

The urgent first step of postal reform: Enacting the USPS Fairness Act



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“(W)e passed the 2006 law that reclassified a long-term liability into a short-term liability which created a real pinch on the Postal Service that should have never occurred.”

—Sen. Ron Johnson (R-WI), chairman, Homeland Security and Governmental Affairs Committee, 2016

Back in August in this space, I reported on the introduction in the House of Representatives of the USPS Fairness Act (H.R. 2382), a bill to repeal the retiree health pre-funding mandate that has severely damaged USPS finances for more than a decade. I called on NALC’s army of activists to rally support for the bill in Congress, and wow,

did our activists rise to the challenge. As this issue goes to press, a bipartisan super-majority of 299 House members has co-sponsored H.R. 2382, and Reps. Peter DeFazio (D-OR) and Tom Reed (R-NY) have taken steps to place the bill on the House’s so-called Consensus Calendar. Under House rules, bills with more than 290 co-sponsors are eligible for a floor vote if the committee with jurisdiction does not act in 25 business days, providing a second option for a floor vote. I am pleased to report that the chairwoman of the House Committee on Oversight and Reform, Rep. Carolyn Maloney (D-NY), supports the USPS Fairness Act and is working with us to ensure its passage.

I want to thank our team of legislative and political organizers, our branch and state association leaders, and the thousands of carriers they inspired to contact their members of Congress about the Fairness Act. Thanks to your efforts, and thanks to the active and retired members who responded to our push notifications on the NALC Member App, we were able to build a huge majority for our bill in just four months.

Now we must do the same on the Senate side of Capitol Hill. Happily, I can report that Sen. Brian Shatz (D-HI) and Sen. Steve Daines (R-MT) have introduced a Senate version of the USPS Fairness Act (S. 2965), which is identical to H.R. 2382.

The outlook for enacting the Fairness Act in the GOP-controlled Senate is somewhat uncertain. On one hand, as the quote at the top of this column makes clear, the chairman of our oversight committee in the Senate (the Homeland Security and Governmental Affairs Committee, or HSGAC), Sen. Ron Johnson (R-WI), agrees with us that Congress made a mistake when it adopted the retiree health pre-funding mandate in 2006. On the other hand, many other senators may want to do more comprehensive postal reform.

We agree that other legislative reforms will be needed to fully restore the Postal Service’s finances. And there are many steps we can take to strengthen the Postal Service. We could start by investing our retirement funds better. As I argued last month, the requirement that all our funds be invested in low-yielding Treasury bonds has cost us tens of billions of dollars in forgone investment returns, which in turn increases expenses for pension and health benefits. We could free the Postal Service to deliver beer, wine and spirits, and to innovate in other ways to generate greater revenues. And we could adopt a more sensible rate-setting process—an action that the Postal Regulatory Commission is once again working on in earnest.

But let’s be honest; we have been trying to enact comprehensive postal reform legislation for the past five sessions of Congress. So far, in the 116th Congress, no postal reform legislation has been introduced in either chamber of Congress. Prospects for such legislation in the House suffered a setback with the tragic death of Oversight Chairman Elijah Cummings (D-MD) in October, and with the decision by Rep. Mark Meadows (R-NC) to step back from leadership on postal reform.

On the Senate side, we know that Sen. Johnson has opposed the bipartisan bill advocated in the last Congress (2017-2018), but we don’t know what he and the GOP majority on the HSGAC Committee might offer as an alternative, or even whether they plan to offer any alternative. But if Sen. Johnson wants to enact comprehensive postal reform, we also know from experience that the more moving parts there are in any legislative proposal, the more difficult it becomes to achieve consensus. Given the requirement of 60 votes to overcome filibusters, this is especially true in the Senate.

It’s time to take a different approach. There is broad bipartisan consensus that repealing the retiree health pre-funding mandate, the policy responsible for roughly 90 percent of the Postal Service’s reported financial losses since 2007, makes sense as a matter of fairness. That step would dramatically reduce the size of the problem. This action, combined with a new rate-setting system in 2020, would provide Congress with the breathing room to consider a less complicated postal reform bill, one that can attract broad consensus.

The definition of insanity is trying the same failed strategy over and over and expecting a different result. Let’s end the insanity and take a step-by-step approach to postal reform.

You can help us execute this strategy by contacting your senators and urging them to co-sponsor S. 2965. We did it once (on the House side); let’s do it again.

Contract update

In November, NALC and the Postal Service reached an agreement on a neutral arbitrator for the interest arbitration. Unfortunately, the arbitrator in question is not available. The parties are now working on selecting another arbitrator to serve as the neutral arbitrator.