

DELIVERY FOR THE POSTAL SERVICE

The U.S. Postal Service is in deep trouble. It is losing market share to competitors in five out of its six product lines: packages, international mail, correspondence/transactions, expedited mail and publications. The only market share growth has been in advertising mail. By the end of this century, the Postal Service estimates that a third of its customers will have stopped using the mail to pay their bills.

And the intensity of the technological assault increases daily. Faxes, e-mail and expanding use of 800 numbers are cutting into postal markets at a rising rate. Already, more Americans order merchandise through 800 numbers than through the Postal Service.

In 1994 electronic messages grew 122 percent. Add to that the growth of alternative delivery networks and the loss of catalogue business to competitors such as UPS and FedEx. These challenges will not go away; they will increase.

To make matters worse, the money the Postal Service has invested in modernization has had little impact on productivity. Twenty-eight years ago, 83 percent of the Postal Service's total budget went to wages and benefits. Today, after the expenditure of billions of dollars for automation, there has been a substantial increase in the number of employees. Labor costs are still 82 percent of the budget. It costs more to process a piece of mail today than in 1991.

To stay alive the Postal Service may have no choice but to cut back on service and close thousands of facilities. This in turn could lead to further losses, as dissatisfaction mounts. The American people may well be left with a postal service that has nearly a million employees and yet whose only significant function is to deliver advertising mail and greeting cards.

What's to be done?

Bear in mind that the U.S. Postal Service is an arm of the government. It has been called "quasi-government" and sometimes "quasi-private," but it is not "quasi" anything. It is a 100 percent federal government entity to which Congress has granted limited independence and certain powers, such as collective bargaining and the right to use the money it collects. And even while Congress gave the Postal Service its "independence" a quarter of a century ago and transformed it into a "businesslike," self-sustaining government corporation, it interposed a number of obstacles that would make it impossible even for a team of the best business executives in the country to run the Postal Service efficiently. Among these constraints:

THE POSTAL RATE COMMISSION (PRC)

Headed by five commissioners appointed by the president, it is the only government agency whose primary job it is to set rates on prices for another government entity. Thus pricing authority is divorced from management responsibility and also, substantially, from market considerations. Not only is the Postal Service not free to set prices for its services—without PRC approval it cannot even determine what services it will offer.

When a business determines that it needs to raise its prices, it is free to do so immediately—before it starts losing money. With the Postal Service, it takes about five to six months to prepare its rate case; the PRC then has 10 months in which to issue a recommended decision.

BINDING ARBITRATION AND LABOR RELATIONS

The U.S. General Accounting Office (GAO) calculates that the Postal Service has 860,625 employees. Of these, the Postal Service bargains over the wages and benefits of 760,899,

represented by four unions. If there's an impasse, the law mandates binding arbitration. The consequence? Of the 32 cents you pay for a first-class stamp, 26 cents is paid to postal employees. The rest goes for post offices, vehicles, automated equipment, etc.

In arbitration, one person with no responsibility for the consequences decides how much should be paid to clerks, carriers and others, as well as their health benefits and their grievance rights. In effect, the arbitrator determines how much you pay for stamps.

Another labor issue turns on that phrase in the statute that speaks of compensation for postal employees "comparable to . . . compensation paid in the private sector." This was clearly intended to refer to compensation for similar work. Yet the postmaster general in 1971, pressed by mailers who feared an unlawful strike, agreed to interpret the phrase to mean comparable to wages in other highly unionized industries unrelated to the sorting and delivery of mail. That interpretation, plus concessions on COLAs, layoffs and part-timers, laid a foundation for subsequent arbitrators' awards resulting in today's average pay for clerks and carriers of more than \$45,000 a year including fringe benefits. Most private-sector employees doing similar work make far less.

Grievance procedures are further barriers to efficiency. Any union employee dissatisfied with his wages, hours or other aspects of his job, may initiate a complex 14-step procedure. The GAO reported that in 1993, 51,827 such grievances were appealed beyond local management-union levels. By 1995 that number was up to 73,300.

LEGISLATIVE CONTROLS

The law requires a complex and lengthy procedure before the Postal Service can close a small, inefficient post office. William J. Henderson, the Postal Service's chief operating officer, estimates that 26,000 small post offices cost more than \$4 for every dollar they take in, and asserts that other ways are available to provide better service. We certainly do not suggest that all these 26,000 post offices should be closed, but in clear cases, postal managers should be able to move decisively.

There is also congressional resistance when postal management undertakes money-making activities. This is especially true with respect to competitive activities and experimental rates. Postal Rate Commission approval, even for experimental rates, can take months. Most business mailers support the concept of a postal service with more freedom to set rates and introduce new products and services. Some believe it should be allowed to make a profit, to negotiate prices, to innovate and to reward customers who prepare the mail efficiently.

Congress has also disregarded its own mandate for an efficient, self-supporting postal service by using it as a "cash cow," milking it over the years for \$8.3 billion for deficit reduction a disguised tax on postal customers.

Why can't these obstacles be removed by legislative action? Some could if there were a consensus among the mailers' groups and labor—and in Congress. But experience has shown, as Sen. Ted Stevens, chairman of the Postal Affairs Committee acknowledged, that these groups are too diverse to develop such a consensus.

And even if a partial legislative solution were possible, it would be only patchwork. It wouldn't speak to the future of the Postal Service and its ability to master change. Only a nonpartisan, blue-ribbon commission, free of administrative and other constraints, is capable of doing all that now needs to be done.

There is precedent for just such a commission. In 1967, in the wake of a massive mail

stoppage in Chicago, President Lyndon B. Johnson appointed a Commission on Postal Organization (headed by Frederick R. Kappel, then board chairman of AT&T) to look at the post office. In June of 1968, the commission announced its finding that "the procedures for administering the ordinary executive departments of Government are inappropriate for the Post Office."

The Kappel Commission recommended that the Postal Service be turned into a self-supporting government corporation; that patronage control of all top jobs, all postmaster appointments and thousands of other positions, be eliminated; that postal rates be set independently of Congress; and that the postmaster general be named by a presidentially appointed board of governors, which would also become the Postal Service's policy-making arm.

The commission's proposal formed the basis of the Postal Reorganization Act of 1970. Despite flaws, that act saved the Postal Service from disaster—at least for a while.

Now the time has come for another commission. To be credible, it should be made up primarily of leaders of business, finance and labor with no special connection to postal matters. Among the basic questions it needs to consider:

Should universal service, whether or not at uniform prices, be required by law?

Should any part or all of the Postal Service be spun off to the private sector?

Should the postal monopoly on letters (and some advertising mail) be rescinded or modified?

What is to be done about binding arbitration, postal unions' right to strike, the comparable pay provision, work rules and grievance procedures?

How do we speed up and simplify the rate-making process?

Should private deliverers have access to residential mailboxes? (At present they do not.)

Should nonprofit organizations, ranging from local charities to the AARP, continue to pay less than other postal customers?

Should the Postal Service be permitted to bid against private companies for major contracts? (It was precluded from bidding for the governmentwide contract for expedited delivery that was awarded to FedEx.)

Is a part-time board of governors still an appropriate body to direct the Postal Service?

These and other matters the commission will deal with are controversial and do not lend themselves to quick legislative solutions or patchwork solutions. The sooner a first-rate nonpartisan commission gets to work on them the better. Time is running out on the U.S. Postal Service.

MISS WENDY GUEY

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1996

Mr. SHAW. Mr. Speaker, I rise today to recognize an extraordinary seventh grader who has achieved an amazing goal. Miss Wendy Guey, of Palm Beach Gardens, has captured the eye of America and the championship title of the 69th Annual National Spelling Bee.

It is wonderful to see how pure determination is still alive in our society. Wendy has been striving toward winning the national spelling bee for many years; however, the time was not right. Instead of being discouraged, Wendy persevered to finally reach the

championship level. The only obstacle between Wendy and her lifelong goal was the word "viviseulture." No matter how difficult the words were, Wendy held tough and her hard work finally paid off on Thursday, May 30, 1996.

Mr. Speaker, I wish to say how proud I am of Wendy for this special accomplishment in her young life. Wendy is a gifted role model for youngsters as one who never gives up, and, in the end, is successful.

Wendy has been aided by many individuals along the way. I would like to thank Wendy's parents, Ching and Susan Guey for their constant love and support. Also, I commend the educators and staff at the School of the Arts for the encouragement they gave Wendy throughout this journey. Wendy Guey is an extraordinary gifted young lady, and her success is exemplified through her work ethic. Without her focus and determination, the title of 1996 Spelling Bee Champion might still be a dream for Wendy Guey.

TRIBUTE TO THE WALDWICK, NJ,
PUBLIC LIBRARY

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1996

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate the Waldwick, NJ, Public Library on its 40th anniversary.

The library has been a centerpiece of the Waldwick community for four decades, serving not only as a repository of books but as a meeting center and sponsor of a variety of civic and cultural activities. The anniversary is being marked with a week-long celebration including a picnic, baking contest, children's activities and a musical performance.

The celebration of the library's anniversary and, indeed, the history of how the library came to be are evidence of why Waldwick is one of Bergen County's premier communities. Waldwick is a community where residents take pride, neighbors help one another and citizens work together for the betterment of the borough. There are few better places to live and raise a family.

Following in the tradition of this long-held community spirit, the Men's Club of Waldwick opened the borough's first public library in a basement room of the Waldwick Grammar School in 1941. Showing ingenuity and resourcefulness, members of the club built shelves from lumber salvaged from the old Franklin Turnpike school and filled them with donated books.

A decade later, the men's club and the Waldwick Women's Club joined with the parent teachers association, veterans' groups and other residents in a community-wide effort to raise funds to build the current library. Fundraising activities included 200 volunteers canvassing the town to sell bricks, and three town residents who won \$875 by appearing on a television quiz show. The \$19,000 building, constructed in part from sandstone blocks salvaged from the old Bamber Hotel (perhaps "waste not, want not" should be the library motto), was dedicated June 24, 1956. Henry Spies was the first present of the board and Grace Sutherland the first librarian.

The first addition to the library, made possible by funds raised by the Women's Club

and Lion's Club, was dedicated in 1965 and put into service as the children's room. Further additions were made in 1972 and 1980, providing space for the library's growing collection and a multi-purpose room used for storage, meetings and library programs. The Friends of the Library was organized in 1971 to finish the new wing.

Today the library is completely computerized and houses a collection of more than 40,000 books, videotapes and audio recordings, with an annual circulation of more than 85,000. The Friends sponsor a model railroad exhibit each year at Thanksgiving and other cultural activities.

Whether it be a tiny small-town library, or the all-encompassing Library of Congress, libraries are among the most important public facilities our communities offer. They are a center for continual learning for everyone from children just learning their verbs and nouns to retirees who finally have the time to read the volumes they didn't get to in earlier years. As Thomas Carlyle said, "The true university * * * is a collection of books." The citizens of Waldwick owe much to the founders and supporters of the Waldwick Public Library.

H.R. 3540, THE FOREIGN OPERATIONS APPROPRIATIONS BILL

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1996

Mr. ABERCROMBIE. Mr. Speaker, last night, I voted against Mr. BURTON's amendment that reduced the development assistance available to the Government of India. Previously, I have supported amendments linking foreign aid to India's human rights record. In fact, I have consistently supported human rights in the Punjab and Kashmir states. However, this amendment provides no such connection. I am concerned about the human rights violations occurring in India. And, yes violations are still occurring, but the amendment is not the best way to address the current situation in India. This amendment would damage the progress in addressing human rights violations in India, its growing economy, and United States relations with India. I admire Mr. BURTON's intent, but I could not support the amendment.

SUNSHINE FOUNDATION CELEBRATES 20 YEARS OF SERVICE AND 21,000 DREAMS

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1996

Mr. WELDON of Florida. Mr. Speaker, in 1976, Bill Sample had a dream. Today, that dream is marking its 20th anniversary and 21,000 special children have had their own dreams come true because of him.

Twenty years ago this November, Sample, then a Philadelphia police officer, was assigned to protective duty at a children's hospital. Among the patients were a large number of chronically and terminally ill children suffering from such afflictions as cancer, cystic fibrosis and kidney disease.

Sample came to know many of the children as well as their families who had been drained financially and emotionally. Sample reasoned that the couldn't do anything to make the children physically better, but, just maybe, he could make some of their dreams come true.

From this idea was born the Sunshine Foundation, the first such "dream makers" organization. Today, the expanding organization, made up almost entirely of volunteers, has its home base at the Sunshine Foundation's Dream Village in Loughman, Florida, minutes from Orlando. Sunshine Foundation has 29 chapters from coast to coast.

In 1990 the first Dream Village opened on a 21-acre site just minutes from Disney World. The Dream Village is a unique facility, specially designed for Sunshine's children. It includes a spacious community room (complete with game room, fireplace and other amenities), a fully handicapped-accessible playground and swimming pool, an orange grove and seven individually designed family cottages.

In all of the seven cottage, each of the children's bedrooms has been decorated with an animated "fantasy theme" which adds to the magic of the experience.

The Sunshine Foundation has brought a ray of sunshine to children afflicted with a variety of conditions including cancer, cystic fibrosis, leukemia, AIDS, muscular dystrophy, cerebral palsy and heart defects. The foundation recently decided to include children who have been physically and/or sexually abused.

When the Sunshine Foundation provides children with their dream to visit central Florida attractions, they are accompanied by their immediate family. The children and their families are housed at the Dream Village with all expenses paid for by the foundation.

Dreams are limited only by the children's imaginations. These have included meeting celebrities, special vacations, gifts of computers, as well as attending such events as the Super Bowl and World Series.

In order to accommodate larger numbers of less seriously ill children, the Sunshine Foundation established "Dreamlifts." To date, 47 Dreamlifts on 59 chartered planes have taken more than 8,000 children from special schools, hospitals and institutions all over the country to Disney World or Disneyland. Sunshine provides transportation, admission, meals and souvenirs.

In 1981, the Sunshine Foundation added one more ingredient to its "dream" program. Children with Hutchinson-Gilford Syndrome, better known as Progeria, and their families were flown to the United States from all over the world for a reunion. Progeria is an extremely rare affliction characterized by premature aging.

This assembly enables the children to interact with their peers and reduces their sense of isolation while allowing parents and siblings an opportunity to share experiences and mutual concerns. To date, Sunshine has sponsored 14 annual reunions and has another one scheduled for this month.

On its 20th anniversary, the Sunshine Foundation has a record to be proud of: answering the dreams and wishes of more than 21,000 chronically and terminally ill children from all 50 States and many foreign countries.

Mr. Sample's dream of helping terminally and chronically ill children to realize their dreams has become a reality through the