



National Postal Mail Handlers Union

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TESTIMONY OF

**JOHN F. HEGARTY
NATIONAL PRESIDENT
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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**

“The Economics of Universal Mail Post PAEA”

May 8, 2008

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, which serves as the exclusive bargaining representative for more than 57,000 mail handlers employed by the U.S. Postal Service. In the interest of time and to accommodate your panel's practice of creating a dialogue through questions, I will be brief. Please enter my entire testimony in the record.

It has been more than a year since I testified at your 2007 oversight hearing. In that year, the country has fallen deeper and deeper into an economic downturn – perhaps even a recession – which, when combined with the increasing use of electronic and other means of processing and delivering the mail, has created a potential economic crisis for the Postal Service. In 2007 I stated that it was inappropriate – unwise, unsafe, and wholly unjustified – for the Postal Service to outsource its core functions, including the processing of mail normally handled at air mail centers or the processing of military mail headed to our troops in Iraq and Afghanistan.

That was my position then; it is my position now; and it will be my position tomorrow. Yet the Postal Service continues to pursue a fool's gold solution. I call it "fool's gold" because the Postal Service continues

to make plans to replace long-term career employees who are dedicated to the mission of the Postal Service with low-paid, no-benefit, non-career, and often transient workers. Not only are the financial “savings” an illusion, but the American people should not have their postal system subsidize the profits of privateers, whether in the processing or delivery of mail.

I will not repeat all of the reasons we oppose the outsourcing of postal work, as everyone on this Subcommittee is already intimately familiar with those arguments. But I did want to highlight one point that has not received much attention: that the privatizing of mail has had an unfortunate corollary effect of reducing the number of opportunities for veterans returning from combat and non-combat situations. The mail handler craft welcomes veterans, as does the entire Postal Service. We have an extremely high percentage of veterans in our ranks, and some of our brothers and sisters are serving overseas in the war zones today. We are proud of that fact, and have managed to partner with the Postal Service in preserving their jobs.

Unfortunately, private contractors are not held to the same requirements as the Postal Service when it comes to hiring vets; and, even if a private contractor were to hire a veteran, and ask that veteran to perform some of the same tasks as our members, that veteran would

not have the same appeal rights and the same job security as a mail handler hired as a career employee by the Postal Service. The private gain of contractors is at the expense of our veterans, and ultimately at the expense of the American people.

Today, we are fortunate to have H.R. 4236, the Mail Network Protection Act, which has been introduced by Representative Steve Lynch. It has bipartisan support from at least 86 of your colleagues. The bill attempts to give career postal employees a fair shot at work slotted for privateers. Each significant proposal to subcontract postal work would be carefully analyzed. Mr. Chairman, you have been a postal employee. You know our members. We can compete with anyone – but we must have a level playing field, with a chance to bargain about any subcontracting before it occurs.

We live in a century that will see vast changes in postal processing. In 1970, who could envision today's machinery, some of which is comparable in size to a football field? It does the work of many employees. We monitor the integration of this machinery to make sure it performs work efficiently and securely, without endangering the safety of our operators. My union works closely with the Postmaster General and his staff to make sure those employees are properly trained; to ensure that they perform their labor in a safe work environment; and to

minimize the personal inconvenience and dislocation that employees might otherwise suffer. The installation and integration of machinery has been implemented relatively smoothly, for several decades now, because management and union representatives are required to bargain about these issues, and therefore we are able to work jointly to resolve any disputes. The same should be true for proposals to outsource or subcontract the work of career employees; but if the Postal Service continues to outsource work on a unilateral basis, without bargaining with its unions, it will continue to drive a wedge between postal management and the hundreds of thousands of loyal and dedicated postal employees.

Another feature of the twenty-first century will be realignment of the postal network to meet modern business and population trends. I must be honest: our members nervously await the upcoming report on network realignment. In the past, we have had some differences with the Postal Service on aspects of this on-going realignment. Often those differences arise from the secrecy within the Postal Service. If the Postal Service simply would share its draft plans with us ahead of time, we could work to minimize the dislocation and inconvenience to our members, as is required by our collective bargaining agreement, and also to minimize the service disruptions that may occur to your constituents. In the end, if service deteriorates unnecessarily, then no network

realignment, no matter how attractive on paper, is justified. And who knows better than the union members who collect, process, and deliver the mail? We must take advantage of the workforce's knowledge, skills, and abilities, and try to preserve the qualified and productive workforce currently employed.

I would like to take some time to commend the Board of Governors and the Postmaster General for their vision of a new, post-postal reform world. In changing to a more-traditional business model, they have rolled out new products to enhance our competitiveness. They are pursuing intelligent mail, new products, and innovative pricing. While the Mail Handlers Union generally supports new products and new pricing models and volume discounts when appropriate, such discounts must be priced appropriately and not be set to lose overall revenue, or be below the costs avoided. Where volume discounts can be accomplished to the benefit of the Postal Service and the customer, we have a "win-win" situation that all can and should support.

There are other modernization efforts that we encourage. They include providing assistance to states and localities that wish to offer "vote by mail." This alternative way of expanding democracy is long overdue. The bottom line is that it works and is user-friendly.

The Service also continues to get “green” awards, for its efforts to preserve our environment. In fact, last week the Postal Service received a Presidential award for its conservation efforts. This was not the first such award, and it will not be the last. Plus, the Postal Service continues to help mailers go green through the use of intelligent mail and other innovative ideas to protect the environment.

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