



## The NPMHU Legislative Agenda for the 117<sup>th</sup> Congress

### Background

In 2019, the 116<sup>th</sup> congressional session began with strong efforts to strengthen the United States Postal Service and protect its workforce. One of the early hearings within the House Committee on Oversight and Reform (COR) addressed the sustainability of the Postal Service. Then-Postmaster General Megan Brennan provided dire warnings on the financial health of the agency, calling upon members of Congress to address comprehensive postal reform. Conversations began on what the NPMHU and the other postal unions, as well as elected officials, USPS Headquarters, and other postal stakeholders expected out of reform language.

As this is a large subject with multiple and often conflicting opinions, introducing standalone legislation that tackled specific USPS finances became a path forward. Representatives Peter DeFazio (D-OR), Tom Reed (R-NY), Brian Fitzpatrick (R-PA), and Xochitl Torres Small (D-NM) introduced a bill that would remove the 2006 mandate for the Postal Service to prefund its retiree healthcare benefits, the main source of the Postal Service's debts. The bill, the USPS Fairness Act (H.R. 2382), had over 300 cosponsors, and passed the House in February 2019 by a vote of 309-106. Senators Steve Daines (R-MT) and Brian Schatz (D-HI) introduced companion language (S. 2965) in the Senate.

After this victory and movement forward, talks began between the NPMHU, other postal stakeholders, and elected officials on what new postal reform language would look like. Then the COVID-19 pandemic started.

Discussions on long-term solutions quickly shifted to what the Postal Service needed immediately in order to keep its workers safe during the COVID-19 pandemic, how to respond to changing demands from customers, and the pandemic's impact on the Postal Service's finances. In April 2020, then-PMG Brennan reported that USPS revenue from first class mail was decreasing; that employees' health and safety was at risk; and that the Postal Service could run out of cash by the end of the fiscal year.

Throughout the remainder of 2020, the NPMHU pushed for the emergency funding requested made by the Board of Governors, which included: \$25 billion in emergency appropriations; \$25 billion for "shovel-ready" projects; and \$25 billion in unrestricted borrowing from the Department of Treasury.

Early within the pandemic, Congress passed legislation providing 10 days of COVID-19 related sick leave as well as free coronavirus testing for all Americans. Additional legislation also allowed the USPS to borrow up to \$10 billion at the discretion of the Department of Treasury.

As these pieces of legislation offered limited relief to workers and added to the Postal Service's debt, the NPMHU endorsed further legislation that not only would provide \$25 billion in emergency appropriations, but also would provide for hazard pay for essential personnel and would remove borrowing stipulations on the \$10 billion loan, converting it to a grant.

Conversations between congressional leadership and the Trump Administration broke down, and the final COVID-19 package that passed in 2020 only contained relief for the USPS by converting the \$10

billion loan to a grant. President Biden has commented additional relief providing broader assistance will be a priority of his Administration.

## **117<sup>th</sup> Congress**

Moving forward into the 117<sup>th</sup> Congress, 2021-2022, the NPMHU will push a legislative agenda that addresses the needs of the Postal Service and its workforce as it continues to face the effects of the COVID-19 pandemic; tackles needed postal reform that ensures the financial sustainability of the Postal Service and protects its workers; strengthens workers' rights to organize; protects postal workers' earned retirement and healthcare benefits; and supports vote by mail initiatives at the state and national levels.

## **COVID-19 Relief**

In order to protect the USPS from drastic financial losses in revenue due to the COVID-19 pandemic, as well as protect the essential postal workforce, Congress must do the following:

- Provide \$25 billion in emergency funding to address pandemic-related revenue losses.
  - The USPS Board of Governors supported this emergency funding in its original request for aid before the House Committee on Oversight and Reform in April 2020.
  - Bipartisan legislation introduced in the House and Senate in the 116<sup>th</sup> session called for this emergency funding, the Postal Service Emergency Assistance Act (H.R. 8123/S. 4174).
  - In the 116<sup>th</sup> Congress, the House passed the Delivering for America Act (H.R. 8015), which included this emergency funding.
- Provide \$25 billion in funding for “shovel ready projects.”
  - The House passed the Moving Forward Act (H.R. 2) in the 116<sup>th</sup> Congress, which included this provision.
- Provide hazard pay for essential workers, which includes all postal employees.
  - The original language of the HEROES Act (H.R. 6800), passed by the House in the 116<sup>th</sup> Congress, included a provision providing for \$13.00 an hour in hazard pay for essential workers for time worked from January 27, 2020 until 60 days after the pandemic ends.
- Provide an additional 14 weeks of paid leave to postal employees because the employee is unable to work because of: quarantine or isolation orders related to COVID-19; self-quarantining due to health concerns; caring for a family member who is self-quarantining; caring for a child or dependent who cannot attend in-person learning or outside-of-the-home care due to COVID-19; or obtaining COVID-19 immunization or recovering from any side effects of such immunization.
  - Additional paid leave was granted to postal employees under the Families First Coronavirus Response Act (P.L. 116-127); however, that leave expired at the end of 2020.
  - This additional leave should be funded through the Treasury Department, and the burden of payment should not be placed on the Postal Service.
- Ensure that postal employees are recognized as frontline essential employees and are prioritized in states' COVID-19 vaccine distribution plans.
  - The Centers for Disease Control consider USPS employees essential and should be given priority for vaccines.
  - Not every state follows these guidelines, putting NPMHU members and other postal employees at further risk of exposure to the virus.
  - H. Res. 108 calls for this prioritization.

## Comprehensive Postal Reform

The Postal Service continues to struggle financially despite increased demands on services. Comprehensive reform, with the input of all stakeholders, needs to be introduced during the 117<sup>th</sup> Congress.

The NPMHU will continue to work with members of the House and Senate to draft bipartisan legislation that enforces sustainability and protects the workforce. Legislation must include:

- Repeal of the 2006 mandate for the USPS to prefund its retiree healthcare benefits.
  - The prefunding mandate is responsible for a substantial portion of the Postal Service's financial losses since 2013.
  - The USPS Fairness Act (H.R. 2382/S.2965), as introduced in the 116<sup>th</sup> Congress and passed in the House by a vote of 309-106, included a repeal to this prefunding mandate. Identical legislation has been reintroduced in the 117<sup>th</sup> Congress, H.R. 695 and S. 145.
- Provide for certain index fund investments for the Retiree Health Benefits Fund, rather than restricting the Fund to low-yielding Treasury bonds.
  - The Postal Service Financial Improvement Act (H.R. 2553) as introduced in the 116<sup>th</sup> Congress addressed this issue.
- Require Postal Service annuitants 55 and younger as of January 1, 2023 to enroll into Medicare when eligible for healthcare needs during retirement.
  - This prospective Medicare enrollment will reduce the Postal Service Retiree Health Benefits Fund unfunded liability by half.
  - This language was included in the 2019 postal reform draft language.
- Utilize postal-only assumptions for calculating pension liabilities.
  - The USPS Office of Inspector General reported in 2013 that this recalculation would reduce liabilities with the Civil Service Retirement System by \$1.3 billion while the Federal Employees Retirement System would see a reduction of \$9.5 billion in liabilities.
- Nonpostal services to grow revenue.
  - In draft language from postal reform legislation the NPMHU worked on in 2019, lawmakers looked at entering agreements with state, local, or tribal governments to provide property and services on behalf of such agencies for non-commercial products and services, such as providing fishing and hunting licenses, as a means of growth.
  - The USPS Shipping Equity Act (H.R. 2517) as introduced in the 116<sup>th</sup> Congress called for allowing the shipment of alcoholic beverages directly between licensed producer and retailers to the consumer. The USPS estimated this would generate over \$50 million annually.
  - Currently, the USPS has the authority to expand nonbanking financial services, providing ATMs, check cashing, bill pay, and expanded wire transfers and money orders. In a 2015 report from the USPS Office of the Inspector General, after a 5-year ramp-up, these expansions could generate \$1 billion annually.
- Utilize market-dominant rates.
  - The Postal Regulatory Commission should instate 50% of the exigency surcharge rate that was utilized through April 2016; this language was included in 2019 postal reform draft language.

## **Fundamentals of the Postal Service**

Members of Congress should continue to protect the basic fundamentals of the Postal Service, ensuring that every American household and business, in urban, suburban, and rural areas, has access to the universal service provided by the USPS. The NPMHU endorses resolutions introduced by Members of the House and Senate that express the need to ensure that the Postal Service remains a public entity that can ensure delivery.

- Expressing the sense that Congress should take all appropriate measures to ensure that the Postal Service remains an independent establishment of the Federal Government and is not subject to privatization.
- Expressing the sense that the Postal Service should take all appropriate measures to ensure the continuation of door delivery for all business and residential customers.
- Expressing the sense of the House of Representatives that the Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.

## **Strengthening Service Standards**

In the summer of 2020, Postmaster General Louis DeJoy instituted drastic changes to services. The negative impacts on delivery were seen almost immediately, with week-long delays of government and personal correspondence, vital medications, and needed home goods. While these changes in services were temporarily reversed, the Postal Service previously experienced cutbacks in service standards that have never been reinstated, including the virtual elimination of overnight delivery of first-class mail and periodicals. This does nothing but drive away customers and negatively impacts revenue. The NPMHU asks lawmakers in the 117<sup>th</sup> Congress to support a resolution that calls for the Postal Service to revert back to its 2012 levels.

## **Protecting Earned Retirement and Healthcare Benefits**

Unfortunately, it has become common practice to look at the earned retirement and healthcare benefits of postal and federal employees as a means to reduce the deficit. As the nation takes on greater debt in order to respond economic recession caused by the COVID-19 pandemic, the NPMHU is concerned that the House and Senate will again consider these cuts and will lobby against the following:

- Moving from a high-3 to a high-5 for annuity calculations;
- Eliminating FERS Cost of Living Adjustment (COLA) and reducing CSRS COLAs by 0.5%;
- Eliminating the FERS retirement supplement plan for those who retire before the age of 65;
- Reducing the G-Fund interest rates for those under the Thrift Savings Plan; and,
- Increasing employee retirement and healthcare contributions.

In addition to protecting these benefits, the NPMHU will work with lawmakers to strengthen retirement benefits as well. These measures include:

- The elimination or curtailing of the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).
  - In the 116<sup>th</sup> Congress, Rep. Rodney Davis (R-IL) and Sen. Sherrod Brown (D-OH) introduced the Social Security Fairness Act (H.R. 141/S. 521), which repealed both GPO and WEP.
  - In the 116<sup>th</sup> Congress, Rep. Kevin Brady (R-TX-08) and Sen. Ted Cruz (R-TX) introduced the Equal Treatment of Public Servants Act (H.R. 3934/S. 3401), providing for a \$100

rebate to those first eligible for WEP benefits before 2022; those impacted by WEP who are eligible for benefits between 2022-2060 would be subject either to a new formula or the current WEP formula, whichever is more beneficial; and those eligible for benefits in 2061 would be subject to a new formula.

- Providing temporary employees hired after January 1989 with the opportunity to make additional contributions to their retirement plans, allowing eligible employees to retire on time with full retirement benefits.
  - In the 116<sup>th</sup> Congress, Rep. Derek Kilmer (D-WA) introduced the Federal Retirement Fairness Act (H.R. 2478) to address this issue.

## **Promoting Workers' Rights**

In the 116<sup>th</sup> Congress, the NPMHU saw positive steps forward in basic workers' rights. The House of Representatives passed the PRO (Protecting the Right to Organize) Act (H.R. 2474), which would strengthen current federal laws by allowing private-sector workers to organize and join a union and bargain for better wages and benefits. Identical legislation was introduced in the Senate, S. 1306. Additionally, the House and Senate introduced the Public Service Freedom to Negotiate Act (H.R. 3463/S.1970), requiring public employers to recognize employees' rights to join a union and collectively bargain over wages, hours, working conditions, and allowing workers to access arbitration and mediation as a means of dispute resolution. The NPMHU will advocate for these bills again in the 117<sup>th</sup> Congress.

Despite the growth of production over the past years, American wages continue to fall behind and the federal minimum wage remains outpaced by inflation. In the 116<sup>th</sup> Congress, the Raise the Wage Act (H.R. 582/S. 150) called to increase federal minimum wage to \$15.00 an hour by 2025, with gradual increases over a five-year period. This measure passed the House, and the NPMHU will continue to push this issue in the 117<sup>th</sup>.

The NPMHU will also work with our brothers and sisters in LiUNA to protect prevailing wage laws, especially those under the Service Contract Act.

## **Strengthen American Elections**

During the 2020 elections, there was unprecedented reliance on the Postal Service for the processing and delivery of mail-in ballots. In the November 2020 general election, the Postal Service processed and delivered 135 million ballots (to and from voters), 610 million pieces of election mail, and an additional 4 billion pieces of political mail. The Postal Service delivered 97.9% of ballots within 3 days and 99.7% of ballots within 5 days. In order for this success to occur, constant communication between USPS, postal unions and management associations, and state and local election boards was necessary. As the pandemic continues, putting in-person voting at risk, these joint efforts need to continue. The NPMHU will promote legislation, primarily at the state and local level, to encourage democratic participation through "vote by mail" initiatives, and will support such efforts at the federal level as well.

The NPMHU will take all reasonable steps to ensure that mail handlers and their families are actively involved in upcoming elections, through voter registration, education, and efforts to increase turn-out. It is critical that all mail handlers and their families not only are registered to vote, but that they go to the polls to have their voices heard. We must continue to work to ensure that pro-union, pro-worker candidates are elected to represent our interests.