



George A Omas

Speech to Alliance of Nonprofit Mailers attendees

at the National Postal Forum

March 26, 2001

On March 26, 2001 Vice Chairman George Omas spoke at a 7 am breakfast gathering sponsored by the Alliance of Nonprofit Mailers attending the National Postal Forum. Due to the fact that Commissioner Omas spoke from notes the following is not a verbatim transcript of his remarks.

Good Morning. I want to thank you all for coming this morning at such an early hour. As you will soon discover I am not a very good public speaker, but I will try and hopefully we will get through it. The basic summation of my talk this morning is "Who the heck is George Omas and what's that mean to you?"

We will begin with some general background. I spent eighteen years on the former House Post Office and Civil Service Committee. I began my career there working for former Congressman Ed Derwinski, who with former Congressman Mo Udall, managed the Postal Reorganization Act of 1970. Like many of you I remember when the last major effort at postal reform was not H.R. 22 but H.R. 7700 back in 1977.

I have been a Commissioner since 1997 and have been through two omnibus rate

cases R97-1 and R2000-1. I was reconfirmed last fall to a second, full term and I am originally from Biloxi, Mississippi and that's probably enough about me.

Some issues presently facing the postal community are: a new Postmaster General; a changing PRC; no full-time Congressional oversight body; a possible six billion dollar rate case; and postal reform, whether it will be legislation or a presidential-appointed Commission. All in all, not much going in our world right now.

Seriously, any one of those items taken separately would cause anyone in your shoes to feel extremely anxious. They remind us that the postal world is constantly changing and we should always be aware of what's going on around us.

Let's start with a new Postmaster General: it's anyone's guess but I hope it is someone with an inquisitive mind, a bunch of self-confidence, a well-established support group and a dog. I'm not good with jokes, but I say a dog because you have all heard the adage that if you want a friend in Washington you better get a dog. This is especially true for a Postmaster General.

A changing PRC: as Vice Chairman I have been consulting my colleagues and staff on a daily basis. Until a permanent Chairman is designated, I will continue to do so. I will say that I do not see the PRC changing its belief that the Postal Service should justify all its costs.

In Congress, they no longer have a full time postal oversight body in the House of Representatives-postal oversight will now rest with the full Government Reform Committee. Postal issues will now have to compete with broader government issues and investigations in both Houses of Congress. However, you as the stakeholders are in the best position to keep postal matters on the front burner in the Congress.

As to postal reform the question is whether we have legislation or a Commission to study the issue. Speaking from my congressional background, I can tell you Congress is reluctant to delegate its responsibilities to outside Commissions, since it cannot control the outcome. But, if there is no consensus of opinion on legislation a Commission concept could win out because there is one thing Congress dislikes more than not being in control and that's to appear inactive.

Now we will turn to the topic of interest to everyone, a potential rate case this year. We hear the same thing you do, a rate case filing this year and it will be a \$6 billion to \$8 billion case. We're told the case will probably call for rate increases of about 10 to 15 percent. I can assure you, and this is my real purpose today, to assure you that if and when such a case comes to the PRC we will be ready. The PRC will continue to do its job. We will hear the evidence, weigh the alternatives

and make a decision based on the record. It is our responsibility to be fair and evenhanded and that is what you have come to expect from us and what you will continue to receive.

There is a Chinese adage, "may you live in interesting times," I believe we are in those times. It will be interesting...It is never boring. Interestingly, my assistant, Steve Williams, was telling me the other day that the Chinese symbol for "crisis" was a combination of the Chinese symbols for "danger" and "opportunity." I believe this is most fitting for the postal world today.

Now, I have some closing reform thoughts. In my opinion it is best to know exactly what you want and why you want it before you ask. And, with all due respect to our friends from the Postal Service that are here, it is my sense the Postal Service is going for the "want" with no concern for understanding the "why." It should be remembered that the 1970 Act was and has been successful because it benefited everyone, the Postal Service, employees and the stakeholders. Any future legislation should be borne out of the same type of consensus and concern. You have to keep in mind your needs but also the needs of others for it is in all our best interest to seek balanced reform that is fair to everyone.

There are two things that selfishly I would like to see in any future legislation. One is an annual reporting requirement. This was a part of H.R. 22 and should be a part of any reform effort. It would insure that the Postal Service and the PRC would have ongoing financial exchanges that, hopefully, would avoid some of the disputes over cost data we've experienced during a rate case.

The second item would be subpoena authority. This, too, was included in H.R. 22 and would insure the information we need to make decisions in a timely fashion was provided. It would allow us to compel the Postal Service to provide evidence and witnesses to support their case. As we go forward with postal reform discussions, let's keep these two items in mind.

In summary I want to assure you that the PRC will continue to do its job. Whether it has 3 or 4 or all 5 Commissioners. We are here to listen and decide issues on the evidence presented. We look forward to working with all of you throughout the next few years.

Now, I want to thank all of you for coming, 7 am is very early but I am very glad to see all of you. I want to especially thank Neal Denton for asking me to come down this morning. You should be proud. You have excellent representation in Washington. Neal's the only person in Washington that can make you laugh while he's setting you straight on issues. I also want to thank Victor Forman and Kerry

Knight along with Neal for being such good hosts.

Thank you. I would be happy to take some questions at this point.

(The views expressed by Commissioner Omas are his own and may not reflect the views of the entire Commission.)