

UPDATE

NAPS Leg/Reg Update - July 13, 2016

House Panel Clears Postal Reform Measure

A bipartisan postal reform bill passed a key vote in a House committee on Tuesday, leading to possible House passage of the measure in September, when the House returns from its seven-week summer recess. Although numerous hurdles and a short legislative calendar remain, postal reform proponents, including NAPS, were encouraged by the bill's progress.

The House Oversight and Government Reform Committee approved the 2016 Postal Service Reform Act, [H.R. 5714](#), introduced on Monday by five of the Committee's Republican and Democratic leaders: Chairman Jason Chaffetz (R-UT), Ranking Member Elijah Cummings (D-MD), along with Reps. Mark Meadows (R-NC), Gerry Connolly (D-VA) and Stephen Lynch (D-MA). The five lawmakers last month released a [discussion draft](#) of the bill, which turned out to be similar in most respects to the bill approved by House committee on Tuesday.

At Tuesday's markup, Committee Chairman Chaffetz encouraged committee members to approve the bill to trigger a Congressional Budget Office study of its costs, including those related to integration of Medicare benefits for all USPS retirees. The House bill would require postal retirees electing to receive federal health insurance to enroll in Medicare parts A and B as their primary care provider. The bill would incrementally subsidize a decreasing portion of retirees' Medicare premiums over four years. Most postal employees enrolled in the Federal Employees Health Benefits Program would have to select a plan specific to USPS workers.

Cummings and Connolly both acknowledged that the legislation was not

perfect, but that it was better than continued delay without reform. “Delay in postal reform is simply not an option,” Cummings said.

Some stakeholders, including some mailers and consumer interests, are not supportive of the measure because of its impact on postage rates. So does the National Active and Retired Federal Employees Association, which is opposed to the bill's mandatory Medicare coverage of postal retirees.

[Last month](#) NAPS President Atkins, without endorsing or opposing the legislation, cited similar retiree concerns about the legislation, saying: “The Medicare enrollment mandate has caused legitimate concern among some postal retirees not currently enrolled in Medicare B because of its arbitrariness and the cost of added premiums.” “The legislation should be revised to broaden the Medicare Part B premium ‘hold harmless’ provision to include Medicare-eligible Civil Service Retirement System postal annuitants, or to permit such annuitants, to opt-out and decline Part B coverage for hardship reasons,” Atkins said. Rep. Brenda Lawrence (D-MI), a former USPS supervisor, expressed similar sentiments at Tuesday's markup.

The House measure also has generated concern from the postal employee unions, particularly the [National Association of Letter Carriers](#), over its aggressive approach toward the conversion of door delivery to curbside or clustered drop offs, requiring immediate incremental conversions for businesses. Door delivery for residential customers would end if 40 percent of the impacted residents approve.

A separate bill, [H.R. 5707](#), approved by the House Oversight committee Tuesday, introduced by Rep. Stephen Lynch, would require the Treasury Department to invest at least 25 percent of the money currently in the retiree health benefits account more aggressively, in a plan similar to the Thrift Savings Plans lifecycle fund.

Chaffetz described the postal reform measure as "fairly close" to a Senate companion measure that has remained stalled in the Senate Homeland Security and Governmental Affairs Committee. The Senate panel's chairman, Sen. Ron Johnson (R-WI), has said he would not move the measure until the House demonstrated progress in moving its own bill.

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