

The Local Line

"A PPA Award Winning Publication"

The Official Voice of the
Northwest Illinois Area Local

Floor Edition

March 10, 2009

Update by: Jackie Engelhart

Fifth COLA Will be 0
In January the Consumer Price Index (CPI) rose to 612, which was below the July 2008 CPI of 664, which our last COLA was based upon. Based on the CPI for the last six month period the fifth COLA under the 2006 contract will be 0. Effective 11-21-09 all APWU employees will receive a 1.2% salary increase. The next COLA will be announced after the July CPI is released., and that will leave us with two more COLA adjustments in 2010 for the 2006-2010 contract.

\$50-50 is now \$25-25
National Organizing Director Frank Romero notified us on 2-27-09 that the National is discontinuing funding of the \$50-50 Organizing Campaign. The National and the Local split the cost of \$50-50 with the organizer and new member each getting \$50. We will continue the organizing drive at the reduced amount of \$25 each to the organizer and new member.

PMG Senate Testimony
In testimony before a Senate subcommittee PMG Potter stated Congress requires USPS to pay future retiree benefits of almost \$56 billion over 10 years, including \$2 billion a year for current retirees. He said USPS is the only federal agency required to pre-fund this obligation and it's difficult to comply, "even in the best of times." He said the retiree health fund "has a strong and growing balance" of more than \$32 billion and recommended that Congress allow USPS to pay its costs for current retirees out of the fund which could save USPS almost \$25 billion over the next eight years. He said this proposal would not raise premiums and would not impact benefits.

Lynch Replaces Davis
Congressman Stephen Lynch (D. Mass) has replaced IL Congressman Danny Davis as the new chairman of the House Oversight and Government Reform Committee. His mother worked as a postal clerk for 25 years.

Legislative Issues

These bills have a chance of being enacted by Congress and directly affect all postal workers.

HR 7313 would assist USPS to address it's serious financial constraints and would serve to protect postal jobs by adjusting the payment schedule USPS pays for retiree benefits (as called for by PMG Potter).

HR 4236 Mail Network Protection Act would require the USPS to bargain with affected postal unions before engaging in subcontracting.

FERS Sick Leave would allow FERS employees to count their unused sick leave towards the computation of their retirement annuity as Civil Service employees are already allowed to do.

Employee Free Choice Act would establish stronger penalties for employers who abuse or fire employees who seek to form a union and establish a new contract. It would require companies to recognize a union if the majority of employees vote for one by a simplified employee check-off.

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President
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USPS Financial Crisis is Real

The USPS operates totally on revenue of postage and receives no funding from the federal government. When USPS is short of cash they can borrow up to 3 billion in any given year with a maximum \$15 billion total. USPS payroll expenses are currently 1 billion per pay period so the 3 billion dollar borrowing limit won't go far. Mail volume was down 9 billion pieces last year with a loss of \$2 billion. It is expected that mail volume will decrease by 20 billion pieces this year with a loss of \$5 billion. With these projections it will not take long to accumulate \$15 billion in debt. Some think e-mail is the problem but the highest mail volume in USPS history was in 2005 thru 2007 in spite of the internet. The biggest problem is the economy, and the other problem is the Postal Accountability and Enhancement Act (PAEA) passed in 2006. This law requires USPS to pre-fund retiree health benefits within 10 years, costing USPS an additional \$5.4 billion for each of the next nine years. President Burrus said this was a bad bill but other unions, postal management, and the major mailers supported it. Now all agree that Congress should relieve USPS of the pre-funding requirement. Last year USPS would have been in the black if not for this pre-funding, not required of any other agency. Per the USPS Preliminary Financial Report, mail volume is down 10% in FY 2009 and total operating expenses are down 1%, but spending on "Information Technology" is up 137% over same period last year. USPS is broke but still spending \$ on more machines like the FSS.

USPS Employees Down 4.4%

February employment figures filed by the USPS show career staffing levels are down 4.4% from a year ago. The decline of 29,960 was across the board affecting all employee categories. The largest decline was the Clerk craft down 6.7% or 13,405 jobs. The smaller Mail Handler craft lost 3,144 jobs or 5.5%. The Carrier craft lost 10,337 jobs down 4.8%. I expected a loss of Clerk and Carriers but was surprised that Mail Handlers also lost jobs.

Postage Increase May 11, 2009
USPS will be raising prices on May 11th, including a 2-cent increase for first-class stamps to 44 cents. Prices for mailing services are reviewed annually and adjusted each May. APWU President Burrus criticized this proposed rate increase back on 2-10-09, stating "The planned rate structure would continue the failed strategies that have brought the USPS to the brink of disaster. Once again the USPS is asking individual customers and small businesses to subsidize major mailers and mail pre-sorters. The real travesty is that the rate proposal jeopardizes the survival of the USPS. They cannot afford to grant these excessive discounts."

Subcontracting = Privatization
The USPS continues to depend on the airlines and FedEx to fly mail, and private trucking firms to transport mail. The USPS is in discussions with private firms to contract out the Bulk Mail Centers to process bulk mail. USPS continues to convert PVS (Postal Vehicle Service) routes to HCR (Highway Contract Routes). The USPS is spending money on technology and private firms to eliminate career postal employees.

Where's the Loyalty?

Whenever I order something I insist it be delivered by USPS instead of UPS even if I have to argue about it. I hope all postal employees use USPS and not a competitor. I also mail my bills by mail and do not pay on-line. Even though USPS management seems to have no loyalty to the employees as they continue to outsource our work, I need my job, and have loyalty to the USPS in spite of management's continued efforts to dismantle and privatize it.

MSS Open Season in March

This month-long opportunity for Maintenance Craft employees to update your records occurs only once every three years. Because only current Maintenance Craft employees can be on the in-craft Promotion Eligibility Register, an employee should take advantage of open season to apply for all PERs in an installation. This action should be taken regardless of whether an employee actually plans to try for a promotion or demotion. The point is to qualify and keep your options open. Even if your results come back with an ineligible rating, the update process in Article 38.5.D is always there so the employee can become qualified in the future without going through the entire process.

Retirement Seminar on 4-25-09

The Seminar will be conducted by former APWU Retiree Director John R. Smith and is free to all NWIAL members with a requested \$10 donation to COPA. Civil Service is from 9am to noon with lunch served, and FERS is from 1 to 4 pm. Register in advance and prepare for your future.

We expect an announcement any day of another VER open to all postal employees.