

UPDATE

December 9, 2019

Rep. Maloney Secures House Oversight and Reform Committee Gavel

On November 20, the House of Representatives Democratic Caucus elected Rep. Carolyn Maloney (D-NY) to succeed Rep. Elijah Cummings (D-MD) as chair of the House Oversight and Reform Committee. The committee has jurisdiction over the U.S. Postal Service and postal and federal employee benefits, including retirement.

New York NAPS members have had a long and close relationship with Rep. Maloney. Her first congressional campaign was waged in 1992 against seven-term GOP incumbent Rep. Bill Green, who proposed suspending the “private express statutes.” These statutes prohibit private companies from delivering U.S. mail. NAPS, along with other postal employee groups, played a prominent role in Maloney’s first congressional campaign, helping her to defeat Green by 2%. Maloney continues to have a keen interest in postal matters and legislation. In fact, a number of major print magazines are headquartered in her congressional district, which covers parts of New York City. She is also attentive to issues involving facility closures and consolidations.

NAPS Members Help Recruit Enough Cosponsors of H.R. 2382 for House Floor Vote

On December 3, [H.R. 2382](#), “the USPS Fairness Act”, which repeals the burdensome prefunding requirement, garnered enough cosponsors to merit House floor consideration. On that date, the bill reached 295 cosponsors, exceeding the 290-cosponsor threshold to enable the bill’s sponsor, Rep. Peter DeFazio (D-OR), to offer a motion to place the bill on the *House Consensus Calendar*. Under House rules, after a 25-day waiting period, a bill from the *Consensus Calendar* can be brought up for a House vote, meaning that H.R. 2382 could be voted on as early as sometime in January. Inasmuch as the bill has gathered an overwhelming number of cosponsors, the bill could also be brought to a vote sooner under a procedure known as *Suspension of the Rules*. For a number of months, NAPS legislative activists and others have been urging their Representatives to cosponsor H.R. 2382 and trigger this next legislative step. Thank you!

The NAPS-supported bill repeals the burdensome prefunding requirement that has accounted for over 90 percent of the Postal Service’s accumulated losses. No other public or private entity is required to prefund retiree health benefits to the level required by the Postal Service. In part, the prefunding obligation precludes the USPS from investing in much-needed infrastructure.

Also, on December 3, Sen. Steve Daines (R-MT) and Sen. Brian Schatz (D-HI) introduced [S. 2965](#), the Senate companion to H.R. 2382, which NAPS also supports.

Now, NAPS urges its members to ask their House to vote in favor of H.R. 2382 when it comes up for a vote. And NAPS urges its members to request their Senators to cosponsor S. 2965.

Sen. Peters Introduces the Postal Opioid & Illicit Drug Strategy Act

On December 4, Sen. Gary Peters (D-MI) and Sen. Mitt Romney (R-UT) introduced, [S. 2974](#), legislation to require the Postal Service to develop a comprehensive strategy to combat the use of the mail to distribute illicit drugs. The measure would permit the USPS to identify areas in which it needs to improve its ability to curtail the use of the mail stream by domestic and international drug traffickers. In part, the bill is in response to a [USPS Inspector General finding](#) that USPS has not published an organization-wide, comprehensive strategy to unify its efforts and more effectively combat the distribution of drugs. The sponsors of S. 2974 believe that such a strategy would allow the Postal Service and the public to evaluate postal efforts, identify areas for improvement and meet emerging challenges.

PRC Revises Its Proposal for a New Postage Rate System

After a 2-year delay, the Postal Regulatory Commission (PRC) on December 5 issued a [new proposal](#) to revise the comprehensive structure governing U.S. postage rates. The proposal revises an earlier rate reform proposal released by the PRC in December 2017.

The PRC's new rate reform proposal is the result of a requirement under the 2006 Postal Accountability and Enhancement Act (PAEA) directing the PRC to conduct after ten years a thorough review of the rate and classification structure established under PAEA and its compliance with objectives established under PAEA. In 2017, the PRC concluded that the postage rate and classification system was failing the Postal Service and its customers and that the system required significant overhaul. But the PRC delayed implementation of the proposal in order to consider public comments and permit three of the PRC's five new commissioners to take office and consider the matter.

The latest PRC proposal reinforces the 2017 conclusion that the U.S. rate system created by the 2006 postal law fails to ensure the Postal Service's continued financial health and maintain high-quality service standards and performance. The proposal would keep a price cap on USPS market-dominant products like First-Class mail, but base that cap on new factors like declining mail density and mandatory payments to prefund health benefits for future postal retirees. It also would replace the 2017 proposal to permit the USPS to raise rates by 2% above the cap, with enhanced rate authority based on these new factors, along with additional annual performance-based 1% rate authority. The major differences between the 2017 and 2019 proposals in this area revolves around the method for calculating the USPS' financial condition and the way in which USPS performance is determined. Both the PRC's original and revised proposals maintain additional 2% rate authority for "under-water" classes for mail (i.e., products that fail to cover their cost, such as periodicals). The PRC also proposes to re-evaluate the new rate system after 5 years.

The PRC will receive comments on the proposed rate revisions through March 4, 2020 and issue a final decision on the rate structure sometime thereafter. NAPS will continue to monitor the PRC's actions and keep its members advised. To learn more about the PRC revised rate proposal, listen to the [December 6 episode](#) of [NAPS Chat](#), featuring NAPS Legislative and Political Affairs Director Bob Levi's conversation

with PRC Vice Chair Michael Kubayanda. You can subscribe to NAPS Chat podcasts on [iTunes](#), [Google Podcasts](#) and [Spotify](#).

NAPS Legislative Team