

September 4, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 8603 - Postal Reorganization Act Amendments of 1976. This bill establishes a Commission on Postal Service and authorizes it to study the full range of postal problems and report its recommended solutions by March 15, 1977; authorizes appropriations of \$1 billion through fiscal year 1977 to reduce the accumulated indebtedness of the United States Postal Service; prohibits rate increases or service cutbacks before the submission of the Commission's report; and limits the Postal Rate Commission's consideration of all future rate change proposals to 10 months.

Commission on Postal Service

H.R. 8603 will establish a Commission on Postal Service (CPS), composed of 7 members, to identify and study the problems facing the Postal Service and recommend actions to resolve those problems. The President is to appoint three of the Commission's members, including the chairman. The Speaker of the House and President pro tempore of the Senate are each to appoint 2 members.

Financial Assistance

H.R. 8603 will authorize a total of \$1 billion in appropriations to the Postal Service:

- \$500 million for fiscal year 1976 and the transition quarter; and
- \$500 million for fiscal year 1977.

Moratorium on Rate Increases and Service Cutbacks

H.R. 8603 will prohibit the USPS from implementing any rate increases or service cutbacks prior to the March 15, 1977, deadline for transmission of the CPS report to the President and the Congress. Specifically, it would forbid: any rates or fees in excess of those in effect on the date of enactment of this legislation; any reduction in the level or types of services below those offered on July 1, 1976; the closing of post offices serving 35 or more families; the closing of small post offices serving fewer than 35 families unless consented to by at least 60 percent of the adults served; and the institution of cluster-box (i. e., a grouping of mail boxes physically separated from residences) delivery to new residential addresses other than apartment buildings.

Postal Rate Commission Decisions and Future Temporary Rate Increases

H.R. 8603 will require the PRC to reach a decision within 10 months of its receipt of a rate change request. The USPS will be prohibited from instituting a temporary rate change during that 10-month period. If the PRC decision is not issued within 10 months, USPS would be free to implement the requested change on a temporary basis pending the PRC decision.

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