanying changes to service standards threaten those opportunities. Special favors are now regularly granted to only segments of the market place. This change undermines both the viability and utility of the network and makes it something other than infrastructure.

The Postal Service has provided meaningful and useful employment to millions of workers over several generations. It has done this in a responsible and cost effective manner. The fashion today is to beat up on unions and labor in general, but it should be remembered that the supposed financial difficulties we find ourselves in today are not the result of the egregious demands of labor. The problems stem from the imposition of unnecessary financial burdens in the form of direct transfers to the Treasury as well as a rate system that increasingly undermines the foundation of the institution by granting discounts and favors to a select few. Those factors, combined with a management system that fails to manage and a leadership that is blind to any innovation that doesn't hand the institution to the direct mailers, have left us in the mess we are in today.

We have embraced an ethic in this country that denigrates labor and treats employment as secondary to profits. We design our markets to favor the combination and consolidation of capital, and yet we look askance when labor would seek to combine for its protection. Corporations form to advance the mutual interests of those providing capital. How are unions any different?

There's always work at the post office



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It cannot bear repeating enough: the postal network and the Postal Service have been an engine of economic advancement for many, particularly groups that were often the most vulnerable. I am a disabled veteran. The opportunities that the Postal Service afforded me made every difference in my ability to participate in the economy in a meaningful way. The program that allowed for my hire was not a giveaway; it wasn't welfare. I went to work every day for thirty years and did something useful and productive.

The first office I worked at was in a Northern city that was home to many people of color who had left the South in the great migration that began during World War II. I worked with several black women whose mothers had been relegated to jobs as domestic help. Some of these women had grown up in families that were sharecroppers and had been victimized by the Jim Crow laws prevalent at the time.

These women were proud of their employment in the Postal Service. They were proud to be a part of the economy in a meaningful way. They worked hard and they earned their salaries and they were proud of that as well. But the greatest beneficiaries of their employment with the Postal Service were future generations. Each of these women had one or more children who, as a result of their mother's employment, was able to attend college.

There is something wrong with the ethic of a nation that treats employment, jobs, and people as little more than disposable assets. The recently announced POStPlan will jettison several thousand postmasters. The Network Rationalization plan to consolidate processing facilities will jettison tens of thousands of clerks and mail handlers. Lives are disrupted and families are dislocated and the gains and advantages are pretty much non-existent.

Marilyn (not her real name) is a postmaster in the Northeast who wrote me after STPO published "What Are People For?" She's 63 years old and cares for an adult child who is disabled. She had planned to work five more years as a way of ensuring a financial future for herself and her daughter. She has worked in a smaller office, so she feel daunted by the prospect of bidding on a large office where the resources and responsibilities may be beyond her experience. There will be no soft landings for Marilyn.

Troy left his bid job to serve as an OIC in a very busy rural post office. He stepped up to the task and took on the responsibility in order to prove himself. There will be no soft landing for Troy and the many others who have dutifully filled OIC positions and all the workers whose plants are closing. They are now left in the cold. If they are lucky, these folks will keep some semblance of their job, although their lives will be disrupted. There will be no soft landings for these people. There should be.

The arrogance of power

We are told that there is no room for sentimentality. First Class mail is dying, the Postal Service's core product is failing, and therefore these changes are not only necessary but past due. Simply put, that's a lie, and hiring highly respected Wall Street firms like Evercore or Lazard to design plans that affirm the prejudice towards consolidation and dismantling the network will not make it so.



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Yes, First Class mail is declining and it will continue to decline. It's likely, though, that large segments of the population will continue to rely on the mails for at least another generation or more. The postal network, even limited to its traditional mission, would have been necessary for years to come. The simple fact of the matter is that the senior management of the Postal Service has made a concerted effort to kill First Class mail as we know it.

Their proclamations of doom and disaster, combined with their ever-shifting plans, have worked to undermine the relevancy of the mails. Their current plans will essentially abandon large segments of the public while they still rely on the services of a robust postal network.

In "<u>Because We Said So</u>," I wrote about a management system that is incestuous, unimaginative, and generally ineffective. Add to that dissembling and duplicitous and you'll have a complete picture.

Management has blithely changed the rules of operation of the Postal Service without reasonable consideration or accountability. What sense does it make to ask for an Advisory Opinion from the PRC after the fact? Does changing national delivery standards through a change in the Code of Federal Regulations really constitute a reasonable action under the terms of the law?

In filings before the PRC, management belittled as hyperbolic and hypothetical scenarios that turned out to be very real. The operations and decisions emanating from L'Enfant Plaza lack transparency and accountability. Many of the contracts the Postal Service, a public institution, engages in are redacted in ways that make them indecipherable. Many are not even available for public inspection.

In recent weeks the initiatives that have gotten all the press have been the Network Rationalization plan on plant closure and the POStPlan, which reduces service and hours at thousands of post offices and which appears to be little more than a prelude to mass closures.

These are the sexy, high profile cases that draw attention, but in many ways they are relatively unimportant. I say that not because they don't have tremendous impact — they do. But these cases represent the final steps in a dance that everyone seems to consider inevitable. These plans don't address why we should dismantle the postal network and destroy service and hundreds of thousands of jobs, they simply tell us how they are going to do it.

The case of the mobile barcode

To understand the real direction of the Postal Service, one must look farther down the docket at some of the more obscure rate and mail classification actions. There are two that I think tell us with perfect clarity what the Postal Service is becoming.

The first case is known as PRC docket R2012-6. Simply put, this case grants a discount to marketing mailers who use a mobile barcode on their mailings. The mobile barcode is a three-dimensional barcode



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that has begun appearing in many places. It allows the user of a smart phone to take a picture of the barcode, which then directs the device to a website that sells the company's wares.

It's an interesting and innovative marketing device, but that doesn't mean it ought to get a postal discount. In this case the discount doesn't apply to barcodes that direct the consumer to a site that promotes electronic bill pay. It only applies to those sites that market a company's products.

The result of this discount, which doesn't do anything to advance the mail or reduce the cost of processing or delivery, is that the Postal Service has boldly gone where everyone else has also chosen to travel. Rather than simply providing the conduit, the road for mail and merchandise to travel, the Postal Service is now in the business of promoting specific kinds of mailers and marketing techniques.

That is something very different than the stated mission of the Postal Service and it is something that diverts the attention of the institution away from its role as infrastructure.

Valasiss vs. the Newspaper Association

The second case is both a rate case and a change in mail classification. It involves a Negotiated Service Agreement (NSA) between the Postal Service and a large circular mailer, Valasiss. In this case Valasiss is being given special discounts of up 20% for additional pieces mailed beyond a certain threshold. The objective behind the docket is discussed in the initial filing:

"The objective of this Standard Mail market dominant agreement is to maintain the total contribution the Postal Service receives from Valassis Saturation Mail postage, and to provide an incentive for Valassis to find innovative ways to expand its use of Standard Mail. Accordingly, this agreement is intended to generate new incremental Standard Mail Saturation volumes and revenues from new shared mail programs that will provide contributions to covering postal institutional costs through agreed-upon rates and eligibility conditions."

The PRC docket on Valasiss — it's R2012-8 and MC2012-14 — is not unique, but it has generated a certain amount of controversy. The National Newspaper Association and other mailers have protested that Valasiss has been given special consideration that undercuts their businesses. In many ways the NNA and others are right, although I suspect their greater argument is that they didn't get a sweetheart deal first.

The thing is, these NSAs, which were sanctioned under PAEA, have contributed to a radical transformation of the Postal Service. Instead of seeing itself as a network that provides universal service, it is becoming simply a large commercial mailer. In this case, the NNA argues that newspapers rely on inserts as a primary source of revenue, so by giving saturation mailers like Valasiss a leg up, the Postal Service is undermining the newspaper business.



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The logic that Congress used to create the NSAs, as well as the distinction between market dominant and competitive products, created a structure that ultimately undermined the rationale behind building and maintaining a national postal network. The rationale really stemmed from Congress being squeamish over the idea that a robust Postal Service might actually compete against some private enterprise — not surprising since those folks make the political contributions.

Re-envisioning the Postal Service

The postal landscape is now littered with special deals for various mailers. Which products get classed under which category can be very political. Supporting that system is an arcane costing system that shifts the underlying rationale of why we have a national postal network.

The Founders recognized the importance of the nation's post as a means of solidifying democracy and developing our national resources. Over the years we have contributed to that idea by recognizing the importance of universal service and by acknowledging that extending special rates to some classes of users, such as newspapers and non-profits, furthered the basic mission of the institution.

That mission and the role of the postal network have been perverted by both our politicians and those charged with managing this valuable asset. This isn't about Capitalism versus Socialism. The fact is that the regulation of markets in recent years has tended to protect those at the top while hurting the average wage earner. We have become prisoners of narrow interests, to the detriment of the general welfare.

There is no question that we must re-envision the Postal Service for the 21st Century. We should not do this by perpetrating the same false austerity that transfers advantage and wealth to those who already have the most. We should not do this at the expense of our fundamental ideals of basic fairness.

The postal network, as a neutral form of infrastructure, is an unmitigated public good. The utility it provides, the communication it fosters, the service it renders and yes, the employment it generates, are all valuable results of performing the mission of binding the nation together.

In the name of "progress"

There's an old woman and her brother who live at the head of Sitton Cove here in Webster. He fought in WWII and spent his life building houses for local folks, She worked in sewing plants and raised a family. They depend on the local post office to write their money orders, deliver their medicines, and yes, help them out when they don't understand a document or need some help navigating today's systems.

There's a loyal postmaster in Connecticut who has worked hard to keep her family afloat. She's served her customers and community well and is now being cast aside as nothing more than anachronism.

There are clerks working in plants who are being told they must move from family and community to remain employed or drive fifty miles or more to their new job.



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There are carriers working into darkness because the system is so poorly managed.

There are folks all over this country who use the post office for basic communication and commerce, folks who need and value the service.

They are all being cast aside in the name of false progress. They are being cast aside for another discount, so another Vice-President of Digital Solutions can offer another prediction on the death of mail. An American vision and an American institution are being cast aside based on false premises and false promises.

Joe Nocera got one thing right in his article. He said we should free the Postal Service. Yes, we should free the Postal Service from special interests, incompetent management and plans that exclude and damage. We should free the Postal Service from dishonest attacks and projections, from the grasp of those who would kill its value and traditions.

We should free the Postal Service to accomplish its mission of binding the nation together.

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(Photo credit: Ocean post office, Asbury Park, NJ, by Evan Kalish)