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# LEGISLATION FOR IMPROVEMENT OF THE POSTAL SERVICE

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## HEARING BEFORE THE COMMITTEE ON POSTAL OPERATIONS OF THE COMMITTEE ON OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES NINETIETH CONGRESS SECOND SESSION

ON

**H.R. 18622**

A BILL TO CURTAIL THE MAILING OF CERTAIN ARTICLES WHICH PRESENT A HAZARD TO POSTAL EMPLOYEES OR MAIL PROCESSING MACHINES BY IMPOSING RESTRICTIONS ON CERTAIN ADVERTISING AND PROMOTIONAL MATTER IN THE MAILS, AND FOR OTHER PURPOSES

**H.R. 18623**

A BILL TO PROVIDE THAT THE QUALIFICATION OF MUNICIPALITIES FOR CITY DELIVERY SERVICE BE EXPRESSED IN TERMS OF REVENUE UNITS, RATHER THAN CASH RECEIPTS, AND FOR OTHER PURPOSES

**H.R. 18624**

A BILL TO READJUST THE COMPENSATION OF THE ADVISORY BOARD FOR THE POST OFFICE DEPARTMENT

**H.R. 18625**

A BILL TO EXEMPT MEDICAL OFFICERS AND NURSES IN THE POSTAL FIELD SERVICE FROM THE PROVISIONS OF SECTIONS 3571 (a) AND (c) OF TITLE 39, UNITED STATES CODE

**H.R. 18626**

A BILL TO AMEND TITLE 39, UNITED STATES CODE, TO PERMIT EMPLOYEES OF THE POST OFFICE DEPARTMENT TO ACCEPT CHECKS OR MONEY ORDERS, TO PROVIDE PENALTIES FOR THE PRESENTMENT OF BAD CHECKS TO THE POST OFFICE DEPARTMENT, AND FOR OTHER PURPOSES

JULY 25, 1968

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# LEGISLATION FOR IMPROVEMENT OF THE POSTAL SERVICE

THURSDAY, JULY 25, 1968

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON POSTAL OPERATIONS  
OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE,  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 10:30 o'clock, in room 210, Cannon House Office Building, Hon. Robert N. C. Nix (chairman of the subcommittee) presiding.

Mr. NIX. The subcommittee will be in order.

Today the subcommittee will end its hearings for this session of Congress. On this last day we are going to take up a number of bills which were introduced by me as the chairman of the subcommittee at the request of the administration. These bills, we have been assured by the Post Office Department, are noncontroversial and book-keeping in nature.

(The bills to be considered are as follows:)

[H.R. 18622, 90th Cong., second sess.]

A BILL To curtail the mailing of certain articles which present a hazard to postal employees or mail processing machines by imposing restrictions on certain advertising and promotional matter in the mails, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 1716 of title 18 of the United States Code is amended by inserting immediately after the sixth paragraph and before the seventh paragraph thereof the following new paragraph:

"All metal or plastic bottle caps, jar tops, can lids, opening strips, and similar articles not specially wrapped or packaged in accordance with regulations prescribed by the Postmaster General are nonmailable and shall not be deposited in or carried through the mails or be delivered by any postmaster, letter carrier, or other person in the postal service. Any advertising, promotional, or sales matter which solicits or induces the mailing of such articles is likewise nonmailable unless such matter contains wrapping or packaging instructions which are in accord with regulations promulgated by the Postmaster General."

SEC. 2. Section 4001 of title 39, United States Code, is amended by adding thereto new subsection (c) as follows:

"(c) The district courts, together with the District Court of the Virgin Islands and the District Court of Guam, shall have jurisdiction, upon cause shown, to enjoin violations of section 1716 of title 18, United States Code."

[H.R. 18623, 90th Cong., second sess.]

A BILL To provide that the qualification of municipalities for city delivery service be expressed in terms of revenue units, rather than cash receipts, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsections (b) and (c) of section 6001 of title 39, United States Code, are amended to read as follows:

"(b) The Postmaster General may establish city delivery service for the free delivery of mail—

"(1) at any post office of the first or second class which produced two hundred and fifty or more revenue units for the preceding fiscal year; or

"(2) upon consolidation of two or more post offices situated within the corporate limits of a city, village, or borough, which offices together produced revenue units of not less than two hundred and fifty for the preceding fiscal year.

"(c) The Postmaster General may continue city delivery service at post offices where it has been established, even though the office is thereafter relegated to third or fourth class status."

[H.R. 18624, 90th Cong., second sess.]

A BILL To readjust the Compensation of the Advisory Board for the Post Office Department

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 306 of title 39, United States Code, is amended by striking out "compensation of \$50 per diem" in the third sentence and inserting in lieu thereof "compensation on a per diem basis" and by inserting the following new sentence immediately after the third sentence "The Postmaster General shall fix such compensation at a rate not in excess of the per diem equivalent of Grade 18 of the General Schedule set out in section 5332 of title 5."

[H.R. 18625, 90th Cong., second sess.]

A BILL To exempt medical officers and nurses in the Postal Field Service from the provisions of sections 3571 (a) and (c) of title 39, United States Code

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 3575 of title 39, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(e) Sections 3571 (a) and (c) of this title do not apply to medical officers and nurses."

[H.R. 18626, 90th Cong., second sess.]

A BILL To amend title 39, United States Code, to permit employees of the Post Office Department to accept checks or money orders, to provide penalties for the presentment of bad checks to the Post Office Department, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the catchline and subsections (a) and (b) of section 2403 of title 39, United States Code are amended to read as follows:

"§ 2403. Adjustment of claims of postmasters, other accountable officers, and Armed Forces postal clerks

"(a) When the Postmaster General determines, after investigation, that any of the following losses has resulted without negligence of a postmaster or other accountable officer, Armed Forces postal clerk, or assistant Armed Forces postal clerk, he may, subject to subsections (b)-(d) of this section, pay or credit the postmaster or other accountable officer, Armed Forces postal clerk, or assistant Armed Forces postal clerk, the sum he ascertains to be the amount of—

"(1) the loss of funds or valuable papers from their official custody resulting from burglary, fire, or unavoidable casualty;

"(2) the loss of funds deposited in National or State banks;

"(3) the loss of funds remitted in accordance with instructions of the Department in the form of drafts or checks which have been returned unpaid or disallowed by reason of the closing of the bank issuing the drafts or checks;

"(4) a remittance of funds or accountable papers, made in compliance with instructions of the Department, which are lost, stolen, or destroyed—

"(A) while in transit to a designated depository; or

"(B) after arrival at the depository, and before the depository has become responsible therefor;

"(5) authorized sums of postage and other stamped stock or accountable paper lost while in transit by mail to or from—

"(A) postmasters or employees; or

"(B) the Department; and

"(6) losses occasioned by the acceptance of checks or nonpostal money orders, in accordance with an authorization prescribed pursuant to section 2403a of this title, which are not duly paid.

"(b) Claims of postmasters and other accountable officers, Armed Forces postal clerks, and assistant Armed Forces postal clerks outside the continental United States for losses occurring while the United States is at war may be presented within two years from the time the loss occurred. All other claims under this section must be presented within six months from the time when the loss occurred."

SEC. 2. Chapter 29 of title 39, United States Code, is amended by inserting a new section immediately following section 2403, to read as follows:

**"§ 2403a. Payment by check or nonpostal money order**

"(a) As used in this section 'draft' means a check or nonpostal money order.

"(b) In the performance of their official duties, employees of the Department may receive on behalf of the United States drafts in amounts which shall not exceed the sum to be paid or deposited for postal charges and services, under the conditions provided in an authorization prescribed by the Postmaster General.

"(c) If a draft received is not duly paid, the person by whom such draft has been tendered shall be liable to the United States, to the same extent as if such draft had not been tendered.

"(d) If any draft tendered under this section is not duly paid, in addition to any other penalties provided by law, there shall be paid as a penalty by the person who tendered such draft, upon notice and demand by the Postmaster General an amount equal to 5 per centum of the amount of such draft, except that if the amount of such draft is less than \$100, the penalty under this section shall be \$5 or the amount of such draft, whichever is the lesser. This subsection shall not apply if the person tendered the draft in good faith and with reasonable cause to believe that it would be duly paid."

SEC. 3. The table of contents of chapter 29 of title 39, United States Code, is amended by striking out:

"2403. Adjustment of claims of postmasters and Armed Forces postal clerks."

and inserting in lieu thereof:

"2403. Adjustment of claims of postmasters, other accountable officers, and Armed Forces postal clerks.

"2403a. Payment by check or nonpostal money order."

Mr. NIX. The hearing this morning will be limited in time because of the fact that we go into session at 11 o'clock in what has been described as our rush to adjournment. I prefer to characterize it as our indecisive effort to get away.

We will have testimony today from the General Counsel of the Post Office Department, Mr. Timothy J. May.

We shall be glad to hear you.

**TESTIMONY OF HON. TIMOTHY J. MAY, GENERAL COUNSEL, POST OFFICE DEPARTMENT**

Mr. MAY. Mr. Chairman, I am glad to be here this morning to testify on the five bills which are the subject of this hearing: H.R. 18622 through H.R. 18626. These bills are a part of the Post Office Department's legislative program, and are legislation which the Department has requested be enacted.

Although these five bills may be characterized jointly as legislation for the improvement of the postal service, they cover a variety of subject matters. I will, therefore, discuss them separately.

I would point out that the substance of three of the bills, H.R. 18622, H.R. 18623, and H.R. 18626, is also incorporated in H.R. 18663 which has already been passed out of committee by the House Post Office and Civil Service Committee.

H.R. 18622—TO PROHIBIT THE MAILING OF CERTAIN ARTICLES WHICH PRESENT A HAZARD TO POSTAL EMPLOYEES OR POSTAL EQUIPMENT

This proposal is designed to curtail the mailing of metal or plastic bottle caps, jar tops, can lids, and the like, which find their way into the mails as a result of sales promotion techniques such as contests and premium offers. These items can damage expensive postal machinery; they also are a physical danger to postal employees because of flying pieces of metal or plastic.

Section 1716 of title 18, United States Code, proscribes articles which may injure a person or damage the mails or other property. H.R. 18622 is an amendment to section 1716 and is directed against mailing of injurious articles. In the case of bottle caps or can lids the mailer is usually a youngster or a housewife. There is no proscription in the present law against advertising, promotional, or sales literature which solicits or induces the mailing by others of bottle caps and similar articles.

This proposal would declare metal or plastic bottle caps, jar tops, can lids, opening strips, and similar articles to be nonmailable unless they are wrapped in accordance with regulations prescribed by the Postmaster General. In addition, any advertising, promotional, or sales matter which solicits or induces the mailing of such articles would also be declared nonmailable, unless such literature is accompanied by wrapping instructions which are in accord with regulations promulgated by the Postmaster General.

Section 2 of the proposal would enable the Postmaster General, through the Attorney General, to seek injunctions against mailings in violation of section 1716. This is a most important feature of the legislation.

It would permit the Department not only to stop mailings of dangerous articles, but to halt a promotional campaign soliciting the mailing of any of the articles which would be covered by section 1 of this bill. The Department believes it would be better in such cases to proceed by civil process and head off potential violations with resultant injury to employees and damage to equipment, rather than to apply criminal sanctions after the fact. We also believe the injunctive process would be valuable to enjoin threatened violations of the existing provisions of section 1716, as, for example, inadequate packaging of commercial mailings of potentially injurious material such as razor blades.

H.R. 18623—TO PROVIDE THAT THE QUALIFICATION OF MUNICIPALITIES FOR CITY DELIVERY SERVICE BE EXPRESSED IN TERMS OF REVENUE UNITS, RATHER THAN CASH RECEIPTS, AND FOR OTHER PURPOSES

This bill is intended to update and refine the present legal qualification criteria respecting the establishment of city mail delivery service.

The present law, 39 U.S.C. 6001, requires city delivery service to be established at incorporated cities, villages or boroughs having

a population of 50,000. Under this law the Postmaster General may establish, but is not required to establish, such service at any of the following: (1) places containing a population of more than 10,000 within its limits, (2) post offices producing a gross revenue of \$10,000 or more during the preceding fiscal year, or (3) upon consolidation of two or more post offices within such corporate city, village or borough, which consolidation produces revenue of not less than \$10,000 for the preceding fiscal year. Where it is established, city mail delivery service may be continued even though there is a decrease below 10,000 in population or \$10,000 in gross revenue.

H.R. 18623 would substitute 250 revenue units for gross revenues of \$10,000 in section 6001 of title 39, United States Code.

For many years post offices were graded in accordance with gross postal revenues. Gross postal revenues determined the class of office and originally the salary of postmasters and some supervisors. While gross postal revenues could be considered a valid means to distinguish the relative importance of post offices at a given point in time, it is not a valid benchmark to be used over a period of time since increase in postal rates inflates gross revenues without a concomitant increase either in the community it serves or in the amount of postal business it conducts. It was for this reason that in 1964 Congress substituted the revenue unit for the postal revenue as the measure to be used to classify post offices and the importance of offices for compensation purposes.

A revenue unit is defined in section 1 of title 39 as that amount of revenue of a post office from mail and special service transactions which is equal to the average sum of postage rates and fees received by the Department during the fiscal year for 1,000 pieces of originating mail and special service transactions, determined in accordance with annual cost ascertainment reports. For fiscal year 1967, the value of a revenue unit was \$63.10. That is, that was the average amount of money the Department received for 1,000 originating pieces of mail or special service transactions, on the average, in the Department. Under H. R. 18623, 250 revenue units would become the qualification to establish the delivery service in place of the present \$10,000 standard.

By way of illustration, prior to the adoption of the revenue unit system in 1964 (Public Law 88-426), the several classes of post offices were ranked in accordance with gross annual postal receipts. For second-class offices, the receipts were fixed at \$8,000 or more, but less than \$40,000. Since \$10,000 in revenue receipts is the minimum for establishing city delivery service, this meant that not all second-class post offices were eligible for delivery service. Today, however, a second-class office must produce at least 190 revenue units a year or, at the present value of a revenue unit, roughly \$12,000. Thus, all second-class offices are now eligible for delivery service; and moreover, even some third-class offices are within coverage today. In short, the \$10,000 criteria for establishing delivery service is structurally out of balance and should be updated. Enactment of H.R. 18623 would restore the qualification to approximately the same relative level of office to which it applied in 1964.

In addition, enactment of this bill would eliminate the alternate condition for establishment of city delivery service, which is that establishment of that service is authorized at a place containing a population of not less than 10,000 within its corporate limits.

A population of 10,000 would inevitably produce sufficient transactions to result in more than 250 revenue units. Accordingly, it is our belief that the population criterion is superfluous, and it is therefore requested that it be eliminated.

H.R. 18624—TO READJUST THE COMPENSATION OF THE ADVISORY BOARD FOR THE POST OFFICE DEPARTMENT

The Advisory Board for the Post Office Department which is provided for in section 306 of title 39, United States Code, includes seven members representative of the public. These seven are appointed by the President, by and with the advice and consent of the Senate. The role of the Board is to consider methods and policies for the improvement of the postal service. The Postmaster General and Deputy Postmaster General are also members of the Board.

Reorganization Plan No. 3 of 1949 which President Truman submitted on June 20, 1949, established the Office of the Deputy Postmaster General with a salary of \$10,330. It also established the Advisory Board for the Post Office Department and provided for those of its members who did not have other Government salaries to receive compensation of \$50 per diem when engaged in duties as members of the Board. That per diem compensation was the equivalent to an annual salary of \$13,000. The compensation of the Deputy Postmaster General has since risen to \$29,500, but the compensation of the Advisory Board has remained at \$50 a day. At the time the Advisory Board was established, the highest compensation payable in the civil service was \$10,300. Today, this has risen to \$28,000. It is the purpose of H.R. 18624 to restore the compensation of the Advisory Board to approximately the same relative level it had when the Board was first established.

When title 39, United States Code was recodified in 1960, provisions of the reorganization plan were incorporated in title 39 and the existing compensation provision for the Advisory Board remained unchanged. H.R. 18624 would amend section 306 of title 39 to substitute a provision equating the compensation of Advisory Board members to a GS-18 salary for the current compensation provision of "\$50 per diem."

The proposal to equate the compensation of Board members to the compensation of GS-18 is a modest one considering the nature of the Board's functions.

Mr. OLSEN. What do they do?

Mr. MAY. They are public members who advise the Postmaster General and other departmental officials on ways and means to improve the service, the belief being that being representative members of the public, they offer a means of channeling a different point of view.

Mr. OLSEN. Who serves on the Board besides the public members?

Mr. MAY. The Postmaster General and the Deputy Postmaster General. I have a list of the current members of the Board.

Mr. OLSEN. Who are they?

Mr. MAY. Mr. Victor Bussie, the president of the Louisiana AFL-CIO.

Mr. Charles H. Earl, an attorney at law from Little Rock, Ark.

Mr. Victor Frankil, chairman of Baltimore Contractors, Inc., Baltimore, Md.

Mr. John H. Johnson, editor and publisher, Chicago. He publishes Ebony magazine, among others.

Judge Paul J. Perocchi, who is special justice in the Lawrence Judicial District in Lawrence, Mass.

Dr. Robert L. Sumwalt, president emeritus of the University of South Carolina.

There is currently one vacancy on the Board.

I am not that familiar, frankly, with what they do, although I have appeared before them and they were very——

Mr. OLSEN. Some Members may object to the increase in pay, you know. We have to be able to talk about what they do and how often they meet.

Mr. MAY. They do meet quite regularly, as a matter of fact. For example, I was called before the Board to explain to them the operation of the contract compliance program of the Post Office Department, for which I am responsible as the contract compliance officer. As I am sure you know, this is the enforcement of the equal employment opportunities provision of the 1966 Civil Rights Act. I must say they went into great detail with me and wanted to know exactly all that I had done and what I was going to do—staffing problems, enforcement problems. They had several suggestions of their own to make on how I might improve the program.

I must say I was pleasantly surprised at the intensity of their interest and the judgment that they were able to bring to postal problems. They are really quite knowledgeable about the Department and its problems. They sponsored and were responsible for having done a rather extensive study of the work measurement system in the Department. That is just an example.

I am not that familiar with all of the work that they are doing, since they are much more concerned with the operating problems of the Department than they are with those concerning my office.

Mr. OLSEN. I understand only one of these gentlemen on the Advisory Board is a publisher. The others, you might say, are just ordinary users of the mail.

Mr. MAY. That is correct.

Mr. OLSEN. Thank you, Mr. Chairman.

Mr. NIX. You may proceed.

Mr. MAY. All right.

H.R. 18625—TO EXEMPT MEDICAL OFFICERS AND NURSES IN THE POSTAL FIELD SERVICE FROM THE PROVISIONS OF SECTIONS 3571 (A) AND (C) OF TITLE 39, UNITED STATES CODE

This bill would exempt medical officers and nurses from the provisions of sections 3571 (a) and (c) of title 39, United States Code. Section 3571(a) provides a basic 40-hour workweek for annual rate regular employees of five 8-hour days, and a daily 8-hour work schedule that does not extend beyond 10 consecutive hours. Section 3571(c) provides that except in emergencies, the hours of service of an employee shall not extend over a longer period than 12 consecutive hours, and no employee may be required to work more than 12 hours in one day.

The Department is in full accord with the present 40-hour workweek for annual rate regular employees and the hours of service limi-

tation imposed by the sections of the United States Code I just mentioned. We do not seek in this legislation to change these basic provisions in any way. However, the Code already provides certain exceptions to the basic law. Postmasters, postal inspectors, rural carriers, and employees in PFS-16 and above are exempt. What we seek here is an additional exemption to relieve the difficulties encountered by the Department in establishing and staffing its health service units and which would allow some medical officers and nurses to accept employment which they cannot now fit into their schedules.

We find that many medical doctors would be interested in staffing our health service units either on a part-time or full-time basis, except for the 10-hour and 12-hour service limitations. These limitations make it impossible for doctors to maintain their private practice, with regularly scheduled office hours. Ordinarily, as you know, scheduled office hours for private practice occur in the middle of the day, and so there is no way to fit postal employment around these hours without violation of these limitations contained in the cited provisions of title 39.

Mr. OLSEN. How are you doing this now?

Mr. MAY. A doctor generally will have his office hours during the middle of the day. If he wanted to put in an 8-hour day at the Post Office Department, if he felt this was something he wanted to do and also to maintain his private office practice, the only way this could work out would be for him, for example, to come in 4 hours in the morning on an early shift, and then go to his office and conduct his regular business office hours, and then come in in the evening or later in the day and put in another 4 hours. But to schedule his work that way would put us in violation of the 10- and 12-hour service limitation imposed in the cited provisions of title 39.

Mr. OLSEN. The doctor cannot moonlight, then, as all our other employees can, is that right?

Mr. MAY. He can moonlight, but his problem is that his moonlighting has to be done right in the middle of the day, because that is when doctors have to maintain public office hours. Whereas if he were driving a taxicab, he could do that at night. Functioning as a doctor, he has to have his service hours in the middle of the day. If he also is to work for the Department, he would have to break his service for the Department with, say, 4 hours in the early morning and 4 hours later in the day, and that would violate the provision about your 8 hours not being more than 10 consecutive hours.

Mr. OLSEN. I did not understand at first.

Mr. MAY. I had to read it a couple of times, myself, before I could figure out what it said.

Mr. OLSEN. Thank you.

Mr. MAY. Basically, this legislation would enable us to establish split shifts for our medical officers and nurses. It would be very advantageous to the Department. Our tour arrangements are such that one doctor can render wider medical coverage of the work force through a split tour. For example, a doctor working from 7 a.m. until 11 a.m. and returning at 4 p.m. could give medical attention to employees on tour 1 (those who clock out by 8:30 a.m.), on tour 2 (those who report for work before 11 a.m.), and on tour 3 (those who report for work after 4 p.m.).

A split-tour arrangement of this kind, extending over a period of 13 consecutive hours, would be especially advantageous in the smaller post offices where medical service has recently been authorized.

As you can see, Congressman, that would be a 13-hour tour, in effect, which would put it in violation of both the 10- and 12-hour provisions.

Although the greater need of the Department at present has been split shifts for doctors, similar split-shift arrangements for nurses would have the same mutual advantages.

H.R. 18626—TO AMEND TITLE 39, UNITED STATES CODE AND TO PERMIT EMPLOYEES OF THE POST OFFICE DEPARTMENT TO ACCEPT CHECKS OR MONEY ORDERS

There is presently no clear authority for postal employees to accept checks or nonpostal money orders in payment of postal transactions. Rather, postmasters are told they are financially responsible for the collection of the revenue of their offices by title 39, United States Code 2209 (a) (1), and postage is generally required to be prepaid by title 39, United States Code, section 4051. These laws might imply that failure to collect postage by reason of a dishonored check should be considered to be the postmaster's responsibility and ultimately that of the accepting employee.

In almost every type of business transaction today checks have largely replaced currency. Not so in the Post Office Department, however, where a \$6 billion annual business must still be conducted almost entirely without the benefit of this convenient and time-saving business practice.

We do not presently require or encourage our employees to accept checks. Existing law does not provide a ready means for our postmasters or other accountable officers to escape personal liability for checks, accepted in the course of official business, which are not duly paid.

Our accountable officers must personally make up any deficiencies which appear in their accounts. They can be relieved of liability under section 2401 of title 39, United States Code, but only after extensive and costly consideration by the Comptroller General and the Postmaster General acting together. Because of the sizable administrative expense involved in this process, it is unsuitable in cases which involve small sums of money. Section 2403 of title 39 provides the only other statutory relief available for accountable officers who, without negligence, have a deficiency in their accounts for a reason other than an improper payment or physical loss. However, this section of the code provides no relief to postmasters or other postal employees who accept bad checks or nonpostal money orders in the course of official business.

In order to accommodate the public we have established procedures which minimize the risk our postmasters incur, should they choose to accept certain checks. These are: (1) a check bonding system, and (2) a bank guarantee system. Both systems involve difficulties for the customer. The bonding system involves expense to the user, and the guarantee system is available only from those banks willing to provide it. Clearly, neither system provides a satisfactory solution.

There would, of course, be no substantial risk to an employee who accepted a certified check, but this involves inconvenience and expense to the customer.

We favor the present legislation as an effort to further accommodate the public, improve service and reduce the risk and expense involved in handling large amounts of cash. Specifically, this legislation would make two amendments to title 39 of the United States Code.

Section 1 would add to the present five categories of nonnegligent losses that the Postmaster General may adjust under section 2403 of title 39, a sixth category covering losses occasioned by the acceptance of checks or nonpostal money orders which are not duly paid. It would also broaden section 2403 to cover accountable officers other than postmasters. Section 2 of the bill would add to title 39 a new section 2403a, which would specifically authorize postal employees to accept checks and nonpostal money orders so long as the amount of the check or money order does not exceed the sum to be paid or deposited for postal charges and services. In addition, the Postmaster General would be required to prescribe in an authorization the conditions under which checks and nonpostal money orders would be accepted.

Section 2403a would also provide for liability to the United States of the person who tenders a bad check or money order to the same extent as if the check or money order had not been tendered.

In addition, penalties would be imposed of 5 percent of the check or money order, unless the face amount is less than \$100, when minimum penalties would be imposed.

The proposed new section 2403a which section 2 of the bill would add to title 39 is modeled after section 6311 and section 6657 of the Internal Revenue Code. The authorization to receive checks and money orders for Internal Revenue taxes and revenue stamps is contained in section 6311 (a) and section 6657 provides for a civil penalty for making a tax payment with a check which is dishonored under other than good faith conditions.

Thank you, Mr. Chairman.

Mr. Nix. Thank you, Mr. May.

I want to take this opportunity to especially express my gratitude to you for your appearances here and the contributions you have made to the committee. I do not recall any time in the six terms I have been here attending committee meetings of the Committee on Foreign Affairs, the Veterans' Affairs Committee, on which I served at one time, or any other committee, where I felt that the governmental agents and representatives had contributed so much to the deliberations of a committee.

I particularly want to say to you that you have a unique personality which is most engaging. You evidence a complete dedication to, and a thorough knowledge of, the subject under discussion.

It is my wish that you have many years of public service, although I know it would be at a sacrifice. Ultimately, I should like to read sometime that you have decided to go on the Bench. I would be delighted. I thank you.

Mr. Olsen?

Mr. OLSEN. Thank you very much, Mr. Chairman.

I wish to endorse your remarks, which were very well spoken. I join in your statement most sincerely. Mr. May has really made a splendid contribution to the work of the subcommittee and of the whole committee. I thoroughly appreciate his coming here.

Could I ask one question, Mr. Chairman?

Mr. NIX. Go ahead.

Mr. OLSEN. This refers to page 4, H.R. 18623. This bill would mean that second- or third-class post offices would have to have a great deal more revenue in order to qualify for city delivery service. In a nutshell, that is what it is, is it not?

Mr. MAY. That is one way of putting it. I might point out that under the present arrangement, unless there is a population of 50,000, the Department is not required to give city delivery service. In these other categories, it is authorized to give delivery service.

It has been our practice, given the availability of funds, to do so, to extend the delivery service wherever the statute has authorized it.

What we are pointing out is that because \$10,000 today represents considerably less postal business than it represented several years ago because of the increase in postal rates, we propose to update this system as we have done for the purpose of classifying post offices, by going to a concept of revenue units which do not fluctuate with the change in postal rates. A revenue unit is automatically adjusted whenever there is a postal rate increase. So, you are judging the size of a community, the amount of business in a community, by the number of transactions that take place, rather than the amount of money that is involved.

I think it is a necessary conclusion that there are certain areas presently receiving city delivery service who, under this new authorization, were they to be considered for the first time, would not qualify for city delivery service.

Mr. OLSEN. I thank you very much.

Thank you, Mr. Chairman.

Mr. NIX. Thank you very much, Mr. May.

The subcommittee will stand adjourned.

(Whereupon, at 11:05 o'clock a.m., the subcommittee adjourned.)

(The following letter was received by the subcommittee for inclusion in the record.)

UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO,  
Washington, D.C., September 13, 1968.

HON. ROBERT N. C. NIX,  
Chairman, Subcommittee on Postal Operations of the Committee on Post Office and Civil Service, Room B-345-B, Rayburn Office Building, Washington, D.C.

DEAR CHAIRMAN NIX: I have discussed H.R. 18625, which you introduced on July 16, 1968, with your very capable staff counsel, Tom Kennedy.

The United Federation of Postal Clerks represents many of our nurses in post offices throughout the country. After giving careful consideration to H.R. 18625 and the views of our nurse members, in respectfully request that nurses be excluded from coverage by the legislation.

In our considered opinion, the Post Office Department is not experiencing problems in employing or arranging nurse schedules in post offices and other facilities throughout the country. Further, our nurses do not desire to be exempt from the basic workweek and overtime provisions of section 3571 of title 39 of the United States Code.

Your consideration of our views in this regard will be appreciated.

Sincerely yours,

PATRICK J. NILAN,  
Legislative Director.

The first part of the report deals with the general situation of the country and the progress of the work done during the year.

The second part of the report deals with the work done in the various departments and the progress of the work done in each of them.

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The twelfth part of the report deals with the work done in the various departments and the progress of the work done in each of them.