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Postmasters Call Upon Congress to Pass Postal Retirement Accuracy Bill

The most important action that the Congress can take between now and September 30 is sending President Obama legislation to ensure that the Postal Service, its employees and the mailing public are treated fairly. Presently, fairness and equity are not the benchmark. The June issue of the *Postmasters Gazette* recounts how NAPUS members during the annual Leadership Conference blanketed Capitol Hill with facts and data in support of yet-to-be introduced legislation to correctly compute the Postal Service's pension and retiree health insurance liability. Of the approximately 400 filed Leadership Conference Lobbying Reports, very few raised any congressional objection to such legislation. However, Postal efforts to reduce service, including closing Post Offices and reducing delivery frequency, seem to have distracted Congressional attention to pension and health insurance accuracy; Representatives and Senators seem more attentive to oppose Headquarters-desired service cuts than to promote legislation to address retirement overfunding and alleviate the pre-funding retiree health insurance.

A noted Soviet statesman once remarked: "Yesterday, we were standing at the edge of an abyss, but today we have taken a giant step forward!" While the Postal Service's finances are still extraordinarily challenging and the USPS still finds itself on the edge, Congress and the Postal Regulatory Commission are not ready to leap forward with Postal Service. As referenced in past NAPUS literature, a March 2010 Gallup Poll reported that the American public overwhelmingly opposes closing Post Office (86%). Such actions would have a devastating impact on universal mail service on rural, suburban and urban communities. In addition, NAPUS has pointed out that should Congress permit the Postal Service to reduce delivery frequency, Post Offices will become even more crucial to safeguard postal accessibility. The only way to access physical mail service will be through the community Post Office.

Despite the Postal Service circulating material on Capitol Hill promoting the closure of small and rural Post Offices, the USPS-advanced legislation does not seem like smart politics or good public policy. Moreover, the proposal does not seem to be getting any traction. As NAPUS members recall, closing every single small and rural Post Office would save the postal budget, according to the Postal Regulatory Commission (PRC), only \$586 million – a mere sevenths-of-one percent of the operating budget. NAPUS has shared with Congress facts and data submitted as part of PRC's pending proceedings regarding the unlawful discontinuance of many small and rural Post Offices. In part, as a result of NAPUS efforts, the PRC engaged the Urban Institute, which recently issued a report entitled: *A Framework for Considering the Social Value of Postal Services*. Among its findings were that Post Offices generate economic activity for local business, and engender civic pride, patriotism and community identity.

Exigent Rate Case to Be Filed Soon

Earlier this year, PMG Potter signaled that the Postal Service would request a "modest" 2011 postage increase, which would exceed the consumer price index. This type of postage increase is referred to as "exigent" and is subject to Postal Regulatory Commission approval. The Postal Reform law of 2006 provides that postage may be adjusted beyond the CPI "due to either extraordinary or exceptional circumstances"; however, the law does not define "extraordinary or exceptional." This will be subject to PRC interpretation. The PRC has 90 days to rule on the USPS request; moreover, the PRC can modify the request, up or down. Since this would be the first exigent rate case, the PRC scheduled a June 16 "technical" conference on developing procedures for evaluating the anticipated USPS increase request.

Many mailers argue that the worst economic environment since the Great Depression, combined with a suffocating requirement for the USPS to prefund its retiree health benefits is neither "extraordinary" nor "exceptional." Therefore, according to the mailers, the exigent rate case should be disallowed. Ironically, as part of its recent 2009 Annual Determination Review, the PRC mused at a public forum about whether the Postal Service could be found in noncompliance if its postage revenue could not support universal mail service. A tangential issue relates to polling data that the Postal Service has heralded in support of specific service reductions. The poll offered the respondent a choice between service reduction and a postage increase. Would the answer be the same if the respondent knew there would be a postage increase anyway?

NAPUS Engaged for November Elections

Under the stewardship of new NAPUS PAC Chairman Linda Carter, NAPUS PAC is well on its way to maintain a prominent and visible role in the 2010 congressional election season. At the recent NAPUS Leadership Conference, attendees collectively contributed \$30,000 and, by May 31, NAPUS PAC raised a year-to-date total of \$120,000.

NAPUS Legislative and PAC Chairs should contact the Government Relations Department to forward NAPUS Candidate Questionnaires to non-incumbent congressional candidates; NAPUS PAC uses the 2010 NAPUS Lobbying Reports, and relevant Committee and floor votes in evaluating incumbents for possible NAPUS PAC financial support. Thirty-six Senate seats and all 435 House seats are up for grabs on November 2.

In the U.S. Senate seats, five Democratic seats (Arkansas, Colorado, Nevada, Pennsylvania, and Washington) and five GOP seats (Florida, Kentucky, Missouri, New Hampshire and Ohio) are considered toss-ups. One Democratic seat is solidly Republican (North Dakota) and another is likely Republican (Delaware). Two Democratic seats lean GOP (Illinois and Indiana) and two other Democratic seats will be competitive (California and Connecticut). Presently, the Democrats hold a de facto 59-41 majority, including Independents Lieberman (CT) and Sanders (VT).

In the House, approximately 28 Democratic seats and 3 GOP seats are considered toss-ups. Just as interestingly, 6 Democratic seats will likely switch or probably switch to GOP, while only one GOP seat will likely change sides. It is five months until the election, so get ready.

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

**8 Herbert Street
Alexandria, VA 22305**

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

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www.napus.org