



# NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

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## Statement of National Association of Postal Supervisors

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## Hearing Before House Committee on Oversight and Reform

## Legislative Proposal to Put the Postal Service on Sustainable Financial Footing

February 24, 2021

Chairwoman Maloney, Ranking Member Comer, and members of the committee, thank you for receiving these views of the National Association of Postal Supervisors (NAPS) in connection with your February 24, 2021 hearing regarding legislation to restore the U.S. Postal Service.

NAPS strongly believes that America's success relies upon a high-quality, universal and affordable postal system that provides for the timely delivery of mail. As the foremost representative of Postal Service's mid-level management employees, including its more than 45,000 supervisory and managerial personnel, including postmasters covered by the Executive Administrative Schedule (EAS). NAPS members are responsible for operations in mail processing plants, post offices, stations, branches and USPS headquarters. Unlike employees represented by unions, EAS employees are not afforded collective-bargaining rights and most are exempt from the Fair Standards Labor Act.

During the election season last fall, postal employees truly delivered democracy to the citizens of our nation. Despite the ongoing coronavirus pandemic, postal employees carried the sacred instrument of our democracy – the ballot – to the homes of millions of Americans and returned those completed ballots to their counting destinations. The integrity of our electoral system was validated by the effective and secure transit of absentee ballots throughout the nation's mail system. Despite numerous challenges, postal employees successfully accepted, sorted and delivered absentee ballots from governmental election authorities to eligible voters, and, then from the voters back to election authorities.

Members of this committee, as well as our congressional leaders and our federal courts, should be credited for their exercise of appropriate oversight to ensure that actions taken by

USPS leadership did not interfere with the faithful delivery of these mail-in ballots. According to the U.S. Election Project, 65,642,049 votes were cast through the mail in the November election. According to USPS data, the average time to deliver ballots to voters was 2.1 days, and the average time to deliver completed ballots from voters to election officials was 1.6 days. That's a remarkable score.

Despite these accomplishments, NAPS members are deeply troubled about the continuing, seven-month decline in postal performance, especially with respect to the timeliness of First-Class Mail. NAPS believes that many of the factors contributing to the quality decline should have been anticipated. Weather issues are a constant seasonal threat, staffing availability due to the pandemic remained an ongoing problem, and high numbers of holiday parcels should have been anticipated. As early as July, 2020, NAPS was alerting postal headquarters, as well as Congress, about the danger of removing and dismantling such large numbers of mail processing machines without prior analysis of its impact on performance or the Postal Service's financial condition.

It is clear that Congress must act now to restore and sustain our Postal Service for years to come. Legislation will not be a panacea for all that afflicts the postal system, but we must not settle for a legislative placebo that does little to enhance postal operations and finances. For this reason, the following elements should be part of a postal restoration bill.

First, Congress should repeal the unfair and prejudicial requirement that the Postal Service prefund future retiree health benefits. In addition, Congress should direct the Office of Personnel Management to more fairly and accurately calculate the Postal Service's Civil Service Retirement System (CSRS) and Federal Employee Retirements System (FERS) liabilities. The current methodology results in a postal annuity liability significantly greater than it would be



using a more equitable calculation, as the one identified by the USPS Office of Inspector General. Furthermore, legislation should grant the Postal Service with the authority to invest the assets currently accounted for in its Retirement Health Benefits Fund and Retirement Fund in segregated investment funds that mimic the long-term Life Cycle Fund currently maintained within the Thrift Savings Plan.

Second, the Postal Service needs to raise revenue. Therefore, the agency should be empowered with greater flexibility to adjust its rates and more expeditiously adapt to the dynamic postal marketplace. Even with the incremental flexibility the Postal Regulatory Commission (PRC) authorized in its recent rate ruling, the Postal Service needs to be untethered from the suffocating CPI-U index on rate adjustments that was imposed by the 2006 Postal Accountability and Enhancement Act. It should also be noted that the PRC ruling is currently under judicial view.

The Postal Service also should be permitted to develop and market new and innovative post products and services. As mail diversion continues to erode traditional products, the agency should be permitted to spread its wings into new logistics and communication arenas. The Postal Service should also be able to reclaim its historical role in providing basic financial services in areas of our country that are unbanked or under-banked. And Congress should position the Postal Service to become the singular portal to a wide variety of government services, including those federal, state and local products requiring identity or address verification.

Third, the Postal Service needs to invest in critical infrastructure. The agency needs to build back its capacity to process and deliver mail at levels the mailing public reasonably expects, taking into account recent exponential growth in parcels. As a first step, the Postal Service needs to rectify the mail timeliness issues resulting from the ill-advised removal of

processing machinery over the past summer. Moreover, the Postal Service should invest in high-capacity parcel sortation equipment to meet customer needs for the years to come. In addition, the agency needs a modern, fuel-efficient vehicle fleet to carry mail and parcels. The current fleet is over 25 years old and is held together by the sheer tenacity of USPS vehicle maintenance personnel. Facilities and equipment should be updated to reflect the changing mail mix and evolve to accommodate parcel traffic.

Fourth, legislation needs to be attentive to the recruitment and retention of a dedicated and effective postal workforce. A key goal should be the extension of whistle-blower protection to postal employees, particularly mid-level managers and supervisors. While we cannot speak on behalf of members of the postal unions, our members are sometimes asked by members of Congress to share their experiences on the workroom floor, to provide expert knowledge on postal operations, or to assess postal performance. They should not fear retaliation from upper-level management for their disclosure of such information to Congress. Our members genuinely seek to provide you, their elected representatives, with accurate and timely information upon request. To accomplish that, EAS-level employees need to have the same whistle-blower protections as are extended to other federal employees.

EAS employees also call upon Congress to assure fairness in the statutory consultation process between NAPS and the Postal Service over pay and benefits. During the last Congress, Government Operations Subcommittee Chairman Gerry Connolly and Rep. Mike Bost introduced bipartisan legislation (H.R. 6085) to begin the consultation process promptly and to assure that fact-finding panel recommendations become binding. NAPS looks forward to favorable action on similar legislation by this Committee during this Congress.

Finally, we ask this committee to correct the situation that denies 7,500 EAS non-supervisory postal employees the right to appeal adverse personnel actions to the Merit System Protection Board, the same right enjoyed by all their EAS counterparts. There is no rational reason for denial of the same due process rights as their colleagues and peers who work at other postal facilities. In the last congress, Chairman Connolly and Rep. David McKinley introduced bipartisan legislation (H.R. 597) to provide due process for all EAS employees. NAPS urges this committee to take favorable action on similar legislation in the 117<sup>th</sup> Congress.

Madame Chairwoman, Ranking Member Comer and members of the committee, we stand ready to work with you and your staff in the days ahead to secure postal restoration legislation that sustains the Postal Service and provides fairness to its employees.

Thank you.