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August 5, 2013

The Honorable Harry Reid  
Senate Majority Leader  
U.S. Senate  
Washington, DC 20510

Dear Leader Reid:

Over the years you have been a tireless defender of working people and their families as well as a staunch supporter of a strong labor movement. Your recent skillful work to secure the appointment of Labor Secretary Tom Perez and to revive the NLRB in support of decent living standards in America is the latest evidence of this. Unfortunately, we must alert you to a serious threat coming from the Senate to these standards, S. 1486, the Postal Reform Act of 2013.

On behalf of 500,000 employees of the U.S. Postal Service, who live and work in all 50 states (as well as in D.C., Puerto Rico and other jurisdictions), we wish to express our utter dismay with the introduction of S. 1486 on August 1<sup>st</sup>, just minutes before the summer recess. The bill was co-authored by Sen. Tom Carper and Sen. Tom Coburn, the chair and ranking member of the Senate Homeland Security and Governmental Affairs Committee. It renews a commitment to the disastrous Bush administration policy to mandate massive prefunding of future retiree health benefits and provides for major downsizing measures to pay for it.

The relief provided by its three-year moratorium on pre-funding payments is more apparent than real since the USPS has not been able to make the unaffordable payments in recent years; it won't be able to do so in the future when the pre-funding mandate is re-imposed with both normal cost and amortization payments that other businesses do not have to make into retiree health funds.

In order to allegedly give the Postal Service the ability to afford future pre-funding costs, and to add insult to injury, the Carper-Coburn bill would give USPS tools to slash postal employees' pension and health benefits by making these federal employee benefits subject to interest arbitration. No other federal employees face such a burden – including Members of Congress and their staffers. Our unions were not consulted about these proposed major changes to our rights as federal employees or to our collective bargaining process.

S. 1486 would facilitate the dismantling of the Postal Service's mail processing and delivery networks, weakening both our first-mile (post office) and last-mile (delivery) capacity, in order to preserve a pre-funding policy that makes no sense. This would seriously harm the 7.5 million Americans who work in private companies that rely on the USPS. The bill would:

- destroy 80,000 full- and part-time jobs in both cities and rural areas, after a one-year delay, by eliminating Saturday mail delivery (harming millions of businesses who want it) and give the Postmaster General authority to eliminate additional days of delivery in the future;
- slash tens of thousands of additional jobs, after a two-year delay, by allowing USPS to reduce service and delivery standards and to close hundreds of mail processing facilities and thousands of post offices;

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- mandate the elimination of door-to-door delivery of mail for all business and new households, and call for the phase out of door delivery to millions of established households – threatening at least 16,500 additional jobs; and
- impose cruel and discriminatory reforms to the FECA workers compensation program that would leave injured federal workers with the worst long-term injuries vulnerable to impoverishment when they reach their Social Security retirement ages.

This massive down-sizing and the bill's assault on postal employee benefits are not necessary. They are being driven by the irrational retiree health financing policy that no other business or agency would adopt. The Postal Service has already pre-funded decades of retiree health premiums, more than any other enterprise in America. Indeed, USPS has already set aside an estimated \$49 billion for such premiums, approximately 50% of total expected costs over the next 90+ years.

The Postal Service had been making great progress over the past year – it has earned an operating profit so far this year, its package business is booming, and commercial mail is recovering as the housing market and the national economy show signs of revival. It should not be forced to forgo new vehicles and investments in new technology, new innovations and new products in order to put even more money into the PSRHB. Just as the budget sequester has thwarted a strong economic recovery, the adoption of more misguided austerity through a bad postal reform bill would make things worse, not better.

We hope that you will actively work to promote postal reform that will create jobs and innovation, not more job cuts and reduced service for the American people. The 30 members of the Senate who have co-sponsored S.316, the Postal Service Protection Act of 2013, have taken the right approach. That bill would strengthen the Postal Service, promote innovation and, most importantly, resolve the retiree health and pension policies that have crippled the Postal Service in recent years.

There are many policy alternatives to the negative proposals in S. 1486 – measures to increase postal revenues, cut costs and cover future retiree health liabilities without massive service and job cuts. We pledge to work with the Senate to define and develop workable, bi-partisan alternatives.

Thanks again for your commitment to America's hard working postal employees who serve the nation and our economy with the most efficient and most affordable postal services in the world.

Sincerely,



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Cliff Guffey, President  
American Postal Workers Union, AFL-CIO



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Fredric V. Rolando, President  
National Association of Letter Carriers, AFL-CIO



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John F. Hegarty  
National Postal Mail Handlers Union, AFL-CIO



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Jeanette Dwyer  
National Rural Letter Carriers Association