



NALC FACT SHEET

Department of Legislative and Political Affairs — National Association of Letter Carriers, AFL-CIO

100 Indiana Ave. NW — Washington, DC 20001-2144 — 202-393-4695 — www.nalc.org © NALC

December 15, 2011

Support S. 1853 and H.R. 3591: The Postal Service Protection Act

*The Postal Service Protection Act
is the solution to the Postal Service's financial crisis*

In the 112th Congress, there have been numerous measures introduced in the House and Senate to address the Postal Service's financial condition and to facilitate a viable future for one of America's most useful and popular institutions. Many of these bills have important components that will play roles in returning the Postal Service to operating as a financially sound company, while many others completely miss the mark, favoring efforts to dismantle the Postal Service rather to save it. However, S. 1853 and H.R. 3591, both titled "The Postal Service Protection Act," are the only pieces of legislation that include all the key provisions necessary to return the Postal Service to financial health in both the short and long terms, while preserving its vital networks, high-quality service standards and solid middle-class jobs.

Eliminating the future retiree health benefit pre-funding requirement

The most immediate problem facing the Postal Service is the requirement to pre-fund future retiree health benefits. The Postal Service is the only organization, public or private, that is required by law to pre-fund such benefits. This unfair burden costs USPS between \$5.4 billion and \$5.8 billion every year. Without the pre-funding requirement, the Postal Service would have had an operational profit between 2007 and 2010. If passed, S. 1853 and H.R. 3591 would eliminate the USPS's unique and unfairly burdensome pre-funding requirement.

Returning CSRS and FERS overpayments to the Postal Service

According to studies by the Office of the Inspector General and the Postal Regulatory Commission, the Postal Service has overpaid between \$50 billion and \$75 billion into its CSRS pension fund. S. 1853 and H.R. 3591 call for allowing the Postal Service to recover the overpayments by transferring CSRS assets, paid for by ratepayer and employee contributions (not taxpayer funds), to the Postal Service Retiree Health Benefits Fund. In addition, the bill includes a proposal by President Obama to return a \$10.9 billion surplus in the postal portion of the FERS pension fund as well. These measures would have no effect on any current or future federal retiree's annuity benefits.

Protecting six-day mail delivery

Since 1983, Congress has had to annually renew USPS' requirement to maintain six-day mail delivery service in an appropriations bill. If passed, S. 1853 and H.R. 3591 would establish permanent legislation that requires USPS to deliver mail six days a week.

Establishing new revenue for the Postal Service

S. 1853 and H.R. 3591 call for an end to prohibiting USPS from providing non-postal services. New services could include notary services, the issuance of licenses, the provision of services for state and local agencies and the shipping of wine and beer. Other countries have had success with non-postal services. Post offices in France offer banking and insurance services; in Sweden, post offices physically deliver e-mail messages to people who are not online; and post offices in Switzerland allow users to have their physical mail received, scanned and delivered to their e-mail inboxes.

These bills also would create a blue-ribbon commission composed of entrepreneurs, representatives of labor and small businesses to provide recommendations on how the Postal Service can generate new revenue to succeed in the 21st century.

Preventing the closure of rural post offices

Currently, the Postal Service is directed to consider the effects of closures on the community and postal employees before closing a post office. Up to this point, USPS has done a poor job reviewing these impacts. If passed, S. 1853 and H.R. 3591 would give the Postal Regulatory Commission binding authority to prevent post office closures that would adversely affect communities and employees. USPS also would be prohibited from considering whether a post office is turning a profit when making closure decisions. And USPS would be required to inform communities through newspaper and magazine announcements when their post offices were being studied for closure. Those announcements would need to outline the reasons for such studies.

Protecting mail-processing facilities

S. 1853 and H.R. 3591 call for creating strict standards for delivering First Class Mail on time. This would make it more difficult to close area mail-processing facilities.

S. 1853 and H.R. 3591 provide reasonable, fair and responsible ways to address the Postal Service and its immediate and long-term health and viability. The NALC urges members of Congress to stand up for preserving this vital government service by co-sponsoring S. 1853 and H.R. 3591 today.