National Association of Letter Carriers
William H. Young, President
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NALC Bulletin

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Tentative Agreement Being Readied For Rank-and-File Ratification Vote

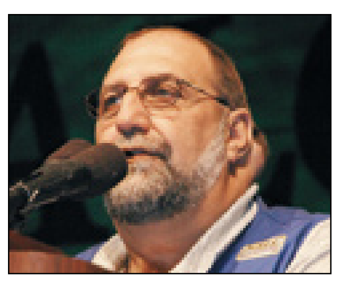
NALC Vice President Gary Mullins, at end of table, discusses a clause in the tentative agreement on a new contract with Contract Administration Unit (CAU) national officers reviewing the language. Shown, clockwise from bottom left, are Director of City Delivery Dale Hart, Assistant Secretary-Treasurer George Mignosi, Mullins, Director of Life Insurance Myra Warren, Director of Safety and Health Brian Hellman, and Director of Retired Members Ernie Kirkland.

Members of the NALC's Contract Administration Unit (CAU) have been hard at work pouring over the thousands of words included in the tentative agreement and accompanying Memorandum on a new five-year contract between NALC and the Postal Service, preparing to print a copy of the document for every active member of the union to examine before casting his or her ballot on ratification.

The vitally important task of reviewing every line of the document by CAU officers and staff, under the direction of Vice President Gary Mullins, was nearing completion as the *NALC Bulletin* went to press. It is anticipated that the proposed contract will be ready for the official Ballot Committee (see separate article) to mail out to all active members in good standing by early August. The precise date of the mailing will be determined by the Ballot Committee.

A specific timetable for the ratification process, along with instructions, will be included in the packet that accompanies the official ballot.

Young Appoints 15 to Ballot Committee



Joe DeRossi, Chairman

President Young has appointed 15 individuals – one from each NALC region – as members of the official Ballot Committee that will conduct the vote on rank-and-file ratification of the tentative 2006-2011 National Agreement.

Joseph DeRossi of Branch 41, Brooklyn, New York, representing Region 15 (New York Metro), was named committee chairman.

Appointed were:

REGION 1:	Roxanne Luce	Branch 133	Sacramento, California
REGION 2:	Ron Mann	Branch 1192	Lewiston, Idaho
REGION 3:	Bill Schorsch	Branch 825	Elmhurst, Illinois
REGION 4:	Mike Williams	Branch 47	Denver, Colorado
REGION 5:	Rod Holub	Branch 1018	Manhattan, Kansas
REGION 6:	Greg Genord	Branch 361	Lexington, Kentucky
REGION 7:	Pam Donato	Branch 9	Minneapolis, Minnesota
REGION 8:	Otis Walker	Branch 914	Lake Charles, Louisiana
REGION 9:	Mel Rexroth	Branch 1690	West Palm Beach, Florida
REGION 10:	Larry Martinez	Branch 1259	Corpus Chris, Texas
REGION 11:	John Collins	Branch 63	Zanesville, Ohio
REGION 12:	Paul Rozzi	Branch 332	McKeesport, Pennsylvania
REGION 13:	Bill Winston	Branch 4422	Glen Burnie, Maryland
REGION 14:	David Barbuzzi	Branch 25	NE Massachusetts Merged
REGION 15:	Joseph DeRossi	Branch 41	Brooklyn, New York

Attention: Secretary-Treasurers!

New IRS Requirement for Branches

Beginning in 2008, NALC branches previously not required to file Form 990 or Form 990-EZ (those whose gross receipts are normally $25,000 or less) will be required to file *Form 990-N, Electronic Notice (e-Postcard) for Tax Exempt Organizations* annually.

This filing requirement applies to tax periods beginning after December 31, 2006. **Branches that do not file the notice will risk losing their tax-exempt status.**

The IRS is mailing educational letters about this requirement.

Take note – there will be no paper form. It must be filed electronically. Further information is available on the IRS website at www.irs.gov. Search for "Form 990-N".

Retiree COLA Increases to 2.4 Percent

The accumulation toward the 2008 COLA for retirees stood at 2.4 percent following the release by the U.S. Bureau of Labor Statistics on July 18 of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for June.

The accumulation reflects the difference between the June CPI-W and the average CPI-W for the third quarter of 2006. The COLA will be paid in 2008 based on the increase between the third quarter of 2006 and the third quarter of 2007.

For Federal Employees Compensation Act (FECA) participants, the 2008 FECA COLA stands at 3.4 percent based on the latest figures. That COLA will be based on the increase in the CPI-W between December 2006 and December 2007.

A contract COLA for active carriers is pending rank-and-file ratification of the tentative agreement reached by NALC and USPS. If ratified, the contract would provide a lump sum COLA payment of $686 for July 2006–May 2007, followed by a COLA for the two-month period of May–July 2007 which currently stands at $38 annually, and then nine additional COLAs over the five-year term of the contract.

Young Testifies to Congress On 'Contracting Out' Issue

Appears Before House and Senate Panels; Outlines Moratorium on Outsourcing Work

NALC President William H. Young, right, makes a point about 'contracting out' during testimony July 25 before a Senate Homeland Security subcommittee hearing on implementation of the postal reform law. At the table with Young are (l-r) APWU President William Burrus, Mail Handlers President John Hegarty, and Rural Carriers President Donnie Pitts. *(Photos by Mike Shea)*

NALC President William H. Young testified over the past two weeks to the critical subcommittees of the Senate and House of Representatives with jurisdiction over the Postal Service, asserting again that contracting out city delivery work is a public policy matter. He also explained to Congress the moratorium on outsourcing contained in the tentative contract agreement that is being prepared for rank-and-file ratification.

President Young addresses the House Oversight and Government Reform subcommittee on the Postal Service July 19 on 'contracting out' issues as APWU President Burrus, left, listens.

Testifying July 25 before the Senate Homeland Security Subcommittee on Federal Financial Management, Government Information and International Security, Young first thanked Sen. Tom Carper (D-DE), who chaired the hearing, for his work in getting postal reform legislation enacted.

"Quite frankly, the Postal Accountability and Enhancement Act would not have been enacted without the leadership of Senator Carper," Young said, noting that it was not an easy task for Carper to forge a consensus among the diverse and complicated range of stakeholders in the postal industry.

Young blasted the growing trend in the United States in both the private and public sectors toward outsourcing work to contingent, low-wage, no-benefit contractors.

"At a time of so-called prosperity, the ranks of workers without health insurance or pension protection have surged into the tens of millions," he said. "Even as Wall Street profits have exploded, wages on Main Street have stagnated and Middle Class living standards have eroded. The federal government, and the United States Postal Service, should not contribute to these disgraceful trends by adopting an outsourcing strategy."

'Misguided Strategy'

He added that outsourcing is also "misguided as a business strategy" and would damage the brand of the Postal Service by undermining America's trust in its services.

Young told the Senate panel that he believes the Postal Service is using a so-called price cap under development at the Postal Regulatory Commission to justify its decision to turn urban and suburban mail delivery over to Contract Delivery Service (CDS) contractors.

He said that deciding who works for the Postal Service, and under what legal framework, are urgent matters of public policy and applauded Sen. Tom Harkin (D-IA) for his bill (S. 1457, the Mail Delivery Protection Act) to limit outsourcing to traditional Highway Contract Routes.

Young said the Postal Service appears to be listening to the demonstrations and protests, noting that in recent weeks, NALC has been informed by the Postal Service that CDS contracts would be withdrawn in several cities, including one in the Bronx section of New York City and several others in New Jersey and Iowa.

He also outlined developments related to the tentative agreement which includes a Memorandum of Understanding (MOU) that restricts the Postal Service from contracting out delivery work in the approximately 3,000 post offices with only city delivery services – covering some 90,000 routes.

Young said that "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 addition, another MOU 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.

Congressional Action

Young said he is hopeful that a mutually acceptable agreement on subcontracting can be reached. "If we don't, we will certainly be in an even better position to advise this subcommittee about the need for Congressional action," Young told the senators.

On a hopeful note, Young cited the testimony of Postmaster General John E. Potter to the House postal subcommittee July 19 in which he outlined three options for adapting to the new business and legal environment facing the Postal Service. His preferred option embraced a strategy of working with the postal unions to improve service, increase revenue and reduce costs.

"I am here today to tell you that option is A-OK with the National Association of Letter Carriers," Young told the Senate subcommittee, "so long as the reduction of costs is achieved through increased efficiency and not through the unilateral outsourcing of residential and business mail delivery."

In his remarks to the House panel, Young expressed interest in a suggestion that Congress enact legislation that would require the Postal Service to engage in bargaining with its unions over any contracting out initiatives. Young said such a mandate would be "a good approach" to the problem.