

NALC CONVENTION CHRONICLE



WEDNESDAY, JULY 25, COVERING THE SECOND SESSION, TUESDAY, JULY 24



JULY 23-27
2012
MINNEAPOLIS



Above: Lazard's Ron Bloom explains his analysis of the Postal Service's business to the delegates.

Top right: Endicia's Harry Whitehouse tells carriers they are the strength in the booming package delivery business.

Right: Three of the four members who were honored on stage for generating more than a million dollars in Customer Connect sales leads stand with Vice President George Mignosi.



CARRIERS LOOK FOR FUTURE OF POSTAL SERVICE BUSINESS

Running through the second day of the NALC's 68th biennial convention was the theme that while things look unquestionably bleak for the U.S. Postal Service, there is still time to help the agency innovate and grow its business. Reaching that goal, however, likely will require shared sacrifices from Congress, consumers, postal management and postal employees. However, seeds of hope can be seen in the growing package delivery business and in carriers who participate in Customer Connect to bring more business to USPS.

'UNION TOWN'

Tuesday's proceedings had a musical start, with the St. Louis Letter Carrier Band providing entertainment to delegates as they took their seats inside the convention hall. When the session came to order

shortly after 10 a.m., NALC President Fredric Rolando introduced a high-energy music video for the song "Union Town" by Tom Morello, which featured images from NALC's battles, past and present.

Keeping the music going, Rolando called to the stage Minneapolis Branch 9 member Donnia Riley, who provided a heartfelt *a capella* rendition of "The Star-Spangled Banner." She was followed by Branch 9 Trustee Samatha Hartwig, who led the Pledge of Allegiance, and by Father Mark Pavlik of Minneapolis' St. Olaf Catholic Church, who provided the invocation.

The president then introduced the members of the Committee to Extend Greetings to the NALC Auxiliary: Chairman Larry Kania, Buffalo-Western NY Branch 3; Emre Edwards, Austin, TX Branch 181; and Mary Smith, Greenwood, MS Branch 1080. The Auxiliary concurrently is holding its own convention here in Minneapolis.

CONSTITUTIONAL AMENDMENTS

Assistant Secretary-Treasurer Nicole Rhine came to the microphone to begin consideration of proposed amendments to the NALC Constitution. Also helping to lead discussion of the proposed changes were Vice President George Mignosi and Director of Life Insurance Myra Warren.

Delegates passed a motion to accept *en bloc* the proposed amendments approved by the Executive Council, with the exception that delegates could ask for discussion and clarification on some of those amendments. Of the 14 amendments discussed Tuesday, a few were withdrawn before coming up for consideration, with delegates upholding the approval or disapproval of the rest, occasionally following brief consideration by the assembly.



Assistant Secretary-Treasurer Nicole Rhine



Director of Retired Members Ernie Kirkland



Director of Life Insurance Myra Warren

class workers dating back to 1889.”

WRITING OUR OWN HISTORY

Shortly before noon, President Rolando invited to the stage Ron Bloom, vice president of U.S. investment banking at the consulting firm Lazard.

“In the good old days, he would be treated as Enemy No. 1,” Rolando said with a smile, “Or at least someone to be very wary of.” Now, the president said, Bloom is a trusted advisor as the NALC and the Postal Service confront the agency’s financial reality.

Rolando explained to delegates that Bloom, a Harvard Business School

One approved amendment in particular rights a historic wrong. Between 1913 and 1969, some African-American letter carriers, denied NALC membership on the basis of race, chose to join the National Alliance of Postal and Federal Employees. As of Tuesday, the NALC Constitution extends NALC membership to those carriers.

Rolando invited Vice President George Mignosi to the podium to present a report from the Committee on Appeals. Mignosi said that two appeals are set to be heard by the convention on Friday.

Midway through the morning portion of the proceedings, delegates watched a video greeting from U.S. Secretary of Labor Hilda Solis. “My office door will always be open as we work together to resolve issues and share ideas,” she said. “This union has a history of standing up for middle-

graduate, comes to the NALC with a background as a union organizer for the Service Employees International Union (SEIU), but more importantly with a reputation for having successfully restructured the steel and automotive industries—which is why, last September, the NALC hired him to analyze the business potential of the Postal Service.

“When Ron came on board,” the president said, “we made it clear to him that we wanted a detailed review of the Postal Service, and then his honest, unvarnished opinion of whether the United States Postal Service was able to be salvaged—and if so, how.

“Ron made it clear that we might not like everything he had to say after he conducted his review, but that he would give it to us straight,” Rolando added. “What we do with his advice and his recommendation is up to us. It’s up to all of us.”

Bloom told delegates that he had learned an interesting lesson from his SEIU experience: “When a union stands up for dignity and respect, it winds up standing up for the people it serves.”

Later, working both for the United Steelworkers and as the “car czar” for the Obama administration, he noted how union involvement was crucial in restructuring the American steel and automotive industries.

“In 2000, the U.S. steel industry was literally on the verge of extinction,” Bloom said, “led by management that didn’t want to win any more, that felt the best that they could do was simply retreat and retreat and retreat—and shrink to survive. And to be candid, for a long time the union had gone along for the ride.”

But then, he said, the union realized that “you can have as much of the pie as you want, but if there’s no pie at all, you go hungry.” So the union decided that it needed to step up to the plate and try to lead the restructuring of the steel industry on its own, focusing on five arenas: politics, collective bargaining, corporate operations and finances, industry structure, and management.

“Through all those activities, the steel industry in America was saved,” Bloom said. “But like all victories, it’s not permanent. The steel industry continues to face enormous challenges.”

“If the union doesn’t stand up for the industry,

nobody will, because at the end of the day, nobody cares more about these institutions than the people who work for them,” Bloom said. And so the union must lead change, he added.

With the auto industry, Bloom said, “people believed for a long, long time that GM could never go out of business.” But if the government had not taken steps to provide it with emergency assistance, General Motors would have ceased to exist.

And now his focus is on the USPS. “It is true that, looking at the problems of the Postal Service, General Motors looks like a ‘gimme,’” Bloom said with a smile—to laughter from the delegates.

The history of the Postal Service, he said, teaches us that we need three things to succeed: A leader with vision who wants the Postal Service to win; a Congress that sees the value of the network; and letter carriers who stand up for themselves and this institution. If they don’t, he said, nobody will—but if they do, extraordinary things can happen.

THE POSTAL FUTURE

“On its current trajectory, there will come a day when the Postal Service is reduced to a tiny shadow of its former self,” Bloom said. “The basic facts of the Postal Service are dire and dramatic: Congress created it, and whether by action or inaction, indifference or malice, many people are prepared to see it fade away.”

He said there are three elements behind this reality:

- > The core product that the Postal Service uses to sustain itself—first class mail—is in decline, and nothing will arrest that.
- > Then there’s Congress, composed of people who either don’t understand the situation, don’t care, or understand it all too well and want USPS to fail.

Letter carriers gave blood to help save a life during the Tuesday session. The blood drive will continue today from 9 a.m. to 3 p.m. in room M100 on the Mezzanine level of the convention center.



> And finally, there is a management team that is good at many things, but on the issue of reimagining and reinventing the institution—and fighting for it—has thrown in the towel.

While the bad news is significant, Bloom said, letter carriers are not without tools. “This business is going out of business, but it is not going out of business today.”

The U.S. postal network, Bloom said, is the densest in the world. “There is no reason that this network can’t be filled with other things” besides regular mail, such as package delivery, he said.

Most importantly, he said, the Postal Service has the NALC. “Whether the USPS survives really does rest on letter carrier shoulders,” he said.

A restructured Postal Service needs to include the idea of shared sacrifice, with leaders empowered to take a hard look at collective-bargaining agreements. “Labor needs to be a part of the solution,” he said. “If we don’t lead this, it will not happen. If it’s not part of a bigger package of shared sacrifice, it is completely in vain.”

Congress also must do its part. “All you need is what’s rightfully yours,” Bloom said—not just a refund of the postal retirement account surpluses under the Civil Service Retirement System and the Federal Employees Retirement System,

HARRY WHITEHOUSE OF ENDICIA

President Rolando invited Harry Whitehouse, chief development officer and co-founder of Endicia, to address the convention. Whitehouse described his company’s innovative partnership with the Postal Service, which has led to the company’s sales of roughly 65 percent of all PC postage.

Whitehouse said USPS package delivery was up 9 percent over the previous year. With package delivery growing rapidly, even in the recession, he said the Postal Service has the tools to compete with private shippers and grow its business even more.

“I always say that if I walk into any UPS or FedEx shipper, I can get at least some of the business, if not all of the business,” Whitehouse said. He told the delegates that the Postal Service should use its advantages, such as superior tracking, ease of international shipping and competitive pricing, to build on its 15 percent share of the parcel market.

Package delivery, he said, is growing with e-commerce rather than shrinking like first class mail—the competition comes from other shippers rather than the Internet, since one can’t e-mail a package. “If they ever come up with a real trans-



President Fredric Rolando

Director of Retired Members Ernie Kirkland then presented the report of the Retirement Committee, which the delegation accepted.

President Rolando then introduced the Nalcrest trustees: Matty Rose of South Florida Branch 1071, Don Southern of Lakeland, FL Branch 1779 and Tom Young of Garden Grove, CA Branch 1100. After a video presentation about Nalcrest featuring many of its residents, the three took turns telling the convention about the unique NALC-sponsored retirement community—with Rose stressing its warm climate. “We want you there,” he said. “Don’t retire anywhere else.”

GREETINGS FROM PAST PRESIDENTS

President Rolando then called President Emeritus William Young to the podium to read letters from President Emeritus James Rademacher and President Emeritus Vincent Sombrotto addressing the convention. Neither was able to attend the convention this year due to health concerns.

The struggle over the future of the Postal Service, Rademacher wrote, “will soon come to a head, and NALC will win because of a strong leader and a membership that believes in solidarity.”

Saving the Postal Service “can be done, and I am confident it will be done,” Sombrotto wrote. “I believe you—this convention—are the ones to do it.”

Young then urged letter carriers to take care of their health to meet the challenges of their jobs, their family lives, and their union activities, and said the elections this fall will be “the defining moment for this generation of letter carriers.”

The delegates gave Young a letter carrier cheer.

CUSTOMER CONNECT LEADERS RECOGNIZED

Next, Vice President George Mignosi honored almost 50 letter carriers who have reached the \$1 million milestone for Customer Connect leads.



President Rolando led a letter carrier cheer for President Emeritus William Young.

but a repeal of the 2006 congressional mandate to pre-fund 75 years’ worth of future retiree health benefits in just 10 years.

USPS needs to be allowed to act like a business, he said—and that requires leadership.

“When history is written,” Bloom concluded, “the question will come whether the second decade of the 21st century was the beginning of the end of the Postal Service, or will it be the moment when the National Association of Letter Carriers stood up, grabbed the wheel and said, ‘We will write our own history—we will stand up and save the United States Postal Service.’”

porter and Captain Kirk is beamed in with a couple of packages,” he joked, “we’re all hosed.”

Bad perceptions about the Postal Service, however, are holding back some potential customers, he said. “You need to correct that,” Whitehouse told the delegates. “You’re closer to your customers than anyone else.” He urged letter carriers to continue to approach businesses to show them how the USPS can provide the best parcel shipping at the best value. Whitehouse also praised letter carriers for the high level of service that has made his company’s success possible.

Whitehouse’s comments were greeted with a letter carrier cheer.



Delegates turn in postcards for NALC members serving in the military overseas. Delegates can also drop off items for care packages at the care package booth in the registration area.

Though finding sales leads may not sound like the work of a union member, Mignosi said, "building our business and serving our customers is at the heart of trade union work." Customer Connect has helped to support letter carrier jobs, he added, by generating a half million leads and \$1.5 billion in new sales.

Four of the million-dollar Customer Connect leaders were present at the convention: Frank Enslow, Jr. of St. Louis, MO Branch 343, Anthony R. Battatio of Indianapolis Branch 39, Shawn Greenhill of Russellville, AL Branch 892 and Richard Patton of Albany, NY Branch 29. Rolando presented awards to the four on the stage.

President Rolando then called Mileage and Per Diem Committee Chair Antonia Shields of Birmingham, AL Branch 530 to

the stage. Shields introduced her committee's members: Tom Cleer of Northern Virginia Branch 3520 and Ron Resop of Arizona Merged Branch 1902. Shields reported that the per diem amount was \$409.36 and payments to committee members totaled \$51,500. The recommendations of the committee were adopted by voice vote.

NALC Auxiliary President Linda Kirby offered greetings from the Auxiliary, along with the other members of the Auxiliary's board and their spouses. Kirby pledged the continuing support of the Auxiliary for NALC's efforts to save the Postal Service. "We are your partners in life," she said. "Why wouldn't we be your partners in the fight for your livelihood?"

AWARDS FOR E-ACTIVIST NETWORK PARTICIPATION

President Rolando next presented awards to the branches with the highest percentage of e-Activist members:

Category I (50-99 members)

39.62 percent—Branch 1995 Cleveland, TN

Category II (100-499 members)

59.62 percent—Branch 219 Aurora, IL

Category III (500-999 members)

46.84 percent—Branch 3126 Royal Oak, MI

Category IV (1,000-1,999 members)

24.29 percent—Branch 576 Phoenix

Category V (2,000-3,999 members)

21.43 percent—Branch 70 San Diego

Category VI (4,000 or more members)

18.49 percent—Branch 1071 South Florida

State Category

27.29 percent—Alaska

Region Category

18.66 percent—Region 8

Throughout the day, delegates spoke from the floor to ask for collections to help two letter carriers who were injured on the job and to express condolences for a member who had recently died.

After a few announcements, Rolando recessed the convention six minutes early, at 2:54 p.m.



The NALC Auxiliary took the stage to offering greetings to the delegates.



NALC AUXILIARY TUESDAY, JULY 24

Delegates were greeted on their second day of the convention by music played by the Pittsburgh NALC band under the direction of Ken Slis. President Kirby re-convened the session at 10:02 a.m. The delegates sang the National Anthem accompanied by the Pittsburgh NALC band, followed by the Pledge of Allegiance.

Vice President Cythensis Lang led a poignant Memorial Service to honor the memory of auxiliary members who have passed since the 2012 convention. Vocal music tributes were provided by Mike Zagaros, president of Branch 9, Minneapolis.

NALC Greetings Committee Chair Larry Kania, president of Branch 3, Buffalo-Western New York, introduced committee members Emery Edwards (Branch 6181, Austin, TX) and Mary Smith (Branch 1080, Greenwood, MS). Kania thanked the Auxiliary members for their unwavering support since the very beginning. Kania said the union knows the Auxiliary's support is still there in the "new battles looming right around the corner." Both Edwards and Smith offered thanks to the Auxiliary and offered support and ideas on ways

the local auxiliaries could work with local branches to increase membership.

The bylaws committee, co-chaired by Vice President Lang and Assistant Secretary Prather, introduced committee members Claudia Hart (Auxiliary 71, Spokane, WA) and Sylvia Ashley (Auxiliary 90, Waco, TX). Six bylaw changes were introduced and all six passed. Audit Committee Chair George Anna Myers (Auxiliary 4, Kansas City, MO) and committee members Cynthia Martinez (Auxiliary 21, Phoenix, AZ) and Laura Castro (Auxiliary 90, Waco, TX) reported that the books of the secretary and of the treasurer were reviewed and found to be in good order.

Ann Borowski (Auxiliary 144, Milwaukee, WI), chair of the mileage and per diem committee, introduced committee member Nancy Southern (Auxiliary 2621, Lakeland, FL). The total recommended by committee for this convention is \$12,523.74. The committee further moved to approve round-trip airfare for the National Auxiliary officers for Convention 2014. The motion carried. President Kirby thanked the committee chairs and members for their dili-

gence and service to the Auxiliary.

President Kirby welcomed NALC's director of health benefit plan, Brian Hellman, to the podium. Hellman thanked the Auxiliary for all the hard work and assistance throughout the years, especially in the political arena. Hellman said it is his personal goal to do what he can to make sure the Auxiliary stays alive, as it will take all of us to face the battles before us.

Nominations for the 2012-2014 NALCA officers were as follows: president—Linda Kirby; vice president—Cythensis Lang; secretary—Marie Rasmussen (Auxiliary 430, Racine, WI); assistant secretary—Tonya Lloyd (Auxiliary 111, Houston, TX) and George Anna Myers (Auxiliary 4, Kansas City, MO). There were no nominations for treasurer. The election for assistant secretary will take place Wednesday at 10 a.m. Kathy Miller (Auxiliary 200, Iowa City, IA) will continue as treasurer until a successor can be appointed by President Kirby.

The session was recessed at 1 p.m.

**M. MARIE RASMUSSEN,
NALCA SECRETARY**