

SUMMARY OF CHANGES TO H.R. 735 AS INTRODUCED

The Amendment in the Nature of a Substitute incorporates several changes to the bill that were suggested by the General Accounting Office and the United States Postal Service, along with other technical changes.

- In Section 2 of the bill, (h)(1)(B)(ii) is rewritten to reflect the fact that subsection (g)(2) does not require a payment.
- Also in Section 2 of the bill, (h)(2)(D) is rewritten so that the amortization schedules for Postal Service payments into the fund would be calculated based on dynamic interest rates, rather than the static rate.
- Section 3(a) of the Amendment is changed to allow the Postal Service to use accrued savings in fiscal year 2005 to both hold rates steady, and to pay down the debt. According to the Postal Service, requiring them to only pay down debt with the fiscal year 2005 savings would not allow them to delay the next rate increase until 2006, as they have publicly promised.
- Section 3(a) of the Amendment is also changed so that the Secretary of the Treasury's role in the Postal Service's debt repayment is consultative only. Both the Treasury Department and the Postal Service hold that this relationship is more workable than having the Secretary direct the Postal Service's payments.
- Section 3(a)(3) of the Amendment is changed to clarify the nature of the escrow fund which would take effect in fiscal year 2006 absent further legislation.
- Section 3(b) of the Amendment is changed so that the Office of Personnel Management would develop one plan regarding how the Postal Service's savings would be calculated, rather than developing a new method of calculation every year.
- Section 3(e)(2) of the Amendment is changed so that the Postal Service would be required to consider using the savings after 2005 to delay or moderate rate increases.
- Section 3(e)(3) of the Amendment is changed to give the General Accounting Office 60 days to submit its evaluation of the Postal Service's plan, rather than 30.
- Section 3(e)(4) of the Amendment is changed to state that Congress should act within 180 days of receiving the plan from the Postal Service and the GAO evaluation.