

Will Congress Act to Preserve the Postal Service?

Postal issues remain at the top of the Congressional agenda, and Congress therefore has an opportunity to help save the Postal Service by acting now to ensure, at least in part, the future success of this crucial component of the American communications system.

When the founding fathers instructed the Congress—during 1787, as part of the U.S. Constitution—to build and to maintain the Post Office, they probably did not envision all of the competing modes of communication that would be developed during the next 225 years, whether the telegraph, the telephone, radio and television, the fax machine, or email and the internet. But the founding fathers understood that the creation and the maintenance of a universal system of communications, easily accessible to all Americans, was a lynchpin of any democratic society.

The key question for Congress during 2012 is whether Members of the House and the Senate understand the historic importance of the Postal Service, and the need to guarantee its vitality for the 21st century. Although many Americans probably think that supporting the future of the Postal Service is an easy vote for an elected representative, the deeply partisan and ultimately hostile environment that has taken over on Capitol Hill has clearly had an adverse impact on how Congress feels about the Postal Service and postal employees. It is worth remembering that postal legislation historically has been passed on a bipartisan basis, and even collective bargaining and the current system of labor relations in the Postal Service usually has been supported by both Democrats and Republicans. Indeed, President Nixon was in office when the Postal Reorganization Act and full-scale bargaining rights were first adopted.

Times certainly have changed. Today, anti-tax Members of Congress use the Postal Service as a scapegoat for the federal budget deficit, even though the Postal Service does not take or use federal tax dollars. Anti-government Members of Congress blame the Postal Service and its unions for recent financial troubles at the USPS, even though the Great Recession of 2008 and the rapid

growth of the internet, email, and other electronic diversion are a major cause of USPS deficits. And anti-union Members of Congress point their fingers at the NPMHU and the other postal unions, even though all of our members and our resources are voluntarily obtained as part of the largest open-shop in the American economy.

Notwithstanding this negative atmosphere, Congress still has a chance to take action that will preserve the Postal Service for many years into the future. On April 25, 2012, the full Senate approved Senate Bill 1789 by a margin of 62 to 37. S. 1789 was a bipartisan bill already approved by a vote of 9-1 by the Senate Committee on Homeland Security and Governmental Affairs. It also was improved on the Senate floor, after a cloture vote passed by a supermajority vote of 74 to 22. Nonetheless, it is not perfect, and remains flawed.

As with many pieces of complex legislation, the substance of S. 1789 includes both provisions that the NPMHU supports and provisions that the NPMHU must oppose. On the positive side of the equation, the bill includes provisions that would do each of the following:

- the bill would return to the Postal Service more than \$11 billion in prior surplus contributions to the Federal Employees Retirement System;
- the bill would substantially reduce the pre-funding requirements that apply to the Retiree Health Benefits Fund, by amortizing the amount owed at 80% over 40 years;
- the bill would allow the Postal Service to downsize further by offering its employees voluntary early retirement incentives of cash or years of service;
- the bill would authorize negotiations over new health benefit programs and new methods of Medicare integration, but those changes could be implemented only if all of the unions agree, and any USPS only health plan would have to provide benefits comparable to the FEHB;
- the bill would maintain certain service standards for a period of at least three years;

- the bill would require at least two more years of study and approval prior to any reduction in mail delivery to five days;
- the bill would require certain procedural steps before the closing or consolidation of a mail processing facility, including a study on potential downsizing rather than closing, a public comment period, and ultimate review by the Postal Regulatory Commission;
- the bill includes a non-binding, sense of the Senate resolution asking the Postal Service not to begin closings and consolidations after May 15, 2012, to allow the House and the full Congress sufficient time to finalize its consideration of this bill;
- the bill would expand access to retail outlets and require adoption of retail service standards and maintenance of community post offices;
- the bill would expand authority for the USPS to provide nonpostal products and services; and
- the bill would limit the compensation and benefits paid to USPS executives.

Unfortunately, the bill has several negative aspects to it, including its refusal to provide more protection to overnight service standards and 6-day delivery requirements, and its harsh and unjustified changes in coverage for federal and postal employees who in the future may be injured and entitled to benefits under the Federal Employees Compensation Act.

The FECA changes were initially introduced by Senator Collins, who has made reform of FECA into a cause from which she apparently will not back down. Her bill, originally the Federal Workers' Compensation Reform Act of 2011, would require a "transition" to regular CSRS or FERS retirement systems for federal and postal employees who receive FECA benefits as a result of workplace injuries after they reach their retirement age under Social Security.

Collins argues that workers who have been permanently disabled by their injuries and who