Postal Regulatory Commission
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Testimony of
Omar M. Gonzalez, Western Region Coordinator
American Postal Workers Union, AFL-CIO
Before the Postal Regulatory Commission
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Madame Chairperson and members of the Commission, my name is Omar Gonzalez, Western Region Coordinator of the American Postal Workers Union, AFL-CI). On behalf of the 250,000 members of my union, I thank you for holding this hearing today to examine one of the most significant changes the Postal Service has ever presented to the Commission – i.e., to end letter carrier street delivery, collection at blue boxes, and incoming mail processing on Saturdays.

The mission of the U.S. Postal Service is to provide the nation with affordable universal mail service. The Government of the United States, authorized by the Constitution and created by Congress, established the U.S. Postal Service as a basic and fundamental service. Eliminating fifty-two (52) days of universal service will deprive millions of citizens of the right to receive their mail and public confidence in this institution which preceded the founding of this great country would erode further.

Such erosion of confidence coupled with continued degradation of service to businesses and the community will hasten the call for elimination of the private express statutes and legal monopolies which ensure quality postal services at affordable prices.

Millions of American citizens depend on Saturday delivery to receive prescription drugs, checks, newspapers, periodicals, church notices, community event notices. Many businesses, including banks operate on a six day week. Many citizens and businesses plan for their mail to arrive on Saturday.

USPS public relations campaign to sell the American public on elimination of Saturday delivery have caused businesses to experiment and seek alternative means of delivery in anticipation of five day delivery. This is taking mail volume out of the stream and adding to declining revenue.

Financial Condition of the US Postal Service

The financial picture painted by the Postmaster General of a projected loss of $238 million over the next year has been exposed, with all due respect, as a spurious analysis of reality. USPS would have to lose approximately $24 billion each year for the next ten (10) years to arrive at the "theoretical" projection.

Yet, that is the figure and premise being touted in the media campaign of the Postmaster General to garner public support for the elimination of fifty-two (52) days of postal service to America.

We echo the Chairperson's comment on the unresolved issue which has a major impact on postal finances is to address retiree healthcare liabilities and pension funding. The Postal Accountability and Enhancement Act of 2006 virtually has forced USPS into insolvency.

We applaud the Commission's efforts to determine the fairness and equity of the methods used by OPM to determine the Postal Service's share of Civil Service Retirement System liability and overpayment

revealed by the OIG's report but even the Service's share of Federal Employees Retirement System liability may be over funded as well.

We do not agree nor support the USPS Board of Governor's action approving the Postmaster General's plan to end six day delivery. The estimated savings of $3.1 billion per year will not offset the billions of dollars in revenue that will be diverted from postal coffers by millions of Americans seeking alternatives.

Slowly the economy is showing signs of rebounding. Reports indicate that in Quarter 1 American households saw an increase of credit card solicitations by 29% from the same time the previous year. There are signs of growth in the parcel delivery for the Postal Service. Eliminating Saturday delivery will result in private couriers filling the void and making a profit at the expense of the American people.

While volume may never return to 2006 levels, modest but steady return, coupled with repeals of unreasonable requirements to pre-fund retiree health benefits will go a long way to stabilizing the Postal Service.

Slowly but markedly the losses in revenue are shrinking compared to previous losses as the recent disclosure of financial reports for Quarter 2 reveal.

Madame Chair, there are many other ways in which the Postal Service could save millions. An example is compliance with the nation's safety laws so as to avoid hundreds of thousands of dollars in unnecessary fines. Or merely complying with its own requirements of regulating overtime which cost the postal service $79 million in 2009 alone, according to a recent report by the OIG.

In Conclusion

At a time when the USPS should be exploring every available means to increase volume and revenue, including compliance with contracts, regulations and statutes the seriously flawed effort to cut services will only undermine the viability of postal services in this country.

The elimination of blue box collections on Saturday only exacerbates the already decimated reduced numbers of such boxes made available in most communities. Coupled with efforts of the Postmaster General to close supposed unprofitable post offices under the guise of optimization undermines the mission of the Postal Service as envisioned by the United States Government for the people.

To our own membership and those of our co-workers in the other crafts we are proud to render service despite having very little say on how we are allowed to provide that service.

While it is true that the elimination of a day of delivery will have an effect on postal workers through altered mail processing and maintenance schedule modification supposedly intended to save money the effect on the American public and on business will eventually result in a death spiral the Postal Service may never recover from.

The American Postal Workers Union urges the members of the Commission to render an opinion that rejects the Postmaster General's proposal to reduce mail delivery to five days per week and preserve prompt, reliable and efficient postal service to customers in all areas and to all communities.