

Battle Over Reform Enters

This year's battle over changing how the Postal Service operates and treats its workers and customers is part of a two-decade struggle.

During the 1980s, the APWU helped defeat efforts to turn the USPS into a private corporation. Several attempts to rewrite the laws under which the Postal Service operates failed to pass congressional muster in the 1990s.

The most recent attempt began after a House Committee failed to approve a postal reform bill in May 2002. Prodded by the Mailing Industry CEO Council, the Bush Administration appointed a nine-member President's Commission on the U.S. Postal Service and charged it with creating a blueprint for wide-ranging postal reform legislation.

The APWU strongly opposed the creation of the

Commission, charging that it would seek to solve the Postal Service's financial problems on the back of postal workers and consumers. "In creating the Commission," APWU President William Burrus said in December 2002, "Bush is responding to political pressure from the nation's largest business and advertising mailers, who are only interested in protecting the subsidized postage rates they now enjoy."

On July 31, 2003, Burrus' prediction was fulfilled when the Commission released its recommendations: The Commission recommendations allowed excessive postage discounts for corporate mailers to continue, but called for drastic cuts in wages and benefits, and proposed massive closings of mail processing plants and post offices.

Congress began conducting hearings on the Commis-

Key Issues In the Postal Reform Debate

- **Postal Pay:** The Commission report recommends replacing the Postal Rate Commission with a Postal Regulatory Board that would be charged with determining the "comparability" of postal pay to private-sector pay. In its calculations, the board would include set values for job security, holidays, leave, insurance, pensions, and healthcare benefits. Ultimately, this board would establish a wage cap that could not be exceeded under collective bargaining. **This proposal was rejected in both H.R. 4341 and S. 2468.**
- **Healthcare and Retirement.** The report proposed that postal unions be required to bargain for federal pension and healthcare benefits, which currently are guaranteed by law. The Commission urged lawmakers to consider severing postal workers from federal pension and healthcare programs. The Commission also proposed that Congress repeal the provision of the 1970 Postal Reorganization Act that guarantees that employee fringe benefits be at least equal in quality to what the unions and postal management agreed to after their first post-strike contracts were reached in 1971. **This proposal was rejected in both H.R. 4341 and S. 2468.**
- **Job Security:** The Commission called for eliminating the no-layoff clause and making new hires subject to federal reduction-in-force (RIF) procedures. **This proposal was rejected in both H.R. 4341 and S. 2468.**
- **Benefits for Injured Workers:** The Commission proposed significant limits on the rights of injured postal workers. **H.R. 4341 rejected these proposals. S. 2468 modified the recommendations, but calls for cuts in the benefits injured workers currently enjoy.**
- **Collective Bargaining:** The Commission recommended changing the ground rules for contract negotiations. Among other things, it proposed a reduced time period for negotiations, mediation, and a "Last Best Final Offer" mechanism. **H.R. 4341 includes a proposal supported by all postal unions and postal management to substitute mediation for fact finding. S. 2468 proposes no changes.**
- **Plant Closings and Consolidations:** The Commission proposed that the president appoint a special Postal Network Optimization Commission (P-NOC) to select mail-processing plants for closing or consolidation. The P-NOC recommendations would take effect automatically unless Congress disapproved them in their entirety within 45 days. **H.R. 4341 includes a proposal to study mail processing. S. 2468 proposes no changes.**
- **Universal Service:** The Commission recommended giving the new Postal Regulatory board the power to "clarify and refine" the postal monopoly, and to "review

Third Decade

sion's report late last year before drafting postal reform legislation this spring. In testimony and in meetings with lawmakers and congressional staff, APWU stressed the view that mailing industry interests dominated the Commission's proceedings, and ignored below-cost discounts granted to corporate mailers.

The Commission also seemed to accept the notion that postal workers are overcompensated and that our work should be "outsourced" to low-pay, no-benefit workers in the private sector.

The APWU held its ground on these and many other issues as legislation was formulated during the past few months, and encouraged APWU members to contact their representatives in Congress.

The union is mostly pleased with the results: Key committees in both the House and Senate rejected the Commission's most objectionable anti-worker and anti-consumer proposals, and unanimously approved postal reform bills that provide some necessary changes. The APWU's position on excessive discounts for corporate mailers also prevailed. However, the Senate version contains restrictions on the benefits of injured workers, which the union opposes.

The battle is far from over, as it remains unclear whether Congress will finish action on postal reform this year. (See pages 30-31.) If postal reform is not enacted this year, the process may begin anew in 2005, with the Commission's original proposals will be back on the table. ■

and refine" the universal service mandate, including six-day delivery. The politically-appointed board would set postage rates, define and adjust the scope of universal service, amend the postal monopoly, set wages and benefits, and review and act on complaints. "The Commission would give the board unprecedented authority," APWU President William Burrus noted, "with no accountability." **This proposal was rejected in both H.R. 4341 and S. 2468.**

- **Closing and Selling Off Post Offices:** The commissioners recommended changing the law that prevents the Postal Service from closing post offices solely for economic reasons. "Giving the USPS the power to close local post offices without citizen involvement," Burrus said, "could have a devastating impact on small businesses and rural communities." **This proposal was rejected in both H.R. 4341 and S. 2468.**
- **Uniform Postage Rates:** In addition to allowing the Postal Regulatory Board to modify service standards, the Commission recommended ending the "one stamp goes anywhere" practice by suggesting that uniform postage rates be maintained only "where appropriate." **This proposal was rejected in both H.R. 4341 and S. 2468.**
- **Expanded Discounts for "Worksharing":** Although the Commission recommended against creating

any new work-sharing discounts that exceed the costs avoided, it tacitly endorsed the present below-cost discount structure. The report supports the principle of discounts for pre-sorted mail and recommended that the practice be expanded.

H.R. 4341 and S. 2468 include APWU-endorsed language to prohibit excessive postage discounts.

- **Release of Escrow Monies to the USPS as a result of the Civil Service Overfunding Bill.** The APWU supports the release of surplus Civil Service Retirement System funds, while the Bush-appointed Commission was silent on the matter. The Bush Administration, however, appears opposed, based on concerns about the deficit. **Both H.R. 4341 and S. 2468 would release funds to the USPS and establish a fund to pay down unfunded health-benefit liabilities for postal employees.**
- **Military Service Times for Postal Employees:** The Commission recommends – and the APWU supports – reversing the law so that the USPS is relieved of a \$27 billion responsibility; the money instead would come from the U.S. Treasury, as it does for other federal agencies. The Bush Administration opposes such action, citing concerns over the deficit. **Both H.R. 4341 and S. 2468 would return obligations for military funding to the U.S. Treasury.**