

# DEBATE ON POSTAL REFORM CONTINUES

**L**AST YEAR, the House Committee on Oversight and Government Reform, chaired by Congressman Darryl Issa (R-CA), passed and sent to the full House, on a purely partisan basis, a postal reform bill that would mean the end of the Postal Service as we know it. This bill, as noted, got no support from Committee Democrats, and also was dead on arrival at the full House, as even Speaker Boehner and the Republican leadership recognized that the Issa bill would receive little support on the House floor. So the 2013 House Bill, H.R. 2748, has been going nowhere.

This year, in 2014, most of the action has been in the Senate. A comprehensive postal reform bill, known as S. 1486, was adopted by the full Senate Committee on Homeland Security and Government Affairs earlier this

year, in February 2014. Although the Chairman of the Senate Committee Tom Carper (D-DE) and his Republican counterpart Senator Tom Coburn (R-OK) joined forces to craft a compromise bill that received some support from Senators on both sides of the aisle, and although this Senate bill is somewhat better than the House bill, the NPMHU still cannot support this bill because of several of its key components.

Most troubling is the failure of the Senate Bill to protect the current mail processing and delivery network from continued downsizing. S. 1486 contains provisions to encourage 5-day delivery, to eliminate door-to-door delivery, and to provide for further reductions in the number of postal plants. This would slow service, drive mail out of the USPS system, and reduce mail volume and revenue. The

results could be disastrous for the Postal Service and universal service.

The key question is whether the Senate Bill can be amended in a way that would make it acceptable if and when it is debated by the full Senate on the Senate floor, or whether even before such a debate, a revised bill can be put forward through the Senate leadership, to include a more acceptable alternative. Driving any strategy is the fear, shared by many postal stakeholders, that the new 114th Congress to-be-elected in November 2014 and serving during 2015 and 2016 might be even less hospitable to the Postal Service and its employees than the current 113th Congress. Put in stark terms, if the principal supporters of the Postal Service get hammered in the elections this November, all mail handlers and other postal employees may be better served by getting a postal

reform bill passed before the end of this year, even if it is not a perfect piece of legislation.

As the maneuvering on Capitol Hill continues, there are hundreds of sub-plots and behind the scenes stories that are mostly of interest to true fans of the legislative process. Nonetheless, a few aspects of the debate may be of interest to all mail handlers:

» A consensus has developed with regard to postal employees, with most Members of Congress believing that the Postal Unions and their membership already have stepped forward and negotiated agreements during the past few years that not only have saved the Postal Service money, but have allowed the Postal Service to downsize its infrastructure (in employees and facilities) to accommodate the drop in mail

*“The Obama Administration’s budget blueprint for*

volume since 2007. Even Senator Coburn, not usually a friend to workers, has praised the Postal Unions and postal employees for their sophisticated and responsible efforts to address the major issues being faced by the Postal Service, whether it be in contract administration (e.g., voluntary early retirements), in negotiations and interest arbitration (e.g., addressing USPS costs for new employees and health insurance), or in the day-to-day processing and delivery of the mail.

» Much of the debate in Congress, therefore, is focusing on asking others to sacrifice for the future survival of the Postal Service, and not on asking mail handlers or other postal employees to contribute even more or to make additional concessions.

» The exigent rate increase that was approved by the Postal Regulatory Commission in late December 2013, and that is providing the Postal Service with a much-needed additional 4.3 percent in revenue this year and next, has changed much of the debate in a positive way. (By the way, the NPMHU was the only Postal Union that intervened before the PRC in support of the exigent rate increase.) The existence of that rate increase,

albeit currently set to expire in late 2015, has forced the major mailers to concentrate their lobbying efforts on making sure that the exigent rate increase is temporary, and does not become a permanent part of the base rate structure, at least for several more years before the PRC undertakes a re-write of the postal rate system in 2017.

» The Senate Bill has several good features that would allow the Postal Service to provide additional services to the American public, perhaps even banking services, in order to generate more revenue in future years. These provisions are not very controversial.

» There was a disturbing, if not ridiculous debate in the Senate Committee, led by Senator Rand Paul (R-KY) on behalf of the gun lobby, on whether guns should be permitted in post offices when the state allows them to be carried and concealed. A compromise was worked out by Senator Mark Begich (D-AK), so that under the S. 1486 as currently drafted guns would be allowed for visitors in the cars and parking lots, but not in the post office themselves. This dispute may become the actual reason that postal reform

does not get debated in the Senate this year, at least before the November mid-term elections, as the Senate leadership is unlikely to allow a gun control debate onto the Senate floor. Senator Paul's decision to hijack a bipartisan postal reform bill with issues involving gun control was a highly irresponsible and shameful display of partisan politics that added nothing meaningful to the important issues that are pending.

» The Senate Bill contains substantial financial relief for the Postal Service, through adjustments to the Retiree Health Benefits Fund and by requiring the Postal Service and its retirees to access Medicare Part B and allowing subsidies for prescriptions through Medicare Part D like any other private employer. In the long run, these provisions not only make sense, but include some real financial leeway for the Postal Service and its employees.

Two other key developments deserve mention. First, as it has in prior years, the Obama Administration's budget blueprint for Fiscal Year 2015, starting in October 2014, is not extremely kind to postal employees. While it contains some helpful provisions, such as protections for collective

bargaining, a refund of the FERS overpayment, a short-term recalculation of the RHBF, and making the exigent rates permanent, overall the good does not outweigh the bad. On the bad side, the RHBF relief would only be a temporary re-amortization; moreover, the Obama budget would allow the Postal Service to go to 5-day delivery immediately, and would authorize the USPS to convert to curbside delivery and mandatory cluster boxes.

If you need further evidence that the Obama Administration has not done any favors for the Postal Service and its employees, you only have to look at the latest hearing and proposal from Representative Issa. Issa has latched onto certain components of the Obama budget, and has drafted another proposal which he claims is using the Obama budget as a guide. This attempt to revive his disastrous 2013 bill will fail, as Issa has no credibility in the House, and no ability to enact his own legislation. But the fact that Issa could rely on some Obama proposals to support his own anti-USPS and anti-worker agenda should scare even the most optimistic legislative activists in the NPMHU.

Please be sure to watch your bulletin boards for the latest information.

***Fiscal Year 2015... is not extremely kind to postal employees."***