



The Hi-Lites



The official publication of Milwaukee, WI Area Local APWU, AFL-CIO

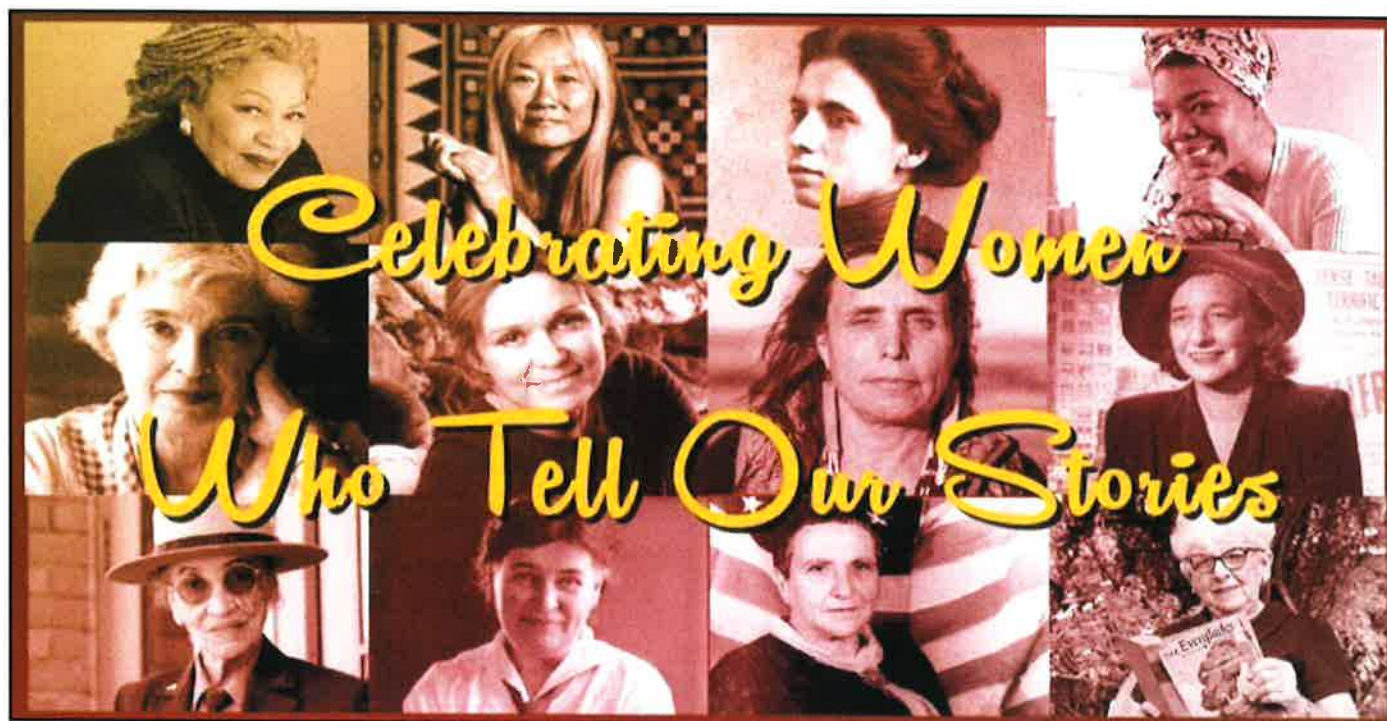
(Proud Postal Press Association National Awards Winner)



MARCH 2023

Volume 45 Issue 3

NATIONAL WOMEN'S HISTORY MONTH



Milwaukee Wisconsin Area Local

Big Bend Brookfield Burlington Butler Cedarburg Cudahy Darien
Delafield Delavan East Troy Elkhorn Elm Grove Franklin Fredonia
Germantown Grafton Greendale Hales Corners Hartford Hartland
Jackson Kewaskum Lomira Milwaukee Menomonee Falls Mequon-Thiensville
Muskego Mukwonago New Berlin Oak Creek Oconomowoc Oakfield
Okauchee Pewaukee Plymouth Port Washington Salem Slinger S. Milwaukee
Sussex Wales Walworth Waterford Watertown Waukesha Whitewater



**Glenn Griggs
President**

It is crucial that someone(s) in management is held accountable for the total mess they created in PSE conversions. This process should not be that hard. I remember when I got converted over 30 years ago when I was at the Post Office as a PTF. It was one of the most happiest moments of my life. Nowadays, when a PSE is being converted, it's becoming a nightmare.

- *PSEs are being converted retroactively.
- *PSEs are being skipped over by junior employees.
- *PSEs are being converted and taken out the system and not being paid.
- *PSEs are not even being told when they are being converted and where to report for their new assignment.

This is ridiculous!!! The fact that no one is being held accountable for this, is even more disturbing, no matter how you look at it.

Over the past several weeks members from the plant, customer service, and my team have been meeting to put a plan together so screw ups like this will not happen again in the future.

This is NOT something that the Union should be spearheading. The post office has a department that is supposed to handle conversions. I have asked them several times to keep the Union in the loop and ask us for help if needed. Seeing that this department

Accountability Works Both Ways

"My personal belief is that management is not holding their own team accountable."

cannot get PSE conversions right, we had to step in and try and clean up the mess that was created by the management team.

Moving forward we hope that our efforts will bring excitement to our union brothers and sisters for all future conversions instead of misery. Like I said before, getting converted should be a time of joy and happiness to celebrate with family and friends, not calling the Union because you were skipped over or not being paid correctly.

Under normal circumstances we love hearing from our Union brothers and sisters. However, our Union members just want to be paid correctly when they come to work.

Can you imagine telling the Postal Service you are not going to work next pay period, but you still want to be paid? What do you think their reaction would be?

If you are a newly converted employee and still experiencing issues in regards to your pay or benefits please contact a steward ASAP, so they can investigate the issue and file the necessary grievance.

How many times do you see a supervisor do something that violates postal policy, but receives a slap on the wrist? Then a bargaining unit employee does something similar or even less and management wants to throw the book at them.

That is what I mean by
NO ACCOUNTIABILITY!

My personal belief is that management is not holding their own team accountable. They think the rules don't apply to them. They also could care less if the postal service were to fail. The main reason behind this effort in my opinion is to facilitate the privatization of the postal service.

Unfortunately, privatization is not that easy because the public opinion for the postal service remains very high and strong backing from the APWU. Whether you work in the plant, city station, or an associate office...it's going to require all of us to be united and working together to hold management accountable for their actions.

Everyone knows a Union's strength comes from its members. We tell our members in orientation that we are your representatives and you are the Union. We would not be able to fight for jobs, wages, and working conditions without all of our dedicated Union members.

That same force of us coming together will also apply to hold management accountable for their actions as well.

UPDATE

Just some quick updates if you are trying to change your allotments or change banking information from your phone or personal computer and the system is not letting you in. You may have to use a postal computer to

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make that change or a postal kiosk machine. If you are not being allowed to utilize such computers let your Union steward know ASAP.

Also, we just learned recently that our members in customer service F-4 will now be using scanners to clock in. All though I don't agree with this process for several reasons, I will encourage everyone in customer service that is required to use scanners, to check your virtual time card every day to make sure your time is entered correctly. If for some reason the scanner is not working or you simply cannot find one, I recommend using a backup card and make sure you keep a copy of that card in case your supervisor accidentally misplaces it before entering it into the system.

One final thing! Keep an eye on your paycheck to make sure if you are filing zero (single or married). Check if you are getting the correct amount of taxes taken out of your check so you won't be owing at the end of the year if that is your goal. I strongly recommend seeing a tax consultant because of the new tax laws that were changed back in 2020 when Trump took office. I am not a tax consultant, so I am just passing on information that I learned from members calling about why not enough taxes are being taken out their checks.

The remaining schedule for this year General Membership meetings are as follows:

Wed, March 29, 2023 @ 7:00 P.M
Friday, May 26, 2023 @ 7:00 A.M
Monday, July 31, 2023 @ 6:00 P.M
Wed, September 27, 2023 @ 7:00 P.M
Friday, November 17, 2023 @ 7:00 A.M

If an Interpreter is needed, please contact the union hall two weeks prior to the meeting

Once again thanks for all you do, and thank you for being Union members

Beware Of Text Message Scams

USPS Postal Bulletin

Phishing is the fraudulent practice of sending emails or other messages claiming to be from trustworthy companies. These messages encourage individuals to disclose personal information, such as passwords and credit card numbers. Many people don't realize that cybercriminals can also deliver phishing attacks through text messages, which is known as smishing. These types of scams often mimic a government agency, bank, or delivery company to appear legitimate. Some of the common indicators of a smishing scheme include messaging that creates a sense of urgency with phrases like:

"Your account has been suspended."
"There is suspicious activity on your account."
"There is an error with your shipping address."
"There is a package waiting for you at the post office."

USPS does not send unsolicited text messages. If you receive a message from USPS about a package that you did not send, do not click on the message as it is likely a smishing scam. Keep your information secure with these tips:

Do not click. Do not open any link or attachment from a sender you cannot verify.



Chris Czubakowski
Local Business Agent

Jury duty is one of our rights and obligations as U.S. citizens. Fortunately, one of our many entitlements as postal employees is court leave. Court leave is granted to all full time employee and certain part time employees provided they would be in a work or annual leave status.

Your Summons Arrives

Your jury summons will request that you complete a questionnaire (online or by mail) prior to a deadline date. It will also tell you if you are a "regular" or "reserve" juror and list a specific reporting time and date.

If those assigned dates don't work out for you, you have a one time option to request a different reporting date via phone or the internet. Use discretion while exercising this option, however, as the new date you pick will be final.

Getting Off Work

When you get a jury summons, the first thing you should do is make copies of all your paperwork for your records. Once you have made copies, take your jury summons and give it to your supervisor.

You then need to fill out a PS form 3971 and request court leave for the duration of the jury duty (normally a week).

Your supervisor should approve your leave and hand it to a lead clerk for it to be entered into the timekeeping

system. This will ensure that you get paid your normal hourly wage plus night differential for the days you served.

You may elect to work the same schedule you normally work (if the hours are not conflicting) or you have the right to change your schedule to conform with your jury duty. In order to do this, you will need to submit a PS form 3189. You will end up having to change your normal schedule to 9a-5p with week-ends off. After your 3971 and 3189 are completed and submitted you will be ready for jury duty.

Returning to Work

Whether or not you must return to work after jury duty is based upon what I call the "half-day rule". This rule states that if you are dismissed before lunch (12:30 PM) or report for jury duty after lunch (12:30 PM) you are considered to have only worked a half-day.

Half-day jurors are required to report to work for the remainder of their shift. If you are dismissed after lunch you are considered have worked a full-day. Full-day jurors do not have to report back to work.

Jury Duty Completed

Once your entire jury duty is complete you will receive a jury service certification letter. This letter serves as proof of service as a juror in the county circuit court and is given to you on the last day. It lists the dates you served and whether you were a half-day or full-day juror. Furthermore, it lists the daily dollar amount that the county will pay you for

Jury Duty

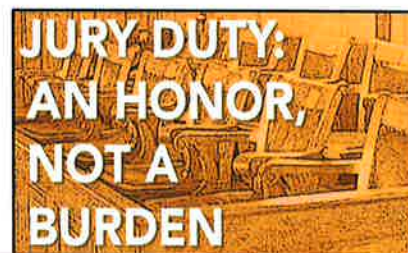
"Postal employees get to keep the entire check they receive..."

your service. Make a copy of your proof of service letter and submit this to your supervisor. They will forward it to the appropriate office.

Postal employees get to keep the entire check they receive from the county. Each county pays different daily amounts. Milwaukee County currently pays \$25.00 for full day and \$17.00 for half day. The checks are issued approximately 30 days after serving and have a 60 day expiration date.

The daily total fee cannot exceed \$25.00. If the total daily fee exceeds \$25.00, you may be required to remit any excess amount to the Postal Service. This remittance can be made at any window unit. You will be provided with a receipt.

I hope this brief synopsis of jury duty and court leave answers a few of your questions and will be helpful in the future. If you have any further questions regarding court leave please contact a steward or officer.



The Debt Ceiling & Postal Workers

APWU News

No postal worker or federal retiree will see a gap or reduction in pension payments or healthcare coverage.

The Treasury Department announced on Thursday that the United States government has hit its statutory “debt limit.” The next several months will be full of political drama, with serious risks at hand for working people and working-class retirees. While the debt limit was technically reached this week, the Treasury Department has begun certain accounting measures to extend its ability to pay the government’s bills. Among the “extraordinary measures” announced by Treasury are some that are of serious concern to postal workers.

The Treasury Department has announced it will begin a “debt issuance suspension period” which will affect the Civil Service Retirement and Disability Fund (CSRDF), the Postal Service Retiree Health Benefit Fund (PSRHBF), and the G Fund of the Thrift Savings Plan. These funds are normally invested in U.S. Treasury bonds. By suspending the debt issuance, Treasury temporarily saves the interest that would normally be paid into the funds.

While the political brinksmanship around the debt ceiling is a shameful reflection of Congress’s disregard for working peoples’ interests, postal workers and other federal employees should rest assured that their retirement benefits are secure at this time. No postal worker or federal retiree will see a gap or reduction in pension payments or healthcare coverage. The law further requires that the Treasury Department make whole the effected funds once the debt ceiling has been either raised or suspended.

Treasury has previously taken similar actions, and in each instance, benefits continued to be paid and the CSRDF, the PSRHBF and the G Funds were fully reimbursed for the temporary losses incurred by the funds. Today, the law makes that reimbursement automatic once the debt ceiling issue is resolved.

The debt limit showdown is a manufactured crisis, the product of decades of tax cuts for the wealthy led by a political elite that is more comfortable debating cuts to already-starved social programs and hard-earned benefits than ensuring the federal government works for working people.

The new Republican majority in the House is demanding the Biden Administration agree to steep cuts in federal spending in exchange for raising the debt ceiling. It’s projected that the Treasury Department will be unable to pay bills in a few months, putting the “full faith and credit” of the U.S. government in question and risking an unnecessary recession that would surely hit working people hardest.

“Make no mistake working people and our unions won’t stand for benefit cuts in exchange for what should be a routine act of Congress,” said APWU President Mark Dimondstein.

“The debt limit has been increased on a bipartisan basis dozens of times before, including three times during the Trump presidency. The cynical hostage-taking is unnecessary and dangerous.”

The APWU leadership is following the developments closely and will continue to demand our political leaders don’t sacrifice working people’s benefits in exchange for a debt limit increase and will keep members informed of any new developments.





John Miceli
Treasurer

Most TSP Funds End February In The Red

Federal News Network

All but one Thrift Savings Plan fund showed negative returns in February, showing a setback after strong performance earlier in the year.

The only fund to score a positive return was the government securities investment G Fund with a return of 0.28%. Its share price rose from \$17.30 to \$17.34. The international stock index I Fund saw the biggest loss in returns last month, with the rate going down 2.84%. Over the

course of February, the I Fund went from \$37.11 per share to \$35.76 per share.

Despite losing ground in February, all funds maintained a positive trend in return rates for the year with the small cap stock index S Fund showing the highest rate in positive returns for 2023 so far: 9.01%.

"These decades of overpayment could be corrected by an instruction from the administration to the Office of Personnel Management,"

USPS wrote in its Integrated Financial Plan. "This reform would eliminate CSRS amortization expenses entirely and contribute greatly to our plan for financial stability."

If OPM were to make this change, USPS expects any surplus in the CSRS fund would be transferred to its Retirement Health Benefits (RHB) fund, which would "greatly extend the life of the fund," beyond its projected run date in the early 2030s.

Third COLA Increase Announced

APWU News

In accordance with the 2021-2024 Collective Bargaining Agreement (CBA), career employees represented by the APWU will receive a \$0.10 per hour cost-of-living adjustment (COLA), effective March 11, 2023. The increase is the result of a rise in the January Consumer Price Index (CPI-W). It will appear in paychecks dated March 31, 2023 (Pay Period 07-2023). The value of the COLA for full-time employees in each step and grade will increase by \$208.00 annually for full time, career employees.

The COLAs are in addition to general wage increases. This is the third cost-of-living increase under the 2021 CBA. The first increase, effective in February 2022, amounted to \$0.63 per hour or \$1,310.00 annually. The second, effective in August 2022 was \$1.18 per hour, or \$2,455.00 annually. The COLAs received so far during the 2021-2024 CBA total \$3,973.00.

In light of the fact that Postal Support Employees (PSEs) do not receive cost-of-living increases, they have received several additional increases beyond the general wage increases for all employees in the APWU bargaining unit under the 2021 contract. Rising inflation underscores just how important the continuation of our negotiated COLA is in our outstanding new CBA. The COLA is our best protection against inflation. Postal Workers are some of the few U.S. workers who receive these increases. Even in the postal world, we are the only postal union that has maintained full COLA in our CBA.



Jim Arneson
Maintenance Director

Recently management has implemented a new attendance procedure for the District. As such you will see more and more scrutiny on your call-ins. Please make sure to protect yourself if and when you have to call in.

If you have a condition that could be covered by FMLA, make sure you request FMLA when you call in. Follow the appropriate prompts depending on if you have an FMLA case number or not. Make sure to write down the confirmation number at the end of the phone call when recording your FMLA leave.

Recently, I had a Union Sister call in FMLA, somewhere it was changed to a Non-FMLA condition and now she is being disciplined for attendance.

Scrutiny Of Your Call-ins

"...make sure you get a copy of the 3971 for the absence within two days."

Also, if you call in for FMLA and the system requires you to bring in medical documentation for that absence, notify the Union right away.

Your supervisor cannot request medical documentation for a FMLA protected absence. This can only come from HRSSC. And yes this has happened in the past. This is a way that management tries to intimidate employees from using their protected FMLA absence.

Another form of a protected absence is called the "Hoover Act". This act protects federal workers for their absences for treatment of a service related disability.

Now, what is key with this is that this treatment is to be scheduled in advance, when possible. This means that at times, your service related disability may not give you advance notice of when it's going to flare up. Another important key to this is that the treatment is required by a duly authorized medical authority. So for this type of ab-

sence, you would call in to your supervisor as there is not a prompt for that in the automated call in line.

Lastly upon return to work, make sure you get a copy of the 3971 for the absence within two days.

It is as much as your responsibility as your supervisors to have a correct slip submitted. So, before you sign it, make sure it is accurate and reflects what you requested...

If it does not, do not sign it.

Request to see a steward! Management is being pressured by their bosses to reduce absences, so make sure to protect yourself and keep copies of all your records.

The APWU National Executive Board adopted the following resolution on March 7, 2023

"Honoring Women's History Month"

- *WHEREAS, the great contributions of American women in shaping our nation are observed in March, during Women's History Month, and*
- *WHEREAS, women of every race and ethnic background have been in the forefront of every major progressive movement for social change, and*
- *WHEREAS, women have played and continue to play a critical role in the labor movement, and*
- *WHEREAS, women have played a unique and powerful role in the American Postal Workers Union, therefore be it*

Resolved, that we encourage all locals and state organizations to pay tribute to women for the contributions they have made in our continuing struggle for social and economic Justice for all working people. Adopted by the National Executive Board March 7, 2023

National Women's History Month

"Celebrating Women Who Tell Our Stories"

The National Women's History Alliance, which spearheaded the movement for March being declared National Women's History Month, has announced the women's history theme for 2023, "Celebrating Women Who Tell Our Stories."

Throughout 2023, the NWHHA will encourage recognition of women, past and present, who have been active in all forms of media and storytelling including print, radio, TV, stage, screen, blogs, podcasts, and more. The timely theme honors women in every community who have devoted their lives and talents to producing art, pursuing truth, and reflecting the human condition decade after decade.

From the earliest storytellers through pioneering journalists, our experiences have been captured by a wide variety of artists and teachers. These include authors, songwriters, scholars, playwrights, performers, and grandmothers throughout time. Women have long been instrumental in passing on our heritage in word and in print to communicate the lessons of those who came before us. Women's stories, and the larger human story, expand our understanding and strengthen our connections with each other.

As in previous years, the Alliance, which is centered in Santa Rosa, California, will encourage local communities throughout the country to use the year's theme to guide their own celebrations. The NWHHA will popularize national efforts through on-line celebrations, a special magazine and thematic products that recognize and honor these brave, accomplished and influential women who told – and continue to tell – our stories. Today and over the years ahead, their dedication and shared desire to give voice to the voiceless are critical to keeping us informed, entertained and aware.

LOCAL CELEBRATIONS

As recently as the 1970s, women's history was virtually an unknown topic in the K-12 curriculum or in general public consciousness. To address this situation, the Education Task Force of the Sonoma County (California) Commission on the Status of Women initiated a "Women's History Week" celebration for 1978.

The week March 8th, International Women's Day, was chosen as the focal point of the observance. The local Women's History Week activities met with enthusiastic response, and dozens of schools planned special programs for Women's History Week. Over one-hundred community women participated by doing special presentations in classrooms throughout the country and an annual "Real Woman" Essay Contest drew hundreds of entries. The finale for the week was a celebratory parade and program held in the center of downtown Santa Rosa, California.

MOBILIZING A MOVEMENT

In 1979, Molly Murphy MacGregor, a member of our group, was invited to participate in The Women's History Institute at Sarah Lawrence College, which was chaired by noted historian, Gerda Lerner and attended by the national leaders of organizations for women and girls. When the participants learned about the success of the Sonoma County's Women's History Week celebration, they decided to initiate similar celebrations within their own organizations, communities, and school districts. They also agreed to support an effort to secure a "National Women's History Week."

PRESIDENTIAL & CONGRESSIONAL SUPPORT

The first steps toward success came in February 1980 when President Carter issued the first Presidential Proclamation declaring the Week of March 8th 1980 as National Women's History Week. In the same year, Representative Barbara Mikulski, who at the time was in the House of Representatives, and Senator Orrin Hatch co-sponsored a Congressional Resolution for National Women's History Week 1981. This co-sponsorship demonstrated the wide-ranging political support for recognizing, honoring, and celebrating the achievements of American women.

A NATIONAL LOBBYING EFFORT

As word spread rapidly across the nation, state departments of education encouraged celebrations of National Women's History Week as an effective means to achieving equity goals within classrooms. Maryland, Pennsylvania, New York, Oregon, Alaska, and other states developed and distributed curriculum materials for all of their public schools. Organiza-

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tions sponsored essay contests and other special programs in their local areas. Within a few years, thousands of schools and communities were celebrating National Women's History Week, supported and encouraged by resolutions from governors, city councils, school boards, and the U.S. Congress.

Each year, the dates of National Women's History Week, (the week of March 8th) changed and every year a new lobbying effort was needed. Yearly, a national effort that included thousands of individuals and hundreds of educational and women's organizations was spearheaded by the National Women's History Alliance.

NATIONAL WOMEN'S HISTORY MONTH

By 1986, 14 states had already declared March as Women's History Month. This momentum and state-by-state action was used as the rationale to lobby Congress to declare the entire month of March 1987 as National Women's History Month. In 1987, Congress declared March as National Women's History Month in perpetuity. A special Presidential Proclamation is issued every year which honors the extraordinary achievements of American women.

* * *



Kenni Liggan
Customer Service
Director

As the Customer Service Director for the APWU, myself and steward Kim Smukowski, have been getting calls from several city stations about the upkeep and the cleanliness of the city stations. Now for the most part, most of the stations are clean but there are few that need help.

I'm not here to talk about our Maintenance craft members because I think they do a great job but I believe the problem lies with staffing and management not hiring enough people to perform these duties which causes some city stations to be over

Keeping Our City Stations Clean

"It looks bad for customers coming in to a dirty lobby..."

looked. Now this problem has gone on for too long. So what I am asking is for our members to contact me, Kim Smukowski or Jim Arneson our Maintenance Director if you have any concerns about how clean your station is.

Also, fill out PS form 1767 and give it to your supervisor describing the condition of your station, because it might be a safety & health violation if your station is not being cleaned on a regular basis.

As a USPS Federal employee you have the right to contact Occupational Safety & Health Administration (OSHA) if this still continues. You also have the right to work in a clean and safe environment. It looks bad for customers coming in to a dirty lobby or for our members working in dirty workplace

conditions in the back. So PLEASE !!! Let the APWU know of any problems with the upkeep of your station. We can't be everywhere all the time but with our members help, together we can strive to get all the city stations clean and be a safe place for you to work.



USPS Falling Behind On Financial Goals For FY 2023, Doubles Projected Losses

Jory Heckman, Federal News Network

The Postal Service, as it moves ahead with plans to make long-deferred upgrades to its vehicle fleet and delivery network this year, is falling behind on its financial goals for the year. USPS, in a recent filing to the Postal Regulatory Commission, reported more than a \$1 billion net loss for January 2023, and a more than \$2 billion total net loss since the start of fiscal 2023. Both losses are more than twice what USPS had projected. USPS in its filing expected a \$364 million net loss for January, and a \$945 million net loss for the fiscal year to date.

The Postal Service's latest financial report shows a difficult start to the calendar year, especially considering the agency just wrapped up its busy year-end holiday peak season. "They have higher expectations during these months," said Steve Kearney, executive director of Alliance of Nonprofit Mailers, and a former USPS treasurer and vice president of pricing. USPS has been maximizing its authority from the Postal Regulatory Commission to set higher-than-inflation prices for its monopoly mail products.

The price of a first-class Forever stamp went up from 60 cents to 63 cents in January 2023. Prior to that increase, USPS raised the price of stamps in July 2022, from 57 cents to 60 cents. USPS, in its Integrated Financial Plan for FY 2023, said "price increases will more than compensate for the revenue lost due to reduced volume." However, Mike Plunkett, a former USPS manager for pricing strategy and innovation, and manager of retail alliances, now president of the Association for Postal Commerce, said USPS revenue from higher prices isn't keeping up with the pace of its expenses. "Operating revenue is barely up at all, so the effectiveness or the efficacy of the rate increases seem to be dwindling," Plunkett said. "And they're driving down volume. So you're applying those rate increases to fewer and fewer pieces of mail every month. That's called a death spiral."

USPS spokesman David Partenheimer said the agency is required to file its comprehensive financial statements quarterly, but doesn't comment on monthly results. USPS in its Integrated Financial Plan expects to increase revenue by \$2.4 billion in FY 2023. However, the agency also expects a \$1.4 billion increase in controllable expenses. It expects the biggest contributor to those increases will be compensation and benefits driven up by high inflation.

USPS seeks to offset these increases with a planned decrease of 32 million work hours. It has cut work hours by 5.6% so far this fiscal year, compared to the same period last year. USPS reports having a career workforce of more than 517,000 employees — a 1.8% increase compared to the same period last year. Its non-career workforce, however, has shrunk to 121,796 — a nearly 20% reduction since the same period last year. That's because USPS has converted more than 100,000 employees from part-time to full-time career positions since 2020. Last year alone, USPS converted 41,000 part-time positions to full-time status.

USPS so far in FY 2023 has seen a 5.2% decrease in its first-class mail volume, compared to the same period from FY 2022, but it's seen a 1% increase in revenue from this line of its business. "They don't seem to be getting as much as they would like from these rate increases, so they're in a tough position," Kearney said. Kearney said USPS, during his tenure, only raised postal rates about once every three years, in order to keep prices predictable and its customers satisfied. "Basically, they've reversed all the efforts we used to do, of making them very predictable, reasonable and less frequent," he said. "And we've got a kind of chaotic situation, where as soon as you get one rate hike, you're bracing for the next one."

Kearney said his association has been recently losing nonprofit members who have pulled out of direct mail entirely as part of their outreach strategy. "The message is, 'You better think about reducing your mail or getting out of the mail completely.' It's kind of maximizing disruption, uncertainty and chaos, when the longest tradition was to minimize those things," he said. Compared to last year, USPS also saw a 3.2% decrease in volume for its competitive package and packages services — but a 2% growth in revenue.

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While USPS package volume remains higher than pre-pandemic levels, the agency expects the “surge in revenue from consumer behavior changes during the COVID-19 pandemic will continue to subside in 2023,” USPS wrote in its Integrated Financial Plan. Postmaster General Louis DeJoy told the USPS Board of Governors last November that USPS wasn’t on track to meet its “break-even” goal for fiscal 2023, citing record inflation and what it calls unsustainable contributions to a federal retirement fund that covers some postal retirees. “Even with the high cost of inflation, we remain on the path toward break even for the 10-year period,” DeJoy said in a video message on Wednesday to USPS employees.

Rather than USPS hitting a turnaround point in its long-term financial outlook, the agency, in its Integrated Financial Plan, expects to see a \$4.5 billion net loss for fiscal 2023. Under the “Delivering for America” plan, released in March 2021, USPS was expected to start breaking even on its annual finances as soon as 2023, but no later than 2024. USPS, under this plan, anticipated fully digging out of its long-term financial hole by 2030, going from \$160 billion in projected net losses to a \$200 million net profit.

USPS reported a \$1 billion net loss for the first quarter of FY 2023, which covers October through December 2022.

The first quarter is usually the strongest financial showing for USPS, because it covers its year-end peak holiday season. The first quarter performance for FY 2023, however, is still an improvement, compared to the \$1.5 billion net loss for the same quarter of FY 2022. USPS ended January 2023 with \$23.4 billion cash on hand, but is embarking on \$40 billion in capital investments over the course of its 10-year reform plan.

Among its major investments, USPS is modernizing its aging delivery trucks and replacing them with a mostly electric next-generation fleet. It’s also consolidating mail carrier operations into Sorting and Delivery Centers in several metro areas, and investing in modern mail and package sorting equipment. While these long-deferred capital investments are expected to improve efficiency and reduce operating costs, Plunkett said decreases in mail and package volume mean the opportunity for a return on investment is dwindling. “At some point, you might have to rethink the expected results of those investments, if volume continues to tank,” he said.

USPS is reporting higher than anticipated losses despite major costs savings from a long-awaited postal reform legislation that was signed into law nearly a year ago, President Joe Biden signed the Postal Service Reform Act into law in April 2022. The legislation is expected to save USPS \$50 billion over the next 10 years by eliminating a provision from the 2006 Postal Accountability and Enhancement Act that required USPS to pre-fund retiree health benefits well into the future. The legislation also forgives USPS’ obligation to pay \$57 billion in scheduled payments to its retiree health benefits fund.

Among its higher costs, USPS expects its contribution to the Civil Service Retirement System (CSRS) benefits, which covers most of its employees hired before 1984, will increase by more than \$3 billion this fiscal year. USPS claims a far greater share of these benefits should have been paid by the Treasury Department, and is calling for an administrative fix.

“These decades of overpayment could be corrected by an instruction from the administration to the Office of Personnel Management,” USPS wrote in its Integrated Financial Plan. “This reform would eliminate CSRS amortization expenses entirely and contribute greatly to our plan for financial stability.”

If OPM were to make this change, USPS expects any surplus in the CSRS fund would be transferred to its Retirement Health Benefits (RHB) fund, which would “greatly extend the life of the fund,” beyond its current projected run-dry date in the early 2030s.