2022 UPMA LEGISLATIVE ISSUES BRIEF

The United States Postal Service at a Glance

2021 Peak

The USPS had its best "peak season" (Thanksgiving – New Year's Day) in years handling 13.2 billion (up from 12.7 billion in 2020) letters, parcels and packages, with an average delivery time of 2.7 days.

Finances

The USPS is the only entity—public or private—required to fully prefund its retiree health care benefits. For over a decade now, Congress has mandated the USPS prefund its retirement liabilities leading to an actual loss of $6.9 billion for 2021. In FY2021, the Postal Service's operating revenue was $77.0 billion, an increase of $3.9 billion, or 5.3 percent, and a net operating loss of $4.9 billion in comparison.

COVID-19

From the beginning of the pandemic, the USPS has been able to modify its operations to mitigate the impact of the pandemic and meet its universal service obligation. As essential workers, UPMA members ensured that post offices were open and operating.

UPMA Priority Issues in the 117th Congress

Comprehensive Postal Reform

UPMA Supports H.R. 3076, the Postal Service Reform Act of 2021—Rep. Carolyn Maloney (D-NY) and Rep. James Comer (R-KY), and S. 1720—Sen. Gary Peters (D-MI) and Sen. Rob Portman (R-OH)

The House Oversight & Reform Committee has passed bipartisan postal reform legislation; moving this bipartisan legislation is urgent. UPMA strongly supports this legislation and believes it is essential to address the USPS' long-term fiscal and governance challenges. H.R.3076 would make these changes:

- Eliminate the current prefunding mandate for USPS health care costs
- Require all postal retirees to enroll in Medicare (waives any penalty and provides hardship relief)
- Require preservation of six-day delivery
- Provide flexibility to the Postmaster General (PMG) to utilize ground transportation for cost efficiency and flexibility
- Require progress reports to Congress on the PMG's implementation of his reform plan

We also strongly support the following provisions as part of more significant postal reform:

- Reforming the USPS governance structure to improve decision-making
- Modernizing and enhancing USPS business practices
- Making essential investments to modernize facilities and the vehicle fleet

Postal Service Improvement Act

UPMA supports H.R. 3077—UPMA believes postal services are critical for all communities and small and large businesses. After the COVID-19 pandemic, the USPS proved its value to the election process and the American people. This bill ensures the USPS will transparently track ballots of any citizen who chooses to vote by mail with a barcode. Further, recognizing the sacrifice of USPS employees during the pandemic, USPS employees would be eligible for paid sick-leave plans consistent with other federal employees and contractors.

UPMA Priority Issues in the 117th Congress

Fair Treatment of Civil Service Retirement System (CSRS) Annuitants—WEP/GPO

UPMA supports H.R. 82—Rep. Rodney Davis (R-IL), H.R. 2337—Rep. Richie Neal (D-MA), H.R. 5834 — Rep. Kevin Brady (R-TX), and S. 1302—Sen. Sherrod Brown (D-OH)

Congress enacted two provisions more than three decades ago that unfairly penalized CSRS annuitants: the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

The WEP is a one-size-fits-all mechanism that reduces workers' Social Security benefits who participate in pension plans from employment not covered by Social Security, such as the CSRS. The GPO reduces a CSRS retiree's Social Security spousal or survivor benefits by an amount equal to about two-thirds of the CSRS annuity. All three bills would significantly impact the retirement security of retired Postal Service employees and current employees covered by the CSRS.

Remaining the Delivery Partner of Choice for American Small Businesses

The USPS is a significant supplier of cost-effective business solutions and makes it possible for small businesses to deliver goods, products and services to customers across the country and around the globe. Small companies, in particular, rely on their postal services to reach customers and maintain cost-competitiveness. The Universal Service mandate of the Postal Service and the fact that UPMA members manage delivery units in every city and town in the nation enable the penetration of the delivery market for small businesses. UPMA supports the USPS' efforts to strengthen and increase its market share in this phase of the business model they have adopted.

USPS Board of Governors Nominations

The bipartisan United States Postal Service Board of Governors consists of up to nine governors appointed by the President with the advice and consent of the Senate; no more than five governors may be from the same political party. On Nov. 19, 2021, President Joe Biden nominated two leaders:

Daniel Tangherlini, Nominee for Governor, United States Postal Service

Tangherlini has served in leadership roles in the public, nonprofit and private sectors: former administrator of the General Services Administration; CFO at Treasury; city administrator and deputy mayor of Washington, DC, under Mayor Fenty; interim general manager of DC's Metro; the first director of the DC Department of Transportation; CFO of the DC Metropolitan Police Department; and various roles in the federal government at the Department of Transportation and the Office of Management and Budget. Tangherlini received a BA and MA in public policy studies from the University of Chicago and an MBA from the Wharton School of Business at the University of Pennsylvania.

Derek Kan, Nominee for Governor, United States Postal Service

Kan is currently an executive at Deliverr, an eCommerce fulfillment startup. Before this role, Kan served as deputy director of the Office of Management and Budget and the undersecretary at the Department of Transportation. Prior to his service, Kan was the general manager for Lyft and a director of the Amtrak Board, for which the United States Senate unanimously confirmed him. Earlier in his career, Kan was a policy adviser to the former Senate Majority Leader. Before his time on Capitol Hill, Kan served as a presidential management fellow at the White House Office of Management and Budget. Kan received a BS from the University of Southern California, an MSc from the London School of Economics and an MBA from the Stanford Graduate School of Business. He was an Arjay Miller Scholar.