



National Postal Mail Handlers Union

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TESTIMONY OF

JOHN F. HEGARTY
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BEFORE THE

SUBCOMMITTEE ON
FEDERAL WORKFORCE, POSTAL SERVICE, AND
THE DISTRICT OF COLUMBIA

OF THE

HOUSE COMMITTEE ON
OVERSIGHT AND GOVERNMENT REFORM

OVERVIEW OF USPS OPERATIONS
AND BUSINESS PRACTICES

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Good morning, and thank you Chairman Davis and members of the Subcommittee for inviting me to testify. My name is John Hegarty, and I am National President of the National Postal Mail Handlers Union (NPMHU), which serves as the exclusive bargaining representative for approximately 57,000 mail handlers employed by the U.S. Postal Service.

The NPMHU appreciates this opportunity to present its views to your Subcommittee. It has been a long time since we have had any meaningful Congressional oversight of the Postal Service, if only because postal reform legislation became the singular focus for postal-related hearings during the past few years. On that topic, let me note that the NPMHU also is very appreciative of the efforts made by you and by Representative McHugh, as well as many other members of this Subcommittee, to ensure that all postal stakeholders, including the NPMHU, were fully involved in that process.

As you know, mail handlers are an essential part of the mail processing and distribution network utilized by the Postal Service to move more than 200 billion pieces of mail each year. We work in all of the nation's large postal plants, where mail handlers are responsible for loading and unloading trucks, transporting mail within the facility (both manually and with powered industrial equipment), preparing the mail for

distribution and delivery, operating a host of machinery and automated equipment, and sorting and containerizing mail for subsequent delivery. Our members generally are the first and the last employees to handle the mail as it comes to, goes through, and leaves most large postal plants.

The majority of mail handlers are employed in large postal installations, including several hundred Processing & Distribution Centers, Bulk Mail Centers, Air Mail Centers, and Priority Mail Processing Centers. The largest of these installations, most often measured as those which utilize 200 or more bargaining unit employees, currently employ more than 90% of the mail handlers represented by the NPMHU, and close to 80% of mail handlers work in installations that have 500 or more postal employees.

Although mail handlers are located throughout the United States, we are not spread evenly across all geographic areas. For example, more than 40% of all mail handlers are employed in seven of the largest Consolidated Metropolitan Statistical Areas that are tracked by the Census Bureau – including New York, Chicago, Washington-Baltimore, Los Angeles, San Francisco, Philadelphia, and Boston. Thousands of other mail handlers are working in or near other large cities, including Buffalo, Cincinnati, Cleveland, Dallas, Denver, Detroit, Hartford, Houston, Indianapolis, Milwaukee, Pittsburgh, Providence, Richmond,

St. Louis, Minneapolis-St. Paul, Phoenix, Seattle, and Springfield, Massachusetts, where I started my postal career. The vast majority of mail handlers, therefore, work in the nation's twenty-five largest metropolitan areas, where the cost of living is generally higher than average.

Virtually all newly-hired mail handlers are employed in part-time flexible positions, with no fixed schedule and no guaranteed work beyond two or four hours (depending on the size of the facility) per two-week pay period. For this position, the current starting pay is \$13.92 per hour. Even assuming that such a recently-hired mail handler is assigned work for 40 hours per week, at that hourly rate a new mail handler would earn base annual wages equal to \$28,954 per year. Assuming that the mail handler continues to work for the Postal Service, after several years of part-time employment (although sometimes sooner), the employee generally would be converted to a full-time regular position with fixed days and hours. This fixed schedule usually includes work at night between the hours of 6:00 pm and 6:00 am (over half of all mail handler hours fall within this time frame) and often includes work on weekends. We process mail seven days a week. After thirteen or fourteen years of working for the Postal Service, the wage scale currently in effect provides for a mail handler hourly wage of between \$22.53 and \$23 per hour. This base wage remains the same, subject to future negotiated increases,

for the remainder of the mail handler's career, such that a mail handler who has dedicated 30 years or more of his or her life to the Postal Service currently earns that same base wage – approximately \$47,000 per year.

There is one crucial and overriding point that I want to emphasize at this hearing, which is focusing on the Postal Service's operations and business practices. From all indications, there is a contracting-out virus that seems to be infecting Postal Service Headquarters. At a time when you would expect the top echelons of postal management to be focused in laser-like fashion on ways to improve service and volume, and to ensure proper implementation of the recently enacted postal reform legislation, management officials are spending an inordinate amount of money and time on schemes to privatize our work.

This is extremely unfortunate, not only for mail handlers and other career postal employees, but also for postal customers and the American public.

From the perspective of the NPMHU and the 57,000 employees we represent, contracting our work out to private employees who receive low pay and even lower benefits is effectively throwing a hand grenade into any sense of harmonious or productive labor relations. The parties have freely negotiated wages and benefits for career mail handlers for more

than thirty years. To subcontract out work solely to undermine the results of more than three decades of good-faith collective bargaining, without any justification other than saving money through a reduction in wage rates and benefits, is directly contrary to the purpose of those negotiations, and to the policies underlying both the Postal Reorganization Act of 1970 and the Postal Enhancement and Accountability Act of 2006. The NPMHU cannot think of a more unjustified attack on the postal workforce than a unilateral act by the Postal Service which effectively says that prior negotiations, conducted by the parties in good faith, have resulted in wage rates and benefits that are too costly, and therefore the Postal Service will be seeking non-career employees to perform the same work for lower wages and lower benefits.

But subcontracting is even more dangerous, and more unjustified, when it is viewed from the perspective of the American public. Simply put, for a wide variety of reasons, we believe that privatizing the processing or delivery of mail jeopardizes the very core of the U.S. postal system that was wisely included in the U.S. Constitution as a cornerstone of the American communications system.

First, using subcontractors to process and deliver the mail jeopardizes the sanctity and security of the mail, raising important concerns about who is handling the mail and precisely what might find

its way into the postal system. In the dangerous environment that all Americans must confront in the 21st century, especially after the terrorist attacks of September 11, 2001 and the anthrax attacks of October 2001, it is only reasonable to expect that postal mail handlers and other career postal employees are better able to deal with homeland security issues than privately-contracted employees. Mail handlers are subject to much greater scrutiny and supervision, both prior to hiring and while performing their work, than contracted employees who are not hired using the same rigorous standards or procedures followed by the Postal Service. Mail handlers are hired after written exams, entry and background testing, and often with extensive experience in the military under veteran preference laws. Mail handlers are hired for a career job, expected to last for many decades, and therefore have a greater stake in performing their job well and in the success of their employer and its mission than do temporary employees. Indeed, privately contracted employees who are hired into a temporary job, with absolutely no job security and much lower pay and benefits, certainly are not trained to protect the mail or the American public from the dangers of biohazards or mailed explosives, to name just two of many security concerns. To maximize our homeland security, the NPMHU is certain that career mail handlers who are properly trained and experienced are better able to handle the potentially dangerous situations that may arise in and around the nation's postal system.

Using private employees to process and deliver the mail also raises a host of other concerns that should give pause to any subcontracting plans by the Postal Service. To pose just a few questions that deserve the attention of this Subcommittee: Is it not obvious that using temporary, low-paid, untrained workers to process and deliver mail will increase the dangers associated with identity theft? Is it not obvious that allowing the Postal Service to subcontract mail processing and delivery to private contractors will defeat the very purpose of the veteran preference laws, and eliminate all of the benefits that are meant to accrue both to veterans and to the Postal Service when an agency is encouraged, if not required, to hire our nation's veterans? This is especially important today, and in the future, with our Service women and men returning from Iraq, Afghanistan, and other duty stations. Is it not obvious that the contracting out of career postal jobs will waste the valuable infrastructure on which the Postal Service has spent so much time and money, such as the development of skilled training instructors and facilities or the creation and implementation of job safety programs?

Even more questions could be asked, but there is no reason to belabor the point. The Postal Service's continuous attempt to subcontract our work to private contractors follows a disturbing pattern of privatization for privatization's sake, and is not based on any

enhancement of the product or service being provided. As Americans have seen with the rebuilding of New Orleans after Katrina, or the operations at Walter Reed Army Medical Center, or in many other recent attempts by the federal government to expand privatization, this is a formula for disaster, opening the door to unscrupulous or incompetent work in the name of “saving money.”

Let me for a few moments look at some recent examples of subcontracting by the Postal Service that have directly and adversely affected the mail handler craft. Many of these subcontracts have been colossal failures.

Approximately nine years ago, for just one notable example, the Postal Service decided to contract with Emery Worldwide Airlines to process Priority Mail at a network of ten mail facilities along the Eastern seaboard. Today, the work at those facilities has been returned to mail handlers and other career employees, but not before the Postal Service suffered losses in the hundreds of millions of dollars. At a meeting of the USPS Board of Governors, one Governor said publicly that the Emery subcontract was one of the worst decisions that the BOG ever made.

A similar story can be told about outsourcing of the Mail Transportation and Equipment Centers, or MTECs. Several years ago,

about 400 mail handlers were displaced from these facilities, in favor of private-sector employees working for contractors who passed their costs on to the Postal Service. The Office of Inspector General has audited these contracts, and has concluded, once again, that the Postal Service has wasted tens of millions of dollars in the inefficient use of these contractors, and that the same work, if kept inside the Postal Service, would have been performed more cheaply.

More recently, in November 2006, the Postal Service decided to subcontract the processing of military mail for Iraq and Afghanistan that was being performed by mail handlers employed at the New Jersey International and Bulk Mail Center, in what is known as the 093 Contingency Operation. This is military parcel mail headed, as I noted, to Iraq and Afghanistan, as well as mail coming back to the States from our Service members.

Without exaggeration, this is one of the most outrageous subcontracting decisions that the Postal Service ever has made. In May 2005, the Joint Military Postal Activity for the Atlantic area – representing the United States Army, Navy, Air Force, Marines and Coast Guard – issued a formal Letter of Appreciation to the career postal employees handling this military mail, stating that their “professional work ethic and personal contributions [from 2002 through 2005]

significantly contributed to the Morale and Welfare of all our Service Members.” To quote the Letter of Appreciation to these mail handlers, “your dedicated and honorable service” is appreciated, and “May God bless you and keep you safe.”

One year later, in July 2006, representatives of the military attended a meeting on-site at the New Jersey postal facility, and again took the opportunity to thank the mail handlers for their continued dedication, hard work, and support for the military.

But only a few weeks later, in early August 2006, postal management informed our Local Union that the processing of military parcels in this operation would be contracted out, and the work subsequently was transferred to private employees in November of last year.

If there is a rationale for this subcontracting, it has not been explained to the NPMHU. Rather, the career mail handlers who dedicated years of their worklives to ensure that parcels were being efficiently and timely handled on their way to our troops in the Persian Gulf and in Southwest Asia were slapped in the face, by local postal managers who decided that saving a few dollars per hour should override

any other factors, including the views of the U.S. military and the needs of homeland security.

Another recent and ongoing example concerns the Postal Service's ongoing consideration of subcontracting for the tender and receipt of mail at many Air Mail centers and facilities. We are in the process of challenging this decision, which we have been told still has not been finalized, although many airport sites are at risk, including Baltimore (BWI), Charlotte, City of Industry (Ontario, CA), Denver, Detroit, Hartford, Humble/Houston, Indianapolis, Las Vegas, Los Angeles (LAX), Milwaukee, San Antonio, Seattle and St. Paul.

Once again, the Postal Service seems incapable of recognizing that career mail handlers are part of a permanent and trained work force, which is particularly well-suited to the additional security concerns that are presented in and near the nation's airports. Remember, shortly after September 11th, Congress insisted that security workers at the airports should remain federal employees, and we believe that a similar requirement should be imposed on postal employees who may be sorting and loading mail for transportation onto commercial airlines. In this day and age, does the American public really want a series of lowest bid workers handling packages and mail that is being loaded onto airplanes? Does Congress really want to allow the Postal Service to contract out this

work, simply to save a few dollars in wages and benefits? To the NPMHU, the answer should be a resounding no.

Allow me to address briefly one other issue. During last year's debate about postal reform, the NPMHU did not support the unfair inclusion of changes to the three-day waiting period for injured employees that found its way into the final legislation. Postal employees who are injured at work, usually through no fault of their own, should not be victimized twice by their employer.

We suggested last year that Congress should not single out postal employees for an adverse amendment to the federal workers' compensation system, and that Congress should at least study the issue through hearings and the development of evidence before making such a change. Congress nonetheless chose to lower workers' compensation benefits, and the NPMHU urges this Subcommittee to consider a return to the previous system.

Again, thank you for this opportunity to testify. If you have any questions, I will be glad to answer them.