



Seriously flawed bill clears Senate committee

Last summer on Aug. 1, the leaders of the Senate committee with Postal Service oversight, the Homeland Security and Government Affairs Committee, introduced postal bill S. 1486.

Committee Chairman Tom Carper (D-DE) subsequently scheduled—and canceled within days—at least four separate mark-up sessions for the bill. Quick cancellations such as these often come when a committee chairman realizes that he or she does not have the needed number of votes to move the bill out of committee.

Then on Jan. 23, Carper and committee ranking member Tom Coburn (R-OK) jointly introduced a substitute version of S. 1486, and this time they confidently booked Jan. 29 for a meeting to debate it along with a handful of proposed amendments.

As written, S. 1486 would facilitate the end of door delivery and the elimination of Saturday delivery, therefore destroying tens of thousands of letter carrier jobs. It also would endanger all postal jobs by slowing service and driving business away from the Postal Service.

“Unfortunately, none of the amendments scheduled for consideration during the mark-up go far enough to fix these fundamental flaws in the bill,” NALC President Fredric Rolando said before the mark-up session began.

“Although this latest version does adopt some of the reforms the NALC and our sister unions have proposed,” Rolando said, “it retains the service cuts and employee hits contained in the original bill. And this so-called ‘substitute’ merely delays proposed service and job cuts without dropping them outright.”

Mark-up begins

Right out of the chute, one of the first amendments considered came from Sen. John McCain (R-AZ), calling for an immediate end to six-day delivery. It was easily defeated on a voice vote.

Sen. Rand Paul (R-KY) then offered a controversial amendment to legalize the carrying of guns in postal facilities. Under current law, guns are generally banned from federal buildings, including courthouses and post offices. The committee held a heated debate that ended with a pledge to return to the issue later in the mark-up.

Paul later proposed an amendment calling on the Postal Service to declare bankruptcy and reorganize. In the senator’s vision of reorganization, collective-bargaining agreements between USPS and its employee unions would be voided, while existing no-layoff protections and the ability to bargain over wages would be banned. Fortunately, the committee voted down the Paul amendment, 11 to 4.

An amendment offered by Sen. Jon Tester (D-MT) called for removal of the bill's unfair provisions regarding injured workers. As written, S. 1486 imposes cruel and discriminatory reforms to the Federal Employees' Compensation Act (FECA) that would leave federal workers with the worst long-term injuries vulnerable to impoverishment when they reach Social Security retirement age. This FECA language was originally proposed in the last Congress by Sen. Susan Collins' (R-ME) postal bill, S. 1789. Collins no longer serves on the oversight committee, but the language was still carried over into S. 1486.

Tester's amendment failed, and the FECA reform language was retained. However, Sen. Tom Coburn (R-OK), the committee's ranking member, admitted that the language was reflective of the last Congress' priorities, and he said that even if it made it into the final bill, he believed it would be removed during House-Senate conference committee negotiations. Tester disagreed, saying that he was hearing that the House would likely follow the Senate's lead on the matter and leave the language in the bill, untouched.

Sen. Tammy Baldwin (D-WI) raised some concerns over the new bill's call to transfer rate-setting authority from the Postal Regulatory Commission to the Postal Board of Governors, effectively giving complete rate-setting ability to the Postal Service with greatly reduced oversight. She also raised concerns about a revised price index system. Following a great deal of back-and-forth discussion on this subject, Baldwin's concerns were noted and her amendment was held over for later consideration.

Shortly before 1 p.m., Carper declared a recess to the meeting. Mark-up resumed eight days later on Feb. 6.

Round 2

Much of the discussion during the second mark-up session focused on postal property policies and postal pricing, although midway through the session, Sen. Heidi Heitkamp (D-ND) spoke up in strong support of USPS' six-day mail delivery, calling it "the one advantage it has" over its competitors.

Once again, the committee spent considerable time on the gun amendment offered by Sen. Paul on the first day of the mark-up. After an extended debate, Paul's amendment was effectively rejected, but the committee later unanimously adopted a separate amendment by Sen. Mark Begich (D-AK) that would allow guns to be stored in vehicles parked on postal property. This amendment promises to cause considerable controversy in the future because gun measures typically lead to gridlock in Congress.

The most controversial passage within the revised S. 1486 would create a so-called trigger for allowing the Postal Service to cut Saturday mail delivery. As written, the bill would let USPS implement five-day mail service if its volume dropped below 140 billion pieces a year—whether or not the Postal Service is fully solvent and profitable.

Sen. Carl Levin (D-MI) said that the Postal Service estimates it would not reach this volume level until late 2018. But rather than propose an amendment that would take away such a draconian volume trigger, Levin instead proposed an amendment that merely mandates that the Postal Service keep six-day mail delivery at least through September 2017. The committee approved Levin's amendment on a voice vote.

President Rolando expressed the NALC's staunch opposition to the trigger proposal. "The Postal Service's package delivery segment continues to boom," he

said later, "and in January, Congress once again retained in its latest spending bill the language that calls for mail to be delivered six days a week. Yet despite these facts, the committee has disappointed postal employees and postal customers alike by buying into the absurd notion that cutting service will somehow save the Postal Service billions a year.

"Paving the way for eliminating six-day delivery and door-to-door service would hurt millions of residents and small businesses as well as the Postal Service itself," the president said, "because it would slow service, drive mail out of the system and reduce the earned revenue that funds USPS."

One of the last amendments discussed at some length by the committee was another bid by Tester to amend the unfair FECA provisions contained in S. 1486. But his modified amendment also failed to gain committee approval.

With all the amendments considered, Carper called for a final vote, and the official tally to move S. 1486 out of committee was 9 to 1; only Tester voted no. (Several committee members who were not present cast so-called proxy votes, but these votes—4 to 2 against the measure—are merely "for the record" and do not count toward the official vote total.)

"I am disappointed that the committee advanced this flawed legislation," said Rolando, who emphasized that this setback does not mean our fight against S. 1486 is over. "If the full Senate ends up considering any sort of postal legislation before the end of the year, we will fight to ensure that it focuses on solutions to the real issues facing the Postal Service—pre-funding, pricing, new products and pension surpluses.

"Lawmakers should not stop the postal comeback in its tracks by needlessly degrading the networks and reducing the services that are making the USPS operationally profitable," Rolando said. "We will

continue to work hard to achieve the kind of reform that will strengthen the Postal Service without slashing service or attacking hard-working postal employees.”

Looking ahead

The next step in the process for S. 1486 would be a floor vote by the entire Senate, although none had been scheduled as this edition of *The Postal Record* went to press. Typically, bills are passed by both the House of Representatives and the Senate, after which they go to a conference committee where differences get worked out.

There is already a separate postal bill in the House, Rep. Darrell Issa’s (R-CA) H.R. 2748, which received approval by the House Oversight and Government Reform Committee last July.

“We continue to strongly oppose Issa’s harmful bill,” President Rolando said. “It fails to provide a long-term solution for pre-funding, it jeopardizes the Postal Service’s ability to keep providing trusted universal service, it attacks our collective-bargaining rights and, if passed, it would result in the loss of at least 100,000 postal jobs.” (Visit the Legislation and Politics page at nalc.org to read a fact sheet on H.R. 2748.)

Besides Issa, only Rep. Blake Farenthold (R-TX) has signed on as a co-sponsor to H.R. 2748. It has not reached the House for a floor vote since it was approved, and no such vote had been set as this magazine went to press.

“There are much better postal reform bills already before Congress,” Rolando said. “For example, there’s the jointly introduced S. 316 and H.R. 630, sponsored by Senator Bernie Sanders of Vermont and Congressman Peter DeFazio of Oregon, which calls for modernizing the Postal Service, repealing pre-funding and protecting our jobs and our bargaining rights.

“Whatever happens, the bottom line is that this union remains committed to working with Congress and the Postal Service to work up a truly comprehensive reform package,” the president said, “one that focuses on mutually acceptable reforms on health care, pension valuations and postal governance; that repeals pre-funding; and that explores ideas for new products and pricing—while rejecting damaging service cuts and measures aimed at undermining our collective-bargaining rights and living standards.”

‘Highly encouraging’ quarterly report

On Feb. 7, the Postal Service released its financial report for the first quarter of Fiscal Year 2014, which covers the last three months of 2013. Although a \$1.4 billion pre-funding expense once again led to a reported net loss of \$354 million, the report showed that the return to operational profitability begun in 2013 continued in the first quarter. Excluding pre-funding, the USPS earned a net income of \$1.1 billion, which includes an operating profit of \$765 million—figures President Rolando called “highly encouraging.”

“The Postal Service’s unmatched networks and outstanding employees have made these striking results possible,” Rolando said. “And these trends augur well for the future, because they reflect the opportunities increasingly presented by the Internet and by an improving economy.”

In fact, package revenues resulting from online shopping rose by more than 14 percent this quarter—more than offsetting the small decline in letter revenue. And to see another sign of improving postal finances, compare this quarter’s \$765 million operating profit with the \$100 million from the same period last year.

“These results are exactly why lawmakers need to work on strengthening the postal network while addressing the real problem: the congressional mandate to pre-fund future retiree health benefits, required of no other public or private entity in the country,” Rolando said. “Efforts such as S. 1486 that call for degrading the network and reducing services to the public and businesses would jeopardize this dramatic postal turnaround.”

Carriers in the news media

President Rolando was quoted in a Feb. 7 Associated Press story about that day’s release of the Postal Service’s financial report for the first quarter of Fiscal Year 2014. “Today’s Postal Service figures for the first quarter of 2014 are highly encouraging and show why the postal network must be maintained and strengthened, not degraded,” he said. The president also was quoted in similar stories by Reuters and *Government Executive*.

Rolando also was quoted in a *Washington Post* story about the previous day’s advancement of the Carper-Coburn postal bill, S. 1486. “Unnecessary and damaging attacks on the Postal Service’s vital networks and its employees—such as those unfortunately included in [the bill]—would only send the Postal Service on a downward trajectory,” he said. Federal News Radio and Reuters also used quotes from the president in their stories about the bill’s movement.

On Feb. 7, the *Hunterdon County [NJ] Democrat* ran Rolando’s letter to the editor, in which he stated that the Postal Service’s “reducing services to residents and businesses in New Jersey and around the country would be illogical—and counterproductive.”

The president’s letter to the editor of *The Columbus Dispatch* ran on Jan.

29. In it, he explained that the postal network is profitable, that degrading services would stop USPS' comeback, and that lawmakers need to fix pre-funding, the underlying cause of the Postal Service's losses.

In *The Dallas Morning News* on Sunday, Jan. 25, a letter from Rolando informed readers about the Postal Service's terrific delivery service and went to bat for our new city carrier assistants, all in one fell swoop.

The work of letter carriers delivering the mail in this winter's extreme cold was the subject of several feature stories across the country. For example, Royal Oak, MI Branch 3126 letter carrier **Kenny White**, who is widely known for wearing shorts year-round, was profiled by the *Detroit Free Press* on Feb. 2 when it finally got cold enough there for White to put on some trousers. On Feb. 4, NPR's "Morning Edition" called attention to the *Free Press* story about White.

Minneapolis Branch 9 letter carrier **Don Albee** was profiled on Jan. 30 in the *Star-Tribune*, as were Rockford, IL Branch 245's **Craig Anderson** on WREX-TV on Jan. 28 and Cleveland Branch 40's **Gerry Jaksic-Thompson** on WKYC-TV on Jan. 7.

Elsewhere, Sacramento, CA Branch 133 letter carrier **Randy Krohn** made the news on KXTV-TV when he wore a tuxedo while delivering the mail on his route on Jan. 31, his last day before retiring.

Madison, WI Branch 507's **Bob Kaspar** was interviewed for a story on WORT-FM's "Labor Radio" program that was broadcast on Jan. 31. Findlay, OH Branch 143 letter carrier **Jeffery Kranz**' letter to the editor of *The Courier* ran Jan. 31. And in Idaho, a letter by State Association President **John Paige** ran in the *Twin Falls Times-News* on Jan. 26.

Garden Grove, CA Branch 1100 letter carrier **Charles McDaniel** was the focus of a Jan. 16 feature story in the *Orange County Register*. The 81-year-old McDaniel, had recently retired following 52 years on the job.

His story was prominently featured on the front page of the *Register's* "Life" section.

You can find links to these and many more stories at nalc.org in the "Postal Facts" section. **PR**

S. 1486: How they voted

The official vote to move S. 1486 out of committee was 9 to 1. Proxy votes cast by members not present at the time (4-2 against the measure) are "for the record;" they do not count toward the official vote total.

YES



Kelly Ayotte
(R-NH)



Mark Begich
(D-AK)



Tom Carper
(D-DE, chairman)



Tom Coburn
(R-OK, ranking member)



Heidi Heitkamp
(D-ND)



Ron Johnson
(R-WI)



Carl Levin
(D-MI)



Claire McCaskill
(D-MO)



Mark Pryor
(D-AR)



Mike Enzi
(R-WY, proxy)



John McCain
(R-AZ, proxy)

NO



Jon Tester
(D-MT)



Tammy Baldwin
(D-WI, proxy)



Mary Landrieu
(D-LA, proxy)



Rand Paul
(R-KY, proxy)



Rob Portman
(R-OH, proxy)