



News from Washington

Spring agenda on Capitol Hill complicated by government shutdowns and the president's budget proposals

The 115th Congress is only a few months into its second session, and it already seems that the nation's legislative body will continue to face difficulties performing its basic duties. Congress's primary job involves the budget and appropriations process. Since October, that process has been dominated by partisan conflict, two (brief) government shutdowns, and such deep-seated disagreements over permanent funding that Congress is now on its fifth continuing resolution (CR) just to keep the government open for a few weeks at a time, in the hope that lawmakers can agree on long-term funding during that period.

And then the White House released its explosive fiscal year 2019 budget proposal on Feb. 12, making the process even more difficult.

If enacted, the budget (outlined in a document called "Efficient, Effective, Accountable – An American Budget") could add at least \$7.1 trillion to the federal debt over the next decade, even while it calls for the same job-killing delivery service cuts to the U.S. Postal Service that last year's budget

proposal did. Additionally, it calls for massive federal spending reductions over 10 years, including major cuts to federal and postal employee benefit programs, and a federal pay freeze starting in 2019.

Though Congress is still working out the appropriation bills for the current 2018 fiscal year (more on those below), the process for next year's budget begins with the annual submission of the president's budget. The administration's budget blueprint is not binding, but it does signal to Congress which policies the president advocates.

While calling for massive cuts to Medicare (\$554 billion) and Medicaid (\$250 billion) over 10 years, the administration's new budget also calls for gutting the Affordable Care Act and aims direct attacks at federal and postal employees and their agencies.

"The chickens are coming home to roost from last year's tax cuts, which increased the federal budget deficit to more than \$1 trillion this year," NALC President Fredric Rolando said. "The administration is once again targeting the Postal Service for service reductions and calling for pension and health insurance cuts for postal and federal employees—all to pay for last year's corporate tax giveaways. These proposals are outrageous and we will resist them with all our might."

A summary of the budget's attacks on federal retirement, Federal Employees Health Benefit Program

health insurance, the Postal Service and the Labor Department is available on nalc.org. It shows that the Trump budget would cost letter carriers and their families thousands of dollars annually—more than wiping out any tax savings provided to us by the temporary middle-class tax cuts enacted in 2017.

"In the weeks ahead, we will work with allies in both parties to fight these proposals," Rolando said.

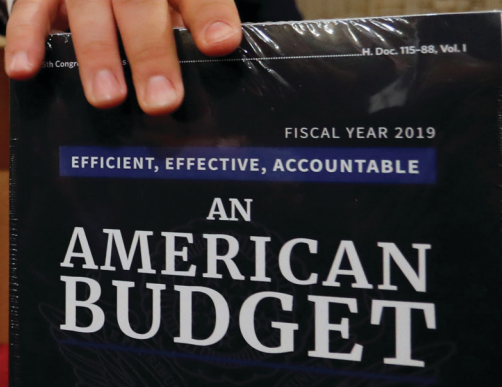
Some of the proposals may find champions in Congress, as over the course of the 115th Congress, Speaker of the House Paul Ryan (R-WI) and other Republicans have stated their intentions to cut Medicare, Medicaid and Social Security entitlements as one way to reduce the deficit. Additionally, Ryan and others in Congress have cut federal employees' pay and benefits in the past and could do so again. Letter carriers' pay and benefits, along with Postal Service days of delivery and service standards, also could be on the table for future negotiations.

Government shuts down twice

The most recent CR was passed in early February, after the second government shutdown; it funds the government until March 23. Included in the CR were significant increases in discretionary caps for fiscal years 2018 and 2019 for both defense and nondefense funding, a 10-year extension to the Children's Health Insurance Program, extensions to several Medicare programs, and other items designed to encourage support across party lines.

Notably absent from the bill is any mention of the federal workforce or its retirement system, meaning that current levels remain the same and are not targeted. Also absent was any

The Trump administration's FY 2019 budget proposal



Vote-at-home allows voters to mail their ballot or drop it off at a specified location, such as this one from Colorado's 2016 election.



answer to the ongoing debate regarding immigration.

Further complicating Congress's work this year will be the looming midterm elections. A large number of lawmakers already have announced their retirements. As of press time, three senators and 58 House members (17 Democrats and 41 Republicans) have chosen to retire or seek other office. This includes nine Republican chairmen of various committees, positions highly sought after and not often willingly vacated.

With an expectation that Democrats will do well in the fall elections, especially in the House, questions remain about whether that will mean more compromise or more conflict in the next several months. To stay up-to-date on happenings in Washington, visit the Government Affairs section of nalc.org and download the NALC Member App for your smartphone.

Quarterly numbers

On Feb. 9, the Postal Service released its financial statement for the first quarter of Fiscal Year 2018, covering the months of October, November and December 2017.

In a statement, NALC President Fredric Rolando noted the underlying business strength of the Postal Service, as reflected in its operating profit of \$353 million for the quarter. However, "the quarter's operating profit would have been higher, and there would not have been a net loss of \$540 million, without two public policy issues that need to be addressed," he said.

The red ink stems partly from the 2016 exigent price rollback, which reduces quarterly revenue by about \$500 million. "That was the first rollback of stamp prices since 1919, and it makes

little financial sense because the Postal Service already has the industrial world's lowest rates," Rolando said.

A fix could come from the Postal Regulatory Commission, which is in the midst of a review of the postage rate-setting system. The PRC could allow USPS to adjust rates based on a Consumer Price Index more appropriate to transportation and delivery providers, relieving some of the financial pressure, Rolando said.

Additionally, Congress should address its 2006 mandate that USPS, alone among all public and private entities, pre-fund future retiree health benefits, which costs the Postal Service billions of dollars a year.

"Fixing the external financial burdens posed by the price rollback and pre-funding will allow USPS—which is based in the Constitution and which enjoys broad public and political support—to continue providing Americans and their businesses with the industrial world's most-affordable delivery network," he said.

News coverage of the financial report was largely helpful to NALC's efforts to show the underlying importance of USPS but also the need for public policy fixes to address the financial situation. Federal News Radio and Government Executive, two outlets that cater to a Washington, DC, policymaker audience, covered the report. While their coverage tended to focus on the net red ink and mail volume softness, they also reported on some of the strong aspects, including operating profit along with general growth in package delivery. Government Executive noted the one-day package

delivery record set on Dec. 18.

President Rolando was quoted by both outlets, with his comments putting the finances in perspective and pointing the way to needed public policy reforms.

Study shows vote-at-home increases voter turnout

Washington Monthly commissioned a recent study on voting at home that produced far-reaching conclusions. Two of the magazine's editors explained the study's findings in the Jan. 26 edition of *The Washington Post*. The study considered data from Colorado's 2014 election—the first vote-at-home election for the state—and showed that "Vote at home clearly seems to have pushed young people and infrequent voters into the electorate—exactly what our ailing system needs," the two *Washington Monthly* editors wrote.

"Vote-at-home" is the name for the process by which all registered voters receive a ballot in the mail. Once they fill it out, they can mail it or drop it off to a secure location during a set period of time, usually about two weeks. There are no polling places and there is no waiting in line on Election Day.

While frequent assumptions have been made about the results of voting at home, such as that it tends to favor one political party over the other, there was little concrete data from which to draw practical conclusions. The political research firm Pantheon Analytics, which performed the study, found that vote-at-home increased overall voter turnout by 3.3 percent over projections based on prior state elections.

The 18-to-24 age bracket, forecast to turn out at 26.6 percent, actually voted at 38.7 percent. The 24-to-34 age bracket outperformed its predicted outcome by 7.4 percentage points. Older voters voted in line with the projections, the data showed. The overall increased voting occurred among registered voters from both parties as well as among those who are unaffiliated. And, the study also pointed out additional benefits.

“[V]ote at home offers tangible benefits for voters of any party affiliation,” the authors wrote. “Because it relies on old-fashioned pen and paper, it can’t be hacked. While ballots are counted by machine, those machines don’t need to be connected to the Internet, and a paper trail is there for a recount. Since 2000, tens of millions of mailed-out ballots have been cast in Oregon, Washington and

Colorado, without a hint of serious fraud or other mischief. (As a check against possible fraud, election officials match signatures on the ballots against those on voters’ registration cards.) And counties stand to save millions of dollars per election rather than paying for poll workers and voting machines or renting voting locations, money that can be used to provide other essential services.”

USPS tops Gallup poll of favorite agencies

A Gallup survey released in January found that the Postal Service remains the public’s favorite federal agency, with a 74 percent positive rating, ahead of the Centers for Disease Control and Prevention and the Secret Service, which placed second and third with 66 percent and 63 percent, respectively.

USPS’s ratings grew 2 percent from levels in 2014, when the survey was last conducted.

Gallup found a 12-point difference in the favorability ratings of Republicans and Democrats on the Postal Service: 66 percent of Republicans have a favorable image of the Postal Service compared with 78 percent of Democrats. But favorability ratings of USPS increased slightly since 2014 among Republicans while falling slightly among Democrats.

NLRB rolls back worker-friendly reforms

In the last weeks of 2017, the National Labor Relations Board (NLRB) issued a number of decisions that rolled back Obama-era reforms favoring workers and unions. The reversals came about after President Donald Trump appointed two new board

Executive Council meets at NALC Headquarters



members in 2017, putting Republican appointees in the majority.

The NLRB is the independent federal agency responsible for interpreting collective-bargaining law and refereeing disputes among employers, unions and workers.

One such decision was the reversal of a 2011 ruling that allowed workers to form smaller unions by craft within a single larger workplace. As an example, nursing home assistants could unionize without other workers in that facility who perform different job duties, such as maintenance or food preparation. Several employers complained that this created “micro unions.” By overturning it, workers who want to unionize at a single location now face the more difficult burden of getting employees from multiple crafts to agree.

Another decision was to reverse a 2015 decision holding that companies

cannot avoid their responsibilities by outsourcing management duties to subcontractors or franchisees. This ruling allowed fast food workers to organize and file complaints against big companies, such as McDonald’s, which had claimed that the parent business isn’t the employer of most of the people who work at individual restaurants.

Beyond what the board is deciding, some criticize how the board is reaching its decisions. The minority members of the board called it “unconscionable” for the board to make such large-scale changes without the common courtesy of soliciting briefs from unions and employers.

At the end of 2017, a Republican-appointed board member’s term expired, deadlocking the board 2-to-2 on many decisions. President Trump is expected to nominate a new board member in

2018, at which time the rollbacks of prior rulings are expected to continue.

Letter carriers in the media

NALC President Rolando’s commentary piece in *The Washington Times*, which rebutted a cartoon that the newspaper previously ran, discussed the Postal Service’s value while also setting the record straight about some common misconceptions and mentioning needed public policy fixes. Rolando’s commentary ran on Jan. 17.

Rolando also provided a commentary in the *Dayton Daily News*, published on Feb. 9, that provided information about the Postal Service and its value to the country.

Idaho State Association of Letter Carriers President **John Paige’s** letter to the editor of the *Idaho Statesman* ran on Jan. 18, followed by a second letter in the *Idaho State Journal* on Feb. 9. **PR**



Members of the NALC Executive Council met at NALC Headquarters in January to discuss important issues facing letter carriers. Some of the items the Council addressed included the Joint Workplace Intervention Process, Article 12 withholding, conversions of city carrier assistants, OWCP, organizing, and the grievance/arbitration process. The council also discussed key legislative items, including the status of postal reform and budget talks.