News

Sen. Carper introduces iPost Act and more legislative updates

In August, while Congress was on its traditional weeks-long late-summer recess, letter carriers throughout the country continued, as always, to deliver their routes. But in their spare time, active carriers as well as retired members met with their elected representatives—one-on-one at their district offices, as well as at town hall meetings, picnics and other informal gatherings—all in an effort to ensure that these officials would be as well-versed as possible on the letter carrier agenda when they returned to Washington.

The timing could scarcely have been better: The debate over postal reform in the new Congress has begun. Just over a week after the House and Senate reconvened on Sept. 8, Sen. Tom Carper (D-DE) introduced a bill called the 2015 Improving Postal Operations, Service and Transparency (iPost) Act, a measure that NALC President Fredric Rolando described as a flawed, but reasonable first step in moving toward effective postal reform.

"NALC appreciates the tireless efforts of Senator Carper and his staff to craft a bill that will advance the process of achieving much needed postal reform," Rolando said in a statement. "While Carper's new bill contains several provisions we cannot support and raises a number of serious concerns for letter carriers and the larger federal employee community, we believe it is a good place to begin the conversation about how to preserve and strengthen the Postal Service for the American people while protecting the legitimate interests of all the key stakeholders."

Carper is the ranking member of the Homeland Security and Governmental Affairs Committee, which has oversight of the U.S. Postal Service. Although his voice is a very important one, those of Committee Chairman Ron Johnson (R-WI) and House Oversight and Government Reform (OGR) Committee Chairman Jason Chaffetz will be key, along with that of Ranking Member Rep. Elijah Cummings (D-MD).

To maximize our influence with these leaders and Congress in general, NALC has itself been working with an industry coalition made up of the four major postal unions, several key business mailer groups, the postmaster general and the executive leadership of the U.S. Postal Service, to develop consensus postal reform legislation (*see below*).

"In the weeks ahead," Rolando said, "our coalition intends to work with the leaders and members of congressional committees with Postal Service oversight to pass postal legislation that makes sense and that fairly meets the needs of our country, its people and its businesses."

The president was quoted in a number of news stories about Carper's bill. In a story in *The Hill*, for example, he was the only person quoted other than Carper and Sen. Heidi Heitkamp (D-ND). Rolando was the only person besides Carper quoted in a Federal News Radio story, while *Federal Times* quoted only Rolando, Carper, and National Active and Retired Federal Employees Association President Richard Thissen.

A first look at iPost

Carper's iPost bill is comprehensive, and many of its provisions originate from measures that were included in the Postal Reform Act of 2013 (S. 1486) in the 113th Congress.

- *Medicare integration to reduce the cost of future retiree health benefits costs to the Postal Service*: The iPost bill would create a new Postal Service Health Benefits Program (PSHBP) within the Federal Employee Health Benefits Program (FEHBP). This new version of the FEHBP program, which would be implemented and administered by the Office of Personnel Management (OPM) for all postal employees and annuitants, calls for mandatory enrollment of most eligible postal annuitants in Medicare Parts A (hospital insurance) and B (medical insurance) and provides access to low-cost prescription drugs provided indirectly to postal FEHBP plans by Medicare Part D. (The penalty for late enrollment in Medicare Part B would be waived during a one-time open season.)

  OPM would implement the plan by requiring all current FEHP plans with more than 5,000 postal employees and annuitants to separately price their premiums for postal and non-postal federal employees —and applying the new Medicare enrollment rules to postal plan participants. Since Medicare is the primary payer of health benefits for Americans age 65 or older, maximizing enrollment (full integration) in Medicare will reduce the cost of health insurance provided by the Postal Service through FEHBP—slashing the future cost of retiree health benefits dramatically.

- *Investment of RHB:* Signaling a major change in how to address pre-funding, the legislation includes language that would enable USPS to follow private-sector best practices by giving the agency the option of investing a portion of its contributions to its Retiree Health Benefits Fund in a Thrift Savings Plan (TSP)-style account, rather than in low-interest Treasury bonds, as is now required by law. Although NALC welcomes this change, we believe Congress should go further—the USPS should be able to invest all of its contributions in a way that minimizes its pre-funding costs.

- *Pre-funding:* The legislation would eliminate the existing payment schedule for the pre-funding of future retiree health benefits (RHB) and cancel outstanding payments, instead changing the pre-funding goal to 80 percent of projected obligations and creating a new payment schedule over 40 years, requiring both "normal cost" and "amortization" payments. With the Medicare and investment reforms described above, the cost of pre-funding would fall by several billions annually.

- *FERS/CSRS:* A provision contained in the bill would provide a mechanism for allowing the Postal Service to receive a refund of any pension overpayments revealed by new calculations using postal-specific assumptions. Under current law, USPS is required to pay down any unfunded pension obligations it has, but the law does not provide a mechanism for refunding the Postal Service for overpayments. In addition, the bill would extend the payment schedule for this liability from 25 years to 40 years.

- *Arbitration:* Unfortunately, the bill includes a provision to require interest arbitrators appointed to resolve postal contract disputes to give special attention to the financial condition of the Postal Service. NALC opposes this provision since arbitrators already consider USPS finances—adding it to the law could bias arbitrators toward the positions of postal management.

- *Six-day delivery:* On the bright side, the bill is notably silent on six-day mail delivery. This marks a significant departure from previous bills that have called either for outright elimination of six-day mail delivery or contained language that would trigger a move to a five-day delivery schedule should annual mail volume fall below 140 billion pieces.

- *Door delivery:* The iPost bill includes language encouraging the conversion of door delivery access points to cluster or curbside delivery points for residential and business customers, on a voluntary basis requiring customer consent. NALC has adamantly opposed inclusion of this language and will fight for its removal. However, the union is pleased that the mandatory conversion of all business door delivery to curb or cluster box delivery that was included in S. 1486 was dropped from this bill.

- *Closures and consolidations:* iPost contains language that would delay for two years from the date of enactment the closure or consolidation of any mail-processing plant or facility currently in operation, and it identifies a series of procedures USPS must follow to determine whether a plant should be slated for closure.

- *Service standards:* Although Carper's bill does not roll back service standards to their 2012 levels as we hoped, it would freeze the current delivery service standards for a period of five years. These standards now range from two to three days nationwide. In addition, iPost would set in place performance goals established by the Postal Regulatory Commission (PRC) that would prevent the Postal Service from making further reductions in service standards if these goals are not met, and it would require USPS to seek advisory opinions and to respond to any concerns or recommendations made by the PRC. However, following a waiting period of 60 days, the Postal Service would be able to proceed with standard changes, even over the objections of the PRC. The latter provision is not acceptable to the postal unions and many other stakeholders.

On Postal Service innovation and revenue, iPost includes the following:

- *Rates:* The bill would make permanent the 4.3 percent exigent rate increase, now scheduled to expire in March 2016. It also would institute a rate freeze until Jan. 1, 2018, when the PRC would implement a new system governing the rates for market-dominant products. However, during that review, the PRC may consider raising rates by the inflation accrued during the rate freeze.
- *Non-postal services:* Carper's iPost bill would give USPS authority to offer non-postal products using its existing network, but the bill outlines provisions designed to prohibit unfair competition.
- *Shipping of alcohol:* Language directly from previous House and Senate postal bills would enable the Postal Service to ship beer, wine and other alcohol, in accordance with state laws.
- *FECA reforms:* iPost includes provisions that would severely reduce or eliminate various FECA benefits for injured workers and their spouses. Despite the inclusion of language making these provisions prospective in nature—meaning they apply only to future injured workers and their families—NALC nevertheless believes these provisions are grossly unfair. They are not germane to a postal bill and would undermine the ability of the Senate to pass postal reform legislation by drawing the legitimate opposition of many other federal employee unions.

Coalition reform strategy

Meanwhile, as we reported in the September *Postal Record*, NALC has been actively involved over the last several months in an effort to put together a balanced reform strategy of our own with the help of a broad based coalition of all the key postal stakeholders. As this issue of *The Postal Record* was going to press, the coalition was making excellent progress toward achieving a consensus on the most important provisions that must be included in any postal reform bill. President Rolando alluded to this progress in his press statement on the Carper bill, which concluded:

"In the weeks ahead, our coalition intends to work with the leaders and members of the Senate Homeland Security and Governmental Affairs Committee, and their counterparts on the House Oversight and Government Reform Committee, to pass postal reform legislation that makes sense and that fairly meets the needs of our country, its people and its businesses."

Shutdown looming—again?

As this magazine went to press, it looked as if another shutdown of the federal government was a real possibility—it might even be a reality as this magazine reaches you.

Squabbling over such issues as the government's funding of women's health provider Planned Parenthood and the funding of President Obama's Iran nuclear deal threatened to derail the approval of the omnibus spending measure that the government needed to keep its doors open past Sept. 30, the end of Fiscal Year 2015.

Also in the mix was reform of the automatic spending cuts—aka sequestration—that resulted from the 2012 budget impasse; funding of the Highway Trust Fund; the reinstatement of the Export-Import Bank; and even a possible challenge to Speaker of the House John Boehner's (R-OH) leadership position.

No matter what happens, however, letter carriers will remain on the job, since the Postal Service has been funded solely by stamps and postage for decades and doesn't receive a dime of taxpayer money.

In the news media

President Rolando had a commentary published in five Wisconsin newspapers in August, after Abbottsford's *Tribune-Phonograph* ran an item in late July asking mail subscribers whether their newspapers arrived late. Rolando's commentary ran as an op-ed or as a lengthy letter in the sister publications, providing readers the broader context about postal issues. One paper accompanied the president's piece with that note about letting local postmasters know about delays, while another ran contact information for the local House representative and the two senators and urged readers to contact them. The commentary ran on Aug. 12 in the *Tribune-Phonograph*, Edgar's *Record-Review* and Loyal's *Tribune Record Gleaner*, and on Aug. 13 in Cadot, Cornell and Lake Holcombe's *Courier Sentinel* and Medford's *Star News*.

The president had a letter to the editor in the Aug. 17 *New York Daily News*. The letter responded to a news article the *Daily News* ran on Aug. 11, a truncated version of the AP story on the USPS quarterly report that simply reported the overall losses and then had Rolando—the only person quoted—lauding the figures. In his letter to one of the country's largest newspapers, Rolando explained USPS' finances in more detail.

Rolando was quoted in an Aug. 14 Watchdog.org piece on the Postal Service and possible service cuts. The president's comments about the actual finances provide good information for a largely conservative audience, informing a story that noted the Postal Service is operationally profitable.

To mark the 10th anniversary of Hurricane Katrina, *Government Executive* talked with 10 people who witnessed the storm and its aftermath from their roles in government. Among those interviewed for the Aug. 27 story was NALC Vice President Lew Drass, who at the time was the national business agent for NALC Region 8, which serves letter carriers in Louisiana, Mississippi, Alabama and Tennessee.

NALC Director of City Delivery Brian Renfroe was quoted on-camera in an Aug. 19 story on NBC's "Today" show about the Postal Service's offering of same-day and Sunday delivery service in communities across the country.

Letters to the editor from Idaho State Association President **John Paige** ran in the *Idaho Statesman* on Sept. 14. Another letter ran on Sept. 4 in two other Idaho newspapers: *Twin Falls Times-News* and *The Coeur d'Alene Press*.

Sioux City, IA Branch 69 President **Eddie Lofland** had a letter to the editor run in five newspapers: Lincoln, NE's *Journal Star* on Sept. 13; Sioux City, IA's *Journal* on Aug. 30; Fort Dodge, IA's *Messenger News* on Aug. 29; Omaha, NE's *World Herald* on Aug. 28; Des Moines, IA's *Register* on Aug. 26; and Sioux Falls, SD's *Argus Leader* on Aug. 25.

Kearney, NE Branch 312 President **Ken Nickerson's** letter to the editor of *The Grand Island Independent* ran on Sept. 3.

On Aug. 27, *The Buffalo News* ran Buffalo-Western NY Branch 3 President Emeritus **Robert McLennan's** letter to the editor in response to an Aug. 22 article ("Local postal service stamped with rash of carrier crimes").

A letter to the editor from Carmel, IN Branch 888 President **Ronnie Roush** ran on Aug. 24 in Martinsville, IN's *Reporter-Times*; on Aug. 23 in Kokomo, IN's *Tribune*; and on Aug. 15 in *Current in Carmel*. **PR**

Election notice for NALC director of retired members

Pursuant to an election complaint received by the United States Department of Labor's Office of Labor-Management Standards (OLMS), the National Association of Letter Carriers (NALC) entered into a voluntary agreement with OLMS to conduct a new officer election for the position of NALC Director of Retired Members under OLMS' supervision. There will not be new nominations for this position. The term of office for this election is the remainder of the unexpired term, which will end in December 2018.

The election will be conducted by mail ballot. NALC members in good standing as of June 1, 2015, are eligible to vote.

Ballots were mailed to eligible members on Sept. 14 and Sept. 15, 2015. Ballots are due back in the post office box by 12 p.m. on Oct. 5, 2015. The tally will commence immediately afterward at Peake-DeLancey Printing, 2500 Schuster Drive, Cheverly, MD 20781. The results will be published on the NALC website, with the vote totals broken down by branch.

The NALC Membership Department is processing all duplicate ballot requests. If you cast your original ballot AND a duplicate ballot, only the duplicate ballot will be counted.

All phases of the election are being supervised by OLMS. If you have any questions, please call U.S. Department of Labor, OLMS, Election Supervisor Brian Lucy at 202-513-7318 or e-mail OLMS-NALC-Election@dol.gov. Any NALC member wishing to file a protest regarding the conduct of this election must do so in writing to the election supervisor no later than Oct. 19, 2015. To receive the mailing address and fax number options to file a protest, contact OLMS Election Supervisor Brian Lucy at the phone number or e-mail address above. **PR**