

UPDATE

Take the Opportunity and Meet with Your Lawmakers Now

The first quarter of the 2019 Congressional Calendar is in the rear-view mirror and Congress is on recess through April 29. During this respite, most members of the House and Senate are at home in their districts and states, meeting with constituents and being accessible.

NAPS members should use this opportunity to interact with their elected officials to promote the NAPS 2019 Legislative Agenda unveiled last month at the Legislative Training Seminar (LTS) in Washington. Besides one-on-one meetings during the recess, Members of Congress are accessible through town hall meetings and community events. Our NAPS website, on the [Legislative Center tab](#), links to the key bills endorsed by NAPS, along with their real-time status and cosponsors.

Congressional Oversight of USPS

Three months into the 116th Congress, no member of the House or the Senate has introduced legislation that would alleviate the exceptional operational and financial pressures on the Postal Service. This lack of progress and has spawned disappointment in the postal community, given the urgency of the Postal Service's situation and the relative shortness of the Congressional calendar.

During the past three months, the Senate Homeland Security and Governmental Affairs Committee conducted two postal oversight hearings. Its [March 12 hearing](#) was on the President's Task Force on the Postal System, and involved testimony by Administration witnesses and others. [NAPS submitted written testimony](#) as well. The Senate panel's [April 2 hearing](#) was on the confirmation of two nominees to the Postal Board of Governors: Ron Bloom and Ramon Martinez. A House postal oversight hearing is expected to be held on April 30.

In the meantime, House resolutions supporting the continuation of door-delivery ([H.Res. 23](#)) and six-day delivery of mail ([H.Res. 54](#)) continue to gain cosponsors, as have House and Senate resolutions opposing Postal Service privatization ([H.Res. 33](#) and [S.Res. 99](#)). In addition, legislation to provide Merit System Protection Board appeal rights to EAS level postal employees presently denied such rights ([H.R. 597](#)) is also gaining support. NAPS members should continue to urge co-sponsorship of these measures.

Postal Regulatory Commission Cites USPS for Performance Decline

The urgency of legislation to address the performance challenges facing the Postal Service was underscored by the annual review of Postal Service operations and finances released by Postal Regulatory Commission (PRC) last week. The PRC's [2018 Annual Compliance Determination](#) assesses the Postal Service's compliance with provisions of Title 39 of the United States Code – the statutes covering USPS operations and finances.

The PRC concluded that USPS performance declined for a majority of postal products as compared to the previous fiscal year, and, for most products, the USPS failed to meet performance targets for FY 2018. The PRC found: "... service performance for all First-Class Mail products, both Periodicals products, USPS Marketing Mail High Density and Saturation Flats/Parcels, USPS Marketing Mail Carrier Route, USPS Marketing Mail Letters, USPS Marketing Mail Flats, USPS Marketing Mail Every Door Direct Mail—Retail, Bound Printed Matter Flats, Media Mail/Library Mail, and Post Office Box Service did not meet their targets."

The PRC also took note of declines in postal accessibility. The PRC documented the continuing decrease in the number of retail outlets and collection boxes. As compared to the previous year, the USPS reduced the number of USPS-managed outlets by 53 (2-year reduction of 261) and reduced the number of non-USPS-managed outlets by 205 (2-year reduction of 508). Ironically, the data shows that although the USPS is promoting alternative channels for conducting postal business (e.g., usps.com and "postal partners"), postal walk-in revenue declined by only 0.7%, as compared to the decline in internet-generated revenue of 3.7%, and the decline of "other means of conducting postal commerce" by 5.2%. This demonstrates the importance of postal-branded retail outlets, staffed by well-trained postal employees.

With the PRC's issuance of its Annual Compliance Determination, the PRC's attention may shift toward release of its final recommendations for establishing a revised postal rate-setting system. Late last year the PRC issued preliminary rate-setting recommendations. Since then, a vacancy on the PRC has been filled, and the five-member commission is now operating at full strength.

Senate, House Budget Resolutions Differ on Federal Retirement Cuts

Federal retirement and health benefits could be in the crosshairs of budget cuts once again this year. Senate Republicans in late March advanced a budget resolution that implicates cuts in federal benefits by instructing the Senate Homeland Security and Governmental Affairs to cut \$15 billion from programs within its jurisdiction. That instruction would likely involve cuts in retirement and health benefits.

In President Trump's FY 2020 budget request, the White House proposed a number of cuts to federal employee retirement benefits, reviving for the third time a series of controversial proposals that failed in Congress the past two years. Those proposals would:

- Require federal workers to contribute about 6 percent more to FERS, phased in over the next six years.
- Eliminate cost of living adjustments for current and future FERS retirees, and reduce COLAs for Civil Service Retirement System participants by 0.5 percent.
- Eliminate the early retirement supplement for FERS annuitants under the age of 62.
- Base annuity calculations on a FERS participant's highest five years of salary, rather than the current highest three years.

- Cut the interest rate of the Thrift Savings Plan's government securities (G) fund, likely by basing it on the four-week U.S. Treasury bill.

House Democrats' FY 2020 budget proposal, on the other hand, does not advance any of President Trump's proposals. The House budget resolution, called the Investing for the People Act (H.R. 2021), does not contain instructions to the House Oversight and Reform Committee to cut spending within its jurisdiction, which largely involve federal retirement programs. This difference with the Senate budget resolution over federal retirement benefits (and other areas of government spending) is likely to generate to a broader Congressional standoff later this summer. A budget stalemate could potentially lead once again in September to Washington shutdown theatrics, amplified by a partisan standoff over increasing the debt ceiling standoff.

NAPS Legislative Team