

## APPENDIX 2: EFFECTS OF 109 DISTINCT PROPOSALS ON SERVICE AND RATES

NOTE: Some categorizations in right-hand column are left blank because the item is substantially identical with another item; cross-references are given. In some cases affecting employee compensation, benefits, tenure, etc., where legislation would be required, it is assumed that such legislation would eliminate any bargainable issues, and bargaining is not listed in the right-hand column. The chart below contains 129 numbered proposals, but after factoring out similar alternatives there remains 109 distinct options.

List No.	Description	Categorizations
1	Cut health benefit contribution to 72% government level	Bargaining or legislation required No service effect No rate effect
2	[same as 1]	
3	Transfer \$42B health care assets from Treasury to the Postal Service Fund	Legislation required No service effect No rate effect
4	Reduce life insurance contribution to 33% government level	Bargaining required No service effect No rate effect
5	Reduce Postal Service health, life contribution rate for actives	Bargaining required No service effect No rate effect
6	Pay-as-you-go health benefit funding	Legislation required No service effect No rate effect
7	Implement actuarial approach to retiree health benefit funding	Legislation required No service effect No rate effect
8	Prefund retiree health benefits at 30% of liability	Legislation required No service effect No rate effect
9	Reduce RHB prefunding annual requirement to <\$5.4B	Legislation required No service effect No rate effect
10	Reduce or eliminate RHB prefunding annual requirement	Legislation required No service effect No rate effect
11	Postal Service to sponsor own health plan	Legislation required No service effect

		No rate effect
12	Postal Service to leave FEHB + Close 48% of processing plants	Legislation required (FEHB) No service effect necessary No rate effect
13	Administration proposal on RHB prefunding	Legislation required No service effect No rate effect
14	S. 1789 approach on RHB prefunding	Legislation required No service effect No rate effect
15	[same as 6]	
16	H.R. 2309 modified approach on RHB prefunding	INCREASES DEFICIT
17	End RHB prefunding; use existing funds	Legislation required No service effect No rate effect
18	[same as 11]	
19	Use pension, health overfunding	Legislation required No service effect No rate effect
20	Tie benefits to inflation (COLA)	Legislation probably required Bargaining required No service effect No rate effect
21	Repay shift in military pensions	Legislation probably required No service effect No rate effect
22	Correct OPM inflation estimate	Legislation not required OPM concurrence required No service effect No rate effect
23	Eliminate employees through attrition	Legislation not required Bargaining not necessarily required No service effect No rate effect
24	Reduce workforce through retirements	Legislation not required Bargaining not required No service effect No rate effect
25	Offer early retirement incentives	Legislation not required Bargaining not required No service effect

		No rate effect
26	Offer separation incentives – postmasters, mail handlers	Legislation not required Bargaining not required No service effect No rate effect
27	Reform workers’ compensation for retirement eligible	Legislation required No service effect No rate effect
28	Implement two-tiered wage system (new hires vs. current employees)	Bargaining required No service effect No rate effect
29	Require arbitrators to recognize Postal Service financial condition	Legislation required No service effect No rate effect
30	Outsource work where cost-effective	Bargaining required No service effect No rate effect
31	Labor out-transition services (training, job search, relocation)	Legislation not required Bargaining not required No service effect No rate effect
32	Eliminate layoff protection to permit workforce reduction	Bargaining required No service effect No rate effect
33	Reduce security, stamp management costs; align benefits with other agencies	Bargaining required No service effect No rate effect
34	Reduce incentives to use leave, enforce leave management	Bargaining required for some No service effect No rate effect
35	Eliminate Christmas supplemental hours, related overtime	Bargaining may be required No service effect No rate effect
36	Observe officer salary cap	Bargaining not required No service effect No rate effect
37	[same as 24 – 26]	
38	Change retirement formula to use high 5 years as basis	Legislation required No service effect No rate effect
39	[same as 25] + transfer FERS overpayment to THE POSTAL SERVICE for use in buyouts	Legislation required Bargaining not required No service effect

		No rate effect
40	Move more retail to stores, self-service	Legislation not required Bargaining not required No service effect necessary No rate effect
41	Offer parcel pickup at stores or 24-hr. lockers	Legislation not required Bargaining not required No service effect necessary No rate effect
42	Add retail locations other than post offices	Legislation not required Bargaining not required No service effect No rate effect
43	Locate retail where/when customers are present	Legislation not required Bargaining not required No service effect No rate effect
44	Reduce retail network	Legislation not required Bargaining not required No service effect necessary No rate effect
45	Close 12,000 retail facilities	Legislation not required Bargaining not required No service effect necessary No rate effect
46	Conduct communication/outreach to inform public of increased access	Legislation not required Bargaining not required No service effect necessary No rate effect
47	Substitute alternatives for post offices; redesign usps.com site	Legislation not required Bargaining not required No service effect necessary No rate effect
48	Offer stamps through mail, Internet, stores	Legislation not required Bargaining not required No service effect necessary No rate effect
49	Sell unused space or release it to other U.S. agencies	Legislation not required Bargaining not required No service effect No rate effect
50	Match retail hours to workload	Legislation not required Bargaining probably required No service effect

		No rate effect
51	Dispose of excess space, save utility, custodial costs	Legislation not required Bargaining not required No service effect No rate effect
52	Reform leases which pay above market rent	Legislation not required Bargaining not required No service effect No rate effect
53	Pursue Retail Access Optimization Initiative [now Post Plan]	Legislation not required Bargaining not required No service effect No rate effect
54	Sell Postal Service real estate assets	Legislation not required Bargaining not required No service effect No rate effect
55	Expand on-line platform to include hard-copy cards, invitations	Legislation probably not required Bargaining not required No service effect No rate effect
56	Offer digital access through Postal Service website	Legislation not required Bargaining not required No service effect No rate effect
57	Enable e-mail box interfaced with physical mailbox	Legislation required No service effect No rate effect
58	Use post offices to complement Postal Service digital platform, with human staff to help interface with other U.S. agencies	Legislation possibly required Bargaining possibly required No service effect No rate effect
59	Provide emergency government services, interactions	Legislation possibly required Bargaining not required No service effect No rate effect
60	Offer community bulletin boards, licenses, permit applications, citizen polling/opinion gathering	Legislation possibly required Bargaining not required No service effect No rate effect
61	Centers of continuous democracy	Legislation possibly required Bargaining not required No service effect

		No rate effect
62	Digital services less space and labor intensive than current services	Legislation possibly required Bargaining probably required No service effect necessary No rate effect
63	Accelerate closing of processing facilities to keep pace with volume decline	Legislation not required Bargaining not required No service effect necessary No rate effect
64	[Similar to 63]	
65	Relax delivery standards to facilitate plant closings	Legislation not required Bargaining not required Service effect No rate effect
66	Set up BRAC-type mechanism to facilitate plant closings	Legislation required Bargaining not required No service effect necessary No rate effect
67	Remove excess processing capacity	Legislation not required Bargaining not required No service effect necessary No rate effect
68	Close 300 processing plants	Legislation not required Bargaining not required No service effect necessary No rate effect
69	Relax FCM, Periodicals delivery standards to eliminate plants, machines, trips	Legislation not required Bargaining not required Service effect No rate effect
70	Eliminate 135 P&DCs	Legislation not required Bargaining not required No service effect necessary No rate effect
71	“Right-size” mail processing facilities	Legislation not required Bargaining not required No service effect necessary No rate effect
72	Outsource custodial, vehicle service driver positions	Legislation probably not required Bargaining required No service effect No rate effect
73	Eliminate 10 CSBCS machines (obsolete	Legislation not required

	recommendation)	Bargaining not required No service effect No rate effect
74	Use less overtime in processing; improve mail handling, manual, and allied operations performance	Legislation not required Bargaining possibly required No service effect No rate effect
75	Improve UAA metrics and streamline UAA workflow	Legislation not required Bargaining not required No service effect No rate effect
76	Simplify mail acceptance rules	Legislation not required Bargaining not required No service effect No rate effect
77	Consider 55 various GAO revenue initiatives	Legislation not required Bargaining not required No service effect Rate effect
78	Postal Service/McKinsey identify 100 cost/volume/revenue initiatives	[Indeterminate]
79	Provide volume incentives for bulk mail	Legislation not required Bargaining not required No service effect Rate effect
80	Increase revenue through new or enhanced products	Legislation not required Bargaining not required Service effect possible Rate effect
81	Offer nonpostal services (photocopy, fax, passport, Internet, ATMs, etc.)	Legislation required Bargaining not required No service effect No rate effect
82	Offer nonpostal services including e-mail delivery, financial services, tax payment acceptance, etc. (from review of foreign posts)	Legislation required Bargaining not required No service effect No rate effect
83	Increase proportion of revenue from nonpostal services	Legislation required Bargaining not required No service effect No rate effect
84	[Similar to 77]	Legislation required Bargaining not required No service effect

		No rate effect
85	Expand electronic nonpostal services; possibly adjust the Postal Service wage structure to make feasible	Legislation required Bargaining possibly required No service effect No rate effect
86	Copy corporate formal innovation processes; internal or partnership implementation	Legislation possibly required Bargaining not required No service effect necessary No rate effect
87	Pricing structure complex; methods of insuring cost recovery lag technological potential; exploit flexibilities in statute, formulate strategic plan for doing so	Legislation possibly required Bargaining not required No service effect necessary Rate effect
88	Expand successful Supply Management Portfolio revenue generators	Legislation not required Bargaining not required No service effect No rate effect
89	Ensure evaluation of NSAs does not credit money-losing contracts with positive revenue	Legislation not required Bargaining not required No service effect No rate effect
90	Segregate duties so that same officer does not create/approve project; correct terminal dues billing	Legislation not required Bargaining not required No service effect No rate effect
91	Improve Express Mail corporate account management	Legislation not required Bargaining not required No service effect No rate effect
92	Increase Postal Service/private sector partnerships	Legislation possibly required Bargaining possibly required No service effect No rate effect
93	Direct appropriations from Congress	Legislation required Bargaining not required No service effect No rate effect
94	Change pension benefits for new employees	Legislation not required Bargaining required No service effect No rate effect
95	FERS surplus transfer to the Postal Service	Legislation required Bargaining not required No service effect



		No rate effect
96	Amortize FERS surplus over 30 years (Administration proposal)	Legislation required Bargaining not required No service effect No rate effect
97	End FERS pension funding	Legislation required Bargaining not required No service effect No rate effect
98	[Same as 99]	
99	Refund FERS overpayment	Legislation required Bargaining not required No service effect No rate effect
100	Limit FERS annuity supplement to those subject to mandatory retirement	Legislation required Bargaining not required No service effect No rate effect
101	Postal Service pension benefits overfunded; use real estate assets to fund the 50 percent of retiree health benefits still unfunded	Legislation required Bargaining not required No service effect No rate effect
102	Set Postal Service pension funding at 80 percent, retiree health benefits at 30 percent; eliminates PAEA annual prefunding payment	Legislation required Bargaining not required No service effect No rate effect
103	Continue early retirement offers to clerks, mail handlers	Legislation not required Bargaining not required No service effect No rate effect
104	Increase employee contributions to CSRS and FERS	Legislation required No service effect No rate effect
105	Return CSRS overpayment to Postal Service	Legislation required No service effect No rate effect
106	[Same as 21]	
107	Offer digital or hybrid alternatives to hard- copy mail delivery (cf. foreign posts)	Legislation required Bargaining possibly required Service effect Possible rate effect
108	[Similar to 111]	
109	Expand cluster box delivery	Legislation not required

		Bargaining not required Service effect (final delivery) No rate effect
110	End door delivery	Legislation not required Bargaining not required Service effect (final delivery) No rate effect
111	Eliminate some city routes in favor of rural routes	Legislation not required Bargaining possibly required Service effect (final delivery) No rate effect
112	Control over-budget overtime in city delivery	Legislation not required Bargaining not required No service effect No rate effect
113	Reform USO to support Postal Service provision of broadband in high-cost areas	Legislation required Bargaining not required No service effect necessary No rate effect
114	Establish new vehicle purchase strategy to replace “fix as fails”	Legislation not required Bargaining not required No service effect No rate effect
115	Adopt end-to-end GPS system to reduce idle time, increase efficiency in delivery and transportation	Legislation not required Bargaining not required No service effect No rate effect
116	The Postal Service should have considered PRC 5-day delivery savings estimate in five-year strategic plan, which reduces projected savings from \$3B to \$ 1.7B.	Legislation not required Bargaining not required Service effect No rate effect
117	Adopt electric vehicles	Legislation not required Bargaining not required No service effect No rate effect
118	Decouple retail and delivery operations	Legislation not required Bargaining possibly required No service effect No rate effect
119	Offer "Co-opetition" in delivery; all carriers share the Postal Service vehicle	Legislation not required Bargaining possibly required No service effect No rate effect

120	Universal delivery using evaluated routes, other modes of delivery (property line, cluster boxes)	Bargaining or legislation required Service effect (final delivery) No rate effect
121	Delivery facilities throughout communities rather than on edge of cities for faster delivery	Legislation not required Bargaining not required Service effect No rate effect
122	Rapid cross-town delivery. To include groceries, dry cleaning, as well as mail	Legislation required Bargaining probably required Service effect Rate effect possible
123	Review need for 74 District, 9 Area offices	Legislation not required Bargaining not required No service effect No rate effect
124	Reduce field administrative offices	Legislation not required Bargaining not required No service effect No rate effect
125	Similar to 128-129; close District offices within 50 miles of each other	Legislation not required Bargaining not required No service effect No rate effect
126	Congressional requirement that the Postal Service act on issues within its control, as part of any legislation	Legislation required Bargaining possibly required Service effect possible Rate effect possible
127	Reform Thrift Savings Plan contribution	Legislation required Bargaining possibly required No service effect No rate effect
128	Reduce manual data collection for RPW in favor of modifying existing automated procedures	Legislation not required Bargaining not required No service effect No rate effect
129	Increase the Postal Service independence of Federal budget (various items)	Legislation required Bargaining not required No service effect No rate effect

## APPENDIX 3: CONSOLIDATED ALTERNATIVES TO ENDING SATURDAY MAIL DELIVERY GAO/OIG DEFICIT REDUCTION PROPOSALS, 2009-2013

### I. Health Benefits and Costs: 22 Proposals

1. Cut employee health benefit premiums paid by Postal Service to 72% other Federal agencies pay from 80% the Postal Service pays, GAO 8/9/09 958-T
2. Decrease health benefit premium cost share of Postal Service from 80 to 72% to save \$560M in FY2010, GAO 9/6/11, 92
3. Request \$42B in health benefit assets FEHB be transferred from Treasury to Postal Service Fund, GAO 9/6/11, 926T
4. The Postal Service pays 100% of life insurance premiums, other fed agencies about 33%, GAO 8/9/09 958-T
5. Reduce Postal Service health and life insurance contribution rates for active employees, 4/10, GAO-10-455
6. Pay as you go prefunding would save over \$44B through 2020, GAO 9/6/11, 926T, \$5.8B annually
7. Actuarial approach to revise retiree health payment benefits would save \$10B through 2020, GAO 9/6/11, 926T
8. Prefund retiree health care benefits at 30% of its liability, GAO 9/6/11, 926T
9. Ask Congress to revise prefunding requirement to less than \$5.4B full annual amount, GAO 8/9/09 958-T
10. Revise retiree health benefit pre-funding, reduce or if needed eliminate it, 4/10, GAO-10-455
11. Postal Service to sponsor own health benefit plan, \$1.5B excluding RHB, GAO, 9/6/11, 926T
12. Postal Service proposed pulling out of FEHB, savings \$60—\$70B. Also proposed closing and consolidating 48% of its mail processing plants, including 220,000 career positions over next three years. OIG HR-MA-12-001
13. Funding options for retiree health benefits (prefunding): Current law (PAEA), modified, \$57.7B; \$7.2 annual aver. Administration's approach, modified -- \$44.1; average annual \$5.5B, \$1.7B annually savings compared to PAEA baseline, 12/12, GAO-13-112,
14. S. 1789, modified, \$39B; \$4.9 aver annual, \$2.3 billion annually, 12/12, GAO-13-112,

15. Pay-as-you-go, \$5.5—\$5.8Bannually, 12/12, GAO-13-112,
16. H.R. 2309, modified, \$61.1B; \$7.6B average annually, adds to deficit, 12/12, GAO-13-112
17. Stop prefunding, use existing funds to pay current and future premiums, 12/12, GAO-13-112
18. Postal Service to offer own health care benefits plan. Decreases costs by over \$63 billion. Requires accounting changes, use of Medicare coverage, efficiencies in health care purchasing, impact on current, retired and future retired. OIG FI-MA-12-014
19. Overfunding issues for pension and retiree healthcare funds. OIG proposals herein could potentially recover \$142.4B. No RHB prefunding. Benchmark levels for prefunding current retirees pension and health benefits. Pay existing retirees health insurance premiums from retiree health fund. Extinguish debt to Treasury. OIG FT-MA-10-002
20. Cost of benefits since 1972 448% above inflation; make COLA benefits tied to CPI-TFP, OIG-RARC-WP-11-007
21. Repay shift in military pensions to Postal Service, OIG IG
22. Correct OPM inflation forecast for health care, OIG IG

## II. Postal Service Workforce: 17 Proposals

23. Cut employees through attrition, 162,000 eligible in 2009, 300,000 within 4 years, GAO 8/9/09 958-T, \$5.25B @ \$17,500 savings per employee
24. Also, reduce workforce through retirements 4/10, GAO-10-455
25. Offer early retirement incentives, GAO 8/9/09 958-T
26. Separation incentives to postmasters and mail handlers, GAO-13-347T, \$542M actual savings in FY2012
27. Have Congress revise workers comp laws for employees eligible for retirement, \$1.4 billion is current annual cost, 4/10, GAO-10-455
28. Two tiered wage system, one for new hires, another for existing, 4/10, GAO-10-455
29. Require any binding arbitration to take account of the Postal Service's financial condition, 4/10,GAO-10-455
30. Outsource work where cost effective, 4/10, GAO-10-455
31. Labor transition plans like training, relocation and job search services, GAO 2/11, 282
32. Eliminate layoff protections in collective bargaining so it can cut 125,000 career employees by 2015, GAO 9/6/11, 926T

33. Reduce costs associated with the Postal Service Inspection Service activities and armed security forces, postage stamp management and employee benefits. Align benefits with other federal agencies. \$143M annual savings. OIG FF-AR-11-009
34. Total absenteeism rate for the Postal Service comparable to overall federal sector but higher than civilian sector. The Postal Service offers more leave benefits than civilian sector and offer fewer incentives to accumulate leave. Supervisors not complying with attendance control procedures when it comes to unscheduled leave. OIG HM-AR-10-001
35. Christmas supplemental hours no longer necessary. Ending overtime pay for this would save more than \$2,9M over two years 2011 and 2012. OIG DR-AR-10-003
36. Postal Service has a cap on officer salaries that is ignored. In CY 2011, the Postal Service paid officers \$110,011 above the cap. OIG FT-AR-13-001
37. In 2012, 189,000 employees will meet the age and service requirements for retiring with an immediate annuity. Voluntary early retirement; cash buyouts; additional years of service credit; re-employment for annuitants. OIG HR-MA-12-001
38. Change retirement formula that uses highest 3 years salary to one that uses highest 5 years. OIG HR-MA-12-001
39. S. 1789 allows Postal Service to offer one year of additional credited service in CSRS and up to two years for those in FERS as an incentive to retire. Direct FERS overpayment to be transferred to the Postal Service and used for buyouts up to \$25,000 per employee. OIG HR-MA-12-001

### III. Retail Related: 23 Proposals

40. Move more retail services to private stores and self-service, 4/10, GAO-10-455
41. Parcel pick-up and grocery stores (longer hours) or at 24 hour parcel lockers publicly located. Partners stay open longer, GAO 2/11, 282
42. More locations than post offices, and for longer hours, 11/11, GAO-12-100 (\$5B of its \$18B in fy2010 retail revenue came from alternatives, 11/11, GAO-12-100)
43. Put retail outlets where customers are at hours they are there
44. Reduce network of 37,000 retail facilities, GAO 8/9/09 958-T
45. Close 12,000 retail facilities, GAO 9/6/11, 926T
46. Communication and outreach strategies to inform public officials and customers of increased access to products and services, GAO 2/11, 282
47. Alternatives to Post Offices: Redesign USPS.com, 11/11, GAO-12-100
48. Buy stamps through mail, on Internet, and at grocery stores, 7/09, GAO-09-937SP

49. Excess interior space at post offices is 67 million square feet, 24% of total space, including 12,356 unmanned windows. The Postal Service should provide transactional space to other federal entities, lowering overall federal lease costs. H.R. 1734 proposes selling surplus properties government wide, consolidating and collocating space. In 2011 excess terminal work hours were 20 million.      OIG DA-MA-12-003
50. Balance service with cost savings opportunities by matching retail hours to workload. Reports on success at the Antler and Goldsboro POs. OIG CI-MA-12-002
51. The Postal Service owns or leases 33,000 facilities with 284 million interior square feet. 2011 target is to reduce only 1% of that. 24% of existing square footage is excess compared to 13.4% of current commercial vacancy rate. Can realize \$3.48B savings over 10 years by disposing of excess lease, custodial and utility costs. OIG DA-AR-11-009
52. 117 leases reviewed found 35 were paying \$476,000 above market rates. OIG SA-MA-09-002
53. As of January 2013, the Postal Service had not followed through on its Retail Access Optimization Initiative (RAOI, July 2011) to make decisions which of 600 stations, branches and retail annexes it would close. OIG DR-MA-13-001
54. Sell Postal real estate assets, \$85B, OIG IG Speech
55. Expand online platforms to include hard copy cards and invitations people prefer
56. Digital access through the Postal Service website, OIG IG Speech
57. E-mail box interfaced with physical mailbox, OIG, IG Speech
58. Use post offices to complement Postal digital platform, with humans to help interface with other federal departments and agencies, OIG IG Speech
59. Emergency government services and interactions, OIG IG Speech
60. Community bulletin boards, license applications, permits, citizen polling/opinion gathering, OIG IG Speech
61. Centers of Continuous Democracy, OIG IG Speech
62. Digital Services less labor and space intensive than current postal services, OIG IG Speech

IV.     Mail Processing Capacity: 14 Proposals

63. As of 2010, (FY2005-FY2009 inclusive) the Postal Service was not closing facilities and reducing employment fast enough to offset volume and revenue declines. 39 AMP initiatives were canceled. 68 AMCs were closed, and 12 RECs. Only 2 P&DCs were closed along with 5 annexes. Total facilities were at 599 at end of FY2009, down from 677 in FY2005. OIG EN-AR-10-001

64. 48 plants consolidated July-August 2012; 100 in 2013, reduced to 92; 114 in 2014, reduced to 112, (PRC \$2.6B savings 12/2011; \$1.6B 4/2012 OIG NO-MA-13-004
65. Relax delivery standards to facilitate plant closures and consolidations--4/10, GAO-10-455
66. Set up a mechanism similar to BRAC for cutting excess plant capacity, 4/10, GAO-10-455 (OBSOLETE)
67. Remove excess capacity in mail processing, processing for first class mail exceeds needs by 50%, GAO 8/9/09 958-T
68. Close 300 mail processing plants, GAO 9/6/11, 926T
69. Close 223 processing plants, cut 35,000 positions, eliminate 3,000 machines, eliminate 376 million trips, from relaxation of First Class and Periodical delivery standards, \$4.1 billion annual savings, GAO-12-470,
70. Cut 135 P & DC's, \$2.6B, OIG – RARC-WP-11-006
71. Right-size mail processing facilities, OIG IG Speech
72. Some postal wage rates exceed those in the Service Contract Act (SCA). Outsource cleaning/janitorial services, and postal vehicle service driver positions. Saves \$675M annually. OIG CA-AR-12-001
73. Eliminate ten CSBCS machines. Saves \$3M over ten years. OIG DR-AR-10-004 (OBSOLETE)
74. Less usage of overtime at plants, better mail handling, manual operations performance, allied operations performance, as well as use of automated and mechanized equipment could save 23 million work hours in FY2008, avoiding \$969.5M in costs annually. OIG NO-MA-09-002
75. Improve UAA reporting metrics and streamline UAA mail workflow. Now spending over \$1B annually. OIG IS-AR-09-007
76. Simplify mail acceptance rules, OIG IG Speech

V. Revenue Options: 17 Proposals

77. 55 Revenue Initiatives, GAO – 13 – 216
78. The Postal Service management and McKinsey and Co. have identified over 100 innovative ideas to lower costs, increase mail volumes or retain volumes. OIG CI-AR-12-001
79. Provide volume incentives for bulk mail, 4/10, GAO-10-455



80. Increase revenue through new or enhanced products, GAO 8/9/09 958-T
81. From postmasters: fax services, photocopy services, notary, passports, greeting cards, ATMs, Internet or wireless fidelity' community support center, gift cards, job services, public telephones, money transfers. OIG DA-MA-12-005
82. From looking at foreign posts: physical delivery of emails to individuals without internet access, banking and insurance, savings accounts, bill payments, retirement planning, lottery tickets, home phone service and broadband, local travel tickets, online shopping, loans, worldwide money transfer options, traffic and parking fine payments, home loans, accepts income and property tax payments, dog license renewals, donations to charities, storage billing and payment options, storage services, airline ticket purchases. OIG DA-MA-12-005
83. Greater diversification: 15% of the Postal Service revenues from non-postal; 40% of foreign posts, (Goal: Doubling US share from 13% to 26% would put it on a par with Royal Mail), OIG RARC-WP-12-002
84. Non-Postal products and services suggested in recent legislation include public Internet access services, notary services, advertising at postal facilities and on vehicles, check cashing, facility leasing and warehousing services. S. 1789; S. 1010; H.R. 2309; H.R. 3591; S. 1853; H.R. 3916; H.R.1262; H.R. 2967. OIG DA-MA-12-005
85. Expand government services at retail facilities to facilitate E-Gov initiatives, passports, selective service registration; expand National Broadband Infrastructure initiative through partnerships with commercial ISPs; provide electronic currency transactions through prepaid cards. Biggest barrier to all these is current wage level at the Postal Service retail units, foot traffic, and stakeholder opposition. OIG DA-MA-12-005
86. Large corporations generate a significant part of their total revenue from formal innovation processes and strategies for themselves or by partnering with stakeholders to grow revenue streams. The Postal Service should do the same. OIG CI-AR-12-001
87. Current pricing structure is complex. Methods for ensuring prices cover costs have not kept pace with the available technology. The Postal Service has not fully explored flexibilities in the law nor formulated a strategic plan that does. OIG CI-AR-12-002
88. Revenue generating efforts in Supply Management Portfolios that are successful (and can be expanded) are: royalty payments for technologies developed by its contractors; ads posted on transportation trailers; license fees for cluster box unit (CBU) of \$627,000 annually; recycling revenue of \$12.4M in FY2008; investment recovery revenue of \$2.2M in FY2008. OIG CA-AR-10-001
89. The Postal Service reported its FY2009 summer sale (Standard Mail Volume Incentive) netted \$24.1M. OIG questions a number of procedures the Postal Service used in the calculation, and concludes the Postal Service may actually have lost money on the sale. OIG FF-AR-10-196

90. Project Financial System (PFS) segregation of duties. Southeast FSO contracting officer created and approved the same project payment of \$244,046. Increases chances for fraud. FY 2005 terminal dues incorrectly billed, costing the Postal Service \$53,475. OIG FT-MA-09-002
91. The Postal Service should improve its management of Express Mail corporate account revenue. The monetary impact of revenue loss and funds put to better use was \$6.2 million in 2011 and 2012 combined. OIG DP-AR-13-003
92. More private partnerships: transportation, digital mail processing, OIG IG Speech
93. Providing direct appropriations from Congress, GAO 5/20/09, 674T

VI. Pension Reform: 13 Proposals

94. Change pension benefits for new employees, GAO 9/6/11, 926T
95. Seek \$6.9B FERS surplus, GAO 9/6/11, 926T
96. Administration: seek same but reimbursement amortized over 30 years, GAO 9/6/11, 926T
97. End FERS pension funding, \$3B annually based on FY2012 payment, GAO-13-347T
98. The Postal Service being unfairly burdened for its share of the FERS pension obligation. OPM calculated a \$6.8B surplus at end of FY2009. OIG FT-MA-10-001
99. Refund FERS overpayment, \$3B, OIG HR-MA-12-001
100. Limit FERS annuity supplement to those subject to mandatory retirement. OIG HR-MA-12-001
101. Pension benefit obligations now funded at 105%, \$13.1B overfunded (\$1.7 billion CSRS and \$11.4B FERS). By contrast federal government is 42% funded and military is 27% funded. The Postal Service has funded 50% of its future RHB. Use \$85B of real property assets to fund remaining 50%, or \$46B. OIG FT-MA-12-002
102. S&P 500 companies have median prefunding level in 2009 for pensions of 79% of liabilities. Federal government has funded combined FERS and CSRS at 41% of liabilities, and military's at 24%. Set the Postal Service prefunding for pensions at 80%, and RHB prefunding at 30%. Has effect of eliminating 2006 law mandate of \$5.6B for RHB. OIG FT-MA-11-001
103. Early retirement offer in 2009 taken by 20,000 clerks and mail handlers, \$350M savings, OIG RARC-WP-11-007
104. Increase employees' contributions to CSRS and FERS. OIG HR-MA-12-001
105. CSRS overpayment by Postal Service, \$75B, OIG IG Speech

106. Repay shift in military pensions to Postal Service, OIG IG Speech

VII. Delivery Options: 16 Proposals

107. Six foreign posts examined all offer digital or hybrid options to physical mail delivery, GAO 2/11, 282

108. Hybrid mail system: send digitally, receive hard copy, 400 million pieces starting market potential; lost \$4.1M in 2011-2012 by not adopting; could increase revenue \$3.8 million/year in 2013 and 2014, OIG SM-MA-13-004

109. Expand cluster boxes, \$4.5B annually as of 2011, 4/10, GAO-10-45,

110. End door-to-door delivery, several hundred million dollars, the Postal Service official at GCA 2013 winter meetings

111. Eliminate 33 city routes and transfer vehicles to rural delivery. Saves \$250,110/\$279,972 annually from operating efficiency. Reduces EMA costs from rural carriers using their own cars and assists in meeting vehicle provision in NRLCA agreement. OIG DR-AR-12-002

112. City delivery is largest cost center within the Postal Service. Budgeted overtime exceeded by 10.4 million hours in city delivery installation staffing. Reduces annual costs by \$116.8M, OIG DR-AR-12-006

113. Reform USO to support deployment of broadband and voice in high-cost areas to ensure low-income Americans can afford it, and to boost adoption and utilization. Comprehensive lease agreement to provide the Postal Service facilities and land for expansion of broadband infrastructure. Adds \$4.2 million annually to revenue stream. OIG DA-MA-12-002

114. Establish a new vehicle fleet purchase strategy instead of a “fix as fails” strategy, where maintenance costs now exceed replacement costs. OIG CI-AR-12-006

115. Reduce idle time and generate other efficiencies in delivery and transportation systems by adopting end-to-end GPS system. Vendors estimate a \$191M—\$435M ROI over three year contract. OIG DR-MA-11-003

116. Criticized postal management for not considering the impact of PRC savings estimate for 5-day delivery in its five year financial plan. OIG FT-MA-11-004

117. Potential annual revenue to the Postal Service from electrification of PJM’s territory is \$69.4M for 30,060 vehicles, or \$154,657 for a minimum use of 67 electrified vehicles. OIG DA-WP-09-001

- 118. Decouple retail and delivery operations, OIG RARC-WP-11-009
- 119. “Co-opetition” in delivery, all deliveries via a single postal truck, green, OIG IG Speech
- 120. Universal home delivery at greatly reduced cost: use of evaluated routes, modes of delivery, to property line of cluster boxes, OIG IG Speech
- 121. Faster delivery, lighter packages, facilities throughout communities rather than edge of cities, OIG IG Speech
- 122. Rapid cross town delivery: Deliveries to include groceries, dry cleaning, wherever designated, OIG IG Speech

VIII. Other: 7 proposals

- 123. Review need for 74 district offices and 9 area offices, GAO 8/9/09 958-T
- 124. Reduce field admin offices, 4/10,GAO-10-455
- 125. Significant opportunities to reduce costs by consolidating its field structure. Close district offices that are within 50 miles of one another saves \$33.6M annually. OIG FF-AR-10-224(R)
- 126. If Congress acts, it should possibly require the Postal Service to also act on issues within its control, 4/10, GAO-10-4
- 127. Reform Thrift Savings Plan contributions, \$1B current FY2012 cost. GAO-13-347T
- 128. The Postal Service could save \$13M in annual data costs by reducing manual data collection for RPW reports in favor of modifying existing automated processes. OIG CRR-AR-12-003
- 129. Increase postal independence from national budget considerations. Conform House PAYGO rule to Senate’s. Shift to off budget the Postal Service share of CSRDF, and PSRHBFF. Opt out of appropriations process or shift cost of free mail for the blind and overseas voters to appropriate federal agencies and have them reimburse the Postal Service for postage, saving \$100M annually. OIG ESS-WP-09-001

## APPENDIX 4: FIFTY-FOUR PROPOSALS THE POSTAL SERVICE CAN ACT UPON BY ITSELF

NOTE: Some categorizations in right-hand column are left blank because the item is substantially identical with another item; cross-references are given. In some cases affecting employee compensation, benefits, tenure, etc., where legislation would be required, it is assumed that such legislation would eliminate any bargainable issues, and bargaining is not listed in the right-hand column.

List No.	Description	Categorizations
23	Eliminate employees through attrition: \$1.3B annually 300,000 employees in four years	Legislation not required Bargaining not required
24	Reduce workforce through retirements	Legislation not required Bargaining not required
25	Offer early retirement incentives	Legislation not required Bargaining not required
26	Separation incentives – postmasters, mail handlers \$542M in FY2012. Continue at current rate.	Legislation not required Bargaining not required
31	Labor out-transition services (training, job search, relocation)	Legislation not required Bargaining not required
40	Move more retail to stores, self-service	Legislation not required Bargaining not required
41	Offer parcel pickup at stores or 24-hr. lockers	Legislation not required Bargaining not required
42	Add retail locations other than post offices \$5B of \$18B already from other locations	Legislation not required Bargaining not required
43	Locate retail where/when customers are present	Legislation not required Bargaining not required
44	Reduce retail network	Legislation not required Bargaining not required
45	Close 12,000 retail facilities	Legislation not required Bargaining not required

46	Communication/outreach to inform public of increased access	Legislation not required Bargaining not required
47	Substitute alternatives for post offices; redesign usps.com site Reach 60% goal	Legislation not required Bargaining not required
48	Offer stamps through mail, Internet, stores	Legislation not required Bargaining not required
49	Sell unused space or release it to other U.S. agencies	Legislation not required Bargaining not required
51	Dispose of excess space, save utility, custodial costs On retail space. \$348M annually	Legislation not required Bargaining not required
52	Reform leases which pay above market rent Up to \$134M annual savings using #51 lease info	Legislation not required Bargaining not required
53	Pursue Retail Access Optimization Initiative [now Post Plan]	Legislation not required Bargaining not required
54	Sell the Postal Service real estate assets. \$85B	Legislation not required Bargaining not required
55	Expand on-line platform to include hard-copy cards, invitations	Legislation probably not required Bargaining not required
56	Digital access through the Postal Service website	Legislation not required Bargaining not required
63	Accelerate closing of processing facilities to keep pace with volume decline	Legislation not required Bargaining not required
65	Relax delivery standards to facilitate plant closings \$1.6B in FY2012 done of \$4.1B total	Legislation not required Bargaining not required
67	Remove excess processing capacity	Legislation not required Bargaining not required
68	Close 300 processing plants	Legislation not required Bargaining not required

69	Relax FCM, Periodicals delivery standards to eliminate plants, machines, trips	Legislation not required Bargaining not required
70	Eliminate 135 P&DCs	Legislation not required Bargaining not required
71	"Right size" mail processing facilities	Legislation not required Bargaining not required
72	Outsource custodial, vehicle service driver positions. \$675M annually	Legislation probably not required Bargaining required
73	Eliminate 10 CSBCS machines (obsolete recommendation)	Legislation not required Bargaining not required
74	Use less overtime in processing; improve mail handling, manual, and allied operations performance \$969.5M annually	Legislation not required Bargaining possibly required
75	Improve UAA metrics and streamline UAA workflow. Cut costs 25%: \$250 M annually	Legislation not required Bargaining not required
76	Simplify mail acceptance rules	Legislation not required Bargaining not required
77	Implement 55 various GAO revenue initiatives	Legislation not required Bargaining not required
79	Provide volume incentives for bulk mail	Legislation not required Bargaining not required
80	Increase revenue through new or enhanced products	Legislation not required Bargaining not required
88	Expand successful Supply Management Portfolio revenue generators. Over \$17.2M annually based on 2008	Legislation not required Bargaining not required
89	Ensure evaluation of NSAs does not credit money-losing contracts with positive revenue. \$24.1M from summer sale	Legislation not required Bargaining not required
90	Segregate duties so that same officer does not create/approve project; correct terminal dues billing. \$53,000 from one example	Legislation not required Bargaining not required

91	Improve Express Mail corporate account management. \$6.2M in 2011	Legislation not required Bargaining not required
109	Expand cluster box delivery. \$4.5B	Legislation not required Bargaining not required
110	End door delivery. Several Hundred Million Dollars	Legislation not required Bargaining not required
111	Eliminate some city routes in favor of rural routes. \$250,000—\$280,000 for 33 city routes	Legislation not required Bargaining possibly required
112	Control over-budget overtime in city delivery. \$116.8M annually	Legislation not required Bargaining not required
114	Establish new vehicle purchase strategy to replace "fix as fails"	Legislation not required Bargaining not required
115	Adopt end-to-end GPS system to reduce idle time, increase efficiency in delivery and transportation. \$191/435 ROI	Legislation not required Bargaining not required
117	Adopt electric vehicles. \$69.4M net added revenue annually over current repair costs, 30,000 vehicles	Legislation not required Bargaining not required
118	Decouple retail and delivery operations	Legislation not required Bargaining possibly required
119	Offer "co-opetition" in delivery; all carriers share Postal Service vehicle	Legislation not required Bargaining possibly required
121	Set up delivery facilities throughout communities rather than on edge of cities for faster delivery	Legislation not required Bargaining not required
123	Review need for 74 District, 9 Area offices	Legislation not required Bargaining not required
124	Reduce field administrative offices	Legislation not required Bargaining not required
125	Similar to 128-129; close District offices within 50 miles of each other. \$33.6M annually	Legislation not required Bargaining not required
128	Reduce manual data collection for RPW in	Legislation not required



	favor of modifying existing automated procedures. \$13.2M	Bargaining not required
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## APPENDIX 5: SEVENTY-EIGHT PROPOSALS NOT REQUIRING COLLECTIVE BARGAINING (TWENTY THREE NUMBERS IN BOLD REQUIRE OR MAY REQUIRE LEGISLATION)

NOTE: Some categorizations in right-hand column are left blank because the item is substantially identical with another item; cross-references are given. In some cases affecting employee compensation, benefits, tenure, etc., where legislation would be required, it is assumed that such legislation would eliminate any bargainable issues, and bargaining is not listed in the right-hand column.

List No.	Description	Categorizations
23	Eliminate employees through attrition. \$17,500 savings per employee; \$1.3B annually for 75,000 employees	Bargaining not necessarily required
24	Reduce workforce through retirements	Bargaining not required
25	Offer early retirement incentives	Bargaining not required
26	Separation incentives – postmasters, mail handlers. Repeat 2012 savings, \$542M	Bargaining not required
31	Labor out-transition services (training, job search, relocation)	Bargaining not required
<b>34</b>	Reduce incentives to use leave, enforce leave management	For some
<b>36</b>	Observe officer salary cap. \$110,011	Bargaining not required
<b>39</b>	[same as 25] + transfer FERS overpayment to the Postal Service for use in buyouts	Bargaining not required
40	Move more retail to stores, self-service	Bargaining not required
41	Parcel pickup at stores or 24-hr. lockers	Bargaining not required
42	Add retail locations other than post offices	Bargaining not required
43	Locate retail where/when customers are present	Bargaining not required
44	Reduce retail network	Bargaining not required

45	Close 12,000 retail facilities	Bargaining not required
46	Communicate/outreach to inform public of increased access	Bargaining not required
47	Substitute alternatives for post offices; redesign usps.com site	Bargaining not required
48	Offer stamps through mail, Internet, stores	Bargaining not required
49	Sell unused space or release it to other U.S. agencies	Bargaining not required
51	Dispose of excess space, save utility, custodial costs. \$348M annually, \$3.48B over 10 yrs.	Bargaining not required
52	Reform leases which pay above market rent. \$134M based on stats in #51	Bargaining not required
53	Pursue Retail Access Optimization Initiative [now Post Plan]	Bargaining not required
54	Sell the Postal Service real estate assets. \$85B	Bargaining not required
55	Expand on-line platform to include hard-copy cards, invitations	Bargaining not required
56	Digital access through the Postal Service website	Bargaining not required
<b>58</b>	Use post offices to complement the Postal Service digital platform, with human staff to help interface with other U.S. agencies	Bargaining possibly required
<b>59</b>	Provide emergency government services, interactions	Bargaining not required
<b>60</b>	Offer community bulletin boards, licenses, permit applications, citizen polling/opinion gathering	Bargaining not required
<b>61</b>	Set up centers of continuous democracy	Bargaining not required
63	Accelerate closing of processing facilities to keep pace with volume decline	Bargaining not required
65	Relax delivery standards to facilitate plant closings	Bargaining not required
67	Remove excess processing capacity	Bargaining not required
68	Close 300 processing plants	Bargaining not required
69	Relax FCM, Periodicals delivery standards to eliminate plants, machines, trips. \$4.1B	Bargaining not required
70	Eliminate 135 P&DCs	Bargaining not required

71	"Right size" mail processing facilities	Bargaining not required
73	Eliminate 10 CSBCS machines (obsolete recommendation)	Bargaining not required
74	Use less overtime in processing; improve mail handling, manual, and allied operations performance. \$969.5M	Bargaining possibly required
75	Improve UAA metrics and streamline UAA workflow. 25% improvement, \$250M	Bargaining not required
76	Simplify mail acceptance rules	Bargaining not required
77	Implement 55 various GAO revenue initiatives	Bargaining not required
79	Provide volume incentives for bulk mail	Bargaining not required
80	Increase revenue through new or enhanced products	Bargaining not required
<b>81</b>	Offer nonpostal services (photocopy, fax, passport, Internet, ATMs, etc.)	Bargaining not required
<b>82</b>	Offer nonpostal services including e-mail delivery, financial services, tax payment acceptance, etc. (from review of foreign posts)	Bargaining not required
<b>83</b>	Increase proportion of revenue from nonpostal services	Bargaining not required
<b>84</b>	[Similar to 83]	Bargaining not required
<b>86</b>	Copy corporate formal innovation processes; internal or partnership implementation	Bargaining not required
<b>87</b>	Pricing structure complex; methods of insuring cost recovery lag technological potential; exploit flexibilities in statute, formulate strategic plan for doing so	Bargaining not required
88	Expand successful Supply Management Portfolio revenue generators Over \$15.3M	Bargaining not required
89	Ensure evaluation of NSAs does not credit money-losing contracts with positive revenue	Bargaining not required
90	Segregate duties so that same officer does not create/approve project; correct terminal dues billing. \$54,000 loss in SE FSO	Bargaining not required
91	Improve Express Mail corporate account management. \$6.2M	Bargaining not required
<b>92</b>	Increase the Postal Service -private sector partnerships	Bargaining possibly required
<b>93</b>	Direct appropriations from Congress	Bargaining not required

<b>95</b>	FERS surplus transfer to the Postal Service. \$6.9B	Bargaining not required
<b>96</b>	Amortize FERS surplus over 30 years (Administration proposal)	Bargaining not required
97	End FERS pension funding. \$3B annually	Bargaining not required
99	Refund FERS overpayment	Bargaining not required
<b>100</b>	Limit FERS annuity supplement to those subject to mandatory retirement	Bargaining not required
<b>101</b>	The Postal Service pension benefits overfunded; use real estate assets to fund the 50 percent of retiree health benefits still unfunded	Bargaining not required
<b>102</b>	Set the Postal Service pension funding at 80 percent, retiree health benefits at 30 percent; eliminates PAEA annual prefunding payment. \$5.6B	Bargaining not required
<b>103</b>	Continue early retirement offers to clerks, mail handlers. \$350M per 20,000 clerks	Bargaining not required
109	Expand cluster box delivery. \$4.5B	Bargaining not required
110	End door delivery	Bargaining not required
111	Eliminate some city routes in favor of rural routes. \$250,000 per 33 city routes	Bargaining possibly required
112	Control over-budget overtime in city delivery. \$116.8M	Bargaining not required
<b>113</b>	Reform USO to support the Postal Service provision of broadband in high-cost areas. \$4.2M added revenue	Bargaining not required
114	Establish new vehicle purchase strategy to replace "fix as fails"	Bargaining not required
115	Adopt end-to-end GPS system to reduce idle time, increase efficiency in delivery and transportation. \$191M ROI	Bargaining not required
117	Adopt electric vehicles. \$69.4M added net revenue for 30,060 vehicles	Bargaining not required
118	Decouple retail and delivery operations	Bargaining possibly required
119	Offer "co-opetition" in delivery; all carriers share Postal Service vehicle	Bargaining possibly required
121	Offer delivery facilities throughout	Bargaining not required

	communities rather than on edge of cities for faster delivery	
123	Review need for 74 District, 9 Area offices	Bargaining not required
124	Reduce field administrative offices	Bargaining not required
125	Similar to 128-129; close District offices within 50 miles of each other. \$33.6M	Bargaining not required
128	Reduce manual data collection for RPW in favor of modifying existing automated procedures. \$13M annually.	Bargaining not required
<b>129</b>	Increase the Postal Service independence of Federal budget (various items). \$100M annually	Bargaining not required

## APPENDIX 6: FIFTY-NINE PROPOSALS NOT REQUIRING LEGISLATION

(CATEGORIZATIONS IN **BOLD** REQUIRE OR MAY REQUIRE COLLECTIVE BARGAINING)

NOTE: Some categorizations in right-hand column are left blank because the item is substantially identical with another item; cross-references are given. In some cases affecting employee compensation, benefits, tenure, etc., where legislation would be required, it is assumed that such legislation would eliminate any bargainable issues, and bargaining is not listed in the right-hand column.

List No.	Description	Categorizations
<b>22</b>	Correct OPM inflation estimate	Legislation not required
23	Eliminate employees through attrition	Legislation not required
24	Reduce workforce through retirements	Legislation not required
25	Offer early retirement incentives	Legislation not required
26	Separation incentives – postmasters, mail handlers	Legislation not required
31	Labor out-transition services (training, job search, relocation)	Legislation not required
40	Move more retail to stores, self-service	Legislation not required
41	Officer parcel pickup at stores or 24-hr. lockers	Legislation not required
42	Add retail locations other than post offices	Legislation not required
43	Locate retail where/when customers are present	Legislation not required
44	Reduce retail network	Legislation not required
45	Close 12,000 retail facilities	Legislation not required
46	Communication/outreach to inform public of increased access	Legislation not required
47	Substitute alternatives for post offices; redesign usps.com site	Legislation not required
48	Offer stamps through mail, Internet, stores	Legislation not required

49	Sell unused space or release it to other U.S. agencies	Legislation not required
<b>50</b>	Match retail hours to workload	Legislation not required
51	Dispose of excess space, save utility, custodial costs	Legislation not required
52	Reform leases which pay above market rent	Legislation not required
53	Pursue Retail Access Optimization Initiative [now Post Plan]	Legislation not required
54	Sell the Postal Service real estate assets	Legislation not required
55	Expand on-line platform to include hard-copy cards, invitations	Legislation probably not required
56	Digital access through the Postal Service website	Legislation not required
63	Accelerate closing of processing facilities to keep pace with volume decline	Legislation not required
65	Relax delivery standards to facilitate plant closings	Legislation not required
67	Remove excess processing capacity	Legislation not required
68	Close 300 processing plants	Legislation not required
69	Relax FCM, Periodicals delivery standards to eliminate plants, machines, trips	Legislation not required
70	Eliminate 135 P&DCs	Legislation not required
71	"Right size" mail processing facilities	Legislation not required
<b>72</b>	Outsource custodial, vehicle service driver positions. \$675M annually	Legislation probably not required
73	Eliminate 10 CSBCS machines (obsolete recommendation)	Legislation not required
74	Use less overtime in processing; improve mail handling, manual, and allied operations performance	Legislation not required
75	Improve UAA metrics and streamline UAA workflow	Legislation not required
76	Simplify mail acceptance rules	Legislation not required



77	Implement 55 various GAO revenue initiatives	Legislation not required
79	Provide volume incentives for bulk mail	Legislation not required
80	Increase revenue through new or enhanced products	Legislation not required
88	Expand successful Supply Management Portfolio revenue generators	Legislation not required
89	Insure evaluation of NSAs does not credit money-losing contracts with positive revenue	Legislation not required
90	Segregate duties so that same officer does not create/approve project; correct terminal dues billing	Legislation not required
91	Improve Express Mail corporate account management	Legislation not required
<b>94</b>	Change pension benefits for new employees	Legislation not required
109	Expand cluster box delivery	Legislation not required
110	End door delivery	Legislation not required
111	Eliminate some city routes in favor of rural routes	Legislation not required
112	Control over-budget overtime in city delivery	Legislation not required
114	Establish new vehicle purchase strategy to replace "fix as fails"	Legislation not required
115	Adopt end-to-end GPS system to reduce idle time, increase efficiency in delivery and transportation	Legislation not required
117	Adopt electric vehicles	Legislation not required
118	Decouple retail and delivery operations	Legislation not required
119	Implement "Co-opetition" in delivery; all carriers share Postal Service vehicle	Legislation not required
121	Delivery facilities throughout communities rather than on edge of cities for faster delivery	Legislation not required
123	Review need for 74 District, 9 Area offices	Legislation not required
124	Reduce field administrative offices	Legislation not required

125	Similar to 128-129; close District offices within 50 miles of each other	Legislation not required
128	Reduce manual data collection for RPW in favor of modifying existing automated procedures	Legislation not required

## APPENDIX 7: FORTY-FOUR PROPOSALS REQUIRING COLLECTIVE BARGAINING OR LEGISLATION

NOTE: Some categorizations in right-hand column are left blank because the item is substantially identical with another item; cross-references are given. In some cases affecting employee compensation, benefits, tenure, etc., where legislation would be required, it is assumed that such legislation would eliminate any bargainable issues, and bargaining is not listed in the right-hand column.

List No.	Description	Categorizations
1	Cut health benefit contribution to 72% government level	Bargaining or legislation required No service effect No rate effect
2	[same as 1]	
3	Transfer \$42B health care assets from Treasury to the Postal Service Fund	Legislation required No service effect No rate effect
4	Reduce life insurance contribution to 33% government level	Bargaining required No service effect No rate effect
5	Reduce the Postal Service health, life contribution rate for actives	Bargaining required No service effect No rate effect
6	Pay-as-you-go health benefit funding	Legislation required No service effect No rate effect
7	Actuarial approach to retiree health benefit funding	Legislation required No service effect No rate effect
8	Prefund retiree health benefits at 30% of liability	Legislation required No service effect No rate effect
9	Reduce RHB prefunding annual requirement to <\$5.4B	Legislation required No service effect No rate effect
10	Reduce or eliminate RHB prefunding annual requirement	Legislation required No service effect No rate effect
11	The Postal Service to sponsor own health plan	Legislation required No service effect No rate effect
12	The Postal Service to leave FEHB + Close	Legislation required (FEHB)

	48% of processing plants	No service effect necessary No rate effect
13	Administration proposal on RHB prefunding	Legislation required No service effect No rate effect
14	S. 1789 approach on RHB prefunding	Legislation required No service effect No rate effect
15	[same as 6]	
16	H.R. 2309 modified approach on RHB prefunding	INCREASES DEFICIT
17	End RHB prefunding; use existing funds	Legislation required No service effect No rate effect
18	[same as 11]	
19	Use pension, health overfunding	Legislation required No service effect No rate effect
20	Tie benefits to inflation (COLA)	Legislation probably required Bargaining required No service effect No rate effect
21	Repay shift in military pensions	Legislation probably required No service effect No rate effect
27	Reform workers' compensation for retirement eligible	Legislation required No service effect No rate effect
28	Two tiered wage system (new hires vs. current employees)	Bargaining required No service effect No rate effect
29	Require arbitrators to recognize the Postal Service's financial condition	Legislation required No service effect No rate effect
30	Outsource work where cost-effective	Bargaining required No service effect No rate effect
32	Eliminate layoff protection to permit workforce reduction	Bargaining required No service effect No rate effect
33	Reduce IS, security, stamp management costs; align benefits with other agencies	Bargaining required No service effect No rate effect

35	Eliminate Christmas supplemental hours, related overtime	Bargaining may be required No service effect No rate effect
37	[same as 24 – 26]	
38	Change retirement formula to use high 5 years as basis	Legislation required No service effect No rate effect
57	E-mail box interfaced with physical mailbox	Legislation required No service effect No rate effect
62	Digital services less space and labor intensive than current services	Legislation possibly required Bargaining probably required No service effect necessary No rate effect
65	Relax delivery standards to facilitate plant closings	Service effect No rate effect
66	Set up BRAC-type mechanism to facilitate plant closings	Legislation required No service effect necessary No rate effect
78	The Postal Service /McKinsey report identify 100 cost/volume/revenue initiatives	[Indeterminate]
85	Expand electronic nonpostal services; possibly adjust the Postal Service wage structure to make feasible	Legislation required Bargaining possibly required No service effect No rate effect
104	Increase employee contributions to CSRS and FERS	Legislation required No service effect No rate effect
105	Return CSRS overpayment to the Postal Service	Legislation required No service effect No rate effect
106	[Same as 21]	
107	Offer digital or hybrid alternatives to hard-copy mail delivery (cf. foreign posts)	Legislation required Bargaining possibly required Service effect Possible rate effect
108	[Similar to 111]	
122	Rapid cross-town delivery. To include groceries, dry cleaning, as well as mail	Legislation required Bargaining probably required Service effect Rate effect possible
126	Congressional requirement that the Postal Service act on issues within its control, as	Legislation required Bargaining possibly required

	part of any legislation	Service effect possible Rate effect possible
127	Reform Thrift Savings Plan contribution	Legislation required Bargaining possibly required No service effect No rate effect

<sup>1</sup> On Friday, May 10<sup>th</sup>, the Postal Service released quarterly data showing that the deficit is shrinking by comparison with SPLY, the same period last year. Thus, while its cumulative debt is still rising, the level of its annual operating deficit may not be any longer. Source: the Postal Service, Quarter II, 2013 Financial Report, <http://about.usps.com/who-we-are/financials/financial-conditions-results-reports/fy2013-q2.pdf>, page 2.

<sup>2</sup> Because of small sample sizes, one must assume the deficits to be normally distributed to conduct these statistical tests.

<sup>3</sup> That includes missing two years of RHB pre-funding, \$5.5 billion for 2011 and 2012 or \$11.1 billion. The Postal Service reports the \$5.5 billion from 2011 in its 2012 operating statement because Congress “deferred” payment of that until August 2012. However, the 2011 missed payment is a debt and good accounting practice would place that on a balance sheet, not the Postal Service’s 2012 operations statement.

<sup>4</sup> A fourth and final problem with the Postal Service deficit forecasts concerns how, or whether, the grand claims it makes annually on cost cuts achieved are factored in. The claims lack consistency. The FY2007 cost savings made from two sources are both \$1.2 billion, but the remaining years are substantially different. The Postal Service claims every year that it has cut billions of dollars in costs that year alone, \$1.2 billion, FY2007; \$2 billion, 2008; \$6.1 billion, 2009; \$3 billion, 2010; \$1.4 billion, 2011; \$1.1 billion, 2012. (Source: the Postal Service, as noted in GAO-13-347T, p. 2). The annualized labor cost savings noted in the Postal Service’s latest five year plan, Plan to Profitability, 5 Year Business Plan, February 16, 2012 are: \$1.2 billion, FY2007; \$3.2 billion, 2008; \$9.3 billion, 2009; \$12.3 billion, 2010; \$13.7 billion, 2011; \$16.2 billion, 2012. (See 2012 Plan, p. 2)

<sup>5</sup> "Balancing the Postal Service’s Budget with Six Day Delivery: A Set of Options," Greeting Cards Association, 10/2011

<sup>6</sup> Letter from Mary Anne Gibbons, the Postal Service General Counsel, to Hon. Claire McCaskill, March 22, 2013, p. 2.

<sup>7</sup> Board of Governors, the Postal Service, Statement from the U. S. P. S. Board of Governors,

<sup>8</sup> The GAO has argued, apparently persuasively, against the Postal Service and OIG’s argument that it has overpaid postal contributions to the CSRS by \$75 billion and that that money should be refunded to the Postal Service. Accordingly, we do not discuss this as a viable part of deficit reduction options, #105.