

Minority Leader



Sen. Mitch McConnell
R-KY

Majority Leader



Sen. Harry Reid
D-NV

**Postal reform
is on the agenda.
Who are the
power brokers?**

The Independent



Sen. Bernie Sanders
I-VT

Inside Congress

Appropriations



Sen. Dick Durbin
D-IL

Committee



Sen. Joe Lieberman
I-CT



Sen. Susan Collins
R-ME



Sen. John McCain
R-AZ

Subcommittee



Sen. Tom Carper
D-DE



Sen. Scott Brown
R-MA

THERE'S A SAYING IN WASHINGTON THAT crafting law is like making sausage—you don't want to see how either is done.

In civics classes, the legislative process seems fairly quick and simple: A bill is proposed in either the House or Senate, is eventually voted on by both houses, and then the president signs it or vetoes it. The reality isn't so simple.

Thousands of bills are introduced in Congress every year, but only a few hundred ever become law. One study found that a bill has approximately a 2.5 percent chance of becoming a law. To help explain why it's so hard for a piece of legislation to become law, and why every NALC member needs to contact his or her representatives to help pass the right postal reform legislation, *The Postal Record* is presenting this first part of our special glimpse inside Congress. This issue will focus on the U.S. Senate and several pivotal players in the struggle for meaningful postal reform. A future issue will examine the role the House of Representatives and the president play in the process.

In committee

The key to understanding how work gets done in the Senate is to remember no senator can be expected to be an expert on all of the topics that come before Congress. To make the work easier, the body is divided into committees and subcommittees, where a small contingent of senators can become experts on the issues at hand.

Or so the theory goes. In practice, it's even more complicated.

Committees are made up of members of both political parties, as well as independents, with more members and the chairmanship coming from the majority party. Bills relating to the Postal Service often are written and taken up by committee members in the Senate Committee on Homeland Security and Governmental Affairs.

The committee's chairman is Sen. Joe Lieberman of Connecticut. Though Lieberman is an independent, he works with the Democrats and was allowed to be a committee chairman by the Senate Democrats. As chairman, he decides when to take up a bill for a vote in the committee, when to schedule the "mark-up" or amendment process, and when to schedule the vote to send the bill to the whole Senate. That powerful privilege makes Lieberman an important player in any postal reform legislation.

Socially liberal and fiscally conservative, Lieberman was a powerful moderate Democrat who was his party's nominee for vice president in 2000. However, Lieberman's hawkish stance on the Iraq war in support of President George W. Bush made him a target during the 2006 primary in his home state. He lost the Democratic party's primary

Committee



Sen. Joe Lieberman
I-CT

Carriers fight flawed legislation, other battles in Washington

In November, to quite a bit of fanfare, Sens. Joe Lieberman (I-CT), Susan Collins (R-ME), Tom Carper (D-DE) and Scott Brown (R-MA) introduced S. 1789, the 21st Century Postal Reform Act of 2011, touted as a bipartisan bill that would do what was necessary to rescue the U.S. Postal Service from financial ruin.

But in the ensuing months, letter carriers have banded together to register their disappointment in this piece of legislation that fails to live up to its promise.

"Rather than reform the Postal Service, S. 1789 would cause irreparable harm to it," NALC President Fredric Rolando said. "This job-killing measure labors under the erroneous idea that pre-funding future retiree health benefits is more important than preserving America's only truly universal delivery network that serves 150 million American households and businesses six days a week.

"Our members have seen right through this, and we have voiced our opposition to this bill at every opportunity," Rolando said. "And because we're so good at delivering messages, this one seems to be sinking in on Capitol Hill."

A strong sign that letter carriers' lobbying efforts are beginning to pay off came on Feb. 14, when a group of 27 senators, led by Sen. Bernie Sanders (I-VT), sent a letter to the co-sponsors of S. 1789 and asked them to include language from Sanders' own S. 1853, which calls for preserving Saturday mail delivery, stopping the closings of rural post offices and mail processing centers, and sparing many of the 220,000 jobs that the Postal Service aims to cut.

"If USPS becomes inconvenient and slow," the senators wrote, "many of its most loyal customers will turn to private mailing options. Once those customers leave, they are most likely not coming

back, and the Postal Service's financial woes will continue to spiral."

The group—representing a majority of the Senate's Democratic caucus—called for stronger language to maintain six-day mail delivery. They also said that the Postal Service should be allowed to recover nearly \$11 billion in overpayments to the Postal Service's sub-account in the Federal Employees Retirement System, and that the estimated \$50 billion to \$75 billion in overpayments to the Civil Service Retirement System—a surplus that two independent audits found to have been made dating back to the 1970s—should be returned to the USPS as well.

Getting to the heart of the Postal Service's financial problems, the senators' letter called for an end to the requirement to fully pre-fund future retiree health benefits for the next 75 years within just 10 years, noting that the account already is flush with funds.

Committee



Sen. Susan Collins
R-ME

Subcommittee



Sen. Tom Carper
D-DE

for senator but won the election as an independent.

Lieberman is a co-sponsor of S.1789, the flawed bill that does not go far enough to deal with the Postal Service's financial crisis while paving the way to eliminate Saturday delivery. *(For more on that bill's stalled momentum, see the story on page 7.)* Three other committee members joined Lieberman in sponsoring S. 1789: Susan Collins (R-ME), Tom Carper (D-DE) and Scott Brown (R-MA).

The committee's ranking member (the chairman's equivalent from the minority party) is Collins, who has long worked on postal issues. She was instrumental in crafting the 2006 postal legislation that required the expedited pre-funding of retiree health benefits, making USPS the only government agency or business required to do so.

As a moderate senator from the rural state of Maine, Collins has a stated interest in protecting the viability of the Postal Service and has been supportive of six-day delivery. She also is one of

the few Republican senators who has broken with the Republican leadership to vote with Democrats on occasion.

Within the committee is the Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security, which takes an even closer look into the efficiency of the USPS. This subcommittee is led by Sen. Tom Carper.

A self-professed moderate, Carper strives to reach across party lines to work with Republicans. He has used his position to work on issues related to saving wasteful spending. Unfortunately, that moderate, congenial streak can sometimes work against letter carrier interests, as in the example of Carper backing the effort to go to five-day delivery. He also supports the need for arbitration language that directs arbitrators to consider the financial situation of the Postal Service, something an arbitrator is already required to do when either the Postal Service or the unions present that information.

That requirement, included in the 2006 postal reform law, makes the Postal Service unique among businesses and government agencies. "No other agency or firm in America is required to pre-fund retiree health benefits," President Rolando said, "and forcing the Postal Service to continue to do so not only will endanger the quality of mail service but will threaten tens of thousands of good postal jobs.

"On top of that, the Postal Service is the center of America's \$1.3 trillion mailing industry, which supports 7.5 million private-sector jobs," he said. "S. 1789 threatens these jobs as well, at a time when unemployment in this country remains a serious problem."

Rolando outlined some of S. 1789's other flaws in a targeted e-Activist Network message on Jan. 23. One of the bill's problems is its anti-labor provision

that would direct arbitrators to take into special consideration the financial condition of the Postal Service before rendering decisions, even though arbitrators already are required to consider all the evidence presented to them. Also, its proposal to phase out door-to-door delivery to nearly 35 million homes and businesses in favor of curbside and centralized delivery remains a job-killing non-starter.

Does it score?

The nonpartisan Congressional Budget Office (CBO) took a closer look at the proposed spending by, and savings of, S. 1789 as well—they "scored" it, to use Capitol Hill lingo—and found that if the bill were to become law, it would wind up costing an additional \$6.3 billion over the next 10 years instead of saving money.

The office also predicted even odds that the Postal Service would go

through with its plan to cut mail delivery to just five days a week, a move the CBO suggested would reduce by half any projected savings from such a drastic step.

The Hill newspaper, however, noted that scoring bills dealing with the Postal Service sometimes challenges the CBO's abilities, because while USPS is "off-budget" (it sustains itself by the sale of stamps and other products and services), its pension and retiree health costs are considered "on-budget" because postal workers are federal employees. The on-budget piece is one reason lawmakers are reluctant to reduce the pre-funding requirement—because it counts as income for the government.

Meanwhile, Senate Majority Leader Harry Reid announced in mid-January that he was putting off a Senate floor vote on some controversial anti-digital

Committee



Sen. John McCain
R-AZ

Subcommittee



Sen. Scott Brown
R-MA

Whatever the senator's motivations, the change of language will force future interest arbitrators to consider the Postal Service's case with more weight than the unions'.

Carper and Collins had similar but separate bills that attempted to deal with the Postal Service's financial crisis. They combined those bills to craft S. 1789, and then released it with Lieberman and Scott Brown as co-sponsors.

Brown, the subcommittee's ranking member, was elected to the Senate in 2010 to serve out the term of the late Sen. Edward Kennedy. Though elected with the support of the Tea Party, Brown has acted as a moderate who can work across party lines.

When these four senators announced S. 1789, they did so saying that it was a bipartisan bill that could gain broad support. Though the bill is flawed and didn't receive as much support as they hoped, it still has much more support than the bill released by fellow committee member Sen. John McCain (R-AZ), S. 1625.

McCain, a so-called "maverick," has become an elder statesman in the Republican party after a failed presidential run in 2008. Though he is supposedly strong on small business and veterans' issues, McCain's bill is a carbon copy of Rep. Darrell Issa's (R-CA) job-killing postal bill from the House that will hurt mail-dependent companies and deny returning veterans a traditional source of post-military employment. McCain's proposal doesn't touch the causes of the Postal Service's financial problems. Instead, it calls for adding layers of bureaucratic oversight, gutting employees' collective-bargaining agreements, ending door-to-door mail delivery service for most American households and businesses, and ending Saturday mail delivery.

Fortunately, the committee leaders have shown no inclination to allow McCain's bill to leave the committee. Instead, they've focused on their bill, having gone through the amendment process and voting to send it to the whole Senate, despite the objections

piracy legislation. This suddenly made available a block of valuable floor time, and indications were that Reid planned to move up S. 1789 for consideration earlier than expected to fill that space. But following a concerted urgent phone-call effort by NALC's e-Activists, alongside the news about the CBO's problem with scoring the bill, Reid removed S. 1789 from the legislative calendar. It still was not scheduled for consideration by the time this magazine went to press.

Little help from the White House

President Barack Obama released his proposed budget for Fiscal Year 2013 on Feb. 13, and it calls for Congress to enact many of the postal proposals put forth last fall by the Joint Select Committee on Deficit Reduction—better known as the "super committee."

Among the budget's items is language that gives the Postal Service the authority it seeks to reduce mail delivery service from six days a week to five as early as January 2013, an alarming proposal that prompted a swift response from President Rolando.

"It's unfortunate that President Obama has bought into the postmaster general's push to start to dismantle the universal network," he said, "and we will work with our friends in Congress, our customers and our allies in the business community to strike this proposal from the budget before it comes up for a vote."

Even from a strict business standpoint, Rolando said, cutting Saturday delivery is a "nonsensical proposal."

"Sacrificing 17 percent of service to save 3 percent of the budget is not a rational business formula," he said.

"This would only drive customers away and further reduce revenues."

The financial picture

Obama's budget was released just a few days after the USPS Board of Governors announced on Feb. 9 the Postal Service's financial numbers for the first quarter of Fiscal Year 2012, which covers the last three months of 2011.

Most news outlets, however, focused on a USPS press release headline that stated the agency had lost \$3.3 billion in that quarter, and many reporters failed to place the losses in the greater context of the congressional pre-funding mandate or to note the profit made from delivering the mail.

"But a headline can't tell the whole story," President Rolando pointed out. "In fact, the Postal Service announced February 9 that it actually posted a net

Appropriations



Sen. Dick Durbin
D-IL

of the postal unions and other stakeholders who contend that bill is flawed and needs improving.

Appropriations

Another committee important to letter carriers is the Committee on Appropriations, and especially its Subcommittee on Financial Services and General Government. The reason this subcommittee is important is that every year it tucks into the annual appropriations bill that funds some government programs language that the Postal Service must deliver six days a week.

The subcommittee's chairman, Sen. Dick Durbin (D-IL), has taken up postal issues, even hosting a town hall on the current postal financial crisis. Durbin is considered one of the most liberal members of Congress.

Durbin also is an important player in any Senate bill because he has a leadership role as the whip. The whip is the second most powerful position in the

The Independent



Sen. Bernie Sanders
I-VT

Senate's majority party, with its main role to persuade senators to follow the party's lead in their votes, especially on topics with which they may have little experience.

The independent

Because committee work is so important, it's rare when a senator who is not on a committee proposes a bill relating to that committee's issues. Such is the case with Sen. Bernie Sanders (I-VT), who proposed S. 1853, a bill that is much better at addressing the postal financial crisis, despite his not being on the Homeland Security and Governmental Affairs committee.

That independent streak, of putting what's right before what's popular, is a trademark of Sanders, who politically leans well to the left. An independent since joining the anti-Vietnam War Liberty Union Party, Sanders' lifetime legislative score from the AFL-CIO is 100 percent. NALC worked with Sanders in collaboration as he drafted his bill.

operating profit of \$200 million delivering the mail in the first quarter of FY 2012—an impressive achievement given the current economy.”

The USPS noted that its performance was boosted by record employee productivity and by “stronger-than-expected holiday shopping activity, driven by strong growth in online merchandise sales”—up 7 percent over the first quarter of the previous year.

“That shows the potential for growth offered by the Internet,” Rolando said, “and such record productivity, plus strong growth in the shipping business, shows that the Postal Service can be a successful organization if it's freed from the unwarranted and uniquely onerous pre-funding burden placed on it by Congress.”

The operational profit turns into red ink, the president said, when an external

factor unrelated to mail delivery is considered—that 2006 pre-funding mandate. “That, along with a non-cash actuarial adjustment to the Postal Service's workers' compensation costs, is entirely responsible for the \$3.3 billion ‘loss,’” Rolando said.

Other legislative fronts

Unfortunately, the ongoing assault on federal workers saw no let-up after Congress returned to work in January.

On Jan. 24, Rep. Dennis Ross (R-FL), chairman of the House Subcommittee on the Federal Workforce, U.S. Postal Service, and Labor Policy, introduced H.R. 3813, the Securing Annuities for Federal Employees (SAFE) Act.

“It probably comes as little surprise that Ross' measure, were it to become law, would be anything but ‘safe,’” President Rolando said. “In fact, it

stands to threaten the retirement benefits of federal workers—including postal workers.”

Ross' proposal calls for entirely eliminating the defined benefit component that government workers receive under the Federal Employees Retirement System (FERS). Instead, under the Ross plan, FERS annuitants would be entitled only to the benefits earned through both Social Security and the Thrift Savings Plan (TSP).

The Office of Personnel Management estimates that the annual FERS defined benefit pension makes up about 40 percent of a federal worker's total annuity. And the TSP operates much like the 401(k) accounts in which many private-sector workers participate. Like the TSP, 401(k)s rise and fall with the stock market, which is why the 2008 market crash resulted in

Majority Leader



Sen. Harry Reid
D-NV

While it's unlikely that a bill by a non-committee member will be voted out of committee, by crafting a bill and getting co-sponsors to sign onto it, Sanders creates some alternatives to the provisions of S. 1789. If S. 1789 makes it to the full Senate, Sanders can use parts of his bill to create amendments that can be added to a better, final postal reform bill, which NALC might be able to support.

Leadership

Of course, which bill will make it to a vote of the Senate is determined by the Senate leadership, and specifically by Senate Majority Leader Harry Reid (D-NV). Reid has the authority to decide which bills get "floor time"—the opportunity to be discussed by the entire Senate—and whether bills ever get brought to the floor.

Reid has been in the Senate Democrats' leadership group since 1999 and is accomplished at getting legislation approved. He was instru-

mental, for example, in enacting both the health care and Wall Street reform bills in 2010 against massive corporate opposition. Recently, Reid signaled that there would be floor time for a postal reform vote, if the bill could pass easily. But with objections to S. 1789 mounting from both Democrats and Republicans, Reid has suggested that he will hold off on scheduling floor time for a postal bill.

As floor time is in short supply, no doubt Reid is hoping for a quick vote on a postal reform package. One way he could get his wish is through a tactic called unanimous consent. Unanimous consent is where every senator gets a chance to review the bill away from the floor, and if they have an objection, they can delay its passage. If no one objects, the bill is passed without ever having to be voted on.

On the minority side, many Republican senators will look to GOP leaders on the committee, such as Susan Collins and Scott Brown, to see if any postal bill is acceptable. They'll also

millions of private-sector workers—many of whom were months away from retiring—losing as much as 40 percent of their 401(k) investments.

In a message to the NALC e-Activist Network, Rolando encouraged letter carriers to contact the members of Ross' subcommittee and encourage them to oppose H.R. 3813. However, on Feb. 8, Ross' bill was attached to a separate measure, the American Energy and Infrastructure Jobs Act (otherwise referred to as the Highway Bill or H.R. 7), a move designed ostensibly to offset the cost of that legislation.

"We certainly support a strong infrastructure bill that will create jobs and strengthen our economy," Rolando said. "But it should not be financed on the backs of hardworking federal and postal employees who already have sacrificed so much."

H.R. 7 faced its own strong opposition from transportation advocates, who said that the bill jeopardizes transit services and does little to fix our roads and bridges. Once House Speaker John Boehner (R-OH) realized that H.R. 7 appeared not have enough votes to pass, Ross' H.R. 3813 was removed from the transportation measure and was scheduled to be considered on its own on the House floor later as this magazine was being prepared.

In the news

President Rolando's commentary in the Sunday, Jan. 15 *Press-Enterprise*—in the home district of Rep. Darrell Issa (R-CA)—provided hundreds of thousands of people in California, and more beyond, with a compelling argument about why the congressman's efforts would serve to

destroy the U.S. Postal Service while hurting people and businesses, and what should instead be done. Among other things, Issa's H.R. 2309 fails to address the onerous congressional mandate to pre-fund payments for future retiree health benefits. Instead, it would establish new layers of bureaucratic oversight of the Postal Service, boards that would oversee the closure of thousands of post offices and other facilities, force USPS to make draconian cuts in the billions of dollars, and put tens of thousands of good-paying middle-class jobs at risk. Such oversight also would be empowered to nullify or abrogate existing collective-bargaining agreements.

On Feb. 7, Rolando provided a guest commentary piece for the *St. Louis Post-Dispatch*, explaining to

Minority Leader



Sen. Mitch McConnell
R-KY

look to the Senate's minority leader, Sen. Mitch McConnell (R-KY), to see where the Republican party lines up. Though a strong conservative, McConnell has found ways to work with Democrats on some issues. If the minority leader gets on board, unanimous consent or a quick vote with minimal floor time could be possible.

If a postal bill does come to a vote on the Senate floor, any senator can offer amendments, which could change the bill radically. An amendment could change the smallest part of the package or completely strip the bill of entire sections. That means every senator is important to the process, and any senator could change the bill to something that harms, or helps, letter carriers or the Postal Service.

There's also the risk of filibuster. If enough senators object, they can prevent a vote virtually forever, taking valuable floor time and preventing the bill from going further. According to Senate rules, it takes 60 votes to head-off a filibuster. With 51 Democrats, two

independents who usually vote with the Democrats and 47 Republicans, support from members of both parties is essential to passage of any postal bill.

Finally, once a bill is voted on and approved by the Senate, it still isn't law. It has a long way to go, getting through the House of Representatives and being signed into law by the president. We'll look at those hurdles in Part 2 of this series, in a future issue.

Because it's a long and winding process for a bill to become a law, NALC needs all of our members to get and stay engaged throughout the process. Becoming an e-Activist is a good way to stay informed of up-to-the-moment news. You can sign up at nalc.org.

While it may sometimes look bleak, and seem to go on forever, we must remember that the process is a marathon and not a sprint. Only by staying together and staying focused can we make sure that the right legislation survives the process and makes it to the finish line. ☒

readers what's wrong with S. 1789. "At its core, the current bill blames the Internet and poor management for the Postal Service's financial losses," he wrote. "That's wrong, and the legislation's mandates would do nothing to restore the USPS to profitability. Rather, it is likely to sacrifice quality service and American jobs and result in a degraded Postal Service."

The same day, *The Nation's* John Nichols noted how there is one thing wrong with the diagnosis that the Postal Service is broke: "It's wrong." In his blog post, Nichols quotes President Rolando, who described the aim of S. 1789 as "a classic case of 'killing the Post Office in order to save it.'"

Rank-and-file NALC members—active and retired—have seen their work published, too. Retired Auburn,

ME Branch 345 member Bert Godin's letter to the editor of the Lewiston, ME *Sun-Journal* in support of saving the Postal Service was published Sunday, Jan. 22. The next day, Seattle Branch 79 President Jo Ann Pyle spelled out the problems with the Postal Service's cost-cutting plans and urged readers of the Washington State AFL-CIO's news website *The Stand* to call their representatives in support of letter carriers and a thriving USPS. And in her Feb. 3 letter to the editor of the *Press-Register*, Mobile, AL Branch 469 President Atrisha Looney asked, "When did 'unions' become a dirty word?"

A million signatures

At the National Rap Session in Las Vegas in October, NALC President Fredric Rolando asked all members to collect signatures in support of protect-

ing the future of the U.S. Postal Service. And on Jan. 6, he sent an e-Activist Network message announcing that 1 million signatures had been collected in just six weeks' time.

"Your dedication, determination and hard work made it possible to reach this goal of 1 million signatures," he said. And the message is clear: "Americans support first-rate mail delivery service, six days a week."

Active members—off the clock and out of uniform—working alongside retired members, their families and friends, fanned out across America seeking residential and business customers who agree that keeping six-day mail delivery service is crucial if the Postal Service is to survive.

"Now, it is up to us to ensure that Congress does not ignore the voices of these Americans," Rolando said. ☒