

iPOST

Improving Postal Operations,
Service & Transparency Act of 2015

“The Post Office is the visible form of the federal government to every community and to every citizen. Its hand is the only one that touches the local life, the social interests, and the business concern of every neighborhood...”

Former Postmaster General John Wanamaker

The Problem:

The United States Postal Service is an important part of our everyday lives and a critical engine for the American economy. However, the organization faces financial challenges that threaten its long-term viability. Due to thriving package delivery growth and an aggressive, yet unpopular, effort to cut costs, the Postal Service generated a positive net operating income in FY 2014 and will likely do so again in FY 2015. However, the agency continues to hemorrhage billions of dollars due to onerous prefunding requirements for future retiree healthcare obligations and the continuing decline of First-Class Mail volume. We can't stand idly by and let an institution that operates at the center of a \$1.3 trillion industry and employs more than eight million people falter. Now is the time to provide a series of sensible and balanced reforms to this critical component to our economy, and fix its serious, but solvable challenges for the long-term.

The Solution:

The Improving Postal Operations, Service and Transparency Act of 2015 (iPOST) provides a comprehensive package of reforms to place the Postal Service on firm financial footing, stabilize and improve service performance, allow for the development of new products and services, and enhance transparency.

Specifically, iPOST:

Increases Sustainability

- iPOST eliminates the existing statutory payment schedule, cancels any outstanding payments, reduces the pre-funding goal to 80 percent of projected obligations, and amortizes payments over 40 years. iPOST also allows the Postal Service the option to invest its amortization payments for up to 10 years in a more lucrative TSP-like account rather than low interest treasury bonds. At the end of 10 years, the investment income would first be used to pay any remaining retiree health liability, then debt. If those costs are resolved then the funding can be used for other postal costs such as investment in infrastructure.
- iPOST would create a new Postal Service Health Benefits Program (PSHBP) within FEHBP, implemented and administered by OPM, for all postal employees and annuitants and 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 the employees' benefits in retirement.

Improves and Stabilizes Postal Service and Operations:

- The price of postage is currently scheduled to decrease this coming spring pursuant to orders put forward by the Postal Regulatory Commission and the federal courts. iPOST makes the current temporary rate increase put into place in 2014 permanent while freezing any further rate increases until a new rate system can be established by the Postal Regulatory Commission by January 1, 2018. The bill also proposes a pause in the Postal Service's facility closing and consolidation efforts for two years for mail processing plants and five years for post offices. This pause would ensure a stabilization of service for postal customers who have expressed concerns about an erosion of service quality in recent years. iPOST also implements stronger performance enhancement provisions to make sure that all American's are receiving accurate and expeditious postal services.

Innovates and Modernizes Existing Postal Business Model and Increases Transparency

- The bill also allows 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.
- iPOST increases transparency of Postal Service delivery results and would require that all transparent delivery and retail performance results are posted in a transparent and user-friendly way.