



THE VOICE



OF THE GOLDEN GATE LETTER CARRIERS

BRANCH #214

NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

May/June 2010

Award-winning newspaper

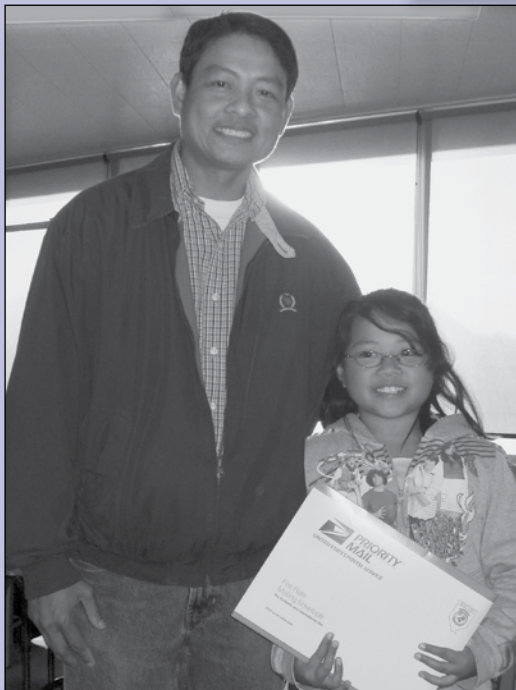
Vol. XL, No. 3

Food Drive T-Shirt Design Contest Winners

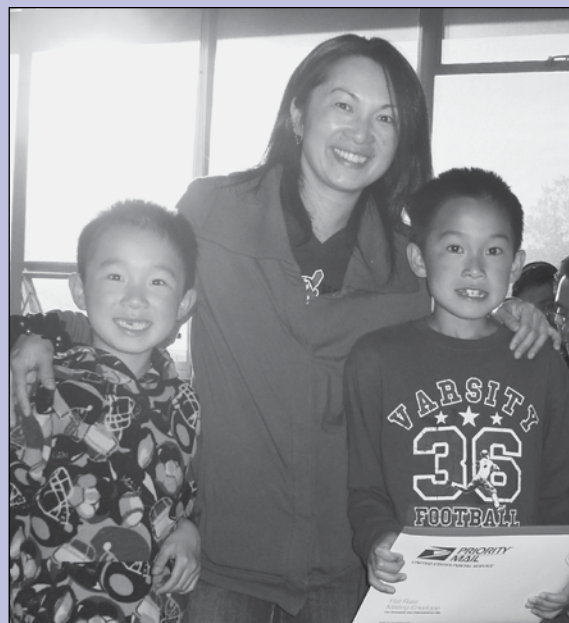
See back page for first
place artwork. For second
and third place artwork,
see page 14.



First place and repeat winner, Michael Pham, age 11, holding t-shirt with his design, sister Michelle, age 9, also an entrant, father Truoc V. Pham, Station J, San Francisco, and mother Phuong Ho.



Reena Hapa, age 8, second place winner, with her father, Enrico Hapa, steward, Rincon North, San Francisco.



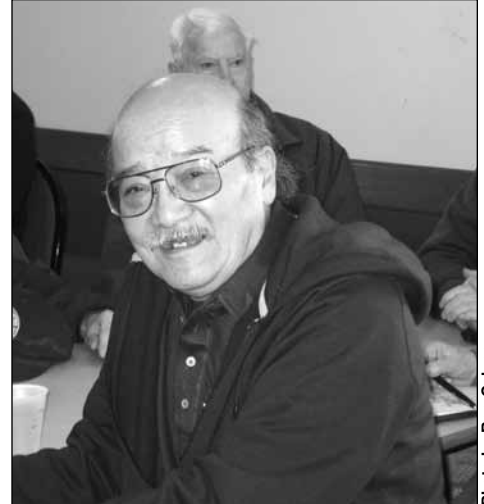
**Photos by
Ivars Lauersons**

Elson Poon, age 9, on right, won third place in the t-shirt contest. With him is his brother, Edmond Poon, also an entrant, and their mother Moo Yin Yee, Golden Gate, San Francisco.

Branch 214 notes:

Welcome New Alternate Stewards: **Annette Santiago** (Rincon South), **Carlos Pellecer** (Pine Station), **Raymond Kwong** (Pine Station), **Rico Hapa** (Mendell Street

North), **Vicky Guerron** (Station C), **Cathy (Berta) Simonson** (Station F), **Renier Manalo** (Collection Unit PM), **Erica Levy** (Parkside Station), **Gioconda Herrera** (Parkside Station), and **Victoria Juarez** (Marina/Presidio Station).



Robert Mesick receives a 40 year membership pin from Branch 214 President Lili Beaumont at a recent retirees lunch.

David Lee received a 50 year membership pin at the retirees lunch.

Branch Officers

Lili Beaumont President
 Karen Eshabarr Executive Vice-President
 Bill Thornton Vice-President
 Karen Schuler Secretary-Treasurer
 Ron Caluag Field Director
 Jun Buccat Assistant Secretary-Treasurer
 Charles Gonzalez Sergeant-at-Arms
 Franklin Woo NALC Health Benefits
 Norma Leonardo Safety and Health
 Cathy Simonson EEO Officer
 Mike Callahan MBA representative
 Kim Truong Director of Organization
 Roberta Bojo Trustee
 Sheila Gardner Trustee
 Stanley Lew Trustee

Voice Staff

Ivars Lauersons Editor
 Edwina Wu Associate Editor
 Gerry Lee Graphics

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GOLDEN GATE BRANCH
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 Phone: (415) 362-0214
 WEB page:
<http://www.nalcbayarea.com>
 Office hours: 8:00 a.m. to 5:00 p.m. Monday to Friday

Preliminary Totals for Food Drive 2010

Bel Tib.....	4,633 lbs
Corte Madera.....	5,750 lbs
Mill Valley.....	7,648 lbs
Novato.....	22,122 lbs
San Anselmo.....	8,512 lbs
San Rafael Civic.....	8,658 lbs
San Rafael Main	17,637 lbs
Sausalito	2,140 lbs
TOTAL (Marin).....	77,100 lbs
San Francisco.....	54,684 lbs
TOTAL (Marin, San Francisco)...	131,784 lbs

(Other Branch 214 locations had yet to report at press time)

T.V. 214 Schedule

SAN FRANCISCO, AT&T Cable Channel 29:
 Every third Sunday of the month at 7:00 p.m.
 May 16, 2010; June 20 2010;
 July 18, 2010.

Route adjustments

JARAP is upon us

By Lili Beaumont, President

Another phase of route adjustments is upon us. This one, signed by the National parties, is called the Joint Alternate Route Adjustment Process or "JARAP". The principles of the "JARAP" method of adjusting routes are similar to those from the last go around of route adjustments (the "MIARAP" or Modified Interim Alternate Route Adjustment Process) which concluded in February 2010 for most of the stations in our branch. There are some differences in the two processes. Off the top of my head, some of these changes are as follows:

- 1) The information used to evaluate the routes will be data from two months (instead of the previous one month from the MIARAP) in 2010 – either March & April, or April & May. This data will include but not be limited to the route's base data, the carriers' clock rings, the work-hour/work-load report, volume reports, PS Forms 3996s and 1571s submitted, a current 3999 (or full day walk on a route), PS Form 1838-Cs (a full day physical piece count on a route), "COR" (Carrier Optimal Routing) which is the latest computer program used to map & move territory around for route adjustments, the initial carrier consultation meeting, a proposed adjustment consultation where the proposed adjustments to a route are shared with the regular carrier to solicit feedback, and then a final adjustments meeting to share the results. All meetings and data reviewed are with the regular carrier on the route.
 - 2) No adjustment will be finalized until after the carrier consultations have taken place.
 - 3) If the regular carrier has no feedback during the consultation meetings, the Local Office Contacts (LOC), who are the union and management team from the station, will provide comment for that route.
 - 4) The District union and management parties called the District Evaluating & Adjustment Team or "DEAT" will now take turns selecting stations and/or individual routes that each party believes needs adjustment.
 - 5) The "DEAT" also selects the months which will be used for the data reviews.
 - 6) The regular carrier, upon request, is entitled to a copy of the PS Form 3999 that will be used for territory adjustments.
- When requested by the steward, we have been con-

ducting meetings throughout the branch to go over the route adjustment process and explain the importance of completing the PS Form 3996 & 1571 (curtailment slip) properly, and the importance of doing your clock rings correctly. Our presentation also teaches how to define and determine the Fixed Office Time (FOT) for a route, and how to determine office time from how much caseable mail volume the route has. Most importantly we explain the importance of delivering the route such that the street time is consistent day after day, week after week.

If the aforementioned items are followed, the route gains official documentation which can be used to validate any concurring feedback the regular carrier may offer during consultations. This documentation should ensure that the carrier and the route get a fair adjustment. Absent this documentation, the carrier's feedback may be considered but not applied to the adjustment. This is one of the reasons why it is important to insist on completing a PS Form 3996 and PS Form 1571, when needed, and to always insist on getting copies of them. It is also important to request a copy of the 3999 and the 1838-C on the day it is completed. A grievance should be filed if copies of any of these documents are not provided to you before the end of the day you requested them.

I commend those of you who are doing what you can to ensure you get a decent route adjustment by following what the union has advised in documenting what goes on daily on your route. For those of you who haven't yet started, I ask that you try it. If anything just to see whether or not your documentation will make a difference from one route adjustment to the next. After all, it is never too late to start, especially since as the trend of declining mail volume continues, these route adjustments will continue to happen, I suspect, every three to six months. And you have nothing to lose and everything to gain by documenting.

Offices selected for JARAP

The following offices/routes in our branch have been selected for the JARAP:

San Leandro Main
 Redwood City (only 94062)
 Daly City (only 94015)
 Sausalito
 Bel-Tib
 Mill Valley
 San Anselmo
 San Rafael Mission
 San Rafael Civic
 Novato (only 94947 & 94949)
 San Francisco (by zone):
 94107; 94158; 94112; 94114; 94124; 94109;
 94116; 94131; 94133; 94102; 94103; 94104;
 94105; 94108; 94111.

Ups and downs in

My journey as a unionist for NALC Branch 214

By Ron Caluag, Field Director

(Part One, Getting Started)

My postal career started on March of 2000 at the Daly City Post Office. I was a PTF for seven months before becoming a Regular Carrier. I was minding my own business until 2002 when the then steward for Daly City approached me and asked me to become a steward. He told me that becoming a steward would give me Super Seniority on lay-offs, an argument I could not resist, with less than 6 years in service. I will be honest and admit that for more than a year I did not file a single grievance and did not know much on how to file a grievance. The branch had trained me, so I did have some theoretical knowledge. I was just enjoying having the title of steward with its super seniority and never took seriously my title as a steward for NALC Branch 214.



During those years, Daly City Post Office was a quiet office with “good” management (YES, good management) until our Postmaster was transferred to a different station around 2003, and was replaced immediately by a new Postmaster. All hell broke loose after that. Management violations of

I think it is in our blood being a unionist.

the contract began and discipline started since the new Postmaster wanted to change everything to his own way overnight.

Problem management

I remember waking up one morning, asking myself what should I do, or how can I file a grievance on these violations by management? The bitter reality was that I was a steward by title only with little contractual knowledge. I needed to arm myself with much more contractual knowledge to fight management. But how? Since my counterpart steward was not good at filing a grievance either, I was frustrated and angry and blamed myself. I should have taken my steward position seriously from day one.

I now read the whole National Agreement book from

page one all the way to the last page, trying to familiarize myself with contractual provisions, but I felt it was still not enough.

Working the grievance procedure

I still remember my first case. A regular carrier was forcibly removed from his bid assignment on his regular scheduled day to do a collection run after casing his route. It sounds simple, right? Not for me during that time. I had this feeling that I needed to file a grievance for this violation but I didn't know where to start and didn't know how to do it.

Out of frustration I called the union office and ended up talking to then Executive Vice-President Lili Beau-

I now read the national contract front to back.

mont. I had never met Lili but I told her that I needed to file a grievance and didn't know how to do it (almost admitting to her that I needed her help because I was ignorant to the grievance procedure even though I was already a steward for more than a year). Lili spoke to my supervisor and negotiated 2 hours of steward time to meet with me to help me file my first grievance. I was lucky that Lili was there to guide me. This is the first time that I actually initiated a grievance. With Lili's help I ended up settling this grievance with my supervisor. I also recall asking Lili who Cherry Vargas was, because I heard from my co-workers that she was a steward before me. Lili told me that she was a good resource since she knew the contract pretty well.

Remembering the first time

After filing my first grievance and settling it, I had a fire lit inside me, wanting to file more grievances. The more violations I saw, the more discipline issued, the hotter I became, wanting to defend our carriers.

Management at that time did not show any respect to me as a steward. In fact, there was an incident when a manager laughed at me on the workroom floor when I said that I had to interview one of his supervisors. The

There was help from full-time officers.

fire inside me turned to an exploding nuclear bomb, and I made sure that this manager knew how upset I was. I would not recommend though, how I reacted. I would make this incident my motivation to continue as steward, and vowed that someday management would learn to respect me and take me seriously as a steward. Even

(continued on page 5)

Caluag (continued from page 5)

though it seemed to be an impossible task for me, I continued filing grievances.

Other helpful officers

I also thank then Secretary-Treasurer John Beaumont who supported me and handled my grievance about artificial under time. John said prior to his Formal A meeting with my Postmaster that he might not get anything from this grievance. I told him to just withdraw it but John told me that he would push it through hoping to get something. John ended up getting a very good settlement saying that management will not pivot carriers as long as there were “must go” mails sitting on the loading dock. I don’t know how it was done, but it was effective. We used this settlement against management for many years, every time they tried pivoting us. John, up to this day, has earned my utmost respect.

Help in the station

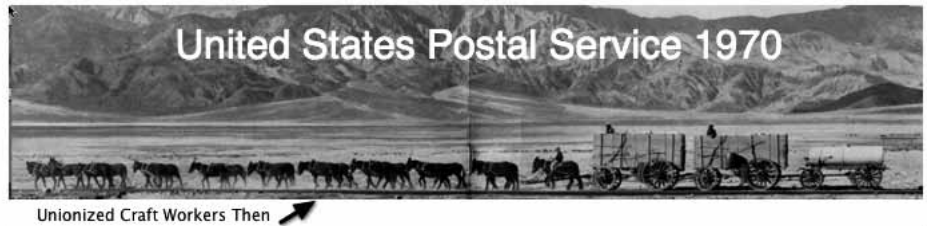
I sought out the knowledgeable Cherry Vargas for advice on my grievances. I was lucky that she lent a helping hand even though she was not a steward. She

Getting respect from management came from knowledge of the contract.

taught me many contractual citations, like how to use the MRS (Material Reference System), how important an interview was in a grievance, what are the proper contractual citations to a particular grievance, how to track ODL equalization, etc. Eventually, Cherry signed up as a steward again. Together, over many years, we enforced the contract in the Daly City Post Office. We fought many “battles” together and we never left each other behind in those battles. Many stewards joined us, but they did not stick around until Edward Villaflor came along. Edward is another unionist who will defend the contract at any cost. Edward is still a steward at my station and I am confident that he will continue to represent the carriers to the best of his ability, like the three of us did before.

My dream about respect from management as a steward became a reality with Cherry’s and Edward’s help. We handled hundreds of grievances over many years in our station and won a majority of them. Management

Dead Weight



Pulling Management



personnel comes and goes. Some stayed in our station, some were bad and some of them were good. Yes, some of them are actually good management.

Dealing with our own problems

As stewards for Daly City, most of the time we dealt with issues on our own. We learned to research all issues before calling the union office. We didn’t call the branch office without first opening the JCAM to find answers. We initiated grievances, conducted stand-ups, engaged all management personnel contractually, conducted labor-management meetings, etc. by ourselves unless we

An officer handles more duties than a steward.

absolutely needed an officer to be there, or if an officer offered to be there. It is not that we didn’t want an officer to be with us, but as long as we could handle the situation, we did not want to be a burden. At the same time we expected them to be there if we needed them.

In 2005, I wondered why is it we hardly saw a union officer visiting our station?

(Continued next issue. Part Two will deal with the qualitative differences between working on the workroom floor as steward and working as a full-time officer in the office.)

Management contradictions

Insulting Cesar Chavez

By Charles Gonzalez, Chief Steward, San Leandro Main

When I go through the mail, I usually toss my copy of the *Pacific Area Update*, the management originated newsletter mailed to all postal employees in the Western region, straight into the recycle bin without giving it much more than a cursory glance. But this issue (Vol. 2, No. 9, Spring 2010) had two items on the cover that caught my attention. The first was an article entitled "Service, community, connections: Si se puede (Yes we can)," an article about the redesignation of the Southeastern Station in San Diego, CA after the legendary labor and civil rights leader Cesar E. Chavez.



The second was "Will the Future Include Five-Day Delivery?" It is mind-boggling to me that the editor of such a widely distributed publication would place two such diametrically opposed articles side-by-side on the front page.

There was also an article on page 8 entitled, "Delivering the Future: A Balanced Approach." This title could not be more of a misnomer. The article has several bullet points, which claim to ensure a Postal Service that will adapt to "America's changing mailing

If you are 10 years away from minimum retirement age . . .

habits and preferences." If the Postal Service is truly interested in adapting to mailing habits and preferences, they would not be so opposed to gaging such preferences and habits by town-hall meetings, as has been suggested by the Postal Regulatory Commission (PRC). This opposition will be discussed further in this article.

Some nonsensical points are outlined in the article: The first bullet point of the so-called balanced approach states that the Postal Service will be an organization that continues to provide "universal service at an affordable price." Reducing the number of days that one receives mail, while applying the type of increase in postal rates that the Service hopes will be approved, is not a preference that I think anyone in the general public is looking

forward to. The pricing issue is discussed in the article as well, as the Service complains about the constraint of limiting pricing of "Market Dominant mailing products" to the rate of inflation.

Moving to the second bullet point, which claims that the changes proposed will make the Postal Service a vital, customer-focused driver of the American economy, could not be further from the truth. Not only will the extreme changes proposed affect the ranks of the carrier craft, it will have a ripple affect upon the other industries which rely on the delivery of mail to keep them and their work-

. . . or you have less than 15 years of service, get involved.

force solvent. These industries include, but are not limited to, mailers, shippers, printers, and the employees who support their families and contribute to the overall U.S. economy. The radical changes proposed could potentially send these industries into a downward tailspin, which could drag the overall economy with it.

The point that I find most laughable is that the Postal Service will anticipate and embrace future changes in technology. One needs look no further than the boondoggle know as FFS-Flat Sorting System-to see how bogus this claim is. The Postal Service will probably be paying for this pointless use of funds for years to come.

Back to the front page articles

The article on the rededication talks about how Cesar Chavez worked to improve the rights and working conditions of many other workers, outside of those of farm workers that he is famous for, since the 1940s. The other article outlines the comprehensive 10 year plan for the future of the Postal Service, which includes the obsession that the Postal Service has with implementing a five-day delivery week.

To me, and probably to many other union members, the irony of these two articles being placed side-by-side is

Start getting involved with a 2-hour union meeting.

that it is an insult to the intelligence of the hard-working men and women of the Postal Service. If Cesar Chavez were alive today, he would have objected to his name being associated with an organization that was contemplating the kind of workforce reductions and anti-union tactics that are proposed in the 10 year plan.

(continued on page 7)

Gonzalez (continued from page 6)

Chavez for workers, Postal Service not

While Cesar Chavez battled to the end of his life to improve the quality of working conditions for union workers, the Postal Service is fighting tooth and nail to implement a plan that is laced with coded language such as “workforce reductions”, and “flexibility” in “decision making”. Reading between the lines will tell you that the reduction in workforce is the elimination of one sixth of the carrier craft, about 40,000 positions, not to mention the higher-level pay (T-6 positions). And the “flexibility” is the desire to push their ill-conceived plan upon the mailing public without the constraints placed upon them by the Postal Regulatory Commission (PRC) and Congress.

Town-hall input on changes

As part of a study by the PRC, town-hall styled type meetings have been planned to get an honest opinion of how the ill-conceived plan will affect mailers, unions, and the general public (7 meetings are planned). However, the Postal Service is upset that the PRC even wants to hold town-hall style meetings with the public, mailers, and unions to get their opinion on the effects of 5-day delivery, because it will delay the ill-fated plan beyond the time that the Postal Service had hoped to eliminate a day of service (FY 2010). In a statement, which was quoted in the Washington Post by columnist Ed O’Keefe, “Federal Eye, Keeping an Eye on the Federal Government,” Postal Service spokesman Gerald McKiernan said “We

The 10 year plan has an obsession with implementing a 5-day delivery.

are very disappointed to learn that the Commission has been unable to develop a more expeditious schedule...” Perhaps if the Postal Service had not moved as expeditiously in the past, we would not have spent billions of dollars on the flat-sorting system (FFS) that is collecting dust as I write this article.

3 sentences about \$75 billion overpayment

A review of the space devoted by the Postal Service on why they feel there is a need for a 5-day delivery schedule will demonstrate just where the Postal Service’s priorities are. Of the one and one half pages on the 10 year plan, the Postal Service has “graciously” spared three sentences to the unbalanced pre-funding of future retiree health benefits, without even mentioning the \$75 billion that the Postal Service has been overcharged in contributions to the Civil Service Retirement System

pension fund. Instead of placing much-needed emphasis on these two obvious problems, the Postal Service used the drop in mail volume from 5 to 4 pieces of mail per household from 2000 to 2010 as the rationale for eliminating one day of delivery service, and went on to claim that the volume is expected to drop to 3 pieces by 2020. Given that type of logic, we can expect to be delivering mail on a 4-day schedule by that time if the Postal Service gets its way.

Saving the post office has to come from labor

I can’t say that I’m surprised by this illogical and anti-worker approach that the Postal Service has taken to the Postal Service’s problems, because I see it every day in my dealings with local management on the workroom

The battle to save the Postal Service will have to come from labor, not management.

floor. I am, however, worried about the future of carriers that may not be given the chance to plan for a decent retirement.

The battle to save the Postal Service, it seems, will have to come from labor and not from management. This will take much more activist involvement than we’re getting now. If you have less than 15 years of service, and are more than 10 years away from your minimum retirement age (56 years of age for FERS employees), you need to start thinking about getting actively involved.

There are numerous ways that employees can get involved, in ways that can fit every schedule. These include phone banking, canvassing union households to gain votes for representatives that are letter carrier friendly, and attending rallies in support of issues that affect letter carriers.

One might ask, how do I get involved? Where do I start? The place to start is at your local branch meeting. A legislative report is given by State President John Beaumont, and he would welcome any help that you are willing to offer. If you’re concerned about saving your job, and given the economic state that we’re in right now, I’ll see you at the next branch meeting. The meeting is held on the first Wednesday of each month, usually lasts about 2 hours, and food is served. Two hours, and a bit of activism is a small price to pay for a future that ensures a decent retirement and a healthy and secure future for your family.

100% UNION AT BEL/TIB



Photo by Ron Calluag

Steward Phil Waegner performing his last punch at the time clock.



Photo by Ron Calluag

President Lili Beaumont, center, and Secretary-Treasurer Karen Schuler with steward Phil Waegner at his May 4, 2010 retirement/100% union party at the Belvedere/Tiburon Post Office.

Branch 214 Meetings

Branch meetings, 7:00 P.M.

- June 2, 2010 ILWU Hall, 400 North Point, SF
- July 7, 2010 ILWU Hall, 400 North Point, SF
- August 4, 2010 ILWU Hall, 400 North Point, SF

Steward meetings, 4:30 P.M.

- June 2, 2010 Union Office, 2310 Mason St., SF
- July 7, 2010 Union Office, 2310 Mason St., SF
- August 4, 2010 Union Office, 2310 Mason St., SF

Retiree social meetings, 12:30 P.M.

- June 7, 2010 740 Del Monte Ave., South SF
- August 2, 2010 740 Del Monte Ave., South SF
- October 4, 2010 740 Del Monte Ave., South SF

WELCOME NEW MEMBERS

- Chan Kan (Redwood City)
- Dante Acoba (Mill Valley)
- Primo Anabeza (Mill Valley)
- Kenneth Adan (Novato)
- Juli LaDolce (Corte Madera)

IN MEMORIAM

- Tandra Faus (Retiree, formerly of San Rafael)
- Anthony Mesa (Retiree, formerly of San Leandro)
- Kelly Fogle (Retiree)

San Rafael Main

Goodbye and Good Luck!

Janet Rouse



Composite Photo by Lim Lim

VACATION RENTAL!

**DELUXE MAUI CONDOMINIUM
PAPAKEA OCEANFRONT RESORT
LAHAINA, MAUI, HAWAII**

**SPECIAL RATES FOR
BRANCH 214 MEMBERS
AND RETIREES**

Contact:

Ed Preston

(415) 586-9996

E-mail: edwardjpreston@comcast.net



Photo by Ron Callaug

Steve Crisafi, a trustee for the retirees at a recent retirees lunch.

NALC Health Benefit Plan corner

Information members ought to know

By Franklin H. Woo,
NALC Branch 214 Health Benefit Representative

On March 23, 2010, President Obama signed into law the "Patient Protection and Affordable Care Act," Public Law 111-148. This was the health care reform bill that many Americans were waiting on.

In this law, the Federal Employees Health Benefits Program (FEHB) is protected. The law kept the FEHBP and most of its important benefits intact for most federal employees and annuitants, and they will be able to remain enrolled in the FEHBP program. As active or retired letters carriers, this is good news, for now anyway.



Coverage of older children

Beginning in September 2010, dependent children will be able to stay on their parents' health insurance up to the age of 26, as long as they are not offered health insurance coverage through an employer. Beginning in 2014, dependent children can remain covered regardless of other insurance available to them.

In April, the Office of Personnel Management (OPM) announced that FEHBP coverage would be extended to dependent children to age 26 beginning on January 1, 2011. There is a pending bill by Rep. Chris Van Hollen, D-MD called the "Federal Employees Health Benefits

The new health care bill leaves federal employees' benefits intact.

Program (FEHBP) Dependent Coverage Extension Act" that would resolve the inequity of the timeline of other group health plans that start their coverage by September, 2010, and amend the FEHBP law so that coverage may be extended to young adults during the current contract year. Hopefully, OPM will take the necessary actions to comply with the new law by this effective date. You will be provided with additional information as it becomes available.

There is still a whole lot of debate taking place and possible legal actions being talked about. The NALC Health Benefit Plan (HBP) will continue to monitor these issues carefully and will advise us if anything is needed

to protect the interests of both the NALC HBP and the Federal Employees Health Benefit Program.

Prescription drugs rules

Now, let's review the following information to see how you may use the NALC Health Benefit Plan's prescription program to your advantage and to save some money at the same time.

Coverage of children to age 26 begins 1/01/2011 for FEHBP participants.

Mail order benefit:

Your mail order co-payments for maintenance prescriptions obtained through CVS/Caremark Mail Program are:

- **When the NALC Health Benefit Plan is the primary carrier:**
 - * Up to 60-day supply -- \$8.00 generic / \$43 brand
 - * 90-day supply -- \$12 generic / \$5.00 NALCSelect generic / \$65.00 brand
- **When Medicare Part B is the primary carrier:**
 - * Up to 60-day supply -- \$7.00 generic / \$37.00 brand
 - * 90-day supply -- \$10.00 generic / \$4.00 NALCSelect generic / \$55.00 brand
- ****Caremark Specialty Pharmacy Mail Order:**
 - * Up to a 30-day supply -- \$150
 - * Greater than 30-day supply -- \$350
 - ** **prior approval may be required**

You may also purchase up to a 90-day supply (84-day minimum) of covered drugs and supplies at a CVS/Caremark Pharmacy through NALC HBP's Maintenance Choice Program. You will pay the applicable mail order co-payment (shown above) for each prescription purchased.

Retail benefit:

There are dispensing limitations for prescriptions purchased locally at NALC Preferred Network and NALC Preferred Network and NALC CareSelect pharmacies. You may obtain up to a 30-day fill plus one refill of medication. You will pay 20% of the cost of the generic drug or 30% of the cost of the brand name drug when the NALC HBP is the primary carrier. When Medicare Part B is the primary payer, you will pay 10% of the cost of the generic drug or 20% of the cost of the brand name drug.

There is no deductible to satisfy

The NALC HBP will waive the one 30-day fill and one refill limitation at retail for patients confined to a nursing home, patients who are in the process of having their medication regulated, or when state law prohibits

(continued on page 11)

Public hearings

Postal Service future and immediate danger

By Bill Thornton, Vice President

Town hall meetings scheduled to discuss cutbacks

The Postal Regulatory Commission will hold town hall meetings beginning in May/June for public reaction to proposed Postal service cuts to Saturday delivery, closing Post Offices and prefunding retiree health benefits.

Hearings are scheduled for July to review proposals and allow rebuttal testimony from consumer groups and unions in September.

Whatever your feelings about politics, the importance of COLCPE, the letter carrier lobbying arm, comes to mind. Percentages for participation, even at the minimal Gimme Five level are low, leading large branches are still only in high single digits.



Information about contributing can be found on the NALC Web Site under the categories Legislation and Political Action and Retirement—The

Committee on Letter Carrier Political Education, as well as the Postal Record.

Active carriers can activate automatic deductions through Postal Ease.

Retired carriers can also activate deductions from their OPM annuity.

An election looms with the normal loss of congressional seats by the party in power. Conservative estimates run in the area of Democrats losing 30 seats but it is hard to predict and Republican control of the House of Representatives is not totally impossible.

Good at cutting but not growing the business.

Being aware of the constraints on the Postal Service that other businesses do not have, it is still required to operate as a business unlike normal government agencies.

Clearly, multiple million dollar studies may not be at the heart of determining a viable business model. It is not just the business model but the people that are running it.

At the top, even discounting the union antagonism towards PM Potter, grave doubts exist that he and his cohorts have the business smarts and entrepreneurial

The regulatory commission will hold town hall meeting on 6-day delivery.

skills to compete.

The Postal Service has been good at cutting but not at growing.

Government agencies are judged by how efficiently they provide a service. Their budgets are constrained but with the assurances that they ultimately have the backing of the US Treasury.

The Postal Service must do that and at the same time compete in the marketplace and at least operate at break even.

Government bureaucrats may effectively make cuts but do they have the creativity and drive to grow the business?

(continued on page 12)

Woo *(continued from page 10)*

the medication from being dispensed in a quantity greater than 30 days. Please call the NALC HBP at 1-888-636-6252 to have additional refills at a network retail pharmacy authorized.

If you purchase more than two (2) fills of a maintenance medication at a network pharmacy without prior NALC HBP authorization, you will need to pay the full cost of the additional refills and file a paper claim to receive a 55% reimbursement.

You will pay the difference in cost between the brand name drug and the generic if you receive a brand name when a federally approved generic drug is available, and your physician has not specified "Dispense as Written" for the brand name drug.

Coinsurance amounts you pay for prescription drugs dispensed by an NALC CareSelect Network pharmacy and purchased using your NALC Health Benefit identification card will count toward a \$4,000 annual retail prescription out-of-pocket maximum.

The NALC HBP has partnered with CVS/Caremark, our pharmaceutical benefit manager, to maximize your prescription coverage. The NALC HBP continues to provide its members with one of the largest retail pharmacy networks with 57,585 participating pharmacies nationwide in the NALC CareSelect Network, and 18,388 NALC Preferred retail pharmacies. To locate an NALC CareSelect Network pharmacy near you, please visit the NALC HBP's web site, www.nalc.org/depart/hbp, or call 1-800-933-6252 for any questions or other inquiries concerning your prescription needs.

Thornton (continued from page 11)

Whether a turnaround expert is possible, I don't know but we may have to rid ourselves of naive notions of executive pay, etc.

Paying someone who is essentially a bureaucrat upwards of a million dollars (Potter) is money down a rat hole. Far better to pay someone possibly capable of performing the turnaround multi millions or some experienced exec with a huge ego a dollar a year and a chance for a place in the history books.

We may need a new business model and new people running it.

The Postal Service with its huge retail network has the ability to leverage the USPS' logistics distribution and retail networks to create new revenue sources.

Cutbacks and growth and the business model

The Government Accountability Office and the Postmaster General have argued that the Postal Service may need to cut six-day mail delivery back to five.

The head of the Postal Regulatory Commission Ruth Goldway argued otherwise. She took to task all the reports (and there are quite a few) that conclude the Postal Service needs to cut service. "An axiom in the business community is that a company cannot cut its way to success," she told the House Committee on Oversight and Government Reform. "It has to have a real plan."

Ruth Goldway urged caution about cutting Saturday service in Congressional testimony. She said such a move could undermine "the vitality of the mail system" and the justification for its mail monopoly

"... Postal Service could lose its greatest strategic advantage — ubiquity," she said. "Reducing service is detrimental to mail growth and to public perception of the value of the mail system."

At the heart of the debate is the question of what the Postal Service means to America. Its mission is to bind the country together — to connect "every American household, business and institution through its universal service network," in the words of PRC chair Goldway, who told Congress that the agency is "literally part of the fabric of the nation."

As a practical matter, more and more insurance companies require participants to get prescriptions for 90 days and through the mail. The prescription may have been ordered by phone or increasingly on the internet, but it is most likely delivered by the Postal Service. What can the Postal Service be thinking? Goldway has a list of about a dozen ideas for that plan but the underlying theme is this: for years the Postal Service has been playing the volume

game and it can no longer do that. Instead of continuing to focus on jamming as much as possible through its channel, the Postal Service needs to instead come up with new, higher-value products that people want to pay for.

Some of Goldway's recommendations: Better tracking systems in order to compete with products offered by competitors (UPS and Fed Ex).

Rebranding the Postal Service to be a one-stop shop for government services: Passport, national park tickets and EZ Pass all in one convenient location.

Build on the financial services already offered at post offices, like money orders, and position the Postal Service as a viable alternative to private check cashers and payday lenders.

Parcels

Parcel Growth: Post Office Department inaugurated parcel service in 1913 but has seen over 80% of the business go to UPS and Fed Ex with the Postal Service down around 12%. The parcel business is believed to be operated profitably, though there is no verifiable proof of that because it is so ingrained with other USPS businesses.

Donahue of the Postal Service: "... there are three areas of parcel business that the USPS can exploit: "Last-mile" deliveries in which the USPS does the final household delivery while UPS and FedEx perform the line-haul (prominently mentioned by the NALC at the national level)-small business and home business "flat rate" box shipments, including the new USPS half-pound rate, which can be quite cheaper than the one-pound minimums at UPS and FedEx. Returns, those items that customers are sending back to Internet and catalogue consumer outlets."

"The reason parcel is important is it doesn't lend itself to digital delivery," says Jerry Hempstead, principal of Hempstead Consulting, and a longtime industry official.

The post office has been described as "part of the fabric of the nation."

"They can't be diverted. Bills can be converted to digital payment. Packages can't."

Products ordered on the internet cannot be delivered electronically. So the new technology that has undermined the business model has created new opportunities, (Amazon parcels being delivered by the Postal Service as an example). Cutting out the availability of Amazon and other companies to deliver their goods on Saturday would appear to be an invitation for them to look elsewhere for parcel delivery and open up business possibilities for the other carriers that compete with the Postal Service.

The Postal Service will ask Congress this year — as it

(continued on page 13)

Thornton (continued from page 12)

did last year — to reduce its annual payments into a fund earmarked for future retiree health benefits, a change which could save the Postal Service up to \$5 billion annually. These payments are legally required — nevertheless, getting Congress' approval to reduce them shouldn't be controversial: A recent report from the Postal Service's inspector general concluded that the agency is on pace to overpay billions into the trust fund between now and 2016. The report concluded that the Postal Service could pay, on average, \$4 billion less each year between now and 2016 and still fully fund its retiree health benefits. The Postal Service currently pays about \$5.4 billion per year into the fund.

The Inspector General found that the Postal Service has overpaid \$75 billion into its pension fund for Civil Service Retirement System retirees. That overpayment would be enough to fully fund the Postal Service's retiree health benefit obligations indefinitely — so the IG recommended Congress allow the Postal Service to use the pension overpayment for health care. Unions have endorsed that idea as a solution to the Postal Service's long-term financial woes.

One aspect of privatization already exists, the necessity to stand alone as a financial entity (although with capabilities of borrowing from the Federal government, now being exercised up to the legal limits). This is a result of the Post Office Department becoming the Postal Service in 1971 and reaffirmed in 2006.

While the Postal Service is a hybrid and owned by the US government, it is required to provide the somewhat contradictory requirements to provide universal service. Universal Service (USO) is outlined in statute including geographic scope, range of products, access to services and facilities, delivery frequency, affordable and uniform pricing, service quality, and security of the mail. The postal monopoly was put in place as a funding mechanism for the USO, and it has been in place for over a hundred years. It consists of two parts: the Private Express Statutes (PES) and the mailbox access rule. The PES refers to the Postal Service's monopoly on the delivery of letters, and the mailbox rule refers to the Postal Service's exclusive access to customer mailboxes.

Troublesome is the continual hopeful reference to “when we get out of the recession” as if that is the core problem, ignoring some basic structural deficiencies.

Although unlike the leadership of the APWU, the NALC acknowledges that the business model is broken, there is still a kind of denial that the game has changed.

There was a “perfect storm” that hit the Postal Service in 2009 with the worst economic crisis since the 30s. So the economic circumstances were severe. We are reminded that a good part of that economic cataclysm

was the result of banks' risky behavior that was a result of the repeal of the New Deal era Glass-Steagall Act passed with the signature of a Democratic President.

But as some brilliant one said, it is what it is. First class mail (it peaked in 2001), formerly not seriously affected in economic downturns, has taken a big hit with the continued use of internet electronic mail and the effect on credit card solicitations, etc. as a result of the economic downturn.

First-class mail is expected to decline by 37 percent in that period as consumers opt for electronic bill payments, and other improvements. An estimate, sure, and quite possibly an exaggeration, but there is no doubt that the days of first class mail subsidizing the growth of cheap

Parcels cannot be converted to digital delivery.

standard mail is over. (That part of the old business model is dead)

The end of 6 day delivery may lead standard mail customers to seek other delivery sources.

I was surprised one Sunday morning to find a Kohl's advertisement hanging from the doorknob.

I don't know how widespread this is but it presents scary possibilities for the continued erosion of business.

Declines stem from a shift from traditional mail delivery to electronic communication alternatives, including e-mailing business documents and online purchase ordering, among other electronic mailing processes.

The technology moves ahead and denial of those realities does not serve us well.

The latest *Postal Record* article by George Mignosi, “USPS model – today and future”, points out the eventual loss of Netflix business because of streamlining video that does not require delivery. He opines that Netflix will speed up that process if USPS moves to 5 day delivery.

In 2006, with the POEA Postal Service Accountability and Protection Act, the USPS was mandated to “start acting like a business and to earn a profit”

The USPS was supposed to do this by becoming more competitive in the services for which it did not enjoy a legal monopoly – like sending packages, for example, and express mail services – by using its legal monopoly to better effect, and finally by developing new services and hence new revenue streams. The 2006 Act also enhanced the power and changed the name of the Postal Rate Commission to the Postal Regulatory Commission.

Carriers have sacrificed for the company and additions to routes are consistently made.

They deserve better from management, a business model that works and management leadership capable of carrying out their mission.

2010 Food Drive T-Shirt contest participants

We had our annual Branch 214 Food Drive T-Shirt contest and these kids submitted their wonderful artwork for which one drawing was selected to go on the back of the shirts. All union members' children between the ages 6-12 were eligible to submit their work. Congratulations and thanks to all the participants!

Noah Beaumont, age 9

Edmond Poon, age 7

Owen Park, age 6

Joshua Park, age 9

Gavrial Curameng, age 6

Tia Curameng, age 5

Dana Tam, age 9

Jovin Cheng, age 9

Erica Chen, age 12

Rachel Chen, age 10

Shirley Lee, age 8

Crystal Chueng, age 10

Austin Zhong, age 9

Caresse Zhang, age 12

Jordan Beaumont, age 6

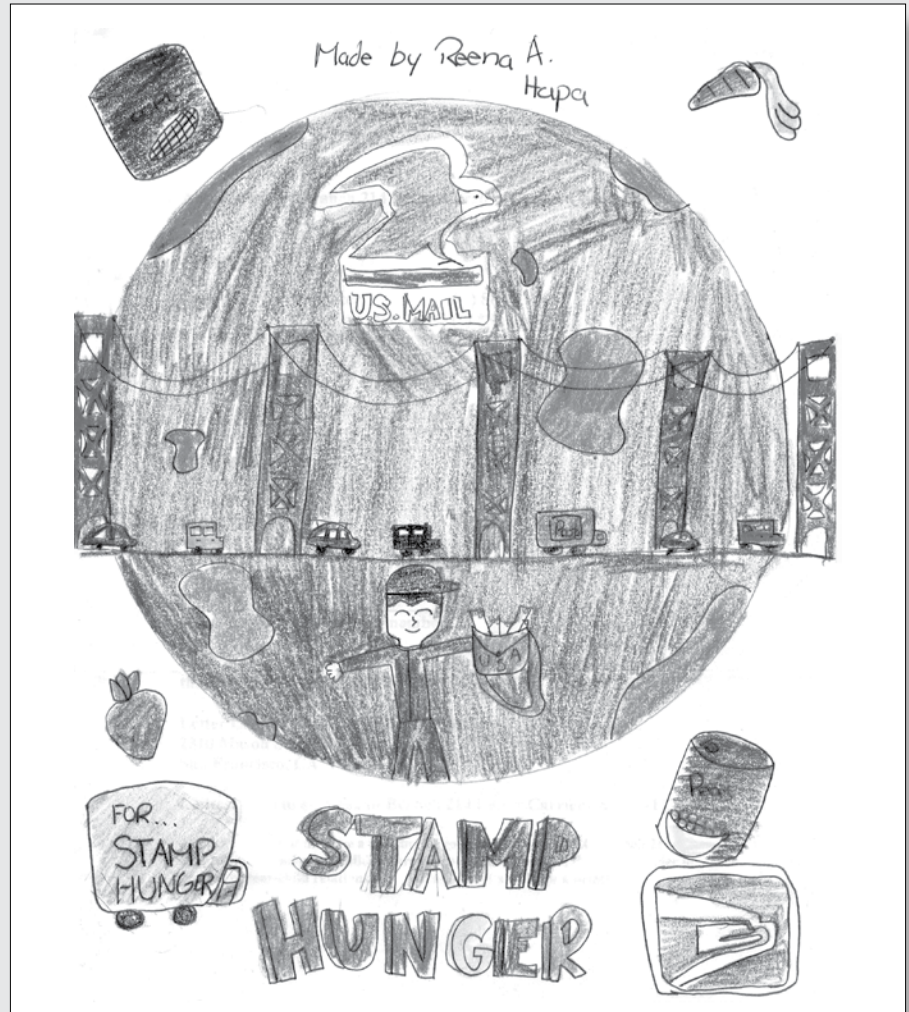
Michelle Pham, age 9

Stephanie Tam, age 12

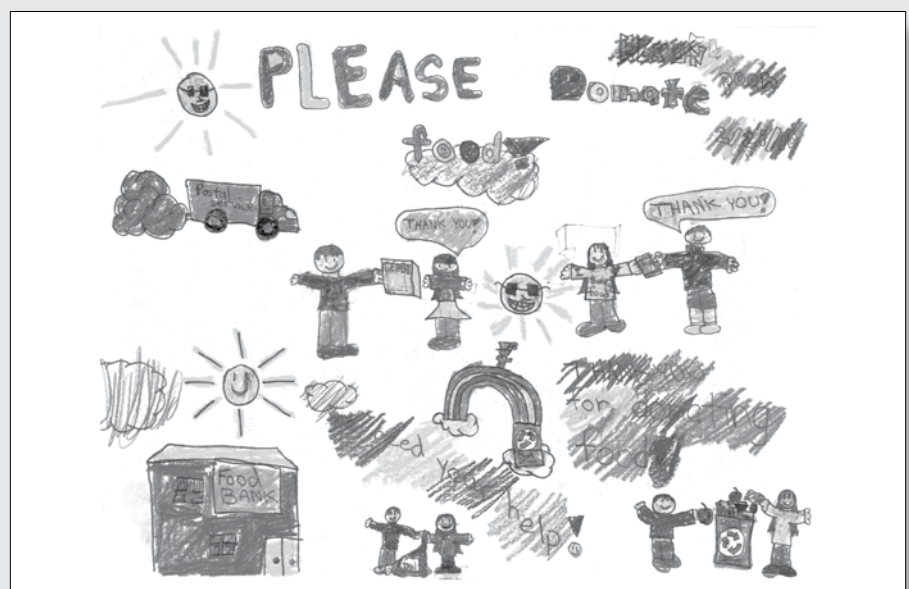
Michael Pham, age 11

Reena Hapa, age 8

Elson Poon, age 9



2nd place winner, age 8. Reena Hapa. Congratulations.



3rd place winner Elson Poon, age 9. Congratulations.

Approved Budget— April 1, 2010–Sept. 30, 2010

	Spent	Projected
	10/1/09– 3/31/10	4/1/10– 9/30/10
Expense		
1. Salaries, FT, PT, Stewards, Assignment Time:		
President's Salary (FERS)	31,885.33	32,100.00
Executive Vice President's Salary (FERS)	31,663.46	31,300.00
Vice President's Salary (CSRS)	31,728.47	32,600.00
Secretary-Treasurer's Salary (FERS)	31,038.69	31,300.00
Field Director Salary (FERS)	30,699.26	31,300.00
Asst. Secretary-Treasurer's Salary (FERS)	31,606.34	31,300.00
Health Benefits Representative Salary (CSRS)	1,260.48	1,300.00
Sgt/Arms, MBA, EEO, S&H, Trustees, Dir of Org (8)	5,602.72	5,700.00
Shop Steward Salary	41,787.95	43,400.00
Assignment Time/Paid Time and Services (excl. Voice, Ed)	22,212.04	16,000.00
Leave Replacement	6,538.20	2,000.00
TOTAL	266,022.94	258,300.00
2. Officer, Steward Expenses		
President's Expenses	1,922.53	2,000.00
Executive Vice President's Expenses	1,313.77	1,500.00
Vice President's Expenses	1,514.83	1,500.00
Secretary-Treasurer's Expenses	1,340.15	1,500.00
Field Director Expenses	1,816.62	2,000.00
Asst. S/T Expenses	1,333.75	1,500.00
Misc. Expenses (Other Officers & Stewards)	272.11	500.00
Leave Reimbursement	3,961.60	2,500.00
Officer's Leave Fund (30% of potential liability)	1,500.00	—
TOTAL	14,975.36	13,000.00
3. Taxes & Officer's Benefits		
Officer's Benefits	31,943.44	45,000.00
Payroll Taxes	26,772.07	25,000.00
Property Taxes	—	5,600.00
TOTAL	58,715.51	75,600.00
4. Building/Office Expense		
Building Maintenance & Repair	5,685.00	3,000.00
Hall Rental/RWC Office	5,125.00	1,650.00
Loan Payment/Mortgage	13,646.70	13,650.00
Janitorial Service Office	2,435.00	2,500.00
Office Utilities (Phone/Water)	6,804.88	6,000.00
Printing	3,800.16	2,000.00
Insurance (Disability/Business Liability/Bonding)	4,153.00	3,000.00
Insurance (Representational Liability)	—	—
Maintenance (Security/Service Contracts/Serv-Maint)	4,486.79	4,000.00
Computer Expenses	8,497.56	4,000.00
Office Supplies/Equipment/Office Expense	8,290.99	6,000.00
Postage	8,072.03	5,000.00
Payroll Services	5,005.65	2,000.00
TOTAL	76,002.76	52,800.00
5. Building Corporation		
BC Construction Costs	—	—
BC Elevator	217.68	600.00
BC Garbage	176.39	275.00
BC Insurance	9,003.47	5,500.00
BC Janitorial	—	1,550.00
BC Office Expense	—	25.00

	Spent	Projected
	10/1/09– 3/31/10	4/1/10– 9/30/10
BC Professional Fees	—	500.00
BC Serv Maintenance	—	250.00
BC Utilities (PG&E/Water/Elevator Phone)	163.99	2,500.00
TOTAL	9,561.53	11,200.00
6. Fees & Dues		
Professional Fees	20,608.68	15,000.00
Affiliate Dues	6,609.40	6,000.00
TOTAL	27,218.08	21,000.00
7. Convention & Conferences		
Convention Fund	12,600.00	12,600.00
Conferences (Los Vegas \$2,500; Arizona COP \$400; Pasadena \$2,100)	—	5,000.00
TOTAL	12,600.00	17,600.00
8. Education		
Training	29,343.72	25,000.00
Issue Education/Labor 2010/EFCA	240.00	500.00
Other: Books, Materials, NALC Supplies	2,770.00	2,000.00
TOTAL	32,353.72	27,500.00
9. Communications		
Voice: Lost Time Expenses	3,758.35	3,750.00
Website	12,531.38	13,000.00
	652.86	500.00
TOTAL	16,942.59	17,250.00
10. Entertainment		
Good of the Order/Other Refreshments	3,964.32	4,000.00
Annual Luncheon Honoring Retirees	2,778.92	2,000.00
Recreation/Picnic	—	2,000.00
TOTAL	6,743.24	8,000.00
11. Representational Expenses		
Representational Expenses	—	500.00
Contract / Picket Action / Legislative Action	—	1,000.00
TOTAL	—	1,500.00
12. Other		
Retirement and Other Gifts	1,367.48	1,000.00
New Member Services / Recruitment	450.00	500.00
Branch Elections wages	3,205.09	—
Food Drive	130.00	2,000.00
100% Union Celebration (\$4/person)	342.18	500.00
Branch Items	160.00	500.00
Miscellaneous	9.60	500.00
TOTAL	5,664.35	5,000.00
TOTALS	526,800.08	508,750.00

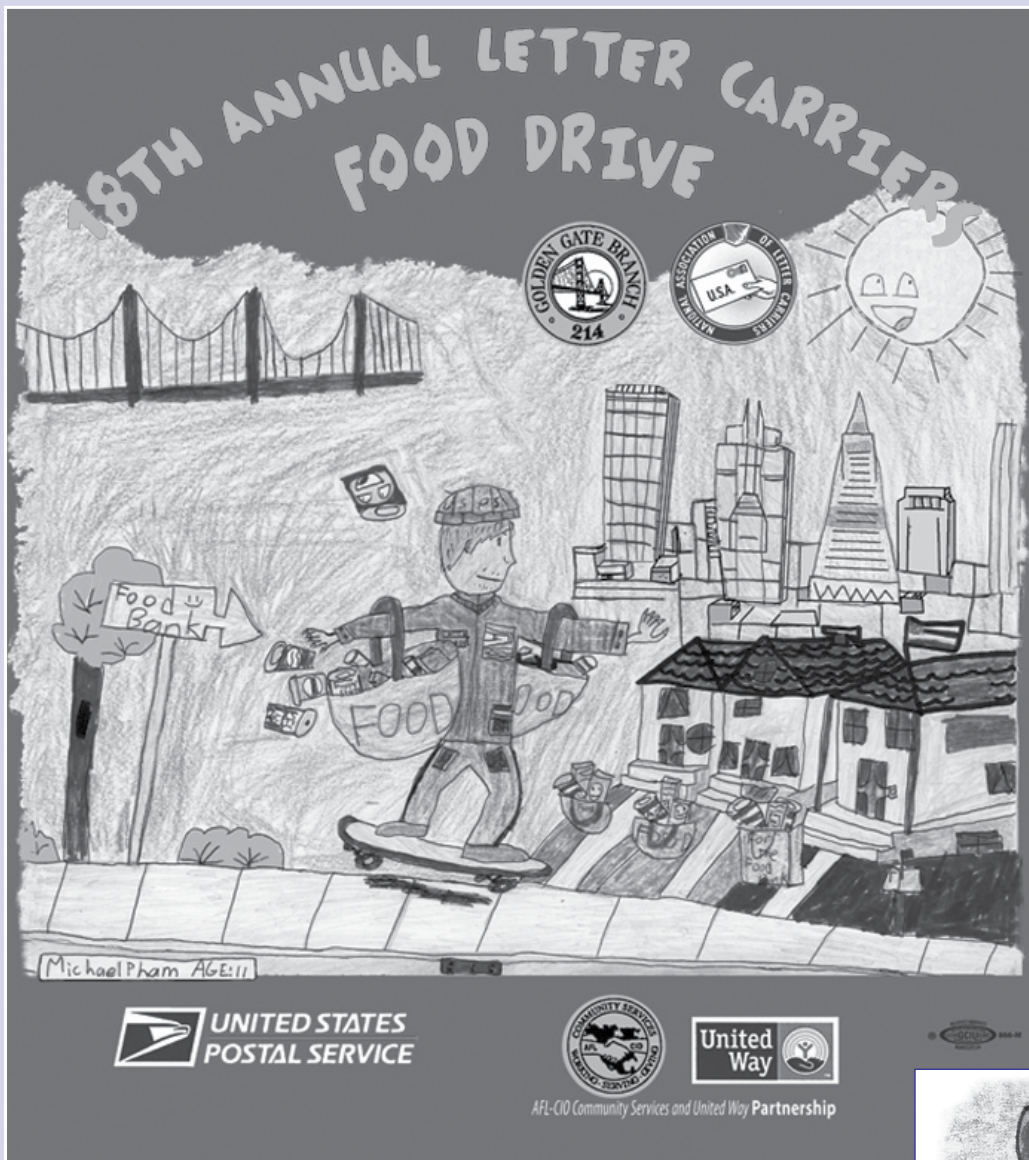
Projected Income	
	Projected Income
Active Members (13 Pay Periods @ 23.77)	
× 1,632 members	504,304.32
Retired Members	500.00
Interest Income	1,000.00
Miscellaneous Income	3,000.00
PROJECTED INCOME TOTAL:	508,804.32
Total Projected Expenses	(508,750.00)
Projected Surplus	54.32

GOLDEN GATE BRANCH NO. 214
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO
 2310 MASON ST., THIRD FLOOR
 SAN FRANCISCO, CALIFORNIA 94133



Address service requested

A Non-Profit Organization
 U.S. POSTAGE
PAID
 San Francisco, Calif.
 Permit No. 10302



2010 Food Drive T-Shirt Design Contest Winners

1st Place:
MICHAEL PHAM
 He received a
 \$150 gift card.

2nd Place:
REENA HAPA
 She received a
 \$100 gift card.

3rd Place:
ELSON POON
 He received a
 \$50 gift card.

All of the participants
 received a \$10 gift card.
 See page 14 for a
 complete list.

Winning design as it appears on T-shirts

ALSO INSIDE:

- **Route adjustments**—page **3**
- **Insulting Cesar Chavez**.....—page **6**
- **NALC health plan**.....—page **10**
- **Future of post office**.....—page **11**
- **More artwork**—page **14**

*Lettercarrier
 sleeve*

