



# National Postal Mail Handlers Union

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July 18, 2013

The Honorable Darrell Issa  
Chairman  
Committee on Oversight and Government Reform  
U.S. House of Representatives  
Washington, DC 20515

Re: NPMHU Comments on Discussion Draft of Postal Reform Act of 2013

Dear Chairman Issa:

As National President of the National Postal Mail Handlers Union (“NPMHU”), I am writing on behalf of more than 40,000 mail handlers employed by the U.S. Postal Service to express the NPMHU’s views on the discussion draft that you circulated for the Postal Reform Act of 2013. The NPMHU appreciates the opportunity to comment on this discussion draft, and notwithstanding our substantial misgivings with that draft, appreciates the attention that the Committee is paying to these important issues.

Before setting forth the NPMHU position on specific issues addressed in the discussion draft, it would be helpful to outline the fundamental principles from which those positions emanate. First, the NPMHU believes that the Postal Service, as the most trusted federal agency and an essential component of the nation’s communications system, must be preserved. Second, preserving the Postal Service means that the Postal Service should take all necessary steps to maintain its service standards and universal service, and should not be reducing service to the American public unless and until it is the last available alternative. Third, the Postal Service should have access to its own monies, through the return of its overpayments into the federal pension systems, and primary control of its major financial decisions, most notably through the repeal or substantial readjustment of the pre-funding requirement for the Retiree Health Benefits Fund. Fourth, Congress needs to allow the collective bargaining process to continue, without legislative interference, as it has

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operated well for the past 43 years, without any labor strife or disruption of service to the American public. And fifth, the Postal Service should be allowed to expand the scope of its postal services, and provide non-postal services, that are consistent with its overall mission and its service to the American people.

Applying these principles to the proposals contained in the discussion draft leads the NPMHU to the following positions:

1. The Postal Service's overfunding of the Federal Employees Retirement System (FERS) and Civil Service Retirement System (CSRS) should be returned to the Postal Service. You indicated during the July 17, 2013 hearing that your revised bill would provide for the return of FERS overpayments, calculating those monies using USPS-specific actuarial data, and that certainly is a step in the right direction. The NPMHU also believes that the use of these monies should be managed by the Postal Service, and not dictated by any legislation.

2. The requirement that the Retiree Health Benefits Fund should be pre-funded needs to be repealed. The RHBF already contains almost \$50 billion, and no public agency or private corporation is required to pre-fund 100% of its retiree health obligations. In this regard, even last year's Senate-passed bill and the draft released by Congressman Elijah Cummings – both of which amortize the pre-funding over 40 years at 80% – are insufficient, as they would provide relatively small savings to the Postal Service over the next ten years. The NPMHU suggests a total repeal of the pre-funding requirement, or at minimum a suspension of any payments required for the next few years with a 40-year, 80% amortization beginning at the end of that suspension period.

3. Any postal reform legislation needs to maintain service standards and preserve the mail processing network, with continued support for six-day delivery and smaller post offices. With regard to the mail processing network, the Postal Service is currently planning and implementing a series of plant closings and consolidations that are doing great harm to the network maintained by the Postal Service, and could require adverse changes in service standards for USPS customers. Such changes to the mail processing network are short-sighted, and reduce the future ability of the Postal Service to respond to increased demand. These changes would not be necessary if Congress would provide the financial relief discussed above.

4. All proposals in the discussion draft that seek to revise or eliminate collective bargaining should be removed. Legislative interference in a negotiations process that has successfully served the Postal Service, its employees, and the American public for the past 43 years is wholly unjustified. The NPMHU's strenuous opposition to these proposals applies to all attempts to limit or prohibit negotiated no-layoff clauses (even if applied only to future agreements), to change workers' compensation provisions, to repeal Section

1005(f) of the Postal Reorganization Act, to adjust the comparability standard, to compel equality between postal and federal benefit contributions, or to amend the governing arbitration procedures. Postal management and the postal unions have amply demonstrated that they are capable of negotiating and/or arbitrating fair and equitable collective bargaining agreements, appropriate changes to employee benefits, early retirement incentives, and additional workforce flexibility when such measures are justified by economic or operational conditions. Given the recent successes in this area, Congressional attempts to revise decades-old and well-accepted procedures or to dictate outcomes in negotiations are unavoidably viewed as politically motivated attacks on collective bargaining. All of these provisions in the discussion draft should be eliminated.

5. The NPMHU objects to legislative proposals that would change the governance structure of the Postal Service. To be sure, the NPMHU has not hesitated to criticize either the Board of Governors or USPS management when such criticism is deserved, and the Congress has done the same. But to believe that a temporary governance structure granting outsiders extraordinary power over the Postal Service might be beneficial is to ignore reality: it takes years, not weeks, to understand and appreciate the Postal Service, its business, and its various complications, and no outside governance could hope to solve its problems simply because it comes from the outside. The NPMHU believes that, with the proper financial relief as described above, the Postal Service will have the ability to thrive over the coming years, as standard and package mail increases and losses of first-class mail slow down.

6. The NPMHU fully supports proposals that would allow the Postal Service to offer additional postal services or various types of non-postal services. Similarly, the NPMHU has no objection to efforts to encourage innovation in the Postal Service.

Thank you for the attention and consideration of these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "John F. Hegarty", with a long horizontal flourish extending to the right.

John F. Hegarty  
National President  
National Postal Mail Handlers Union

Cc: Mark A. Gardner, National Secretary-Treasurer  
Robert Losi, Director of Political and Legislative Affairs  
The Honorable Elijah Cummings, Ranking Member