

## The Postal Reform Act of 2013

- **Prevents Taxpayer Bailouts.** Right now the Postal Service is hurtling toward complete insolvency. If USPS cannot pay its bills, the American taxpayer will almost certainly be asked to pick up the tab. This plan will give the Postal Service new tools to cut costs and restructure its finances, while ensuring it has the capital necessary to do so.
- **Allows the Postal Service to Shift to a Modified-Saturday Delivery Schedule.** The Postal Reform Act will allow the Postal Service to maintain Saturday delivery of packages and medicine while phasing out the Saturday delivery of mail- like bills and advertisements. According to Ipsos, this change is supported by [80 percent of the American people](#). It will save at least \$2 billion annually.
- **Offers an Affordable Payment Plan for Retiree Health Care Benefits.** The legislation will allow the Postal Service to forgo past due payments owed to prefund retiree health care benefits, and will eliminate the fiscal year 2013 and fiscal year 2014 payments as well. Starting in 2015, all future payments will be based strictly on an actuarial calculation designed to achieve full funding in 2056.
- **Brings New Leadership in to Manage the Postal Service During Restructuring.** The legislation will replace the current part-time Board of Governors with a temporary panel of 5 full-time executives that have a clear mandate to turn around the agency and implement cost-cutting reforms. Once the Postal Service is able to earn a profit and has a path forward to ensure it can meet its obligations to its retirees, the temporary panel dissolves and the Board of Governors is reconstituted.
- **Modernizes Mail Delivery.** The legislation will begin to standardize how mail is received around the nation by phasing out the expensive “to the door” delivery of mail, which only a quarter of addresses receive today, in favor of curbside and secure clusterbox delivery – the delivery modes more than 70 percent of the nation already receive. This will save \$4 billion or more annually.
- **Normalizes Rates.** With mail volume in a long-term decline, the legislation will phase out many special rates for certain customers that force the Postal Service to actually charge certain customers less than the true cost of delivery, while preserving the ability of non-profits to fundraise and communicate in an economical manner.
- **Ends Special Treatment for Political Parties.** The legislation immediately eliminates the ability of the national and state political committees to use the non-profit mail rate.
- **Normalizes Pay & Benefits.** The legislation requires postal workers to pay the same premium contribution that other federal workers now pay for health and life insurance benefits and clarifies the existing compensation parity required to exist between postal and private sector workers.
- **Enables Postal Service to Pursue New Revenue.** The Postal Reform Act allows USPS to sell advertising space on vehicles and facilities and offer state and local services, such as the sale of fishing licenses.

- **Uses Surpluses in Pension Accounts to Help Address Other Employee Benefit Costs.** The legislation will create a permanent mechanism that ensures projected surpluses in the Postal Service's pension system do not go to fund operating losses at the Postal Service, but instead protect other benefits already earned by its employees.
- **Subjects Postal Workers to Same Reduction in Force Regime as other Federal Workers.** No-layoff clauses are prospectively barred in Postal Service collective bargaining agreements. Postal employees would be subject to the same Reduction-in-Force authority as the rest of the federal workforce. Any employees who lose their job due to current restructuring will have preferential hiring status among Postal Service contractors.
- **Postal Specific Pension Assumptions.** The PRA will use Postal Service specific demographic assumptions to more accurately calculate the Postal Service's total liabilities and annual payments for both the FERS and the CSRS pension systems. This provision is similar to provisions of H.R. 961 (Rep. Lynch) and H.R. 2690 (Rep. Cummings).
- **Protects Rural Post Offices.** The PRA will include the provisions of HR 2615 (Rep. Adrian Smith) to limit the closure of rural post offices and incorporates additional language to require the Postal Service to consider broadband penetration, cellular phone service, and distance to closest replacement service in determining whether to close post offices.
- **Creates a Chief Innovation Officer.** The PRA will create a Chief Innovation Officer to focus the Postal Service's efforts to identify and grow new postal and authorized nonpostal products to help enhance the Postal Service's revenue. This is borrowed from section 101 of H.R. 2690.
- **Enhances Innovation Cap Limits.** Raises the limits on experimental products market test cap limits to help encourage innovation and develop new products. This is borrowed from section 105 of H.R. 2690.