

House Panel Approves Postal Reform Bill

Lawmakers Reject Work of Presidential Commission

The House Government Reform Committee voted unanimously May 12 to approve the Postal Accountability and Enhancement Act of 2004.

"The House committee resoundingly rejected the anti-worker and anti-consumer recommendations of the President's Commission on the U.S. Postal Service," said APWU President William Burrus. "It also took an important step toward granting the Postal Service needed reforms."

None of the Presidential Commission's proposals to cut workers wages and benefits were adopted by the House Committee, and a Commission recommendation to authorize large-scale post office closings was also discarded.

In addition, the committee members voted to prohibit excessive "worksharing" discounts that subsidize the mailing industry; granted the USPS greater flexibility in rate-setting; approved the transfer of military retirement costs of postal veterans to the Treasury Department; approved the release of retirement funds from escrow; and embraced the principle of uniform rates. These were all issues the APWU had identified as crucial to meaningful postal reform.

Noting that the Senate had released a "discussion draft" of a postal reform bill on May 12 as well, Burrus said: "Our fight is far from over, and we must remain vigilant." He urged union members to continue to monitor the APWU Web site for updates, and be prepared to contact their elected representatives. (See below for more information on the Senate draft.)

Commission Proposals Rejected

Among the recommendations of the President's Commission that were **excluded** from the Postal Accountability and Enhancement Act (H.R. 4341) were:

- Granting a proposed Postal Regulatory Board the

power to cut wages and benefits in order to make them "comparable" to workers in the private sector;

- Making health care and retirement benefits – now guaranteed by law – "negotiable;"

- Instructing the Postal Service to "outsource" mail processing, retail, maintenance, and transportation jobs – everything but mail collection and delivery – to the lowest private-sector bidder;

- Eliminating the union's no-layoff clause and making new hires subject to federal reduction-in-force (RIF) procedures;

- Creating a Postal Network Optimization Commission that would have the power to close plants with virtually no input from workers, citizens, and elected officials;

- Removing the statutory barrier against closing small post offices for economic reasons;

- Undermining collective bargaining rights by changing the ground rules for contract negotiations;

- Giving a Postal Regulatory Board the authority to reduce the scope of universal service and end the USPS monopoly on letter mail;

- Continuing below-cost postage discounts for the mailing industry that are already in place, draining badly needed revenue from the Postal Service; and

- Giving the President and Secretary of the Treasury political control over the USPS by allowing them to appoint the USPS Board of Governors without Senate confirmation or any requirement that both political parties are represented on the panel.

"I want to publicly thank Committee Chairman Tom Davis (R-VA), and Representatives Henry Waxman (D-CA), John McHugh (R-NY), and Danny Davis (D-IL), who led a bipartisan effort to draft the bill," Burrus said.

"These legislators and their staffs engaged in lengthy negotiations with interested parties to formulate a bill that all the groups felt they could support. This was no small task."

Senate proposal would amend Title 5 of the U.S. Code by striking the words 'an employee' and inserting 'an employee other than a Postal Service employee,'" Burrus noted.

"I thought we were past the days of excluding specific groups from the protection of federal law," he said.

The APWU is also concerned about excessive postage discounts for corporate mailers, as well as by the authority that would be granted to a new Postal Regulatory Board. "Needless to say, the mailing industry is fighting to keep the discounts that make their businesses so lucrative.

"We are discussing these issues with key senators on the Governmental Affairs Committee, and hope to improve the bill before it is officially introduced. APWU members must be prepared to contact their elected officials and express their views on these important subjects."

APWU Decries 'Cost-Driven' Changes Proposed for Improving OWCP

Protesting the potential for adding insult to injury, APWU testimony before the House Workforce Protections Subcommittee cautioned that studies of the injury compensation system should focus more on workers than on costs.

"Any analysis which is based on the assumption that federal employees are somehow better off because they have become partially or totally disabled due to a workplace injury or illness is, at best, misguided," said APWU Human Relations Director Sue Carney. "Any analysis that focuses on the reduction of benefits runs counter to the spirit of the Federal Employees Compensation Act, and risks the creation of fundamental inequities for the injured worker."

The May 13 hearing was the first in a series of oversight hearings to examine the efficiency of the FECA program. The key issue is the program's effectiveness in claims processing and assisting employees in returning to work. (The subcommittee's work is unrelated to proposals to reduce the benefits of injured postal workers that are being considered by the Senate Governmental Affairs Committee as part of postal reform legislation.)

Testimony was given by claimants' representatives, medical providers, and Labor Department officials. It focused in large part on what Rep. Charlie Norwood (R-GA), chairman of the House panel, called "the difficulty in communicating with the Office of Workers' Compensation Programs, which administers FECA."

"While I know that the agency receives and processes a vast amount of mail, medical bills and phone calls each year," Norwood said, "the program must continue to improve its performance in these areas to benefit workers who need these critical services." Norwood noted that processing delays "can impact the entire system by significantly increasing the amount of time that workers remain off the job."

Despite this, Carney noted, time lost to Postal Service injury has declined steadily since fiscal year 2000, and continues to decline in fiscal year 2004. Postal workers are doing their part, Carney testified, "yet their federal injury compensation costs continue to rise.

"One major cost driver is the continuing increase in total amounts billed for medical services," the APWU Human Relations director said. "In any efforts to cut costs, it is



APWU Human Relations Director Sue Carney testifies at a House hearing on May 13.

imperative to control the escalating prices of this powerful industry rather than reduce benefits to injured employees."

"Despite our progress to date," said Shelby Hallmark, the director of OWCP, "there are structural features in the FECA which create, in themselves and in their interplay with civil service retirement law, incentives for workers to enter and remain on the long-term disability rolls long after they could be expected to return to work."

But Carney called FECA "a law based in equity," saying that, "unilaterally reducing benefits to the injured worker simply in an effort to lighten the financial liability of the employer is not an equitable response to the increasing injury compensation costs.

"Injured workers already suffer losses, both financial and emotional, for which they can never be compensated. A reduction in benefits that were fairly established would unjustly increase the already substantial burden of their injuries and illnesses, and literally add insult to injury... Subjecting injured workers to additional financial hardship and possible re-injury should not be a substitute for the cures that modern medicine has to offer."

The 88-year old FECA program covers three million workers and provides a variety of benefits for employees injured in the performance of their duties, including payments for medical care and wage-loss compensation for total or partial disability.

BDS Equipment Deployment Delayed

The Postal Service is delaying deployment of Biohazard Detection System (BDS) equipment because of inconclusive – "non-determinant" – test results.

As part of a pre-production phase for the equipment that is part of a response to the potential for bio-terrorism attacks, 15 pilot sites were chosen for BDS testing. A variety of metropolitan and rural settings were selected to allow the USPS to calibrate the system and establish a baseline for future reference.

The "non-determinant" results in the pilot testing, a recent USPS statement said, do not indicate the presence or suspected presence of a threat. "It merely means that a test result is inconclusive."

"Our objective throughout the entire deployment process has been to provide a scientifically valid approach,"

the statement said. "As a result of these isolated anomalies, we are taking every step necessary to make sure the BDS is working properly before it is rolled out nationwide."

The equipment continuously collects air samples that immediately undergo a rapid DNA analysis on-site. The sampling results are then transmitted electronically to postal officials. The BDS pilot program began about a year ago.

The technology used in the BDS is similar to that used to monitor air quality during the 2002 Winter Olympics. The President's Office of Science & Technology Policy working group has been reviewing the performance of the BDS.

Once testing is complete, BDS units will be installed on Advanced Facer Cancellor System machines in every postal facility. Full deployment is expected to take two to three years.

COLA UPdate

An increase in the Consumer Price Index in April means that if the adjustment were made based on the third month of the six-month measuring period outlined in the National Agreement, the sixth Cost-Of-Living Adjustment under the contract would give employees an annual raise of \$395.

The adjustment, which is subject to fluctuation in the next three months of accounting, would amount to a 19 cents per hour increase, which works out to \$15.20

per pay period. The sixth COLA will be based on the July 2004 index point and will take effect in September 2004.

The four most recent COLA increases took effect March 6 (\$208, reflected in checks of March 26), Sept. 6, 2003 (\$291), March 8, 2003 (\$250), and Sept. 7, 2002 (\$312).

Updated pay scales can be seen at www.apwu.org.