

President



Barack Obama

Speaker of the House



Rep. John Boehner
R-OH

Outside of committee



Rep. Sam Graves
R-MO

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Rep. Jo Ann Emerson
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Rep. Darrell Issa
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**Inside
Congress
Part 2**

**Getting
postal
reform
through**

**A House
divided**



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Rep. Peter DeFazio
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Rep. Elijah Cummings
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Rep. Stephen Lynch
D-MA



Rep. Gerry Connolly
D-VA

A BRAHAM LINCOLN FAMOUSLY QUOTED THE BIBLE when he said, "A house divided against itself cannot stand." And yet, that's exactly what we face through the divided government of the two "houses" of Congress.

Having just fought a revolutionary war against a despot king, it's understandable that the Founding Fathers created a system of checks and balances and an election process, whereby it would be very difficult for one entity to control the entire country. And while that ensures a more democratic government that limits the ability of any group to control the country, it also can make it difficult to pass legislation through both congressional chambers and get the president to sign it into law, especially when separate parties control the House and Senate, as they do now.

For letter carriers, the current divided government means that as hard as it is to pass meaningful postal reform legislation in the Democratic-controlled Senate (see 'Inside Congress' Part 1 in last month's Postal Record), it's nearly impossible to do so in the Republican-controlled House of Representatives. Facing a majority that seems to oppose the very idea of many federal government agencies as well as unionized workers, NALC faces its greatest legislative challenge.

In committee

As with the Senate, the body is divided into committees to focus on various areas of public policy. The Committee on Oversight and Government Reform handles work on the Postal Service, and as with other committees, the chairman has the authority to decide which bills come up for vote in committee and when they can move on to the whole House.

That's what makes Rep. Darrell Issa (R-CA) such a powerful player in any postal legislation. Originally from

Cleveland, Issa dropped out of high school to join the Army. After a few run-ins with the law, he got his GED and attended college before returning to the Army. His life changed drastically after he got out of the Army, when he invested in and eventually owned a company that manufactured car alarms. After moving to a San Diego suburb, he launched another company, which created and sold the Viper car alarm (and recorded its signature "Please step away from the vehicle" warning) along with other aftermarket car accessories.

He got involved with politics through his business and eventually won his seat in the House. With a net worth of close to \$220 million according to *The Hill*, he is the second wealthiest House member. He represents one of the most conservative districts in California, and has used his chairmanship of the oversight committee to attack the Obama administration, the Postal Service and its unions.

So it's no surprise that his proposed fix to the postal crisis—H.R. 2309—employs a slash-and-burn approach, more likely to kill the patient than to

Committee



Rep. Darrell Issa
R-CA

Relative calm before the (political) storm

Although no postal reform legislation had advanced to the floor of either the House or the Senate by the time this *Postal Record* was prepared, a lot of conversations were taking place, on Capitol Hill and across America, about what can be done—and what must be done—to solve the Postal Service's financial problems.

Sadly, not all of these conversations have been constructive.

For example, each time Rep. Darrell Issa (R-CA) speaks on the subject of saving the Postal Service, the chairman of the House Oversight and Government Reform Committee demonstrates that his so-called reform bill would not fix but rather would worsen the Postal Service's financial situation.

"In reality, Issa's H.R. 2309 reveals his true anti-worker agenda," NALC President Fredric Rolando said, "containing language that guts the collective-bargaining rights of postal workers,

reduces service and adds layers of bureaucracy to the Postal Service, all while completely ignoring the key reason the USPS is experiencing a financial crisis—Congress' mandate to pre-fund 75 years of future retiree health benefits within a 10-year time frame."

No other government agency or private enterprise labors under any legal requirement to pre-fund such benefits at any level, and yet the Postal Service must set aside about \$5.5 billion a year in revenues to cover that mandate.

Fortunately for letter carriers, there seems to be little political will among the House leadership to allow Issa's bill to come to a vote, and with dwindling opportunities to debate the measure remaining on the House calendar, it appears much more likely that the lower chamber will instead be called upon to consider a postal reform bill that comes from the Senate—either S. 1789 or S. 1853.

"As it stands right now, S. 1789 is unacceptable to the NALC and to postal customers throughout the country," Rolando said. The bill was introduced by Sens. Joe Lieberman (I-CT), Susan Collins (R-ME), Tom Carper (D-DE) and Scott Brown (R-MA), and the quartet remained the bill's only co-sponsors as this magazine went to press.

Key problems contained within S. 1789 include calls for cutting a day of mail delivery within two years, unless USPS can turn a profit by then; phasing out door-to-door delivery in favor of curbside and centralized delivery; and failing to call for repeal of the pre-funding mandate, instead opting to ask for smaller payments over a longer period.

That's why NALC activists continue to press S. 1789's co-sponsors to consider the provisions found in S. 1853, introduced by Sen. Bernie Sanders (I-VT).

"S. 1853 addresses the problems that S. 1789 does not, and it includes

Subcommittee



Rep. Dennis Ross
R-FL



Rep. Stephen Lynch
D-MA



Rep. Gerry Connolly
D-VA

save it. The bill addresses neither the needlessly expedited pre-funding that put the USPS in this precarious financial position, nor the overfunded CSRS account, which could provide the Postal Service with its easiest fix. Instead, his bill creates layers of bureaucratic oversight designed to gut employees' pay and benefits, end door-to-door mail delivery service for most homes and businesses, and eliminate Saturday delivery.

The sole co-sponsor of Issa's legislation is Rep. Dennis Ross (R-FL), chairman of the Subcommittee on Federal Workforce, U.S. Postal Service and Labor Policy, which focuses directly on the USPS. Ross is a freshman in the House, and comes from a background as a lawyer representing businesses in fights against workers' compensation cases. As subcommittee chairman, he has shown little interest in finding a bipartisan solution, and has been spending his time crafting legislation that cuts future and current federal employees' pay and benefits (see 'A new problem,' page 9).

The minority party

Ross stands in sharp contrast to the subcommittee's previous chairman and current ranking member (the leader from the party with fewer House members)—Rep. Stephen Lynch (D-MA).

The son of an ironworker, the Boston native joined his father's union and became president of the Iron Workers Local 7 before pursuing a law degree and career representing union members and the unemployed. Eventually entering politics and winning a seat in the House, Lynch is a socially conservative Democrat who stands with working people on fiscal issues.

As he likes to point out, 17 members of his family either are working for or have worked for the Postal Service, so it's no surprise that he is interested in finding the best solution for USPS' financial crisis. His bill, H.R. 1351, is one of the simplest and most-effective proposals for dealing with the crisis; it directs the Office of Personnel Management to return the overfunded CSRS money, thereby allowing the Postal Service to fully pre-fund the cost of future retiree health benefits now.

Though a majority of House members—both Democrats and Republicans—co-sponsor H.R. 1351, Chairman Issa refuses to allow the bill to come up for a vote. And while a discharge petition could be used to force the bill out of committee, it would require a majority of the full House to do it, and that is unlikely because of the ill will it would foster between Issa and other House Republicans.

Going even further to help the Postal Service survive the current financial

language designed to strengthen the USPS while maintaining the service levels Americans have come to expect," Rolando said, noting that Sanders' bill calls for repeal of the pre-funding mandate, not to mention a refund of the estimated \$50 billion to \$75 billion in overpayments to the Postal Service's retirement account with the Civil Service Retirement System—a surplus revealed by two separate, independent audits.

As this issue was prepared, seven co-sponsors had signed onto S. 1853 and joined 20 of their colleagues in February in sending a letter to S. 1789's co-sponsors, asking them to consider including S. 1853's provisions in their bill. While S. 1789 stands the greater chance of coming to the Senate floor for a vote

(see last month's *Postal Record for an in-depth explanation*), S. 1853's supporters could attach pieces of their legislation to S. 1789 as amendments. But even with time running out on the Senate's legislative calendar, S. 1789 had yet to be scheduled for a full Senate vote when this magazine went to press.

Postal plans

On Feb. 16, the Postal Service announced its updated business plan, which continued L'Enfant Plaza's push for Congress to allow the agency to reduce services in an effort to trim losses.

"Any plan that calls for cutting Saturday delivery, downsizing our networks and slowing delivery will not restore

USPS to profitability," President Rolando said in response to the plan, noting that the Postal Service's February financial report in fact showed a \$200 million operational profit delivering the mail for the first quarter of 2012—a detail that got lost in the shadows of the agency's reported \$3.3 billion loss that quarter, almost entirely due to pre-funding costs.

About a week later, Postmaster General Patrick Donahoe announced that the USPS was resuming its planning to restructure mail-processing operations—to close or merge some 223 out of more than 400 processing plants. In December, the Postal Service told congressional leaders it would put a moratorium on plant closings until May 15. Nevertheless, the USPS is moving

Committee



Rep. Elijah Cummings
D-MD

crisis and position it to create new business opportunities, subcommittee member Rep. Gerry Connolly's (D-VA) H.R. 1262 stands still less chance of making it out of Issa's committee. Connolly, who represents many federal workers in the Washington, DC, suburbs of northern Virginia, has vowed to work with NALC to help the USPS find its future.

The full oversight committee's ranking member, Rep. Elijah Cummings (D-MD), is another friend to carriers. He appeared with NALC President Fredric Rolando during a 2012 Save America's Postal Service rally, and has offered his support for meaningful postal reform legislation. The problem remains that with Issa refusing to consider alternative legislation, and the other Republicans on the committee all working in lockstep, our friends have few chances to act.

Appropriations

As in the Senate, the House Appropriations Committee, and especially its Subcommittee on Financial Services and General Government, is important to carriers. The House must pass matching legislation to the Senate—with both measures annually including language that the Postal Service must deliver six days a week—in order to fund many government programs.

Fortunately for carriers, Rep. Jo Ann Emerson (R-MO), chairman of the subcommittee, operates in a much more bipartisan way than Chairman Issa. A moderate Republican representing southeast and south central Missouri, she has spoken on several occasions about the importance of rural mail delivery, six days a week, for her constituents. Striving to work across party lines, she often partners with the subcommittee's ranking member, Rep. José Serrano (D-NY), to craft solutions.

Outside of committee

One of the hardest concepts to grasp about how Congress works is that so much of the work gets done in the background. With Lynch's bill bottled up in Issa's committee, and Issa refusing to allow any legislation that isn't his own to get a vote, representatives who want to work on postal reform have to find other ways to do it.

One way is through House resolutions. House resolutions are non-binding statements that allow lawmakers to take a stand on an issue, without the politicking involved in getting the bill passed. Rep. Sam Graves (R-MO) avoided the oversight committee when he authored H.Res. 137, which says that the USPS should "take all appropriate measures to ensure the continuation of its 6-day mail delivery

Appropriations



Rep. Jo Ann Emerson
R-MO



Rep. José Serrano
D-NY

Outside of committee



Rep. Sam Graves
R-MO

forward even though the Postal Regulatory Commission has yet to complete its review of the Postal Service's plans.

A new problem

In early March, President Rolando alerted members of the NALC e-Activist Network to the possibility that the House might try to pay for its massive transportation bill on the backs of current and future federal and postal employees, by folding in language from Rep. Dennis Ross' H.R. 3813—a move designed to tap about \$30 billion from federal workers' pension accounts.

Within days of that alert, though, there was some question about whether this anti-worker pension language would make it into the final transportation bill,

and that question was still being debated as this magazine went to press. But if H.R. 3813 isn't ultimately attached to the transportation measure, Ross (R-FL) likely remains unfazed, having made it his mission to attach his bill seemingly to every must-pass measure.

Ross' bill calls for increasing pension contributions for current FERS and CSRS employees by 1.5 percent over three years (starting this January), eliminating the Social Security supplement for those who retire after this year, and reducing the multiplier from 1.1 percent to 1 percent per year of service when calculating the FERS annuity for those who retire at or after age 62, cutting benefits 9 percent from the current formula. (There was no call for

a change for those who retire before age 62.)

Future employees' benefits would be hurt as well. Ross wants to increase their pension contributions an additional 0.9 percent—on top of the 2.3 percent that was included in the recent payroll tax holiday extension, thus raising future hires from 0.8 percent to 4 percent in pension contributions.

H.R. 3813 also calls for moving workers who are hired after 2012 from a high-3 average salary calculation to a high-5 instead, and for using a multiplier of 0.7 percent per year of service when calculating the FERS annuity.

Members are encouraged to become e-Activists to get the very latest information. Visit nalc.org to find out how.

Speaker of the House



Rep. John Boehner
R-OH

Outside of committee



Rep. Peter DeFazio
D-OR

service.” Graves, who represents Kansas City and surrounding areas, was able to make his opinion on six-day delivery clear, without confronting Issa. Since he sponsored the resolution in March of last year, 219 co-sponsors have signed on.

Though H.Res. 137 is non-binding, it also tells Issa and the House leadership that 219 representatives, from both parties, want to find a solution that includes maintaining six-day delivery service if possible.

Similarly, Rep. Peter DeFazio (D-OR) sponsored postal bill H.R. 3591, which mirrors Sen. Bernie Sanders’ (I-VT) Senate bill, though it is unlikely to be taken up by Issa’s oversight committee, much like the several dozen other pieces of postal legislation. The liberal DeFazio has attracted seven co-sponsors to the bill, but also is setting up his legislation as an alternative to Issa’s. Further, it gets representatives thinking about legislation that could receive enough bipartisan support to pass both the House and the Senate.

Leadership

Ultimately, which bill makes it to the House floor will be determined by Speaker of the House John Boehner (R-OH). Boehner, who comes from modest means, serves a rural and suburban district near Cincinnati and

Dayton. While more of a pro-business conservative than a social conservative, he’s been put in the difficult position of trying to rally the many divergent views of House Republicans.

His ability to lead was questioned when he signaled in December that the House Republicans would support an extension of the payroll tax holiday, only to find that he didn’t have the votes from his colleagues. He’s also faced challenges getting some “Tea Party” members of the House to approve bills that fund the federal government, even when not doing so would be harmful to the economic recovery. These factors have made it even more difficult for any bill to pass both the House and the Senate.

Like his counterpart in the Senate, Boehner is concerned about the limited amount of time he has available, so he’s likely to only bring bills to the floor of the House that will pass. At the start of the year, it seemed that Issa’s H.R. 2309 would come to the floor for a vote, but delays to that bill suggest that Boehner has determined that Issa’s bill doesn’t have the support to easily pass.

In theory, the way a bill passes Congress is that both chambers pass legislation and a small group of senators and representatives go to conference, where they craft a compromise bill, which gets sent back to both chambers to be voted on. However, if a

A curious appointment

When Republican Dan Blair left the Postal Regulatory Commission almost a year ago, conventional wisdom presumed that President Obama would nominate a Democrat to take Blair’s place. Among the PRC’s five possible commissioners, a maximum of three can be from one political party; in addition to PRC Chairman Ruth Goldway (a Democrat), the independent postal oversight agency is led by Democrat Nanci Langley, plus Republicans Mark Acton and Robert Taub.

Giving Obama’s own party a majority on the PRC seemed like a reasonable assumption. But in December, the president made the curious move of nominating former PRC Commissioner Tony

Hammond to serve out the remainder of Blair’s term—curious, given that Hammond is a Republican, meaning his nomination to the commission would give Republicans a 3-to-2 advantage within the PRC’s leadership.

Hammond appeared at a Senate confirmation hearing on March 6. If his nomination is approved, he will serve until Nov. 22, the date that Langley’s term also expires.

In the news

A letter from President Rolando to the editor of *USA Today* was published Feb. 17, in response to the paper’s front-page Feb. 8 story, “Bell tolls for the U.S. Mail, as we know it.” “Your article...is misleading about the reasons for the U.S. Postal

Service’s financial problems,” Rolando wrote. “It focuses on competition from the Internet, conventional wisdom that doesn’t withstand scrutiny.”

The following week, Rolando was featured in a two-part series on the national Radio America network, where he presented some crucial facts about the Postal Service’s financial situation. The series managed to focus heavily on the pre-funding problem and noted the scant support for H.R. 2309.

A two-part look at the USPS’ financial problems by a TV station in Watertown, NY, on Feb. 22 and 23 did a more thorough and factual job of analyzing the situation than any of the major networks have done (so far, anyway), while Waterloo, IA’s KWVL-TV captured key

postal bill passes the Senate, Boehner will have the option of bringing it straight to the House floor for a vote, bypassing Issa's committee.

In that scenario, each House member probably would have a chance to add amendments to the bill, which Issa likely would try to do. If there are no amendments or if the amendments are agreeable to the Senate, and the measure passes the House, the bill would then be sent to the White House.

However, if the Senate rejects the House's amendments, the leadership then could go to a conference committee, where a compromise would have to be hammered out. Finally, if the Senate bill is voted down in the House, the House could look to take up a separate postal bill, and since Issa's H.R. 2309 has been voted out of committee, the House could take that one up for a vote. Both Issa's bill and the Senate bill would have to go to a conference committee.

At this point, there's simply no way to tell what will happen.

The president

In theory, President Barack Obama's role is limited to deciding whether to sign the bill into law. However, in the case of postal reform, Obama's role has been and continues to be more complex.

One of the earliest proposed fixes for the postal financial crisis was to compel the Office of Personnel Management to return the overfunded CSRS money to the Postal Service, which the USPS could use to pay for the pre-funding of retiree health benefits. Many independent sources have estimated that the overfunding totals \$50 billion to \$75 billion. Rep. Lynch's H.R. 1351 would do just that, but it is bottled up in Issa's committee.

However, Congress isn't the only authority able to make this fix. President Obama could have used his executive authority to order OPM to make the change, but decided not to do so, forcing a solution to come through Congress. Obama could be worried about a potential political backlash, if this fix were made, as some Republican members of Congress likely would claim that it was a Postal Service bailout, despite the fact that those freed-up funds would be the Postal Service's own money, and would not in fact be a taxpayer-funded bailout.

Further, Obama has signaled through his proposed budget and in various public statements that he approves of the USPS' desire to move to five-day delivery service. While it's unlikely he'd veto a bill that didn't include the change to five-day-delivery service, he is giving cover to those in

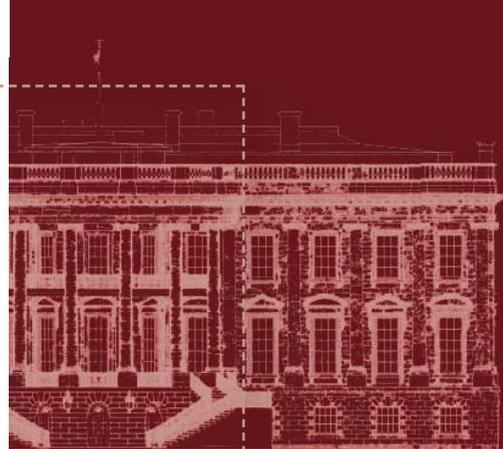
aspects of the Postal Service's financial situation in its Feb. 23 report, which featured an interview with Region 5 Regional Administrative Assistant Mike Birkett. And California State Association President John Beaumont took part in a panel discussion about the USPS on Feb. 27's "To The Point," a daily National Public Radio program.

A generally supportive editorial in the Feb. 29 *Philadelphia Inquirer* noted that "it remains in the national interest to provide reliable and comprehensive mail delivery across the country." President Rolando responded to the piece in a letter published on March 6, noting that the Postal Service's plan to end Saturday delivery or close large numbers of facilities "would not only affect Philadelphia

area residents, it would hurt small businesses that are open weekends and need to receive financial documents," he wrote.

Rolando's letter to the editor of *The Topeka Capital-Journal* made that paper's March 3 edition. "Congress needs to repeal its 2006 mandate that the Postal Service pre-fund, within 10 years, most future retiree health benefits over the next 75 years," he wrote.

That same day, Phoenix Branch 576's Keith O'Brien defended workers' rights in a story that aired on that city's Fox affiliate, while Saginaw, MI Branch 74 President Dave McKenna penned a guest column for the *Midland Daily News* on March 6 that laid out the facts behind the Postal Service's financial problems.



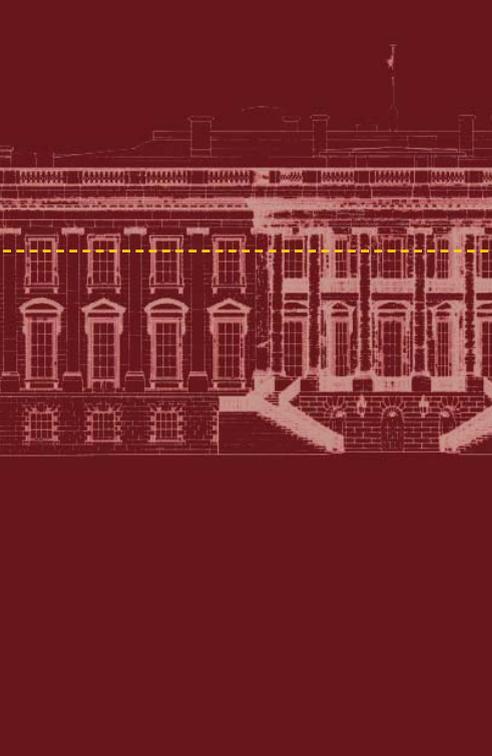
President



Barack Obama

On March 8, *The New York Times* published a letter to the editor from Rolando. In it, he praised *The Times'* idea of encouraging Congress to address the Postal Service's financial problems, but he noted that the true fix lies in repealing the 2006 postal reform law mandate—not in reducing service to the public.

Rolando's op-ed piece from the Dec. 6 *Times* recently was quoted on author and radio commentator Jim Hightower's website, part of a takedown of the myth that the USPS is broke. "Degrading standards not only hurts the public and the businesses we serve," Hightower quoted Rolando as saying. "It's also counterproductive for the Postal Service because it will drive more people away from using the mail." ✉



Congress who want to eliminate Saturday service.

The lack of whole-hearted support from the White House has made the challenge of achieving meaningful postal reform all the more difficult. But NALC members have stepped up to the challenge, drawing out large numbers of bipartisan support for Lynch's H.R. 1351, Graves' H.Res. 137 and Sen. Bernie Sanders' Senate bill (see *last issue*).

That dedication will continue to be necessary as the process moves forward, and legislation gets taken up by the entire Senate and House.

Understanding how each senator and representative is important to the final product is a vital part of the process.

But just understanding how Congress works isn't enough; carriers will need to contact their representatives and ask for their support for the right piece of legislation. Joining the e-Activist Network is a good start, so you can be informed of the latest news from Washington at a moment's notice.

With your knowledge, and your action, you too can be part of the solution inside Congress. ✉

2012 COLCPE contest



This year's COLCPE competition again encourages letter carriers to boost their branch's number of "Gimme 5" contributors.

For the first time, all branches with 25 members or more have been divided by branch size into eight categories. The top branches in these eight different categories, that have either the highest total percentage of automatic Gimme 5 contributors or the largest percentage increase in

Gimme 5 participation, will receive a number of \$100 American Express gift cards for them to use a raffle prizes.

And as a further incentive to become a contributor to the letter carriers' political action fund, all donors at the Gimme 5 level will be entered into a general raffle for ten \$100 gift cards.

In the box below is the breakdown for each category. ✉

Category 1: 2,000-plus members

- 1st place—5 gift cards
- 2nd place—4 gift cards
- 3rd place—3 gift cards
- 4th place—2 gift cards
- 5th place—1 gift card
- 6th place—1 gift card

Category 2: 1,000 to 1,999 members

- 1st place—5 gift cards
- 2nd place—4 gift cards
- 3rd place—3 gift cards
- 4th place—2 gift cards
- 5th place—1 gift card
- 6th place—1 gift card

Category 3: 500 to 999 members

- 1st place—4 gift cards
- 2nd place—3 gift cards
- 3rd place—2 gift cards
- 4th place—1 gift card
- 5th place—1 gift card

Category 4: 350 to 499 members

- 1st place—4 gift cards
- 2nd place—3 gift cards
- 3rd place—2 gift cards
- 4th place—1 gift card
- 5th place—1 gift card

Category 5: 200 to 349 members

- 1st place—4 gift cards
- 2nd place—3 gift cards
- 3rd place—2 gift cards
- 4th place—1 gift card
- 5th place—1 gift card

Category 6: 100 to 199 members

- 1st place—3 gift cards
- 2nd place—2 gift cards
- 3rd place—1 gift card
- 4th place—1 gift card

Category 7: 50 to 99 members

- 1st place—3 gift cards
- 2nd place—2 gift cards
- 3rd place—1 gift card
- 4th place—1 gift card

Category 8: 25 to 49 members

- 1st place—2 gift cards
- 2nd place—1 gift card
- 3rd place—1 gift card

Notes: Branches will be able to monitor their branches' progress on the NALC website.

To qualify for a prize in either category (highest total or largest increase), each winning branch in either part of their category must increase its total number of Gimme 5 contributors by 1 percent of the total branch membership.

If there is a tie between winning branches, both branches will receive gift card prizes.

Contest results will be based on automatic Gimme 5 contributors who are in by the following deadlines:

- ◆ Electronic funds transfer (EFT) and annuity contributors must have their contributions reflected in our system by Dec. 1, 2012.
- ◆ PostalEase contributors must be reflected in the system by the second pay period of December 2012.

If you have questions about the competition, please contact the Department of Legislative and Political Affairs at 202-662-2833.