American Postal Workers Union, AFL-CIO

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William Burrus
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September 22, 2010

Congressman Darrell Issa
United States House of Representatives
2347 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Issa:

Your September 20 opinion article in the Washington Times, *"Time for another government bailout,"* includes so many inaccuracies about the state of the Postal Service that I hardly know where to begin. Frankly, it appears to be nothing more than a political attack on government workers and labor unions.

For the record, the facts are as follows:

- The Postal Service does not need a bailout, and no one has requested one – not the USPS, not its customers, not its unions, and not Democratic lawmakers.
- The Postal Service is required to pre-fund future retiree healthcare obligations, in accordance with the terms of the Postal Accountability and Enhancement Act. The Bush administration insisted on including this requirement in the 2006 legislation – at a cost to the Postal Service of more than $5 billion annually for 10 years. Of course, no other federal agency or private company – including FedEx and UPS – is required to make such payments. This obligation is one of the primary causes of the Postal Service's current financial crisis.
- Absent the politically-inspired healthcare pre-payment obligation, the Postal Service would have experienced a $3.6 billion surplus over the three-year period from Fiscal Year 2007 through Fiscal Year 2009, despite the worst recession in 70 years. In 2010, the entire projected deficit is comprised of the $5.5 billion pre-funding requirement and a $1.5 billion "fair value" adjustment under GAAP rules to future workers compensation liabilities for employees who have been injured on the job. The adjustment is driven by discount and inflation rates as applied to future obligations. The $1.5 billion adjustment does not represent a cash payment required in 2010.
- Two independent and respected auditors concluded that the Postal Service has overfunded its retirement fund by $50 billion to $75 billion. If the USPS were permitted to apply the overpayments to the future retiree healthcare obligation, the agency's financial crisis would be resolved.

- Mail volume reached its peak in 2006, long after the advent of the Internet and e-mail. Clearly, the Bush recession is a major reason for the reduction in commercial mail, yet your editorial blames only the "declining demand for traditional mail delivery."
- Labor costs, which postal management claims accounts for 78 percent of revenue – and which you inflate to 80 percent – includes the salary and benefits of more than 87,000 postal employees that are not covered by labor contracts, including the postmaster general, his staff, tens of thousands of postmasters and supervisors, as well as private contractors. The compensation costs for APWU bargaining units were reduced by 8.2 percent for from FY 2007 to FY 2009, but non-bargaining compensation costs declined by just 1.5 percent during that same period.
- Contrary to your assertion, the APWU contract, which covers the largest bargaining unit in the Postal Service and in the United States, permits layoff of surplus employees.
- Despite your claim, postal unions have not "balked at the idea of changing contracts that refuse to allow necessary layoffs even if workers would be offered the opportunity to be retrained and fill other positions in the federal government." The APWU is presently bargaining with the Postal Service, but we have not yet been presented with management's proposals on this topic. I cannot imagine how you can predict the union's reaction to contract proposals that have not yet been made.
- Your editorial ignores the fact that postal costs have been cut in the amount of $3 billion in 2010 alone and that approximately 213,000 postal jobs have been eliminated since 2001.

I could go on, but the message of this rebuttal is clear: Your bias against working people is apparent in the numerous misstatements that were included in your article. How unfortunate that you neglected to get the facts straight before denigrating the 600,000 men and women who operate the largest, most efficient and least expensive mail system in the world.

Sincerely,

William Burrus

William Burrus
President

cc: Congressman Edolphus Towns
Congressman Stephen Lynch

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