



# HOTLINE

March 2014

VOLUME 21, ISSUE 1

Thursday, April 24<sup>th</sup>, 2014

2:30 p.m. to 4:00 p.m.

## Have you ever wanted to see the inside of the GMF?

### Join the PCC for a tour of Wichita's General Mail Facility!

Please join us for **this informative tour!**

Further details below:

There have been a lot of changes in the past few years at the General Mail Facility. Offices have moved, walls have been torn down, all to accommodate new machinery and more mail for processing. If you've been on a tour before, there will be a lot more to see now. At 2:30, Wichita Postmaster, Evie Tan-Todd and Acting Plant Manager, Fernando Inda will give a short presentation, with tours beginning at 3:00. Tours will be in small groups, and will be led by knowledgeable Postal Service staff. Light refreshments will be provided.

**Please note: for safety reasons, you must wear fully enclosed leather or leather-type material shoes to go on the tour.**

Join the Wichita PCC and your fellow business and mail professionals to learn more about what goes on behind the scenes at the Post Office, and enjoy networking opportunities. - Don't get left behind. **Space is limited! Sign up now!**

**Schedule:**  
2:15 Registration  
2:30 Presentation by Wichita Plant Manager and Postmaster and refreshments  
3:00 Tours Begin  
5:00 Close

**Location:** Wichita General Mail Facility, 7117 W. Harry St., Wichita, KS (west parking lot entrance)

**Cost:** No cost.

**For Reservations,** call or email Tim Norman, [timothy.j.norman@usps.gov](mailto:timothy.j.norman@usps.gov), 946-4528, or Kelli Cunningham, [kelli.j.cunningham@usps.gov](mailto:kelli.j.cunningham@usps.gov), 946-4699.

See us online at [www.pccwichita.com](http://www.pccwichita.com) !

## \*\*\*NEWS UPDATES\*\*\*

The Wichita Postal Customer Council newsletter, PCC Hotline, is published by the Wichita Postal Customer Council for all members of the Council and other business mailers in the Wichita area.

**Evelyn Tan-Todd**  
Postal Co-Chair

**Currently Open**  
Industry Co-Chair

All members are invited to submit news for the PCC Hotline. Items should be sent to:

**Jeremy Biltz**  
jbiltz@sedgwick.gov

[www.pccwichita.com](http://www.pccwichita.com)

### **U.S. Postal Service Testifies Before Congress Urging Elimination of Unfunded Liabilities**

WASHINGTON — On March 13<sup>th</sup>, Chief Human Resources Officer and Executive Vice President Jeffrey Williamson testified before the United States House of Representatives Subcommittee on Federal Workforce, U.S. Postal Service and the Census during a hearing titled “At a Crossroads: The Postal Service’s \$100 Billion in Unfunded Liabilities.”

What follows are highlights of Williamson’s testimony.

“The enactment of comprehensive postal reform legislation cannot wait. The Postal Service has exhausted its borrowing authority, faces unnecessary and artificial costs that it cannot afford, and is constrained by law from correcting the problem...

We cannot get there by our actions alone. There exists no scenario where the Postal Service returns to financial stability without enactment of postal reform legislation.

Now is the time for bold and sweeping action, which will allow us to move forward with solutions that will last for years to come, instead of piecemeal efforts that will only bring the Postal Service back here again, pursuing legislative reform in a few years.

Our proposals and legislative requirements address our key liabilities.

- Retiree health benefits – full Medicare integration would reduce the unfunded liability by almost \$44 billion, almost to zero.
- FERS overfunding – utilizing Postal Service specific

demographic and salary growth assumptions would result in approximately \$6 billion in overfunding which should be returned to the Postal Service. This would minimize the likelihood that FERS would become overfunded in the future.

- Long-term pension liabilities – creating a defined contribution plan for future employees would provide a retirement system that better matches benefits with long-term employees’ needs, while ensuring the system’s financial viability.
- Worker’s compensation reform that would require recipients who reach retirement age to transition from workers’ compensation to a retirement program would be cost effective, and create a more equitable system that would also reduce the Postal Service’s unfunded liability. In addition, legislation that would allow the Postal Service to settle workers’ compensation claims would be beneficial for both the Postal Service and those employees who are unable to return to postal employment.”

Williamson’s full written testimony is available at: <http://about.usps.com/news/testimony-speeches/welcome.htm>

## **U.S. Postal Service Records Loss of \$354 Million in First Quarter, Underscoring Need for Comprehensive Legislation**

**WASHINGTON** — The U.S. Postal Service ended the first quarter of its 2014 fiscal year (Oct. 1, 2013 – Dec. 31, 2013) with a net loss of \$354 million. This marks the 19th of the last 21 quarters that it has sustained a loss. Though the Postal Service has been able to grow revenue by capitalizing on opportunities in Shipping and Package Services and has aggressively reduced operating costs, losses continue to mount due to the persistent decline of higher-margin First-Class Mail, stifling legal mandates, and its inflexible business and governance models.

“The Postal Service is doing its part within the bounds of law to right size the organization, and I am very proud of the achievements we have made to reduce costs while significantly growing our package business,” said Postmaster General and CEO Patrick Donahoe. “We cannot return the organization to long-term financial stability without passage of comprehensive postal reform legislation. We appreciate the efforts of the House and Senate oversight committees to make this happen as soon as possible.”

The Postal Service will continue to have a low level of liquidity through October 2014. In the event that circumstances leave the Postal Service with insufficient cash, the Postal Service would be required to implement contingency plans to ensure that all mail deliveries continue. These measures could require the Postal Service to prioritize payments to its employees and suppliers ahead of some payments to the federal government, as has been done in the past.

Citing that the Postal Service could not wait for legislation indefinitely, the Postal Service’s Board of Governors directed management in 2013 to accelerate alignment of its operations to further reduce costs and strengthen its finances. The Postal Service leveraged employee attrition and increased use of non-career employees — as provided by new labor agreements — which allowed for better alignment of staffing and workload levels, resulting in reduced labor costs.

“We grew revenue by over \$300 million through aggressive marketing and improving service, and we reduced operating costs by \$574 million in Quarter 1, partially due to the separation of approximately 22,800 employees in 2013 under a Voluntary Early Retirement program and improved efficiency in our workforce,” said Chief Financial Officer and Executive Vice President Joseph Corbett.

### **First Quarter Results of Operations Compared to Same Period Last Year**

- Total mail volume of 42.0 billion pieces compared to 43.5 billion pieces
  - First-Class Mail volume declined 4.6 percent.
  - Standard Mail volume declined by 2.8 percent.
  - Shipping and Package volume increased 10.3 percent.

Revenue from First-Class Mail, the Postal Service’s most profitable service category, decreased \$209 million, or 2.8 percent from the same period last year, with a volume decrease of 817 million pieces, or 4.6 percent. The most significant factors contributing to this decline were the ongoing trends in the mailing behavior of consumers and businesses emanating from the recent recession, and the continuing migration toward electronic communication and transactional alternatives.

Complete financial results are available in the Form 10-Q, available at <http://about.usps.com/who-we-are/financials/welcome.htm>



FIRST-CLASS MAIL  
POSTAGE & FEES  
PAID  
USPS  
PERMIT NO. G-10

PO Box 9111

Wichita KS 67277-0111

### National Postal Forum

Did you miss the 2014 National Postal Forum that just went by in March? Well don't worry, the next one is right around the corner. The National Postal Forum is the premier educational event/experience and tradeshow available to mail professionals today. If your business or profession has anything to do with using mail, or any of the products and services available through the United States Postal Service... then this is the place you need to be as an exhibitor or attendee! For more information, visit [www.npf.org](http://www.npf.org).

Visit us online at [www.pccwichita.com](http://www.pccwichita.com)

To register, send the below form to:

*WPCC, PO Box 9111, Wichita KS 67277-0111*

<b>PCC GMF Tour on April 24<sup>th</sup>, 2014</b> At <u>Wichita General Mail Facility, 7117 W. Harry St., Wichita, KS</u>	
Names	_____
	_____
	_____
Company:	_____
Email address:	_____
Phone #:	_____
Number Attending:	_____