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PRC Chairman

It Ain't Just Rates

Congressional oversight is a vital responsibility and helps to define its relationship with federal agencies. Moreover, Congressional scrutiny is constructive. It now appears that Congress and the Postal Rate Commission (PRC) will be exercising more Postal oversight. Postal reform has required Congress to focus on legislative activities, rather than oversight. However, the USPS will now be tasked with discussing its tough balancing act, service versus efficiency, as part of Congressional inquiry. On the one hand the USPS strives to keep postage rates in check; and on the other hand, it must provide its ever-expanding delivery points and the mailing public with high quality mail service. The rubber meets the road at the PRC and in the Congress.

On Monday, the Postal Rate Commission issued a report finding that the Postal Service violated section 3361 of Title 39, United States Code, by not requesting a PRC "Advisory Opinion", prior to implementing the 2001 and 2002 nationwide realignment of 2-day and 3-day service standards. According to the PRC, the request for such an opinion would have provided the mailing public with an opportunity to review and comment on the changes. Some of these modifications resulted in reduction in mail service, particularly in the western U.S. The PRC issued the report in the midst of conducting a review of the USPS *Evolutionary Network Development Service* (ENDS) changes. In part, the ENDS initiative would consolidate the mail processing and transportation network. The Postal Service requested a PRC advisory opinion, since ENDS would change "the current service standards to numerous 3-digit Zip Code service area origin-destinations pairs for different mail classes." Five employee groups (**NAPUS**, NAPS, NALC, APWU, and Mail Handlers) have filed papers in the ENDS case, alerting the PRC of our strong interest in the issue and of our participation in case. Postal observers are musing about how the PRC finding in the 2001/2002 case will affect the outcome of the ENDS case.

At the same time that PRC is toiling over ENDS, Congressional postal leaders have asked the Government Accountability Office (GAO) to review the way in which the USPS is implementing its network realignment. Senate Homeland Security Chairman Susan Collins and Ranking Democrat Joseph Lieberman, and House Government Reform Chairman Tom Davis and Ranking Democrat Henry Waxman believe that the USPS has not followed 2005 GAO drafted recommendations on facility realignment. Specifically, assorted Senators and Representatives have complained to the Senate and House Committees that communities that they represent were not adequately informed about the USPS plans, and of the impact that the changes would have on mail service. (Community and stakeholder input were included among the GAO recommendations.) In addition, the House Government Reform Committee is planning a broad oversight hearing of the USPS. Although the hearing is not focused on network realignment, the hearing will provide a forum for Committee members to query the USPS on realignment and service. The

hearing, originally scheduled for May 4, has been postponed to a later date. The delay provides the GAO an opportunity to get neck deep in the congressionally-requested report prior to the hearing. The likely witnesses at the hearing will be the PMG, the USPS Board of Governors Chair, the Comptroller General of the U.S., and the USPS Inspector General.

Finally, a growing number of postal management and employee groups are complaining to Congress that inadequate staffing at numerous post offices is resulting in late and delayed mail deliveries, increased overtime, and reduced window hours. All of these factors contribute to a perceived reduction in service and, no doubt, will be discussed at the projected hearing.

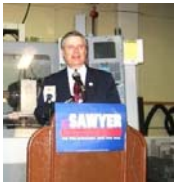
So, what does all this PRC and Congressional interest in service standards and realignment mean for Postal Reform? It could mean that postal conferees will be reluctant to whittle down too dramatically the complaint process that is presently included in H.R. 22 – that is, without a failsafe to protect the mailing public if operational changes impact service. As postal pundits know, the PRC is seeking greater clout to deal with these issues. At first blush, Congress was willing to grant the regulator that authority. The USPS wants to limit that clout. The Congressional postal leaders seemed willing to consider USPS-requested adjustment in the H.R. 22-drafted regulatory authority and complaint process. As we move into the “deep weeds” of the postal reform conference, we will learn how Congress will weigh service and regulatory authority.

The Buckeye State Primary

On May 2, Ohio voters will go to the polls to select the congressional candidates who will face off in the November general election. Besides keeping tabs on the primary winners, it will be interesting to note partisan voter turnout. That is, how many Democrats go to the polls versus how many Republicans? Ohio is a perennial battleground state, so we will be watching how the President's and the Congress' ugly poll numbers (an approval rating of 36% and 23% respectively) affect turnout in the party's primaries, particularly the gubernatorial primary where both parties are running races. An anemic GOP turnout could foreshadow the November general.

A congressional primary contest where NAPUS will cast a watchful eye is the 13th CD, where former House Postal Subcommittee chair Tom Sawyer, though under funded, is apparently leading a multi-candidate Democratic field. As a Member of Congress, Tom promoted postmaster and postal employee interests, as well as protected federal employee and retiree benefits. Sawyer was defeated in a 2002 post-reapportionment primary, as the result of new district lines and his pro-NAFTA vote. In the May 2 primary, a large number of labor unions are backing former OH state legislator and labor lawyer Betty Sutton. Also in the race is Congressman Dennis Kucinich's brother, Gary. The last Democrat to watch is Capri Cafaro. She is funding her candidacy through her considerable personal wealth and is presently polling 2nd. Though the 13th is a Democratic leaning district, Republicans are also fielding one credible candidate. The leading aspirant is Craig Foltin, mayor of Lorain. NAPUS has communicated and/or met with Sawyer, Sutton, and Foltin regarding their candidacies.

Another interesting primary will be the Republican primary in Ohio's 2nd Congressional District. The race pits freshman Representative Jean Schmidt against, among others, former Congressman Bob McEwen.



Tom Sawyer
Former Congressman

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