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United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

March 12, 2003

The Honorable Don Nickles
Chairman
Committee on the Budget
U.S. Senate
Washington D.C. 20510

The Honorable Kent Conrad
Ranking Minority Member
Committee on the Budget
U.S. Senate
Washington D.C. 20510

Dear Chairman Nickles and Ranking Member Conrad:

As members of the Senate Committee on Governmental Affairs, we are writing to urge that you make provisions in the Senate Budget Committee's FY 2004 budget resolution to accommodate passage of S. 380, the Postal Civil Service System Retirement System Funding Reform Act of 2003. As you know, President Bush has already included a very similar proposal in his budget request for the next fiscal year. On March 5th, S. 380 bill was unanimously approved by our Committee.

Several months ago, the Office of Personnel Management (OPM) discovered that the Postal Service will over-fund its contributions to the Civil Service Retirement System Fund unless the law is changed. If the USPS continues to fund the CSRS at its current pace, it will over-fund its CSRS liability by \$78 billion over the next 60 years.

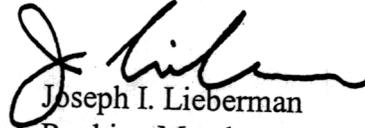
S. 380 will correct the statutory funding mechanism for the Civil Service Retirement System, which is necessary to prevent the overpayment of retirement contributions by the Postal Service. Postmaster General Jack Potter has announced that the bill's enactment would enable the USPS to reduce its debt by more than \$3 billion in FY 2003, and that anticipated rate increases would be delayed until at least 2006. It is especially important in these difficult economic times to note the significant adverse impact such an untimely postal rate increase would have on the \$900 billion mailing industry, which employs nine million Americans in fields as diverse as magazine and newspaper publishing, direct mailing, printing and paper production. Postal rates have already risen three times in the past two years (publishers, for example, have incurred increases of 24 percent during this period). Another increase – especially one we know can be prevented – is just what our recovering economy does not need.

This bill has the support of OMB, OPM, the Postal Service, postal employee organizations, and over 100 companies and organizations in the mailing industry. We respectfully request your support by agreeing to provide for passage of this measure in the budget resolution reported by your committee.

Sincerely,



Susan M. Collins
Chairman



Joseph I. Lieberman
Ranking Member



Ted Stevens
U.S. Senator



Daniel K. Akaka
U.S. Senator



Norm Coleman
U.S. Senator



Richard J. Durbin
U.S. Senator



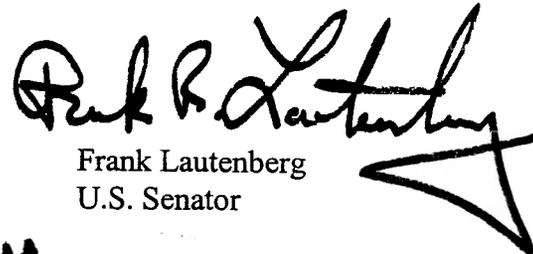
Arlen Specter
U.S. Senator



Thomas R. Carper
U.S. Senator



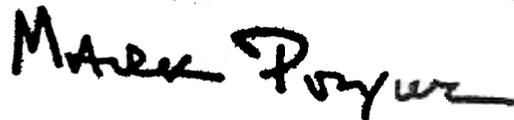
Robert F. Bennett
U.S. Senator



Frank Lautenberg
U.S. Senator



John E. Sununu
U.S. Senator



Mark Pryor
U.S. Senator



Carl Levin
U.S. Senator