



E-NAPUS Legislative Newsletter

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“And the Parting on the Left Are Now Parting on the Right”

-- *The Who, Who's Next* (1971)

On Tuesday, the USPS Board of Governors selected James C. Miller III as its new chairman. NAPUS President Olihovik was on hand to congratulate Chairman Miller and offer NAPUS' assistance as he leads the organization at this critical time.



James C. Miller III
Chairman, USPS Board
of Governors

The selection of Jim Miller places at the helm of the USPS an influential conservative economist with strong ties to President Bush and the Republican Party. Miller twice ran for the U.S. Senate in Virginia, but lost in the primaries to Colonel Oliver North and Sen. John Warner (R-VA). In addition, Chairman Miller served in the Reagan Administration as chair of the Federal Trade Commission and director of the Office of Management and Budget. Miller succeeds David Fineman, a Philadelphia labor attorney and Democrat with strong ties to former President Bill Clinton. Fineman chaired the Postal Board with a slim Democratic majority for most of his tenure. Miller assumes stewardship with the Republicans commanding a 5-2 majority. There are two Board vacancies and the ratio does not include the Postmaster General and the Deputy Postmaster General. The Postal Reform Act of 1970 limits the number of Governors from one party at five. However, it is important to note that ever since the Act established the Board, its activities have been devoid of partisan politics.

Nonetheless, the change in the Board's leadership and composition places almost every star in alignment for postal reform. All the major institutional players are reading from the same playbook. The same political party controls the White House, the House of Representatives, the Senate, and the USPS. This does not mean, however, that they all agree on every detail of postal reform. In fact, they do not. In addition, this does not mean that they are wedded to particular doctrines that they may have embraced in the past.

A decade ago, Chairman Miller expressed strong support for privatizing the USPS, and repealing its monopoly. However, his statements as a Governor have not reflected his past views. At his April 2003 Senate confirmation hearing, James Miller testified that he intended to take a "fresh assessment" of the USPS. He recognized that institutions change and that indeed the USPS changed since the time when he expressed his criticisms of it. In addition, on Tuesday, the new chair expressed his appreciation for the hard and dedicated work that postal employees perform and commended PMG Potter for his stewardship of the USPS.

As has happened in the past, familiarity with the institution and the

extraordinary service it provides yields immeasurable dividends. Indeed, knowing the agency from the inside is a transforming experience for Governors and for elected leaders, breeding recognition that the USPS plays a vital role as a guarantor for a universal mail service for the entire nation. Nevertheless, you can be certain that NAPUS will be closely monitoring Board activities.

Old Friend Plays Postal – Again

Office of Personnel Management (OPM) Deputy Director Dan Blair will serve as Acting Director of the agency when Director Kay Cole James departs the Administration at the end of the January. He would serve as Acting Director until President Bush nominates and the Senate confirms a successor for Director James. Dan Blair has been mentioned as a possible nominee.

The leadership of OPM is crucial to postal reform because the agency has emerged as a leading participant in the debate over the future of the USPS. This is true for two reasons. First, OPM and the USPS are linked at the torso. OPM administers the retirement program, and health and life insurance on behalf of the USPS employees. The costs associated with these benefit programs have a tremendous impact on postal finances and operations. In addition, prior to implementation, OPM must approve voluntary early retirement options (VERA) for postal employees. The USPS has used VERAs to reduce its workforce. Second, the Bush Administration has exploited Dan Blair's postal and civil service expertise to help develop its positions on postal reform. Dan, representing OPM, is one of a handful of Administration officials who will guide the internal White House discussions about postal reform. The Treasury Department continues to be a major player as does the Office of Management and Budget, and OPM. Of course, the White House itself, through its Domestic Policy Council is the "nerve center" in the discussions.

Dan Blair has a long and distinguished record of accomplishment on postal and civil service issues. Ironically, Dan and I joined the now-extinct House Post Office and Civil Service Committee the same year – 1985. His office was one floor above mine in the old Congressional Hotel and Page Dorm (aka House Annex 1). The Office of the Architect of the Capitol tore it down a few years ago to make space for a parking lot. Dan was a major participant in designing the Federal Employees Retirement System (FERS), and worked closely with me on legislation to improve the Federal Employees Health Benefits Program (FEHBP). We also worked together on postal legislation and budget issues that affected postal and federal employees and retirees. In 1995, Representative John McHugh (R-NY) invited Dan to serve as his Staff Director on the House Government Reform Subcommittee on the Postal Service. In late 1995, Dan took the lead in drafting a pivotal congressional report that advocated comprehensive USPS reform, entitled "Voices for Change", and he helped design the first McHugh bill to reform the postal service (H.R. 3717). In 1998, Blair moved over to the Senate side of the Capitol, where he served as Senior Counsel to the Senate Committee on Governmental Affairs under the leadership of Senator Fred Thompson (R-TN). In 2001, President Bush nominated Mr. Blair to serve as Deputy Director of OPM. NAPUS looks forward to working with Acting OPM Director-designee Blair as he continues to work towards USPS reform.



Dan Blair
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