



August, 2003 Newsletter

ParSell Development Corp
P.O. Box 8978
Madeira Beach, FL 33738

Special points of interest:

- President's Panel wants to close rural post offices.
- **Business Model Subcommittee Recommendations. What's in-store for the future.**
- **Postal Accountability and Enhancement Act. Excerpts of [S.1285.IS]** as it relates to post office consolidations and closings.
- Updated Denver FSO phone book.
- Bob Wilkes answers the most frequently asked questions by Lessors. Have a question: E-mail Bob at bob@parsell.net

Panel wants to close rural post offices, deregulate rates

This is an article and headline that appeared 7-17-03 from the wires of the Associated Press:
WASHINGTON—Money-losing post offices, many in small towns, could be closed under the recommendations of a presidential commission that sees a better future for mail services offered in shopping malls, banks and grocery stores.

The commission also wants more freedom for the post office to change rates.

It rejects the idea of making it a private company.

The final report of the President's Commission on the United States Postal Service, formed by President Bush to study the agency and make

recommendations for its future, is scheduled by the end of the month.

The commission began voting on its recommendations Wednesday, approving several that could have far-reaching impact on virtually all Americans if accepted by Congress and the president.

Likely to generate controversy is a proposal to create a special commission to study the postal network and recommend closings and consolidations of mail processing and distribution facilities. The panel also asked Congress to lift restrictions on closing local post offices.

"You don't necessarily need post offices; you need postal services delivered in the most

convenient way," said commission co-chairman Harry J. Pearce, chairman of Hughes Electronics Corp.

Kiosks offering a wide range of mail services are being opened in shopping malls, Pearce noted, and postal services can also be made available in grocery stores, banks and other locations.

In many communities the post office owns valuable, centrally located real estate that could be sold to raise income, the commission noted. In other towns, where the post office has been a center of activity, the agency might donate the facility to the local government for use as a community center or town hall.

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Business Model Subcommittee Recommendations

Report of the Business Model Subcommittee

The Business Model Subcommittee submits the following recommendations to the Commission:

1. **Basic structure.** The Subcommittee recommends that the Postal Service continue to operate as an independent establishment within the executive branch with a

unique mandate to operate as a self-sustaining commercial enterprise.

2. **Mission.** The Subcommittee recommends that the 1970 Act be amended to
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From The "Hill"



Postal Accountability and Enhancement Act

(Introduced in Senate) [S.1285.IS]

SEC. 302. POSTAL SERVICE PLAN.

(a) **IN GENERAL**- Within 1 year after the establishment of the service standards under section 3691 of title 39, United States Code, as added by this Act, the Postal Service shall, in consultation with the Postal Regulatory Commission, develop and submit to Congress a plan for meeting those standards.

(b) **CONTENT**- The plan under this section shall--

- (1) establish performance goals;
- (2) describe any changes to the Postal Service's processing, transportation, delivery, and retail networks necessary to allow the Postal Service to meet the performance goals; and
- (3) describe any changes to planning and performance management documents previously submitted to Congress to reflect new performance goals.

(c) **RECOMMENDATIONS**- The Postal Service plan shall include a list of any processing and retail facilities that can be closed or consolidated without hindering the Postal Service's ability to meet established service standards. The recommendations shall be consistent with the provisions in section 101(b) of title 39, United States Code prohibiting the closing of post offices, including post offices in rural areas and small towns, solely because they are not self-sustaining or operate at a deficit.

(d) **ALTERNATE RETAIL OPTIONS**- The Postal Service plan shall include, to the extent possible, plans to provide postal services by other means, including--

- (1) vending machines;

- (2) the Internet;
- (3) Postal Service employees on delivery routes; and
- (4) retail facilities in which overhead costs are shared with private businesses and other government agencies.

(e) **REEMPLOYMENT ASSISTANCE AND RETIREMENT BENEFITS**- The Postal Service plan shall include--

- (1) a plan under which reemployment assistance shall be afforded to employees displaced as a result of the automation or privatization of any of its functions or the closing and consolidation of any of its facilities; and
- (2) a plan, developed in consultation with the Office of Personnel Management, to offer early retirement benefits.

(f) **INSPECTOR GENERAL REPORT**-

(1) **IN GENERAL**- Before submitting the plan under this section to Congress, the Postal Service shall submit the plan to the Inspector General of the United States Postal Service in a timely manner to carry out this subsection.

(2) **REPORT**- The Inspector General shall prepare a report describing the extent to which the Postal Service plan--

- (A) is consistent with the con-

tinuing obligations of the Postal Service under title 39, United States Code; and (B) provides for the Postal Service to meet the service standards established under section 3691.

(3) **SUBMISSION OF REPORT**- The Postal Service shall submit the report of the Inspector General under this subsection with the plan submitted to Congress under subsection (a). (g) **RECOMMENDED FACILITY CLOSINGS AND CONSOLIDATIONS**- The list of recommended facility closings and consolidations, including the criteria used for selection, justifications for each recommendation, and any comments received from affected communities, shall be transmitted to the Postal Network Modernization Commission at the same time the Postal Service plan is transmitted to Congress.

(h) **CONTINUING RESPONSIBILITIES**- Nothing in this section shall affect the responsibilities of the Postal Service under section 404(b) of title 39, United States Code, with respect to any postal facility by reason of that facility being recommended for closing or consolidation under this section.

SEC. 304. CLOSURE AND CONSOLIDATION OF FACILITIES.

(a) **IN GENERAL**- Subject to subsection (b), the Postal Service shall--

- (1) **close all postal facilities recommended by the Commission in such report transmitted to**

Panel wants to close rural post offices, deregulate rates

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The commission wants to see maximum local input in the final decision of each office, commented co-chairman James A. Johnson, vice chairman of the merchant banking firm Perseus, L.L.C. Cont. pg.3

With some 35,000 offices across the country the Postal Service has long sought to close offices it considers unnecessary, but has often been thwarted by Congress when communities complained that keeping their post offices was vital.

With that in mind, the commission suggested that when a set of national recommendations is prepared for closings and consolidations, it take effect unless rejected in its entirety by Congress within 45 days.

Many of the recommendations from the commission are similar to provisions in a bill sponsored by Rep. John McHugh, R-N.Y., said McHugh's chief of staff, Robert Taub. Things that were not in the bill, such as the facilities closings, will also be given a close look, Taub said.

Neal Denton of the Alliance of Non-

profit Mailers, a trace group, said he expected the report to get a warm reception in Congress.

A recommendation for more flexibility in setting rates is something the post office has sought for years, complaining often that the current process is too slow and cumbersome.

Under the commission plan an independent agency would establish rate ceilings with postal management able to change rates below that level to meet market needs and compete with other delivery services.

"If any business in America had to operate under the constraints of the rate-setting process, it would be out of business," Pearce said.

The commission said rates should be raised as seldom as possible.

And it said rates for services such as first-class mail, where the post office has a monopoly should not be allowed to subsidize rates for items like overnight mail and parcel delivery where the agency competes with other businesses.

The post office suffered a loss of \$676-million last year and is hoping to end this year about \$600-million in the

black. But the agency, which does not receive taxpayer money for operations, has suffered a decline in mail volume two years in a row for the first time amid a weak economy, the terrorist attacks and increasing electronic commerce.

Elimination of the postal monopoly and privatization of the post office have also been suggested. The commission turned down both ideas, though it said the agency should have a new, corporate like board of directors to govern it.

Postal vice president and chief financial officer Richard J. Strasser didn't comment directly on the recommendations, but lauded the commission.

"One has to be really impressed with the depth and quality of the recommendations they have put together," he said.

Wednesday's recommendations did not address the postal workforce, though that is expected to be in the final report.

Pearce commented after the meeting that the work force needs to be "right-sized" in the face of automa-

Business Model Subcommittee Recommendations

Cont. from pg. 1

clarify that the mission of the Postal Service is to provide high-quality, essential postal services to all persons and communities by the most cost-effective and efficient means possible at affordable and, where appropriate, uniform rates. In doing so, the activities of the Postal Service should be limited to:

1) accepting, collecting, sorting, transporting, and delivering letters, newspapers, magazines, advertising mail, and parcels; and 2) providing other governmental services when in the public interest

and where the Postal Service is able to recover the appropriately allocated costs of providing such services.

3. Monopoly. The Subcommittee recommends that the Postal Service maintain its current mail monopoly, and also retain its sole access to customer mailboxes. However, the Subcommittee also recommends that the 1970 Act be amended to:

1) authorize the Postal Regulatory Board to clarify and periodically review the scope of the mail monopoly; and 2) clarify that the

Postal Service does not have the authority to alter the scope of the mail monopoly or to determine the extent of access to customer mailboxes.

4. Financial transparency. The Subcommittee recommends that the new Board of Directors voluntarily comply with applicable Securities and Exchange Commission reporting requirements. In addition, the Subcommittee recommends that the Postal Service periodically report on

the Congress by the President under section 303(l); **cont. pg. 4**
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(2) consolidate all postal facilities recommended for consolidation by the Commission in such report;
 (3) initiate all such closures and consolidations no later than 1 year after the date on which the President transmits a report to Congress under section 303(l) containing the recommendations for such closures or consolidations; and

(4) complete all such closures and consolidations no later than the end of the 2-year period beginning on the date on which the President transmits the report under

section 303(l) containing the recommendations for such closures and consolidations.

(b) CONGRESSIONAL DISAPPROVAL-

(1) IN GENERAL- The Postal Service may not carry out any closure or consolidation recommended by the Commission in a report transmitted from the President under section 303(l) if a joint resolution is enacted, in accordance with section 305, disapproving such recommendations of the Commission before the earlier of--

(A) the end of the 45-day period beginning on the date on which the President transmits such report; or
 (B) the adjournment of the Congress sine die for the session during which such report is transmitted.

(2) DAYS OF SESSION- For purposes of paragraph (1) and subsections (a) and (c) of section 305, the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of a period.

305. CONGRESSIONAL

From The "Hill"



CONSIDERATION OF COMMISSION REPORT.

(a) TERMS OF THE RESOLUTION- For purposes of this title, the term 'joint resolution' means only a joint resolution which is introduced within the 10-day period beginning on the date on which the President transmits the report to the Congress under section 303(l), and--

(1) which does not have a preamble;

(2) the matter after the resolving clause of which is as follows: 'That Congress disapproves the recommendations of the Postal Facility Closure and Consolidation Commission as submitted by the President on -----', the blank space being filled in with the appropriate date; and

(3) the title of which is as follows: 'Joint resolution disapproving the recommendations of the Postal Facility Closure and Consolidation Commission.'

(b) REFERRAL- A resolution described in subsection (a) that is introduced in the House of Representatives shall be referred to the Committee on Government Reform of the House of Representatives. A resolution described in subsection (a) introduced in the Senate shall be referred to the Committee on Governmental Affairs of the Senate.

(c) DISCHARGE- If the committee to which a resolution described in subsection (a) is referred has not reported such resolution (or an identical resolution) by the end of the 20-day period beginning on the date on which the President transmits the report to the Congress under section 303(l), such committee shall be, at the end of such period, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) CONSIDERATION-

(1) IN GENERAL- On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under subsection (c)) from further consideration of, such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. A Member may make the motion only on the day after the calendar day on which the Member announces to the House concerned the Member's intention to make the motion, except that, in the case of the House of Representatives, the motion may be made without such prior announcement if the motion is made by direction of the committee to which the resolution was referred. All points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a mo-

From The "Hill"



tion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the resolution shall remain the unfinished business of the respective House until disposed of.

(2) **DEBATE-** Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) **VOTE ON FINAL PASSAGE-** Immediately following the conclusion of the debate on a resolution described in subsection (a) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) **APPEALS-** Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) **CONSIDERATION BY OTHER HOUSE-**

(1) **IN GENERAL-** If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection

(a), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a resolution described in subsection (a) of the House receiving the resolution--
(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

(2) **DISPOSITION OF A RESOLUTION-** Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution that originated in the receiving House.

(f) **RULES OF THE SENATE AND HOUSE-** This section is enacted by Congress--

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with

respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

Excerpts from Senate Bill 1285 related to Post Office closings.

Editor's note:

Members of Congress will be hard-pressed to consider closing several post offices over the next few months. It will behoove anyone interested in keeping their local post office open to begin sharing their feelings with their elected officials NOW.

The local government also has a voice and could play a big role in keeping a post office open, or allowing it to be closed.

For a complete list of Congressional Members on the web, go to::

<http://thomas.loc.gov/>

Here you can select the House and Senate directory under "quick links".

Suggestion:

DENVER FACILITIES SERVICE OFFICE

8055 East Tufts Avenue, Suite 400
Denver, CO 80237-2881

MANAGER**Keith E. LaShier****303-220-6510****Secretary****Bobbie Kellogg**

FAX 303-220-6515

303-220-6533

FAX 303-220-6598

Postal Operations Analyst	Kim Barnes	303-220-6535
Postal Operations Analyst	Debra J L Churchill	303-220-6513
Postal Operations Analyst	Guido Guidi	303-220-6504
Environmental Specialist	Randy McDermott	303-220-6588

REAL ESTATE MANAGER**Vance Bennett****303-220-6503**

FAX 303-220-6551

Secretary**Lisa Pruett** 303-220-6520

Real Estate Specialist	Karen Delamore	303-220-6530
Real Estate Specialist	Greg Eymann	303-220-6571
Real Estate Specialist	Bob MacGill	303-220-6567
Real Estate Specialist	Garry Mattox	303-220-6558
Real Estate Specialist	Cindy Nelson	303-220-6549
Real Estate Specialist	Russell Rainey	303-220-6568
Real Estate Specialist	Hunter Roop	303-220-6581
Real Estate Specialist	John Walters	303-220-6526
Real Estate Specialist Trainee	Viet Lieu (Ken)	303-220-6572

DESIGN & CONST MANAGER**Sharad Shrestha****303-220-6523**

FAX 303-220-6552

Secretary**Candice McGuire** 303-220-6540

Architect/Engineer	Ted Balchunas	303-220-6516
Architect/Engineer	Craig Ballard	303-220-6527
Architect/Engineer	Martin Hansen	303-220-6521
Architect/Engineer	Mike Long	303-220-6505
Architect/Engineer	Scott Martin	303-220-6574
Architect/Engineer	David Miller	303-220-6579
Architect/Engineer	Hugh Roche	303-220-6524
Architect/Engineer (Contract)	Jerry Soukup	303-220-6563
Architect/Engineer	Tom Stephen	303-220-6534
Architect/Engineer	Mike Williams	303-220-6525

CONTRACTING & INFORMATION**Marcia Stencel** 303-220-6514**SYSTEMS MANAGER**

FAX 303-220-6511

Secretary

Janet Davis 303-220-6561

Information Systems Coordinator	Yvonne Santistevan	303-220-6544
Facility Contract Specialist	La Verne Fields	303-220-6576
Facility Contract Specialist	Joan Gaidies	303-220-6546
Facilities Contract Technician	Michelle Ayon	303-220-6575
Facilities Contract Technician	Lillian Davila	303-220-6512
Facilities Contract Technician	Brenda Hunter	303-220-6586
Facilities Contract Technician	Reina Luongo	303-220-6548
Facilities Contract Technician	Maggie Malave	303-220-6559
Facilities Contract Technician	Shirley Wheeler	303-220-6597

Business Model Subcommittee Recommendations

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the allocation of costs among mail products and services in accordance with form, content, and timing requirements determined by the Postal Regulatory Board.

5. Processing Facilities. The Subcommittee recommends the creation of a Postal Network Optimization Commission (P-NOC), modeled in part after the Defense Base Closure and Realignment Commission, that would make recommendations relating to the consolidation and rationalization of the Postal Service mail processing and distribution infrastructure. The Commission recommends that the P-NOC be comprised of eight members appointed by the President with advice and consent of the Senate. Recommendations of the P-NOC and consent of the Senate. Recommendations of the P-NOC, once submitted to Congress by the President, should become final, unless Congress disapproves them in their entirety within 45 days.

6. Post Offices. The Subcommittee strongly supports efforts already underway by the Postal Service to expand access to retail postal services at venues other than post offices, such as banks, grocery stores and other convenient locations. When the Postal Service determines that a “low activity” post office is no longer necessary for the fulfillment of its universal service obligation, the Subcommittee believes that the Postal Service should make every effort to maximize the proceeds from the sale of that facility. If the Postal Service determines that there is no adequate market demand for the purchase of a “low activity” post office, the Subcommittee encourages the Postal Service to work with state and local governments, as well as not-for profit organizations, to determine the means of disposition most beneficial to the local community. Such disposition could include transfer

to a state or local government or not-for-profit organization, with or without reimbursement, as best serves the public interest. The Subcommittee also recommends that existing statutes limiting the Postal Service’s flexibility with regard to the closing and disposition of post offices be repealed and that similar provisions in annual appropriation acts be avoided.

7. Real Estate Asset Management. The Subcommittee encourages the Board of Directors to include policy goals and objectives relating to the active management of Postal Service real estate in future strategic plans. As a first step, the Subcommittee recommends that the Board of Directors obtain an independent appraisal of the current market values of its major real estate holdings. Further, the Subcommittee strongly encourages the Postal Service to use its current statutory flexibility to dispose of real estate assets to strengthen the Postal Service’s long-term financial position and provide benefits to the

Frequently Asked Questions

BY: Bob Wilkes USPS Real Estate Contracting Officer, Retired

Q: Do I have to sign a lease with a Termination Clause?

A: Absolutely not! Whether or not a lease contains a termination clause is a matter of negotiation. Remember, a termination clause which can only be initiated by the Postal Service is not in the Lessor’s best interest. If you have a five-year lease with a 30-day termination clause, that lease is basically on a month-to-month basis. It can be terminated by the Postal Service ONLY with a 30-day notice.

Q: If I have a lease with a Lessor Maintenance Rider, how often do I have to paint?

A: Normally, unless stated otherwise somewhere in the lease, the Lessor is required to paint the interior every five years unless, for some reason, the con-

tracting officer waives this requirement. If you are in the midst of negotiating a new lease term (and the facility has not been painted within the last five years), you can reasonably assume that sometime in the next five years you will be required to repaint the interior so you should plan for it. The exterior painting is another matter. It is somewhat of a gray area depending on the maintenance rider attached to your lease. If the lease has a Lessor Maintenance Rider, then you will be responsible for the exterior painting, but not “on a regular basis” like every five years. However, since the facility is your investment, it would benefit you to paint the exterior as often as necessary to ensure that deterioration is held to a

minimum. If your lease has a USPS Maintenance Rider, the Postal Service will only paint the interior or exterior when it sees fit. The only time the Postal service could be forced to paint is when the need for painting had affected or is in the imminent danger of affecting the structural integrity of the building.

The USPS feels that regardless of which party is responsible for maintenance, if the need for painting arises because of something else for which the Lessor is responsible, the Lessor should pay for the painting. If a leaky roof damages the walls, the Lessor should paint them if the Lessor is responsible for the condition of the roof.

ParSell Development Corp
P.O. Box 8978
Madeira Beach, FL 33738

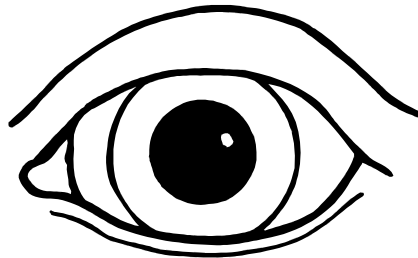
Phone: 727-395-0111
Fax: 727-395-0117

Mailing Address Line 1
Mailing Address Line 2
Mailing Address Line 3
Mailing Address Line 4
Mailing Address Line 5



www.parsell.net

The "Eye"



The Eye

Post Office closings? What's the chance?

Excellent, if your post office fits the criteria and your Congressman doesn't get much flack.

The Eye has found out that the smaller, lower level post offices will be targeted for closure.

There are Districts that would like to close all level 11 post offices. Others won't admit it, but they have identified facilities they would like to close.

Face it, this has been a topic of discussion for years. However, things are changing and now, more than ever, Congress is leaning toward changes within the Postal

Service.

Size Matters!

"I wouldn't be buying too many post offices under 1,000 square feet" said more than one facilities person. Post Offices with less space run the risk of consolidation or having the operation moved into a retail facility, similar to a bank or 7-11. Post Offices in close proximity to one another make good candidates for closure. Those in small, remote towns where there is no other facility for 10 miles or more stand a

better chance of survival.

STOP!! Don't close our Post Office!!

To stop a post office from being closed in the near future will have to be a Community effort directed to the State and Congressional Representatives. The following web site lists each Member of Congress and their contact information.

<http://thomas.loc.gov/>

Do you have an opinion? Do you agree or disagree?

Submit your comments to

ParSell, P.O. Box 8978

Madeira Beach, FL 33738

E-mail Address:

Chuck@parsell.net
