

Postal reform nears finish line in the Senate



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As this issue goes to press, the Postal Reform Act of 2022 (H.R. 3076) appears headed for enactment, after more than a decade of hard work to build bipartisan support in both houses of Congress. The bill was resoundingly approved by a huge bipartisan majority of members of the House of Representatives with a 342-92 vote in early February, and it was tentatively scheduled to be taken up by the Senate in the first week of March. Given that the Senate's companion bill to the reform package has bipartisan support and that President Joe Biden has vowed to sign the postal reform legislation into law, we find

ourselves on the verge of major victory for NALC, the U.S. Postal Service and the American people we serve.

The bipartisan legislation adopted by the House on Feb. 8 included two of the NALC's most important legislative priorities. First, it would repeal the retiree health pre-funding mandate imposed on the Postal Service by the Postal Accountability and Enhancement Act of 2006. Second, it would write into our governing statute (Title 39 of the U.S. Code) a requirement that the Postal Service maintain six-day-a-week delivery of mail and packages. We should pause and consider how important these provisions are for the future of the Postal Service—and recognize how they relate to one another.

By repealing the pre-funding mandate, H.R. 3076 will remove the single largest source of the Postal Service's financial losses since 2007. This grossly unfair mandate, which no other enterprise in the country faces, has cost the Postal Service \$92 billion since it was put into place in that year. That one provision of the PAEA accounted for 85 percent of the Postal Service's reported losses between 2007 and 2021. Worse, the manufactured financial crisis caused by the pre-funding mandate is largely responsible for many of the misguided decisions of postal management over the past 15 years to slash the quality of service provided by the Postal Service. Indeed, postal management's contract proposals to reduce pay, its failure to maintain adequate staffing, its cuts in service standards and, until recently, its proposals to end Saturday delivery have been driven by, and made worse by, the PAEA's pre-funding mandate. Removing that damaging mandate is the essential first step to restoring the quality of service in the Postal Service.

An important second step, also provided by H.R. 3076, is to make six-day mail and package delivery a minimum statutory requirement. Over the past 38 years, we have had to fight every year to preserve six-day delivery in the annual appropriation process—where the requirement was made a condition of taxpayer funds to cover the cost of free postage for U.S. citizens residing overseas who vote by mail. H.R. 3076 would end the need for that annual fight and secure six-day delivery against future attacks.

These are huge legislative victories that NALC took a leadership role in achieving—and for which we can be legitimately proud. The bill won't solve all our problems, but it is real progress.

H.R. 3076 has many other important provisions, including one that we worked very hard to include to protect the interests of all our members, active and retired alike: Reducing future increases in our health insurance premiums in the Federal Employees Health Benefit (FEHB) program caused by rising health care costs, by maximizing the number of future postal annuitants in FEHB that also participate in Medicare. Currently, about 80 percent of postal annuitants in FEHB also participate in Medicare, and as that percentage increases, so will the savings in FEHB health insurance premiums for active and retired postal employees, as well as for the Postal Service. Future postal annuitants who live in places without Medicare providers, or who don't need it due to other coverage (e.g., from Veterans Affairs), will be exempt from Medicare. Also under the bill, current annuitants will have the option to enroll in Medicare—and can qualify for a waiver of the late-enrollment penalty if they are over age 65 during a special enrollment period in 2024. The FEHB/Medicare provisions of the bill would be effective Jan. 1, 2025.

We have worked long and hard on postal reform. We have sought to foster a broad coalition of stakeholders and office holders, Democrats and Republicans alike, to strengthen the Postal Service and to serve the common good. We are close to a very big achievement. Of course, I've been in Washington long enough to know that nothing legislative is ever guaranteed, especially now with the extreme polarization of our political parties. As frustrated Americans know all too well, the Senate has too often served as the graveyard for even the most popular legislation. But there is good reason for hope that the American people's extraordinarily strong support for the Postal Service and for letter carriers will help us get the legislation across the finish line. That support—91 percent of both Democrats and Republicans rate the Postal Service favorably according to the Pew Research Center—and the dedicated activism of NALC members has made this progress possible.