



In the Short-Term, Restore Fairness to USPS Retiree Obligations.

- **Return FERS Overpayments**
With approximately \$7 billion in overpayments by the USPS to FERS, this money should be returned to the USPS to meet current obligations
- **Reduce and Restructure FEHBP Payments**
The payment schedule established in 2006 should be reviewed and recalculated based on current REHB assets and future obligations. Continued payment to this fund at \$5.5 billion per year will jeopardize the entire system and all current and future retirees.
- **Resolve the CSRS overpayment Issue**
With very different views of the status of CSRS overpayments in pending legislation, the Coalition believes Congress should create a framework to resolve this issue.

In the Longer-Term, Create a Modern, More Efficient Postal Service

- **Restructuring and Streamlining**
The USPS must be given the latitude to close, consolidate and relocate facilities to adjust to the changing marketplace. Given political realities, a BRAC- style commission may be the best method, but downsizing must occur.
- **Innovate and Make Greater Use of Technology**
We support efforts in most of the bills to allow the USPS greater flexibility, within the framework of its mission, for innovation and technology.
- **Reductions in Personnel Costs**
Personnel costs remain stubbornly static at roughly 80 percent of USPS expenses. No realistic deficit discussion can avoid the prospect of tough choices in these costs. USPS management should be given specific targets to achieve reductions. Failure to reach these goals within a limited time frame should trigger a modified Chapter 11 process free of political influence.
- **Workers Compensation Adjustment**
The payment of workers compensation to individuals who are eligible for retirement from the Postal Service must be ended

Elements that Must be Excluded to Assure a Meaningful Solution

- **An Exigency Increase.**
In an environment where mail volume is falling, the concept of raising rates is counter-intuitive and counterproductive. Companies and individuals cannot be required to mail. Increased rates will only lead to further declines in volume.
- **Raising “Underwater” Rates**
We believe the reasoning that periodicals, catalogs, nonprofits and other classes of mail are underwater is flawed. This mail generates significant additional mail volume as well as adds to the overall value of the mail. Their net contribution to the system is positive.
- **Calculating the Rate Cap Over All Mail**
This proposal would create uncertainty in an environment where predictability is critical, and could pave the way to distortions in rates. We strongly oppose this concept.
- **Raising Rates to Cover All Costs**
As proposed in HR 2967, an immediate increase of at least 15% across-the-board would be profoundly self-defeating. With mailers on a budget-driven hair trigger to divert mail to alternatives, and others barely staying in business at all, the result would be calamitous for the system and all who depend upon it. **This proposal simply must be rejected.**