NALC FACT SHEET

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H.R. 2309 Misses Mark on Postal Reform

Issa-Ross bill fails to address real problems, attacks bargaining rights of workers

Although the Postal Service (USPS) faces a long-term challenge due to America's changing communication habits, its immediate financial condition can be attributed to two causes—one temporary and the other easily rectified by Congress.

The temporary factor is our poor economy. Like other enterprises, USPS has been battered by the Great Recession. Its effects, however, will eventually pass and the Postal Service has successfully tailored its operations to the large drops in mail volume since 2008, eliminating more than 110,000 jobs since the recession began.

But the principal cause of USPS's losses in the past four years is a congressional mandate to aggressively pre-fund future retiree health benefits. No other company or government agency has such a mandate. This requirement has cost the USPS $21 billion over the past four years (2007-2010) and accounts for 100 percent of the $20 billion in losses.

The bill introduced by Representative Darrell Issa, chairman of the House Oversight and Government Committee, to respond to America's postal crisis fails to address the real cause of USPS's financial woes and would "save the Postal Service" by dismantling it piece by piece.

H.R. 2309, co-sponsored by postal sub-committee chair Rep. Dennis Ross, fails on several fronts. First, it does not address the onerous congressionally mandated pre-funding payments for future retiree health benefits. Second, it does nothing to provide the Postal Service access to the $50-$75 billion in excess contributions to its CSRS pension fund. The surplus contributions have been confirmed by two independent studies by The Hay Group and The Segal Company. These two items alone, which are at the core of another broadly supported bipartisan bill—H.R. 1351—would put USPS on a firm financial footing and allow it time to adjust its business model for the future mail market.

The Issa bill would establish a new board of five unelected officials which will oversee the closure of thousands of post offices and other facilities. The bill would force the Postal Service to cut its network costs by $2 billion as recommended by the board and leave Congress with little ability to stop the resulting elimination of tens of thousands of good middle-class jobs and the cut in service.

Another section of H.R. 2309 provides for a second commission of unelected officials to entirely seize control of all USPS's operations. This "solvency authority" would have the power to nullify any existing collective-bargaining agreement and to "reject, modify or terminate" any clause of a labor contract in the name of cost savings.

While the oversight authority will take recommendations from the PMG, it has the power to take control of any aspect of the Postal Service's operations—capital projects, collective bargaining, revenue initiatives, etc. This control over postal operations would last at least two years.

The Issa bill also has several provisions intended to cut the pay and benefits for postal employees—including mandating pay standards that are currently collectively bargained between workers and the USPS. Furthermore, it would institute an arbitration procedure favoring management's priorities and which would make good-faith bargaining impossible.

Instead of allowing USPS to operate more like a business, the two oversight committees established by H.R. 2309 amount to a bureaucratic takeover of the Postal Service. And its transparent attack on workers' rights ignores the history of successful labor relations between USPS and its unions.

H.R. 2309 is not a bill to save the Postal Service; it's a bill to destroy it.