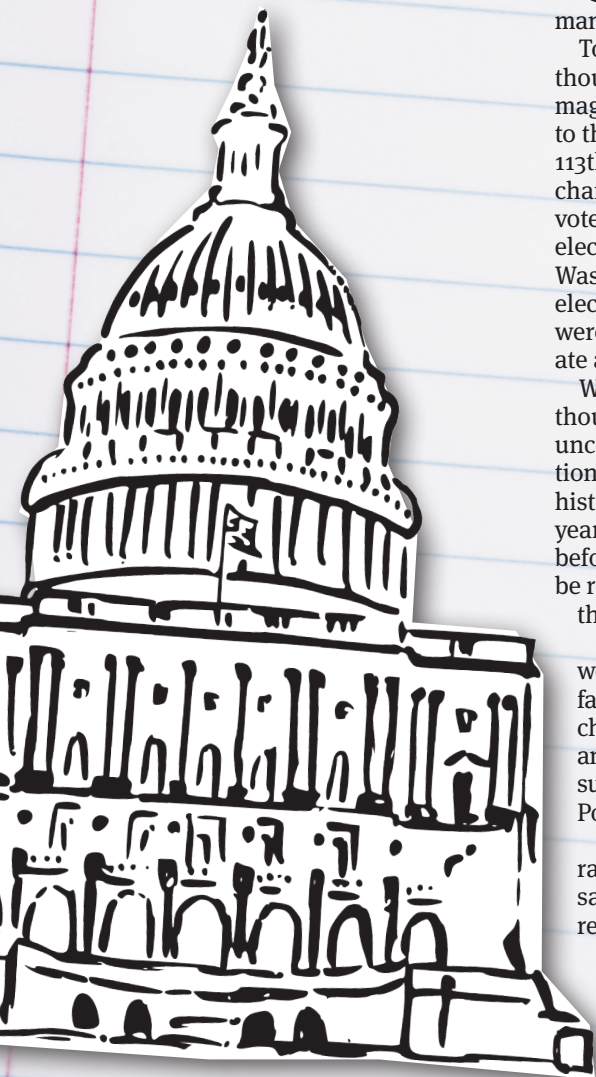


Starting from Scratch

Legislative lessons help shape our approach with the 113th Congress



On Jan. 3, a new Congress was sworn in, with House and Senate members taking (and, in many cases, retaking) the oath of office.

To describe this Congress as “new,” though, isn’t 100-percent accurate. No magic “reset” button brought an end to the 112th Congress and a start to the 113th. Some faces did change in both chambers, but by and large, America’s voters wound up sending most of their elected representatives back to work in Washington following last November’s elections. And the same majorities were retained—Democrats in the Senate and Republicans in the House.

What makes this Congress new, though, is that all of the unfinished, unconsidered and unpassed legislation of the last one now belong to history. Each Congress lasts for two years, and bills that don’t get passed before the end of one Congress must be reintroduced in the next one to start the legislative process all over again.

For letter carriers, this means that we have a blank slate in front of us as far as postal reform is concerned—a chance for us to start over from scratch and to press Congress to pass measures that preserve the United States Postal Service as well as our jobs.

“Despite the fact that the approval rating of the last Congress as a whole sank to historic lows, we didn’t see a revolution at the polls in November,” NALC President Fredric Rolando said. “So while we might be starting all over again as far as legislation goes in 2013, many of the players on Capitol Hill

remain the same. Over the last two years, we learned a great deal about who they are and how we can best work with them, and that gives us an advantage as we move ahead.”

The issues remain the same

The Postal Service’s political and financial issues have changed very little in the two years that have passed between the start of the 112th Congress in January 2011 and today:

>> **Pre-funding:** The 2006 Postal Accountability and Enhancement Act, the last postal reform bill to become law, included a requirement for the Postal Service to pre-fund 75 years’ worth of future retiree health benefits, and to do it over 10 years—a mandate that costs USPS about \$5.5 billion a year. No other federal agency has pre-funded its employees’ health benefits, and no private company is required to pre-fund retiree health benefits. Over the six years since the law took effect, this mandate has wrecked the Postal Service’s finances, eating up all of its profits, plunging it into debt and forcing it to use up its \$15 billion borrowing authority with the U.S. Treasury.

>> **Saturday delivery:** The Postal Service’s financial crisis that has resulted from the pre-funding mandate—a crisis wholly manufactured by Congress—has pushed USPS toward considering as one partial solution the elimination of Saturday mail delivery. The PMG claims that if Congress allows the Postal Service to cut one-sixth of its delivery obligation, it can shave operating expenses by \$2 billion a year—

a drop in the bucket that risks driving more business away. But since six-day mail delivery has been mandated by federal government budget appropriations bills for more than 30 years, it would take an act of Congress to make such a misguided move. (See page 2 to learn about Donahoe's illegal attempt to eliminate Saturday mail service.)

>> **Pension fairness:** The Postal Reorganization Act of 1971 transformed the taxpayer-backed Post Office Department into the ratepayer-supported United States Postal Service, an agency that hasn't received a dime of taxpayer money for decades. But two independent audits by highly reputable private-sector actuarial service firms—the Hay Group for the USPS Office of the Inspector General and the Segal Company for the Postal Regulatory Commission (PRC)—have concluded that accounting methods used by the Office of Personnel Management (OPM) since 1971 have unfairly overcharged the Postal Service between \$50 billion and \$75 billion in pension costs under the older Civil Service Retirement System as well as its 1984 replacement, the Federal Employees Retirement System. The problem is that under so-called “scoring” and pay-as-you-go rules, those pension account funds count as income for the federal government. For Congress to permit a refund of this surplus, it would be forced either to make \$50 billion to \$75 billion in cuts or to raise revenue (taxes) to cover the refund.

Efforts over time

NALC activists might be starting over in lobbying the 113th Congress for meaningful postal reform, but one thing that should give us a leg up in our efforts is our depth of experience and learning gained over the last two years. Using the past as our guide, we can get a sense for what lies ahead and use our experience to our advantage.

Shortly after the 112th Congress took office in January 2011, Postmaster General Patrick Donahoe was just taking over the reins at the Postal Service following the retirement of

Jack Potter. Despite the change in leadership, there seemed to be little if any change in message, with eliminating Saturday mail delivery becoming one of Donahoe's hot topics: “Let us move from six to five days,” he told *The Washington Post* in his first interview as postmaster general. “We'll take care of what we need to in terms of revenue generation; we'll take care of employment costs and administrative and union costs.”

The first bill to emerge from Congress aimed at addressing the Postal Service's financial situation came in February 2011 from Sen. Susan Collins (R-ME). Her bill, S. 353, called on OPM to recalculate the amount of the surplus retirement funds in the Postal Service's CSRS and FERS accounts and to apply any surpluses toward the pre-funding obligation. But this flawed bill contained provisions unfair to injured postal workers, and it called for giving managers an advantage in collective-bargaining negotiations.

A month later, Rep. Sam Graves (R-MO) introduced H. Res. 137, a non-binding resolution “expressing the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.” By the end of the 112th Congress, Graves' measure had majority bipartisan support, with 222 members signing on as co-sponsors. (This year, Graves reintroduced his measure, now numbered as H. Res. 30; as this *Postal Record* went to press, it had 69 co-sponsors.)

Also in March of 2011, President Rolando was called to testify before the House of Representatives' Federal Workforce, Postal Service and Labor subcommittee. Here, letter carriers got a good glimpse of the political and legislative challenges that were ahead for us, thanks to the grilling President Rolando received from subcommittee members such as Dennis Ross, John Mica and Connie Mack—not to mention House Oversight and Government Reform Committee (HSGAC) Chairman Darrell Issa (R-CA), who sat in on the hearing. On the plus side, it was

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—NALC President Fredric Rolando

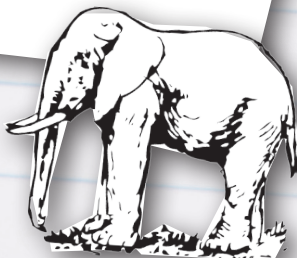


113th Congress composition

Traditionally, Democrats have been friendlier than Republicans toward the Postal Service and organized labor. That remains mostly the case these days, but there is no such thing in either party as absolute support—that’s why there was strong bipartisan majority support in the last Congress for a bad bill like S. 1789 as well as for a good bill like H.R. 1351. This divide makes our struggle to get meaningful postal reform passed an ongoing challenge.

House balance: 200 D, 232 R, 3 vacant (Emerson in Missouri, Jackson in Illinois and Scott in South Carolina)

Senate balance: 53 D, 45 R, 2 I (Sanders in Vermont and King in Maine are independents but caucus with Democrats)



during this hearing that subcommittee ranking member Rep. Stephen Lynch (D-MA) announced he was introducing H.R. 1351, a measure calling for a refund of the CSRS and FERS pension account surpluses.

But Rolando’s experience in that hearing was mild compared to the heated exchanges that occurred in April 2011 between Issa and American Postal Workers Union President Cliff Guffey during an unprecedented HSGAC hearing to open up for scrutiny the APWU’s recently negotiated collective-bargaining agreement—a hearing that took place before that union’s membership had a chance to vote on it.

Congressional momentum

In May, Sen. Tom Carper (D-DE), then the chairman of the Senate subcommittee having Postal Service oversight, introduced S. 1010. “What started out as a good bill turned flawed,” President Rolando said. “While it called on OPM to recalculate the CSRS and FERS overages, and while it contained provisions allowing the Postal Service to innovate in revenue generation, it kept language that permitted a reduction in delivery days, and it parroted Senator Collins’ attempt to write into law pro-management, unfair and unnecessary arbitration items.”

By summertime, Issa began to show his hand, first by asking House Speaker John Boehner (R-OH) to allow for the appropriations language granting six-day delivery to be struck at any point in the appropriations process. “The fact that Issa asked for this clearly meant he had his sights set on it,” Rolando said.

Then in June, Issa introduced H.R. 2309, which ignored pre-funding altogether while adding in new levels of bureaucratic oversight of the Postal Service. H.R. 2309 also called for the overruling of no-layoff clauses in existing collective-bargaining agreements, the conversion of front-door mail delivery to delivery via centralized cluster boxes, an immediate end to Saturday

mail delivery, plus the pro-management arbitration language found in S. 353 and S. 1010. (In the Senate, Sen. John McCain (R-AZ) introduced S. 1625 as a companion bill to H.R. 2309.)

It’s true that Issa’s bill gained only one co-sponsor throughout the entire 112th Congress: Florida’s Rep. Ross. Even so, as committee chairman, Issa held the power to ensure that his bill received full attention over any other—Lynch’s H.R. 1351, for example—and his H.R. 2309 was voted out of committee in October.

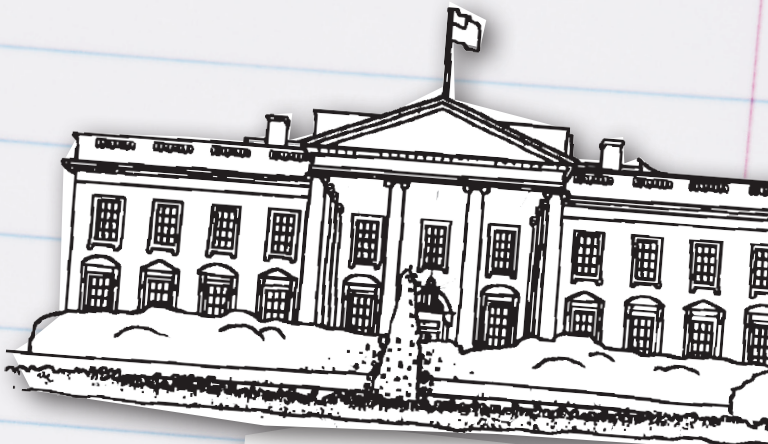
A (bad) Senate bill emerges

On Nov. 2, Sen. Joseph Lieberman (I-CT) and the others leaders of the Senate’s Homeland Security and Governmental Affairs Committee introduced yet another postal reform bill called the 21st Century Postal Reform Act, S. 1789. This deeply flawed bill, which became the centerpiece of the Senate’s postal reform efforts, merged Carper’s S. 1010 and Collins’ S. 353 and made some significant changes, such as leaving pre-funding in place (albeit at a lower funding target of 80 percent over 40 years) and allowing the eventual phase-out of Saturday delivery and of door-to-door delivery.

“S. 1789 was problematic from the get-go,” Rolando said, “because it seemed aimed at dismantling the Postal Service rather than saving it, while failing to adequately address pre-funding and ignoring the CSRS and FERS surpluses.”

Touted as receiving bipartisan support, S. 1789 was fast-tracked and quickly moved out of committee and headed toward full Senate debate.

But not every senator was quite on board with S. 1789. For example, S. 1853, introduced on Nov. 10, 2011, by Sen. Bernie Sanders (I-VT) and backed by Sen. Kirsten Gillibrand (D-NY) and Patrick Leahy (D-VT), managed to address some of the shortfalls in S. 1789. (In the House, Rep. Peter DeFazio (D-OR) introduced a companion bill for S. 1853.) S. 1853 later was used as a resource for amendments to S. 1789 when it came up for a vote in the Senate.



Unfortunately, S. 1789 ultimately passed the Senate with bipartisan support on April 25, 2012, including an amendment from Sen. Charles Schumer (D-NY) to preserve door-to-door delivery. An amendment from Sen. Tom Udall (D-NM) calling for preserving six-day mail delivery was rejected. But even then, all was not lost for letter carriers.

“The 112th Congress became well known for its capacity for gridlock,” President Rolando said. “And with the passage of S. 1789, this was one of the rare cases where gridlock worked in our favor.” That’s because the Republican-majority House had little interest in taking up a bill passed by a Democratic-led Senate that—on paper, at least—would add to the deficit, preferring instead to focus its attention on Issa’s H.R. 2309.

That gridlock, the months of extended partisan bickering over the nation’s debt ceiling and the budget, and the fall election campaigns all served to keep either of the postal measures from advancing much further, nor were any new proposals brought forward. There was some brief concern that a congressional backroom deal was in the works during the lame-duck period between the November elections and the end of 2012, but thanks in large part to sustained letter carrier activism, the clock ran out on the 112th Congress before any such measure could be brought forward.

“It took 12 years for Congress to finally pass the 2006 postal reform act,” President Rolando said, “and that was six years ago. So Congress usually takes its time and only acts quickly when it’s presented with a crisis.

“That’s why we all need to be ready to take fast action,” he said. “Another surprise announcement could come at a moment’s notice—like the one the postmaster general sprang on us last month—so all letter carriers must stand ready to take action just as quickly.”

Rolando encouraged members to register as members of the e-Activist Network and also to consider signing up to receive text messages and robocalls, “because the faster we can

communicate with you, the sooner we can get a message to our representatives on Capitol Hill.” (See story, page 18.)

The future

While many of the players in the House and Senate have remained the same from the last Congress to this one, there have been a number of shakeups in committee structure and leadership in both chambers that could affect the speed and effectiveness of any postal reform legislation passed in 2013 (see page 20).

In the absence of the plan President Rolando outlined at the rap session—for the Postal Service to become a government-owned corporation—NALC would support the creation of a commission made up of postal stakeholders, who would be tasked with coming up with ideas for new revenue streams and ways to deal with the Postal Service’s financial problems.

Starting from scratch means we have to redo some of the work we’ve already done. NALC members must push their House representatives to sign onto Graves’ H. Res. 30. We must fight to keep six-day language in the continuing resolution (see story, page 6), and we must stop Carper and Issa from passing their flawed and dangerous legislative agendas.

“With 500,000 postal worker jobs at stake, not to mention a \$1.3 trillion mailing industry that supports nearly 7.5 million industry jobs, it’s not enough to just say that ‘something must be done,’” Rolando said. “We need real leaders who will take charge and do the right thing, by acting to repeal the unfair pre-funding mandate, continuing to maintain six-day mail delivery, and preserving America’s only universal communications network.

“Congress is back at work,” he said, “and that means we must be, too.” **PR**

What about the White House?

A positive result of the 2012 elections was that President Barack Obama was re-elected to a second term. Although Obama is on record as supporting a possible shift to five-day mail delivery, his opponent last November, Mitt Romney, was fully for privatizing the Postal Service and for busting its postal unions.

In his last two budget submissions to Congress, Obama indicated his support of Postmaster General Patrick Donahoe’s plans for the USPS, including elimination of Saturday delivery. This time around, the last-minute fiscal cliff negotiations between Congress and the White House at the end of 2012 delayed Obama’s preparation of a budget for 2014, and it still had not been released by the time this magazine went to press.

“We must continue to explain to this administration the need for six-day mail,” President Rolando said. “He needs to understand that this institution must be preserved.”