

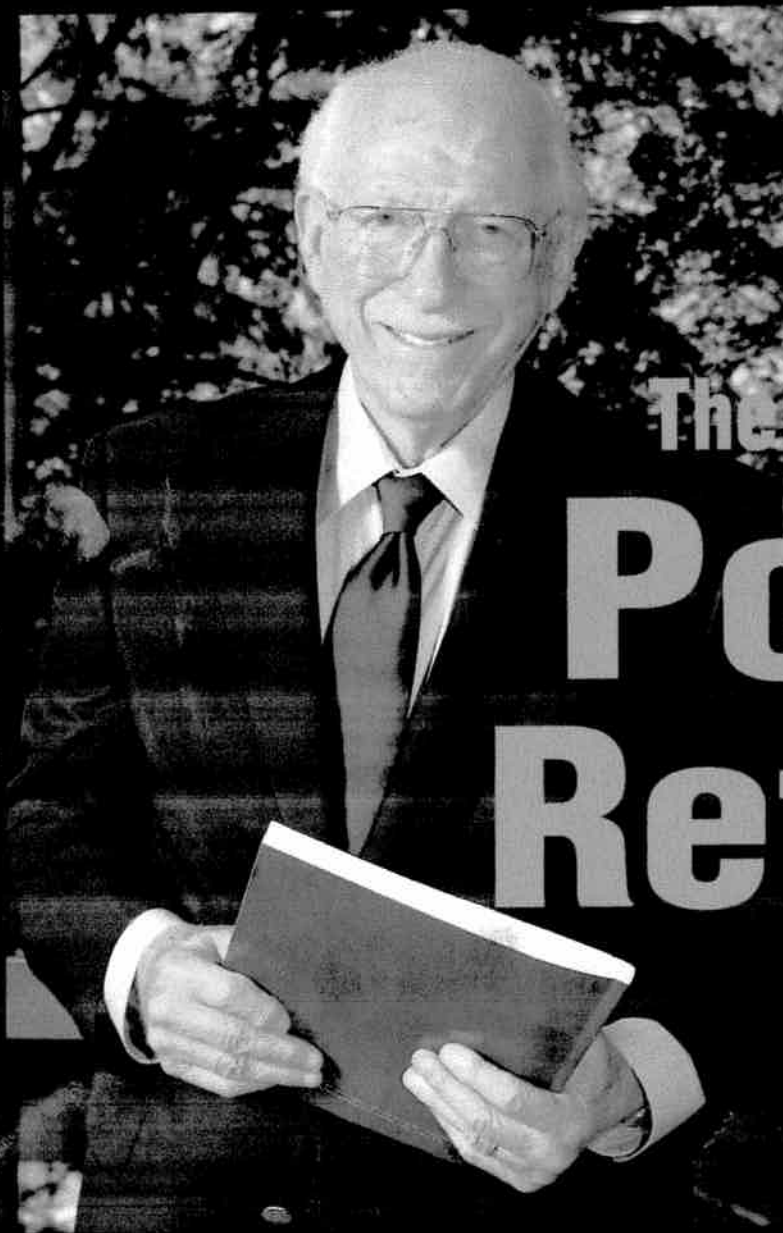
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For over a decade the Postal Service pushed for changes in the laws which govern its operation. Now, with new legislation about to pass, the USPS and others oppose postal reform. Why? Murray B. Comarow explains

The Problem With Postal Reform

If enacted it will have a "severely negative impact on all who rely on the mail," according to the former executive director of the Kappel Commission.

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The Problem With Postal Reform

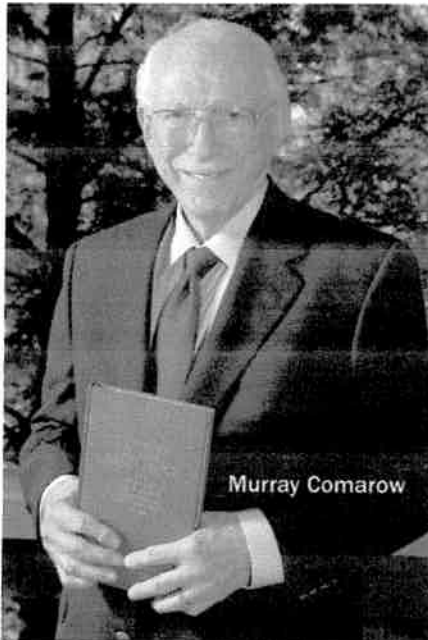
The biggest challenge all along was to get lawmakers to pass postal reform. Once a bill came out of Congress, everyone thought, the Postal Service could go about the business of functioning like a business. Everyone would be happy -- mailers, postal officials, and USPS critics alike. Well, legislation has passed both chambers of Congress, but has been greeted not with celebrations but with suspicion. The USPS Board of Governors fervently opposes the bill, and others warn that it will be much worse than the status quo.

Longtime industry-watcher Murray Comarow has been down this road before. From 1967 to 1968, Mr. Comarow served as Executive Director of President Johnson's Commission on Postal Organization. Better known as the Kappel Commission, it was the work of Mr. Comarow and others who helped engineer the transformation of the United States Post Office Department into the United States Postal Service in 1971.

Back then, the Postal Reorganization Act meant, among other things, moving the political post of Postmaster General out of the President's cabinet and forming a standalone agency.

He has watched the current postal reform efforts move slowly forward for more than a decade, and along the way he has offered both advice and caution. As for the current legislation, he feels it could make things considerably worse (see Mr. Comarow's article, "How Not To Reform Government," on page 37).

We recently had a chance to meet up with Mr. Comarow and pick his brain on various issues relating to postal reform. Here is a portion of our conversation.



agement responsibility and authority would be vested in a Board of Directors..." Pearce-Johnson: "The Board of Directors and senior postal management should be given greater flexibility to manage without the limitations imposed by statutory constraints." There are more similarities, but this is the core of the problem. Congress gives lip service to management flexibility, but the current bills diminish it.

In regards to postal reform, if you were given these three choices – fully privatize the post, don't touch it, or enact the current reform legislation – which option would you select and why?

"Don't touch it," the least of the three evils. Advocates of privatization have never made their case, except by analogies to other countries. That doesn't work for me -- we're very different economically and culturally. On balance, H.R. 22 is a step backward, in spite of its sound approach to escrow and military pension issues.

Compare what is going on today, in terms of debate and "backroom deals," with what occurred back in 1970.

There was a backroom deal before the 1970 Act that resulted in a double wage hike for union members. Still, the 1970 reform bill was vigorously debated in the Senate and the House. Not so the current legislation, which passed by unanimous consent. This blow to good order and sound democratic principles has become increasingly common, and has been rightly criticized by commentators of the left and the right. Another difference is the almost total lack of media attention.

Granted that the USPS is not as hot an item as Iraq, it affects our lives in ways large and small, and deserves attention.

If you were Postal Board of Governor Chairman Jim Miller, what actions and steps would you be taking to ensure the long-term viability of the USPS?

I would draft legislation that represented the Board of Governors' view. Objecting to bad legislation is essential but not sufficient. I would also recognize that many mailers are not happy with their relationship with the USPS. Whether merited or not, that is the reality, and should be addressed as a long-term rebuilding effort.

Until next issue,

FRANCIS P. RUGGIERO
Publisher/Chief Editor

You have previously said that "binding arbitration and the Postal Rate Commission," two items not recommended by the Kappel Commission but put into the bill by the Senate and House of Representatives during joint conference committee work, were very detrimental to the USPS. If these two items were never put into the 1971 Postal Reorganization Act, would we need to be going through postal reform today?

No. The ability to set rates, after due process, and the ability to establish wages within statutory guidelines, would permit the USPS to function reasonably well without serious reform. Other legislative changes, however, such as a well-structured rate cap, would still be desirable.

Is there something the Kappel Commission recommended in 1970 that the recent Presidential Commission also recommended? Were these recommendations followed?

Yes. Both the Kappel Commission's 1968 report and the Pearce-Johnson Commission's 2003 report emphasized the importance of management flexibility. Kappel: "Full man-