

USPS changes course; gives Congress time to work on a long term solution

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WASHINGTON, DC –Today, Rep. Peter DeFazio (D-OR) applauded a decision by the United States Postal Service (USPS) to postpone the closure of the Gateway Mail Processing Center. USPS announced today that they intend to postpone closure until January 2014, allowing Congress more time to pass legislation that will sustain the postal service, avoid unnecessary closures that hurt rural communities, and save American jobs.

“The Postmaster General finally listened to the concerns of hundreds of thousands of individuals and small businesses that rely on USPS and delayed his shortsighted plan to close mail processing centers that are essential to the communities they serve,” said DeFazio. “The Gateway Processing Center isn’t safe yet, but this delay gives Congress time to come together and work on a serious long-term solution. I will continue to fight for HR 3591, the Postal Service Protection Act, legislation I introduced to help solve the serious financial issues facing the USPS while protecting postal service in rural communities.”

DeFazio has criticized the Postmaster General’s plan to close thousands of rural post offices and processing centers since it was announced last year. DeFazio attended the December 2011 USPS community meeting on the Gateway closure and questioned the data used to determine closures.

In fiscal year 2011 the Gateway Distribution Center processed 349 million pieces of mail, a 10% increase over the previous year. The delay caused by sending all mail to Portland for processing would significantly impact weekly newspapers and businesses that rely on timely mail service, especially in rural communities. DeFazio heard from a number of small businesses and weekly newspapers who believe the delays would kill their business.

Every workday over 300,000 veterans use the Veterans Administration's mail order pharmacy. According to the State Senior Health Benefits Insurance Assistance (SHIBA), an estimated 25% of the people who contact them get their medications by mail. These delays would also affect these veterans and seniors who rely on USPS to deliver the prescription drugs they need.

BACKGROUND ON DEFAZIO'S LEGISLATION

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HR 3591, Postal Service Protection Act

- Companion legislation was introduced in the Senate by Senator Bernie Sanders (I-VT)
- The bill fixes the immediate fiscal problems faced by USPS by allowing them to recover overpayments made to its pension plans. Estimates show that the Postal Service has overpaid by anywhere from \$7 to 50 billion.
- The bill eliminates the required \$5 billion a year pre-funding of future retiree health benefits.
- The bill prevents closure of rural post offices by giving the Postal Regulatory Commission (PRG) binding authority to prevent closures based on the effect on the community and on employees; not just profit. Currently the PRG only acts in an advisory role.
- The bill requires strict delivery standards for 1st class mail delivery that would make it more difficult to close area mail processing centers.
- The bill would statutorily require 6 day delivery.

- The bill establishes new ways for USPS to generate revenue by providing non-postal services like new media services, issuance of licenses, shipment of beer and wine and shifting more toward electronic mail.

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