

A photograph of the United States Capitol building in Washington, D.C., featuring its iconic white dome and neoclassical architecture. The building is set against a bright blue sky with scattered white clouds. An American flag flies on a tall pole in front of the building. The image is framed by a blue curved border at the top and bottom.

Legislative Priorities for the APWU

APWU

American Postal Workers Union, AFL-CIO

A photograph of the United States Capitol building in Washington, D.C., featuring its iconic white dome and neoclassical architecture with columns. The sky is blue with light clouds. A thick blue curved line is at the top of the page.

Legislative Priorities for the APWU

The logo for the American Postal Workers Union (APWU), consisting of the letters "APWU" in a bold, blue, sans-serif font.

APWU

American Postal Workers Union, AFL-CIO



1300 L Street, NW
Washington, DC 20005

(202) 842-4200 • www.apwu.org

February 2009

TABLE OF CONTENTS

| | |
|---|----|
| <i>Introduction</i> | 3 |
| <i>Employee Free Choice Act Tops List of Legislative Priorities</i> | 4 |
| <i>Stop Outsourcing Postal Work!</i> | 6 |
| <i>An Unreasonable Burden: Requiring USPS to Pre-Fund Retiree Healthcare Benefits</i> | 7 |
| <i>Social Security Fairness for Federal Retirees</i> | 8 |
| <i>Universal Healthcare: A Basic Human Right</i> | 10 |
| <i>Sick-Leave Credit for FERS Employees</i> | 11 |
| <i>Raise the Government Share of Retirees' Healthcare Costs</i> | 12 |
| <i>The Family & Medical Leave Act</i> | 13 |
| <i>Let Retirees Pay Healthcare Premiums With Pre-Tax Income</i> | 14 |
| <i>Do-Not Mail Initiatives</i> | 15 |
| <i>Fair Compensation for Injured Postal Employees</i> | 16 |
| <i>Vote by Mail</i> | 17 |

INTRODUCTION

The election of President Barack Obama has given people from all walks of life a new sense of purpose, and victories by union-backed candidates in recent U.S. House and Senate elections have demonstrated the power of working people to make change. Hope abounds – despite the economic crisis, war, and turmoil around the globe.

This shift in political power gives us a unique opportunity to promote legislation that has eluded us over the last eight years.

This booklet outlines the legislative agenda of the APWU – areas where we can advance the interests of our members and other workers. It also identifies our priorities: Passing the Employee Free Choice Act, the Mail Network Protection Act, Healthcare Reform, and Social Security Fairness for postal and federal retirees, as well as ending the requirement that the USPS pre-fund retiree healthcare benefits.

This agenda will guide our work on Capitol Hill in the months and years to come, but our message will evolve as APWU members across the country become involved in the process and share the results of their work.

We encourage local and state leaders, activists, and “rank-and-file” members to join in shaping our future, and we look forward to hearing your views.

For more information about the subjects addressed in this brochure, visit the APWU Legislative and Political Department's Web pages at www.apwu.org.

Steve Albanese
*Assistant Legislative &
Political Director*

Myke Reid
*Legislative &
Political Director*

William Burrus
President

EMPLOYEE FREE CHOICE ACT TOPS LIST OF LEGISLATIVE PRIORITIES

Passing an Employee Free Choice Act is one of the top legislative priorities of the labor movement and the American Postal Workers Union. It would give American workers greater freedom to make their own choices about joining unions and bargaining for better wages, benefits, and working conditions.

An Employee Free Choice law would:

Recognize workers' freedom to form unions when a majority of employees sign authorization cards designating a union as their bargaining representative;

Encourage employers to bargain in good faith to achieve a first contract once a union has been formed;

Authorize court orders to stop employers from firing or threatening workers who favor unions; and

Stiffen penalties against employers that illegally fire or discriminate against employees who engage in union organizing activities.

Card-Check v. NLRB Elections

Employees would be able to choose between two options for gaining union recognition:

A "card check" procedure; or

The NLRB election process.

The "card check" procedure, under which workers sign forms indicating support for a union, is permitted under current law, but only if the employer agrees. Most employers force workers to undergo elections administered by the National Labor Relations Board (NLRB).

During NLRB-run elections, employers routinely wage anti-union propaganda campaigns, resulting in elections that are coercive and hostile, rather than free and fair. Employers frequently intimidate, harass, reassign, or even fire workers who support the formation of a union.

As the law stands now, even if every employee at a plant signs a card supporting union representation, the employer can *still* require an election.

An EFCA would protect workers' freedom of choice by requiring employers to bargain with a union authorized by a majority through the card-check procedure.

Real Penalties

An Employee Free Choice Act would put real teeth in the laws that are designed to protect workers, by adopting stronger and quicker penalties for retaliation by employers against employees who attempt to organize a union or obtain a first contract.

Currently, penalties are so minimal that employers routinely treat them as a minor “cost of doing business.” Remedies for affected workers often come far too late.

An Employee Free Choice law would require the NLRB to seek a federal court injunction against an employer when there is reasonable cause to believe that the employer has fired or discriminated against employees during a union organizing campaign.

First Contracts

The 2007 version of the bill would have encouraged employers to negotiate in good faith to achieve a first contract within 90 days: Failing that, it would have required them to participate in mediation.

Under the Employee Free Choice Act of 2007, if agreement on a first contract has not been reached after 90 days of bargaining, the employer or employees would have been able to request mediation by the Federal Mediation and Conciliation Service. If there was no agreement after 30 days of mediation, the dispute would have gone to arbitration to produce a contract that would bind the parties for two years.

Fifty percent of work sites where workers choose a union still don't have a contract two years after the election. Under current law, management can undermine employees' collective-bargaining rights through bad-faith



bargaining; there is virtually no legal deterrent to such conduct.

These reforms would help level the playing field for workers who want to form unions.

Congressional Action

The House passed the Employee Free Choice Act in 2007 with a solid majority, but a vote to pass it in the Senate was blocked by anti-union conservatives. As a result, the bill must be re-introduced in the 111th Congress, and the fight to make it law begins anew.

The outlook for making the Employee Free Choice Act the law of the land improved considerably with the recent election of President Barack Obama and more Senate and House members who support it. If Congress passes an Employee Free Choice Act, President Obama has pledged to sign it into law.

STOP OUTSOURCING POSTAL WORK!

Eliminating wasteful and inefficient subcontracting is a top priority for the APWU. Subcontracting is often costly, and detrimental to service and postal jobs.

To address the problem, on Nov. 15, 2007, Rep. Stephen Lynch (D-MA) introduced the Mail Network and Protection Act (H.R. 4236), which would have required the Postal Service to bargain with postal unions before it engages in significant contracting-out.



The APWU has strenuously advocated for such legislation, and we helped win 144 co-sponsors for the bill in the House of Representatives. But because the bill was not passed last year, it must be re-introduced in the 111th Congress. This is an important priority for the APWU, and our fight to make the Mail Network Protection Act law begins again.

The Mail Network Protection Act would help to safeguard inexpensive, trustworthy mail

service for the American public, and it would protect postal jobs. As the union has demonstrated – and the reports by the Government Accountability Office (GAO) have concluded – contracting out frequently ends up costing the Postal Service more than if the work were performed by postal employees. Too often subcontracting is inefficient, and the contractors' service to the public is poor.

Furthermore, as Rep. Lynch explained, "Privately-contracted employees possess significantly less training and experience than career postal employees and are not subject to the same hiring standards and procedures used by the Postal Service. More specifically, they do not possess the training or experience necessary to safeguard the mail, fellow employees, and the public against biohazards, mailed explosives, and other dangers that may impact the U.S. mail network."

Lynch's bill would apply to private contracts involving mail processing, mail handling, or surface transportation of mail, provided that over a 12-month period they involved the equivalent of \$5 million or 50 work-years. If the union and management failed to reach agreement on an outsourcing initiative, the bill would have allowed either party to submit the dispute to arbitration.

We believe that if postal workers are given the chance, we can do the work better and more efficiently in-house.

An Unreasonable Burden: **REQUIRING USPS TO PRE-FUND RETIREE HEALTHCARE BENEFITS**

The USPS is confronting a financial crisis so severe that it threatens the viability of the 235 year old postal system, an American treasure that has helped “bind the nation together” and remains a vital part of our economy.

The main cause of the Postal Service’s difficulty is the nation’s economic collapse, but the problem is exacerbated by a provision of the Postal Accountability and Enhancement Act of 2006 (PAEA) that requires the USPS to pre-fund its retiree healthcare benefits. No other federal agency is forced to operate with this budgetary constraint.

The APWU supports efforts to reverse this onerous and unwarranted burden on the USPS.

On Jan. 6, 2009, the first day of the 111th Congress, Rep. John McHugh (R-NY) and Rep. Danny K. Davis (D-IL) introduced a bill (H.R. 22) that would change how these premiums are paid: Instead of payments made directly from the operating budget of the USPS, the costs of current retirees would be paid from the Retiree Health Benefits Fund.



The annual pre-funding payments of more than \$7 billion required by the PAEA would continue, and there would be no impact on the benefits of retirees. This change would give the USPS some flexibility in controlling costs during a period of declining volume and economic instability.

H.R. 22 is not a bailout. It would not require any expenditure of taxpayer monies, yet it would provide relief to USPS of more than \$2 billion per year, substantially narrowing its deficit.

This legislation would provide substantial short-term relief to the Postal Service.

SOCIAL SECURITY FAIRNESS FOR FEDERAL RETIREES

Congress should modify Social Security law to eliminate the so-called Government Pension Offset and Windfall Elimination provisions, which unfairly reduce Social Security benefits for federal employees who earn a Civil Service Retirement System (CSRS) annuity.

Due to these unfair provisions, CSRS retirees do not receive Social Security benefits that reflect the full amount they paid into the system. Many postal and federal employees paid a substantial amount into the Social Security system from wages they (or their spouses) earned at non-federal jobs. It is unfair to deny them benefits commensurate to their contributions.

Background

The Government Pension Offset Provision (GPO) affects CSRS retirees by reducing and even eliminating Social Security survivor benefits if a surviving spouse receives a CSRS pension. In other words, if a retiree loses a spouse who was receiving Social Security benefits, his or her survivor benefit is reduced by two-thirds of the amount of the CSRS annuity. For every \$3 received from a CSRS annuity, Social Security payments are reduced by \$2. In most cases, the Government Pension Offset will eliminate the survivor benefits a spouse would be entitled to under Social Security.

The Windfall Elimination Provision (WEP) reduces the Social Security benefits of CSRS retirees who do not have at least 30 years of “substantial earnings” over the course of their working lives from jobs outside of the federal sector from which Social Security taxes were deducted. Many CSRS retirees

The APWU urges members of Congress to co-sponsor and pass the Social Security Fairness Bill (H.R. 235), which would repeal the unfair Government Pension Offset and Windfall Elimination provisions of Social Security law. These provisions deny earned benefits to CSRS retirees.

have some non-federal earnings, but may be unable to meet the “substantial earnings” test. They therefore will face reductions in their Social Security benefits unless the WEP is repealed.



Most postal workers hired before 1984 are enrolled in CSRS, yet many have paid substantial Social Security taxes while working in other occupations.*

Thousands of postal workers – and nearly one million current government retirees nationwide – are now penalized by the GPO and WEP. Many more will be

penalized in the future, as they begin their retirement.

Nine out of 10 public employees affected by the GPO are forced to sacrifice much of their Social Security survivor benefits even though their deceased spouses paid Social Security taxes for many years. According to the Congressional Budget Office, the GPO reduces Social Security benefits for 300,000 retirees by more than \$3,600 a year – and that can make the difference between retirement security and poverty.

**Federal workers hired after 1983 are enrolled in the Federal Employees Retirement System (FERS), not CSRS, and are not affected by the Government Pension Offset and Windfall Elimination provisions. CSRS enrollees do not pay Social Security taxes on wages earned while working for the federal government; instead, they pay their contributions for retirement into the Civil Service Retirement and Disability Fund.*

UNIVERSAL HEALTHCARE: A BASIC HUMAN RIGHT

Nearly 47 million Americans lack health insurance, and millions more worry every day about losing their coverage. President Obama has made it clear that healthcare reform must be passed, sooner rather than later.

APWU supports legislation that would provide health insurance to all Americans. The time for talking about this crisis is long past.

All families deserve the security of a universal healthcare system that guarantees access based on need rather than income. Healthcare is a fundamental human right and an important measure of social justice.

As a nation, we must summon the political will to enact comprehensive, nationwide healthcare reform. There is convincing evidence that the healthcare crisis can be solved with the tools at hand, and at a cost that pales in comparison to the toll the current system exacts.

It is time to mobilize America behind a concrete plan to enact universal healthcare coverage.

Lacking Health Insurance

The lack of health insurance forces millions of Americans to suffer sub-standard care; to use emergency rooms as their primary source of medical attention; and to forgo preventive care.

The cost associated with 47 million uninsured Americans ripples throughout the economy,



and healthcare has become the most significant point of contention in virtually every labor contract negotiation in recent history.

Single Payer

The labor movement supports the “single-payer” system under which all healthcare revenue goes into a single public fund that pays for all medical services. A single-payer system would:

- Guarantee the same coverage for all citizens, regardless of employment status or wealth;

- Provide a free choice in the selection of a caregiver;

- Reduce administrative costs; and,

- Leave decision-making tasks in the hands of the public.

And, it can be done. Systems like this have been adopted by all other industrialized nations.

APWU will support legislation that provides affordable – and adequate – single-payer healthcare coverage for all.

SICK-LEAVE CREDIT FOR FERS EMPLOYEES

Under current law, employees who retire under the Federal Employees Retirement System (FERS) receive no compensation for their accrued sick leave balance. FERS employees consider this a gross inequity, since employees covered by the Civil Service Retirement System (CSRS) receive credit for unused sick leave when they retire.

The APWU believes that allowing FERS employees to be rewarded for unused sick leave is long overdue and must be addressed now.

Most active-duty postal workers now participate in the FERS program, and in recent years those hired in the mid 1980s have begun to retire. The APWU believes that allowing FERS employees to be rewarded for unused sick leave is long overdue and must be addressed now.



Studies have shown that making this change will benefit the employer as well as employees, because FERS employees currently have no incentive to maintain a positive sick leave balance as retirement draws near.

On Feb. 10, 2009, Rep. Jim Moran (D-VA) and Rep. Frank Wolf (R-VA) introduced the FERS Sick Leave Equity Act (H.R. 958) to rectify this injustice. The APWU enthusiastically supports this legislation.

RAISE THE GOVERNMENT SHARE OF RETIREES' HEALTHCARE COSTS

As healthcare costs have exploded in recent years, retirees have felt the strain. Since 2001, premiums for plans in Federal Employee Health Benefits (FEHB) Program have increased on average more than 50 percent.

A bill introduced March 1, 2007, would have increased the government's contribution to these health insurance plans. Sponsored by House Majority Leader Steny Hoyer (D-MD) and co-sponsored by Rep. Frank Wolf (R-VA),



This legislation would help take the bite out of rising health insurance costs and make it easier for federal and postal retirees to afford quality healthcare.

the legislation would have raised the government's premium share from the current rate of 72 percent to 80 percent. The bill was not passed in the 110th Congress, but we hope it will be re-introduced soon.

According to the Office of Personnel Management (OPM), such a bill would save the typical federal or postal retiree approximately \$500 annually. It would help take the bite out of rising health insurance costs and make it easier for federal and postal retirees to afford quality healthcare.

THE FAMILY & MEDICAL LEAVE ACT

As the Bush administration left office, it gave workers one final kick in the teeth: The Department of Labor implemented new regulations governing the Family and Medical Leave Act (FMLA) that made it harder for workers who are covered by the law to use the leave. Outgoing President Bush made the changes effective Jan. 16, 2009, just four days before President Obama took office.

We encourage APWU members to contact their legislators and urge them to take steps to reverse the Bush administration's last-minute changes to the FMLA.

The FMLA allows eligible workers to use up to 12 weeks of unpaid leave during any 12-month period to care for themselves or family members during illnesses or for the birth or adoption of a child.

The new rules weaken workers' FMLA protections by:

- Allowing employers to contact an employee's healthcare providers without the employees' knowledge or permission;

- Defining "Serious Health Condition" more narrowly;

- Requiring employees to provide more medical documentation about their conditions and absences, and to provide it more often;

- Permitting employers to request FMLA recertification every six months in conjunction with an absence, at the employee's expense;

- Giving employers more time before having to designate leave as FMLA, allowing managers to delay granting leave requests until they are "satisfied" that the information they have received qualifies employees for FMLA absences; and

- Requiring employees to give notice of FMLA absences "as soon as possible," while current regulations permit employees up to two days to provide such notice. The APWU and other unions contend that this revision would give management more control over family and medical leave absences.

The regulations are nearly identical to rules proposed by the Department of Labor last year that prompted a flood of complaints from workers, union officials, and family advocates, including many from APWU members.

Efforts to reverse or modify these changes are underway.

The new regulations include one positive feature: A clarification of how military families can take time off to care for wounded service members. In January 2008, Congress approved legislation (P.L. 110-181) extending the FMLA to military families.

LET RETIREES PAY HEALTHCARE PREMIUMS WITH PRE-TAX INCOME

Congress should change the tax law to allow postal, federal, and military retirees to pay for their healthcare insurance premiums with pre-tax income.

Such a change would extend an important tax benefit that is now available to active federal and private-sector workers to federal retirees enrolled in the Federal Employees Health Benefits (FEHB) Program. The APWU will work to see that legislation is introduced to accomplish that goal.

Access to affordable health care is a critical issue for all retirees, especially former postal workers on fixed incomes, whose retirement security is threatened by substantial increases in healthcare premiums.

Background

Federal retirees currently pay their share of their health insurance premiums with after-tax dollars, which are withheld from their annuity checks after income taxes and Social Security payments are deducted.

While passing such legislation would not lower FEHB contributions for retirees, it would offset rising costs by reducing their tax liabilities. This would allow retirees to pay their healthcare premium with pre-tax income, and would save the typical USPS retiree approximately \$435 annually, depend-

ing on his or her tax bracket and marital status.

In October 2000, Section 125 of the Internal Revenue Code was changed to allow federal workers to deduct their share of health insurance premiums from their taxable income, thereby reducing their payroll and Social Security taxes. Private-sector workers have been eligible to do so for many years. This tax benefit has not been extended to federal and military retirees, however, creating an inequity.

On average, federal retirees pay 29 percent of the premium costs for their health insurance; the remainder is paid as an earned retirement benefit by the federal government.

According to the Government Accountability Office, FEHB premiums increased by an average of nearly 9 percent a year from 2003 through 2006. This trend is likely to continue, exacerbated by rising costs of prescription drugs and outpatient care.

Cost-of-Living-Allowances (COLA) increases have risen far less over the same period. As a consequence, federal and postal retiree incomes are decreasing, a trend that could force many to discontinue their healthcare coverage.

DO-NOT MAIL INITIATIVES

In 2007, 15 states considered legislation that would have established “Do Not Mail” registries, patterned after the popular “Do Not Call” lists, and in 2008, 12 states considered such bills. These varied bills had one common feature: They would have prohibited the Postal Service from delivering advertising mail to listed customers.

Working with the AFL-CIO, as well as other postal unions and mailers’ groups, we have been successful in defeating these bills. One by one, they were withdrawn, killed in committee, or rejected in votes by state legislators.

However, we expect aggressive efforts to establish Do Not Mail lists to continue, and we must be on guard to defeat them. Since these efforts are typically state-wide rather than national, vigilance by state and local organizations is especially important in this effort.

Fortunately, once legislators learn of the potential economic impact of these bills, support for them usually wanes.

The effect on the Postal Service would be devastating: Limiting advertising mail would result in a dramatic decline in postal revenue. With the USPS facing a severe financial crisis, the creation of Do Not Mail lists could be a death knell. Cuts in service would have to be implemented to offset lost revenue, and the cost of first-class mail would increase.

The business community would be harmed as well: Many companies would be forced



to use more costly forms of advertising, and the increased costs would be passed on to consumers. Because it is inexpensive, advertising mail often helps “level the playing field” for small businesses. Limiting advertising mail would put these companies at a serious disadvantage.

Millions of jobs related to advertising mail – including copy writers, designers, and printers, as well as postal workers – would be jeopardized.

This legislation is not needed: Marketers already offer consumers several options for selecting mail they want to receive and stopping mail they don’t want.

Furthermore, equating unwanted advertising mail with telephone solicitations is a faulty comparison: Unsolicited phone calls can be disruptive to family life and are delivered via a telephone service paid for by consumers. Advertising mail is unobtrusive; it can be reviewed or discarded at a customer’s convenience, and it costs the recipient nothing.

FAIR COMPENSATION FOR INJURED POSTAL EMPLOYEES

Among the many negative aspects of the Postal Accountability and Enhancement Act is one provision that is fundamentally unfair: The 2006 law established a three-day waiting period before postal employees who are injured on the job become eligible for workers' compensation benefits.

This provision applies only to postal workers; no the other federal workers covered by the Federal Employees' Compensation Act (FECA) are subjected to this penalty.

The law forces postal workers to use annual leave, sick leave, or leave-without-pay for the first three days of their absence from



The three-day waiting period is fundamentally unfair. No other federal workers covered by the FECA are required to endure this penalty.

work due to work-related injuries, and their leave will be restored only if their absences exceed 14 days. This creates an unprecedented disparity in the way postal workers are treated.

This provision is essentially inhumane. It penalizes workers who suffer job-related injuries through no fault of their own.

Correcting this injustice will continue to be an important objective of the APWU.

VOTE BY MAIL

Across the country, an increasing number of states, cities, and counties are making it easier for their citizens to vote – without waiting in long lines or relying on electronic voting machines that could be faulty: More and more governments are allowing their constituents to vote by mail.



The APWU enthusiastically supports this trend, which will encourage working people to exercise the most fundamental right of every citizen – the right to vote. We believe that voting in every election should be as convenient, fair, and secure as possible.

There are many advantages to voting by mail:

- It increases voter participation;

- Voting by mail can improve the integrity of elections by creating a paper trail;

- It expands the timeframe within which ballots can be cast;

- Mail balloting eliminates long lines;

- It reduces the possibility of polling-place intimidation;

- Voting by mail removes the obstacles that prevent many people from voting, such as having to leave work early or arrange for daycare, and

There is no confusion about where to vote.

And perhaps best of all, ballots would be handled by the most trusted federal agency: the U.S. Postal Service.

In the last Congress, bills introduced by Rep. Susan Davis (D-CA) and Sen. Ron Wyden (D-OR) sought to expand opportunities for voters to cast ballots by mail without eliminating traditional polling places. The APWU supports these initiatives.



Voting By Mail Works

Twenty-three states already allow voting by mail, and they have found that it works.

Oregon, which uses mail-in voting, has had the highest level of voter participation of

any state: A whopping 87 percent of registered voters cast ballots in 2004. And, in a 2003 survey, 81 percent of Oregonians said they preferred voting by mail to traditional polling-place elections.

In California, seven years after instituting “permanent, no-excuse absentee registration,” which allows voters to choose to receive their ballots by mail, more than 50 percent of ballots cast in 2008 were submitted by mail. Other states have experienced a similar level of acceptance, along with increased participation.

Studies have shown that adding the option of voting by mail does not give an advantage to any political party. Republicans and Democrats both benefit from comparable

increases in participation when voters are given the choice of voting by mail. Support for mail-in balloting cuts across virtually every major demographic group – including age, race, income level, education, employment status, and political affiliation.

One of the important features of mail-in balloting is the low incidence of fraud compared to other methods. Voting by mail gives election officials the ability to validate every voter’s signature and creates a verifiable paper trail. Increasing complaints about other balloting methods highlight the value of voting by mail.

Voting by mail will enhance our democracy and give American voters a choice that they need and deserve!

APWU

American Postal Workers Union, AFL-CIO



1300 L Street, NW
Washington, DC 20005

(202) 842-4200

www.apwu.org

