

Testimony of

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Before the

Committee on Oversight and Reform

US House of Representatives

**“Legislative Proposals to Put the Postal Service on Sustainable Financial
Footing”**

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Chairwoman Maloney, Ranking Member Comer, committee members. I welcome the opportunity to testify before you. My name is Mark Dimondstein, I'm a postal worker from Greensboro, North Carolina. Since 2013, I have served as the President of the American Postal Workers Union representing 200,000 of the 630,000 postal workers who proudly accept, sort, transport and deliver mail to 161 million addresses a day, no matter who we are or where we live. Over the years, we've worked closely with the three other postal unions, all equally dedicated to the postal mission of universal service at affordable rates and working with Congress to build consensus on legislation.

The pandemic has underscored the vital role of the Postal Service, enshrined in the Constitution and overwhelmingly supported by the public. Our mission is to "bind the nation together" by moving critical information, necessary goods, life-saving medicine and providing voters access to the ballot box. Like other frontline workers, postal workers have been nothing short of courageous in these dangerous and stressful times.

As millions sheltered at home, the Postal Service continued to connect every home and business in the country. We once again delivered more than a billion prescription drug orders – many to the country's Veterans who overwhelmingly receive their lifesaving medicines by mail. And of course, when the pandemic threatened the ability of the people to exercise their cherished right to vote, postal workers moved heaven and earth to safely and securely deliver more than 65 million ballots to the ballot box on a non-partisan basis.

The last year has understandably brought a new appreciation for and attention to the Postal Service and exposed the need to address its long-

term stability. The system is suffering under the strains of the pandemic, decades of understaffing and underinvestment and at times misguided policies. Service has fallen to an unacceptable and unprecedented low.

Legislative Reforms

The Postal Service's financial situation, coupled with its decline in service performance, necessitates bold action on the part of this committee. At a minimum, any postal reform bill intended to "right the ship," should include the following pillars:

First, repeal the unprecedented and draconian 2006 mandate to pre-fund future retiree health benefits decades in advance. A study by the Institute for Policy Studies reveals that the prefunding mandate accounts for 84% of reported postal losses since the passage of the Postal Accountability and Enhancement Act (PAEA.) We were encouraged by the bipartisan support for prefunding repeal by the House, passed by a margin of 309 to 106 in the last Congress and we look forward to its swift passage in this session.

Second, Investment of Retiree Health Funds: The \$45 billion currently in the retiree health benefit fund is invested solely in low yield treasury bonds, and is being far outpaced by rising medical costs. The Postal Service is forced to make up the differences of billions in lost growth. We suggest a minimum of 50 percent of the funds be invested in well-proven TSP like funds with strong oversight. Postal generated monies created with no tax payer subsidies should not be used to subsidize the federal treasury at the expense of the public Postal Service. Like the repeal of the prefunding mandate, this should be a central piece of any reform package.

Third, and only as a companion to the first two pillars, integrate on a prospective basis, future postal retirees into the Medicare system. This must be carefully designed as a postal plan within the FEHB umbrella to ensure that the health benefits retirees have earned through their dedicated service are not sacrificed. Appropriate exceptions should be afforded to those who would not benefit from Medicare integration, such as Veterans who use the VA system for care, those who live outside of the country or in an area where these plans are not offered, or those who would experience financial hardship.

In addition, there is also no question that your oversight and legislative efforts are needed to address the current chaos of mail delays. Current delivery standards should not only be upheld and met, but restored to the July 2012 level. The Postal Service must not be allowed to artificially “improve” their performance scores by further lowering service standards. This is no time to shutter or further consolidate processing facilities and post offices which will only further delay the mail and drive away postal customers and revenue. The law requires, and the people deserve “prompt, reliable and efficient” service.

No one is more dismayed about the mail service delays than postal workers. We take seriously our commitment to serving the public and ensuring they receive the prompt, quality postal service they deserve. I urge this committee to provide the oversight necessary to ensure that postal management is not given the opportunity to further degrade service, and not be allowed to move the goal posts of “success.”

Relief & Investment

In addition to the postal reform pillars outlined above, both the pandemic and the recent service crisis underscore the need for additional, even bolder action to ensure the future viability of the Postal Service.

The bi-partisan Postal Board of Governors has called for \$25 billion in emergency COVID relief. This body has twice passed such a provision. As a “down payment” on that request, the December relief package converted a \$10 billion debt extension passed in the CARES act into a grant to the Postal Service.” Emerging COVID legislation should include the additional \$15 billion to help stabilize the Postal Service during this crisis.

We also urge Congress to pass an additional \$25 billion “modernization grant” requested by the Postal Board of Governors. In the last Congress, this body honored that request when it passed H.R. 2, the Moving Forward Act, which made long overdue investments in a clean postal fleet and provided funds to modernize postal facilities and to outfit local post offices with electric vehicle charging stations. As Congress looks toward building their next infrastructure bill, we urge that the postal provisions found in H.R. 2 be included in that package. This will not only put the Postal Service on firmer footing, but will support good jobs in the wider postal industry and in manufacturing.

The Postal Service is a national treasure that belongs to all of us. It is a trusted and vital cornerstone of the fabric of our country. Postal workers and our unions remain committed to serving the people of the country.

Two days ago, this committee published a discussion draft for postal reform legislation. While I applaud the positive intent behind the effort and unite

with some of the provisions, our union has a number of concerns that must be addressed. The APWU looks forward to working with this committee and on the important bi-partisan basis, to ensure the long-term sustainability of the public Postal Service and I look forward to any questions.