News from Washington

Budget reconciliation package signed into law; NALC activism removes threats to letter carriers from the bill

On July 4, President Trump signed the One Big Beautiful Bill Act into law. In a legislative process that spanned months, the enactment marked the culmination of a lengthy fight in the budget-reconciliation process, where letter carriers remained focused, united and on message—and ultimately emerged victorious.

Under a trifecta (single-party control of the White House, House and Senate), lawmakers used a process known as budget reconciliation. This allowed Republican lawmakers to bypass Democratic opposition to advance President Trump's comprehensive tax, immigration, energy and health care agenda.

The One Big Beautiful Bill Act is estimated to increase the deficit by $3.3 trillion over 10 years and cost $507.6 billion over the same time. While the measure claims to cut government spending, it allocates billions of dollars for border security, immigration enforcement and defense, and makes permanent President Trump's 2017 tax cuts while extending corporate tax breaks. Additionally, it limits eligibility and funding for Medicaid, student loan repayments and clean energy tax credits.

This massive piece of legislation was more than 800 pages. Throughout the process, it went through many iterations. Meanwhile, buried in the package were massive threats to letter carriers. These attacks would have had severe consequences for current and future letter carriers. NALC identified these threats from the outset and made it clear that we would not accept anything that harmed our members.

For letter carriers, the fight began in April when the Republican-supported House budget resolution, which passed earlier this year, tasked the House Committee on Oversight and Government Reform with cutting $50 billion in spending. As anticipated, the committee immediately focused on federal employees' retirement benefits to identify potential savings.

On April 30, the committee advanced a package that included three provisions attacking letter carriers' retirement benefits and pay. The committee called for:

- increasing the Federal Employees Retirement System (FERS) contribution rate for existing employees,
- eliminating the FERS Special Annuity Supplement, and
- calculating annuities based on a high-5 average salary instead of a high-3.

Combined, these provisions would have had devastating effects on letter carrier retirement benefits and take-home pay.

All committee members voted with their party, except Rep. Mike Turner (R-OH), who joined Democrats in opposing the measure. "I believe that making changes to pension retirement benefits in the middle of someone's employment is wrong," he said. "Employee benefits are not a gift. They are earned," he said at the markup.

NALC members quickly answered the call to action, and thousands of letter carriers contacted their representatives, telling them to remove these provisions. At the same time, NALC President Brian L. Renfroe participated in a Capitol Hill roundtable to emphasize the severity of these attacks.

"Our members are public servants who provide an essential service for every single American household and business," Renfroe said at the event. "Our members go into public service because it's a good, stable job with reliable benefits. Cutting retirement benefits and increasing what we have to pay for is unconscionable, and let's call it what it is—a pay cut."

Renfroe then emphasized that taxpayers do not fund letter carrier retirement benefits or the Postal Service: "The agency is off budget. Lawmakers are trying to use hardworking letter carriers and postal employees to offset federal spending, even though taxpayers' dollars have nothing to do with us."

NALC members' activism, coupled with our union's efforts in Washington, DC, resulted in the removal of two of these provisions from the first House-passed package. While the blanket FERS contribution increase and the high-5 annuity calculation were removed, a sweeping House package passed in the House by one vote that included the elimination of the FERS Special Annuity Supplement, a crucial benefit for FERS-covered employees who retire before becoming Social Security eligible at age 62. Other anti-labor provisions, which would not have directly affected letter carriers but set a dangerous precedent, also passed in the House. These included forcing new federal hires to choose between at-will employment or an increased FERS contribution and imposing a fee for Merit Systems Protection Board claims and appeals.

Immediately after House passage on May 22, all eyes turned to the Senate. NALC utilized every possible resource to ensure that the Senate would not eliminate the FERS Special Annuity Supplement. In this process, Republicans were the only lawmakers with any say or control, so NALC's strong bipartisan relationships became as important as ever.

First, NALC worked with Rep. Brian Fitzpatrick (R-PA), a longtime friend of letter carriers. Rep. Fitzpatrick helped produce a letter to Majority Leader John Thune (R-SD) and Senate Committee on Finance Chairman Mike Crapo (R-ID) urging the Senate not to decrease postal employee retirement benefits.

With Rep. Fitzpatrick leading, 16 other House Republicans signed the letter. Reps. Pete Stauber (R-MN), Don Bacon (R-NE), Nick Langworthy (R-NY), Nick LaLota (R-NY), Nicole Malliotakis (R-NY), Jack Bergman (R-MI), Young Kim (R-CA), Rob Bresnahan (R-PA), Michael Lawler (R-NY), Andrew Garbarino (R-NY), Mike Bost (R-IL), Thomas Kean (R-NJ), David Valadao (R-CA), Maria Elvira Salazar (R-FL), Christopher Smith (R-NJ) and Jeff Van Drew (R-NJ) stood with letter carriers at this critical time.

Simultaneously, President Renfroe was meeting with House and Senate Republican leaders to make it clear that we opposed this provision and any measure that targeted letter carriers. He cautioned that any package that harmed letter carriers in any way would not be tolerated.

These tactics, along with NALC members continuing to contact their senators, were successful. The Senate never included in any proposal the elimination of the FERS Special Annuity Supplement. However, new attacks were on the horizon.

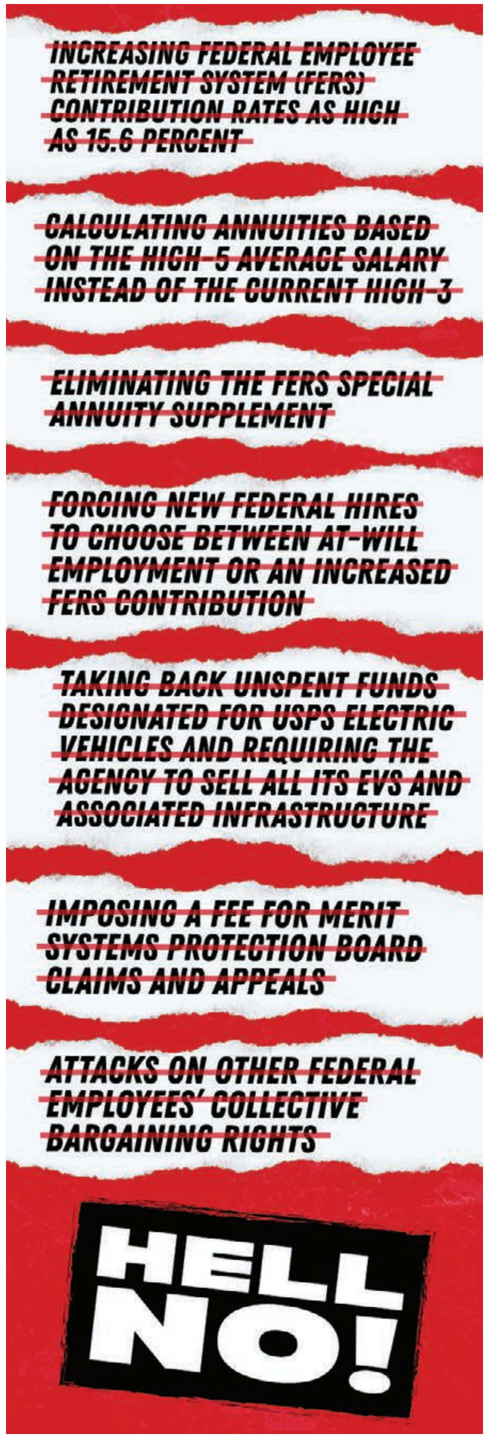
As Senate committees began the same process that took place in the House and sought their route to spending cuts, Senate Homeland Security and Governmental Affairs Committee Chairman Rand Paul (R-KY) decided to target electric postal vehicles. He proposed rescinding any unspent funds designated for USPS electric vehicles (EVs) and requiring the agency to sell all its EVs and associated infrastructure. This ridiculous idea was dead on arrival. NALC immediately shut it down, and it was quickly removed.

With this victory behind us, the fight was still far from over. Next, Chairman Paul called for increasing the FERS contribution rate to a staggering 15.6 percent for all postal employees hired after Jan. 1, 2026. This percentage contribution would have significantly reduced the take-home pay of future letter carriers. For the last time in this months-long battle, NALC members activated and contacted their senators. Before the Senate voted on its final package, this attack was removed.

Once the bill passed in the Senate on July 1, the House passed the same bill 48 hours later, sending it to President Trump's desk by his self-imposed July 4 deadline.

While the fight was long, difficult and unpredictable, NALC ultimately had all threats directly targeting letter carriers removed from the final bill.

"Letter carriers' activism and NALC's strong bipartisan relationships helped us defeat devastating provisions for current and future letter carriers," President Renfroe said. "We successfully delivered a powerful message to Capitol Hill. When lawmakers come



after our 295,000 members' jobs, retirements and futures, we say 'Hell no!'

"While the White House and some in Congress may claim victory following the law's enactment, the real victory is NALC fending off innumerable attacks on our retirement benefits, the postal vehicles we desperately need, and anti-labor measures in a massive bill that guts working families," Renfroe said.

While the law undoubtedly has harmful provisions, the fact that letter carriers emerge largely unscathed is a significant accomplishment that would not have been possible without the dedicated activism of our members.

"The final results are a powerful reminder of what's possible when our union comes together and fights like hell for what is best for every letter carrier," Renfroe added.

Even as NALC celebrates the success of our activism, congressional leadership has indicated that they expect to restart the reconciliation process in the fall for the upcoming fiscal year. As always, NALC knows that budget hawks tend to look for cost savings first in federal employee benefits. Even though we collectively shut down these backward ideas, it does not mean we will not see them again. Unfortunately, putting budget savings on the backs of federal and postal employees is not a new idea, and it is one that will almost certainly resurface.

"We have a blueprint in place, know our unified strength, and we won't back down," Renfroe said. "NALC members are prepared to fight like hell to protect each other every day."

Reading the tea leaves on recent federal employee attacks

NALC has closely monitored the unprecedented attacks on our fellow federal unions, which started this winter with an executive order from the White House that revoked collective-bargaining rights at more than 22 federal agencies. Federal unions affected by this action fought it, and last month, the Supreme Court issued a decision upholding the administration's authority to this executive order.

An attack on one is an attack on all. While we stand in solidarity with other federal employees affected by this attack, we must also stand ready. These blatant attacks could be replicated at other federal agencies, including the Postal Service, posing serious threats to our union's right to exist.

Below is a timeline of the American Federation of Government Employees' fight over Executive Order 14210, which uses reductions in force (better known as RIF) to shrink the size of federal agencies. **PR**

Feb. 11	President Trump issues Executive Order 14210
May 1	AFGE filed a motion for a TRO and preliminary injunction requesting the Administration be blocked from implementing EO 14210
May 7	Administration filed an opposition to AFGE's request for a TRO and preliminary injunction
May 9	Judge grants a temporary restraining order to pause the implementation of EO 14210
May 22	Judge grants AFGE's request for a preliminary injunction, stopping the Administration's RIFs and reorganization across 22 federal agencies. The administration would need Congressional approval to carry out the changes, and neither the president nor the agencies have the statutory authority presently.
May 23	Administration filed a notice of appeal (later dismissed when the 9th circuit denied the stay)
May 30	9th Circuit denied administration's request to stay the injunction
June 2	Administration applied for Supreme Court to stay the injunction
June 13	Judge included the State Department's RIFs in the injunction
July 8	The Supreme Court issued a stay on a preliminary injunction which barred the administration from implementing Executive Order 14210. This permits the administration to execute widespread RIFs impacting 22 agencies while the litigation proceeds on the merits. SCOTUS' very brief opinion did not comment on whether the RIFs are lawful but did note EO 14210 is likely to be lawful. It was an 8-1 decision with Judge Jackson dissenting and Juge Sotomayor concurring in the majority.