

Overall Strategy

Operating under the theory that Members of Congress are most responsive to: (1) the expressed desires and demands of their own constituents, (2) the position taken by major opinion makers such as community leaders/ the news media, and (3) the views of special interest groups and large voting blocks (including business, publishers, etc.) our efforts are geared to stimulate the maximum amount of active support possible at both local and national levels and to utilize this favorable public reaction as a positive force that can be directed toward Members of Congress to bring about enactment of the proposed legislation.

Highlights of Progress to Date

The following summarizes the highlights of our public relations program since May 1969 (detailed projects are outlined as shown in Exhibit I).

Editorial Backgrounders - Editorial backgrounders were held in six key metro areas prior to the introduction of the Bill. This was done to favorably position our plan with the press prior to formal introduction of the Bill.

Editorials - There have been 328 editorials collected on the Bill -- 303 favorable, 25 unfavorable. These editorials include a number of important newspapers as well as newspapers in key Committee Districts. (See examples in Exhibit II.)

In August, the Citizens' Committee sent a book of editorials to all Members of Congress.

Press Briefings - There have been nine press briefings for national reporters -- including two White House press conferences involving the President.

On a local level, there have been sixty press conferences held by the Postmaster General and Top Staff members.

• Newspaper/Magazine Interviews - There have been nineteen interviews with newspaper/magazine representatives at the national level. These have resulted in numerous articles which are favorable to Postal Reform.

Speeches - There have been over one hundred and fifty speeches made across the country (to employees, mail users, business groups, general public) by the Postmaster General and other Top Staff members. In all instances (except when "off-the-cuff" remarks have been made) there has been a press release on the speech.

Television/Radio - The Postmaster General has appeared on four national television shows, and two national radio shows. He and the Top Staff members have appeared on local shows in over fifty cities.

In addition, favorable television editorials have been presented in eight cities that we know of. (See example in Exhibit III.)

Employee Effort - An attempt has been made to reach employees through regional briefing sessions, speeches at conventions, special press kits, special letters, Postal Life, and informal discussion sessions.

Citizens' Committee - The Citizens' Committee has made major contributions in the following areas: setting up a strong bi-partisan Committee (18 Vice Chairmen, 52 Directors, 21 Governors, 65 Mayors), O'Brien/Morton testimony/speeches, prompting editorials, organizing and prompting letters in key Committee Districts, and personal contacts with Committee members.

That they have been somewhat effective in accomplishing their goal is demonstrated by the complaints currently being made by certain Congressmen and the unions. (See Exhibit IV.)

Other Interested Groups - The Chamber of Commerce, Sears, NAPUS, NAM, etc. have been active in generating favorable public opinion. These groups will continue, and hopefully intensify their efforts in the future. Examples of their materials are shown in Exhibit V.

Key Projects to be Completed - Our key objective now is to build upon our current base of support in anticipation of upcoming consideration of the Bill by the Senate and the full membership of the House.

We will be striving for additional exposure on national television shows, as well as support at the local level throughout the country (via the Citizens' Committee, the Chamber of Commerce and other interested groups).

We will attempt to bring public reaction to a high point during December/January. A specific list of projects is shown on page 8 of Exhibit I.

10/30/69

Exhibit I

POSTAL SERVICE ACT PLANS

COMPLETED

NEWS MEDIA/PUBLIC

- Editorial "Backgrounders" (New York, Chicago, Los Angeles, Boston, Dallas, Atlanta)
- Press Conference with Reporters Covering Post Office
- Preparation of Press "Kits" (including charts, highlights of Bill, President's Message; News Releases)
- News Conference at White House
- Release of White House News Conference Transcript to all Media
- National Press Club Speech/News Releases
- PMG Session with National Reporters Group
- News Conferences by Top Staff (15 Major Metro Areas)
- PMG on CBS Morning News
- PMG on UPI Audio Radio Network (400 Stations)
- PMG on Metro-Media (Washington, New York, Los Angeles, Chicago)
- Advertising Age Article and Editorial
- ABC-TV Special on Peter Jennings Show

- PMG on "Meet the Press"
- PMG on "Today" Show
- Interview with Newhouse Newspapers
- 4 Breakfasts with various Reporters/Columnists
- Interview with Dun's Review
- Article in BUSINESS WEEK
- Article in TIME
- Article in U.S. NEWS AND WORLD REPORT
- Article in FEDERAL TIMES
- Interview for Direct Mail
- Article in Investor's Guide
- Postal Reform Series in Minneapolis Tribune
- Article in Republican Magazine
- Speeches to Mail Users Council Meetings (45 Cities)
- Article in Congressional Quarterly
- Article in Parade Magazine
- Interview with McNaught Syndicate
- Article for NATION'S BUSINESS

- Preparation of materials for Congressional Statements/Newsletters
- Circulation of Opening/Closing Testimony to 400 Newspaper/TV/ Radio outlets.
- Assembling of 328 editorials on Bill (303 favorable, 25 unfavorable)
- Grover Hall Articles
- Interview with TIME MAGAZINE
- Press Conference at San Clemente with the President, O'Brien, Morton
- PMG appearance on "Firing Line"
- Editorial in SIMS News Syndicate
(Covers 1 in every 8 counties in U.S.)
- Interview on Mutual Radio (600 stations)
- Postal Forum Speeches on Postal Reform
- Interview with Copley News Service
- Interview with FAIRCHILD Publications
- Interview with LOOK
- Luncheon Speech with Public Relations Men from Leading Businesses

- Press Conferences and Press Interviews on Numerous PMG Trips
- Activities of Chamber of Commerce, NAM SEARS.
- PMG participation in Local T.V. Shows (Toledo, Cincinnati)
- Interview with SCRIPTS-HOWARD

EMPLOYEES

- Briefing for Headquarter's Personnel (total staff heard Presidential message)
- Telecon Message to Regional Managers
- Postal Life on Bill Mailed to all Employees
- Speeches (approximately 70) to Postal Employee/Union Conventions Across the Country
- NAP US Magazine - Devoted to Bill
- NAP US Brochure
- Articles/Interviews in Other Union Publications
- Article in Civil Service Journal
- Wire of PMG Press Briefing Message to 300 Postmasters
- Mailing of Postal Bulletin on Postal Services Act
- Regional Manager Briefing in Washington

- Meetings with Groups of Postmasters/Supervisors in 15 Regions
- Headquarters Meeting -- Top 250 Headquarters Employees
- Letters to Postmasters
- Preparation/Distribution of Press Kit for 1,500 Postmasters
- Informal meetings with Postmaster/Supervisor/Carrier/Clerk and other union leaders
- Speeches at NAPUS Conventions

INTERESTED GROUPS

- Briefings for Leaders of 20 Interested Organizations
- Speeches at DMAA Convention
- Speech at National Association of Newspapers
- Briefing/Contacts With People/Groups Who Testified (i.e., Transportation, Union, Citizens' Committee, Mail Users Groups)
- Preparation of Materials for Mailing to 650 Mail Users Councils
- Preparation of Materials for Mailing to 250 Organizations
- Highlights of Bill in Life Insurance Agents' Magazine (goes to 100,000 Life Insurance Agents)

COMPLETED

CITIZENS' COMMITTEE

- Getting Committee Members (18 National Vice-Chairmen, 52 Directors, 21 Governors, 65 Mayors)
- Getting Financing
- Testimony
- O'Brien/Morton Speech at Press Club
- Ads in New York Times
- Preparation of Press Kits and Brochures
- O'Brien/Morton Speeches at Forum
- Contacts with Committee Members
- O'Brien/Morton Speeches in Chicago
- Calls Stimulating Editorials: Washington Post, Washington Daily News, Wall Street Journal, New York Times, New York Daily News, Advertising Age, Papers in Local Committee Areas
- Circulation of Postal Reformer
- Ads in Selected Committee Districts
- Organize in Key Local Areas
- Letter Writing Campaign in Local Areas

CITIZENS' COMMITTEE (cont'd)

- Produce Book of Editorials for Congressmen
- Press Releases
- Article in Share Owners Association Magazine
(Over Million Members)
- Postal Reform Meetings in Local Areas (Committee Members)

TO BE COMPLETED

- Article in LIFE
- PMG Appearance on ISSUES AND ANSWERS
- PMG Appearance on FACE THE NATION
- PMG Appearance on EVANS-NOVAC SHOW
- PMG Appearance on BRADEN-MANKIEWICZ
- FIRST TUESDAY Segment Devoted to Post Office
- Appearance on Southern Educational TV (35 Stations in 14 Southern States)
- Segment on Cronkite Devoted to Post Office
- Appearance on "YOU" Show
- Japan Trip Publicity (Japan's Move to a Corporation)
- Polls Among Large Users of the Mail

CITIZENS' COMMITTEE

- Direct Mailing to Key Congressional Areas
- Morton Washington Press Conference
- Organize in Local Areas Across the Country
- O'Brien/Morton Interviews/TV Appearances
- Personalized Letters to All Congressmen/Senators
- Ad in Washington Post
- Letter Writing Campaign Across the Country
- Contact with Senate Committee, Entire House Membership, Entire Senate Membership
- Stimulate Series of Articles In Buffalo

PROPOSED POSTAL REFORM LEGISLATION AND WAGE SCALE ADJUSTMENT

Title I

There is created a Federal Postal Authority to operate the Postal Establishment in accordance with language of laws to be enacted before Congress on or before October 1, 1970. The Congress will determine the responsibilities of the Authority and empower it to act.

The Authority which shall be known as an Executive Council shall include:

Five (5) persons appointed by the President (no more than three (3) from any one political party). — 9 Years

Four (4) members of Congress to be appointed by the Speaker and the President of the Senate. (Two from each party).

These nine (9) persons shall meet and appoint a Director of the Postal Service and a Deputy Director, both of whom shall serve on a full-time basis.

Stagger these Terms

Advisory Council

There shall be appointed by the President an Advisory Council consisting of eleven (11) members; to be appointed biennially — half each

Five (5) such members shall be appointed on a biennial basis from the leadership of the various postal employee organizations.

Six (6) such persons shall be appointed by the President from a listing of representatives of users of the mail.

(3) members from Public at Large

Quarterly (every 60 days at least)
The Advisory Council shall meet periodically with the Executive Council on all matters including rates, service and wages. — *was*

Special Duties of the Authority

Expand
The Federal Postal Authority would determine, after consultation with the Advisory Council, services and rates of postage. It would set wages, benefits and conditions of employment through collective bargaining procedures.

Negotiations

Jan 1, 1970
Commencing ~~(October 1, 1970)~~ the Federal Postal Authority would commence negotiations with unions representing postal employees to determine wage scales which would be effective *January 1, 1971* ~~January 1, 1971~~. Such negotiations could also include determination of periods of negotiations on subjects of fringe benefits and working conditions.

In all matters of negotiation when impasses do occur, there shall be a 90-day cooling off period during which time the process of fact finding and mediation shall take place in attempts to resolve disputes. After the 90-day cooling off period any pending impasses on subjects relative to wages, fringe benefits and national contracts shall be placed before a Board of Arbitrators. One arbitrator shall be designated by the unions expressing disagreements; one arbitrator shall be selected by the Director of the Postal Service; the two arbitrators shall select a third as chairman.

The decision of the arbitrators shall be final and binding and shall be effective the date ⁸⁵following the expiration of the previous contract. Initially, the effective date of any negotiations and/or arbitrator decisions shall be January 1, 1971.

R { All fringe benefits in effect on the date of establishment of the Federal Postal Authority shall not be reduced except by law ~~and any~~ future wage increases negotiated cannot be less than increases recommended as a result of fulfillment of the comparability law. } X

Civil Service coverage - Revenue - delegate to P.O. - ^{then can be bargained away in 2 years}

The Federal Postal Authority shall have the authority to use current revenue for operation of the Postal Service and further shall have the authority to sell bonds in accordance with procedures established by the Congress no later than October 1, 1970.

The Federal Postal Authority shall assume authority of the Postal Establishment on October 1, 1970.

Title II

5.4 average

Q: to Jan 1, 1970
Rad will agree -
Effective the first pay period which follows October 1, 1969, all postal workers in the lower ^{or 10} six levels of the Postal Field Service Schedule shall be advanced by two steps of such schedule. In order to provide equity so that all employees will have the opportunity of reaching the true top steps, the first two steps of the current pay schedule are eliminated and two new steps are added at the top. Rather than the salary range being from \$6,176 annually to \$8,442 the new schedule would commence at \$6,588 and range to \$8,852 (in Level 5).

Total cost in 1970 is \$180 million

this avoids
Rivers law of 1967

*I Question ~~last~~
efficacy of this -
Since from 1971 on
there will whole
new pay system
negotiated -*

-4-

Since each employee has been advanced two steps, the starting pay which is extremely important for recruitment purposes should be equivalent to the old Step 3. Further so that employees in Steps 10 and 11 will have an opportunity to reach the same pay status as those currently in Step 12, it is necessary to establish the two new top steps.

*Rad -
will quon
this -*

The provisions of H.R. 13000 relating to step advancements, achieving the top step within an eight-year period are to be retained. This would mean that those employees in Steps 1-6 would be elevated to the next higher step at the completion of six months of service. Those employees in Steps 7-12 would advance to the next higher steps following one year of service (it is extremely important that the language "satisfactory service" be eliminated since the Department is now using this language to deny many employees step increases to which they have been promised by law).

(Explanation of pay provisions: Each postal employee in the lower six levels -- higher levels if you insist -- will receive a two-step increase effective October 4, 1969 and there will be a new pay schedule commencing at the present Step 3 in adding two steps as explained above. There will still be 12 steps and in the Level 5 scale, they will range from \$6,588 to \$8,852. This means \$412 annual increase for those in Level 5 or an average of 5.4%. The full year cost of this provision is approximately \$330 million with the nine-month cost at about \$250 million. It is very important that we insert language that does not exist currently in H.R. 13000 to provide for the retention of any step increases prior to and including June 30, 1970. We would have serious

*Summary
180 million*

problems with most of our membership if they learned they would only receive a one-step increase plus a partial credit toward their next increase. There would be no additional cost to this provision since the original estimates did not consider the loss of such step increases.

Employees would reach the top steps after only eight years of service rather than 21 and the first year cost (FY 1971) would involve only those employees in the first six steps since there would be no increases in fiscal 1971 for 50% of the employees who would be in Steps 7-12. There would be only one step increase for the other employees who are currently in Steps 1-6. Actually, there would be no additional costs during fiscal 1971 and the real impact would come in 1972 and thereafter.

Federal Employee Legislation

Simultaneously with the introduction of the above Bill there would be a separate Federal Employee Bill which would provide the following:

*Rad
doesn't
care
what
happens
to
this.*

The 4% increase offered by the Senate Committee but to be effective April 1, 1970. Further in July 1970 there would be the minimum 3% increase provided for in the Senate Bill. Effective January 1971 the Federal Pay Commission could be established and simultaneously postal employees would be negotiating with the Postal Authority. Naturally, postal employees would be included under the April and July comparability increase or we would have further deterioration of postal wage scales.

I truly believe we have a splendid package taking care of all those who are in desperate strait and at the same time improving upon the

comparability process for Federal workers. True, postal workers would have a net gain for the period October 1969-July 1, 1970 of 12.4% with Federals having a net gain during 1970 of 7%. However, we are giving up the Postal Establishment for the extra benefit.

My contact at the White House will be pleased to meet with you as you prepare this legislation. I believe in closing I should remind you that it is imperative that we remain under Civil Service at least until we have been assured of safeguards. The White House contact agrees we shall remain with Civil Service status. I truly hope we can get this moving swiftly and have it all wrapped up with the retroactive features no later than February 1, 1970.

POSTAL REFORM GROUPS

CITIZEN'S COMMITTEE *

Larry O'Brien - Co-Chairman
Thruston Morton - Co-Chairman
Claude Desautels - Executive Director
Jim Marshall - Director for Public Relations
Jerry Bruno - Field Operations

* Complete Committee List is attached

GROUPS WORKING ACTIVELY ON REFORM

Sears
Chamber of Commerce
Magazine Publishers Association
National Newspaper Association
National Association of Postmasters
American Business Press

GROUPS WORKING TO A LIMITED EXTENT

National Association of Manufacturers
Penny's
Direct Mail Advertising Association
Montgomery Ward

GROUPS WE WOULD LIKE TO HAVE ACTIVATED

League of Women Voters
New England Council
American Medical Association
American Legion
Veterans of Foreign Wars
Small Business Association
National Association of Broadcasters
(Any Banking or Consumer Groups)

NATIONAL OFFICERS
CITIZENS COMMITTEE
FOR
POSTAL REFORM, INC.

1725 Eye Street, N. W.

Suite 206

Washington, D. C. 20006

NATIONAL CO-CHAIRMEN

Honorable Lawrence F. O'Brien
Former Chairman - Democratic National Committee
Former Postmaster General
New York, New York

Honorable Thruston B. Morton
Former United States Senator
Former Chairman - Republican National Committee
Louisville, Kentucky

NATIONAL VICE CHAIRMEN

Dr. Kermit Gordon, President
Brookings Institution
Washington, D. C.

Honorable Arthur Fleming, President
Macalester College
Former Secretary - Health, Education and Welfare
St. Paul, Minnesota

Honorable Robert Weaver, President
Bernard-Baruch College
Former Secretary - Housing and Urban Development
New York, New York

Honorable Betty Furness
Former Special Assistant to the President for Consumer Affairs
Hartsdale, New York

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(Retired)
Chairman of the Board of Directors
American Telephone and Telegraph Company
New York, New York

Mr. Fred Borch, Chairman of the Board
General Electric Company
New York, New York

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San Francisco, California

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Harvard University Graduate
School of Business Administration
Cambridge, Massachusetts

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Bank of America
San Francisco, California

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Federated Department Stores
Cincinnati, Ohio

Mr. Joseph H. Allen, President
McGraw-Hill Publications Company
New York, New York

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Governor of Tennessee
Chairman of the National Governors' Conference
Nashville, Tennessee

Honorable Norbert T. Tiemann
Governor of Nebraska
Member of the National Governors' Executive Committee
Lincoln, Nebraska

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Cummins Engine Company
Columbus, Indiana

Mr. W. Beverly Murphy, President
Campbell Soup Company
Camden, New Jersey

Mr. John R. Biddle, Chairman of the Board
National Newspaper Association
Publisher - Huntingdon Daily News
Huntingdon, Pennsylvania

Mr. David Ginsburg, Partner
Ginsburg & Feldman
Washington, D. C.

Mr. Murray Comarow, Executive Director
President's Advisory Council on Executive Organizations
Washington, D. C.

SECRETARY

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Chilton Company
Philadelphia, Pennsylvania

TREASURER

Mr. John A. Hill, President
Aetna Life and Casualty Companies
Hartford, Connecticut

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Minneapolis, Minnesota

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Moline, Illinois

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Sea Island, Georgia

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Chairman
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Chicago, Illinois

Mr. Thomas B. McCabe
Chairman, Finance Committee
Scott Paper Company
Philadelphia, Pennsylvania

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E. I. du Pont de Nemours & Company
Wilmington, Delaware

Honorable Neil McElroy
Chairman
The Procter & Gamble Company
Former Secretary of Defense
Cincinnati, Ohio

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Chapman, Alabama

Mr. Malcolm MacNaughton
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Union Carbide Corporation
New York, New York

Mr. Gordon Metcalf
Chairman
Sears, Roebuck and Company
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Spartanburg, South Carolina

Mr. Frederick H. Mueller
Sarasota, Florida

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President
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New York, New York

Mr. Charles F. Myers, Jr.
Chairman
Burlington Industries, Inc.
Greensboro, North Carolina

Mr. Albert L. Nickerson
Chairman
Mobil Oil Corporation
New York, New York

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Chairman
Republic Steel Corporation
Cleveland, Ohio

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Ross Roy, Inc.
Detroit, Michigan

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Chicago, Illinois

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Chairman of the Board
Eli Lilly and Company
Indianapolis, Indiana

Honorable N.E. Halaby
President
Pan American World Airways, Inc.
New York, New York

Mr. Donald J. Russell
Chairman
Southern Pacific Company
San Francisco, California

Honorable Marion B. Folsom
Former Secretary - Health, Education, and
Welfare
Rochester, New York

August 20, 1969

AREAS WHERE THERE ARE ACTIVE CITIZEN'S COMMITTEE GROUPS

Syracuse (Hanley)

Albany - Schenectady (Button)

El Paso (White)

IMMEDIATE NEEDS

1. A public relations man to work on the Citizen's Committee
2. Funds for the Citizen's Committee
3. Local Citizen's Committee chairmen in key areas.

PROPOSED POSTAL REFORM LEGISLATION
AND WAGE SCALE ADJUSTMENT

A single piece of legislation would be enacted, the first title of which would create a Federal Postal Authority and establish the statutory framework within which the Authority will operate the nation's postal service, and the second title of which would provide a pay increase for postal employees effective January 1, 1970.

Title I of the bill would be identical to the text of H.R. 11750, with the following modifications:

1. The postal service would be organized as a public Authority, governed by a 13-member Executive Council. Seven members of the Council would be appointed by the President with the advice and consent of the Senate, and not more than four of such members would be appointed from the same political party. These seven (who would serve staggered seven year terms) would appoint a Director General and Deputy Director General, both of whom would serve at the pleasure of the Presidential councilors and would be members of the Executive Council. The remaining four members of the Executive Council would be appointed from the United States Congress, one being named by the Speaker of the House, one by the Minority Leader of the House, one by the President pro tem of the Senate and one by the Minority Leader of the Senate. The Presidentially-appointed councilors would pass on

changes in the type of postal services provided by the Authority and on changes in postage rates. There would be no Congressional veto on postage rate changes.)

2. An Advisory Council would be established, consisting of 11 members appointed by the President biennially. Four of such members would be appointed from the leadership of the various postal employee organizations, four would be appointed from major mail users, and three would be appointed from the public at large. The Advisory Council would be directed to meet periodically with the Executive Council to discuss matters of interest to the postal service, including rates, services, and wages.

3. The Postal Authority would be required to commence negotiations with collective bargaining representatives of postal employees not later than October 1, 1970. Such negotiations would cover wages, hours, and conditions of employment. Failure to reach agreement by January 1, 1971, would start a 90-day cooling-off period running, during which period mediation, fact-finding, recommendations and voluntary binding arbitration would be available. In the absence of an agreement at the end of the cooling-off period, the negotiations would be referred to final and binding arbitration by a three member board of arbitrators, one of whom would be designated by the employee organizations, one by the Authority, and the third by the two thus selected. If no agreement were reached on

the third arbitrator within five days, he would be designated by the Director of the Federal Mediation and Conciliation Service. Costs of arbitration will be divided equally between the parties. Collective bargaining agreements would have a minimum term of two years. Negotiations on a new contract would be required to commence not later than 90 days before the expiration of the old contract, and there would be provisions for a 90-day cooling-off period following the expiration of the contract, with final and binding arbitration if no agreement were reached at the end of that time.

4. Employees of the Authority would be in the Civil Service, but the application of any Civil Service law or regulation (except as otherwise provided in H. R. 11750) could be changed by the Authority upon the expiration of the initial two-year collective bargaining agreements. Such changes could only be made through the collective bargaining process with respect to employees who are members of a collective bargaining unit, and could only be made with the approval of the Civil Service Commission with respect to other employees.

5. The transportation provisions of H. R. 11750 would be modified to correspond generally with Title III of H. R. 4, as contained in the amended Committee Print of the House Post Office and Civil Service Commission dated December 4, 1969.

Postal Reform

Reasonable postal pay increase and postal reform must be covered in a single bill to be enacted promptly.

Postal establishment would be reorganized as a public authority governed by a 13-member Executive Council.

Council would be headed by a Director General, who, with his deputy, would be chosen by a bipartisan panel of Councilors appointed by the President and confirmed by the Senate.

Same panel would pass on changes in the type of postal services provided by the authority and ~~(subject to Congressional veto)~~ on changes in postage rates.

Four members of the Council would be named by Congress.

Under direction of the full Council, the postal authority would set wages and conditions of employment through collective bargaining.

Collective bargaining agreements would have a minimum term of two years, with negotiations on a new contract to begin at least 90 days before expiration.

On expiration of a collective bargaining agreement without a new contract, there would be a 90-day cooling-off period. Mediation, fact finding, recommendations and voluntary binding arbitration would be available during this time. If no agreement reached by end of cooling-off period, the entire matter would be referred to the President for final disposition.

Postal authority would be empowered to raise capital by issuing bonds.

PROPOSED POSTAL REFORM LEGISLATION AND WAGE SCALE ADJUSTMENT

Title I

the authority will have the power to set wages & services

There is created a Federal Postal Authority to operate the Postal Establishment in accordance with language of laws to be enacted before Congress on or before October 1, 1970. The Congress will determine the responsibilities of the Authority and empower it to act.

The Authority which shall be known as an Executive Council shall include:

Five (5) persons appointed by the President (no more than three (3) from any one political party). — *9 Years*

Four (4) members of Congress to be appointed by the Speaker and the President of the Senate. (~~one~~ *Two from each party*).

These nine (9) persons shall meet and appoint a Director of the Postal Service and a Deputy Director, both of whom shall serve on a full-time basis.

Stagger these Terms

Advisory Council

There shall be appointed by the President an Advisory Council consisting of eleven (11) members; *to be appointed biennially*

Five (5) such members shall be appointed on a biennial basis from the leadership of the various postal employee organizations.

Six (6) such persons shall be appointed by the President from a listing of representatives of users of the mail.

(3) members from Public at large

The Advisory Council shall meet periodically with the Executive Council on all matters including rates, service and wages. — *every 60 days at least*

Special Duties of the Authority

The Federal Postal Authority would determine, after consultation with the Advisory Council, services and rates of postage. It would set wages, benefits and conditions of employment through collective bargaining procedures.

Negotiations

Commencing *Jan 1, 1970* (~~October 1, 1970~~) the Federal Postal Authority would commence negotiations with unions representing postal employees to determine wage scales which would be effective *Jan 1, 1971* (~~January 1, 1971~~). Such negotiations could also include determination of periods of negotiations on subjects of fringe benefits and working conditions.

In all matters of negotiation when impasses do occur, there shall be a 90-day cooling off period during which time the process of fact finding and mediation shall take place in attempts to resolve disputes. After the 90-day cooling off period any pending impasses on subjects relative to wages, fringe benefits and national contracts shall be placed before a Board of Arbitrators. One arbitrator shall be designated by the unions expressing disagreements; one arbitrator shall be selected by the Director of the Postal Service; the two arbitrators shall select a third as chairman.

The decision of the arbitrators shall be final and binding and shall be effective the date following the expiration of the previous contract. Initially, the effective date of any negotiations and/or arbitrator decisions shall be January 1, 1971.

All fringe benefits in effect on the date of establishment of the Federal Postal Authority shall not be reduced except by law and any future wage increases negotiated cannot be less than increases recommended as a result of fulfillment of the comparability law.

Civil Service Coverage - Delegate to P.O. - then can be bargained away in 2 years
Revenue

The Federal Postal Authority shall have the authority to use current revenue for operation of the Postal Service and further shall have the authority to sell bonds in accordance with procedures established by the Congress no later than October 1, 1970.

The Federal Postal Authority shall assume authority of the Postal Establishment on October 1, 1970.

Title II

*no Jan 1, 1970
ad will agree*
Effective the first pay period which follows October 1, 1969, all postal workers in the lower six levels of the Postal Field Service Schedule shall be advanced by two steps of such schedule. In order to provide equity so that all employees will have the opportunity of reaching the true top steps, the first two steps of the current pay schedule are eliminated and two new steps are added at the top. Rather than the salary range being from \$6,176 annually to \$8,442 the new schedule would commence at \$6,588 and range to \$8,852 (in Level 5).

Total cost in 1970 is \$180 million

*I Question' ~~was~~
efficacy of this
since from 1971 on*

-4-

*there will be
new pay system
negotiated*

Since each employee has been advanced two steps, the starting pay which is extremely important for recruitment purposes should be equivalent to the old Step 3. Further so that employees in Steps 10 and 11 will have an opportunity to reach the same pay status as those currently in Step 12 it is necessary to establish the two new top steps.

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this?*

The provisions of H.R. 13000 relating to step advancements, achieving the top step within an eight-year period are to be retained. This would mean that those employees in Steps 1-6 would be elevated to the next higher step at the completion of six months of service. Those employees in Steps 7-12 would advance to the next higher steps following one year of service (it is extremely important that the language "satisfactory service" be eliminated since the Department is now using this language to deny many employees step increases to which they have been promised by law).

(Explanation of pay provisions: Each postal employee in the lower six levels -- higher levels if you insist -- will receive a two-step increase effective October 4, 1969 and there will be a new pay schedule commencing at the present Step 3 in adding two steps as explained above. There will still be 12 steps and in the Level 5 scale, they will range from \$6,588 to \$8,852. This means \$412 annual increase for those in Level 5 or an average of 5.4%. The full year cost of this provision is approximately \$330 million with the nine-month cost at about \$250 million. It is very important that we insert language that does not exist currently in H.R. 13000 to provide for the retention of any step increases prior to and including June 30, 1970. We would have serious

Jan 1970

problems with most of our membership if they learned they would only receive a one-step increase plus a partial credit toward their next increase. There would be no additional cost to this provision since the original estimates did not consider the loss of such step increases.

Employees would reach the top steps after only eight years of service rather than 21 and the first year cost (FY 1971) would involve only those employees in the first six steps since there would be no increases in fiscal 1971 for 50% of the employees who would be in Steps 7-12. There would be only one step increase for the other employees who are currently in Steps 1-6. Actually, there would be no additional costs during fiscal 1971 and the real impact would come in 1972 and thereafter.

Federal Employee Legislation

Simultaneously with the introduction of the above Bill there would be a separate Federal Employee Bill which would provide the following:

The 4% increase offered by the Senate Committee but to be effective April 1, 1970. Further in July 1970 there would be the minimum 3% increase provided for in the Senate Bill. Effective January 1971 the Federal Pay Commission could be established and simultaneously postal employees would be negotiating with the Postal Authority. Naturally, postal employees would be included under the April and July comparability increase or we would have further deterioration of postal wage scales.

I truly believe we have a splendid package taking care of all those who are in desperate strait and at the same time improving upon the

comparability process for Federal workers. True, postal workers would have a net gain for the period October 1969-July 1, 1970 of 12.4% with Federals having a net gain during 1970 of 7%. However, we are giving up the Postal Establishment for the extra benefit.

My contact at the White House will be pleased to meet with you as you prepare this legislation. I believe in closing I should remind you that it is imperative that we remain under Civil Service at least until we have been assured of safeguards. The White House contact agrees we shall remain with Civil Service status. I truly hope we can get this moving swiftly and have it all wrapped up with the retroactive features no later than February 1, 1970.

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Federal Employee Legislation

Simultaneously with the introduction of the above Bill there would be a separate Federal Employee Bill which would provide the following:

The 4% increase offered by the Senate Committee but to be effective April 1, 1970. Further in July 1970 there would be the minimum 3% increase provided for in the Senate Bill. Effective January 1971 the Federal Pay Commission could be established and simultaneously postal employees would be negotiating with the Postal Authority. Naturally, postal employees would be included under the April and July comparability increase or we would have further deterioration of postal wage scales.

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compare

1/19/70

New Subsection 806(c)

"(c) 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 shall provide, effective not later than four 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 his labor grade will not exceed eight years."

given to ETR
1/8/70

Change caption of Sec. 111 of H. R. 15430 to "Transitional Provisions on Employee Matters," and add the following new subsection 111(e) after line 8 on p. 135:

(e) The Authority shall perform a complete review of the job structure of the postal service, and at the earliest practicable time not later than the end of the 45th month following the date on which the Authority commences operations, the Authority shall publish a description of the various categories of jobs held or to be held by postal employees in collective bargaining units. Pay scales for such jobs, and procedures governing transfers and promotions of employees who hold or apply for such jobs, shall be established by the Authority consistent with sections 807 through 809 of title 39, United States Code, as enacted by section 102 of this act. It is the sense of Congress that if any pay scale established under this section contains graduated pay steps based upon the length of time the job to which such scale applies has been held, the maximum period of service required to reach the highest pay step for such job should not exceed 8 years.