



# *eNAPUS Legislative & Political Bulletin*

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President Dale Goff  
Testifying at August 6  
Postal Hearing

## Clunker Cash – Postal Pity

In a rush to recess, Congress found the time and the money to, once again, bail out the automobile industry. With White House support, the House and Senate swiftly passed legislation that would extend the “Cash for Clunkers” program for another few months, by accessing \$2 billion from the previously-passed, tax-payer funded Economic Stimulus Package. At the same time, widely-supported emergency postal relief legislation, which is devoid of taxpayer financing, still languishes. There are presently two bills pending before Congress, H.R. 22 and S. 1507. Both bills were approved by the Committees of jurisdiction, and both offer essential temporary emergency relief to the Postal Service that would enable the agency to reduce its annual payments into its Retiree Health Benefits Trust Fund. The White House is promoting the Senate version, S. 1507, since the Administration’s Office of Management and Budget projects that the measure is “budget-neutral.” Postmasters urge Congress to demonstrate the same degree of urgency in enacting “tax-payer-free” postal relief as it did for clunker cash for the automobile industry.

Yesterday, the Senate Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security conducted a widely-viewed hearing entitled, “The U.S. Postal Service in Crisis.” It is NAPUS’ hope that the hearing will serve as major wakeup call to Congress to enact relief legislation, upon its return from the August recess. The hearing may be viewed, in its entirety, by clicking on [cspan.org](http://cspan.org), and the text of President Dale Goff’s prepared remarks can be viewed by clicking on [NAPUS Testimony](#).

The Senate hearing followed in the wake of the previous day’s Postal Board of Governors meeting where it was announced that the USPS lost \$2.4 billion during the 3<sup>rd</sup> quarter of FY 2009, and previous week’s markup of S. 1507. At the outset, PMG Potter stated USPS’ support of S. 1507, emergency temporary relief from the retiree health benefits pre-funding obligation. This is the legislation that the Homeland Security and Governmental Affairs Committee approved last week. The Subcommittee was generally sympathetic to the Postal Service’s financial and operational difficulties, though members seemed to be expecting a broader postal plan than the one the PMG articulated. In addition, to promoting S. 1507, Potter continued the legislative drumbeat to eliminate Saturday mail deliveries, and discussed Postal efforts to streamline the number of stations and branches. The PMG also mused about the desire for the USPS to offer products and services beyond ones traditionally provided, in order to attract new revenue.

There were a number of sidebars at the hearing. First, there was disagreement among the Postal Regulatory Commission, the Postal Inspector General, and the Office of Personnel Management about the size of the USPS retiree health

liability. The lower the liability, the less the USPS should pay into the Trust Fund – the variance totals \$4 billion in payments, per year. Second, the PMG supported an increase in postal employee FEHBP contributions by 8%. During questioning by Sen. McCain, the PMG conceded savings from increasing the FEHBP contribution would net, at most, \$700 million. President Goff, in his testimony and during questioning, pointed out that postal employees have already incrementally increased their contributions; furthermore, he stated that it would be more prudent that the USPS evaluate the 100% health coverage awarded to its most-highly-compensated employees, than to hack away at the benefits of frontline workers and managers. It is interesting to note that at last week's mark-up of S. 1507, the Committee adopted an amendment prohibiting executive bonuses if the USPS is losing money. Third, the Committee-passed version of S. 1507 includes an amendment that would instruct a labor arbitrator to take into consideration the financial condition of the USPS, should the arbitrator be called upon to resolve a collective-bargaining impasse. The two unions testifying at the hearing (APWU and NALC) stated that they would oppose the S. 1507, if it includes the controversial language. Sen. Lieberman is seeking a compromise to address the union concerns. Fourth, there is disagreement over how much mail will return, as the economy recovers. Generally, the witnesses believe that mail will return, though not at the pre-recession 213 billion-piece level. However, Sen. Tom Coburn (R-OK) is not bullish on mail recovery – he challenged the PMG to a dinner bet on future mail volume. (Oklahoma barbeque vs. New York deli?).



PRC Chair Ruth Goldway and President Goff at August 6 Hearing

## Ruth Goldway Designated New PRC Chairman

Yesterday, President Obama appointed Postal Regulatory Commission member Ruth Goldway as the PRC's new Chairman. Since January, the Postal community has been awaiting Obama's designation of new Chair. Ms. Goldway succeeds Dan Blair, who was appointed Chairman by President George W. Bush in 2006. Dan will continue to serve on the Commission.

Chairman Goldway was first nominated to the PRC in 1998 by President William Clinton and is serving her third term as Commissioner. Her current term expires at the end of 2014. Over the past few years, Commissioner Goldway has expressed deep concern with regard to the Postal Service's retail operations and "destination point customers." She has focused on the customer service aspect of the postal business, and the impact that a possible redefinition of the Universal Service Obligation would have on communities and individual postal customers. Within the context of last summer's USO Hearings, Commissioner Goldway shared her distress about the potential abuse of Post Office "temporary emergency suspensions". Also, Commissioner Goldway facilitated a PRC meeting on Post Office lobby services that explored, among other issues, problems with the "Mystery Shopper Program" and how it impacts window services and employee morale.

At yesterday's Senate hearing, President Goff was able to personally extend NAPUS' congratulations to the new Chairman – mere hours after the President announced his intention to designate her Chairman.

Commissioners on the five-member PRC are nominated by the President and confirmed by the Senate, for staggered six-year terms. The President, however, selects the Chairman from among the five Commissioners.

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