



Workforce Testimony of Gus Baffa
Before the
President's Commission on the United States Postal Service

Good morning, members of the Commission. I am Gus Baffa, President of the 102,000-member NRLCA, and am very pleased to appear before you once again. Rural Carriers drive 3 million miles daily on over 70,000 routes, delivering mail to 32.8 million rural and suburban families and businesses. For those customers we are a post office on wheels, offering all the services available at the counter in a post office.

Today I will briefly explain what we deliver that our customers value the most. Then, I will review the collective bargaining system we follow which determines how we are compensated for our work. It's a successful system we believe must be preserved.

First, I know the commission is considering whether to redefine universal service, which most would say includes universal, six-day delivery. We believe the Postal Service must continue offering six-day delivery because our customers expect it and depend on it. Most people assume that if there were to be a reduction in delivery days from six to five, Saturday would be the additional non-delivery day. That is not necessarily true because that would put the non-delivery days back to back and would cause major storage and processing problems. The additional non-delivery day would need to be mid-week, a Tuesday or Wednesday, of course this could cause problems within the financial community and I suspect many Americans could incur penalties for late payments.

We also believe universal service should always include delivery to rural Americans. That's a concept as old as the nation. Some witnesses have mistakenly suggested that rural delivery doesn't contribute as much to the Postal Service bottom line as it should, or that we are a financial drain. In truth, rural delivery represents one of the most efficient segments of postal operations. That's due in part to the fact that we deliver a high number of letters and parcels to each household, but also it's due to our unique system of compensation: the evaluated pay system.

Allow me to briefly explain how this works. Once a year, a manager rides each rural route to verify the number of miles and the number of delivery points. In addition, management counts

every piece of mail delivered and accepted, because they have a time value, as do the miles and boxes previously mentioned. These and some additional factors are negotiated through collective bargaining and they determine the compensation for the route. (See Appendix 1 for additional information on this process.) Once evaluated, the routes compensation remains the same until the next mail count.¹

The strength of this system is that it ensures that every rural employee has an incentive. When the rural carrier completes their delivery and office responsibilities, they can go home and are paid their daily evaluated rate regardless of whether they have beaten or exceeded that route's daily evaluation. No compensation is subtracted from those who run under the evaluation and no additional compensation is paid if they exceed the daily evaluation.

A benefit of this system is that it does not require the type of close supervision that is required for hourly employees who, each day, must negotiate with their supervisors how many hours of work—and how many hours of overtime—are needed for that day's mail volume. Rural carriers can disagree with management, but most conflict occurs only once a year, during the annual mail counts.

Our union and the Postal Service derived this system, and continue to refine it, through collective bargaining and, in an impasse, a binding arbitration process recommended by your predecessors on the Kappel Commission and passed as the Postal Reorganization Act (PRA) by Congress. The PRA included this provision largely because the alternative, giving postal employees the right to strike, was unacceptable. Public servants cannot discontinue essential public services; therefore, postal employees do not have the right to strike. And let me be clear in saying NRLCA does not want the right to strike.

We believe the current process is sound and worth preserving. The best sign of the success is the fact that we have gone to binding arbitration only twice in 11 contracts. The system is hardly perfect. For example, in our most recent arbitration award rural carriers received pay increases, but management got a 20% productivity increase in our mail count standards. In a time of recession with declining mail volumes, almost all of our members saw their pay decrease. Despite this decision, which clearly favored the Postal Service, we remain convinced that our current system is better than any alternatives proposed, at this point in time.

Another example of the success of our system is the fact that we have the fewest grievances of any postal craft union. The number of grievances filed annually, especially those that go to the final step of the five-step process is remarkably low. The reason, clearly, is that our evaluated route system works and avoids conflicts with management that could lead to grievances.

In closing, let me stress that our system is unique and has a long record of success. It supports delivery to customers who need the Postal Service, and who use the Postal Service in ways that contribute substantially to the bottom line. We believe we are an essential part of the Postal Service's most valuable asset: its delivery network.

¹ *In areas of rapid growth, management adjusts routes when needed. This may change the route's compensation.*

