AUSPICAL

News and information for members of the Association of United States Postal Lessors

Postal Reform Remains on the Congressional Agenda

By Harry Glenn, Van Scoyoc Associates

AUSPL leadership continues to press Congress to enact long overdue postal reform legislation to provide long-term financial stability for the United States Postal Service.

AUSPL President Gary Phillips and Board Member Morgan Wolaver were in Washington in November to advocate for H.R. 756, the Postal Service Reform Act of 2017. H.R. 756 was approved by the House Oversight Committee last March and awaits action by the full House.

The need for the legislation became even more apparent recently when USPS reported a \$2.7 billion operating loss for the fiscal year that ended September 30th. This was the 11th straight year in which the Postal Service reported a year end loss.

L-R: Representative Trey Gowdy, Chairman, House Committee on Oversight and Government Reform, Gary Phillips, Morgan Wolaver and Senator Tim Scott (R-SC).

H.R. 756 would require postal retirees to enroll in Medicare as their primary health provider, instead of the Federal Health Benefits Program,

resulting in significant savings in health care premiums for the postal service. It also would recalculate prefunding requirements in the Federal Employee Retirement System for postal employees. Legislation in 2006 required prefunding payments that far exceed prefunding requirements for other federal agencies and private businesses. This would yield additional savings for USPS.

On the revenue side, the legislation would direct the Postal Regulatory Commission to review the current cap on postal rate increases and allow it to consider new factors such as the financial stability of the system, customer experience and delivery standards when setting future rates.

The postal reform package was developed last year by a bipartisan group of five House members. The House Oversight Committee approved the legislation in June of 2016, but it failed to reach the House floor before the end of the last Congress. The same bill was introduced last spring.

Gary and Morgan discussed the bill's future last month with Rep. Trey Gowdy (R-SC), the new Chairman of the Committee, and Rep. Mark Meadows (R-NC), his subcommittee chairman. Rep. Gowdy told them that he had just spoken to Speaker of the House Paul Ryan about the urgency of enacting the legislation and that it was still on the House agenda this Congress. A hurdle that must be overcome is approval by a second Committee (House Ways and Means), which oversees any changes to the Medicare program. Rep. Gowdy has spoken to the Chairman of that Committee about the bill who told him that no further action would be taken until his Committee and the Congress completed action on major tax reform legislation.

Postmaster General Megan Brennan has testified before Congress in support of H.R. 756 saying, "These vital changes to the law will enable us to cut our costs and improve our balance sheet substantially, and will put us on a solid path to long-term financial health." Conversely, she has said, "Without action, our net losses will continue and our financial position will worsen – threatening our ability to meet America's evolving mailing and shipping needs."

New AUSPL Board Members

AUSPL is pleased to announce the appointment of two new members to the AUSPL Board of Directors. Joyce McCutcheon and Andrew Spodek are both postal lessors and long-time, active members of AUSPL.

Joyce McCutcheon is an owner of two real estate

holding companies which own post offices and other properties. Joyce is the Owner and Principal Designer of 3-D Design, an interior design and decorating company. Joyce holds a Bachelor of Science, Interior Design from La Roche College, Pittsburgh, PA.



Andrew Spodek is a second-generation postal lessor who has led Nationwide Postal Management for over 12 years.

Andrew earned his undergraduate degree in 1998 from Boston University, School of



Management with a dual concentration in Finance and International Management. In 2004, Andrew founded Nationwide Postal Management, while also completing an M.S. in Real Estate from New York University.

Did you know?

The new USPS Lease Form includes the following changes to the USPS Partial Maintenance Rider:

- ➤ The definition of repairs that are structural in nature (and thus the lessor's responsibility) has been expanded to include things such as fences, gates and paths that do not impact the building structure;
- Lessors are specifically responsible for maintaining all components of lighting systems other than the replacement of light bulbs;
- Lessors are now specifically made responsible for maintenance of all electrical and plumbing systems, conduit and related "components" other than those installed by the USPS; and
- **>** Lessors are required to clean all gutters and remove snow and ice from building roofs.

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Preventive Maintenance for Concrete

Concrete appears to be a material that requires no maintenance. However, because concrete is absorbent, rain, ice and snow can cause extensive damage to concrete sidewalks, driveways, and parking lots. These surfaces need to be protected from water and the corrosive chemicals used to melt snow and ice.

Sealers protect the surface of concrete. There are two broad categories of sealers - penetrating, and topical or film forming. A penetrating sealer minimizes the absorption of water and chemicals, and protects against the freeze/thaw cycles in cold climates. Concrete absorbs and chemically bonds with penetrating sealers. After drying, these sealers do not change the appearance of the concrete surface. Manufacturers give different time frames for effectiveness – generally from three to ten years based on the product, wear and weather conditions. When new post offices were constructed, the USPS required the application of a penetrating sealer.

Topical sealers form a surface barrier that makes concrete less absorbent. Topical sealers may leave a shiny or more slippery surface that will wear off with abrasion, such as from foot traffic. Reapplication is needed every two to three years, or before the sealer wears through. Penetrating sealers cannot be applied effectively over topical sealers because the film forming sealer prevents the penetrating sealer from being absorbed. Topical sealer is generally used on colored, textured and stamped concrete.

Additional Concrete Maintenance Tips:

- ★ When deicing products are used, the concrete surface needs to be rinsed off when the chemicals are no longer needed.
- ★ Seal or fill cracks in concrete to reduce the number of places where water can enter.
- ★ Use sand or fine gravel as an alternative to deicers.
- ★ Technological advances in the building industry have allowed the development of improved sealer products.
- ★ Should the concrete surface fail, there are products designed for economical patching rather than replacement of an entire driveway or sidewalk.





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May 9th and 10th Register Today at auspl.com!





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Join AUSPL for 2018 Hill Day March 13-15, 2018!

- Concerned about knowing what to say? We've got you covered! Training will be held on the afternoon of Tuesday, March 13.
- Congressional Visits and Luncheon in the Capitol Building on Wednesday, March 14.
- And in case you're thinking it's all work and no play, there will be a group sightseeing trip on the morning of Thursday, March 15.

There is no charge to attend.

Call 800-572-9483 to Register Now or Register online at www.auspl.com under "Events"



Capitol Hill Hotel: 200 C Street SE, Washington, DC 20003 Room rate is \$309+ tax per night. Rate includes breakfast, and happy hour in the lobby. AUSPL will cover \$200 of your Capitol Hill Hotel bill. Cutoff date for the \$309 rate is Feb. 20, 2018.

To reserve a room call 202-448-2081 and request the rate for "Association of United States Postal Lessors" or, register online at www.auspl.com under "Events".