Committee on Oversight and Government Reform
Business Meeting
July 24, 2013

Vote NO on H.R. 2748: The Postal Reform Act of 2013

Title I of H.R. 2748 slashes services to Americans and eliminates at least 100,000 good jobs:

- Elimination of Saturday mail delivery would sacrifice the Postal Service's biggest advantage over its competitors.
- The forced removal of 30 million household & business mail boxes would impose an unfair and deeply unpopular burden on customers with door deliveries while conversion costs add an additional $1 billion in debt (see Sec.504).

Title II of H.R. 2748 creates a costly new level of bureaucracy at the Postal Service:

- Rather than skimming the fat off the top, this bill cuts services and blue-collar jobs in favor of creating a $10 million a year Governance Authority.
- Congress should improve the existing USPS Board of Governors by requiring well-qualified business leaders focused on long-term growth and innovation.
- Instead of fixing what is really broken, H.R. 2748 creates a new body that will be tasked with cutting costs by abrogating collective-bargaining agreements and dismantling the Postal Service's networks.

Title III of H.R. 2748 is a direct attack by Congress on collective bargaining:

- This section would unfairly codify into law the views of postal management.
- This kind of one-sided interference by Congress is totally unjustifiable and is an attack on postal employees.
- Mandating the terms of future collective-bargaining agreements would completely undermine a process that has worked extremely well for over 40 years – keeping postage rates low and eliminating all taxpayer subsidies.
- This section also mandates new "official time" reporting procedures that will increase costs and bureaucracy for the Postal Service to fix something that is not broken.
- This section would also mandate the Postal Service to establish its own injured workers program and force people into retirement when they reach retirement age. This change would reduce an injured workers benefit to 50 percent of their salary at the time of injury. This provision would also eliminate augmented compensation for dependents.

Title IV of H.R. 2748 fails to recognize the Postal Service's flawed rate-setting model:

- H.R. 2748 does not give the Postal Service the flexibility it needs to adjust rates to ensure that products cover their costs. Instead, the bill forces the Postal Service to cut services and eliminate jobs unnecessarily.
- H.R. 2748 does not free the Postal Service to meet the evolving needs of the American economy by allowing it to expand into new lines of business that would leverage its first- and last-mile networks.
- H.R. 2748 eliminates the small appropriation that the USPS receives annually to provide free service to the blind and to combat serviceman who wish to vote by mail in American elections – shifting costs to business mailers.

Title V of H.R. 2748 fails to provide a long-term solution to the disastrous and unfair pre-funding burden:

- The Committee is being asked to vote on a bill without cost estimates of the new pre-funding schedule.
- While the bill provides earlier access the Postal Service's own money in the Retirement Health Benefit Fund (PSRHBF) and *appears* to defer pre-funding payments for two years, the remaining 40-plus years of scheduled payments will remain unaffordable, surpassing the $5.6 billion annual payments mandated by current law.

Title VI of H.R. 2748 jeopardizes the Postal Service's most important asset: Its brand for trusted universal service

- The USPS has delivered reliable service to both urban and rural communities across American for centuries.
- Veteran's preference and solid union contracts have created America's most trusted workforce.
- The Committee should reject the destructive increase in sub-contracting that H.R. 2748 mandates.