



American Postal Workers Union, AFL-CIO
Legislative Fact Sheet:
Postal Reform that Makes Sense

Immediate legislative relief is needed to allow USPS to remain the world's premier universal postal service. USPS provides a constitutionally mandated service throughout our nation and its territories, using zero taxpayer dollars. The agency is self-sustaining, through funds generated from postage, fees and services. APWU urges Congressional action that allows the agency to remain financially stable.

To save America's Postal Service, adequate postal reform must:



(1) Repeal the mandate to pre-fund future retiree health benefits.

Currently, The Postal Accountability Enhancement Act (PAEA) requires an aggressive and fiscally unsustainable annual \$5.6 billion payment to pre-fund 75 years of benefits for future retirees within a 10 year period – a burden no other government or private entity is forced to bear. These payments are driving the agency to insolvency. In the first fiscal quarter of 2013 alone, USPS reported losses of \$1.3 billion, even though the agency had a \$100 million operational surplus before accounting for the payment.

(2) Return CSRS and FERS over-payments.

USPS has overfunded its Civil Service Retirement System (CSRS) and Federal Employee Retirements System (FERS) pension obligations. Unless refunded, the over-payments prohibit USPS from making necessary capital investments such as updating aging equipment, maintaining its fleet of vehicles or expanding product lines.

(3) Stop cuts to service, closures and consolidation of processing centers.

Cutting ourselves out of a hole is not the solution! USPS must not be allowed to destroy its network under the guise of efficiency and cost-saving. In 2012, USPS closed approximately 50 mail processing facilities and by the end of 2013 it will have closed approximately 100 more, disrupting communities that depend on timely mail delivery and the lives of

thousands of postal employees and their families. Additionally, reduction in work hours, closures, consolidations, and cuts to Saturday delivery hinder the agency's ability to provide universal service. Such cuts negatively impact American consumers and businesses through substantially delayed collection and delivery times. APWU opposes these draconian cuts in services available to the public.

(4) Preserve the collective-bargaining process.

Congress must resist the temptation to interfere with the collective-bargaining process by refusing to enact regulations that permit abolishing properly negotiated contracts. Congress should avoid injecting itself into the free and fair collective-bargaining process that has been in effect since the creation of the Postal Service

(5) Allow USPS to expand into new service lines.

The PAEA prohibits USPS from expanding into new revenue-producing opportunities and making use of its existing network of offices, facilities and equipment. By expanding into needed services such as lockboxes, digital products, kiosks and providing internet service to underserved communities, USPS can attract new customers and compete more effectively in the marketplace.

(6) Allow postal rates to be set by market principles.

A legislative cap on prices, imposed by the PAEA, prevents USPS from raising postage above the rate of inflation and prohibits the agency from setting rates that are adequate to cover its costs and continue to provide universal service.