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## **POSTAL REFORM BILL INTRODUCED IN THE SENATE**

On March 22, a bipartisan group of senators introduced reform legislation to improve the Postal Service and put the financially strapped agency on a more sustainable path. Sens. Tom Carper (D-DE), Jerry Moran (R-KS), Heidi Heitkamp (D-ND) and Claire McCaskill (D-MO) introduced S. 2629, “The Postal Service Reform Act of 2018: Improving Postal Operations, Service and Transparency.” The measure is intended to “stabilize, preserve and improve the Postal Service—an essential part of our nation’s infrastructure and economy.”

Over the past several weeks, the four lawmakers had wrangled to get their postal bill added to the \$1.3 trillion omnibus government spending package racing through Congress. But the postal legislation failed to make the cut. The Senate bill builds on the House postal reform measure, H.R. 756, which passed the House Oversight and Government Reform Committee in March 2017.

In announcing NAPS’ support for the measure, Executive Vice President Ivan D. Butts said, “This Senate bill updates and strengthens the bipartisan House approach toward a balanced set of Postal Service reforms. It’s time that Congress approved, as only it can, these necessary reforms to assure prompt, universal postal service to all Americans.”

According to a press release from Carper’s office, the financial condition of the Postal Service, which operates at the center of a \$1.4 trillion industry and employs more than 7 million people, has been deteriorating for years. Despite the Postal Service setting a record on Dec. 18, 2017, when more than 37 million packages were delivered—the most packages

delivered in a single day in the agency’s 200-year history—the Postal Service saw a net loss for the first quarter totaling \$540 million.

In addition to reporting net losses for the 11th year in a row and defaulting on its legally mandated multi-billion-dollar retiree health prefunding payments yet again, the Postal Service, for the first time, missed payments it owed to the federal retirement system in 2017—for a combined total of \$6.9 billion.

The onerous prefunding schedule has put the Postal Service in a place where it must cut costs—often at the price of service—and prevents the agency from investing in its infrastructure. While the situation is dire, it also can be fixed through needed legislative reforms.

**The bill seeks to: Increase sustainability**—S. 2629 would eliminate the statutory payment schedule, cancel any outstanding payments and amortize payments over 40 years. The bill also would create a new Postal Service Health Benefits Program (PSHBP) within FEHBP, implemented and administered by OPM, for all postal employees and annuitants. It also would require all Medicare-eligible postal annuitants and employees enrolled in the PSHBP to also enroll in Medicare, including parts A, B and D. This is essential for protecting the American taxpayer from a future bailout and for protecting employees’ benefits in retirement.

**Improve and stabilize the Postal Service and operations**—The price of postage would be decreased pursuant to federal court orders from the previous Congress eliminating the positive revenue stream from the

exigent rate case in 2014. As a result of a compromise among postal stakeholders, the bill would restore half of the temporary rate increase, while freezing any further rate increases until a new rate system could be finalized by the Postal Regulatory Commission.

**Prioritize the postal customer with service improvements and protections**—The bill includes strong service reforms that would put the postal customer first by improving mail service performance across the country—especially in rural America—while also requiring transparency and enforcement to ensure the Postal Service’s accountability. Service performance also would be stabilized by preserving current service standards for at least two years.

**Innovate and modernize the existing postal business model and increase transparency**—The bill would allow the Postal Service to introduce new non-postal products and services; ship beer, wine and distilled spirits; and partner with state and local governments in offering government services. The bill also would increase transparency of Postal Service delivery results and would require that all delivery and retail performance results be posted in a transparent and user friendly way.

Various industry stakeholders also support the Senate’ reform bill, including Hallmark Cards, the Association of Magazine Media, the Coalition for a 21st Century Postal Service and the National Newspaper Association.

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