

**BEFORE THE
POSTAL REGULATORY COMMISSION**

SIX-DAY TO FIVE-DAY STREET DELIVERY
AND RELATED SERVICE CHANGES, 2010

Docket No. N2010-1

**DIRECT TESTIMONY OF WILLIAM H. YOUNG ON BEHALF OF THE NATIONAL
ASSOCIATION OF LETTER CARRIERS, AFL-CIO**

My name is William H. Young. I submit this testimony on behalf of Intervenor National Association of Letter Carriers, AFL-CIO (“NALC”), which serves as the collective bargaining representative of a nationwide bargaining unit of city letter carriers employed by the United States Postal Service (“USPS”). I served as NALC’s President from 2002 to 2009.

In November 2006, during the last round of bargaining between NALC and USPS for a new collective bargaining agreement (“CBA”), NALC made an offer to USPS that included a package of proposed savings. In its offer, NALC proposed a separate workforce of letter carriers to delivery mail on Saturday, with all other letter carriers working only on weekdays.

Under NALC’s proposal, the Saturday letter carrier workforce would have been composed in part of letter carriers who had retired from delivering mail full-time but who wanted to continue to work for USPS one day per week. NALC believed that there was a substantial number of retirees who might be interested in such a Saturday-only position.

Under NALC’s proposal, to the extent Saturday positions remained available after retirees were hired, the Saturday workforce would have consisted of new hires hired from the USPS hiring register who agreed to take a position delivering mail one day per week until full-time positions with USPS became available.

Under NALC's proposal, the retirees in the Saturday workforce would have been paid at Step O pay under the CBA. However, USPS would have saved a substantial amount employing them since they were already retired; USPS would not have needed to make pension or retiree health contributions on their behalf. USPS would also have saved a substantial amount employing new hires who worked on Saturdays only. These new hires would have earned entry-level Step A pay under the CBA so long as they were part of the Saturday workforce. Moreover, under NALC's proposal, these new employees would not have been entitled to pension, health, annual leave and other benefits.

NALC estimated that its proposal would have saved USPS several hundred million dollars annually, assuming that the new Saturday workforce were composed half of retired letter carriers and half of new hires. During negotiations, NALC shared this savings estimate with USPS and USPS did not dispute it.

Although NALC's proposal would have substantially reduced the cost of Saturday deliveries, USPS did not accept it.