

Carper Introduces Senate Postal Relief Legislation

Committee Vote Scheduled – Still Waiting on House



Sen. Tom Carper
Chairman
Senate Postal
Subcommittee

Yesterday, Senate Federal Financial Management, Government Information, Federal Services, and International Security Subcommittee Chairman Tom Caper (D-DE) introduced S. 1507, "the Postal Service Retiree Health Benefits Funding Reform Act of 2009." The legislation provides the Postal Service short-term relief to stabilize its finances during the on-going recession. Upon introducing the measure, Sen. Carper remarked: "We in Congress must provide some way to help preserve the vital services post offices provide for American families and businesses." Carper continued, "I am confident that with the changes called for in my bill, the Postal Service can continue to provide the quality service we all depend on. Nevertheless, the Subcommittee Chairman cautioned that S. 1507 was not a "silver bullet" and that the USPS still needs to attract new business and continue to reduce its operating costs.

NAPUS is advising its legislative activists in states that are represented by Senators serving on the Senate Homeland Security and Governmental Affairs Committee to urge their Senators to vote in favor of the measure as introduced.

S. 1507, like its House counterpart (H.R. 22), provides a temporary lifeline; it is only the first step in addressing the tremendous economic impact the recession is having on mail volume, and associated revenue. The Senate Homeland Security and Governmental Affairs Committee, chaired by Sen. Joseph Lieberman (I-CT), plans to consider S. 1507 at its next scheduled meeting, on Wednesday, July 29.

The Carper bill reflects the White House Office of Management and Budget's (OMB) approach to mitigate the damage that the economy has had on the Postal Service. The Administration has briefed postal employee groups, Congressional postal advocates, and the Postal Service regarding its commitment to help the Postal Service, and how it recommends addressing the current postal crisis. The White House projects that its approach will be budget-neutral, meaning that it will not impact the Federal budget.

S. 1507 would reduce Postal contributions into the Retiree Trust Fund for a 5-year period: By \$2.4 billion in FY 2009, \$2.5 billion in FY 2010, \$1 billion in FY 2011, \$300 million in FY 2012, and \$100 million in FY 2013. However, in Fiscal Years 2015 through 2019 the agency would pay more than current law, offsetting the reductions in the first years. In addition, S. 1507 increases the Postal Service's borrowing authority by \$2 billion in FY 2009 and FY 2010.

It is NAPUS hopes that as the economy recovers mail will return to the postal system, enabling the USPS to cover the "out-year" pre-funding costs. Moreover, the legislation permits Congress and the Administration the time to more fully evaluate the pre-funding schedule required of the USPS, under current law. This opportunity is crucial, in light of the Postal Inspector General's re-released analysis of the Postal Service's projected retiree health liability. The July 22 document concludes that, under current law, "the Postal Service could overfund its retiree health care liability by \$13.2 billion by the end of fiscal year 2016."

While the House Leadership has yet to schedule, H.R. 22 for a floor vote, the Leadership recognizes the overwhelming congressional support for the legislation. 340 House members attached their name to the bill prior to the House Oversight and Government Reform submitting its official report on the bill. Nevertheless, the Congressional Budget Office filed its final, highly speculative estimate that projects the cost of the bill to be about \$2.5 billion over the next 10 years. The CBO wrote:

"... eliminating a \$ 2 billion expense [the payment of current retiree premiums from the Trust Fund] would lead the agency to alter its cost-reduction program by cutting spending less aggressively than it would have without the legislation. Consequently, enacting this legislation would increase net postal outlays relative to current law."

Upon introducing his bill, Senator Carper stated that he hopes that postal relief legislation will be enacted before the August recess. To accomplish this feat, the House must vote on the measure next week and the Senate must do the same by August 7. So, stay posted.

NAPUS Supports Hacker Valley, WV

In May, the USPS announced the "temporary" suspension of the Hacker Valley Post Office, which services a West Virginian rural community of about 600. The Post Office ceased operating on June 30. The reason for the "suspension" was that the landlord did not extend the lease. The community disputes the claim, arguing that USPS did not have any interest in negotiating a new lease, alternative locations were available, and that the USPS had no intention of reopening a Post Office, in Hacker Valley. The community appealed the closing to the Postal Regulatory Commission (PRC), stating that the USPS did not follow the law when it closed Hacker Valley Post Office. In response to the community, the USPS urged the PRC to dismiss the complaint, arguing that the PRC lacked jurisdiction, because there was no "discontinuance study", nor was there a "final determination" to close the Post Office. In essence, the USPS suggests that its very failure to file the necessary paperwork, denies the community its procedural safeguards, as provided by law.

NAPUS Post Office Closing and Consolidation Chair Betty Eickler recognized the "Catch-22" nature of the USPS' argument; so, on behalf of NAPUS, Ms. Eickler filed notice with the PRC, urging the Commission to reject the USPS' request for dismissal. Betty argued that the USPS has a history of failing to follow the law regarding Post Office closings. Regrettably, the USPS circumvents procedures by abusing "temporary suspension" as cover for de facto closings. In far too many cases, "temporary" means "permanent." Consequently, NAPUS urged the PRC to permit the case to proceed. The Commission's designated "Public Representative" also argued against the USPS motion to dismiss.



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