

113th CONGRESS REORGANIZES

LEGISLATURE REMAINS SPLIT: DEMOCRATS IN THE SENATE, REPUBLICANS IN THE HOUSE

The 113th Congress has reorganized, with several key issues of concern to mail handlers to be addressed during the coming months and years. Officially, the new Congress was sworn in on January 3, 2013, several weeks before President Obama was inaugurated for his second term. A total of 98 Members of Congress were newly elected, 84 in the House of Representatives and 14 in the Senate. This 113th Congress is under a tremendous amount of pressure to improve upon the disastrous record of its predecessor, the 112th Congress, which has been named the do-nothing Congress because by most accounts it was the least productive session in the modern political era.

As noted, the November 2012 national elections made clear that President Barack Obama and his administration would continue to control the executive branch, while the Democratic Party majority in the Senate also would remain in place (with a split of 55-45). But the elections also confirmed the majority status of the Republican Party in the House of Representatives, albeit with a slightly smaller margin (the Republicans lost ten seats, creating a majority margin of 232 to 200, with 3 vacancies).

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As a result of these changes, the new Congress also has instituted some significant changes in its substructure, including changes on the major committees with jurisdiction over legislation relevant to the Postal Service, mail handlers, and other postal employees.

In the Senate, the crucial postal issues primarily fall within the jurisdiction of the Senate Committee on Homeland Security and Governmental Affairs. Last year's chairman and ranking minority member have moved on (Senator Joseph Lieberman (I-CT) to retirement, Senator Susan Collins (R-ME) to other committees), so the full Committee is controlled by its new chairman, Senator Tom Carper (D-DE) and its new ranking minority member, Senator Tom Coburn (R-OK). Senator Carper has made clear that postal reform issues will be handled by the full Committee, rather than a Subcommittee, so Senators Carper and Coburn will have the most influence over all of the postal issues.

Here are the other members of the full Senate Committee during the 113th Congress, covering all of 2013 and 2014. You will certainly notice that the Committee membership is dominated by smaller, rural, less urban states, with a full complement of two Senators from Wisconsin:

Senate Homeland Security and Governmental Affairs

DEMOCRATS

Tom Carper (DE), Chair
Carl Levin (MI)
Mark L. Pryor (AR)
Mary L. Landrieu (LA)
Claire McCaskill (MO)
Jon Tester (MT)
Mark Begich (AK)
Tammy Baldwin (WI)
Hiedi Heitkamp (ND)

REPUBLICANS

Tom Coburn (OK), Ranking Member
John McCain (AZ)
Ron Johnson (WI)
Rob Portman (OH)
Rand Paul (KY)
Michael B. Enzi (WY)
Kelly Ayotte (NH)

In the House, the continuing Republican majority has created less upheaval in its Committee on Oversight and Government Reform. After John Boehner (R-OH) was re-elected as the Speaker of the House, Congressman Darrell E. Issa (R-CA) was again named as the Chair of the full House Committee, with Congressman Elijah Cummings (D-MD) again assuming the role of ranking minority member. The jurisdiction and membership of the full Committee and its most important Subcommittee is set out below:

House Oversight and Government Reform Committee

REPUBLICANS

Darrell E. Issa (CA), Chair
John L. Mica (FL)
Michael Turner (OH)
John J. Duncan (TN)
Patrick T. McHenry (NC)
Jim Jordan (OH)
Jason Chaffetz (UT)
Tim Walberg (MI)

DEMOCRATS

Elijah Cummings (MD), Ranking Member
Carolyn Maloney (NY)
Eleanor Holmes Norton (DC)
John Tierney (MA)
William Lacy Clay (MO)
Stephen Lynch (MA)
Jim Cooper (TN)
Gerald Connolly (VA)

House Oversight and Government Reform Committee continued...

James Lankford (OK)	Jackie Speier (CA)
Justin Amash (MI)	Matt Cartwright (PA)
Paul Gosar (AZ)	Mark Pocan (WI)
Patrick Meehan (PA)	Tammy Duckworth (IL)
Scott DesJarlais (TN)	Danny K. Davis (IL)
Trey Gowdy (SC)	Peter Welch (VT)
Blake Farenthold (TX)	Tony Cardenas (CA)
Doc Hastings (WA)	Steve Horsford (NV)
Cynthia Lummis (WY)	Michelle Lujan Grisham (NM)
Rob Woodall (GA)	
Thomas Massie (KY)	
Doug Collins (GA)	
Mark Meadows (NC)	
Kerry Bentivolio (MI)	
Ron DeSantis (FL)	

Subcommittee on the Federal Workforce, Postal Service, and the Census

REPUBLICANS

Blake Farenthold (TX), Chair
Tim Walberg (MI)
Trey Gowdy (SC)
Doug Collins (GA)
Ron DeSantis (FL)

DEMOCRATS

Stephen Lynch (MA), Ranking Member
Eleanor Holmes Norton (DC)
William Lacy Clay (MO)

WHAT HAPPENED LAST YEAR

Last year, the full Senate passed S. 1789, an important bill on postal reform that the House refused to consider. The Senate approved the legislation early in the year, on April 25, 2012, in a bipartisan vote of 62 to 37. The four Senate co-authors of the legislation—Senators Lieberman, Collins, Carper, and Scott Brown (R-MA)—hailed the action as a strong effort to put the USPS back on solid financial footing, end its ongoing financial losses, and prevent the wholesale closings of postal facilities.

The four Senate co-sponsors were able to gain majority support by re-introducing a revised, substitute bill prior to the floor debate in April, which addressed various concerns about the bill reported out of Committee that were raised by a number of Senators, especially those who represent rural areas where post offices are heavily relied upon not just for mail but as centers of the community. Debate on that substitute was then limited to a short list of pre-determined topics. This allowed for focused and time-limited debate on a series of amendments, resulting in prompt passage of the entire bill once the substitute made its way to the full Senate.

Among its provisions, the substitute would have required the Postal Service to continue overnight delivery for local first-class mail, although across shorter distances than may be the case now. Also under the provisions of S. 1789, USPS would still deliver first-class mail anywhere in the continental United States in a maximum of three days. The substitute also would have expanded the alternatives that USPS must consider before closing a post office. It would have encouraged the Postal Service to think innovatively about how to adapt its business model in a world increasingly reliant on electronic communications. And the revised bill would have required the appointment of a Chief Innovation Officer and would have established a Strategic Advisory Commission composed of prominent citizens who would be charged with developing a new strategic blueprint for the Postal Service.

Of critical importance, the version of S. 1789 that passed the Senate would have addressed the financial burdens currently—and unfairly—facing the Postal Service under the failed provisions of the last postal reform bill, the Postal Accountability and Enhancement Act of 2006. More specifically, as passed by the Senate during 2012, S. 1789 would have:

- ◆ Given the Postal Service access to money that it has overpaid into its FERS retirement funds, so that the agency could use that money to provide financial incentives to encourage eligible employees to retire. This also would help “right-size” the workforce, through voluntary attrition of the employees, to take into account the steep decline in first class mail volume.
- ◆ Reduced the amount of money that the Postal Service must contribute for future retiree health benefits, by eliminating the current fixed annual payments of approximately \$5.5 billion per year and moving up to this year the 40-year amortization payments now scheduled to start in 2017.
- ◆ Prevented the Postal Service from going to five-day delivery for the next two years and required it to exhaust all other cost-saving measures first.
- ◆ Required the Postal Service to set standards for retail service across the country, consider several alternative options before closing post offices, and provide for increased opportunity for public input.
- ◆ Allowed the Postal Service to sell non-postal products and services in appropriate cases.
- ◆ Allowed the Postal Service to ship beer, wine, and distilled spirits.

The bill also contained some very damaging provisions, including one that would have cut benefits significantly under the Federal Employees Compensation Act, the workers' compensation program for federal and postal employees, by requiring injured workers to take a pension benefit when they reach normal retirement age. That amendment, sponsored by Senator Susan Collins, would have a devastating financial impact on certain mail handlers or other postal employees who are injured on the job before retirement age; the NPMHU is still working hard to keep the provision out of any bill that may be enacted later this year.

As noted earlier, in the House of Representatives during the 112th Congress, the Republican leadership refused to consider S. 1789, as passed by the Senate. Instead, Representative Issa, the Chairman of the Oversight and Government Reform Committee, strong-armed his legislation, H.R. 2309, through the full House Committee in October 2011. He accomplished this mainly by party affiliation, with all Democrats voting no, and only one other Republican in the entire House serving as co-sponsor of the bill. That was Dennis Ross (R-FL), who is no longer on any of the relevant committees. Fortunately, the bill was never considered by the full House, either in 2011 or 2012. Thanks to a concerted effort amongst the seven postal unions and management associations, the NPMHU and others were successful in defeating this anti-worker piece of legislation. For example, if passed, this House Bill would have created a board with unprecedented powers to open and change negotiated collective bargaining contracts, would have mandated billions of dollars in cuts, and would have retained the billions of dollars in FERS and CSRS overpayments that rightfully should be made available to the Postal Service.

At the same time, the Ranking Member on the relevant Subcommittee, Representative Stephen Lynch, also filed legislation during the 112th Congress, known as H.R. 1351. This bill also was a bi-partisan piece of legislation that garnered 230 cosponsors and actually would have addressed the onerous overpayments that, if returned to the Postal Service for use in its budgeting, surely would have helped the Postal Service remain solvent during its difficult financial situation caused by the Great Recession of 2008. Unfortunately, because the Republicans are the majority party in the House, and the majority gets to schedule all votes, neither the full Committee nor the full House ever were given an opportunity to debate or otherwise address the Lynch bill.

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In the current 113th Congress, legislation related to the Postal Service is once again at center stage. For one, Senator Bernie Sanders (I-VT) has continued his practice of standing up for the working class. Just as he did in the last Congress, Senator Sanders has filed legislation that is pro-worker and pro-consumer (known as S. 316). In the House of Representatives, Congressman Peter DeFazio (D-OR), another true friend of working families, re-filed the identical postal reform bill that he filed in the last Congress (known as H.R. 630 during 2013).

If these pieces of legislation were passed, they would immediately address the Postal Services finances by eliminating all of the mandated retiree health payments. These payments have crippled the Postal Service, because if not for this unnecessary financial obligation, the

Postal Service would have been profitable during four out of the past six years. Indeed, when management and the mass media repeatedly report that the Postal Service lost \$15.9 billion in the last fiscal year, it is important to remember that almost \$12 billion of that amount was attributable to these unenforceable payments into the Retiree Health Benefits Fund, and another \$1.6 billion was really a paper loss caused by lower interest rates being applied to long-term estimates for workers compensation payments. The more relevant operational deficit of the Postal Service was closer to \$2.4 billion, and the current fiscal year already has begun with an operational surplus.

Moreover, as the NPMHU repeatedly has argued over the past several years, no Fortune 500 company and no other federal agency has to suffer from such a burdensome financial obligation for retiree health insurance. The Postal Service has \$46 billion in its retiree health fund, and that is more than sufficient to allow remaining obligations to be paid off slowly, over the next 30 or 40 years. Of most importance, the elimination of this financial obligation would allow the Postal Service to implement other financial and operational alternatives during these trying economic times.

The legislation proposed by Senator Sanders and Representative DeFazio also would return billions of dollars to the Postal Service which previously has been overpaid into CSRS and FERS retirement funds; it would challenge the USPS to come up with innovative ways to find new sources of revenue; it would require a continuation of six-day delivery; and it would require the Postal Service to keep processing facilities open and to maintain or reestablish overnight delivery standards.

The new Congress therefore has been presented with practical alternatives that should be fully considered and debated in the coming weeks and months. Only time will tell if Congress has the fortitude to debate these matters in an open and productive way.

WHAT CAN EACH MAIL HANDLER DO?

With little good news on the horizon, the NPMHU has to redouble its legislative efforts to protect the future of the Postal Service and the various benefit programs that are directly applicable to mail handlers. The NPMHU held its biennial Legislative Conference in May of this year, at which hundreds of Mail Handler activists joined forces for a day of lobbying their elected representatives on pending postal legislation. The NPMHU is supporting sensible and financially prudent postal reform legislation, which removes the onerous financial burdens facing the Postal Service, and simultaneously allows the Postal Service to flourish by maintaining its processing and delivery standards and increasing its revenue through broader service to the American people.

If you have not done so already, please sign up as a legislative activist on the NPMHU website, www.npmhu.org. In this way, every mail handler can stay informed on the issues, and can quickly contact Members of Congress when the need arises. Also, please watch your NPMHU publications for the latest information as the congressional debate becomes more focused.