April 20, 1970

MEMORANDUM FOR JEB MAGRUDER

I think the attached could be of some value. Perhaps you could promote it. It is a remarkable statement. in praise of the Administration by the most important postal labor union.

Charles W. Colson

cc: Henry Cashen
H. R. Haldeman

NEWS
N·A·L·C
NATIONAL ASSOCIATION OF LETTER CARRIERS
100 INDIANA AVE., N.W. • WASHINGTON, D. C. 20001 • 202/393-4695

STATEMENT OF THE NATIONAL ASSOCIATION OF LETTER CARRIERS
JAMES H. RADEMACHER, PRESIDENT

FOR IMMEDIATE RELEASE — APRIL 15, 1970

We are pleased with the announcement of the Post Office Department that retroactive pay checks, reflecting the 6% increase recently granted, will be disbursed on Friday, April 17, within 48 hours of the President's signature on the Bill. Our union had urged such favorable action because of the plight of our membership.

This is concrete evidence that the Administration has been, and is, bargaining with the employee leaders in good faith. It is also evidence of the kind of progress that can be achieved when reasonable men sit down at the bargaining table and try to work out their problems in an intelligent manner.

The co-operation of the Post Office Department in issuing the retroactive pay increase gives me even greater confidence in the future of our negotiations. It makes me more certain than ever that we shall get, as soon as is humanly possible, the promised additional 8% pay increase, along with an acceptable and reasonable version of postal reform.

THE WHITE HOUSE

WASHINGTON

March 24, 1970

MEMORANDUM FOR

THE PRESIDENT

SUBJECT: Analysis of H. R. 13000, Senate and House Versions

I. HOUSE VERSION:

The House version of H. R. 13000, passed in October, provides for a 5.4% increase for postal employees effective October 4, 1969; compression from 21 to 8 years; and the establishment of a Federal Wage Commission and arbitration procedures, subject to Congressional veto. It also provides a comparability increase of 5.7% for all Federal employees and postal employees by April 1, 1970. The total cost of the House version:

Fiscal year 1970	$900 million
Fiscal year 1971	$3.4 billion

II. SENATE VERSION

The Senate version which passed in December provides for all postal and classified employees effective January 1, 1970:

4% for all those earning up to $10,000			
3%	"	"	$10,000 to $15,000
2%	"	"	$15,000 to $20,000

Plus, 3% in July for all employees.

The cost of the Senate version:

Fiscal year 1970	$700 million
Fiscal year 1971	$2.8 billion

The House and Senate versions of H. R. 13000 have been held in conference because of the action being taken on our refor/pay bill. No action has been taken by the conferees. Obviously, if the conferees were to meet, the ultimate bill would come out somewhere between the House and Senate versions.

John D. Ehrlichman

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 8, 1970

Postal Reform

FOR: JEB MAGRUDER

FROM: ALVIN SNYDER AS

Moe Udall will be on the CBS MORNING NEWS, Friday, April 10 to discuss Postal Reform.

Never say die!!

cc: Herb Klein
Chuck Colson

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

SUBJECT: H. R. 4 - Analysis of Administration Postal Pay/ Reform Bill

The House Post Office and Civil Service Committee on March 12 reported out a substitute H. R. 4, by a 17 to 6 vote. It is essentially the Administration compromise worked out with Rademacher. It provides the following:

1. Creation of a postal authority with a 13-member executive council

2. A commission to determine rates for each class of mail, which rates can be overridden by a two-thirds vote of either House

3. The authority to issue capital bonds up to $10 billion

4. A requirement that the authority become self-sustaining by 1978

5. A 5.4% pay increase for postal employees retroactive to January 1, 1970

6. Provision that postal employees will also receive the 5.7% comparability increase granted all Federal employees

7. Maintenance of Civil Service benefits by employees

8. Compression--maximum period of service to reach top pay in the grade reduced from 21 years to 8

9. Collective bargaining with binding arbitration to determine compensation, benefits and conditions of employment

Total cost for fiscal year 1970	-	$175 million
fiscal year 1971	-	$1.4 billion *

(*Assumes comparability for postal and/or other classified employees on January 1, 1971)

John Ehrlichman

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John D. Ehrlichman

THE WHITE HOUSE

WASHINGTON

March 24, 1970

MEMORANDUM FOR JOHN EHRLICHMAN

I believe we are in some danger of losing the initiative on the strike/pay/reform issue. The Democrats have successfully spread the line that it was the President's action in tying reform to pay that caused the strike. This is a recurrent theme in every news article, notwithstanding the Post, New York Times and Journal editorials which have said that we were right and that the reform bill would have prevented this situation.

If public disenchantment with the strike continues to grow as it is bound to, then the Democrats cannot help but make political hay taking the line they are taking.

If the strike were to be settled quickly, then we would probably not suffer too much political damage. There is little chance of it being settled quickly, however. The negotiations, in any event, will drag on.

In view of this, I think we should consider seizing the initiative very boldly. We should think about the possibility of a Presidential message to the Congress today or tomorrow, calling upon the Congress to enact HR 4 at once. Since HR 4 has been reported out of the House Committee the Congress could act on it within 48 hours.

In proposing this to the Congress the President could point out that he is not reacting to the strike and he is not acting under pressure. HR 4 represents the same position the Administration has held since last December.

HR 4 provides an 11.1% increase for postal workers, is the only vehicle by which postal employees can get more than the normal across-the-board Federal pay increase, provides compression from 21 to 8 years and provides a mechanism for regional collective bargaining that would enable the workers in New York to work out their own economic destiny in the time honored, traditional union manner. If they had meaningful collective bargaining (with compulsory arbitration) they would have no reason to strike.

The message could be carefully worded to avoid the implication that the President was acting under the pressure of an illegal strike.

This approach has the disadvantage that in a sense it undercuts Shultz's position. Shultz has said that he would negotiate. We would, in effect, be accused of jumping the gun on negotiations. On the other hand, the postal workers have not gone back to work completely and I gather that the negotiations may be significantly delayed. If this happens and the strike continues, we should be free to take another course of action, i.e., the message.

The message has some very distinct political advantages:

1. It would be a way to show that we didn't cause the strike; that we several months ago, in fact, proposed a larger pay increase for postal employees than any of the bills being considered by the Congress.

2. It would put a hot potato in the hands of the Democrats. If they failed to act, the public would very likely blame them for the continuation of the strike. If they do act, then we can't be accused of causing the strike by tying reform to pay -- and we get our package.

3. It will be clear to the public that the President is prepared to move at once. The employees around the country (the vast majority of whom do not understand the benefits of the reform package) would be bound to act favorably because anybody can calculate what 11.1% means to him.

4. With proper PR it would not be construed as caving in since it has been our consistent position from the beginning.

We should also consider, if this approach makes sense, whether we tie in the 5.7% raise for all Federal employees making it effective July 1. Since the Comparability Act contemplates our doing this and since this is the amount of the BLS figures, Federal employees would, I think, react favorably. Adding this, however, would be something of a concession made in the middle of the strike. It might be a desirable concession, however, to head off further trouble.

Colson

Charles W. Colson

The Postmaster General
Washington, D.C. 20260

MEMORANDUM

ADMINISTRATIVELY CONFIDENTIAL

FOR: JOHN EHRLICHMAN AND
BRYCE HARLOW

FROM: WINTON M. BLOUNT

SUBJECT: POSTAL REFORM AND POSTAL PAY ACT

In line with our conversation of yesterday, here are my thoughts on the extent to which the Administration should be prepared to compromise in order to secure passage of comprehensive postal reform legislation.

A. STATUTE

The bill enacted by Congress would retain all the provisions of the compromise legislation developed last month and introduced as H. R. 15430 (including the two-step pay increase for postal field serivce employees, retroactive to January 1, 1970), subject to the following changes, and these changes only:

1. The members of Congress who sit on the Executive Council would serve in an advisory capacity, and would not be entitled to vote on any matter before the Council. (There is a very serious Constitutional problem in giving members of Congress a vote on the Council, since that would almost certainly make them officers of the United States under Article I, Section 6 and Article II, Section 2 of the Constitution. I attach as Enclosure 1 the statutory language necessary to accomplish the changes described in this paragraph and the following paragraph.)

2. Postal rate changes would become final 60 days after publication of a final decision by the Presidentially appointed members of the Executive Council, unless both houses of Congress adopted a concurrent resolution disapproving the change. (This provision - which was contained in H.R. 11750, the original Administration proposal - is clearly in the best interest of the postal unions as well as postal management. The alternatives that have been discussed - e.g., permitting rate changes to be vetoed by the resolution of a single house, or by a privileged resolution - are designed to make it much easier for rate changes to be vetoed. The easier it is to get a Congressional veto, the harder it may be for the Authority to obtain the funds needed for future wage increases. Moreover, the easier it is for Congress to veto proposed rate changes, the harder it will be for the Authority to sell its bonds to the public.)

3. H.R. 15430 would require the Authority to commence operations on January 1, 1971. Depending on when the bill is passed, this short a fuse could make it nearly impossible for the Authority to get off to the right kind of start. It would be preferable for the legislation to contain the following provision, which is patterned after language found in H.R. 11750:

> "The Authority shall commence operations within one year after the enactment of this section and upon the date fixed by a resolution of the Executive Council."

4. Section 801(b) of H.R. 15430 contains a sentence which, standing alone, would seem to give the Authority discretion to remove any postal employee at any time. The corresponding provision in H.R. 11750 related only to appointees of the Board of Directors, who would be executives rather than rank and file employees. I believe, therefore, that the first sentence of section 801(b) should be replaced with the following language:

> "The Executive Council may hire executives on long term employment contracts when necessary. Notwithstanding any such contract, the Executive Council may at its discretion and at any time remove any executive employee."

5. As the result of a printing error, a provision authorizing the Authority to contract for the transportation of mail by vessel was inadvertently omitted from H. R. 15430. A corresponding provision had been accepted by the House Committee in its mark up of H. R. 4, and obviously it should be restored. H. R. 15430 contains one or two other departures from the language adopted by the House Committee; while these changes are desirable, from the Department's standpoint, I believe that our strongest position would be to support the exact language accepted by the House Committee.

6. H. R. 15430 incorporates the terms of Executive Order 10988, for the transitional period prior to commencement of operations by the Authority, notwithstanding President Nixon's issuance of a new Executive Order (E. O. 11491) governing labor-management relations in the Federal service.

   We would prefer that the legislation be silent on the matter of which Executive Order applies; if such a change were made, the new Executive Order would be applicable to the Post Office Department during the transitional period.

   As a fall-back position, if the pressure generated by the National Postal Union and the Alliance becomes too intense, we might offer to try to persuade the Civil Service Commission to change its regulations in a way that would permit us to continue the dues check off for the Alliance and/or the NPU as social organizations, rather than labor organizations.

B. LEGISLATIVE HISTORY

I am strongly opposed to attempting to deal with the subject of "compression" in the legislation itself. The paragraph attached as Enclosure 2 is language that we could live with as legislative history in a Committee Report. We should try to get agreement on the submission of minority views stating that the Post Office Department does not want compression to be used as a means of granting hidden pay raises. As a fall-back position, however, I would be prepared to accept the language of Enclosure 2 as legislative history without any minority views.

C. COMMITMENT ON COMPARABILITY

I think we have reached a point where Bryce Harlow could tell his friends on the Hill that if a postal reform-postal pay bill is passed by Congress in exactly the form described above, the Administration's position on a subsequent "comparability" increase for Postal Field Service employees will be exactly the same as its position on a comparability increase for employees in the General Schedule, even though this will result in postal employees receiving substantially more than they would receive if their pay were truly comparable to the pay received by employees in the private sector for performing comparable jobs.

In the interest of preserving Bryce's credibility, I think he ought to make it clear that the Administration does not expect any "comparability" increase to become effective before January 1, 1971.

D. PERMANENT CIVIL SERVICE STATUS

The "unified position" announced last week by the seven postal craft unions contains a demand that postal employees retain their Civil Service status permanently. We absolutely cannot live with this. H. R. 15430 provides that officers and employees of the Postal Service Authority shall be in a postal career service "which

ADMINISTRATIVELY CONFIDENTIAL
Memorandum to John Ehrlichman and Bryce Harlow

eliminate Termination date

shall be a part of the civil service;" the bill goes on to provide, however, that appointments, promotions, and (in general) adverse action procedures "shall be without regard to the provisions of the civil service laws applicable to other officers and employees of the United States." Under H.R. 15430, therefore, postal employees would remain in the Civil Service in name only, and would not have true Civil Service status. Instead, job security, merit promotions, and the like would be provided for in collective bargaining agreements.

I am not too happy about the way the Civil Service question has been fuzzed up in H.R. 15430, but if the union leaders will accept this approach - as I understand they will - we can certainly live with it.

Henry Cashen has reviewed this memorandum, and concurs in its substance.

Winton M. Blount

cc: Henry Cashen

C

Revise Section 201 as follows:

"§201. Definitions.

"As used in this title --

"'Presidentially-appointed councilors' means the members of the Executive Council appointed pursuant to section 203(b)(1) of this title.

"'Director General' means the member of the Executive Council appointed pursuant to section 203(c)(1) of this title.

"'Deputy Director General' means the member of the Executive Council appointed pursuant to section 203(c)(2) of this title.

"'Congressional councilors' means the members of the Executive Council appointed pursuant to section 203(d) of this title.

Revise Section 203 as follows:

Insert the word "voting" between "seven" and "members" in line 2 of paragraph 203(b)(1).

Delete section 203(c) and substitute the following:

"(c)(1) The Presidentially-appointed councilors shall appoint and have discretionary power to remove an eighth member of the Executive Council who shall serve as Director General of the Authority. The Director General, who shall have such term as may be fixed by the Presidentially-appointed Councilors, shall be the Chief Executive Officer of the Authority. He shall be a voting member of the Executive Council except as otherwise provided in this title.

(2) The Presidentially-appointed councilors and the Director General shall appoint and shall have discretionary power to remove an additional member of the Council who shall serve as Deputy Director General of the Authority for such term as the Presidentially-appointed councilors and the Director General may fix. The Deputy Director General shall be a voting member of the Executive Council except as otherwise provided in this title.

Substitute the following for section 203(d):

"(d) Four non-voting members of the Executive Council shall be appointed as follows:

(i) Two from the United States House of Representatives, one of whom shall be appointed by the Speaker of the House and the other by the Minority Leader of the House;

(ii) Two from the United States Senate, one of whom shall be appointed by the President Pro Tempore of the Senate and the other by the Minority Leader of the Senate.

Substitute the following for section 203(h):

"(h) The Council shall act upon majority vote of those voting members who are present, and any 5 voting members present shall constitute a quorum for the transaction of business by the Council, except --

(1) in the appointment or removal of the Director General, and in setting the compensation of the Director General and Deputy Director General a favorable vote of an absolute majority of the Presidentially-appointed councilors in office shall be required;

(2) in the appointment or removal of the Deputy Director General a favorable vote of an absolute majority of the members in office from among the members serving as Director General and the Presidentially-appointed councilors shall be required; and

(3) as otherwise provided in this title.

respect to the commissioners except as inconsistent with this chapter.

"§ 1252. Proposed changes in rates and classifications

"(a) Except as provided in subsection (c) of this section, the ~~Postal Service~~ Authority shall give general notice of proposed change in rates, charges, fees, the classification of mail matter or mail users, and the postal rate structure or design by publishing its proposals therefor in the Federal Register not less than thirty days prior to the date on which it is proposed to adopt such changes. It shall also file the proposed changes with the commissioners in such form and manner as the commissioners may prescribe. The notice published in the Federal Register shall state briefly—

"(1) the proposed change;

"(2) the reasons therefor;

"(3) the earliest date on which the ~~Postal Service~~ Authority proposes to adopt the change;

"(4) that interested parties may file objections thereto or a request for a hearing thereon with the commissioners within thirty days after the date of publication of the notice in the Federal Register or such longer period as the notice may prescribe; and

"(5) the place and manner which the commissioners have fixed for filings with it.

"(b) If no party at interest files a timely objection to a proposed change or a request for a hearing thereon, the commissioners shall forward the proposed change to the Executive Council ~~Board~~ without opinion, unless the presidentially appointed members of the ~~Board~~ Executive Council request to the contrary.

"(c) The provisions of this chapter do not apply to changes in the fees or rates of exchange for international money orders and similar instruments or to changes in international postal rates adopted pursuant to section 405 of this title.

"§ 1253. Proceedings and recommended decisions by commissioners

"(a) Pursuant to sections 556 and 557 of title 5, the commissioners shall conduct public hearings in all cases instituted under section 1252 (a) of this title in which a party at interest files timely notice with the commissioners that he desires to be heard.

"(b) The commissioners shall compile a record consisting of:

"(1) the proposed change and supporting material submitted by the ~~Postal Service;~~ Authority

"(2) the oral testimony, if any, on behalf of the ~~Postal Service~~ Authority, and by or on behalf of any party at interest;

"(3) the written submissions, if any, on behalf of

Authority

the ~~Postal Service~~ and by or on behalf of any party at interest; and

"(4) such other material as the commissioners deem appropriate.

(Executive Council)

"(c) After consideration of the record, the commissioners shall render an initial decision to the presidentially appointed members of the ~~Board~~ stating whether in the opinion of the panel the proposed change conforms to the rate policies and other provisions of this title and giving their reasons therefor.

"(d) In the event the commissioners do not complete their proceedings within ninety days after the notice of proposed changes is filed with it, or in the event that judicial proceedings are instituted under section 1257 of this title, the Postal Service upon thirty days' notice in the Federal Register may put a proposed change into effect temporarily. The interim changes shall be effective for a period of no longer than thirty days after the commissioners have rendered their initial decision to the presidentially appointed members of the ~~Board~~ and the period the change may be before Congress pursuant to section 1254 of this title.

Executive Council

"§ 1254. Final decisions

"(a) The presidentially appointed members of the ~~Board~~ acting on behalf of the ~~Postal Service~~ shall make and publish in the Federal Register a final decision on the pro-

Authority

Executive Council

posed change in light of the recommended decision of the commissioners and the record of the proceedings. They may reject the proposed change or they may adopt it—

"(1) as published in the Federal Register pursuant to section 1252 of this title; or

"(2) as proposed in the recommended decision of the commissioners; or

"(3) with such modifications as they find are supported by the record of the proceedings.

"(b) The ~~Board,~~ except as to changes enumerated in subsection (c) of this section, shall transmit to the Congress the final decision in any proceeding instituted pursuant to section 1252(a) of this title. The ~~Board~~ shall transmit the decision to both Houses of the Congress on the same day and to each House while it is in session and shall transmit with the final decision the recommended decision of the commissioners together with the record of the proceedings.

Executive Council

"(c) The change contained in a final decision transmitted to the Congress pursuant to subsection (b) of this section shall become final at the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the decision is transmitted unless, between the date of transmittal and the end of the sixty-day period, the two Houses adopt a concurrent resolution disapproving the change. The continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

"(d) The final decision may include a provision that the change shall become effective at a time later than the date on which the decision becomes final pursuant to the foregoing provisions of this section.

"(e) Rate changes required by section 1202 (c) of this title and rate changes for such special services as the ~~Postal Service~~ Authority may provide, including special delivery, collect on delivery, insurance, registered and certified mail, return receipts, stamped envelopes and box rents, and similar special or nonpostal services shall become final as provided in the final decision of the ~~Postal Service~~ in accordance with subsections (a) and (d) of this section.

"§ 1255. Service changes

"(a) Except as provided in subsection (d) of this section the ~~Board~~ Executive Council shall give public notice of a proposed change in the type, quality, terms, or conditions of any services provided by the ~~Postal Service~~ Authority which substantially affects a postal service provided to users on a nationwide or nearly nationwide basis and which does not involve a proposed change subject to sections 1252–1254 of this title. Public notice shall be given by publishing a notice of the proposed change in the Federal Register. The notice shall state briefly—

"(1) the proposed change;

"(2) the reasons therefor;

"(3) the earliest date on which the ~~Postal Service~~ Authority proposes to adopt the change;

"(4) that interested parties may participate in the proceeding through submission of written material to the commissioners with opportunity for oral presentation as the commissioners may determine; and

"(5) the time, place, and manner which the commissioners have fixed for submissions to it.

"(b) Except as otherwise provided in this section, proposals for service changes shall be considered as proposed rules and the commissioners shall be considered 'the agency' for purposes of sections 551–559 of title 5. The commissioners shall compile a record consisting of:

"(1) the proposed change and supporting material submitted by the ~~Postal Service,~~ Authority;

"(2) the oral testimony, if any, on behalf of the ~~Postal Service~~ Authority, and by or on behalf of any party at interest;

"(3) the written submissions, if any, on behalf of the ~~Postal Service~~ Authority and by or on behalf of any party at interest; and

"(4) such other material as the commissioners deem appropriate.

"(c) After consideration of the record, the commissioners shall render an initial decision as to whether the proposed change, either in its original form or in a modified form, is consistent with the policies of this title. The initial decision shall become the final decision of the ~~Postal Service~~ Authority unless within such time as the ~~Board~~ Executive Council establishes by general rule, the presidentially appointed members of the ~~Board~~ Executive Council modify the tentative decision in the light of record or revoke the proposal.

"(d) Whenever the ~~Postal Service~~ Authority, proposes a change in the type, quality, terms or conditions of service which substantially and adversely affects the users of such service but on less than a nationwide or nearly nationwide basis, the ~~Postal Service~~ Authority shall—

"(i) comply with the provisions of subsections (a) through (c) of this section; or

"(ii) comply with rules, regulations or procedures established pursuant to subsections (a) through (c) of this section which shall include the publication of a notice designed to inform the affected users of the proposed changes and the opportunity for such users to present their objections.

"(e) Whenever the ~~Postal Service~~ Authority finds that an emergency exists which does not permit sufficient time for the procedures prescribed in subsections (a) through (d) of this section, the ~~Postal Service~~ Authority contemporaneously with, or subsequent to, publication in the Federal Register of the notice of a proposed change, may adopt and publish in the Federal Register a temporary change which shall become effective upon publication in the Federal Register or such later date as may be prescribed therein. A change adopted in accordance with this subsection shall remain in effect until proceedings pursuant to subsection (a) through (d) of this section have been completed, or for such shorter period as the ~~Postal Service~~ Authority may fix.

"§ 1256. Rate and service complaints

"Interested parties who believe the ~~Postal Service~~ Authority is charging rates which do not conform to the policies set out in this title or who believe that they are not receiving postal service in accordance with the policies of this title may lodge a complaint with the commissioners in such form and in such manner as the commissioners may prescribe. The commissioners may in their discretion hold hearings on such complaint. If, after such hearings, the commissioners determine

Executive Council

the complaint to be justified, they shall, if a matter covered by section 1252 of this chapter is involved, recommend to the ~~Board~~ that the ~~Postal Service~~ authority propose an appropriate change. The ~~Postal Service~~ authority shall propose such a change and such change shall proceed as if proposed initially by the ~~Board~~. If a matter not covered by section 1252 of this chapter is involved, and the commissioners after hearing find the complaint to be justified, they shall render a public report thereon to the presidentially appointed members of the ~~Board~~ who shall take such action as they deem appropriate.

"§ 1257. Judicial review

"(a) Any final decision of the ~~Postal Service~~ Authority pursuant to sections 1254 or 1255 of this title and any final decision of the commissioners pursuant to section 1256 of this title shall be subject to judicial review. Review shall be in the manner prescribed in chapter 7 of title 5 and chapter 158 and section 2112 of title 28 except as otherwise provided in this section. Such review shall be confined to holding unlawful and setting aside a final decision which the petitioner has shown to be:

"(i) contrary to constitutional right, power, privilege or immunity;

"(ii) in excess of statutory jurisdiction, authority or limitations; or

"(iii) without observance of procedure required by law or by the rules promulgated by the commissioners pursuant to this chapter.

The court shall not consider any objection which was not urged in the proceedings of the ~~Postal Service~~ Authority unless there were reasonable grounds for failure to do so.

"(b) Review may be had only by a party to the proceedings who has:

"(i) participated in the proceedings in accordance with section 1253 of this title;

"(ii) participated in the proceedings in accordance with section 1255 (a) (4) of this title; or

"(iii) filed a complaint pursuant to section 1256 of this title.

"(c) Petitions for review shall be filed within fifteen days after the publication of notice of the final decision. After the expiration of said fifteen days, a petition may be filed only by leave of court upon a showing of reasonable cause for failure to file such petition. The action shall be against the ~~Postal Service~~ Authority and not against the United States.

"(d) Upon the filing of a petition for review of a final decision under section 1254 (a) of this title the ~~Board~~ Executive Council shall not transmit to the Congress its final decision pursuant to section 1254 (b) until judicial proceedings under this section are completed. All judicial proceedings shall be made preferred causes and shall be expedited in every way.

"(e) Temporary changes under section 1253 (d) and emergency changes under section 1255 (c) of this title may not be affected in any way by a court. The thirty-day period after the commissioners' initial decision referred to in section 1253, shall be extended to include the entire period of judicial proceedings under this section. Final decisions under section 1255 of this title may not be stayed by any court pending review.

"(f) Except as provided under section 1251 (d) (1) of this title, no court shall have jurisdiction to review a final decision made by the Authority ~~Postal Service~~ pursuant to this chapter in any manner other than as provided in this section.

"Chapter 14.—PRIVATE CARRIAGE OF LETTERS

"Sec.
"1401. Letters carried out of the mail.
"1402. Foreign letters out of the mails.
"1403. Searches authorized.
"1404. Seizing and detaining letters.
"1405. Searching vessels for letters.
"1406. Disposition of seized mail.

"§ 1401. Letters carried out of the mail

"(a) A letter may be carried out of the mails when—

"(1) it is enclosed in an envelope;

"(2) the amount of postage which would have been charged on the letter if it had been sent by mail is paid by stamps, or postage meter stamps, on the envelope;

"(3) the envelope is properly addressed;

ENCLOSURE 2

Under the current pay structure, it take 21 years for most postal employees to reach the top pay level within grade. The Committee believes that this period is too long, and, unless otherwise agreed by collective bargaining, the pay scales or graduated schedules of compensation that are to be established for employees of the Authority who are in collective bargaining units should provide, effective not later than 4 years after the date on which the Authority commences operations, that the maximum period of continuous service thereafter required for an employee to reach the highest rate in whatever labor grade might have been established for him would not exceed 8 years.

TO FILE:

RE: National Association of Letter Carriers

CWC meetings with Rademacher -- effort to get an agreement on pay and reform. Rademacher agreed to basic reform principles and claimed he was unable to sell Gail McGee, however, on waiting to report the two bills out together. I do think we are making considerable progress towards getting the agreement of the unions on postal reform as outlined in the attached.

REDRAFT

It shall be the policy of the Authority that as to pay rates applying to various categories of jobs held or to be held by postal employees in collective bargaining units, which rates are to be established in accordance with the collective bargaining procedures contained in Sections _______ to ________, the top step within each grade must be achieved not later than the day following completion of eight (8) years of service. Each employee subject to the Postal Field Service Schedule and each employee subject to the Rural Carriers Schedule who has as of January 1, 1971 not reached the highest step for his position shall be advanced successively to the next higher step in accordance with agreements reached.

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TELEPHONE CALL

JAMES RADEMACHER, President, National Association of Letter Carriers

RECOMMENDED BY: Chuck Colson and Henry Cashen

REASON: Rademacher originally negotiated with Colson and Cashen on a compromise Postal Reform Bill. He then confirmed his agreement to work for it in a meeting with you in December.

Rademacher is President of the largest postal union. He had to fight all of the other postal unions who opposed the compromise but he stayed with us all the way. Without his sticking to his agreement and without his very effective lobbying, the Bill could not have been reported out of Committee.

TALKING POINTS:

Thank him, congratulate him, and urge him to work hard on the Senate.

Good Job Chuck & Henry!

MARCH 12, 1970

Pres called

Dave Henderson

Mo Udall

Ed Derwinski

THE WHITE HOUSE

WASHINGTON

March 24, 1970

MEMORANDUM FOR JOHN EHRLICHMAN

I believe we are in some danger of losing the initiative on the strike/pay/reform issue. The Democrats have successfully spread the line that it was the President's action in tying reform to pay that caused the strike. This is a recurrent theme in every news article, notwithstanding the Post, New York Times and Journal editorials which have said that we were right and that the reform bill would have prevented this situation.

If public disenchantment with the strike continues to grow as it is bound to, then the Democrats cannot help but make political hay taking the line they are taking.

If the strike were to be settled quickly, then we would probably not suffer too much political damage. There is little chance of it being settled quickly, however. The negotiations, in any event, will drag on.

In view of this, I think we should consider seizing the initiative very boldly. We should think about the possibility of a Presidential message to the Congress today or tomorrow, calling upon the Congress to enact HR 4 at once. Since HR 4 has been reported out of the House Committee the Congress could act on it within 48 hours.

In proposing this to the Congress the President could point out that he is not reacting to the strike and he is not acting under pressure. HR 4 represents the same position the Administration has held since last December.

HR 4 provides an 11.1% increase for postal workers, is the only vehicle by which postal employees can get more than the normal across-the-board Federal pay increase, provides compression from 21 to 8 years and provides a mechanism for regional collective bargaining that would enable the workers in New York to work out their own economic destiny in the time honored, traditional union manner. If they had meaningful collective bargaining (with compulsory arbitration) they would have no reason to strike.

The message could be carefully worded to avoid the implication that the President was acting under the pressure of an illegal strike.

This approach has the disadvantage that in a sense it undercuts Shultz's position. Shultz has said that he would negotiate. We would, in effect, be accused of jumping the gun on negotiations. On the other hand, the postal workers have not gone back to work completely and I gather that the negotiations may be significantly delayed. If this happens and the strike continues, we should be free to take another course of action, i.e., the message.

The message has some very distinct political advantages:

1. It would be a way to show that we didn't cause the strike; that we several months ago, in fact, proposed a larger pay increase for postal employees than any of the bills being considered by the Congress.

2. It would put a hot potato in the hands of the Democrats. If they failed to act, the public would very likely blame them for the continuation of the strike. If they do act, then we can't be accused of causing the strike by tying reform to pay -- and we get our package.

3. It will be clear to the public that the President is prepared to move at once. The employees around the country (the vast majority of whom do not understand the benefits of the reform package) would be bound to act favorably because anybody can calculate what 11.1% means to him.

4. With proper PR it would not be construed as caving in since it has been our consistent position from the beginning.

We should also consider, if this approach makes sense, whether we tie in the 5.7% raise for all Federal employees making it effective July 1. Since the Comparability Act contemplates our doing this and since this is the amount of the BLS figures, Federal employees would, I think, react favorably. Adding this, however, would be something of a concession made in the middle of the strike. It might be a desirable concession, however, to head off further trouble.

Chuck

Charles W. Colson

THE WHITE HOUSE

WASHINGTON

March 24, 1970

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Chuck

Charles W. Colson

THE WHITE HOUSE

WASHINGTON

Date 4-27

For Colson

From John Ehrlichman

Subject:

Comments:

For your files

March 23, 1970

MEMORANDUM FOR HERB KLEIN

FROM: CHUCK COLSON

SUBJECT: POSTAL STRIKE

I think we are coming off second best in the press on the issue of who caused the postal strike. Everytime McGee has gone on TV, he has said that Congress would have enacted pay legislation were it not for the President's threat of a veto and that the President's action tying postal pay to postal reform caused the strike. Arthur Goldberg yesterday, called it a "colossal blunder of the Nixon Administration." Other Democratic Members of Congress are saying the same thing.

The facts are:

1. Postal reform provides for collective bargaining and would permit regional wage scales (although we deliberately haven't advertised the latter). The new Authority would, therefore, provide a time honored, well recognized union mechanism for settling the very kind of grievances that led to the New York strike.

2. Our Postal Reform/Pay compromise provides 11.1% raise increase during this calendar year for postal workers plus compression--that is, reducing the time an employee must serve to reach the top of his grade from 21 to 8 years. This has been the principal rallying cry of the strikers.

3. McGee has insisted on tying Federal pay to postal pay/reform which would make it impossible for the postal workers to get a larger increase than the Federals. By tying the two together, there is <u>no</u> way to meet the very legitimate demands of the postal employees. This is a major reason we separated the bills.

4. In fact, the pay bill we threatened to veto would have begun all raises during this fiscal year for which there was no justification (except in the case of postal employees) under the Comparability Act of 1962 or

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economically. Neither the House nor the Senate bills contain anywhere near as large an increase for the postal employees as our Pay/Reform package. The facts demonstrate very clearly that it is the intransigeance of Congress, not the action of the Nixon Administration, which caused the postal strike. Had our bill been enacted in December when we negotiated it with Rademacher, there would have been no strike.

bc: Henry Cashen
John Ehrlichman
Ron Zeigler
Bob Haldeman