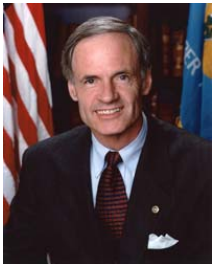




eNAPUS Legislative & Political Bulletin

September 27, 2010

Volume 7, Number 10



Senator Tom Carper
(D-DE)

Sen. Carper Introduces Pension Correction Legislation, Which Includes USPS Wish List

On September 23, Sen. Tom Carper introduced the “Postal Operations Sustainment and Transformation Act” (S. 3831). The meat of the bill would recalculate the Postal Service’s pension obligation to provide equity and fairness. Consistent with the Postal Regulatory Commission (PRC) analysis, the bill would recognize that the agency has over-contributed about \$50 billion into the federal retirement fund. In addition, S. 3831 would permit the Postal Service to use the surplus contributions to pay its annual retirement health prefunding requirement, through 2017. However, S. 3831 also contains a number of highly-controversial USPS-promoted provisions that could seriously jeopardize enactment of the much-needed recalculation. Many of these divisive provisions were considered and rejected, as Congress deliberated over the Postal Accountability and Enactment Act (PL 109-435).

Among the contentious USPS-promoted items infiltrating an otherwise constructive bill, is a provision that would eliminate the present prohibition against closing a small town or rural Post Office for *solely* economic reasons. In addition, the provision would strike the requirement that the Postal Service consider how a closing would affect the community served by the Post Office and how it would impact postal employees. It is important to recall that a recent Gallup Poll concluded that 86% of the American public opposes Post Office closings. According to the PRC, closing all small and rural Post Offices would yield only 0.7% of the USPS operating budget, or about \$586 million. (NAPUS President Bob Rapoza sent a letter to Sen. Carper expressing deep concern about the Post Office closing provision.)

Ironically, a September 20 Postal Office of Inspector General Report (OIG) was highly critical of the \$1.5 billion-Postal Service Area and District Office field structure, and recommended that many of these units be consolidated or closed. The OIG offered three options: eliminate 14 offices by consolidating those offices within 50 miles of another office; eliminate 4 area and 32 district offices by consolidating offices whose work hours and mail volume are low; or eliminate redundant staff and better position area management by redeploying them to Postal HQ. Presently, the Postal officialdom encompasses 8 area and 74 district offices. NAPUS has long urged the USPS to consolidate its administrative structure. In fact, NAPUS testified in support of *delaying* the Postal bureaucracy as far back as the 2003 hearings, before the President’s Commission on the U.S. Postal Service. For history buffs, in 1951, during Congressional hearings on recommendations of the Commission on the Organization of the Executive Branch of the Government (aka the Hoover Commission), House Post and Civil Service Committee Chairman Tom Murray (D-TN) decried a 15-district postal organization, as being nothing more than an “army of bureaucrats” that add no value to the service. The bottom line is that Congress should direct the Postal Service to restructure and right-size its

bureaucracy before providing it with license to close Post Offices that actually provide service to the American public.

S. 3831 addresses two other highly-charged USPS-sought after modifications to current law. The legislation, as introduced, would enable the Postal Service to reduce mail delivery frequency below six days a week, and would explicitly direct a labor arbitrator to consider the financial condition of the Postal Service in rendering a decision.

Finally, S. 3831 would enhance the USPS' revenue producing capacity by permitting the Postal Service to offer non-postal products and services that are in the public interest. To accomplish this feat, the USPS would utilize its postal retail network. In addition, the USPS would be able to transport wine and beer, and coordinate with state and local governments to use Post Offices to provide local government services.

Presently, S. 3831 does not carry any cosponsors and the Homeland Security and Governmental Affairs Committee Ranking GOP, Susan Collins, has indicated that she has deep concerns about the legislation, including the provision relating to Post Office closures. It does not appear that the legislation will come up for a vote this year, but may be used as the basis of legislation in the next Congress. In the meantime, NAPUS intends to work with Chairman Carper, Sen. Collins and Committee members to refine the bill, so Postmasters will be able to support it.

Time Runs Out on Short Term Postal Fix

As the days before the election recess ebbs, partisan politics seems to be overtaking Congress' ability to permit the Postal Service to defer the \$5.6 billion payment into the Postal Retiree Health Benefits Fund. The plan was to attach the deferment onto a must-pass stop-gap appropriations bill that needs to be signed into law by September 30. The bill, a "Continuing Resolution", is being pieced together by the House and Senate Leadership and may come up for a vote within the next 24-48 hours.

House Postal Subcommittee Chairman Steve Lynch (D-MA) and Senate Postal Subcommittee Chairman Tom Carper (D-DE) sent letters to their respective Appropriations Committee Chairs requesting that the postal deferment provision be included in the Continuing Resolution. A number of other provisions were also supposed to be included in the measure, including funding for PELL grants, funding to implement portions of the new health care and financial services overhaul laws, and foreign aid. The problem with the additions, which include the Postal provision, resides primarily in the Senate, because the Senate needs a super-majority of 60 votes to bring up the Continuing Resolution and the GOP have demanded that Democrats keep the measure "clean", without extraneous provisions.

As we went to press, the postal provision did not appear to be included in the Continuing Resolution. Nevertheless, the Postal Service has indicated that it will be able to make the required contribution to the retiree health fund on September 30, and will be able to fund its operations.

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