NALC TALKING POINTS

Department of Legislative and Political Affairs — National Association of Letter Carriers, AFL-CIO

100 Indiana Ave. NW — Washington, DC 20001-2144 — 202-393-4695 — www.nalc.org

January 27, 2014

Carper-Coburn Substitute for S. 1486: The Postal Reform Act of 2014

On Wednesday, Jan. 29, the Senate Homeland Security and Governmental Affairs Committee (HSGAC) will mark-up S. 1486, working off a new draft of the bill offered as a substitute by Chairman Tom Carper (D-DE) and Ranking Member Tom Coburn (R-OK). At the mark-up session, the 16 senators who sit on the committee will debate and offer amendments to the proposed bill. If a majority of the committee votes for the amended bill, it could be taken up on the floor of the Senate for general debate, at the discretion of the Senate's leadership.

NALC strongly opposed the original version of S. 1486. Unfortunately, we must also strongly oppose the Carper-Coburn substitute for S. 1486, now called the Postal Service Reform Act of 2014. (Click here: www.nalc.org/news/latest/01272014_four-unions.html) The changes made to the bill do not make it acceptable to letter carriers.

We have joined with the other three postal unions (APWU, NPMHU and the NRLCA) to urge Committee members to vote against the bill as now drafted. The talking points below have been prepared for letter carriers who meet or talk with their senators about this legislation.

NALC opposes the new version of S. 1486 for five reasons:

- The new bill threatens to **cripple the quality of service provided by the Postal Service by phasing out door-to-door delivery** and creating a path to the elimination of Saturday delivery if mail volume falls by just 9 percent over the next few years. (USPS could implement 5-day delivery if volume dropped below 140 billion pieces annually, even if the Postal Service were fully solvent and profitable). Such service cuts would not only immediately threaten 96,500 postal employee jobs (including 41,500 city carrier jobs), but they would also drive business away and threaten all letter carrier jobs.

- The new draft would **end automatic coverage by the Federal Employees Retirement System (FERS) and the Thrift Savings Plan (TSP) for all new postal employees,** unfairly creating a morale-damaging two-tier pension system within the Postal Service. It would also recklessly interfere with the NALC's collective bargaining by forcing us and the other postal unions to bargain over retirement benefits for new employees. It would even mandate joint bargaining over TSP coverage, though FERS negotiations would be conducted individually by the four unions. The postmaster general, who has proposed the elimination of defined-benefit pensions in the USPS and who has advocated the provision of a sub-standard 401(k)-style pension plan, would be empowered to force the unions to binding arbitration in pursuit of these goals.

- The new bill would **create a new and unfair pre-funding burden for the Postal Service,** on top of the burden to pre-fund retiree health benefits. The USPS would be required to pre-fund future workers' compensation benefits (currently estimated to cost $17 billion in today's dollars), though payments would be made only after the USPS earns $1 billion in profits. Even so, no other company or agency in America has this unfair burden, and capping USPS profits at $1 billion would starve the USPS of needed investments.

- The substitute bill retains only a short moratorium on further service standard changes. In just two years, the **USPS could again slow the speed of mail delivery** in pursuit of its downsizing plans with respect to processing plants, post offices and the elimination of Saturday delivery, and repeat the mistakes of recent service standard reductions that have hurt service, driven away mail volume from businesses and forced letter carriers to work later hours across the country.

- The new version also retains the punitive and discriminatory reform of the federal workers compensation system (FECA) that would **cut benefits for injured workers** and their spouses and dependent children.

NALC and the other unions recognize the need for reform and have offered a sensible plan aimed at solving the financial crisis caused by the retiree health pre-funding mandate enacted by Congress in 2006. Our plan would eliminate the unfunded liability for retiree health using FEHBP reforms, recover the surpluses in our FERS and CSRS pension funds to pay down the USPS debt to the Treasury, protect service standards, authorize new services to generate new revenue, and increase the Postal Service's pricing freedom. The new bill incorporates some of our plan's provisions, but by including the five unfair and unnecessary proposals outlined above, we have no choice but to urge a "no" vote at this week's committee mark-up.

Please stay tuned to the NALC website and to our Facebook and Twitter pages for updates, and watch your e-mail inbox for e-Activist Network actions.

NALC is committed to fighting for a clean postal reform bill that will strengthen the Postal Service without diminishing service in a self-defeating way or attacking the pay, benefits or job security of letter carriers and other postal employees.