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Congress of the United States

House of Representatives

Subcommittee on Federal Workforce, Postal Service, and the District of

Columbia

Danny Davis, Chairman

Testimony of

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Affiliated with the AFL-CIO &
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Good afternoon, Chairman Davis, Ranking Member Marchant and other distinguished Members of the subcommittee. I am very pleased to be here today to testify before this hearing on the issue of outsourcing in the U.S. Postal Service. My name is William H. Young and I am proud to represent 300,000 active and retired letter carriers as the President of the National Association of Letter Carriers. NALC was founded in 1889 to advance the well-being of the nation's letter carriers and to support the maintenance of affordable and universal postal services in America. It has served as the exclusive collective bargaining representative of city letter carriers since 1962.

Thank you Chairman Davis for holding this important hearing. As you know, I have been quite concerned about the growth in delivery outsourcing in the Postal Service in recent years. Indeed, when I appeared before this subcommittee on April 17, 2007, I devoted the lion's share of my testimony to the what I consider the grave threat posed by Contract Delivery Service. As I said then, NALC believes Contract Delivery Service is penny-wise and pound-foolish as a business strategy since it would damage the brand of the Postal Service by undermining America's trust in its services. I also suggested that

outsourcing violates a number of key public policies established by the nation's postal laws. For example, the law gives preference in hiring for postal jobs to veterans and mandates, with some exceptions, collective bargaining rights for workers employed by the Postal Service. The widespread expansion of CDS would make a mockery of these policies. Finally, I argued that who works for the Postal Service, and under what legal framework, are urgent matters of public policy – which I still firmly believe today.

I will not waste your time and repeat my testimony from three months ago. Rather, I would ask that my statement for the April 17th hearing be made a part of the record of this hearing so that I can update the committee about recent developments concerning the issue of delivery outsourcing.

Before I do that, however, I want to first thank Representative Albio Sires of New Jersey for introducing H. Res 282 earlier this year. That non-binding resolution calls on the Postal Service to discontinue the practice of contracting out mail delivery. As of early July, it had attracted a bipartisan majority of the House of Representatives as co-

sponsors. I believe that H. Res 282 has sent a strong message to the United States Postal Service to reconsider its plan to expand CDS delivery. This message was reinforced by the overwhelming support we have received from the public during dozens of informational pickets we have conducted around the country over the past several months. The American people want career letter carriers to deliver their mail. It is that simple.

I am pleased to report that the Postal Service appears to be listening, at least in some parts of the country. In recent weeks, we have been informed that CDS contracts would be withdrawn in several cities, including one in Bronx and several others in New Jersey and Iowa. Thank you Congressman Sires for helping illuminate the views of the House on this important issue and for prompting the Postal Service to reconsider.

Although the Postal Service seems to be moving in the right direction, it has not committed to abandon CDS altogether. For that reason, I welcome this hearing and I applaud this committee's interest in this subject.

Earlier this afternoon, Postmaster General John Potter reported that NALC and the Postal Service reached tentative agreement last week on a new collective bargaining agreement. This tentative contract, which will be sent out to our members for a ratification vote, contains two memoranda of understanding (or MOUs) related to the issue of subcontracting. I believe these MOUs may be relevant to your consideration of any future legislation on the issue of postal outsourcing. Before I describe the NALC's views on these Memoranda, I want to address what they mean for the long-running debate between the Postal Service and most of its unions about whether contracting out is bargaining issue or a policy issue.

I have maintained for months that NALC did not want Congress to get involved in writing the terms of our labor contract with the Postal Service. NALC has the ability to represent the letter carriers covered by our collective bargaining agreement. For example, if the Postal Service tries to contract out an existing letter carrier position, we have the means to fight for our members in Article 32 of our contract. But who provides service to new deliveries is both a collective bargaining issue and a public policy issue. As a bargaining issue, the key question has

traditionally been: should the work be assigned to city or rural letter carriers. By transforming traditional Highway Contract Routes, which were long established as mail transportation contracts, into CDS contracts for urban and suburban mail delivery, the Postal Service has transformed contract delivery into a public policy issue.

We have also maintained that the kind of workers assigned to handle new deliveries in the future should not be left to postal management alone to decide. In fact, it should not be left to postal unions to decide either. Congress has mandated collective bargaining for postal employees in general and only it can decide whether to make exceptions to this policy – as it specifically did with mail transportation contracts in the Postal Reorganization Act.

Our new agreement addressed the issue of subcontracting in two ways. First, we signed a MOU that restricts the Postal Service from contracting out delivery work in any of the 3,017 post offices with only city delivery services – this covers some 90,000 routes and ensures that all in-growth within these offices will be assigned to city letter carriers.

That MOU also protects all existing city delivery services from contracting out in offices that have both city and rural delivery services. In other words, the Subcontracting MOU prohibits outsourcing work now performed by city carriers over the life of the five-year contract.

Second, we signed a second MOU that establishes a Joint Committee on Article 32 comprised of labor and management representatives to review existing policies and practices concerning the contracting out of mail delivery. The Committee “shall seek to develop a meaningful evolutionary approach to the issue of subcontracting, taking into account the legitimate interests of the parties and relevant public policy considerations.” The Committee will be given reasonable access to all relevant data and report back after six months. During that time, the Postal Service will impose a moratorium on outsourcing delivery in any office where city carriers work.

I believe that we have reached a sensible and constructive approach to dealing with this difficult issue. We expect to learn a lot over the next six months. We hope that we will reach a mutually acceptable agreement on subcontracting that is consistent with the public policy

considerations referenced in the Article 32 Committee memorandum. If we don't, we will certainly be in a better position to advise this subcommittee about the potential need for Congressional action. Perhaps you might consider it appropriate to hold a second hearing on this issue after the Joint Committee completes its work. In the other words, We'll be back.

I want to conclude by applauding Chairman Davis for his leadership role on this issue and for calling this very important hearing and I want to thank all the members of the subcommittee for listening to my testimony. I would be happy to answer any questions you may have.