

A rare bit of bipartisanship—thanks to you



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Something strange happened on Capitol Hill in mid-July—the Democrats and the Republicans actually worked together to try to solve a national problem. Shockingly, the House Oversight and Government Reform (OGR) Committee drafted, introduced and passed, not one, but two postal reform bills—the Postal Reform Act of 2016 (H.R. 5714) and the Postal Service Financial Improvement Act (H.R. 5707). The bills have some very serious flaws that must be fixed to earn our support before the full House votes on them, but at a time when Congress has been frozen in dysfunction and gridlock—unable even to complete a non-binding budget resolution—this rather ordinary act of legislating

seems almost extraordinary. And what's even more amazing is that NALC can take some share of the credit for this progress.

The expectations for the current Congress have been set very low—following the 112th and 113th Congresses, which have been described as the two least productive Congresses in history. Those Congresses passed only 283 and 296 laws, respectively. (By contrast, Harry Truman's famous Do Nothing Congress passed 908 laws.) Congress has been so inactive, scheduling just 111 days of work this year, that one writer has dubbed it the Seinfeld Congress—after TV's "show about nothing." But in July, the OGR committee surprised a lot of people by taking up postal reform—and we played an important role in making it happen.

Two Republicans, OGR Chairman Jason Chaffetz (R-UT) and Rep. Mark Meadows (R-NC), joined with three committee Democrats, Ranking Member Elijah Cummings (D-MD) and Reps. Gerry Connolly (D-VA) and Stephen Lynch (D-MA), to introduce a bipartisan postal reform law—H.R. 5714. Though far from perfect, as I will explain in a moment, the bill embraced the key ideas that a coalition of unions and businesses have advocated. (See the NALC website and the most recent *Bulletin* for full details.) NALC can take pride for organizing this coalition and for helping to break a bit of gridlock in Congress.

Among the positives in H.R. 5714 are: measures aimed at finally addressing the retiree health pre-funding mandate that has severely damaged the Postal Service's finances since 2007 by dramatically reducing the cost of retiree health insurance provided by FEHBP; fair pension valuations for the Postal Service; increased revenues from a partial restoration of the exigent postage rate increase that ended in April; and new authority to provide non-postal

services to government agencies. Equally as important, there is a bipartisan consensus that Saturday delivery is essential to the future of the Postal Service. As Chairman Chaffetz noted at the hearing to mark up H.R. 5714, "The world's going to seven-day delivery." The work of so many of our legislative and political activists, to convince a strong bipartisan majority of congressional representatives to co-sponsor House Resolution 12 in support of six-day delivery, was essential to this victory.

NALC can also rightfully take credit for almost single-handedly promoting the idea of properly investing the assets of the Postal Service Retirees Health Benefit Fund (PSRHBF) to reduce the cost of pre-funding. Under current law, the fund must be invested in low-yielding Treasury bonds, now paying only 1 percent to 2 percent annually, instead of a sensible portfolio of stocks and bonds that have generated earnings of 6 percent to 7 percent over the past 10 years. We first raised this idea in testimony before Congress four years ago—and now it has been embraced by the leaders of the OGR committee.

H.R. 5707, the Postal Service Financial Improvement Act, was approved by the committee in July. It would instruct the secretary of the Treasury to invest 25 percent to 30 percent of the PSRHBF in higher-yielding stock and bond index funds, such as those provided by the Thrift Savings Plan.

That's the good news. Of course, the bills are not perfect. In H.R. 5714, we want to improve the health care reforms at the heart of the pre-funding solution and reduce the pre-funding target of the PSRHBF, among other improvements. In H.R. 5707, we want to increase the percentage of assets that may be invested more intelligently. But, by far, the most serious flaw is a totally unacceptable provision in H.R. 5714 that would give the Postal Service the authority to force businesses that now receive mail delivery inside their doors to convert to centralized delivery on a mandatory basis. The same provision would allow the USPS to target residential neighborhoods for voluntary conversions from door delivery and to prohibit any new addresses from receiving door delivery.

These delivery service cuts make no business sense when the boom in e-commerce makes door delivery essential and when recent studies show direct mail delivered to the door is much more effective than similar mail delivered to cluster boxes. We cannot and will not support postal reform that damages our networks and we will work to remove the door delivery provision from the legislation.

Again, thanks to our activists, we will have a lot of allies. More than 200 congressional representatives have responded to those activists and have co-sponsored the pro-door delivery House resolution (H. Res. 28).

Congress has a long way to go to once again function the way the Founders intended. Thanks to your activism, they have taken a step in that direction.