



American Postal Workers Union, AFL-CIO
National Postal Mail Handlers Union, AFL-CIO



Congress Must Act to Stop Drastic Cuts in Service

The time to pass meaningful postal reform is NOW. We must have reform that restores financial stability to the Postal Service without destroying service or harming postal workers. Legislators must address the cause of the Postal Service's manufactured financial crisis, protect service standards, and preserve the nation's vital mail processing network.

A recent survey, commissioned by the OIG, revealed that significant majorities of the American people believe the Postal Service remains relevant and important to their daily lives. It is clear that the American people want and expect the Postal Service to continue to fulfill its legal obligation to provide timely and universal service to the American people at a reasonable and uniform cost.

Preserving Service Standards and Mail Processing Facilities is Key

While the APWU and NPMHU believe that any cuts to service are detrimental to the Postal Service's long-term interests, we believe that the greatest threat to the Postal Service comes from dismantling the mail processing network.

Since July 1, 2012, the USPS has closed or consolidated more than 100 mail processing facilities, or nearly one third of the nation's mail processing capacity. The Postal Service has also reduced hours, or announced plans to reduce hours, at 13,000 post offices nationwide.

These closings and consolidations have drastically curtailed local mail sortation, virtually eliminating overnight delivery and driving away customers. Since the USPS cut service standards in July 2012, as little as 25 percent of first-class mail is now delivered overnight. The consolidation of the nation's mail processing network is already causing mail to be delayed *every day of the week*.

The Postal Service cannot shrink the mail processing network without adding days to the time it takes to pick up, sort, and deliver mail. Reducing the number of mail processing centers means that mail has to be transported further from its entry point to be sorted at a facility further away – sometimes hundreds of miles further away. In addition, the last pick-up of mail from collection boxes is now earlier, which means that mail that

used to be picked up at 5 p.m. will now sit in the collection box until the next day before it even enters the mail-stream. For bulk business mailers, the critical entry time has been moved up as well, with the same effect.

Unless USPS service standards are restored to what they were prior to July 1, 2012, the service that customers expect and rely upon will continue to degrade and postal revenue will decline. If the final revised service standards that the Postal Service expects to put in place in early 2014 are allowed to go into effect, roughly two-thirds of the mail that used to be delivered overnight will take two, three or more days to reach its destination.

Closing Mail Processing Facilities: Penny Wise and Pound Foolish

- Closing mail processing facilities will be detrimental to the long-term financial well-being of the Postal Service as it can only be accomplished by a reduction in service standards.
- Closing facilities and slowing down the mail affects service *every day* of the week; all mail is delayed.
- According to the Postal Service's own study, such deep cuts in service will cause a loss of postal revenue through lost business.
- Facility closings also cost communities jobs and damage local economies.
- At a time of high national unemployment, such cuts may cost 30,000 jobs.
- Without Congressional action the USPS refuses to postpone consolidations and continues to take drastic measures significantly delaying the mail and permanently damaging the nation's mail system.

The reduction in USPS service standards will likely have a negative impact on the financial health of American businesses. With the reductions in processing locations invoices may take one to two days longer to reach customers, and customer payments will also take longer to collect. In addition, other potential side effects for corporations may include:

- An increase in customer late fees charged, increased call volume to customer service, decreased levels of customer satisfaction and decreased working capital.
- The economic impact will most likely affect small- and medium-sized businesses and non-profits even more severely. They are more likely to send their bills and solicitations by mail and are far less likely to have established a means to accept electronic payments.

Bills to Save the Postal Service

Postal Service Protection Act (S. 316/H.R. 630)

Introduced by Sen. Bernie Sanders (D-VT) and Rep. Peter DeFazio (D-OR)

- Eliminates the pre-funding mandate
- Refunds overpayments the USPS made to federal retirement systems
- Ends mail slowdown by re-establishing overnight service standards for first-class mail
- Allows the USPS to develop new products and services that will generate new sources of revenue.
- Protects post offices by giving the Postal Regulatory Commission authority to prevent post office closures based on the effects on the community and employees

United States Postal Service Stabilization Act (H.R. 961)

Introduced by Rep. Stephen Lynch (D-MA) on 3/5/2013

- Requires the Office of Personnel Management (OPM) to recalculate the Postal Service's pension liabilities to the Federal Employees Retirement System (FERS) using postal-specific salary and demographic assumptions
- Refunds overpayments the Postal Service made to federal retirement accounts
- Expresses the intent of Congress that postal-specific assumptions should apply to allocations of past, present and future benefit liabilities between the USPS and the Treasury

Protect Overnight Delivery Act (H.R. 2459)

Introduced by Rep. Rosa DeLauro (D-CT) on 6/20/2013

- Repeals service standards implemented by the United States Postal Service on July 1, 2012
- Restores overnight service standards to those that were in effect on Dec. 11, 2011
- Protects mail processing plants from closure by preventing the Postal Service from moving to two- to three-day service standards

Beware of Those Who Seek to Destroy the USPS

Issa Draft Bill

Released by Rep. Darrell Issa (R-CA) on 6/13/2013

Attacks Collective Bargaining

- Prohibits the USPS and postal unions from negotiating protection against layoffs

- Requires postal unions to renegotiate current contracts to eliminate protection against layoffs
- Immediately increases employees' health insurance costs
- Allows fringe benefits to return to pre-1971 levels
- Imposes "final offer" bargaining if parties fail to reach a settlement
- Slashes compensation for injured employees with dependents and forces them into retirement as soon as they become eligible

Deprives Customers of Vital Services

- Imposes two- to three-day service standards for first-class mail
- Closes additional post offices, stations, branches, and mail processing facilities
- Reduces door delivery and eliminates Saturday letter delivery

Privatizes Postal Services

- Prohibits customers from appealing a decision to close a post office, station or branch if a private contract postal unit is opened within two miles.
- Establishes "competition advocates" to promote contracting out

Harms Postal Finances

- Retains the obligation to pre-fund 100 percent of health benefit costs for future retirees
- Maintains limits on postage rate increases, preventing USPS from increasing revenue
- Fails to refund USPS overpayments into the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) accounts
- Unreasonably restricts new services