

APWU CONGRESSIONAL TESTIMONY

**American
Postal
Workers
Union,
AFL-CIO**

WILLIAM BURRUS
PRESIDENT

Before The

**SUBCOMMITTEE ON
FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION,
FEDERAL SERVICES, AND INTERNATIONAL SECURITY**

**“The Road Ahead II:
Views from the Postal Workforce
On Implementing Postal Reform”**

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July 25, 2007

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Mr. Chairman and Members of the Committee:

Thank you for providing me this opportunity to testify on behalf of the 300,000 dedicated postal employees the American Postal Workers Union is privileged to represent. I commend the Committee through your leadership, Mr. Chairman, for convening this hearing on the important subject of subcontracting by the United States Postal Service.

For more than a decade, virtually all of the legislative focus on the United States Postal Service was based on the belief that absent radical reform, this great institution faced imminent demise. Our union did not share this belief, and we did not support “reform” because we viewed it as a veiled attempt to undermine collective bargaining. However, the Postal Accountability and Enhancement Act has become law, and we promise to lend our best effort to making it work.

Now, with the ink on the legislation barely dry, and with new regulations spawned by the law yet to be written, we turn our attention to the unfinished business of the reform mania – the subcontracting of postal services.

Throughout the tortuous debate over postal reform, not a single proposal was made to privatize the Postal Service: Yet postal management, in concert with private enterprises, has begun to travel resolutely down the road of privatization without authorization from Congress. The subcontracting of delivery routes, which has been the subject of much recent discussion, is just one aspect of a dangerous trend: the wholesale conversion of a vital public service to one performed privately for profit.

The American Postal Workers Union condemns this trend, and vehemently opposes the subcontracting of postal activities. The USPS adoption of a business strategy based on outsourcing is especially troubling in view of the Postal Service’s statutory obligations to military veterans, and its responsibility to provide career opportunities for all postal employees.

Nonetheless, the United States Postal Service has adopted a business model that strives to privatize transportation, mail processing, maintenance, and delivery. As the *Washington Post* reported this month, a mailing industry spokesman recently opined that, “In the not too distant future, the Postal Service could evolve into something which could be called the master contractor, where it maintains its government identity, but all the services would be performed by private contractors.”

It is a private investor's dream: a tax-exempt, public monopoly, with revenues of \$80 billion per year. Eager businessmen anticipate the opportunity to divide the pieces of the U.S. Postal Service among themselves – for substantial private financial gain.

Perhaps the most insidious example of the march to privatization is the operation of the Mailers Technical Advisory Committee, a panel composed of high-ranking postal officials and mailing industry moguls. At closed-door meetings, top-level postal officials entertain policy recommendations by the nation's biggest mailers, and, despite "government in the sunshine" laws, the public is excluded from its deliberations, as are individual consumers, small businesses, and, of course, labor unions.

The operation of this advisory committee transfers the development of important postal policy to private entities motivated by their own bottom line. At these secret meetings, schemes are being hatched to convert work performed by the USPS to private, for-profit entities.

The APWU and the Consumer Alliance for Postal Services have filed a lawsuit challenging secret policy-making by the Mailers Technical Advisory Committee. This panel, known as MTAC, has operated for many years in relative obscurity, except to postal insiders. It has come to my attention on several occasions over the years, most recently in connection with its drive to force the Postal Service to consolidate its mail processing operations.

The USPS Transformation Plan emphasized the importance of network consolidation through implementation of the Postal Service's Network Integration and Alignment (NIA) plan, which is now known as the Evolutionary Network Development (END) plan. Pressure for network consolidation came from a Mailing Industry Task Force made up of the Deputy Postmaster General plus the CEOs of 11 large mailers represented in MTAC. Because of the importance of the network consolidation plan to the future of the Postal Service, and because of the potential impact of consolidation on APWU members, the APWU began to examine more closely the operations of MTAC.

Under the Federal Advisory Committee Act, it should be fairly easy to find out which postal policies and programs originated with the industry representatives in MTAC. The Advisory Committee Act requires that committee meetings be open to the public and that minutes of meetings be available. However, when the APWU sought to send a representative to attend MTAC meetings, our participation was barred. During the same period, MTAC stopped posting its minutes on the Internet and refused to provide copies for public use.

To an alarming degree, the Postal Service has ceded its policy-making responsibilities to an advisory committee made up of representatives only of large mailers. It is not surprising that the network reorganization plan that emerged from MTAC ignored public opinion and fomented a public backlash against ill-considered changes. Several Senators and Representatives intervened to ensure that their constituents' concerns were heard.

The secrecy of this powerful advisory committee has now taken on an even more ominous tone. The Postal Accountability and Enhancement Act (PAEA) mandated that the Postal Service publish new service standards in consultation with the new Postal Regulatory Commission. It is a matter of grave concern that representatives of the Postal Regulatory Commission – rather than awaiting formal proposals from the Postal Service – have been invited to attend secret MTAC

meetings where Postal Service policy is being developed in concert with large mailers. The Commission itself is required to publish regulations on ratemaking and data reporting under the new law. These processes are critically important to the implementation of the PAEA. One must wonder whether these issues, too, are being discussed in secret MTAC meetings.

On the critical issue of privatization of the United States Postal Service, it is imperative that Congress take a stand and insist on its right – its responsibility – to set public policy. What is at stake is whether an independent federal agency that performs a vital public service should be handed over to private for-profit enterprises.

I previously testified before the House Subcommittee on Federal Workforce, Postal Service and the District of Columbia on April 17, 2007. My testimony in that hearing included the following:

In this new world of postal reform, each institution must now find its rightful place. You legislate, unions represent, and managers manage. When these responsibilities overlap, and they do, the system can break and more often than not, service and workers suffer. As inviting as it may be, when you are asked to intervene with legislative action in areas best left to other parties, I request that you resist the temptation to do so.

I asked that lawmakers refrain from substituting their judgment for that of the parties who are directly involved. The road of intervention is a slippery slope. If you adopt a bill that addresses subcontracting of a specific postal service, who will resolve ensuing disputes? Will courts and judges be called upon to replace arbitrators and the parties' representatives as the interpreters of the provisions you impose?

The Postal Service and its unions have a long history of addressing thorny issues affecting every aspect of mail services. We write agreements; we interpret their intent, and submit our disputes to mutually agreed-upon arbitrators.

We believe that the USPS and APWU are best suited to make the many decisions and compromises that are required in all matters involving wages, hours and working conditions for the employees we represent, and I congratulate the Postal Service and the National Association of Letter Carriers for resolving their major subcontracting dispute within the framework of collective bargaining.

However, there *are* issues of such importance that Congress must intervene and set public policy. Although we request that you resist substituting your judgment for ours in writing specific terms, you must not be passive observers when it comes to addressing issues of vital importance to the nation.

If you believe, as we do, that the nation's mail service demands a level of trust between the USPS and the American people that requires the use of dedicated, trustworthy, career employees – you can achieve your objective without bargaining in our stead. You can accomplish this goal by *requiring* the Postal Service to negotiate over subcontracting. This simple, minor modification would place the issue in the forum where it belongs.

You have previously granted us the authority to bargain, and we have applied this right consistent with your intent. To address the important issue of subcontracting, we need the opportunity – and *that* will require your assistance.

Thank you for providing our members the opportunity to express our views on this important subject. I would be pleased to respond to any questions you may have.