



UPMA 2019 Legislative Position Paper

Understanding the Current Reality Regarding the U.S. Postal Service

Over the past 11 years, the economic downturn of 2008 and the ongoing diversion of more and more First-Class letter mail to electronic formats have had a dramatic effect on the Postal Service from an operations standpoint. The impact has been felt acutely in the prefunding obligation. In FY18, *the USPS was required to prefund \$6.7 billion in retiree benefits*. This obligation, unfairly placed on the USPS by Congress as part of the 2006 “Postal Accountability and Enhancement Act” (PAEA) has kept the USPS from being profitable.

The USPS is the only entity—public or private—required to fully prefund its retiree healthcare benefits. Since passage of the PAEA, this unique postal obligation has dramatically affected USPS operations and finances. This unfair obligation has threatened the sustainability of daily, universal mail service and directly affected the morale of USPS employees. It impinges on service to the millions of Americans who depend on a first-class postal service.

Administration Task Force on Postal Reform

President Donald Trump established an interagency task force to determine a sustainable path forward for the USPS. The task force reaffirmed the need for universal delivery (consistent, dependable delivery to every postal address in the United States)

and outlined a number of ideas and proposals for how the USPS can return to solid financial footing. The United Postmasters and Managers of America (UPMA) has worked with the USPS and the Trump Administration throughout this process to offer UPMA members’ perspectives on postal reform.

The administration’s attention and engagement are important, but bipartisan legislation is the only way to resolve all the outstanding issues facing the USPS.

Bipartisan Congressional Activity on Postal Reform

Bipartisan postal reform legislation was introduced in the House and the Senate during the 115th Congress (2017/2018). We are confident that similar legislation will be introduced in the current 116th Congress. As Congress considers legislative proposals for postal reform, UPMA supports:

- Reducing the harmful effects of the retiree health care prefunding requirement on postal solvency and operations;
- Allowing the Postal Service to undertake postal product and service innovation;
- Promoting postal pricing that more accurately reflects the true costs of mail acceptance, processing and delivery;
- Enhancing a universal, accessible and affordable governmental postal system; and
- Assuring relief from the current restrictive re-

iree health liability by coordinating postal retiree Medicare benefits with the Federal Employees Health Benefits Program (FEHBP).

Other Legislative Priorities for UPMA in the 116th Congress Include:

- Determining an accurate calculation of the USPS' pension liability,
- Reforming the USPS governance structure to improve decision making,
- Modernizing and improving USPS business practices,
- Allowing the USPS to expand and develop mutually successful arrangements in delivering non-postal services to local governments and other federal agencies, as well as develop and implement innovative postal and non-postal products and services.
- Expanding MSPB appeal rights to all EAS-level employees, and
- Suspending further post office hour reductions and post office reclassifications.

Supporting the Benefits Enjoyed by Active and Retired UPMA Members

UPMA is committed to protecting the health and annuity benefits that active and retired members have earned through their service to the Postal Service and to America. UPMA opposes any cuts proposed in President Trump's budget that may have a negative effect on these benefits.

Fair Treatment of Civil Service Retirement System (CSRS) Annuitants

Over three decades ago, two provisions were enacted that unfairly penalize CSRS annuitants: the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

The WEP is a one-size-fits-all mechanism that reduces the Social Security benefits of workers who also participate in pension plans from employment not covered by Social Security, such as 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. Rep. Rodney Davis (R-IL) has introduced H.R. 141, which would repeal the punitive WEP and GPO provisions.

Maintaining an Independent U.S. Postal Service

Rep. Stephen Lynch (D-MA) introduced H.Res. 33, with bipartisan support, on Jan. 9, 2019. The resolution states: "That it is the sense of the House of Representatives that Congress should take all appropriate measures to ensure that the United States Postal Service remains an independent establishment of the Federal Government and not subject to privatization." As of Jan. 16, the resolution had 45 co-sponsors. A similar resolution and companion Senate resolution were introduced in the 115th Congress; UPMA is confident that a companion Senate resolution will be introduced in the near future. UPMA supports H. Res. 33 and will look to do the same when a Senate resolution is introduced.

Ensuring Universal Service for All Communities

UPMA believes postal services are a critical necessity for all communities and small and large businesses, as well as citizens both inside and outside major population centers. As a result, UPMA supports preserving the Universal Service Obligation.

Continuing To Be the Delivery Partner of Choice for American Small Businesses

Small businesses in particular rely on their postal services to reach customers and maintain cost competitiveness. The USPS is a major 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. UPMA supports the agency's efforts to strengthen and increase its market share in this phase of the business model it has adopted.

UPMA also would consider supporting any legislation that would allow greater pricing flexibility and encourage growth in the Postal Service. In the past few years, the Postal Service has proven it is able to meet the demands of the mailing public by reducing its workforce, reducing the number of processing and distribution facilities and continuing to achieve record service levels throughout the country.



United Postmasters and Managers of America
8 Herbert St.
Alexandria, VA 22305-2600
703-683-9027