



National Postal Policy Council

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NPPC Annual Report 2009 -- 2010

Departing from our usual practice by request, following is a bulleted report of our activities and accomplishments during our past fiscal year.

Heavy engagement on Capitol Hill to help USPS on retiree health prefunding and the pension overpayment

- **Success on relief for USPS from Congress is urgently needed: on its current course, USPS will run out of cash and default at the end of its FY 2011 with expensive and possibly disruptive consequences for its customers**
- Helped organize and coordinate Coalition for a 21st Century Postal Service
 - i. United Mailers and Suppliers in pursuing goals of short- and long-term financial relief on the Hill
- Numerous (75 at last count) meetings to educate Members about USPS issues and potential solutions
- Through Coalition developed, and helped organize and participate in, Congressional "Postal 101" Sessions – for same purpose
- Working closely with PMG and other senior execs at USPS
- Substance: restructuring, \$50 - 75 billion potential overpayment, RHBF payments modifications, and more
 - i. Several letters to key Members on the issue
 - ii. Supported HR 5746 – House bill to fix CSRS overpayment
 - iii. Brokering meetings between House and Senate staff
 - iv. Successfully (so far) discouraged revision of indexation measurement proposed by USPS
 - v. Participated in "Issues Forum" conducted by the House Subcommittee that oversees postal issues
- Working with postal unions where there is commonality of goals
- Supporting recently introduced S 3831 – Senate bill to fix CSRS overpayment and give USPS management much more flexibility on cutting costs and generating new business
- Supporting just introduced bill by Senator Collins that does much the same but has some substantial different approaches from S 3831 (Senator Carper's bill)

Exigency Rate Case

- **Bottom line: successfully blocking this proposal was worth roughly 6% in additional postage**
- Helped organize and support the Affordable Mail Alliance, 1200 members strong, which took the legitimacy of the exigency filing head-on
- Prepared and filed our own economic and legal case against various above-average increases proposed for 1C rates in the case
 - i. Filed both direct and reply comments focusing on 1C discount issues
 - ii. Used expert economics, as well as legal, counsel
 - iii. Filed declaration on an internal NPPC survey demonstrating USPS volume loss forecast dramatically underestimated
- Meetings with all Commissioners and at USPS concerning consequences of exigency increase
- Coordinated with other associations on major issues
- We have intervened in the Postal Service's appeal of the PRC's decision to the US Court of Appeals in DC



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Other Activities at the PRC

- ***Each of the following initiatives has the potential to cost or save NPPC members substantial postage annually***
- Annual Compliance Review participation and comments
- Worksharing costing calculation economic methodologies proceeding: comments
 - i. While we and the Postal Service did not succeed in having presort rates “delinked” from single piece, the old benchmark for calculation was ruled “obsolete:” a potential net positive for us.
 - ii. The PRC established a new proceeding to determine how the discounts should be measured, though linked, and therefore adjustments to existing discounts would be highly likely.
 - iii. We have attempted to intervene in USPS judicial appeal of this decision, which USPS is opposing – even though we’re coming in on their side
- Will be participating in proceeding to establish new benchmark; Commission granted our request to defer comment date (for 90 days). Success in this case will save members many \$millions
- Rate indexation measurement: proceeding to determine how to figure out CPI to apply when indexed cases are more than a year apart

In addition, NPPC did the following at PRC/USPS:

- Saturday Delivery case -- intervened (neutral position, respecting differing views within NPPC)
- Filed comments with USPS on ACS/Move Update changes

Quarterly Meetings

- Featuring PMG Potter, Incoming PMG Donahoe, Chairman Goldway and other Regulatory Commissioners
- Other USPS senior executives, such as Paul Vogel, Joe Corbett and Steve Forte
- Prominent postal staff from Capitol Hill

Surveys – to learn members’ views on issues of importance

- Saturday Delivery
- Rate Increases
- USPS Volume Forecast after Exigency Rates: used to good effect in the exigency case