

Former NAPUS VP Frances Rosenfield's Day on Capitol Hill



Retired NAPUS Postmaster Frances Rosenfield (foreground) Sharing Her Views With Social Security Subcommittee

On Wednesday, retired New York State Postmaster Frances Rosenfield testified before the House Ways and Means Subcommittee on Social Security. On behalf of NAPUS, Frances enlightened the Subcommittee on how the Social Security Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) cuts into the indispensable income upon which Postmasters covered under the Civil Service Retirement System depend. Postmaster Rosenfield explained how the Social Security offsets financially impacted her personally. Subcommittee members, including her own Congressman, Subcommittee Chairman Michael McNulty (D-NY), closely listened to Fran's story. (In November, retired Massachusetts Postmaster Greta Cofield submitted testimony to the Senate Social Security Subcommittee.)

The ornate, historic and crowded Committee hearing room did not intimidate the diminutive, yet spunky and well-informed retired Postmaster. The morning began strangely enough when Fran set off a Capitol Hill metal detector, upon entering the Longworth House Office Building. No problem – Fran pulled out of her purse an extraordinary government-issued ID that apparently never expires. Within a few minutes, we arrived at the hearing room. Already on line was the legislative representative of the National Association for Retired Employees, who helped NAPUS craft Fran's prepared testimony. (Legislative allies are vital on the Hill.) Since we arrived early, we waited outside the hearing room for about an hour. During the wait, Mrs. Rosenfield regaled a number of government relations professionals with a treasure trove of postal stories. (In 1965, President Lyndon B. Johnson appointed Fran Postmaster of Roslyn Heights, NY, and she retired in 1994.) In addition, while awaiting the hearing, Fran introduced herself to a few Members of Congress and spoke with them about the GPO and WEP, as well as postal issues. These Members included senior House Ways and Means Committee members Earl Pomeroy (D-ND) and Sam Johnson (R-TX), and Reps. Ed Perlmutter (D-CO) and Tom Allen (D-ME).

About a half-hour prior the hearing, a Subcommittee staff member ushered Frances into the hearing room. At the time, she was the only one in the room. Fran settled into a seat in the front of the room and awaited the start of the hearing. The first panel included representatives from the Social Security Administration (SSA) and the Congressional Research Service. They testified about the rationale behind the GPO and the WEP, and the fiscal impact on the Social Security Trust Fund if provisions were to be eliminated outright – \$80 billion over 10 years. The SSA witness parried with the Subcommittee about the fairness of the offsets, particularly when Social Security payments are not offset against private pensions.

The second panel included NAPUS Postmaster Rosenfield, representatives from teacher and municipal employee unions, the National Women's Law Center and the Consortium for Citizens With Disabilities. At the witness table, Frances befriended a California teacher who gave up a lucrative practice in architecture to become a math teacher and, as a result, discovered that she would be financially penalized by Social Security. Fran told her own story of how she was widowed 53 years ago, and brought up two young children on her own. She explained that the small Social Security survivor benefit, to which she would have been entitled at age 65, was reduced simply because she dedicated almost three decades of her life to public service, as a Postmaster. She urged the Subcommittee to remedy the unfair and punitive treatment doled out to Civil Service Retirement System beneficiaries, who are also eligible for Social Security. The text of Frances Rosenfield's testimony can be viewed at http://www.napus.org/govrelations/testimony_pdfs/Rosenfield.pdf.

Report Quantifies USPS Competitive Disadvantage – \$213-743 Million

Among the provisions contained in the Postal Reform Act was one in which the Federal Trade Commission (FTC) was to review how the application of different laws effected the USPS and its competitors. For years, postal competitors (e.g., UPS, FedEx, and DHL) bemoaned the USPS's government status, with its monopoly on certain mail classes, and how that standing conferred upon it certain competitive benefits. On the other hand, the USPS and its allies argued that the postal market was skewed against the USPS, as result of among other things, its universal service obligation. Late last month, the FTC concluded that the USPS, in fact, suffers "a net competitive disadvantage" of anywhere between \$213 million and \$743 million. This is not chump change!

The FTC finding could very well have major implications for how the Postal Regulatory Commission (PRC) will evaluate the pricing on the Postal Service's competitive products. For example, postal competitors will be hard-pressed to whine about how postage on competitive products should be inflated to compensate for the "competitive advantages" enjoyed by the Postal Service. No such advantages exist; they are a mirage.

As an addition to the Report, two FTC Commissioners raised a yellow flag regarding the scope of the document. They argued, in a concurring opinion, that the Report wandered into a question which exceeded the authority of the Commission: "whether society's postal resources are allocated efficiently." Moreover, the USPS, Postmasters, and postal allies must be attentive to a possible misguided and dangerous effort by postal competitors to disassemble the FTC report, and urge that the PRC adopt rules that only address the nominal advantages the USPS may have in certain limited areas. This would be unfair to the USPS and its customers. In addition, such actions could abort any possible success that USPS competitive products may have in the future. Obviously, this outcome would contradict the clear intent of Congress, and the language of the Postal Reform Act. In sum, new-age postal politics requires Postmasters and others to view legislative battles like a game of three-dimensional chess – multiple players, with multiple decision-makers, on multiple playing boards.

**National Association of
Postmasters of the U.S.**

**8 Hebert Street
Alexandria, VA 22305**

**Tel. 703-683-9027
Fax. 703-683-0923**

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www.napus.org