News from Washington

Supreme Court rejects UPS's call for higher USPS package rates

On May 20, the U.S. Supreme Court refused to hear a United Parcel Service (UPS) appeal that would have forced the U.S. Postal Service to raise prices on delivering packages. UPS has long claimed that USPS has an unfair advantage over its private competitors because the pricing method doesn't track the true cost of delivering packages.

The Postal Regulatory Commission (PRC), which regulates the prices of postal products, has routinely negated that argument by pointing out that parcels account for 24.6 percent of fixed costs and cover about 23 percent of the fixed costs. So UPS took the PRC to court and lost on multiple appeals.

Even the Trump administration, which has openly called for higher package rates, argued in its brief to the Supreme Court in favor of maintaining the PRC's rate formula. "Congress intended to vest the commission with broad discretion to make highly technical, policy-laden determinations concerning the attribution of costs to specific Postal Service products," the administration argued.

The UPS appeal asked the Supreme Court to overturn the so-called Chevron doctrine, which requires judges to generally defer to regulatory agencies on the interpretation of federal statutes.

Ultimately, the White House is looking to raise parcel rates through legislation it outlined in its postal task force report (for NALC's rebuttal of the task force report, go to nalc.org).

Support for USPS Fairness Act and postal reform increases

In the two months since its introduction, the bipartisan USPS Fairness Act (H.R. 2382), which would repeal the mandate that USPS pre-fund decades' worth of health benefits for its future retirees, has been progressing. This bill, which marks a significant opportunity to improve the financial situation of the Postal Service, currently has more than 120 co-sponsors in the House of Representatives.

As co-sponsorship grows for repealing the pre-funding mandate, that surely will influence talks on a new postal reform bill, which is expected in the coming months. The April 30 hearing in the House showed that there is bipartisan support for improving the state of postal finances, and NALC was encouraged by lawmakers' interest.

When postal reform talks do happen, NALC's priorities remain the same as always. The simplest solution is to repeal the pre-funding mandate. In addition, NALC believes that talks should include integrating with Medicare Parts A, B and D; expanding postal goods and services; and properly investing the retiree health benefits fund; all of which would go a long way toward stabilizing USPS's finances and allowing it to thrive, to the benefit of all Americans.

NALC's priority resolutions continue to gain support

Four of NALC's priority resolutions have reached a bipartisan majority of support as this issue of *The Postal Record* was going to press. H. Res. 33 and S. Res. 99, both of which oppose the privatization of the Postal Service, surpassed 218 House co-sponsors (a House majority) in early April and 51 Senate co-sponsors (a Senate majority) in early June. H. Res. 54, which supports continued six-day delivery, reached majority House support in late April. H. Res. 23, which supports continued door delivery, reached majority House support in June. Letter carriers can take pride in these victories, as they worked hard to educate members of Congress on the importance of the Postal Service.

There is more work left to do, though, as additional co-sponsors are needed for the resolution on strong service standards (H. Res. 54).

Here's a look at where the resolutions stand:

- **H. Res. 23** calls on the House to take "all appropriate measures to ensure the continuation of door delivery for all business and residential customers." At press time, this resolution had 220 co-sponsors.
- **H. Res. 33** calls on the House to take "all appropriate measures to ensure that the United States Postal Service remains an independent establishment of the Federal Government and is not subject to privatization." At press time, this resolution had 254 co-sponsors.
- **H. Res. 54** calls on the House to take "all appropriate measures to ensure the continuation of its 6-day mail delivery service." At press time, this resolution had 260 co-sponsors.
- **H. Res. 60** calls on the House to "take all appropriate measures to restore service standards in effect as of July 1, 2012." At press time, this resolution had 174 co-sponsors.
- **S. Res. 99** calls on the Senate to "take all appropriate measures to ensure that the United States Postal Service remains an independent establishment of the Federal Government and is not subject to privatization in whole or in part." At press time, this resolution had 53 co-sponsors.

These postal policy resolutions are important because they help shape the debate over postal reform. The Senate and the White House are less likely to pursue service cuts or privatization if resolutions opposing such actions have solid support. Bipartisan majorities will be necessary to help them demonstrate that support.

"I encourage all letter carriers to contact their members of Congress to educate them on the importance of co-sponsoring these resolutions," NALC President Fredric Rolando said.

Senate committee advances two Board of Governors nominees

In May, the Senate Homeland Security and Governmental Affairs Committee (HSGAC) held a business meeting to advance the nominations of Ron A. Bloom and Roman Martinez IV to the Postal Board of Governors (BOG), and other nominees and legislation. The nominees were reported favorably, and the next step is full Senate confirmation, which is expected in the coming weeks.

House appropriations bill preserves six-day delivery

In June, the House Appropriations Subcommittee on Financial Services and General Government (FSGG) advanced its Fiscal Year 2020 funding bill, which preserves NALC's long-standing language by stating "that 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level." The continued inclusion of this language in appropriations bills speaks to the good work done by letter carriers these past few years as well as in this cycle. **PR**

Schedule set for rap session and workshops

NALC's 2019 national conference, known as the "rap session," will be held the weekend of Aug. 9-11 at the Hyatt Regency Denver at the Colorado Convention Center.

The national conference is held in years between NALC's biennial conventions. Article 3, Section 4(b) of the *NALC Constitution* states: "The National President shall, once each year except in the year of the National Convention, call a national conference. This conference shall be voluntarily attended by only State and Branch Presidents or their designees, with their expenses to be borne by the State Association or Branch represented."

The weekend's events will begin with registration on Friday, Aug. 9, from 1 p.m. to 5:30 p.m. A welcome reception will be held that night from 5:30 p.m. to 7:30 p.m. Registration will continue Saturday morning from 7 a.m. to 8 a.m.

Classes will be held on Saturday, with four classes offered between 8 a.m. and 6 p.m. Each class will run two hours, so every attendee will have the opportunity to attend all of the workshops. There also will be a break for lunch. The classes will cover a wide range of issues facing letter carriers and the union. The four training sessions will be led by:

1. Executive Vice President Brian Renfroe
2. Vice President Lew Drass and Director of City Delivery Christopher Jackson
3. Secretary-Treasurer Nicole Rhine, Assistant Secretary-Treasurer Paul Barner and Director of Safety and Health Manuel Peralta Jr.
4. Director, Health Benefit Plan Stephanie Stewart; Director of Retired Members Dan Toth and Director of Life Insurance James "Jim" Yates

The rap session, led by NALC President Fredric Rolando, will be held on Sunday, beginning at 8 a.m., and is scheduled to end at 11 a.m.

For anyone who hasn't registered, the hotel rate is $169 single/double. For reservations, go to hyatt.com/en-US/group-booking/DENCC/G-NALC or contact the hotel's reservation department at 800-233-1234. Reservations will be accepted by the hotel based on availability. **PR**

Note about the opening of bargaining

Formal negotiations for a new National Agreement were set to open on June 26, after this issue of *The Postal Record* went to press. Look for information about bargaining on nalc.org and in the August issue of *The Postal Record*.