



American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

November 16, 2007

William Burrus
President
(202) 842-4246

Mr. David Williams, Inspector General
United States Postal Service
1735 N. Lynn Street
Arlington, VA 22209-2020

Dear Mr. Williams:

I have had the opportunity to review your office's Audit Report dated Sept. 24, 2007, about the Postal Service's employee benefit programs, and I am disturbed by its contents.

Simply put, your analysis of the cost of postal benefits compared to those of other federal agencies lacks relevance. The Postal Accountability and Enhancement Act of 2006 requires the Postal Service to bargain with employee unions over wages, benefits, and working conditions, as did the Postal Reorganization Act of 1970. USPS contributions to the Federal Employee Health Benefit Program (FEHBP) and the Federal Employee Group Life Insurance (FGLI) program have been established as a result of legally-required negotiations.

The statutory mandate for bargaining has been and continues to be "to establish and maintain wages and benefits comparable to *the private sector*," but your analysis compared the USPS negotiated-benefit programs to six federal and five quasi-federal agencies. This comparison arbitrarily ignores the legislative mandate and has no standing in the bargaining process.

I am troubled that the Office of Inspector General has elected to insert itself into the collective bargaining arena without portfolio. Because the law does not confer such responsibility to the OIG, the audit report serves no constructive purpose.

I am particularly offended by the report's claim that reductions in benefit program contributions represent "\$1.073 billion in funds put to better use." Your auditors are not positioned to arrive at such a conclusion.

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Mr. David Williams, Inspector General
United States Postal Service

I have previously discussed with you and others in your office the billions of dollars allocated in workshare discounts for large mailers that exceed the postal costs avoided. Despite the enormity of this loss of revenue, your office has failed to document and analyze this egregious violation of the integrity and accountability of the Postal Service. It is especially troubling that your office has remained silent while the USPS has failed to adjust workshare discounts to reflect the reduction of millions of work hours that resulted from automation. As you undoubtedly know, under the law, as work hours used for mail processing are reduced, the avoided costs reflected in workshare discounts must be reduced proportionally.

Rather than producing an irrelevant comparison of postal benefit costs to those in other federal agencies, your office would better serve the public interest by exposing this collusion between major mailers and postal management, which circumvents the legal requirement of universal rates.

Sincerely,

A handwritten signature in black ink that reads "William Burrus". The signature is written in a cursive style with a large, stylized "W" and "B".

William Burrus
President

cc: Anthony J. Vegliante, USPS Executive Vice President and Chief
Human Resources Officer
National Association of Letter Carriers
National Postal Mail Handlers Union
National Rural Letter Carriers Association

WB:RB/rr
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