



MAIL HANDLER UPDATE

NATIONAL POSTAL MAIL HANDLERS UNION

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SENATE COMMITTEE APPROVES POSTAL REFORM MEASURE

NPMHU CONTINUES TO OBJECT TO MANY PROVISIONS

At its second mark-up session on S. 1486 (co-sponsored by Senators Tom Carper (D-DE) and Tom Coburn (R-OK)), the Senate Committee on Homeland Security and Governmental Affairs voted on February 6, 2014 to approve its most recent version of so-called postal reform legislation. After several amendments were adopted, the bill passed on a bi-partisan vote, with six Democrats and five Republicans voting in the affirmative to move the bill to the full Senate.

Although it passed by Committee vote, it has a long way to go to get NPMHU support. National President John Hegarty reacted promptly to the Committee's action: "This bill is woefully inadequate. All four Postal Unions detailed a plan for meaningful postal reform in a letter to the Senate last week. Unfortunately, that advice was not followed. A bill that we could support should contain protections on service standards and on delivery, and it needs to be fair and equitable to our employees and to all of the American ratepayers who have continued to rely on and support the Postal Service over the past 239 years."

Prior to the final Committee vote, the four major postal unions issued a joint letter to all Senators, urging them to improve the bill prior to any vote sending the legislation to the full Senate. That letter noted that "the substitute bill suffers from many of the same shortcomings each of us pointed out when S. 1486 was originally introduced. Moreover, there are new provisions (such as one that requires the Postal Service to pre-fund \$17 billion in future workers' compensation expenses) that are totally unfair and unnecessary."

The letter included more details: "We opposed the original version of S. 1486 because it failed to permanently reduce the retiree health pre-funding burden and called for service cuts that would undermine the long-term viability of the Postal Service by slowing service and weakening its invaluable retail, processing and delivery networks." Not only would this legislation "threaten more than 100,000 good postal jobs and weaken the Postal Service's most important assets – its retail, processing and delivery networks – it would also harm the interests of small businesses, rural residents and the elderly." The bill "also target[s] new postal employees with possible retirement benefit cuts that would create a morale-sapping, two-tier postal workforce. By forcing our unions to bargain for benefits set by law for all other federal employees, the bill also would recklessly interfere with a collective bargaining process that has promoted fairness, efficiency and the most affordable, high-quality universal postal service in the world."

The postal unions offered the Committee an alternative package of reforms that would strengthen the Postal Service without damaging and self-defeating service cuts, and without unfair measures directed at postal employees who sacrificed greatly to help the Postal Service survive the Great Recession (absorbing nearly 200,000 job cuts and painful pay and benefit concessions in the last round of collective bargaining). Our package of reforms included: (1) changes to the Retiree Health Benefits Fund and the Federal Employee Health Benefits Plan that would reduce retiree health costs and resolve the prefunding bur-

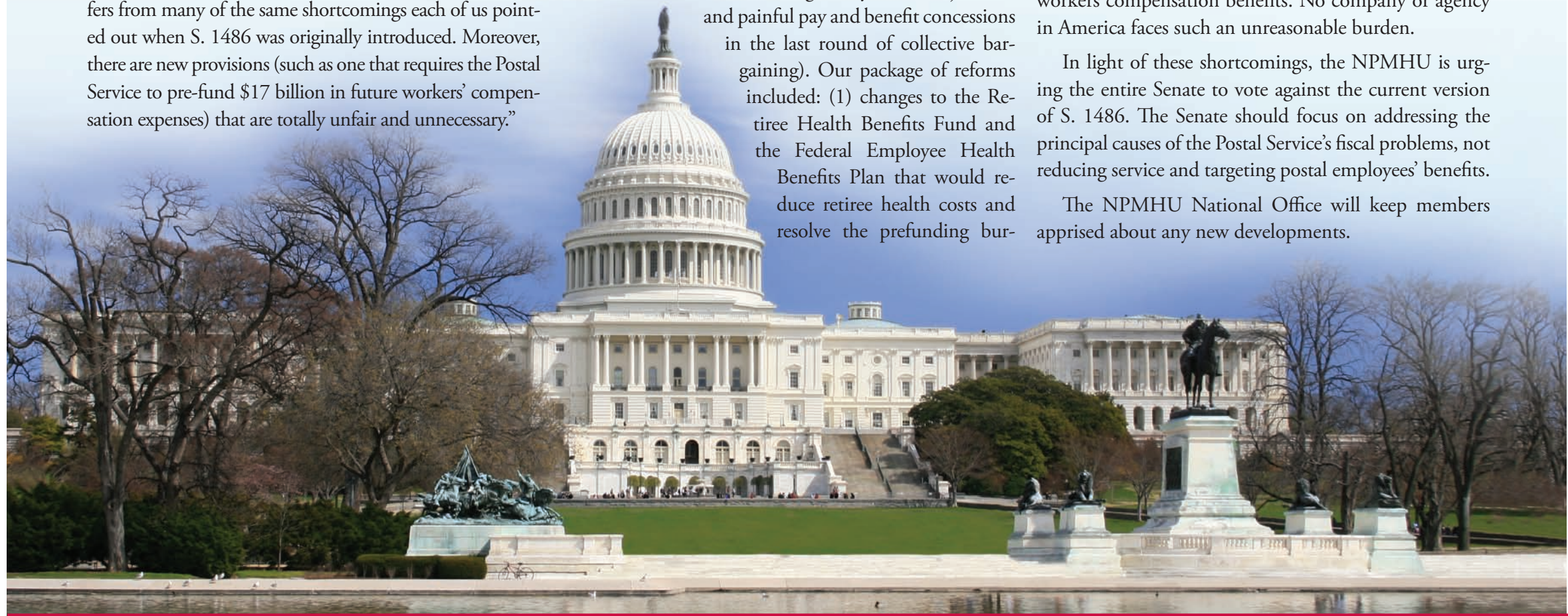
den that was imposed on the Postal Service in 2006; (2) a mandate to re-calculate USPS pension surpluses with postal-specific assumptions to help pay down the Postal Service's debt so that it could make desperately needed capital investments; (3) a moratorium on service standard changes to prevent a death spiral; (4) a provision to give USPS limited authority to offer non-postal products through its networks to generate new revenues; and (5) pricing reforms to adopt a fair and more reasonable, yet predictable, price cap system.

While making some minor changes, the Committee's latest substitute merely delays the proposed service and job cuts rather than eliminating them. Indeed, neither delaying service standard reductions by two years nor setting an arbitrary mail volume trigger of 140 billion pieces for the elimination of Saturday delivery offers a sensible business strategy for the Postal Service.

The Committee-passed substitute also retains the unfair government-wide FECA cuts that do not belong in a postal bill. It also contains an outrageous provision that treats new postal employees as second-class citizens with regard to coverage under FERS and the Thrift Savings Plan. Finally, it adds new burdens to the Postal Service and its employees, such as a mandate to pre-fund future workers compensation benefits. No company or agency in America faces such an unreasonable burden.

In light of these shortcomings, the NPMHU is urging the entire Senate to vote against the current version of S. 1486. The Senate should focus on addressing the principal causes of the Postal Service's fiscal problems, not reducing service and targeting postal employees' benefits.

The NPMHU National Office will keep members apprised about any new developments.



★ DEADLINES LOOMING ★

Extended Organizing Campaign Deadline

★ APRIL 15, 2014 ★

The NPMHU Organizing Campaign – Join the Union, Join the Fight is in the home stretch. All members are encouraged to visit www.npmhu.org to access campaign details, documents and the program brochure. For a limited time, the National Union will pay a \$50 bounty to each Mail Handler member responsible for signing up program-qualified non-members. Go to www.npmhu.org for qualification and program details.

Scholarship Program Deadline

★ MARCH 15, 2014 ★

The purpose of the NPMHU Arthur S. Vallone Scholarship Program is to provide financial assistance to Mail Handlers and/or their family members who are seeking to further their education beyond high school. The program will award a minimum of 15 scholarships (3 per Region) in the annual amount of at least \$1,000, renewable for up to four (4) years or until the completion of the undergraduate degree, whichever occurs first (for a maximum of \$4,000 per recipient over 4 years). Visit www.npmhu.org for scholarship program details.



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February 2014