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Sen. Joseph Lieberman
Chairman
Senate Committee on
Homeland Security and
Governmental Affairs

Committee Chairman Lieberman to Conduct Emergency Postal Hearing

On Tuesday afternoon, Senate Homeland Security and Governmental Affairs Committee Chairman Joseph Lieberman (I-CT) intends to conduct a hearing on legislative proposals that seek to avert a “Postal shutdown.” This is the first time in recent memory that the full Committee, rather than its Postal Subcommittee, will convene a postal hearing. The impending USPS default on its \$5.6B payment to prefund its retiree health obligations, the legislative bottleneck that has delayed passage of postal relief, as well as three new and highly-controversial USPS proposals played a role in scheduling this forum. Beginning at 2:00 PM EDT, the hearing may be viewed on the Senate Committee website [here](#).

Two weeks ago, Chairman Lieberman’s office reached out to NAPUS to coordinate the designation of a single witness to represent USPS postmasters and supervisors. The presidents of the three managerial organizations settled on NAPS President Louis Adkins to deliver oral testimony on behalf of all three associations, since NAPUS and League Presidents testified most recently before the Senate Postal Subcommittee. Even so, NAPUS will submit written testimony to the Committee, representing the views of its 38,000 members. The invited witnesses include: PMG Patrick Donahoe, a representative of the White House Office of Personnel Management, a representative of the Government Accountability Office, the President of the American Postal Workers Union, a representative of the magazine industry, and a representative of the newspaper industry.

Postal employee groups continue to focus on passing legislation to correct the Postal Service’s overpayments into the Civil Service Retirement Trust Fund and permit the agency to access the surplus to pre-pay its retiree health obligations. However, USPS Headquarters has redirected its efforts to advance a draconian proposal to withdraw from the Federal Employees Health Benefits Program (FEHBP) and the Federal Employees Retirement System (FERS). NAPUS’ Senate testimony, in addition to urging the panel to report legislation to address the pension overpayments, objects to the ill-conceived plan to abandon the FEHBP. As Postmasters should recall, FEHBP was heralded by many as a model for a national health system because of participant choice, aggressive cost-containment, extraordinary efficiency, and effective health promotion. Moreover, past experiences with agency withdrawal from the FEHBP (e.g., the Federal Deposit Insurance Corporation and the Federal Reserve Board) were dismal failures, resulting in the agencies having to buy their way back into the FEHBP. Special was legislation needed. NAPUS strongly believes that the USPS should not be permitted to risk the health care protection of its employees and retirees based on the recommendation of consultants who have been counseling the USPS to withdraw from the FEHBP since the late 1980s.

NAPUS testimony also plans to discuss the adverse effect that USPS plans to close a yet-to-be-determined number of small and rural post offices would have on rural communities. Moreover, NAPUS will renew its request that the current statutory prohibition against closing a post office solely for running a deficit and the requirement that the Postal Service provide a maximum degree of postal services to small and rural communities be retained.

Postal Retail Access Optimization Initiative (RAOI)

The Postal Regulatory Commission continues to be the focal point for Postal Service efforts to contract its retail footprint. However, it is once again important to take note of what the Postal Service's request for an "advisory opinion" is, and more importantly what it is not. Understandably, there is a bit of confusion. The RAOI does not change the legal requirements and statutory protections afforded to communities whose post office the USPS proposes to close. Rather, the RAOI proposes a new process for identifying those post offices that may be "candidates" for a discontinuance action.

The request for an advisory opinion is mandatory whenever the USPS intends to change the nature of its service, nationwide or substantially nationwide. Such a request must be made at least 90 days prior to the implementation of the change. The review of 3,650 retail facilities, including 2,800 post offices, for potential closure triggers the request for the PRC's opinion.

On July 27, the Postal Service asked for an advisory opinion and submitted written testimony explaining the RAOI. Parties seeking to "intervene" with the PRC were required to file their intervention no later than August 19. NAPUS intervened on July 29; two days after the USPS filed its request. Subsequently, intervenors may direct "interrogatories" (formal questions) to the Postal Service relating to the RAOI. The deadline for submitting these inquiries was August 30. During August, NAPUS filed four sets of interrogatories, including 47 questions. The Postal Service is required to respond to the interrogatories within 7 days. The questions and answers are posted on the PRC website. On Thursday, the Postal Service will be available at an open PRC hearing, at which time intervenors may cross-examine the USPS witness. At this time, NAPUS intends to cross-examine the USPS witness. No later than September 16, intervenors may submit written "rebuttal" testimony to the PRC relating to the RAOI; those who submit testimony may be asked to respond to interrogatories posed by the Postal Service, and appear in person before the PRC on October 3, to be cross-examined by the Postal Service. After October 3, the PRC may ask for more information, or may commence its deliberations on its advice to the USPS. The PRC advisory opinion is expected in early November.

The key word to remember is that the PRC can only advise the Postal Service; it cannot require the Postal Service to withdraw or modify the RAOI. However, in the past, the Postal Service has taken to heart some PRC recommendations and integrated these suggestions into postal policy.

Nevertheless, the PRC's audience is much broader than just the USPS; Congress and the American public will also judge the PRC's advice, and recommendations – and, more important, to what degree the USPS follows recommendations that sustain enable a universal, accessible, and affordable postal service to exist.

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