

APWU A NEW DIRECTION

*Legislative
Priorities for the
APWU*



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INTRODUCTION

After more than a decade of focusing our legislative activities on the pros and cons of various postal “reform” measures, the American Postal Workers Union has entered a new era. We have begun to examine legislative issues that affect working people throughout the country.

This brochure identifies the legislative agenda of the APWU and points out areas of major concern—areas where attacks on labor are likely to arise.

These issues will guide our work on Capitol Hill in the months and years to come, but our goals and understanding will evolve as APWU members across the country become involved in the process and share the results of their work.

We encourage local and state leaders, activists, and rank-and-file members to join in shaping our future. We look forward to hearing your views.

For more information about the subjects addressed in this brochure and other legislative issues, visit <http://www.apwu.org/dept/legis>.

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EMPLOYEE FREE CHOICE ACT TOPS LEGISLATIVE PRIORITIES

Passing the Employee Free Choice Act is one of the top legislative priorities of the labor movement and the American Postal Workers Union. The Employee Free Choice Act would give American workers greater freedom to make their own choices about joining unions and bargaining for better wages, benefits, and working conditions.

EFCA would:

- Recognize workers' freedom to form unions when a majority of employees sign forms designating a union as their bargaining representative;
- Encourage employers to bargain in good faith to achieve a first contract once a union has been formed;
- Authorize court orders to stop employers from firing or threatening union advocates; and
- Stiffen penalties against employers that illegally fire or discriminate against workers who engage in union organizing activities.

Card-Check v. NLRB Elections

Under the bill, employees would be able to choose between two options for gaining union recognition:

- A "card check" procedure, or
- The NLRB election process.

The "card check" procedure, in which workers sign forms indicating support for a union, is permitted under current law, but only if the employer agrees. Most employers force workers to undergo elections administered by the National Labor Relations Board (NLRB).

The Employee Free Choice Act would give American workers greater freedom to make their own choices about joining unions and bargaining for better wages, benefits, and working conditions.

During NLRB-run elections, employers routinely wage anti-union propaganda campaigns, resulting in elections that are coercive and hostile, rather than free and fair. Employers frequently intimidate, harass, reassign, or even fire workers who support the formation of a union.

As the law stands now, even if every employee at a plant signs a card supporting union representation, the employer can still require an election.

The EFCA would protect workers' freedom of choice by requiring employers to bargain with a union authorized by a majority through the card-check procedure.

First Contracts

The bill would encourage employers to negotiate in good faith to achieve a first contract within 90 days: Failing that, it would require them to participate in mediation.

Under EFCA, if agreement on a first contract has not been reached after 90 days of bargaining, the employer or employees may request mediation by the Federal Mediation and Conciliation Service. If there is no agreement after 30 days of mediation, the dispute would go to arbitration to produce a contract that would bind the parties for two years.

Fifty percent of work sites where workers choose a union still don't have a contract two years after the election. Under current law, management can undermine employees' collective-bargaining rights through bad-faith bargaining; there is virtually no legal deterrent to such conduct.

Real Penalties

The Employee Free Choice Act would put real teeth in the laws that are designed to protect workers, by adopting stronger and quicker penalties for violations by employers against employees who attempt to



organize a union or obtain a first contract. Current penalties are so minimal that employers routinely treat them as a minor "cost of doing business." Remedies for affected workers often come far too late.

The bill would require the NLRB to seek a federal court injunction against an employer when there is reasonable cause to believe that the employer has fired or discriminated against employees during an organizing campaign or union drive.

These reforms would help level the playing field for labor.

Congressional Action

On March 1, 2007, the House of Representatives passed EFCA by a vote of 241-185, with eight members not voting. Thirteen Republicans joined 228 Democrats voting for the bill, while two Democrats voted with 183 Republicans to oppose the bill.

A Senate version of the bill (S.1041), introduced by Ted Kennedy (D-MA), is pending consideration. APWU members should urge their senators to support this important legislation.

RETIREE HEALTHCARE 'PREMIUM CONVERSION'

Congress should change current tax law to allow postal, federal and military retirees to pay for their healthcare insurance premiums with pre-tax income.

Access to affordable health care is a critical issue for all retirees, especially for former postal workers on fixed incomes, whose retirement security is threatened by substantial increases in Federal Employees Health Benefits plan (FEHB) premiums.



The APWU strongly supports S. 773 (in the Senate) and H.R. 1110 (in the House), healthcare “premium conversion” bills introduced this year by Sen. John Warner (R-VA) and Rep. Tom Davis (R-VA).

This legislation would extend an important tax benefit that is now available to active federal and private-sector workers to all fed-

eral retirees enrolled in the FEHB and military retirees enrolled in the TRICARE health insurance plan.

Background

- Federal retirees currently pay their share of their health insurance premiums with after-tax dollars, which are withheld from their annuity checks after income and Social Security taxes are deducted.
- While passing premium conversion legislation would not lower FEHB contributions for retirees, it would offset rising costs by reducing their tax liabilities. This would allow retirees to pay their healthcare premium with pre-tax income, and would **save the typical USPS retiree approximately \$435 annually**, depending on his or her tax bracket and marital status.
- In October 2000, Section 125 of the Internal Revenue Code was changed to allow federal workers to deduct their share of health insurance premiums from their taxable income, thereby reducing their payroll and Social Security taxes. Private-sector workers have been eligible to do so for many years.
- This tax benefit has not been extended to federal and military retirees, however, creating an inequity.

*The American Postal
Workers Union urges members
of Congress to co-sponsor S. 773
and H.R. 1110, legislation that
would offset the rising cost of
postal and federal retirees' health
insurance premiums.*

- On average, federal retirees pay 29 percent of the premium costs for their health insurance; the remainder is paid as an earned retirement benefit by the federal government.
- According to the Government Accountability Office, FEHBP premiums have increased by an average of nearly 9 percent a year from 2003 through 2006. This trend is like to continue, exacerbated by rising costs prescription drugs and out-patient care.
- Cost-of-Living-Adjustment (COLA) increases have risen far less over the same period. As a consequence, federal and postal retiree incomes are decreasing, a trend that could force many to discontinue their healthcare coverage.
- Similar legislation in the 109th Congress (S. 484 and H.R. 994) was widely supported in the Senate (64 co-sponsors) and in the House of Representatives (340 co-sponsors), but the bills were not passed by either chamber.

SOCIAL SECURITY FAIRNESS FOR FEDERAL RETIREES

Congress should modify Social Security law to eliminate the so-called Government Pension Offset and Windfall Elimination provisions, which unfairly reduce Social Security benefits for federal employees who earn a Civil Service Retirement System (CSRS) annuity.

Due to these unfair provisions, CSRS retirees do not receive Social Security benefits that reflect the full amount they paid into the system. Most postal retirees survive on a modest fixed income that is increasingly threatened by rising healthcare costs. Many of them paid a substantial amount into the Social Security system from wages they (or their spouses) earned at non-federal jobs. It is unfair to deny them the full benefits commensurate to their contributions.

The APWU supports the “Social Security Fairness Act of 2007” (S. 206/H.R. 82), legislation introduced by Sen. Dianne Feinstein (D-CA) and by Rep. Howard Berman (D-CA), which would repeal the Government Pension Offset and Windfall Elimination provisions.

(The “Windfall Elimination Provision Relief Act of 2007” [H.R. 726], a bill introduced by Rep. Barney Frank (D-MA), would limit the Windfall Elimination provision’s impact by applying it only to individuals whose monthly retirement exceeds a minimum, COLA-adjusted amount of \$2,500.)

Background

The Government Pension Offset Provision (GPO) affects CSRS retirees by reducing and even eliminating Social Security survivor benefits if a surviving spouse receives a CSRS pension. In other words, if a retiree

The APWU urges members of Congress to co-sponsor and pass S. 206 and H.R. 82, legislation that would repeal the unfair Government Pension Offset and Windfall Elimination provisions of Social Security law that deny earned benefits to CSRS retirees.

loses a spouse who was receiving Social Security benefits, the survivor benefit is reduced by two-thirds of the amount of the CSRS annuity. For every \$3 received from a CSRS annuity, their Social Security payments are reduced by \$2. In most cases, the Government Pension Offset will eliminate



the survivor benefits a spouse would be entitled to under Social Security.

The Windfall Elimination Provision (WEP) reduces the Social Security benefits of CSRS retirees who do not have at least 30 years of “substantial earnings” over the course of their working lives from jobs outside of the federal sector from which Social Security taxes were deducted. Many CSRS retirees have some non-federal earnings, but may be unable to meet the “substantial earnings” test. They therefore will see reductions in their Social Security benefits unless the WEP is repealed.

- Most postal workers hired before 1984 are enrolled in CSRS, yet many have paid substantial Social Security taxes while working in other occupations.*
- Many thousands of postal workers—and nearly one million current government retirees nationwide—are now penalized by the GPO and WEP. Many more will be penalized in the future as they begin their retirement.
- Nine out of 10 public employees affected by the GPO are forced to sacrifice much of their Social Security survivor benefits even though their deceased spouses paid Social Security taxes for many years. According to the Congressional Budget Office, the GPO reduces Social Security benefits for 300,000 retirees by more than \$3,600 a year—and that can make the difference between retirement security and poverty.

**Federal workers hired after 1983 are enrolled in the Federal Employees Retirement System (FERS), not CSRS, and are not affected by the Government Pension Offset and Windfall Elimination provisions. CSRS enrollees do not pay Social Security taxes on wages earned while working for the federal government; instead, they pay their contributions for retirement into the Civil Service Retirement and Disability Fund.*

AMERICA NEEDS A RAISE

For more than a decade, the minimum wage in the United States has been a paltry \$5.15 per hour, with the value of that measly sum declining steadily in the past 10 years. In fact, the inflation-adjusted value of the minimum wage is 30 percent lower in 2006 than it was in 1979.

Simply put, *America needs a raise!*

In the first hours of the 110th Congress, the U.S. House of Representatives voted 315-116 to raise the wages of an estimated 13 million low-wage workers. H.R. 2, introduced by George Miller (D-CA), would provide a \$2.10 per-hour raise over two years, with no special-interest giveaways.



But when the bill was considered by the Senate, Republicans killed the “clean” bill with a filibuster, and then bickered for weeks before passing a version that carries more than \$8 billion in tax breaks for business.

Efforts to resolve differences between the House and Senate versions have stalled, but the urgent truth remains: *Congress must increase the minimum wage!*

A decade of inaction on the minimum wage has eroded its buying power to the lowest point in more than 50 years. A full-time employee who gets paid \$5.15 per hour earns only \$206 per week, falling far below the poverty line.

Who Would Benefit?

According to the Economic Policy Institute:

- An estimated 13 million workers—10 percent of the workforce—would receive an increase in their hourly wage if the minimum wage were increased to \$7.25 by 2009;
- The earnings of minimum-wage workers are crucial to their families’ well-being. Evidence shows that the typical minimum-wage worker brings home more than half of his or her family’s weekly earnings;
- Single parents would benefit disproportionately from an increase: They constitute 10 percent of the workers who would be affected, but make up only 7 percent of the overall workforce;
- Adults make up the largest share of workers who would benefit: 79 percent of workers whose wages would increase are adults;

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- Women are the largest group of beneficiaries: 59 percent of workers whose wages would increase are women;
- A disproportionate share of minorities would benefit: African-Americans repre-

sent 11 percent of the total workforce, but are 16 percent of workers who would be affected by an increase; 14 percent of the total workforce is Hispanic, but Hispanics are 19 percent of the workers who would be affected;

Despite the protests of business groups, a 1998 EPI study failed to find any systematic, significant job loss associated with the most recent increase in the minimum wage (1996-1997).

America cannot ignore the plight of its low-wage workers. The APWU is committed to helping to increase the minimum wage.

VOTE BY MAIL

Across the country, an increasing number of states, cities, and counties are making it easier for their citizens to vote—without waiting in long lines or relying on electronic voting machines that could be faulty. More and more governments are allowing their constituents to vote by mail.

The APWU enthusiastically supports this trend, which will encourage working people to exercise the most fundamental right of every citizen—the right to vote. We believe that voting in every election should be as convenient, fair, and secure as possible.

Advantages to Voting By Mail:

- It increases voter participation;
- Voting by mail can improve the integrity of elections by creating a paper trail;
- It expands the timeframe within which ballots can be cast;
- Mail balloting eliminates long lines;
- It reduces the possibility of polling-place intimidation;
- Voting by mail removes the obstacles that prevent many people from voting, such as having to leave work early or arrange for daycare, and
- There is no confusion about where to vote.

And perhaps best of all, ballots would be handled by the most trusted federal agency: the U.S. Postal Service.

Two bills introduced by U.S. Rep. Susan Davis (D-CA) would expand opportunities for voters to cast ballots by mail. H.R. 281 would permit voting by mail in federal elections, and H.R. 1667 would create a grant program for states to establish vote-by-mail procedures for city, county, and state elections.



Sen. Ron Wyden (D-OR) has introduced S. 979, which would permit states to opt into mail-in voting on a statewide or county-by-county basis. This legislation would create a three-year grant program to help states offset the costs associated with changing to a vote-by-mail system. In developing their vote-by-mail systems, grantees would be required to adopt procedures that would dramatically curtail the risk of fraud and result in fairer, more accurate elections

These bills would make voting by mail an option; they would not eliminate traditional polling places.

The APWU supports H.R. 281, H.R. 1667 and S. 979.

Voting By Mail Works

Twenty-three states already allow voting by mail, and they have found that it works.

Oregon, which uses mail-in voting, has had the highest level of voter participation of

any state: A whopping 87 percent of registered voters cast ballots in 2004. And, in a 2003 survey, 81 percent of Oregonians said they preferred voting by mail to traditional polling-place elections.

In California, four years after instituting “permanent, no-excuse absentee registration,” which allows voters to choose to receive their ballots by mail, more than 40 percent of votes cast in 2005 were sent by mail. Other states have experienced a similar level of acceptance, along with increased participation.

Studies have shown that adding the option of voting by mail does not give an advantage



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to any political party. Republicans and Democrats both benefit from comparable increases in participation when voters are given the choice of voting by mail. Support for mail-in balloting cuts across virtually every major demographic—including age, race, income level, education, employment status, and ideology.

One of the important features of mail-in balloting is the low incidence of fraud compared to other methods. Voting by mail gives election officials the ability to validate every voter’s signature and creates a verifiable paper trail. Increasing complaints about other balloting methods highlight the value of voting by mail.

Voting by mail will enhance our democracy and give American voters a viable choice that they need and deserve!

A NEW FIGHT OVER FMLA?

A new battle may be brewing over the Family & Medical Leave Act, the groundbreaking 1993 law that provides workers with up to 12 weeks of leave each year to bond with new babies, care for sick family members, or recuperate from serious health conditions of their own.

Legislation to weaken the law has not been proposed, but a recent request for information by the Department of Labor, which implements workplace rules for FMLA leave, has caused concern among advocates for women, families, and workers. The notice in the December 2006 *Federal Register* sought public comment on more than a dozen areas of the FMLA, and encouraged input on other FMLA-related issues.

Unions are troubled by the DOL request because the department has used its regulatory authority to weaken workers' rights. In 2004, for example, it implemented new regulations that excluded millions of workers from eligibility for overtime pay.

Employers have seized on the Department of Labor request in an attempt to undermine the FLMA. Among other things, they are seeking to:

- Limit the definition of a serious health condition;
- Demand more frequent reviews of FMLA conditions;
- Restrict the definition of eligible employees;

- Eliminate intermittent leave, and
- Rescind a provision of the act that requires supervisors to get an employee's permission before contacting his or her doctor.



During the public comment period, labor unions and others expressed vehement opposition to changes to the law's current criteria on these issues. They also pointed out that many employers are still not notifying employees of their FMLA rights, and generally do a poor job of notifying workers when leave determinations are made, with employers repeatedly denying leave on the basis that "inadequate" information was submitted.

Despite widespread employer objections to the FMLA, research shows that the law has benefited them. A DOL survey released in 2000 found that 9 in 10 employers reported that the FMLA has had a positive or neutral effect on productivity and growth. Another survey found that three of four private-sector employers said the FMLA's benefits outweigh or offset its costs.

The Family & Medical Leave Act transformed the workplace and strengthened families by helping millions of Americans secure job-protected leave in specific times of need—leave that better enables workers to balance their responsibilities to their jobs and their families. More than 50 million Americans have used leave under the provisions of the Family & Medical Leave Act since it was enacted 14 years ago.

The APWU supports all efforts to protect—and expand—the Family & Medical Leave Act. To do so, we must fight against new administrative rules that would limit application of the law; educate our members about the threat, and win support from legislators to protect this worker- and family-friendly law.

Unions are troubled by the request because the Department of Labor has used its regulatory authority to weaken workers' rights in the past.

In March 2007, U.S. Rep. Carolyn Maloney (D-NY) introduced a bill (H.R. 1369) that would expand the Family & Medical Leave Act. This bill would reduce the required number of employees a company must have to be covered by the FMLA from 50 to 25; allow workers to take time off to deal with incidents of domestic violence; request that the Secretary of Labor make grants available for eligible agencies to help cover the cost of providing paid leave for individuals who need to take time off following the birth or adoption of a son or daughter; and amend the act to allow workers to take up to 24 hours off in a 12-month period to participate in school programs relating to the educational needs of their children.

REQUIRING NON-MEMBERS TO PAY THEIR ‘FAIR SHARE’

When a union negotiates a contract providing increases in pay and benefits, or represents employees before Congress and federal agencies, everyone benefits—but only union members share the costs of such representation.

Fair-share legislation would allow unions to require all employees of the bargaining unit who benefit from their representational activities to join in paying for the costs of that representation. Several states have laws stipulating that although employees cannot be required to join a union, employees may be required to share in the cost of union representation.

The fundamental difference between enjoying full membership and paying a fair share is that members are entitled to full benefits and participation, whereas employees who pay a fair share are paying for services related directly to collective bargaining. Fair-share payers can't vote or hold office, and they can't take advantage of the union's insurance benefits or discounts offered to members.

If it passes, federal fair-share legislation would require employees in some unionized workplaces to pay fees for the contractual benefits they receive. Here's how it would work:

- The fees would be charged only for activities the union is required to perform for all employees under federal law;

- The fees would not be mandatory for all unionized workplaces. Fair-share fees would have to be negotiated and agreed to by both the employer and the union;

Fair-share legislation would allow unions to require all employees of the bargaining unit who benefit from their representational activities to join in paying for the costs of that representation.

- Employees would have the opportunity to challenge the amount of fees if they believed they were being charged too much;
- Fair-share payers would not be required to contribute to the costs of a union's educational or political activities; and,
- Workers would not be forced to join a union.

Funds generated by the collection of fair-share fees would strengthen the union's



ability to represent all employees in the bargaining unit.

The APWU's accomplishments have been astonishing: In addition to step increases, promotions and upgrades, wages for APWU-represented employees have increased at a rate of 4 percent per year over the past 20 years; workers enjoy unparalleled job security; top-notch healthcare benefits are readily available; bereavement leave and leave sharing have been instituted; there are transfer rights, sick leave for dependent care, part-time flexible conversions, and more.

Yet despite these successes, nothing that we have done has significantly reduced the unacceptably high percentage of workers who continue to receive the benefits of union efforts but refuse to join the organization.

These efforts have cost union members millions of dollars, and benefited every USPS employee in the APWU bargaining unit.

Funds generated by the collection of fair-share fees would strengthen the union's ability to represent all employees in the bargaining unit.

APWU will explore every opportunity to correct this injustice to due-paying members, and will thoroughly explore these opportunities in the upcoming sessions of the U.S. Congress.

UNIVERSAL HEALTHCARE: A BASIC HUMAN RIGHT

Nearly 47 million Americans lack health insurance, and millions more worry every day about losing their coverage.



APWU supports legislation which would provide health insurance to all Americans. The time for talking about this crisis is long past.

All families deserve the security of a universal healthcare system that guarantees access based on need rather than income. Healthcare is a fundamental human right and an important measure of social justice.

What is left unresolved is the process by which universal healthcare can be achieved.

As a nation, we must summon the political will to enact comprehensive, nationwide

healthcare reform. There is convincing evidence that the healthcare crisis can be solved with the tools at hand, and at a cost that pales in comparison to the toll in human lives the current system exacts.

It is time to mobilize America behind a concrete plan to enact universal healthcare coverage.

Lacking Health Insurance

The lack of health insurance forces millions of Americans to suffer sub-standard care; to use emergency rooms as their primary source of medical attention; and to forgo preventive care.

The cost associated with 47 million uninsured Americans ripples throughout the economy, and healthcare has become the

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most significant point of contention in virtually every labor contract negotiation in recent history.

Single-Payer

The labor movements supports the “single-payer” system under which all healthcare revenue goes into a single public fund that pays for all medical services. A single-payer system would:

- Guarantee the same coverage for all citizens, regardless of employment status or wealth;
- Provide participants with a free choice in the selection of a caregiver;

- Reduce administrative costs; and,
- Leave decision-making tasks in the hands of the public.

And, it can be done. The single-payer plan is supported by more than 200 labor organizations, and similar plans have been adopted in almost all other industrialized nations.

APWU will work with like-minded citizens to fashion a solution that addresses affordable—and adequate—single-payer health-care coverage for all.

FAIR COMPENSATION FOR INJURED POSTAL EMPLOYEES

Despite all the uncertainties regarding the long-term effect of postal reform legislation, the new law contains one provision that is abundantly clear. It establishes a three-day waiting period for payment to postal employees who are injured on the job.

This provision, enacted Dec. 20, 2006, is fundamentally unfair: The waiting period applies only to postal workers. None of the other federal workers covered by the Federal Employee Compensation Act (FECA) are required to endure this penalty.

The law forces postal workers to use annual leave, sick leave, or leave-without-pay for

the first three days of their absence from work due to a work-related injury, and the leave will be restored only if an employee's absence exceeds 14 days. This creates an unprecedented disparity in the way postal workers are treated.

The three-day waiting period is fundamentally unfair. None of the other federal workers covered by the FECA are required to endure this penalty.



This law is essentially inhumane. It penalizes workers who suffer job-related injuries through no fault of their own. Despite all the praise that was heaped upon postal workers in the dark days following the anthrax attacks in October 2001, USPS employees are now subject to a three-day waiting period for pay when they are hurt at work.

Until it is eliminated, correcting this injustice will continue to be an APWU priority.

RAISE THE GOVERNMENT SHARE OF RETIREE HEALTHCARE COSTS

As healthcare costs have exploded in recent years, retirees have felt the strain. Since 2001, premiums for plans in Federal Employee Health Benefits Program (FEHBP) have increased on average more than 50 percent.

A bill introduced March 1, 2007, would increase the government's contribution to these health insurance plans. H.R. 1256, sponsored by House Majority Leader Steny Hoyer (D-MD) and co-sponsored by Rep.



This legislation would help take the bite out of rising health insurance costs and make it easier for federal and postal retirees to afford quality healthcare.

Frank Wolf (R-VA), would raise the government's premium share from the current rate of 72 percent to 80 percent.

According to the Office of Personnel Management (OPM), the bill would save the typical federal or postal retiree approximately \$500 annually. If passed, this legislation would help take the bite out of rising health insurance costs and make it easier for federal and postal retirees to afford quality healthcare.

The bill has been referred to the House Committee on Oversight and Government Reform, chaired by Rep. Henry Waxman (D-CA).



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