



Senate Postal Hearing  
L-R: Sens. Scott Brown,  
Tom Carper, Daniel Akaka

## 2 Hearings, 2 Weeks, and 1 Message

Last week, the House Postal Subcommittee heard mailers declare support for Rep. Steve Lynch's legislation (H.R. 1351) to accurately calculate the USPS pension liability and allow the agency to use the surplus to meet its obligation to pre-fund retiree health benefits. This week, the Senate Postal Subcommittee also heard a strong consensus supporting an honest computation of the postal pension liability and permitting the Postal Service to use the excess contributions to pre-fund retiree health costs.

The House and Senate are beginning to focus their attention on the impending Postal Service's FY 2011 payment to pre-fund retiree health benefits. Postmaster General Donahoe and others testified that sliding revenue and eroding mail volume make it virtually impossible to make the required \$5.6 billion payment, due on September 30. Absent enactment of legislation to defer the payment, or to permit the Postal Service to use its pension overpayments to meet the obligation, the agency would default on pre-funding for the current year. Additionally, at the May 17 Senate hearing, Subcommittee Chair Tom Carper (D-DE) indicated that, in FY 2012, the Postal Service "could even have difficulty making other normally routine pension and workers compensation related payments."

Also, on May 17, Sen. Carper introduced the Postal Operations Sustainment and Transformation Act (S.1010). The bill contains a number of similarities to legislation (S. 353), Sen. Susan Collins' postal legislation, and one major resemblance to H.R. 1351, Rep. Stephen Lynch's postal measure. NAPUS strongly believes that the provision common to all three measures, pension accuracy and finance pre-funding from the pension surplus, should be enacted without delay. As part of its testimony, NAPUS strongly suggested this strategy. In addition, NAPUS raised concerns about two sections in S. 1010 that could adversely impact millions of postal customers who rely on their Post Offices for commerce and communications; however, NAPUS commended the bill's efforts to expand postal products and partner with state and municipal governments. [Click here to view NAPUS testimony.](#)

At the hearing, Senators expressed concern on issues relating to collective-bargaining, 5-day delivery, and Post Office closings. Noteworthy were the questions and comments of Senators Mark Pryor (D-AR), Claire McCaskill (D-MO) and Mark Begich (D-AK) relating to the vital role of post offices and the degree to which the USPS engages communities in Post Office closing or consolidation decisions. For example, Sen. Pryor referenced the USPS gives no more than lip-service to communities. From his observation, the agency "just checks off a box" that it met with the community. Sen. Begich referenced his recent attendance at the Alaska NAPUS State Convention, in Healy, in his comments. The NAPUS Government Relations Department has been conducting telecons with specific NAPUS Chapters to enhance our legislative effectiveness.



## Budget-Cutters Focus On Our Pensions

In an effort to cut a deal on raising the debt ceiling, Congress and White House budget staffs are taking a close look at the employee contribution rate to the Federal Employees Retirement System (FERS). It appears that, once again, postal and federal employees are considered the “low-hanging fruit.”

Presently, FERS participants contribute 0.8% of salary towards the pension. There is serious discussion to raise the contribution to about 6%. This idea originated last year with a Washington-based centrist think tank, the *Third Way*. The two chairmen of the president’s fiscal commission adopted the idea as part of their budget plan. The FERS proposal was also included in the House GOP Budget Resolution (House Concurrent Resolution 34), which the House passed by a 235-193 majority, last month. NAPUS joined 21 members of the “Federal-Postal Coalition” in a letter to the Senate Budget Committee, which, in part, urges the Committee to oppose increasing the FERS contribution rate. Our argument is that the budget cutting discussion centers almost exclusively on the postal and federal workforce. The “sacrifices” to reduce the deficit are not being shared with other sectors of the economy; the federal public service is being targeted. The Senate plans to vote on the House budget bill next week; NAPUS members should urge their Senators to vote NO on HCR 34.

On May 16<sup>th</sup> breached the federal debt ceiling, so the U.S. Treasury began tapping the Civil Service Retirement Fund and the Thrift Savings Plan G-Fund to help meet current debt obligations. This means that the government will not credit the retirement Fund and the G-Fund for investments attributable to federal employees. This is not the first time the Treasury has taken such emergency actions. Federal and postal employee retirement benefits are not jeopardized by this action because the U.S. Treasury is required to redeposit the funds when the debt ceiling is raised. NAPUS joined 20 members of the Federal-Postal Coalition in a letter to Treasury Secretary Geitner on this issue.

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## President Nominates Taub and Acton to PRC

Last week, President Obama nominated Robert Taub to replace Tony Hammond on the Postal Regulatory Commission (PRC). In addition, the President re-nominated Mark Acton to the panel. Commissioners serve a 6-year term and are subject to Senate confirmation.

Robert Taub is currently special assistant to Secretary of the U.S. Army John McHugh. Taub worked for McHugh on the Postal Subcommittee as staff director, where he was deeply involved in drafting the Postal Accountability and Enhancement Act, as well as other postal bills. In addition, Robert served for almost a decade as McHugh’s congressional chief-of-staff. Robert Taub has addressed NAPUS many times, and was presented a special award at the 2005 NAPUS Leadership Conference.

Mark Acton is currently PRC Vice-Chair and has been on the Commission since 2006. He was on the PRC staff prior to being confirmed. Acton has also served in legal and policy positions with the Republican National Committee.

A footnote to the Taub nomination is that, if confirmed, 5 congressional staffers who were intimately involved in the 2006 Postal Reform Act would be at the Act-established PRC. They include PRC Commissioners Dan Blair and Nanci Langley, PRC Inspector General Jack Callender, PRC Public Information Officer Ann Fisher, and PRC Commissioner-designee Robert Taub.



PRC Commissioner-  
Designee Robert  
Taub

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