

House Approves Postal Reform Bill

Bush Administration Demands Major Changes

The House of Representatives passed the Postal Accountability and Enhancement Act by a vote of 410-20 on July 26 and rejected three amendments approved for consideration by the Rules Committee. The voting lasted until after 9 p.m., and followed three hours of debate.

But a Statement of Administration Policy, released just hours before debate began, signaled that unless significant changes are made, President Bush will veto the bill.

The Senate is not expected to consider its version of postal reform legislation (S. 662) until after Congress returns from its annual August recess, and additional amendments could be introduced at that time. If the Senate approves the measure, a House-Senate conference committee would be convened to resolve differences between the two bills before the legislation is sent to the president.

Significant changes could be made by the conference committee, leaving little time for interested parties – including the APWU – to react.

“The House acted decisively yesterday to defeat three amendments that were hostile to postal workers and to the Postal Service,” said APWU President William Burrus. “But the final chapter on this legislation has not yet been written. We must continue to be vigilant and work to protect the interests of postal workers, the Postal Service, and the American people as the legislative process goes forward.”

Defeated provisions were amendments that would have removed a labor seat on the postal Board of Governors; established a pilot program allowing local postmasters to conduct privatization experiments; and left responsibility for military retirement costs with the Postal Service.

“I commend reform committee Chairman Tom Davis (R-VA), Ranking Minority Member Henry Waxman (D-CA), Rep. John McHugh (R-NY), and Rep. Danny Davis (D-IL) for the leadership they have shown,” Burrus said. “But there are those who remain determined to serve the mailing industry at the expense of postal workers and the American people. We cannot allow them to prevail.”

In its policy statement, the Bush administration repeated its opposition to two key provisions of the legislation that enjoy wide support in the postal community and among lawmakers of both parties.

The administration opposes releasing from an escrow account billions of dollars that the USPS has saved by ending overpayments to the Civil Service Retirement System (CSRS) unless those funds – up to \$70 billion over 60 years – are dedicated to pre-funding health care and retirement benefits for postal employees. Under the current legislation, the USPS would be able to use a portion of those funds to help cover other operating costs.

The White House also opposes returning to the Treasury responsibility for paying the military-service retirement pay for postal employees. That responsibility was transferred to the Postal Service under the 2003 law that allowed the USPS to end overpayments to the CSRS system. No other government agency is responsible for such costs.

The White House is also demanding that the legislation:

Allow greater flexibility on worksharing. The current provision “places too many restrictions” on the discounts to mailers that perform cost-saving tasks such as pre-sorting, the statement says.

Require arbitrators to consider financial health. The USPS, the policy statement says, must be assured that new limitations imposed by a postage rate cap will be considered during labor negotiations, a standard almost certain to undermine collective bargaining.

Cap future postage rate increases at the Consumer Price Index rate.

Reduce the benefits of postal workers injured on the job. Among other things, a provision in the Senate bill would delay workers’ compensation for those hurt at work. (Among federal employees, only postal workers’ benefits would be reduced.)

“The administration continues to insist on provisions that would reduce jobs, wages, benefits, and bargaining rights for postal workers,” Burrus said. “Yet it has rejected the positive proposals – embraced by the entire postal community – to free postal funds from escrow and return military retirement funding to the Treasury, which would drain billions of dollars from the Postal Service for many years to come.”

For more information on postal reform, visit the APWU Web site, www.apwu.org.

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