

STATEMENT OF

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“The Future of the Postal Service: A Postal Policy Forum”

**HOUSE COMMITTEE ON
OVERSIGHT AND GOVERNMENT REFORM**

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Thank you to the Members of the Committee and the staff for inviting the National Postal Mail Handlers Union to participate in this important forum. My name is Bob Losi, and I serve as the Legislative and Political Director for the Mail Handlers. Prior to coming to Washington, I was the President of my Local Union, which represented four thousand mail handlers in the six states of New England. I have been employed by the Postal Service since 1981.

First, let me explain who mail handlers are. We are the unseen workforce of the Postal Service. Our members work mainly late in the afternoon and through the night, processing mail at the large facilities each day. Our members are the first employees to touch the mail when it arrives at a processing facility, and the last employees to work the mail before it is sent to delivery points.

We understand the crisis that the Postal Service faces. And, like everyone else here today, we know it has two principal causes: the economic recession, and the loss of first-class mail to the internet, email, and other electronic diversion. Advertising mail

simply does not make up for the lost revenue and it, too, has declined during the recession.

This crisis has directly affected many mail handlers. We have lost about 14% of our career members in the past two years, mostly through regular attrition and early retirements. Many remaining mail handlers have been relocated, or faced unwanted changes in their days off, their tours, or their schedules. Mail handlers in the Chicago area have been excessed to Des Moines; mail handlers in Memphis have been forced to move to Tulsa, Oklahoma. These reductions and dislocations are not going to end anytime soon.

But the Postal Service would have been at break-even, or even profitable, during two of the past three years if it were not for the payments that Congress has mandated into the Retiree Health Benefit Fund. This means that the Postal Service has an adjusted, but adequate workforce for its product and its service. While the Mail Handlers Union firmly supports having a healthy Retiree Health Benefits Fund for current and future retirees, now is the time for Congress to suspend any payments into that Fund for at least the next several years. If that change were implemented, there

would be no need to denigrate services by cutting to five-day delivery and no reason to propose taxpayer funding for the universal service obligation. The reasonable solution is to fix the Retiree Fund.

Similarly, it is crucial that the overfunding of the Civil Service Retirement System be fixed. Again, we believe that an honest and accurate approach to these contributions would provide substantial and wholly justified financial relief to the Postal Service.

The Mail Handlers Union also is open to ideas that generate more revenue for the Postal Service. A vast network of facilities lends itself to community services, such as passports and other government functions. We fully support the exploration of more government-related activities, as well as partnering with the private sector. There have been discussions about leasing space to banks or other economically viable activities if reasonable income for the Postal Service can be generated. I even have heard one suggestion about licensing sections of the parking lots at the larger mail processing facilities during non-peak hours, for vehicles containing temporary retail ventures. Close attention would have to be paid to

safety and security concerns, but all of these ideas are worth exploring, so long as no new venture, no matter how well-intentioned, is accomplished at the expense of the core mission of the Postal Service.

No one really knows whether the future improvement in the American economy, which we all expect, will allow the Postal Service to survive, and thrive, in the out years. But let's not get carried away by projections that deficits in the hundreds of billions of dollars may occur. Projections on both extremes – that volume will soon skyrocket over 200 billion pieces of mail per year or that the Postal Service will face \$200 billion in deficits – are both highly unlikely.

Again, thank you for holding this forum. I would be happy to answer any questions you may have.