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***REPORT  
of the  
COMMISSION on  
EXECUTIVE,  
LEGISLATIVE,  
and JUDICIAL  
SALARIES***

WASHINGTON, D.C.  
DECEMBER 1968



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**COMMISSION ON EXECUTIVE, LEGISLATIVE, AND  
JUDICIAL SALARIES**

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Chairman, Board of Directors (retired)  
American Telephone and Telegraph Company  
JOHN J. CORSON  
Consultant and Corporate Director  
GEORGE MEANY  
President American Federation  
of Labor and Congress of Industrial Organizations

**Appointed by the President of the Senate:**

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*Educator*  
Dean, Maxwell Graduate School  
Syracuse University  
SIDNEY J. WEINBERG  
*Investment Banker*  
Senior Partner, Goldman, Sachs & Co.

**Appointed by the Speaker of the House of Representatives:**

EDWARD H. FOLEY  
*Lawyer*  
Partner, Corcoran, Foley, Youngman, and Rowe  
Former Undersecretary of the Treasury  
WILLIAM SPOELHOF  
*Educator*  
President, Calvin College

**Appointed by the Chief Justice of the United States:**

ARTHUR H. DEAN  
*Lawyer*  
Partner, Sullivan and Cromwell  
Chairman, U.S. Delegation, Nuclear Test Ban and  
Disarmament Conference  
WILLIAM T. GOSSETT  
*Lawyer*  
Counsel. Dykema, Wheat, Spencer, Goodnow, and Trigg  
President, American Bar Association

*Executive Director*  
Frederick J. Lawton

## FOREWORD

A year ago Congress decided that the time had come to establish a system for the regular review of the salaries of top level officials of the three branches of Government. In implementing Congressional policy on salary rates for Career Service employees, it had been necessary to make compromises and piecemeal adjustments in salaries for this group (who constitute the great majority of all Federal employees) in order to avoid their materially overlapping the salary schedules for top officials.

To meet the immediate problem and insure periodic review in the future, the Commission on Executive, Legislative, and Judicial Salaries was created. Of its nine members, three are appointed by the President of the United States, two by the President of the Senate, two by the Speaker of the House of Representatives, and two by the Chief Justice of the United States. The first appointees serve for the fiscal year 1969. Every four years thereafter others are to be appointed to review and recommend the rates of pay of the Congress, the Judiciary, and the principal officials of the Executive Branch.

These quadrennial reviews and recommendations of the Commission are to be reported to the President, who, in turn, shall include in his next budget his recommendations as to the exact rates of pay he deems advisable.

The President's recommendations become effective after thirty days unless in that period either House of Congress specifically disapproves any or all of them, or a statute has been enacted into law establishing different rates of pay.

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## LETTER OF TRANSMITTAL

The President  
The White House

December 2, 1968

Dear Mr. President:

We have the honor to present to you the first report of the Commission on Executive, Legislative, and Judicial Salaries.

Our review convinces us that the compensation of the key leadership in each of the three branches of Government is seriously out of step with today's standards. We should not permit this to continue at a time when the problems facing our country demand that we attract men of great talent and capacity to public office. When salaries in the business world, in State and Local Government, in the universities have moved and continue to move ahead of Federal Government rates, we may well fear an erosion in the quality of leadership throughout the fabric of Government.

We believe the salary rates proposed in this report will improve our capacity to attract and retain men of ability and dedication. We believe they will lessen the need to make personal sacrifices to accept and carry the burdens of public office.

In this report we have pointed out other areas that do not fall within our purview but that we believe require further attention. One is the proper utilization of expense allowances in determining total compensation. We suggest that this be the subject of an early study. The second is the obvious need to adjust promptly the salaries of the Vice President, the Speaker, and the Majority and Minority Leaders of the two Houses of Congress. Finally, in our view there should be a reassessment of the compensation of the President.

Respectfully submitted,

Frederick R. Kappel, Chairman  
Stephen K. Bailey  
John J. Corson  
Arthur H. Dean  
Edward H. Foley  
William T. Gossett  
George Meany  
William Spoelhof  
Sidney J. Weinberg

## INTRODUCTION

The ability of our nation to meet the challenges of these troubled times depends on the leadership of those who place their talents and energies at the service of their country. It is with the maintenance of the quality of that leadership that we are concerned here.

What are the incentives for able men and women to assume positions of leadership? Among them are prestige, the challenge of public service, the opportunity to help solve problems of national and international import, the sense of mission to act for the public good. All are powerfully attractive. At the same time, however, salary inducements must meet the realities of personal and family obligations. They should also reflect in some appreciable degree the level of responsibility involved in the office held.

The action of Congress in providing for a review of the pay structure of the top levels of the Executive Branch, the Members of Congress, and the Judiciary is timely. It is made at a time when the complexity of problems at home and abroad demands the service of the best, most capable men and women our country can attract to high public office. The review also comes at a time of Presidential change, with its attendant reorganization in positions of leadership. And it comes at a propitious moment, when the study of salary compensation can be raised above political implications and its objectivity be recognized.

In accordance with the provisions of the statute creating the Commission, we have reviewed the rates of pay of the designated offices in the three Branches of Government.

The conclusion to us is inescapable that present salary levels are not commensurate with the importance of the positions held. They are not sufficient to support a standard of living that individuals qualified for such posts can fairly expect to enjoy and in many instances have established. We should expect the compensation of those to whom we entrust high responsibilities and authority in government to bear some reasonable relationship to that received by their peers in private life. This expectation, however, is not now met.

In this report, accordingly, we set forth our reasons for the above conclusion and our recommendations as to appropriate pay levels and relationships among top-level positions—and recommendations also as to the relationships between these positions and career service positions subject to the General Schedule pay scale.

We have sought to propose a reasonable and up-to-date relationship within the Federal structure, as well as between the Federal Government and other sectors, including private industry, education, and State and Local Government. Those sectors need and seek the same talents as does Government.

Orderly periodic reviews will disclose inequities that creep into the pay system. They will be essential, we believe, to enable Government to attract in a competitive market the quality of men and women needed to discharge effectively the functions of Government. The record of the past is one of piecemeal adjustments, varied only occasionally by broadscale revision when pressures built up to the breaking point.

We believe the recommendations summarized below represent an appropriate initial step in modernizing the top pay structure of the Executive, Legislative, and Judicial Branches of the Government.

## SUMMARY OF RECOMMENDATIONS

Because of

- the long intervals between past adjustments in top level Federal salaries, so that salaries now paid no longer relate to current economic realities,
- the importance of the positions involved, and
- comparative salaries in other fields,

we find that present salary levels are inadequate, and we recommend:

1. That in the Executive Branch the annual salary levels be as follows:

- Heads of Departments, Level I, \$60,000
- Agency Heads and other Level II positions \$50,000
- Under Secretaries and other Level III positions \$46,000
- Assistant Secretaries and other Level IV positions \$43,000
- Major Bureau Heads and other Level V positions \$40,000

2. That in the Legislative Branch the annual salary levels be as follows:

- Senators, Representatives, and the Resident Commissioner from Puerto Rico \$50,000
- The Comptroller General \$50,000
- The Assistant Comptroller General \$46,000
- The Public Printer, Librarian of Congress, Architect of the Capitol, and General Counsel of the General Accounting Office \$43,000
- The Deputy Public Printer, Deputy Librarian of Congress, and Assistant Architect of the Capitol \$40,000

3. That in the Judicial Branch the annual salary levels be as follows:

- The Chief Justice of the United States \$67,500
- Associate Justices of the Supreme Court \$65,000
- Judges, Circuit Courts, Court of Claims, Court of Customs and Patent Appeals, Court of Military Appeals \$50,000
- Judges, District Courts, Customs Court, Tax Court of the United States, and Director, Administrative Office of the United States Courts \$47,500
- Commissioners, Court of Claims \$40,000
- Deputy Director, Administrative Office of the United States Courts \$40,000
- Referees in Bankruptcy—full time—a maximum of \$40,000
- Referees in Bankruptcy—part time—a maximum of \$20,000

The total annual cost of all increases proposed for the Executive, Legislative and Judicial Branches is \$34,700,000.

## THE TASK OF THE COMMISSION

The law establishing this Commission requires it to review the rates of pay of the Members of Congress; certain offices and positions in the Legislative Branch; the Justices, Judges and specific other personnel in the Judicial Branch; and the offices and positions in the upper levels in the Executive Branch of the Government, designated as Levels I to V of the Executive Schedule.

One purpose of this review is to determine appropriate pay levels and relationships among the respective offices and positions covered, and between those positions and positions in the General Pay Schedules of the Federal Government. Most importantly, our concern is to establish levels of compensation for those top offices that will, when coupled with the prestige they give and the opportunity for service they offer, induce men both to accept and to retain them.

The Congress has established a regular procedure for fixing the pay of the vast majority of Federal employees on the basis of comparability with the rates paid in the private sector. It has provided for an annual review and recommendation as to necessary adjustments. Experience of the past few years has shown that it is possible to fix with a reasonable degree of accuracy and certainty standards of comparison between a great number of jobs in Government and private industry.

With respect to the top offices in Government, however, the situation is different, for it is difficult to find positions in the private sector that are directly comparable. For example, no direct comparisons are possible between our Legislators and Judges and the Executives in business and industry. Nor is the concept of service and prestige that accompany high Federal office measurable in terms of the dollar value in the salary. On the other hand, we can draw comparisons between the top levels of the Career Service and the Executive levels in Government. We can also compare trends in compensation in government with trends in the business world, the universities, the foundations, and State and Local Government.

### THE OUTDATED PAY STRUCTURE

The failure of Congress to provide for regular review and revision of the compensation of the top officials in the Executive, Legislative, and Judicial Branches of Government has resulted in their salaries remaining almost static at a time when those in private business, in State and Local Government, and in education, as well as salaries in the Career Service of Federal Government, were moving steadily upward. An American Management Association study published in 1967 (Appendix F) shows that in the last five years Executive Salaries in the business community have risen an average of 3.5% per year. The increase in the salary structure for Federal officials since 1964, however, has been far less than 1% per year.

The following table shows the four adjustments in salary that have taken place in the last half century for the Supreme Court Justice, the Cabinet Officer, the Member of Congress.

	<u>1926</u>	<u>1946</u>	<u>1949</u>	<u>1956</u>	<u>1964</u>
Associate Justices,					
Supreme Court	\$20,000	\$25,000		\$35,000	\$39,500
Heads of Departments	15,000		\$22,500	25,000	35,000
Members of Congress	10,000	15,000		22,500	30,000

Though each group that has studied the subject in recent years has come to the conclusion that material increases are necessary to establish a reasonable and rational pay structure, action has been neither timely nor realistic.

We have the task of evaluating the salaries of positions of the highest importance not only within Government but in the nation and, indeed, the world. The statute (Public Law 90-206) lists them as:

- (A) Senators, Members of the House of Representatives, and the Resident Commissioner from Puerto Rico.
- (B) The following offices and positions in the Legislative Branch: Comptroller General, the Librarian of Congress, the Public Printer, the Architect of the Capitol and their principal assistants.
- (C) Justices, Judges, Director and Deputy Director of the Administrative Office of United States Courts, Commissioners of the Court of Claims, and Referees in Bankruptcy.
- (D) Offices and positions in the Executive Schedule (Levels I to V) set forth in title 5 of the United States code. (This includes top Executive officials up to and including Department Heads.)

The General Counsel of the Civil Service Commission has advised us that the law does not cover the offices of the Vice President, the Speaker, and the Majority and Minority Leaders of the two Houses of Congress. (See Appendix B). We believe it is essential that traditional relationships between these offices, the Supreme Court, and the Cabinet be preserved. We shall deal with this matter later in this report.

Because the actions and decisions of those who occupy the positions named in the statute so deeply affect all of us, every factor that can contribute to securing the ablest and best qualified people must be carefully weighed.

One of those factors is compensation. It is true, of course, that more than money is involved in attracting and retaining men and women of the highest competence. Prestige, the challenge of public service, the opportunity to contribute to the solution of pressing

national and international problems all have their drawing power. But they must be weighed, even by the dedicated, against the realities of personal and family responsibilities.

There are many examples of distinguished service by men and women of independent wealth, but we cannot and must not rely on this as a means of filling the top ranks. Such a policy would deny the nation the service of many other great and gifted leaders. Nor is the answer to rely on those who can devote a brief absence from private affairs. This, too, presents obvious disadvantages.

To repeat here the conclusion emphasized in the introduction to this report, present salary levels are not commensurate with the importance of top level positions or offices in Government. They are not sufficient to support a standard of living that individuals qualified for such posts can fairly expect to enjoy and in many instances have established. We should expect the compensation given to those to whom we entrust the powers of government to bear some reasonable relationship to that received by their peers in private life.

#### RELATIONSHIPS BETWEEN TOP-LEVEL AND CAREER SERVICE COMPENSATION

Another important consideration is the relationship of the salaries for top-level positions to the General Pay Schedule for career service employees.

The pay for the latter group, who constitute the vast majority of Federal employees, is fixed annually on the principle established in the Federal Salary Reform Act of 1962. This is that "Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work."

An annual survey is made by the Bureau of Labor Statistics of private enterprise rates. These are then examined by the Bureau of the Budget and the Civil Service Commission and fitted to a comparability pay line. The pay line is established for the various levels of the General Schedule salaries and reported annually to Congress.

The Salary Act of 1967 provided that the President, by Executive Order, would establish rates for the Career Service that would achieve comparability in two stages. On July 1 of this year rates were increased by the amount necessary to move 50% of the way toward comparability. Next July 1 they will be adjusted to achieve full comparability.

However, the principle of comparability has not been made fully effective in 1968 because of a restriction in the 1967 Act that no level in the General Schedule may exceed the rate provided for the Level V of the Executive pay scale, namely, \$28,000. The result of this statutory provision is that the top two rates of pay in Grade GS-16, the top three rates in GS-17, and the single rate for GS-18 are all limited to the \$28,000 ceiling. For GS-18 this is \$2,239 less

than the comparability principle would have required for 1968, and \$5,422 less than the requirement for July 1, 1969.

Based on the average increase in wages in this decade and the great body of economic thought, the upward trend will continue even though the rate of increase may be somewhat slowed down. Looking ahead four years, the rate for the lowest Level of the Executive pay scale would have to be at least \$40,000 to permit the top rates of the Career Service to achieve the comparability that Congress has declared to be the Federal pay policy, and to provide an appropriate pay relationship between the Executive and Career levels.

#### SALARY LEVELS IN OTHER SECTORS

We turn now to significant information on salary levels and trends in other sectors of the economy, both public and private.

##### 1. In State and Local Governments

From a salary point of view, numerous positions in State and Local Governments are equally or more attractive to individuals of the calibre sought for Federal posts. They offer similar professional opportunities. They offer the chance to render a public service. They offer substantial prestige and as great or greater monetary rewards. Comprehensive studies of State and Local Government salaries made by the U.S. Civil Service Commission in March 1963, January 1967, and August 1968 show in detail the situation in the upper salary levels.

It is significant that in the past year there has been a 70% increase in the number of those officials paid \$35,000 or more. This trend is a continuing one. In September judicial salaries in California were increased over 20%. The New York State Legislature, a few months ago, voted significant increases to the Governor and other top State officials.

The following summary shows the increases that have taken place in the last five years in the number of positions paid at \$35,000 and above.

	1963	1967	1968
Governors	8	23	26
Mayors and City Managers	2	12	22
Administrative and Professional	15	43	123
Public Corporations	13	29	32
Judges	7	212	328

The details of the 1968 report are attached as Appendix D. The tabulations therein show the positions in summary and in detail by occupation, jurisdiction, and salary.

##### 2. In Public Education

These studies also reveal a rather spectacular climb in the number of positions in the field of public education for which annual compensation of \$35,000 or more is provided.



	1963	1967	1968
School Superintendents	3	10	25
Public University Presidents, Officers, and Department Heads	11	60	178

By way of contrast, the Assistant Secretary for Education in the Department of Health, Education, and Welfare, and the Commissioner of Education, who exercise responsibilities that sweep across the whole spectrum of educational problems, are compensated at \$28,750 and \$28,000 respectively.

### 3. In Tax-Exempt Foundations

Tax-exempt foundations are another field which competes for the talent required by Government. The latest data available on compensation for presidents of ten of the large tax-exempt foundations for the fiscal year 1965-66 show a salary range from \$30,000 to \$100,000, an increase of \$4,000 over the 1964-65 average.

### 4. In the Federal Reserve Banks

Another field of employment having some of the aspects of public service and some of private enterprise is in the Federal Reserve Banks. A recent report shows that the salaries of the presidents of Federal Reserve Banks range from \$35,000 to \$75,000. (See Appendix H). It might be pointed out that in all but two cases their salaries exceed those of the Chairman of the Federal Reserve Board and the Secretary of the Treasury, and in one case the bank salary more than doubles them.

### 5. In Private Industry

The differences between public service and private employment make direct dollar-for-dollar comparisons between salary levels prevailing in private business and those at the top strata of government difficult and inconclusive. There is no doubt, however, that salaries in the private sector offer a yardstick that individuals who are sought for top Government positions may use in measuring alternative opportunities, or in evaluating the financial aspect against the satisfaction of service to one's country and the challenge of the job, or perhaps the future benefits to one's career in business or in a profession.

There is a good deal of information available on salaries in the private sector. One source is the National Industrial Conference Board study on annual compensation at the highest-paid corporation Executive levels in 1304 corporations for the year 1965. The study shows a range of median salaries, depending upon the type of business, from \$45,000 to \$100,000. (See Appendix G)

Again, the American Management Association study of November 1967 on the average compensation rates of over 2,500 chief executive officers, ranked according to the sales in varying industry groups, shows amounts ranging well into six figures. (See Ap-

pendix E) Perhaps it is pertinent to point out that one of the industry groups included in the report was "Utilities." In the sales category of \$200 to \$500 million, the average compensation of the Chief Executive Officers was \$110,000. The Tennessee Valley Authority had power sales of \$369 million in 1968. The compensation of its Chief Executive Officer, in contrast, was \$28,750. The Bonneville Power Administration and Bureau of Reclamation fall into the class of \$100 million to \$200 million in sales, for which the average industry salary is \$87,000 for the Chief Executive. The salary of the Government Executives is \$28,000.

In June of this year Business Week published its annual computation of top Executive salaries in 130 large corporations in some 25 different fields. It shows that over 300 of those Executives are compensated at the rate of \$100,000 and above. The salaries of the top Executives of the four airlines listed were at least three times that of the Secretary of the Department of Transportation who has substantial responsibilities in the field of air transport.

These figures are not cited as the goal or the ideal Federal salary but are given to emphasize the problem with which the Government is faced in seeking men of the competence and quality needed to insure success in vital programs. Some men, fortunately, are in a position to make the change. Others, however, feel they cannot afford the financial sacrifice required.

## THE PROBLEM OF COMPRESSION

One of the most serious inequities in the present salary structure is the narrow differential between the various levels of pay, particularly in the Executive pay scale. There is an almost total failure to recognize in terms of compensation the differences in duties and responsibilities between the levels of the Executive Schedule.

The following table shows the levels of the Executive pay scale as established in 1964 and at present, and the percentage differential as compared to the private industry average differential.

Salary as percentage of Chief Executive salary <sup>1</sup>			Federal Executive Salary Schedule				
Average Private Industry		%	1964	%	Present	%	
Chief Executive	100	Level I	\$35,000	100	\$35,000	100	
2d highest paid	70	Level II	30,000	85.7	30,000	85.7	
3d highest paid	60	Level III	28,500	81.4	29,500	84.3	
4th highest paid	55	Level IV	27,000	77.1	28,750	82.1	
5th highest paid	50	Level V	26,000	74.3	28,000	80	

<sup>1</sup> Source: "Executive Compensation"  
Business Management. Jan. 1968 Table 6

The differential between Level V and Level II in 1964 was about 11%, or roughly half the typical differential in private enterprise. It is now only 5.7%.

The increasingly small differentials between Levels II and V are partly due to upward adjustments necessary at the lower levels to permit the top civil service grades to make some progress toward comparability.

Even so, it is now possible for the head of a major Bureau in Executive Level V and subordinates in the three upper civil service grades to receive identical compensation even though they are at successive steps in a direct line of authority and responsibility. Obviously, it is time for a change.

## RECOMMENDED SALARIES FOR TOP LEVEL OFFICIALS IN THE EXECUTIVE BRANCH

We have striven to meet these objectives in formulating our recommendations:

1. To establish a compensation plan which will be logical and equitable in its internal and external relationships.
2. To establish compensation more nearly commensurate with the importance and responsibilities of these positions.
3. To establish levels that will increase the ability of the Federal Government to attract and retain the highest possible talent.

The following table sets forth the present and proposed rates for the 665 top officials of the Executive Branch.

		Present Salary Rate	Proposed Salary Rate
Level I—Heads of Departments	12	\$35,000	\$60,000
Level II—Heads of major agencies, etc.	64	30,000	50,000
Level III—Under Secretaries, etc.	88	29,500	46,000
Level IV—Assistant Secretaries, etc.	261	28,750	43,000
Level V—Heads of Bureaus, etc.	240	28,000	40,000
Annual cost of these proposed increases		\$9,631,250	

These proposals recognize that the opportunity to serve one's country and the prestige of public office are a form of compensation. They further recognize that there is not the freedom to tailor compensation to particular individuals or circumstances. On the other hand, the proposals do recognize the very substantial responsibility of these positions, the high level of competence required, and the importance of making sure we continue to secure and retain men and women of top quality. To hold Federal compensation on a scale that is substantially lower than equivalent talent can command in other fields, public as well as private, is the road to mediocrity.

## RECOMMENDED LEGISLATIVE SALARIES

In addition to the Members of Congress, nine other offices and positions in the Legislative Branch are within the scope of the Commission's study and review. These offices can be directly related to offices and positions in the Executive Branch, and on the basis of that comparison we have included them in the following recommendations:

	Number	Present Salary Rate	Proposed Salary Rate
Senators, Representatives, and the Resident Commissioner from Puerto Rico	531	\$30,000	\$50,000
Other offices in the Legislative Branch			
Comptroller General	1	30,000	50,000
Assistant Comptroller General	1	29,500	46,000
General Counsel, General Accounting Office	1	28,750	43,000
Librarian of Congress	1	28,750	43,000
Public Printer	1	28,750	43,000
Architect of the Capitol	1	28,750	43,000
Deputy Librarian of Congress	1	27,500	40,000
Deputy Public Printer	1	27,500	40,000
Assistant Architect of the Capitol	1	27,500	40,000
Annual cost of these proposed increases		\$10,751,000	

It is difficult to obtain data that may suitably be used as a basis for comparison with Congressional salaries. The Senators and Representatives and the Resident Commissioner from Puerto Rico are in a class not directly comparable with any other group. State Legislators in most cases play a vastly different role from that of a Member of Congress. This is true with respect to the time devoted to the position, the variety and complexity of the problems covered, and the number of citizens to whom they are responsible.

Unlike the circumstances in the Executive area of government and in private industry, there are no varying levels of responsibility among the Members, at least with respect to the enactment of legislation—their major task. The vote of the newest Congressman counts exactly the same as that of a long-time member. Perhaps the experienced legislator serving as a committee chairman has a more arduous task and performs at a greater level of effectiveness, but his basic responsibilities to his constituents are the same. There may be material differences in service rendered but these cannot be expressed in terms of compensation.

Other factors bearing on the compensation of Members of Congress include the necessity of running for office every two years or six years, and the cost of living in Washington for most of the year while maintaining a residence in home district or State.

It is our feeling that Members' salaries should be adjusted to compensate for the substantial and unique responsibilities they bear, to meet the cost peculiar to elective rather than appointive office, and to minimize the need to rely on other means of augmenting income. There is a real question, however, as to whether the problem of adequately compensating the holder of elective office can be solved entirely by salary adjustment. The burdens placed on the individual legislator are not uniform. The type of his constituency, its geographical location, and its legislative interests affect him alone just as do his housing requirements and his business or professional interests. Later in this report we discuss some further steps that should be considered.

## RECOMMENDED JUDICIAL SALARIES

The table following sets forth the recommended salaries for Justices, Judges, and other officers of the Judicial Branch, totaling 842.

	Number <sup>1</sup>	Present Salary Rate	Proposed Salary Rate
Chief Justice of the United States	1	\$40,000	\$67,500
Associate Justices, Supreme Court	10	39,500	65,000
Judges, Circuit Court of Appeals	134	33,000	50,000
Judges, Court of Claims	9	33,000	50,000
Judges, Court of Military Appeals	3	33,000	50,000
Judges, Court of Customs and Patent Appeals	6	33,000	50,000
Judges, District Courts	407	30,000 <sup>2</sup>	47,500
Judges, Customs Court	13	30,000	47,500
Judges, Tax Court of the United States	22	30,000	47,500
Director, Administrative Office of the United States Courts	1	30,000	47,500
Deputy Director, Administrative Office of the United States Courts	1	28,000	40,000
Commissioners, Court of Claims	15	29,000	40,000
Referees in Bankruptcy (full-time maximum) <sup>3</sup>	180	22,500	40,000
Referees in Bankruptcy (part-time maximum) <sup>3</sup>	40	11,000	20,000
Annual cost of these proposed increases		\$14,305,500	

<sup>1</sup> Includes Senior Justices and Judges.

<sup>2</sup> One at \$30,500

<sup>3</sup> Salary for Referees set by Judicial Conference within the maximum

We have recommended that the compensation of the Justices of the Supreme Court be fixed at \$65,000, a rate which reflects the importance and dignity of the office. As the role of the Federal Government has expanded, the burden on the Judicial system has grown and its sphere of influence has broadened to embrace an increasing percentage of our citizens. This is particularly true of the Court, which is the capstone of our legal system. Yet in the past forty years the rate of increase in the compensation of its members has lagged far behind that of the other groups we have reviewed.

We have established a differential of \$2,500 between the salary of the Chief Justice and the Associate Justices that more truly reflects the relative responsibilities than does the \$500 which was first set in 1789.

We believe the rates for Judges of the other courts result in an equitable compensation for their responsibilities and are in line with the recommendations for Legislative and Executive salaries.

In determining appropriate salary rates for the Judiciary, we must rely on the traditional values that have been attached to the work of the courts. To attempt to find valid comparisons on the basis of tasks performed between those who formulate the laws, those who interpret them, and those who execute them would be a fruitless task.

Traditionally, there has been high prestige value attached to Federal judgeships, and, particularly, to membership on the Supreme Court. There is the factor of the added value of lifetime tenure. These may be sufficient inducements to many who have made their mark in other fields of legal endeavor. But will they remain so if there is not some recognition of present-day trends in compensation?

One area with which we may make some comparison comprises the State and Local judicial systems. There we find that some 1,150 Judges are paid at the same rate as Judges in Federal District Courts, that more than 300 are paid more than the Judges of the Appellate Courts, and that 35 are paid at rates that equal or slightly exceed Justices of the Supreme Court of the United States.

The Act creating this Commission also provides for review and recommendations as to the salaries of the Commissioners of the Court of Claims, Referees in Bankruptcy, and the Director and Deputy Director of the Administrative Office of the United States Courts.

The Commissioners of the Court of Claims act as trial Judges for the Court. After proceedings before them are completed, the Commissioners prepare findings of fact and conclusions of law which are then submitted to the parties and the Court. If there is no appeal by the parties to the case, the Court, after review, will normally adopt the Commissioner's decision as its own.

The Referees in Bankruptcy recommend decisions on both law and facts to the Judge of the District Court, who then renders the Court's decision. Certain aspects of bankruptcy cases are, by statute, reserved to the District Judge. At present the Judicial Conference sets the salary rate within the maximum established by law.

## SUPPLEMENTARY COMPENSATION

In the first draft of the 1967 Salary Act, there was a provision that the Commission on Salaries should also study the kinds and amounts of expenses and allowances for Federal Executives, Judges, and Members of Congress. However, this was eliminated before final passage. Although such factors are not part of the study, they cannot be ignored in arriving at an understanding of the comparative compensation of Executives in industry and in government.

A salary study is not really valid if compensation in addition to salary is ignored. If housing is furnished, or an expense allowance provided, or bonuses and stock options are offered in lieu of, or in addition to, salary, the monetary value of the job may be greatly altered. In many instances, such benefits provided by the employer might greatly influence a person to accept or to reject a position.

The nature and extent of supplementary benefits may vary considerably according to the characteristics of positions held. Thus a Judge retired from active service at full salary may still from time to time perform services of the same character as are performed by active Judges. Accordingly, the Government's contribution to his retirement is quite different from the contribution it makes toward the retirement of a Member of Congress who is elected for a term, or an official of the Executive Branch whose position is subject to change as political control changes.

The opportunities open to Government officials to acquire supplementary income through the practice of a profession or by engaging in private business vary according to the Branch in which they serve. Each Branch makes its own rules and applies its own standards.

This Commission has made no attempt to evaluate supplementary payments or allowances to determine their exact effect on total compensation. It is aware that there are inequities needing correction, but it is not part of the Commission's task to make recommendations concerning them. We also recognize that adjustments of salaries are not the appropriate way to meet the expenses attached to public office any more than they are to meet business expenses in private enterprise. These expenses, while job-related, are not uniform in their application to the holders of positions in the same class, nor are they uniform as between classes.

The Commission feels that existing laws and regulations should be reviewed to determine whether present supplementary compensation, such as expenses, allowances, retirement income, insurance, etc., are adequate or inadequate, equitable or discriminatory, or well- or ill-suited to the purpose for which they were designed. If there are deficiencies, they should be remedied promptly through changes in legislation or regulations.

## IN CONCLUSION

The Commission urges that immediate action be taken at the next session of Congress to establish new salary rates for the office of Vice President, Speaker of the House of Representatives, and the Majority and Minority Leaders of both Houses of Congress.

Had these offices been within our purview, we would have recommended no less than a salary equivalent to that of the Chief Justice (\$67,500) for the Vice President and the Speaker, and maintenance of the present differential (\$5,000) between the Majority and Minority Leaders and the other Members of the Senate and House of Representatives.

Finally, we point out that the Presidential salary has remained unchanged since 1949, a period of nearly 20 years. There is no compelling reason to exempt this salary from evaluation and revision in the light of present day values and standards of compensation other than that the position is unique in the true sense of the word. We recognize that evaluating the Presidential responsibilities in terms of remuneration just cannot be done. Nevertheless, we urge you, Mr. President, to bring this matter to the attention of the Congress at the earliest possible moment. We believe that to preserve equity and balance in the pay structure of Government the salary of the President should be changed from \$100,000 to \$200,000.

## APPENDIX A

Legislative provisions establishing the Commission on  
Executive, Legislative, and Judicial Salaries, and a  
method of setting the rates of such salaries

Public Law 90-206 (81 STAT. 642)

Approved December 16, 1967

### COMMISSION ON EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES

SEC. 225. (a) ESTABLISHMENT OF COMMISSION.—There is hereby established a commission to be known as the Commission on Executive, Legislative, and Judicial Salaries (hereinafter referred to as the "Commission").

#### (b) MEMBERSHIP.—

(1) The Commission shall be composed of nine members who shall be appointed from private life, as follows:

(A) three appointed by the President of the United States, one of whom shall be designated as Chairman by the President;

(B) two appointed by the President of the Senate;

(C) two appointed by the Speaker of the House of Representatives; and

(D) two appointed by the Chief Justice of the United States.

(2) The terms of office of persons first appointed as members of the Commission shall be for the period of the 1969 fiscal year of the Federal Government, except that, if any appointment to membership on the Commission is made after the beginning and before the close of such fiscal year, the term of office based on such appointment shall be for the remainder of such fiscal year.

Terms of  
office.

(3) After the close of the 1969 fiscal year of the Federal Government, persons shall be appointed as members of the Commission with respect to every fourth fiscal year following the 1969 fiscal year. The terms of office of persons so appointed shall be for the period of the fiscal year with respect to which the appointment is made, except that, if any appointment is made after the beginning and before the close of any such fiscal year, the term of office based on such appointment shall be for the remainder of such fiscal year.

(4) A vacancy in the membership of the Commission shall be filled in the manner in which the original appointment was made.

(5) Each member of the Commission shall be paid at the rate of \$100 for each day such member is engaged upon the work of the Commission and shall be allowed travel expenses, including a per diem allowance, in accordance with section 5703(b) of title 5, United States Code, when engaged in the performance of services for the Commission.

Compensation;  
travel expenses.

#### (c) PERSONNEL OF COMMISSION.—

(1) Without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, and on a temporary basis for periods covering all or part of any fiscal year referred to in subsection (b) (2) and (3) of this section—

80 Stat. 499.

80 Stat. 443,  
467; Ante, p. 625.

(A) the Commission is authorized to appoint an Executive Director and fix his basic pay at the rate provided for level V of the Executive Schedule by section 5316 of title 5, United States Code; and

Ante, p. 638.

(B) with the approval of the Commission, the Executive Director is authorized to appoint and fix the basic pay (at respective rates not in excess of the maximum rate of the General Schedule in section 5332 of title 5, United States Code) of such additional personnel as may be necessary to carry out the function of the Commission.

Personnel detail.

(2) Upon the request of the Commission, the head of any department, agency, or establishment of any branch of the Federal Government is authorized to detail, on a reimbursable basis, for periods covering all or part of any fiscal year referred to in subsection (b) (2) and (3) of this section, any of the personnel of such department, agency, or establishment to assist the Commission in carrying out its function.

(d) USE OF UNITED STATES MAILS BY COMMISSION.—The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(e) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide administrative support services for the Commission on a reimbursable basis.

(f) FUNCTION.—The Commission shall conduct, in each of the respective fiscal years referred to in subsection (b) (2) and (3) of this section, a review of the rates of pay of—

(A) Senators, Members of the House of Representatives, and the Resident Commissioner from Puerto Rico;

(B) offices and positions in the legislative branch referred to in subsections (a), (b), (c), and (d) of section 203 of the Federal Legislative Salary Act of 1964 (78 Stat. 415; Public Law 88-426);

(C) justices, judges, and other personnel in the judicial branch referred to in sections 402(d) and 403 of the Federal Judicial Salary Act of 1964 (78 Stat. 434; Public Law 88-426); and

(D) offices and positions under the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

80 Stat. 460;  
Ante, p. 638.

Such review by the Commission shall be made for the purpose of determining and providing—

(i) the appropriate pay levels and relationships between and among the respective offices and positions covered by such review, and

(ii) the appropriate pay relationships between such offices and positions and the offices and positions subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

80 Stat. 443,  
467; Ante, p. 625.

(g) REPORT BY COMMISSION TO THE PRESIDENT.—The Commission shall submit to the President a report of the results of each review conducted by the Commission of the offices and positions within the purview of subparagraphs (A), (B), (C), and (D) of subsection (f) of this section, together with its recommendations. Each such report shall be submitted on such date as the President may designate but not later than January 1 next following the close of the fiscal year in which the review is conducted by the Commission.

(h) RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO PAY.—The President shall include, in the budget next transmitted by him to the Congress after the date of the submission of the report and recommendations of the Commission under subsection (g) of this section, his recommendations with respect to the exact rates of pay which he deems advisable, for those offices and positions within the purview of subparagraphs (A), (B), (C), and (D) of subsection (f) of this section. As used in this subsection, the term “budget” means the budget referred to in section 201 of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11).

“Budget.”

64 Stat. 832;  
72 Stat. 852.

(i) EFFECTIVE DATE OF RECOMMENDATIONS OF THE PRESIDENT.—

(1) Except as provided in paragraph (2) of this subsection, all or part (as the case may be) of the recommendations of the President transmitted to the Congress in the budget under subsection (h) of this section shall become effective at the beginning of the first pay period which begins after the thirtieth day following the transmittal of such recommendations in the budget; but only to the extent that, between the date of transmittal of such recommendations in the budget and the beginning of such first pay period—

(A) there has not been enacted into law a statute which establishes rates of pay other than those proposed by all or part of such recommendations,

(B) neither House of the Congress has enacted legislation which specifically disapproves all or part of such recommendations, or

(C) both.

(2) Any part of the recommendations of the President may, in accordance with express provisions of such recommendations, be made operative on a date later than the date on which such recommendations otherwise are to take effect.

(j) EFFECT OF RECOMMENDATIONS OF THE PRESIDENT ON EXISTING LAW AND PRIOR PRESIDENTIAL RECOMMENDATIONS.—The recommendations of the President transmitted to the Congress immediately following a review conducted by the Commission in one of the fiscal years referred to in subsection (b) (2) and (3) of this section shall be held and considered to modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—

(A) all provisions of law enacted prior to the effective date or dates of all or part (as the case may be) of such recommendations (other than any provision of law enacted in the period specified in paragraph (1) of subsection (i) of this section with respect to such recommendations), and

(B) any prior recommendations of the President which take effect under this section.

(k) PUBLICATION OF RECOMMENDATIONS OF THE PRESIDENT.—The recommendations of the President which take effect shall be printed in the Statutes at Large in the same volume as public laws and shall be printed in the Federal Register and included in the Code of Federal Regulations.

Publication in  
Federal Register.

**EXTENT OF COMMISSION'S JURISDICTION**

*(Opinion furnished by the General Counsel  
of the U.S. Civil Service Commission)*

**QUESTION:** Does the jurisdiction of the Commission on Executive, Legislative, and Judicial Salaries (CELJS) extend to the compensation of the Vice President, the Speaker of the House of Representatives, and the Majority and Minority leaders of both Houses?

**ANSWER:** No.

**DISCUSSION:** The review authority of the CELJS is set out in §225(f) of Public Law 90-206. That subsection authorizes the CELJS to review the rates of pay of:

(A) Senators, Members of the House of Representatives, and the Resident Commissioner from Puerto Rico;

(B) offices and positions in the legislative branch referred to in subsections (a), (b), (c), and (d) of section 203 of the Federal Legislative Salary Act of 1964 (78 Stat. 415; Public Law 88-426);

(C) justices, judges, and other personnel in the judicial branch referred to in sections 402(d) and 403 of the Federal Judicial Salary Act of 1964 (78 Stat. 434; Public Law 88-426); and

(D) offices and positions under the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

Subparagraphs (C) and (D) of §225(f) are clearly inapplicable as (C) relates only to the judicial branch and as (D) relates only to the Executive Schedule which contains no reference to the offices under consideration.

Subparagraph (A), which refers specifically to the rates of pay of "Senators" and "Members of the House of Representatives" cannot be considered to extend to the rates of pay of the Vice President, the Speaker of the House of Representatives, and the Majority and Minority Leaders. This is so because the rate of pay for each of these offices is expressly fixed by a statutory authority that is separate from the statutory authority that fixes the rate of pay for Senators and Members of Congress.

The \$30,000 annual rate for Senators and Members of Congress is fixed by the first sentence of section 601(a) of the Legislative Reorganization Act of 1946, as amended by §11(e) of Public Law 89-301, 2 U.S.C. 31. The \$43,000 annual rate for the Speaker of the House of Representatives is fixed by the second sentence of that section (2 U.S.C. 31). The \$35,000 annual rate for the Majority and Minority Leaders is fixed by the last sentence of that section (2 U.S.C. 31). The \$43,000 annual rate for the Vice President is



fixed by section 104 of title 3, United States Code. Finally, whatever may be said of the functions of the Vice President as presiding officer of the Senate, he is not nominated nor elected as, nor is he designated to be, a Senator.

In view of the foregoing, it is evident that the express mention of the rates of pay for Senators and Members of the House of Representatives in paragraph (A) of §225(f) does not include the rates of pay for the Vice President, the Speaker of the House of Representatives, and the Majority and Minority Leaders.

It is significant to note that when the Congress created a former Commission on Judicial and Congressional Salaries in 1953 (Public Law 83-220, 67 Stat. 485) it expressly directed that Commission to determine appropriate rates of salaries for, among others, "the Vice President, the Speaker of the House of Representatives, and Members of Congress". Also in that legislation, the Congress referred to "the presiding officers and Members of the Congress". Thus it is evident that the Congress, from its experience with the earlier enactment, was aware of how to express an intention to review the salaries of legislative branch officers other than Members of the Congress. The omission of similar language in Public Law 90-206 is even more significant under these circumstances.

Finally, with respect to subparagraph (B) of §225(f) (the offices and positions in the legislative branch referred to in §203(a)-(d) of the Federal Legislative Salary Act of 1964) a study of that section establishes that it does not refer to any of the offices with which we are concerned. That section specifically refers to the Comptroller General, the Assistant Comptroller General, the General Counsel of the General Accounting Office, the Librarian and Deputy Librarian of Congress, the Public Printer and his Deputy, and the Architect of the Capitol and his Assistant.

The importance of the CELJS limiting its review to the offices and positions referred to in §225(f)(A)-(D) of Public Law 90-206 is made clear by §225(h) of that statute. Section 225(h) relates to the President's recommendations to the Congress after his receipt of the report from the CELJS. It specifically states that the President's recommendations shall relate to "those officers and positions within the purview of subparagraphs (A), (B), (C), and (D) of subsection (f) of this section."

## Appendix C

### POSITIONS IN LEVELS I THROUGH V OF THE EXECUTIVE SCHEDULE<sup>1</sup> OR AUTHORIZED TO BE PAID AT COMPARABLE SALARY RATES OCTOBER 25, 1968

#### Level I \$35,000

5 U.S.C. 5312:

- (1) Secretary of State
- (2) Secretary of the Treasury
- (3) Secretary of Defense
- (4) Attorney General
- (5) Postmaster General
- (6) Secretary of the Interior
- (7) Secretary of Agriculture
- (8) Secretary of Commerce
- (9) Secretary of Labor
- (10) Secretary of Health, Education, and Welfare
- (11) Secretary of Housing and Urban Development
- (12) Secretary of Transportation

#### Level II \$30,000

5 U.S.C. 5313:

- (1) Deputy Secretary of Defense
- (2) Under Secretary of State
- (3) Administrator, Agency for International Development
- (4) Administrator of the National Aeronautics and Space Administration
- (5) Administrator of Veterans' Affairs
- (6) (Repealed)
- (7) Under Secretary of Transportation
- (8) Chairman, Atomic Energy Commission
- (9) Chairman, Council of Economic Advisers
- (10) Chairman, Board of Governors of the Federal Reserve System
- (11) Director of the Bureau of the Budget
- (12) Director of the Office of Science and Technology
- (13) Director of the United States Arms Control and Disarmament Agency
- (14) Director of the United States Information Agency
- (15) Director of Central Intelligence
- (16) Secretary of the Air Force
- (17) Secretary of the Army
- (18) Secretary of the Navy
- (19) Administrator, Federal Aviation Administration
- (19) Director of the National Science Foundation

<sup>1</sup> Numbering corresponds to that in title 5, United States Code.

**Level II     \$30,000 (cont'd)**

Other positions which may be paid at rate for level II:

Director, Office of Economic Opportunity  
Civilian executive secretary, National Council on Marine Resources  
and Engineering Development  
Director of the Federal Bureau of Investigation

17 Presidential assistants including the Executive Secretary of the  
National Security Council, the Executive Secretary of the Na-  
tional Aeronautics and Space Council, and the Executive Secre-  
tary of the Economic Opportunity Council  
2 specially qualified scientific, professional, or administrative em-  
ployees in the Public Health Service

Chiefs of mission, Class 1 (23)

**Level III     \$29,500**

5 U.S.C. 5314:

- (1) Deputy Attorney General
- (2) Solicitor General of the United States
- (3) Deputy Postmaster General
- (4) Under Secretary of Agriculture
- (5) Under Secretary of Commerce
- (6) (Repealed)
- (7) Under Secretary of Health, Education, and Welfare
- (8) Under Secretary of the Interior
- (9) Under Secretary of Labor
- (10) Under Secretary of State for Political Affairs or Under  
Secretary of State for Economic Affairs
- (11) Under Secretary of the Treasury
- (12) Under Secretary of the Treasury for Monetary Affairs
- (13) Administrator of General Services
- (14) Administrator of the Small Business Administration
- (15) Deputy Administrator of Veterans' Affairs
- (16) Deputy Administrator, Agency for International Development
- (17) Chairman, Civil Aeronautics Board
- (18) Chairman of the United States Civil Service Commission
- (19) Chairman, Federal Communications Commission
- (20) Chairman, Board of Directors, Federal Deposit Insurance  
Corporation
- (21) Chairman of the Federal Home Loan Bank Board
- (22) Chairman, Federal Power Commission
- (23) Chairman, Federal Trade Commission
- (24) Chairman, Interstate Commerce Commission
- (25) Chairman, National Labor Relations Board
- (26) Chairman, Securities and Exchange Commission
- (27) Chairman, Board of Directors of the Tennessee Valley  
Authority
- (28) Chairman, National Mediation Board

**Level III     \$29,500 (cont'd)**

5 U.S.C. 5314:

- (29) Chairman, Railroad Retirement Board
- (30) Chairman, Federal Maritime Commission
- (31) Comptroller of the Currency
- (32) Commissioner of Internal Revenue
- (33) Director of Defense Research and Engineering, Department  
of Defense
- (34) Deputy Administrator of the National Aeronautics and Space  
Administration
- (35) Deputy Director of the Bureau of the Budget
- (36) Deputy Director of Central Intelligence
- (37) Director of the Office of Emergency Preparedness
- (38) Director of the Peace Corps
- (39) Chief Medical Director in the Department of Medicine and  
Surgery of the Veterans' Administration
- (40) Deputy Director, National Science Foundation
- (41) (Repealed)
- (42) President of the Export-Import Bank of Washington
- (43) Members, Atomic Energy Commission (4)
- (44) Members, Board of Governors of the Federal Reserve System  
(6)
- (45) (Superseded)
- (46) Administrator, Federal Highway Administration
- (47) Administrator, Federal Railroad Administration
- (48) Chairman, National Transportation Safety Board
- (49) Chairman of the National Endowment for the Arts the in-  
cumbent of which also serves as Chairman of the National  
Council on the Arts
- (50) Chairman of the National Endowment for the Humanities
- (51) Director of the Federal Mediation and Conciliation Service
- (52) Under Secretary of Housing and Urban Development
- (53) Urban Mass Transportation Administrator

Other positions which may be paid at rate for level III:

Deputy Director, Office of Economic Opportunity  
Chairman, Administrative Conference of the United States  
Director of Selective Service (present incumbent)  
Associate Director of the Federal Bureau of Investigation (present  
incumbent)

Chiefs of mission, class 2 (28)

**Level IV     \$28,750**

5 U.S.C. 5315:

- (1) Administrator, Bureau of Security and Consular Affairs,  
Department of State
- (2) (Repealed)

**Level IV    \$28,750 (cont'd)**

5 U.S.C. 5315:

- (3) Deputy Administrator of General Services
- (4) Associate Administrator of the National Aeronautics and Space Administration
- (5) Assistant Administrators, Agency for International Development (6)
- (6) Regional Assistant Administrators, Agency for International Development (4)
- (7) Under Secretary of the Air Force
- (8) Under Secretary of the Army
- (9) Under Secretary of the Navy
- (10) Deputy Under Secretaries of State (2)
- (11) Assistant Secretaries of Agriculture (3)
- (12) Assistant Secretaries of Commerce (5)
- (13) Assistant Secretaries of Defense (7)
- (14) Assistant Secretaries of the Air Force (4)
- (15) Assistant Secretaries of the Army (4)
- (16) Assistant Secretaries of the Navy (4)
- (17) Assistant Secretaries of Health, Education, and Welfare (5)
- (18) Assistant Secretaries of the Interior (5)
- (19) Assistant Attorneys General (9)
- (20) Assistant Secretaries of Labor (4)
- (21) Assistant Postmasters General (6)
- (22) Assistant Secretaries of State (11)
- (23) Assistant Secretaries of the Treasury (4)
- (24) Chairman of the United States Tariff Commission
- (25) (Repealed)
- (26) (Repealed)
- (27) (Repealed)
- (28) (Repealed)
- (29) Director of Civil Defense, Department of the Army
- (30) (Repealed)
- (31) Deputy Chief Medical Director in the Department of Medicine and Surgery of the Veterans' Administration
- (32) Deputy Director of the Office of Emergency Preparedness
- (33) Deputy Director of the Office of Science and Technology
- (34) Deputy Director of the Peace Corps
- (35) Deputy Director of the United States Arms Control and Disarmament Agency
- (36) Deputy Director of the United States Information Agency
- (37) Assistant Directors of the Bureau of the Budget (3)
- (38) General Counsel of the Department of Agriculture
- (39) General Counsel of the Department of Commerce
- (40) General Counsel of the Department of Defense
- (41) General Counsel of the Department of Health, Education, and Welfare
- (42) Solicitor of the Department of the Interior

**Level IV    \$28,750 (cont'd)**

5 U.S.C. 5315:

- (43) Solicitor of the Department of Labor
- (44) General Counsel of the National Labor Relations Board
- (45) General Counsel of the Post Office Department
- (46) Counselor of the Department of State
- (47) Legal Adviser of the Department of State
- (48) General Counsel of the Department of the Treasury
- (49) First Vice President of the Export-Import Bank of Washington
- (50) General Manager of the Atomic Energy Commission
- (51) Governor of the Farm Credit Administration
- (52) Inspector General, Foreign Assistance
- (53) Deputy Inspector General, Foreign Assistance
- (54) Members, Civil Aeronautics Board (4)
- (55) Members, Council of Economic Advisers (2)
- (56) Members, Board of Directors of the Export-Import Bank of Washington (3)
- (57) Members, Federal Communications Commission (6)
- (58) Member, Board of Directors of the Federal Deposit Insurance Corporation (1)
- (59) Members, Federal Home Loan Bank Board (2)
- (60) Members, Federal Power Commission (4)
- (61) Members, Federal Trade Commission (4)
- (62) Members, Interstate Commerce Commission (10)
- (63) Members, National Labor Relations Board (4)
- (64) Members, Securities and Exchange Commission (4)
- (65) Members, Board of Directors of the Tennessee Valley Authority (2)
- (66) Members, United States Civil Service Commission (2)
- (67) Members, Federal Maritime Commission (4)
- (68) Members, National Mediation Board (2)
- (69) Members, Railroad Retirement Board (2)
- (70) Director of Selective Service
- (71) Associate Director of the Federal Bureau of Investigation
- (72) Chairman, Equal Employment Opportunity Commission
- (73) Chief of Protocol, Department of State
- (74) Director, Bureau of Intelligence and Research, Department of State
- (75) Director, Community Relations Service
- (76) United States Attorney for the District of Columbia
- (77) United States Attorney for the Southern District of New York
- (78) Members, National Transportation Safety Board (4)
- (79) General Counsel, Department of Transportation
- (80) Deputy Administrator, Federal Aviation Administration
- (81) Assistant Secretaries of Transportation (4)
- (82) Director of Public Roads

**Level IV \$28,750 (cont'd)**

5 U.S.C. 5315:

- (83) Administrator, Saint Lawrence Seaway Development Corporation
- (84) Assistant Secretary for Science, Smithsonian Institution
- (85) Assistant Secretary for History and Art, Smithsonian Institution
- (86) Deputy Administrator, Small Business Administration
- (87) Assistant Secretaries of Housing and Urban Development (6)
- (88) General Counsel of the Department of Housing and Urban Development
- (89) Commissioner of Interama, Commerce
- (90) Administrator of Law Enforcement Assistance, Department of Justice
- (91) Federal Insurance Administrator, Department of Housing and Urban Development

Positions placed in level IV by Presidential action under 5 U.S.C. 5317:

Special Assistant to the Secretary (for Enforcement), Treasury Department  
Principal Deputy Director of Defense Research and Engineering, Department of Defense  
Administrator, Social and Rehabilitation Service, Department of Health, Education, and Welfare  
Administrator, National Institutes of Health, Department of Health, Education, and Welfare  
Assistant Director for Executive Management, Bureau of the Budget, Executive Office of the President  
Deputy Administrator, Federal Highway Administration, Department of Transportation  
Director, Office of Foreign Direct Investments, Department of Commerce  
Administrator, Health Services and Mental Health Administration, Department of Health, Education, and Welfare  
Executive Director, Cabinet Committee on Price Stability  
Other positions which may be paid at rate for level IV:  
Assistant Directors (5), Office of Economic Opportunity  
Federal Cochairman, Appalachian Regional Commission  
Each regional cochairman of an economic development regional commission (now 5)  
Chiefs of mission, class 3 (34)  
Career ambassadors (2)

**Level V \$28,000**

5 U.S.C. 5316:

- (1) Administrator, Agricultural Marketing Service, Department of Agriculture

**Level V \$28,000 (cont'd)**

5 U.S.C. 5316:

- (2) Administrator, Agricultural Research Service, Department of Agriculture
- (3) Administrator, Agricultural Stabilization and Conservation Service, Department of Agriculture
- (4) Administrator, Farmers Home Administration
- (5) Administrator, Foreign Agricultural Service, Department of Agriculture
- (6) Administrator, Rural Electrification Administration, Department of Agriculture
- (7) Administrator, Soil Conservation Service, Department of Agriculture
- (8) Administrator, Bonneville Power Administration, Department of the Interior
- (9) (Repealed)
- (10) (Repealed)
- (11) Associate Administrators of the Small Business Administration (3)
- (12) (Repealed)
- (13) (Repealed)
- (14) (Repealed)
- (15) Associate Administrator for Advanced Research and Technology, National Aeronautics and Space Administration
- (16) Associate Administrator for Space Science and Applications, National Aeronautics and Space Administration
- (17) Associate Administrator for Manned Space Flight, National Aeronautics and Space Administration
- (18) Associate Deputy Administrator, National Aeronautics and Space Administration
- (19) Deputy Associate Administrator, National Aeronautics and Space Administration
- (20) Associate Deputy Administrator of Veterans' Affairs
- (21) Archivist of the United States
- (22) (Repealed)
- (23) Assistant Secretary of Agriculture for Administration
- (24) Assistant Secretary of Health, Education, and Welfare for Administration
- (25) Assistant Secretary of the Interior for Administration
- (26) Assistant Attorney General for Administration
- (27) Assistant Secretary of Labor for Administration
- (28) Assistant Secretary of the Treasury for Administration
- (29) Assistant General Manager, Atomic Energy Commission
- (30) Assistant and Science Adviser to the Secretary of the Interior
- (31) Chairman, Foreign Claims Settlement Commission of the United States
- (32) Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense

**Level V \$28,000 (cont'd)**

5 U.S.C. 5316:

- (33) Chairman of the Renegotiation Board
- (34) Chairman of the Subversive Activities Control Board
- (35) Chief Counsel for the Internal Revenue Service, Department of the Treasury
- (36) Chief Forester of the Forest Service, Department of Agriculture
- (37) Chief Postal Inspector, Post Office Department
- (38) (Repealed)
- (39) Commissioner of Customs, Department of the Treasury
- (40) Commissioner, Federal Supply Service, General Services Administration
- (41) Commissioner of Education, Department of Health, Education, and Welfare
- (42) Commissioner of Fish and Wildlife, Department of the Interior
- (43) Commissioner of Food and Drugs, Department of Health, Education, and Welfare
- (44) Commissioner of Immigration and Naturalization, Department of Justice
- (45) Commissioner of Indian Affairs, Department of the Interior
- (46) (Repealed)
- (47) Commissioners, Indian Claims Commission (5)
- (48) Commissioner of Patents, Department of Commerce
- (49) Commissioner, Public Buildings Service, General Services Administration
- (50) Commissioner of Reclamation, Department of the Interior
- (51) Commissioner of Social Security, Department of Health, Education, and Welfare
- (52) Commissioner of Vocational Rehabilitation, Department of Health, Education, and Welfare
- (53) Commissioner of Welfare, Department of Health, Education, and Welfare
- (54) Director, Advanced Research Projects Agency, Department of Defense
- (55) Director of Agricultural Economics, Department of Agriculture
- (56) Director, Bureau of the Census, Department of Commerce
- (57) Director, Bureau of Mines, Department of the Interior
- (58) Director, Bureau of Prisons, Department of Justice
- (59) Director, Geological Survey, Department of the Interior
- (60) Director, Research and Development, Post Office Department
- (61) Director, National Bureau of Standards, Department of Commerce
- (62) Director of Regulation, Atomic Energy Commission
- (63) Director of Science and Education, Department of Agriculture

**Level V \$28,000 (cont'd)**

5 U.S.C. 5316:

- (64) Deputy Under Secretary for Monetary Affairs, Department of the Treasury
- (65) Deputy Commissioner of Internal Revenue, Department of the Treasury
- (66) Assistant Directors, National Science Foundation (4)
- (67) Deputy Director, Policy and Plans, United States Information Agency
- (68) Deputy General Counsel, Department of Defense
- (69) Deputy General Manager, Atomic Energy Commission
- (70) Associate Director of the Federal Mediation and Conciliation Service
- (71) Associate Director for Volunteers, Peace Corps
- (72) Associate Director for Program Development and Operations, Peace Corps
- (73) Assistants to the Director of the Federal Bureau of Investigation, Department of Justice (2)
- (74) Assistant Directors, Office of Emergency Preparedness (3)
- (75) Assistant Directors, United States Arms Control and Disarmament Agency (4)
- (76) (Repealed)
- (77) Fiscal Assistant Secretary of the Treasury
- (78) General Counsel of the Agency for International Development
- (79) General Counsel of the Department of the Air Force
- (80) General Counsel of the Department of the Army
- (81) General Counsel of the Atomic Energy Commission
- (82) (Repealed)
- (83) (Repealed)
- (84) General Counsel of the Department of the Navy
- (85) General Counsel of the United States Arms Control and Disarmament Agency
- (86) General Counsel of the National Aeronautics and Space Administration
- (87) Governor of the Canal Zone
- (88) Manpower Administrator, Department of Labor
- (89) Maritime Administrator, Department of Commerce
- (90) Members, Foreign Claims Settlement Commission of the United States (2)
- (91) Members, Renegotiation Board (4)
- (92) Members, Subversive Activities Control Board (4)
- (93) Members, United States Tariff Commission (5)
- (94) (Repealed)
- (95) (Repealed)
- (96) Deputy Directors of Defense Research and Engineering, Department of Defense (4)
- (97) Assistant Administrator of General Services

**Level V    \$28,000 (cont'd)**

5 U.S.C. 5316:

- (98) Director, United States Travel Service, Department of Commerce
- (99) Executive Director of the United States Civil Service Commission
- (100) Administrator, Wage and Hour and Public Contracts Division, Department of Labor
- (101) Assistant Director (Program Planning, Analysis and Research), Office of Economic Opportunity
- (102) Assistant General Managers, Atomic Energy Commission (2)
- (103) Associate Director (Policy and Plans), United States Information Agency
- (104) Chief Benefits Director, Veterans' Administration
- (105) Commissioner of Labor Statistics, Department of Labor
- (106) Deputy Director, National Security Agency
- (107) Director, Bureau of Land Management, Department of the Interior
- (108) Director, National Park Service, Department of the Interior
- (109) Director of International Scientific Affairs, Department of State
- (110) General Counsel of the Veterans' Administration
- (111) Members, Equal Employment Opportunity Commission (4)
- (112) National Export Expansion Coordinator, Department of Commerce
- (113) Special Assistant to the Secretary of Defense
- (114) Staff Director, Commission on Civil Rights
- (115) United States Attorney for the Northern District of Illinois
- (116) United States Attorney for the Southern District of California
- (117) Assistant Secretary of Transportation for Administration
- (118) Director, United States National Museum, Smithsonian Institution
- (119) Director, Smithsonian Astrophysical Observatory, Smithsonian Institution
- (120) Administrator for Economic Development
- (121) Administrator of the Environmental Science Services Administration
- (122) Assistant Secretary of Housing and Urban Development for Administration
- (123) Director, Construction Engineering, Post Office Department
- (124) Director, National Highway Safety Bureau
- (125) Director, National Traffic Safety Bureau
- (126) Associate Administrators of Law Enforcement Assistance, Department of Justice (2)
- (127) Director, Bureau of Narcotics and Dangerous Drugs, Department of Justice

**Level V    \$28,000 (cont'd)**

Positions placed in level V by Presidential action under 5 U.S.C. 5317:

Commissioner on Aging, Department of Health, Education, and Welfare  
Principal Deputy Assistant Secretary of Defense (International Security Affairs), Department of Defense  
Comptroller, Department of Health, Education, and Welfare  
Director, Bureau of Outdoor Recreation, Department of the Interior  
Assistant to the Secretary of Defense (Legislative Affairs)  
Deputy Director of Defense Research and Engineering, Department of Defense  
Principal Deputy Assistant Secretary of Defense (Comptroller), Department of Defense  
Commissioner, Federal Water Pollution Control Administration, Department of Interior  
Director, Urban Transportation Administration, Department of Housing and Urban Development  
Director, Demonstration Cities Administration, Department of Housing and Urban Development  
Deputy Commissioner of Social Security, Department of Health, Education, and Welfare  
Commissioner, Property Management and Disposal Service, General Services Administration  
Deputy Under Secretary, Department of Transportation  
Deputy Assistant Secretary for Mortgage Credit, Department of Housing and Urban Development  
Deputy Administrator, Social and Rehabilitation Service, Department of Health, Education, and Welfare  
Chief, Children's Bureau, Social and Rehabilitation Service, Department of Health, Education, and Welfare  
Director, United States Secret Service, Treasury Department  
Special Assistant for Regional Economic Coordination, Department of Commerce  
Assistant to the Deputy Secretary of Defense  
Deputy Assistant Secretary of Defense for Reserve Affairs

Other positions which may be paid at rate for level V:

7 positions in the Department of Housing and Urban Development  
Commissioner for a Federal exhibit at Hemisfair 1968  
Executive Director, Advisory Commission on Intergovernmental Relations  
Executive Director, Commission on Executive, Legislative, and Judicial Salaries

Chiefs of mission, class 4 (36)  
Career ministers (26)

# PAY RATES OF \$30,000 OR MORE IN STATE AND LOCAL GOVERNMENT

This study by the United States Civil Service Commission sets forth the compensation rates in effect September 1, 1968, for 2,316 positions in state and local government.

Tabulations which follow do not include all state and local government positions paying \$30,000 or more. For example, only a few localities of less than 350,000 population are covered and there are, no doubt, school superintendents and city managers paid \$30,000 or more in other localities in the lower population brackets. Hence, the term "Partial" appears on each tabulation.

Table I summarizes the positions by Occupation and Pay Bracket, Table II summarizes them by State and Occupation, and Table III lists them in detail by Occupation, Jurisdiction, and Salary under the following categories:

- A. Governors
- B. State Administrative and Professional Positions
- C. Mayors, City and County Managers
- D. City and County Administrative and Professional Positions
- E. Superintendents and Other Public School Officers
- F. Presidents, Officers, Faculty Members, etc., of Public Educational Institutions
- G. Public Corporation Positions
- H. Judiciary

TABLE I  
STATE AND LOCAL GOVERNMENT POSITIONS WITH PAY OF \$30,000 OR MORE\*  
SUMMARIZED BY OCCUPATION AND PAY BRACKET\*\*  
*Partial Tabulation, September 1, 1968*

	\$60,000 and above	\$50,000- 59,999	\$40,000- 49,999	\$35,000- 39,999	\$30,000- 34,999	TOTALS
Governors	7	3	5	11	11	37
State Administrative and Professional	—	6	4	45	66	121
Mayors, City and County Managers	—	1	4	17	28	50
City and County Administrative and Professional	2	—	12	54	124	192
Superintendents and Other Public School Officers	—	1	4	21	75	101
Presidents, Officers, Faculty, etc., of Educational Institutions	—	7	31	140	409	587
Public Corporations	1	1	18	12	38	70
Judges	—	—	35	293	830	1,158
Totals	10	19	113	593	1,581	2,316

\*Value of quarters and/or allowances, as reported or estimated, has been added to salary to determine total pay. (See Table III for details.)  
\*\*A few positions have pay ranges; where the salary is reported by range in Table III, the position is included here at the ceiling rate of the range.

**TABLE II**  
**STATE AND LOCAL GOVERNMENT POSITIONS WITH PAY OF \$30,000 OR MORE\***  
**SUMMARIZED BY STATE AND OCCUPATION**  
*Partial Tabulation, September 1, 1968*

State	Governors	State Adminis- trative and Professional Positions	Mayors, City and County Managers	City and County Ad- ministrative and Profes- sional Posi- tions	School Super- intendents and other Public School Officers	Presidents, Officers, Faculty Mem- bers; etc., of Public Educational Institutions	Public Corpora- tion Positions	Judiciary	Total
Alabama	1	1	—	—	—	18	—	—	20
Alaska	1	—	—	—	—	1	—	—	2
Arizona	—	—	—	—	—	3	—	—	3
Arkansas	—	—	—	—	—	—	—	—	—
California	1	3	18	63	43	62	11	441	642
Colorado	—	—	—	—	1	2	—	—	3
Connecticut	1	—	—	—	—	2	—	2	5
Delaware	—	1	—	—	—	—	—	—	1
Florida	1	7	2	1	2	20	—	5	38
Georgia	1	9	1	—	1	5	—	—	17
Hawaii	1	—	1	—	—	1	—	—	3
Idaho	1	—	—	—	—	1	—	—	2
Illinois	1	3	1	6	2	42	—	28	83
Indiana	1	2	—	—	—	30	3	—	36
Iowa	1	—	—	—	—	4	—	—	5
Kansas	—	—	—	—	—	2	—	—	2
Kentucky	1	—	—	—	—	24	—	—	25
Louisiana	1	4	1	2	—	41	—	—	49
Maine	1	—	—	—	—	—	—	—	1
Maryland	1	—	1	3	1	1	1	—	8
Massachusetts	1	3	1	2	1	2	1	1	12

**TABLE II (CONTD)**

Michigan	1	25	1	7	1	15	—	61	111
Minnesota	1	—	—	9	2	13	—	—	25
Mississippi	1	1	—	—	—	—	—	—	2
Missouri	1	2	1	3	—	3	—	—	10
Montana	1	—	—	—	—	—	—	—	1
Nebraska	—	—	—	—	1	4	—	—	5
Nevada	1	—	—	—	—	4	—	—	5
New Hampshire	1	—	—	—	—	1	—	—	2
New Jersey	1	2	2	3	1	10	—	223	242
New Mexico	—	—	—	—	—	—	—	—	—
New York	1	39	8	74	29	85	51	235	522
North Carolina	1	1	1	—	—	9	—	—	12
North Dakota	—	1	—	—	—	—	—	—	1
Ohio	1	—	2	1	5	21	—	—	30
Oklahoma	1	—	—	—	—	3	—	—	4
Oregon	1	—	—	—	1	14	—	—	16
Pennsylvania	1	7	1	13	2	—	3	162	189
Rhode Island	—	—	—	—	—	2	—	—	2
South Carolina	1	—	—	—	—	—	—	—	1
South Dakota	—	1	—	—	—	1	—	—	2
Tennessee	1	—	1	—	1	1	—	—	4
Texas	1	5	3	4	3	33	—	—	49
Utah	—	—	—	—	—	2	—	—	2
Vermont	—	—	—	—	—	2	—	—	2
Virginia	1	—	2	—	2	53	—	—	58
Washington	1	1	—	—	1	27	—	—	30
West Virginia	1	—	—	—	—	1	—	—	2
Wisconsin	1	3	2	1	1	22	—	—	30
Wyoming	—	—	—	—	—	—	—	—	—
Total	37	121	50	192	101	587	70	1158	2,316

\*Value of quarters and/or allowances, as reported or estimated, has been added to salary to determine total pay. (See Table III for details.)



TABLE III

## STATE AND LOCAL GOVERNMENT POSITIONS WITH PAY OF \$30,000 OR MORE, BY OCCUPATION, JURISDICTION, AND SALARY

*Partial Tabulation, September 1, 1968**(Value of quarters and/or allowances, as reported or estimated, has been added to salary to determine total pay.)*

TABLE III-A. Governors

State	Salary	Other Compensation
Alabama	\$25,000	Mansion fund \$35,000 and other allowances
Alaska	27,500	Mansion \$6,000; staff \$13,000; entertainment \$4,000; car \$750
Arizona	—	
Arkansas	—	
California	44,100	Undetermined*
Colorado	—	
Connecticut	35,000	
Delaware	—	
Florida	36,000	Mansion fund \$29,820; undetermined travel and other expenses
Georgia	42,500	Mansion fund \$35,000; travel and other undetermined expenses
Hawaii	33,500	\$20,000 estimated
Idaho	17,500	\$11,162.50 mansion fund; car and miscellaneous \$1,500
Illinois	30,000	Mansion; use of auto and airplane; \$45,000 salary in January 1969
Indiana	25,000	Housing, personal staff, transportation, and \$6,000 for other expenses
Iowa	25,000	Housing, travel and subsistence estimated at \$5,600; salary rounded to nearest dollar
Kansas	—	
Kentucky	30,000	
Louisiana	30,000	Mansion, maintenance, car, etc., \$50,000+
Maine	20,000	\$15,000 personal expenses
Maryland	25,000	Expenses in excess of \$5,000—ceiling not available*
Massachusetts	35,000	
Michigan	40,000	
Minnesota	22,500	Personal expense allowance; house and car \$17,500
Mississippi	25,000	Undetermined allowances*
Missouri	25,000	House, utilities, two cars, chauffeur (aggregating estimated \$5,000); salary of \$35,000 effective January 1969
Montana	22,000	\$16,240 mansion fund, car \$700
Nebraska	—	
Nevada	25,000	House, host fund plus cook and houseboy, car and maintenance service*
New Hampshire	30,000	
New Jersey	35,000	

\*See footnote at end of this table.

TABLE III-A. (CONTD)

State	Salary	Other Compensation
New Mexico	—	
New York	\$50,000	
North Carolina	25,000	Mansion, servants, unlimited travel, and a contingency fund for "expenses of State"*
North Dakota	—	
Ohio	40,000	
Oklahoma	25,000	House and utilities \$10,200
Oregon	25,080	\$7,200—miscellaneous expenses
Pennsylvania	45,000	
Rhode Island	—	\$30,000 salary effective Jan. 1, 1969
South Carolina	25,000	Mansion, etc., appropriation \$48,300
South Dakota	—	
Tennessee	25,000	Mansion fund \$18,500, travel, and other undetermined expenses
Texas	40,000	Mansion fund, expenses \$20,000
Utah	—	
Vermont	—	
Virginia	30,000	Use of home, car, airplane, etc.*
Washington	32,500	Mansion \$16,000, maintenance \$12,000
West Virginia	30,000	Mansion, car*
Wisconsin	25,000	Use of home and car*
Wyoming	—	

\*Executive mansion and/or other expenses, if a value is not specifically stated, are assumed to have a value of at least \$5,000.

TABLE III-B. *State Administrative and Professional Positions*

<i>State</i>	<i>Position</i>	<i>Salary</i>
Alabama	Commissioner, Department of Mental Health	\$30,000 <sup>1</sup>
California	Attorney General	32,000
	Director of Finance	31,835
	Director of Coordinating Council for Higher Education	34,000 <sup>2</sup>
Delaware	Commissioner of Mental Health	35,000
Florida	Director, Inter-American Trade Exposition	50,000
	Superintendent of Education	34,000
	Secretary of State	34,000
	Secretary of Agriculture	34,000
	Comptroller	34,000
	Treasurer	34,000
	Attorney General	34,000
Georgia	Attorney General	30,000
	Department of Public Health:	
	Director	33,348
	Deputy Director	24,984-33,348
	Superintendent, Mental Health Institute	30,252
	Director, Mental Health Division	24,984-33,348
	Assistant Director, Mental Health Division	22,668-30,252
	Director, Medical Division	22,668-30,252
	Superintendent, Mental Health Hospital	22,668-30,252 <sup>3</sup>
	Assistant Superintendent, Mental Health Hospital	20,556-27,540 <sup>3</sup>
Illinois	Secretary of State	— <sup>4</sup>
	Auditor of Public Accounts	— <sup>4</sup>
	Attorney General	— <sup>4</sup>
	Superintendent of Public Instruction	30,000
	State Treasurer	30,000
	State Highway Engineer, Dept. of Public Works and Bldgs.	30,000
Indiana	Commissioner of Mental Health	35,000
	Superintendent of Muscatutuck State Hospital	30,396 <sup>5</sup>
Louisiana	Anesthetist, Charity Hospital, New Orleans	27,500 <sup>6</sup>
	Program Director, Dept. of Hospitals, Baton Rouge, Louisiana	35,000
	Confederate Memorial Center, Shreveport:	
	Radiologist	35,000
	Assistant Radiologist	33,000
Massachusetts	Commissioner of Education	30,000
	Executive Director, Massachusetts Port Authority	36,000
	Commissioner of Mental Health	32,500
Michigan	Attorney General	30,000
	Secretary of State	30,000

See footnotes at end of this table.

TABLE III-B. (CONTD)

<i>State</i>	<i>Position</i>	<i>Salary</i>
Michigan (contd)	Director, Psychiatric Institute (Lafayette Clinic)	\$39,004
	Program Directors (Mental Health) (2)	35,350 each
	Superintendent, Department of Public Instruction	33,500
	Director, Department of Mental Health	39,500
	Director, Department of Public Health	33,500
	Director, State Highway Department	31,000
	Treasurer of Michigan	31,000
	Director of Budget (Executive Office)	31,000
	Medical Superintendents (14)	30,985 each
Mississippi	Director, Research and Development Center	30,000
Missouri	Superintendent, Mental Hospital	28,000 <sup>7</sup>
	Associate Director, Division of Mental Diseases	31,000
New Jersey	Commissioner of Community Affairs	30,000
	Commissioner of Education	30,000
New York	Lieutenant Governor	30,000 <sup>8</sup>
	Comptroller	45,000 <sup>9</sup>
	Attorney General	45,000 <sup>9</sup>
	Comptroller (Dept. of Audit and Control)	45,000 <sup>9</sup>
	Director of Atomic and Space Development	33,500
	Commissioners and equivalent positions (10)	32,000 each <sup>10</sup>
	Director of Veterans' Affairs	29,500 <sup>10</sup>
	Chairman, Workmen's Compensation Board	29,500 <sup>10</sup>
	Attorney General (Dept. of Law)	45,000 <sup>9</sup>
	Commissioners and equivalent positions (20)	35,500 each <sup>10</sup>
	Commissioner of Mental Hygiene	38,000 <sup>10</sup>
North Carolina	Commissioner of Mental Health	30,000
North Dakota	Superintendent, North Dakota State Hospital	32,500 <sup>11</sup>
Pennsylvania	Lieutenant Governor	32,500
	Superintendent, Public Instruction	30,000
	Executive Director, Port Authority, Allegheny County	40,000
	Auditor General	32,500
	State Treasurer	32,500
	Commissioner of Mental Health	30,000
	Executive Deputy Secretary, Department of Public Welfare	30,000
South Dakota	Superintendent, Yankton State Hospital	26,000 <sup>13</sup>
Texas	Manager, Dallas Transit Authority	31,000
	Commissioner, Mental Health and Retardation	26,000 <sup>14</sup>
	Commissioner, Board of Higher Education	26,000 <sup>15</sup>

See footnotes at end of this table.

TABLE III-B. (CONTD)

State	Position	Salary
Texas (contd)	Director, Texas State Department of Correction	\$26,000 <sup>16</sup>
	Director, Texas Research Institute of Mental Sciences	25,000 <sup>17</sup>
Washington	Director, Department of Institutions	31,000
Wisconsin	Secretary, Dept. of Health and Social Services	33,656
	Administrator, Division of Mental Hygiene	32,600
	State Health Officer	31,856

<sup>1</sup> Quarters furnished<sup>2</sup> Top of salary range which begins at \$29,664<sup>3</sup> Plus quarters and utilities<sup>4</sup> Salary of \$30,000 effective January 1, 1969<sup>5</sup> Housing and subsistence<sup>6</sup> Car<sup>7</sup> Plus \$2,000 additional<sup>8</sup> Plus \$20,000 for expenses<sup>9</sup> Plus \$7,000 in lieu of expenses<sup>10</sup> Plus \$3,000 in lieu of expenses<sup>11</sup> House furnished<sup>12</sup> Plus \$5,000 maintenance<sup>13</sup> Plus Hogg Foundation Supplement of \$15,000<sup>14</sup> Plus \$17,500 from foundation<sup>15</sup> Plus house, food, yardman, maid service, and car<sup>16</sup> Plus \$11,000 supplement from Baylor UniversityTABLE III-C. *Mayors, City and County Managers*

State and Jurisdiction	Position	Salary
<b>California</b>		
Oakland	City Manager	\$35,000
Long Beach	City Manager	37,000 <sup>1</sup>
Los Angeles	Mayor	35,000 <sup>2</sup>
Riverside	Manager	31,164
San Diego	City Manager	35,208
San Jose	City Manager	30,048-36,516
San Francisco		
(City & County)	Mayor	38,365
County of Alameda	Administrator	36,000
Contra Costa Co.	Administrator	31,500
County of San Bernardino	Administrative Officer	31,942
County of Santa Barbara	Administrative Officer	22,488-31,440
County of Santa Clara	County Executive	31,200-37,934
County of Ventura	County Executive	30,996
County of Los Angeles	Chief Admin. Officer	31,104-38,520
County of San Diego	Chief Admin. Officer	35,208
County of San Mateo	County Manager	37,128
Orange County	Administrative Officer	36,000
Riverside County	Administrative Officer	31,164
<b>Florida</b>		
Miami	City Manager	29,849 <sup>3</sup>
Dade County	County Manager	32,500
Consolidated Government of Duval County and City of Jacksonville	Mayor	— <sup>4</sup>
<b>Georgia</b>		
Atlanta	Mayor	30,000 <sup>5</sup>
<b>Hawaii</b>		
City and County of Honolulu	Mayor	30,000 <sup>6</sup>
<b>Illinois</b>		
Chicago	Mayor	35,000 <sup>2</sup>
<b>Louisiana</b>		
New Orleans	Mayor	25,000 <sup>7</sup>
<b>Maryland</b>		
Baltimore	Mayor	25,000 <sup>8</sup>
<b>Massachusetts</b>		
Boston	Mayor	40,000
<b>Michigan</b>		
Detroit	Mayor	35,000 <sup>9</sup>
<b>Missouri</b>		
Kansas City	City Manager	32,500
<b>New Jersey</b>		
Newark	Mayor	35,000
Jersey City	Mayor	30,000
<b>New York</b>		
New York City	Mayor	50,000
	Deputy Mayors (2)	37,500 each

See footnotes at end of this table.

TABLE III-C. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
New York (contd)		
Rochester	City Manager	33,000
Erie County	County Executive	32,500
Monroe County	County Executive	33,200
Nassau County	County Executive	30,000
Westchester County	County Executive	40,950
North Carolina		
Charlotte	City Manager	30,000
Ohio		
Cincinnati	City Manager	40,000
Columbus	Mayor	30,000
Pennsylvania		
Philadelphia	Mayor	40,000
Tennessee		
Metro. Nashville (Davidson Co.)	Mayor	27,500 <sup>10</sup>
Texas		
Austin	City Manager	29,500 <sup>11</sup>
Dallas	City Manager	30,000 <sup>12</sup>
San Antonio	City Manager	27,500 <sup>13</sup>
Virginia		
Norfolk	City Manager	33,500
Richmond	City Manager	30,500
Wisconsin		
Milwaukee	Mayor	30,270 <sup>14</sup>
Milwaukee County	County Executive	30,000

<sup>1</sup> Expenses and car, civil service benefits<sup>2</sup> Car and driver<sup>3</sup> Plus \$2,500 expense allowance<sup>4</sup> Salary of \$30,000 effective Oct. 1, 1968<sup>5</sup> Car and actual travel expenses<sup>6</sup> Plus estimated \$7,000<sup>7</sup> Plus \$5,000 contingency fund<sup>8</sup> Plus \$12,000 expense account<sup>9</sup> Plus quarters<sup>10</sup> Plus travel and other allowances—estimated at \$2,500<sup>11</sup> Plus car<sup>12</sup> Plus car and parking; budget request being drafted, salary expected to increase<sup>13</sup> Plus \$5,000 expenses<sup>14</sup> Plus expense allowance—value undeterminedTABLE III-D. *City and County Administrative and Professional Positions*

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
California		
Oakland	Executive Director, Chief Engineer, Port of Oakland	\$30,600
Long Beach	City Attorney	34,051 <sup>1</sup>
Los Angeles	City Attorney	32,000 <sup>2</sup>
	Administrative Officer	37,500 <sup>3</sup>
	Chief of Police	32,820 <sup>2</sup>
	Chief Engineer, Fire Department	32,820 <sup>2</sup>
	City Engineer	31,104 <sup>2</sup>
	Supt. of Building	31,104 <sup>2</sup>
	Director of Planning	31,104 <sup>2</sup>
	Department of Water and Power:	
	Gen. Manager and Chief Engineer	46,000
	Asst. General Manager	43,000
	Asst. Manager and Chief Electrical Engineer	41,183
	Asst. Manager and Chief Engineer, Water Works	41,000
	Chief Engineer, Water Works	41,000
	Chief Asst. City Attorney	41,000
	Assistant to the General Manager	38,500
	Asst. Chief Engineer, Water Works	36,000
	Asst. Chief, Electrical Engineer	36,000
	Auditor, Water and Power	36,000
	Director Industrial Relations	36,000
	Airports Department:	
	General Manager	44,000
	First Deputy General Manager	37,500
	Harbor Department:	
	General Manager	41,000
	First Deputy General Manager	33,000
	Second Deputy General Manager	33,000
	Chief Harbor Engineer	33,000
San Diego	City Attorney	33,528
Alameda Co.	Medical Director	31,018
Los Angeles Co.	Director of Hospitals	25,484–36,416
	Chief Medical Examiner—Coroner	25,008–30,104
	County Assessor	36,516
	District Attorney	36,516

See footnotes at end of this table.

TABLE III-D. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
California (contd)		
Los Angeles Co. (contd)	Sheriff	\$36,516
	County Counsel	25,484-36,416
	Probation Officer	25,704-31,944
	Board of Supervisors (5)	30,572 each
Orange Co.	County Counsel	34,000
	Chief Engineer, Flood Control	32,820
	Health Officer	33,696
	Medical Center Administrator	32,820
	Medical Director	32,820
	Road Commissioner and County Surveyor	32,820
San Diego Co.	Director of Medical Institutions	33,528
	Director of Public Health	33,528
	County Engineer	30,408
San Mateo Co.	Director of Health and Welfare	33,204
Santa Clara Co.	Director, Public Health	30,531
	Director, Medical Institutions	33,651
San Francisco (City and County)	General Manager, Public Utilities	30,708-37,332
	Chief Administrative Officer	30,708-37,332
	Controller	29,964-36,420
	Deputy for Development	29,964-36,420
	Executive Director, Redevelopment Agency	35,556
	Director of Public Health	26,532-32,244
	Secretary and Asst. General Manager, Administrator, Public Utilities	25,884-31,464
	Chief Assistant Controller	25,884-31,464
	Director, Systems and Data Processing	25,884-31,464
	Assessor	31,821
	General Manager and Chief Engineer, Water Department	25,260-30,708
Florida		
Dade County	County Attorney	32,500
Illinois		
Chicago	General Superintendent, Sanitary District	37,500
	Commissioner of Planning and Development	30,000
	Chairman and Commissioner of Urban Renewal	30,000
	Superintendent of Police	30,000
	Fire Commissioner	30,000
	Corporation Counsel	30,000
Louisiana		
Orleans Parish	Attorney to assist the Inheritance Tax Collector	80,000 (fees) <sup>4</sup>
New Orleans	Director, Port of New Orleans	30,000

See footnotes at end of this table.

TABLE III-D. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Massachusetts		
Boston	Commissioner of Health and Hospitals	\$35,000
	Director, Boston Redevelopment Authority	35,000
Maryland		
Baltimore	Director of Finance	30,750
	City Solicitor	30,000
	Director of Public Works	30,000
Michigan		
Wayne County	Public Health Director, City-County	33,170
	Community Mental Health Director	32,100
	County Medical Examiner	30,670
	General Superintendent, Wayne Co. General Hospital	30,670
	Managing Director—Roads	30,000
	Health Commissioner	31,000
	Police Commissioner	30,000
Detroit		
Minnesota		
Henepin County	Budget & Purchasing Director	
	General Hospital	23,712-33,360
	Chiefs of Medical Specialties (7), General Hospital	24,900-33,360 each
	Hospital Director	22,584-31,176
Missouri		
St. Louis Co.	Hospital Commissioner	22,500-28,700 <sup>5</sup>
Kansas City	Director, Health Department	30,000
St. Louis	Hospital Commissioner	25,000 <sup>6</sup>
New Jersey		
Bergen Co.	Superintendent of Bergen Pines County Hospital	38,000
	Executive Director, Jersey City Medical Center	33,000
	Executive Director, Newark Housing Authority	35,629
Jersey City		
Newark		
New York		
Nassau Co.	Commissioner of Health	33,000
	Superintendent, Meadowbrook Hospital	34,000
	Director of Anesthesiology	32,000
	Director of Clinical Laboratory	32,000
	Director of Psychiatry	32,000
	Director of Obstetrics and Gynecology	32,000
	Director of Radiology	32,000
	Director of Pediatrics	32,000
	Director of Internal Medicine	32,000
	Chief of Surgery	32,000
	Consultant for Physical Medicine and Rehabilitation	32,000

See footnotes at end of this table.

TABLE III-D. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
New York (contd) Westchester Co.	Budget Director	\$31,980
	County Attorney	31,980
	District Attorney	31,980
	Commissioner of Hospitals	31,980
	Commissioner of Health	31,980
	Commissioner of Public Works	31,980
	Commissioner of Social Services	31,980
	Director, Community Mental Health Board	31,980
	Assistants to Mayor (2)	30,000 each
	Director of Budget	40,000
New York City	Comptroller	40,000
	Deputy Comptroller	35,000
	Director of Finance	35,000
	President, City Council	35,000
	Human Resources Adminis- trator	40,000
	First Deputy Human Re- sources Administrator	35,000
	Deputy Human Resources Administrators (2)	32,500 each
	Borough Presidents (5)	35,000 each
	Corporation Counsel	35,000
	District Attorneys (4)	37,000 each
	Chairman, Office of Collective Bargaining	35,000
	Metropolitan Transit Authority:	
	Chairman of the Board	70,000
	Executive Officers (4)	35,000 each
	General Counsel	32,500
	Chairman, Housing Authority	35,000
	Administrator, Housing and Development	35,000
	Deputy Administrators (2)	30,000 each
	Commissioners of:	
	Manpower and Career Development	35,000
	Parks	35,000
	Police	35,000
	Community Development	32,500
	Public Works	32,500
	Welfare	32,500
	Fire	30,000
	Investigation	30,000
	Sanitation	30,000
	Traffic	30,000
	Chairman, City Planning Commission	32,500
	Health Services Administrator	37,500
	Commissioners, Health Services (2)	35,000 each
	Assistant Commissioners (2)	30,000 each
	Administrator, Environmental Protection	35,000

TABLE III-D. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
New York (contd) New York City (contd)	Deputy Administrator	\$31,500
	Administrator, Economic Development	35,000
	Director, Mental Health Board	30,000
	Director, Educational Liaison	30,000
	Director, Lower Manhattan Development	30,000
	Personnel Director	30,000
Ohio Cincinnati	Administrative Officer—Board of Hamilton Co. Commissioners	30,000
Pennsylvania Philadelphia	Director of Finance	34,000
	City Representative and Director of Commerce	34,000
	City Solicitor	34,000
	City Controller	31,500
	District Attorney	31,500
	Managing Director	34,000
	Water Commissioner	31,500
	Deputy Health Commissioner	
	Community Health Service	27,960–31,734
	Medical Examiner	29,218–31,734
	Philadelphia General Hospital:	
	Chief Radiologist	37,000
	Radiation Therapist	33,000
	Nuclear Medicine Radiologist	33,000
	Chief Anesthesiologist	34,000
Texas Dallas Houston	City Attorney	28,500 <sup>7</sup>
	Executive Director, Navigation District	36,000 <sup>8</sup>
	Chief Medical Examiner	30,500 <sup>8</sup>
	General Manager, San Antonio Public Service Board	40,000 <sup>8</sup>
Wisconsin Milwaukee Co.	Director, Milwaukee Co. Institutions	30,167 <sup>9</sup>

<sup>1</sup> Plus expenses and car, civil service benefits<sup>2</sup> Car and driver<sup>3</sup> Car<sup>4</sup> Plus miscellaneous expenses<sup>5</sup> Plus \$10,000 maintenance<sup>6</sup> Plus \$5,000 (includes house, utilities, and car)<sup>7</sup> Plus car and parking; budget request being drafted, salary expected to increase<sup>8</sup> Plus expenses<sup>9</sup> Plus use of home

TABLE III-E. *School Superintendents and Other Public School Officers*

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
California		
Long Beach	Superintendent of Schools	\$35,000
Los Angeles Co.	Superintendent of Schools	30,560
Los Angeles	City School Board:	
	Superintendent of Schools	49,000 <sup>1</sup>
	Deputy Superintendents of Schools (2)	38,000 each <sup>1</sup>
	Associate Superintendents of Schools (6)	36,242 each <sup>1</sup>
	Assistant Superintendents of Schools (20)	30,537 each <sup>1</sup>
	Assistant Superintendent of Schools (colleges)	31,477 <sup>1</sup>
	Business Manager	36,516 <sup>1</sup>
	Controller	32,820 <sup>1</sup>
	Buildings and Grounds Services Administrator	31,104 <sup>1</sup>
	Business Services Administrator	31,104 <sup>1</sup>
Oakland	Superintendent, Oakland City Schools	30,000
San Bernardino	Superintendent of Schools	32,500
San Diego	Superintendent of Schools, San Diego Unified School District	45,000
	Associate Superintendent (Services to Schools), San Diego Unified School District	31,252
	Superintendent of Schools, Sweetwater Union High School District	30,500
City and County of San Francisco	Superintendent of Schools	35,000
San Jose	Superintendent of Schools	30,000
Colorado		
City and County of Denver	Superintendent, Denver Public Schools	32,500 <sup>2</sup>
Florida		
Brevard Co.	Superintendent, Board of Public Instruction	28,900 <sup>3</sup>
Dade Co.	Superintendent, Board of Public Instruction	33,000
Georgia		
Dekalb Co. (Metro. Atlanta Area)	Superintendent of Schools	28,752 <sup>4</sup>
Illinois		
Chicago	Superintendent of Schools	48,500
	Attorney, Chicago Board of Education	30,000

See footnotes at end of this table.

TABLE III-E. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Maryland		
Baltimore	Superintendent of Public Instruction	\$50,000
Massachusetts		
Boston	Superintendent of Schools	35,000 <sup>5</sup>
Michigan		
Detroit	Superintendent, Board of Education	35,000
Minnesota		
Anoka	Superintendent of Schools	32,000
Minneapolis	Superintendent of Schools	35,000
Nebraska		
Omaha	School Superintendent	30,500
New Jersey		
Newark	Superintendent of Schools	30,000
New York		
Buffalo	Superintendent of Schools	32,000
New York City	Superintendent of Schools	46,500
	Executive Deputy Superintendent of Schools	35,250
	Deputy Superintendents of Schools (5)	31,500 each
	Assistant Superintendents of Schools or equivalent (20)	30,000 each
	Superintendent of Schools	35,000
Rochester		
Ohio		
Cincinnati	Superintendent, Cincinnati Public Schools System	30,000
Cleveland	Superintendent of Schools	39,500
Columbus	Superintendent of Schools	30,900
Shaker Heights	Superintendent of Schools	31,315
Toledo	Superintendent of Schools	30,300
Oregon		
Portland	Superintendent, Portland Public Schools, Multnomah County District #1	30,000
Pennsylvania		
Philadelphia	Superintendent of Public Schools	36,000
Pittsburgh	Superintendent of Public Schools	36,720
Tennessee		
Davidson County and City of Nashville	Metropolitan Director of Schools	30,000 <sup>6</sup>
Texas		
Dallas	Superintendent, Dallas Independent School District	37,500
Houston	Superintendent, Houston Independent School District	30,000 <sup>2</sup>
San Antonio	Superintendent, San Antonio Independent School District	32,000

See footnotes at end of this table.

TABLE III-E. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Virginia		
Norfolk	Superintendent of Schools	\$32,500 <sup>7</sup>
Richmond	Superintendent of Schools	35,000 <sup>8</sup>
Washington		
Seattle	Superintendent, Seattle Public Schools	30,000
Wisconsin		
Milwaukee	Superintendent, Milwaukee Public Schools	31,000

<sup>1</sup> Board car—Los Angeles City School Board salaries are listed at top of a three step range—18 months to maximum step

<sup>2</sup> Plus car

<sup>3</sup> Car, travel, and other expenses

<sup>4</sup> Car, actual travel and other expenses

<sup>5</sup> Salary of \$35,000 effective September 1, 1968

<sup>6</sup> Plus actual travel expenses

<sup>7</sup> Plus \$360 expenses

<sup>8</sup> Plus use of car

TABLE III-F. Public University Presidents, Officers, and Faculty Members

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Arizona	University of Arizona:	
	President	\$36,000 <sup>1</sup>
	Dean, College of Medicine	30,000
	President, Arizona State University	32,900 <sup>1</sup>
Alabama	President, University of Alabama	35,000 <sup>2</sup>
	University of Alabama School of Medicine (Birmingham):	
	Administrator	50,000
	Department Chairmen (15)	30,000–35,000 each
	President, Auburn University	30,000 <sup>2</sup>
Alaska	President, University of Alaska	29,700 <sup>3</sup>
California	University of California:	
	President	45,000
	Vice President	42,500
	Vice President for Administration	37,000
	Vice President, Business and Finance	32,500
	General Counsel for the Regents	39,500
	Treasurer of the Regents	39,000
	Chancellor at Berkeley	42,000
	Chancellor at Los Angeles	37,500
	Chancellors, various campuses (3)	37,000 each
	Chancellors, various campuses (2)	35,000 each
	Chancellors, various campuses (2)	32,000 each <sup>4</sup>
	Chancellor, San Francisco Campus	32,500
	Nobel Laureates (12)	33,600 each
	Professors (4)	31,100 each
	Dean, Hastings College of Law	32,600
	School of Medicine:	
	Dean, Davis Campus	37,500
	Dean, Los Angeles Campus	38,500
	Dean, San Francisco Campus	32,000
	Dean, San Diego Campus	32,500

See footnotes at end of this table.



TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
California (contd)	State Colleges:	
	Chancellor	\$42,098
	Executive Vice Chancellor	27,288-34,836
	Vice Chancellor, Busi- ness Affairs	27,288-34,836
	Vice Chancellor, Academic Affairs	27,288-34,836
	Assistant Chancellor, Faculty and Staff Affairs	27,288-34,836
	Presidents (19)	27,288-33,180 each
	President, San Bernar- dino Valley Junior College	28,250 <sup>70</sup>
	President, University of Colorado	31,500 <sup>5</sup>
	President, Colorado State University	30,000 <sup>6</sup>
Connecticut	President, University of Connecticut	34,960 <sup>7</sup>
	Director, Commission for Higher Edu- cation	32,730
Florida	President, Florida State University	28,250 <sup>8</sup>
	Professorships, Florida State University (9)	30,000 each
	President, University of Florida	30,000 <sup>8</sup>
	Professorships, University of Florida (7)	30,000 each
	President, University of South Florida	27,000 <sup>8</sup>
	President, Miami-Dade Junior College	32,500
	Chancellor, Board of Regents	39,000 <sup>87</sup>
Georgia	Vice Chancellor, Board of Regents	31,000 <sup>9</sup>
	President, University of Georgia	27,000 <sup>10</sup>
	President, Medical College of Georgia	33,000 <sup>10</sup>
	President, Georgia Institute of Tech- nology	31,000 <sup>10</sup>
	President, University of Hawaii	32,905 <sup>11</sup>

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Idaho	President, University of Idaho	\$26,500 <sup>12</sup>
	University of Illinois:	
Illinois	President (Urbana)	50,000 <sup>13</sup>
	Chancellor	35,500 <sup>14</sup>
	Provost	39,500
	Vice President (Comptroller)	39,500
	Legal Counsel	31,500
	Vice President	35,500
	Director of Physical Plant	32,500
	Vice Chancellor	34,500
	Deans of Colleges:	
	(4)	30,000 each
	(2)	30,500 each
	(1)	31,000
	(1)	32,000
	(1)	32,500
	Professors:	
	(2)	30,000 each
	(1)	31,250
	(1)	31,500
	(1)	34,000
	University of Illinois, Chicago Medical School:	
	Chancellor	35,500 <sup>15</sup>
	Medical Director	34,000
	Dean	34,000
	Professors:	
	(1)	30,200
	(1)	30,400
	(1)	30,600
	(1)	34,000
	(2)	35,000 each
	(1)	35,500
	(1)	36,000
	(1)	39,500
	University of Illinois, Chicago Circle Campus:	
	Chancellor	35,500 <sup>15</sup>
	State Universities:	
	President, Northern Illinois University	36,000
	President, Illinois State University at Normal	33,600
	President, Western Illinois University	36,000
	President, Eastern Illinois University	36,000
	President, Illinois Teachers College (North)	32,400

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Illinois (contd)		
State Universities (contd)	President, Illinois Teachers College (South)	\$32,400
	President, Southern Illinois University	36,000 <sup>14</sup>
Indiana	Indiana University:	
	President	45,000 <sup>16</sup>
	Vice President	32,000
	Chairman of School	37,992
	Professor and Chairman	33,250
	Dean	32,496
	Chairman of School	32,000
	Unclassified	30,996
	Professor	30,290
	Professor	30,000
	Dean	30,000
	Ball State University:	
	President	36,000 <sup>16</sup>
	Indiana State University:	
	President	31,992 <sup>16</sup>
	Purdue University:	
	President	43,500 <sup>16</sup>
	Vice President and Treasurer	37,000
	Staff Administrators (5)	32,000 each
	Distinguished Professors (2)	36,000 each
	Distinguished Professor	34,500
	Vice President and Dean of Graduate School	32,000
	Staff Administrator	37,875
	Professors (2)	30,000 each
	Office Staff Administrators (2)	30,000 each
	Head Professor	30,000
	Distinguished Professor	30,000
Iowa	President, Iowa State University, Ames	31,250 <sup>17</sup>
	President, State University of Iowa, Iowa City	31,250 <sup>18</sup>
	Vice President, University of Iowa	32,500
	Dean, College of Medicine, University of Iowa	34,000

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Kansas	Chancellor, University of Kansas	\$35,000
	President, Kansas State University	33,000
	President, Wichita State University	— <sup>19</sup>
Kentucky	University of Kentucky:	
	President	— <sup>68</sup>
	Executive Vice President	32,500
	Vice President, Medical Center	34,000
	Vice President, Business Affairs	32,500
	Assistant Vice President, Medical Center	31,500
	Dean, College of Medicine	36,500
	Medical Professors and Department Chairmen	
	(1)	36,500
	(4)	35,000 each
	(2)	34,000 each
	(1)	33,000
	Medical Professors:	
	(1)	\$33,000
	(2)	32,000 each
	(1)	31,000
	President, Murray State University	32,000
	President, Morehead State University	33,000
	President, Western Kentucky State University	30,000
	President, Eastern Kentucky State University	30,000
	University of Louisville (Municipal):	
	Professor, Department of Radiology	36,000
	Assistant Professor, Department of Radiology	34,800
	Assistant Professor of Medicine	35,000
Louisiana	Louisiana State University System:	
	President	35,000 <sup>20</sup>
	Louisiana State University—Baton Rouge:	
	Chancellor	28,500 <sup>21</sup>
	Executive Vice President	29,175 <sup>22</sup>

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Louisiana (contd)		
Louisiana State University	Vice President for Academic Affairs	\$27,500 <sup>22</sup>
—Baton Rouge (contd)	Dean, School of Law Academic Professors	27,800 <sup>22</sup>
	(7)	27,000–29,500 each <sup>22</sup>
Louisiana State University—Shreveport:		
	Director, Medical School	32,000
Medical School—Louisiana State University at New Orleans:		
	Director	33,500 <sup>22</sup>
	Assistant to the Director	27,500 <sup>22</sup>
Louisiana State University Medical School:		
	Chancellor	28,000 <sup>23</sup>
	Dean	30,000 <sup>24</sup>
	Head, Pathological Department	30,000
Louisiana State University at New Orleans:		
	Chancellor	32,000 <sup>25</sup>
Medical School—Louisiana State University at New Orleans:		
	Academic Professors (13)	28,050–33,300 each <sup>22</sup>
Other Colleges:		
	President, Francis T. Nichols College, Thibodaux	25,000 <sup>26</sup>
	President, Grambling College, Grambling	25,000 <sup>26</sup>
	President, Louisiana Tech.—Rustin	25,000 <sup>26</sup>
	President, McNeese State College, Lake Charles	25,000 <sup>26</sup>
	President, Northeastern Louisiana State College, Monroe	25,000 <sup>26</sup>
	President, Northwestern State College, Natchitoches	25,000 <sup>26</sup>
	President, Southeast Louisiana State College, Hammon	25,000 <sup>26</sup>
	President, University of Southwestern Louisiana, Lafayette	25,000 <sup>26</sup>

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Louisiana (contd)	President, Southern University System—Baton Rouge	\$25,000 <sup>26</sup>
Maryland	President, University of Maryland	35,000
Massachusetts	President, University of Massachusetts	30,000 <sup>27</sup>
	Chancellor, Board of Higher Education	30,000
Michigan	Michigan State University:	
	President	38,000
	Vice President (Director of Student Health)	30,000
	Vice President (Provost)	34,000
	Vice President (Business Administration)	37,000
	University of Michigan:	
	President	49,000
	Vice President (Business and Finance)	40,000
	Vice President (Executive)	39,500
	Vice President (Academic)	39,000
	Vice President (Research)	33,000
	Vice President (Student Affairs)	30,000
	Vice President (University Relations)	31,000
	Wayne State University:	
	President	40,000
	Vice President (Executive)	33,000
	Vice President (Research)	30,000
	Vice President (University Relations)	30,000
Minnesota	Chancellor, State College Board	32,500
	University of Minnesota:	
	President	42,000 <sup>28</sup>
	Vice President for Business Affairs	33,250
	Vice President for Academic Administration	33,000
	Vice President for Educational Relationships and Development	33,000

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Minnesota (contd)	Assistant Vice President for Academic Administration	\$30,000
University of Minnesota (contd)	Dean of the Law School	30,000
	Dean of the Medical School	31,000
	Directors, Medical Specialities (5)	30,000 each
Missouri	University of Missouri:	
	President	30,000 <sup>29</sup>
	Chancellor	28,000 <sup>30</sup>
	Dean, Dental School	30,000
Nebraska	University of Nebraska:	
	Chancellor	35,000 <sup>31</sup>
	Vice Chancellor	30,000
	President (Omaha)	30,000
	President (Medical Center)	36,000
Nevada	University of Nevada:	
	Chancellor	26,700 <sup>32</sup>
	Vice Chancellor and Director of Desert Research	28,000 <sup>33</sup>
	President (Reno Campus)	26,700 <sup>32</sup>
	President, Nevada Southern University	26,700 <sup>32</sup>
New Hampshire	President, University of New Hampshire	30,000 <sup>33</sup>
New Jersey	Chancellor of Higher Education	32,000
	Rutgers State University:	
	President	32,000
	Dean of Medical School	30,410
	Chairman, Department of Psychiatry	30,801
	Professor of Pathology	30,801
	Director, Psychiatric Clinic	30,801
	Dean of Law School at Newark	30,410
	Dean of Law School at Camden	30,410
	Dean of Graduate School of Education	30,410
	Dean of Faculty of Liberal Arts	30,410
New York	State University:	
	President and Commissioner of Higher Education	45,000 <sup>34</sup>

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
New York (contd)	Chancellor	\$45,000
State University (contd)	Vice Chancellors (4)	31,000 each
	Presidents (10)	30,000-38,500 each
	Vice Presidents (5)	30,000 each
	Provosts (7)	30,000 each
	Deans (9)	30,000-36,000 each
	Professors (31)	30,000-45,000 each
	New York City Colleges and Universities:	
	Chancellor	40,000
	Provost	32,000
	Presidents (8)	35,000 each
	Presidents (7)	30,000 each
North Carolina	Consolidated University of North Carolina:	
	President	34,000 <sup>36</sup>
	Vice President, Academic Affairs	32,000
	University of North Carolina:	
	Chancellor (Chapel Hill)	32,000 <sup>36</sup>
	Chancellor (Raleigh)	31,500 <sup>36</sup>
	Chancellor (Greensboro)	31,000 <sup>36</sup>
	Chancellor (Charlotte)	31,000 <sup>37</sup>
	President, East Carolina University	28,000 <sup>37</sup>
	President, Western Carolina University	27,000 <sup>37</sup>
	President, Appalachian State University	27,000 <sup>37</sup>
	Superintendent of Public Instruction	40,000
	Chancellor, Ohio Board of Regents	40,000
Ohio	Ohio State University:	
	President	40,000 <sup>38</sup>
	Vice President, Business and Finance	33,888
	Academic Vice President and Provost	34,968
	Dean, College of Medicine	33,069
	Dean, Medical School	36,276
	Associate Dean, Medical School	33,132
	Director, University Hospital and Assistant Dean, Medical School	31,608

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Ohio (contd) State University (contd)	President, Akron State University	\$30,000 <sup>39</sup>
	President, Bowling Green State University	30,000 <sup>39</sup>
	President, Cleveland State University	30,000 <sup>39</sup>
	President, Kent State University	30,000 <sup>39</sup>
	President, Miami University	30,000 <sup>39</sup>
	President, Ohio University	40,000
	President, University of Toledo	30,000 <sup>39</sup>
	President, Wright State University	30,000 <sup>39</sup>
	President, Youngstown State University	30,000 <sup>39</sup>
	President, University of Cincinnati	35,000 <sup>40</sup>
	Vice Presidents, University of Cincinnati (2)	30,000 each
	Chancellor (for higher education) State of Oklahoma	30,000 <sup>43</sup>
	President, University of Oklahoma	30,000 <sup>41</sup>
Oklahoma	President, Oklahoma State University	29,000 <sup>42</sup>
	University of Oregon: President	32,500 <sup>45</sup>
	University of Oregon Medical School: Dean	35,000 <sup>44</sup>
Oregon	Dean of Faculties	32,500
	Chairman, Department of Dermatology	30,000
	Chairman, Department of Psychiatry	30,000
	Chairman, Department of Surgery	30,000
	Director, Division of Crippled Children	30,000
	Chairman, Department of Medicine	30,000
	Chairman, Department of Obstetrics and Gynecology	30,000
	Chairman, Department of Radiation and Therapy	30,000

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Oregon (contd) University of Oregon (contd)	Chairman, Department of Pediatrics	\$30,000
	Chancellor, State Colleges	35,256 <sup>86</sup>
	President, Oregon State University	32,500 <sup>45</sup>
Rhode Island	President, Portland State College	32,500 <sup>45</sup>
	President, University of Rhode Island	30,000
	Chancellor, State Colleges	30,000
South Dakota	President, South Dakota State University	28,500 <sup>46</sup>
	President, University of Tennessee	25,000 <sup>47</sup>
Tennessee	University of Texas System: Chancellor	30,000 <sup>48</sup>
Texas	Vice Chancellor for Academic Affairs	26,000 <sup>49</sup>
	University of Texas: Dean, College of Education	32,000
	Dean, School of Arts and Sciences	33,000
	Dean, School of Law	34,000
	Dean, School of Business Administration	33,000
	Dean, School of Engineering	33,000
	Chairman and Professor of Linguistics Department	27,000 <sup>50</sup>
	Chairman and Professor of Zoology Department	32,000 <sup>51</sup>
	Director, Graduate School of Library Science	30,000
	Chairman and Professor of Psychology Department	30,000
	Professor of Botany and Dean of Graduate School	20,000 <sup>52</sup>
	Professor of Zoology	22,500 <sup>53</sup>
	Welch Professor of Chemistry	32,000
	Professor of Philosophy	30,000
	Ashbel Smith Professor of Physics	30,000

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Texas (contd) University of Texas (contd)	Professor of Electrical Engineering	\$27,500 <sup>54</sup>
	University Professor in the Arts	22,500 <sup>55</sup>
	Athletic Director and Head Football Coach	30,000
	Dean and Director, Medical School at Galveston	22,500 <sup>56</sup>
	Dean, Medical School at Dallas	22,500 <sup>57</sup>
	Texas Tech University: President	24,000 <sup>58</sup>
	University of Houston: President	24,000 <sup>59</sup>
	Office of Senior Vice President and Treasurer	32,800
	Texas A & M University: President	24,000 <sup>60</sup>
	Academic Vice President and Dean of the Graduate School	30,000
	Dean of Geophysics and Professor of Meteorology	36,000
	Dean of Sciences and Professor of Physics	36,000
	Chairman, Department of Chemistry	28,638 <sup>61</sup>
	Professor of Statistics and Director of Graduate Institute	31,500
	Chairman, Department of Mathematics	30,000
	Dallas County Junior College: Chancellor	38,600 <sup>62</sup>
	San Antonio Junior College Tax District, Bexar County: President	25,000 <sup>62</sup>
	President, Utah State University	27,500 <sup>63</sup>
	President, University of Utah	28,000 <sup>63</sup>
	University of Vermont, College of Medicine: Dean	34,000
	Chairman, Surgery Department	30,500
Utah		
Vermont		

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Virginia	Virginia Polytechnic Institute: President	\$31,000
	Professor	32,000
	Medical College of Virginia: Professor and Dean of School of Medicine	30,000
	Professor, Chairman, Neurosurgery	31,406
	Professor, Chairman, Obstetrics	33,000
	Professor, Chairman, Pediatrics	33,000
	Professor, Chairman, Medicine	33,000
	University of Virginia: President	31,000
	Professor and Dean, School of Law	32,000
	Professors:	
	(1)	36,000
	(2)	34,000 each
	(2)	33,000 each
	(2)	32,000 each
	(1)	31,500
	(19)	30,000 each
	Associate Professors (5)	30,000 each
	University of Virginia Medical Center: Professor and Chancellor	36,000
	Professor and Dean of Medicine	36,000
	Professor and Dean of Faculty, Arts and Science	30,000
	Professor and Dean of School of Medicine	30,000
	Professor and Chairman of Physiology	30,000
	Professor and Chairman of Dermatology	30,000
	Professor and Chairman of Neurosurgery	30,000
	Professor and Chairman of Obstetrics and Gynecology	30,000
	Professor and Chairman of Orthopedics	38,000

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Virginia (contd)	Professor and Chairman of Preventive Medicine	\$30,000
University of Virginia (contd)	Professor and Chairman of Surgery	40,000
	Professor and Chairman of Psychiatry	36,000
West Virginia	President, West Virginia University	35,000 <sup>64</sup>
Wisconsin	Executive Director, State Coordinating Committee for Higher Education	37,500
	Director, State Universities System	35,000
	University of Wisconsin:	
	President	47,000 <sup>65</sup>
	Vice President	37,250
	Vice President	37,000
	Chancellor (Madison)	36,000 <sup>65</sup>
	Chancellor (Milwaukee)	32,500 <sup>65</sup>
	Dean	35,000
	Deans (4)	32,500 each
	Dean	30,000
	Wisconsin State Universities:	
	President, Eau Claire	30,500
	President, LaCrosse	30,500
	President, Oshkosh	30,500
	President, Platteville	30,500
	President, River Falls	30,500
	President, Stevens Point	30,500
	President, Stout	30,500
	President, Superior	30,000
	President, White-water	30,000
Washington	University of Washington:	
	President	50,000
	Vice President	40,000
	Vice President, Business and Finance	37,000
	Vice President, Academic Affairs	34,500
	Vice President, Research	30,000
	Vice President, University Relations	30,000
	Dean, Arts and Sciences	30,000

See footnotes at end of this table.

TABLE III-F. (CONTD)

<i>State and Jurisdiction</i>	<i>Position</i>	<i>Salary</i>
Washington (contd)	Dean, Business Administration	\$30,000
University of Washington (contd)	Dean, Engineering	30,000
	Dean, Graduate School	30,500
	Dean, School of Medicine	40,000
	Dean, School of Dentistry	33,500
	Chairman, Department of English	30,500
	Chairman, Department of Bio-Chemistry	32,500
	Chairman, Department of Biological Structure	31,600
	Chairman, Department of Micro-Biology	31,600
	Chairman, Department of Pathology	32,800
	Chairman, Department of Physiology and Bio-Physics	30,000
	Chairman, Department of Preventive Medicine	32,500
	Chairman, Department of Surgery	30,500
	Director, Primate Center	30,700
	Director, King County Hospital Medical Center	30,000
	Director, Applied Physics Laboratory	32,000
	Professor, Medicine	32,000
	Professor, Medicine	31,000
	Professor, Pediatrics	30,100
	President, Washington State University	37,500

<sup>1</sup> Plus estimated \$4,000 for housing and car allowances<sup>2</sup> Plus quarters and actual travel expenses<sup>3</sup> Plus home \$3,600; servants \$6,000<sup>4</sup> Exact salaries are unknown; the minimum salary for chancellors at the University of California is \$32,000<sup>5</sup> Plus estimated \$2,500 for quarters, car, and entertainment allowances<sup>6</sup> Plus estimated \$2,500 for quarters and car<sup>7</sup> Plus housing and services, value undetermined<sup>8</sup> Plus \$3,200<sup>9</sup> Plus \$3,000 subsistence<sup>10</sup> Plus quarters and actual travel expenses<sup>11</sup> Plus estimated \$25,000<sup>12</sup> Plus house and maintenance \$3,600<sup>13</sup> Plus mansion, car, household servants<sup>14</sup> Plus house<sup>15</sup> Plus car<sup>16</sup> Plus house and utilities

TABLE III-F. (CONTD)

17	Plus \$342.15 for travel and subsistence
18	Plus \$2,018.88 for travel and subsistence
19	Salary of \$31,000 effective Sept. 3, 1968
20	Plus \$7,500 for car, house, and utilities
21	Plus car and \$3,000 living allowance
22	Plus fringe benefits (insurance and annuities) equal to 10% of salary
23	Plus house, \$6,000
24	Plus car and expense account
25	Plus car and \$3,000 living expenses
26	Plus house, car and \$1,600 for house expenses
27	Plus house
28	Plus \$7,000—includes house, car, and personal expense allowance
29	Plus house—estimated at \$2,500
30	Plus \$3,000 house and expenses
31	House rent of \$5,700 paid by University
32	Plus \$1,200 housing allowance; \$2,400 entertainment host allowance; children may attend university free
33	Plus house
34	Plus \$5,000 in lieu of expenses
35	Majority in range of \$30,000 to \$32,000; one at \$45,000
36	Plus car and home
37	Quarters furnished
38	Plus on campus housing
39	Housing furnished
40	Plus house and two housekeeping aids
41	Plus house and utilities
42	Salary rounded to nearest dollar; plus housing and utilities
43	Plus \$4,800 for quarters
44	Plus \$1,500 expense account
45	Plus house \$2,400; and \$2,000 expense account
46	Plus \$2,500 for house and utilities
47	Plus quarters \$3,600; car, actual travel expenses and undetermined entertainment allowance
48	Plus \$21,000 from foundations
49	Plus \$14,000 from faculty improvement fund
50	Plus \$9,000 research grant
51	Plus \$10,660 research grant
52	Plus \$10,000 research grant
53	Plus \$7,500 research grant
54	Plus \$9,000 research grant
55	Plus \$7,500
56	Plus \$15,000 from foundation
57	Plus \$11,000 from foundation
58	Plus \$19,000 from foundation
59	Plus \$19,500 from foundation
60	Plus \$11,000 from foundation
61	Plus \$6,362
62	Plus \$5,000 expenses
63	Estimated \$3,900 for quarters and car furnished
64	Plus estimated \$7,000 for home and car
65	Plus use of house and car
66	Plus house \$2,400, and expense account \$2,000
67	Quarters furnished, plus \$6,500 subsistence allowance
68	Position vacant, this position was paid \$35,000 in 1967
69	Plus \$2,400 entertainment host allowance
70	Plus health insurance \$160; retirement \$861; car \$1,500

TABLE III-G. Public Corporation Positions

Location	Name of Authority & Positions	Salary
California	East Bay Municipal Utilities District:	
	General Manager	\$43,800
	Chief Engineer, Asst. Gen. Mgr.	33,996
	Attorney	30,504
	Bay Area Rapid Transit District:	
	General Manager	35,196-42,792
	Director of Development and Operations	28,956-35,196
	Director of Finance, Controller, Treasurer	26,268-31,932
	Transit Advisor to Gen. Mgr.	26,268-31,932
	Metropolitan Water District of Southern California:	
	General Manager	33,000
	General Counsel	30,000
	Southern California Rapid Transit District:	
	General Manager	— <sup>1</sup>
Indiana	Acting General Manager	30,000
	San Francisco Port Authority:	
	Director	31,752
	Citizens Gas & Coke Utility, Indianapolis (Quasi-public):	
Maryland	General Manager	56,000
	Assistant Manager	33,000
	Executive Director Gas Operations	30,000
Maryland	Maryland Port Authority:	
	Director	35,000
Massachusetts	Massachusetts Bay Transportation Authority:	
	General Manager	40,000
New York	Port of New York Authority:	
	Executive Director	70,000
	Deputy Executive Director	49,500
	General Counsel	49,500
	Director of Finance	49,500
	Director, Port Development	45,000
	Director, Marine Terminals	45,000
	Director of Administration	45,000
	Chief Engineer	45,000
	Director, World Trade	45,000
	Director, Aviation	45,000
	First Deputy Director, Aviation	42,000
	Director, Organization & Procedures	40,000
	Comptroller	39,000
	Personnel Director	39,000
	Director of Public Affairs	38,000
	Director, Tunnels & Bridges	37,800
	Director, Terminals	37,000
	Asst. General Counsel	36,010
	Treasurer	35,776
	Director, Real Estate	35,000
	Chief, Contract Division	34,190

<sup>1</sup> Position vacant—salary negotiable—it was \$40,000 in January 1967.



TABLE III-G. (CONTD)

Location	Name of Authority & Positions	Salary
New York (continued)	Port of New York Authority (contd):	
	Chief, Leases & Operations Agreements Division	34,190
	Chief, Opinions & Appeals Division	34,190
	New Jersey Solicitor	34,190
	Asst. Director of Aviation Project Development	34,034
	Chief Architect	34,008
	Deputy Director, Marine Terminals	33,566
	Deputy Chief Engineer	33,514
	Chief of Construction, Newark Airport Redevelopment	33,306
	Deputy Comptroller	33,046
	Chief, WTC Planning & Construction	33,020
	Asst. Chief Engineer for Design	32,578
	Director, Rail Transportation	33,000
	Asst. Director of Finance	32,526
	Deputy Director, Port Development	32,526
	Chief, Central Planning	32,526
	Radio & Television Director	32,500
	Deputy Director, Tunnels & Bridges	33,072
	Engineer of Research & Development	31,694
	Manager, Construction Division	31,096
	Director of Port Commerce	31,096
	Project Director, Newark Airport Redevelopment	31,096
	Asst. Director of Avia. for Business Administration	31,018
	Chief, WTC Rentals & Development	31,018
	Triboro Bridge & Tunnel Authority:	
	Executive Officer & Chief Engineer	40,500
	Deputy Chief Engineer	35,000
	Counsel to Triboro Bridge Authority	40,000
	Comptroller	32,000
	New York State Thruway Authority:	
	Executive Director	32,000
	Niagara Frontier Port Authority:	
	Executive Director	33,000
	Chairman of the Board	30,000
Pennsylvania	Southeastern Pennsylvania Transportation Authority:	
	General Manager	45,000
	Delaware River Port Authority of Pennsylvania & New Jersey:	
	Executive Director	40,000
	Director of Engineering and Planning	37,972

TABLE III-H. Judiciary

State and Jurisdiction	Court and Position	Salary
California	Supreme Court:	
	Chief Justice	\$41,578 <sup>1</sup>
	Associate Justices (6)	39,132 each <sup>1</sup>
	District Courts of Appeal:	
	Justices (39)	36,687 each <sup>1</sup>
	Superior Courts:	
	Judges (394)	30,572 each <sup>1</sup>
	Administrative Director, California Courts	31,500
Connecticut	Supreme Court:	
	Chief Justice	33,000
	Chief Court Administrator	33,000
Florida	Supreme Court Justices (5)	34,000 each
Illinois	Supreme Court:	
	Justices (7)	37,500 each
	Appellate Court:	
	Judges (21)	35,000 each
Massachusetts	Supreme Court:	
	Chief Justice	30,800
Michigan	Supreme Court:	
	Justices (9)	35,000 each
	Court of Appeals:	
	Judges (9)	32,500 each
Wayne County	Circuit Court:	
	Judges (27)	30,000 each
Detroit	Recorder's Court:	
	Presiding Judge	32,000
	Judges (12)	30,000 each
	Traffic Judge (3)	30,000 each <sup>2</sup>
New Jersey	State Supreme Court:	
	Chief Justice	37,000
	Associate Justices (6)	36,000 each
	State Superior Court:	
	Judges (76)	32,000 each
	County Courts:	
	Judges (85)	32,000 each
	District Courts:	
	Judges (30)	30,000 each
	Juvenile and Domestic Relations Courts:	
	Judges (25)	30,000 each
New York	Court of Appeals:	
	Chief Justice	42,000 <sup>3</sup>
	Associate Judges (6)	39,500 each <sup>3</sup>
	Supreme Court:	
	Justices (148)	37,000 each
	Justices (24)	34,500 each <sup>4</sup>
	Supreme Court—Appellate Division:	
	Presiding Justices (4)	41,500 each
	Associate Justices (23)	40,000 each

See footnotes at end of this table.

TABLE III-H. (CONTD)

<i>State and Jurisdiction</i>	<i>Court and Position</i>	<i>Salary</i>
New York (continued)	Court of Claims: Judges (14)	31,500 each <sup>5</sup>
	Surrogates Court: Surrogates (5)	37,000 each
	Surrogate	35,500
	Surrogate	30,000
	Family Court: Judges (4)	30,000 each
	County Court: Judges (4)	30,000 each
	Supreme Court: Chief Justice	38,000
	Justices (6)	37,500 each
	Superior Court: President Judge	36,000
	Judges (6)	35,500 each
Pennsylvania	Courts of Common Pleas: Judges (5)	32,500 each
	Judges (115)	30,000 each
	Orphans Courts: President Judge	32,500
	Judges (27)	30,000 each

<sup>1</sup> Salaries were increased on September 1, 1968<sup>2</sup> \$10,000 from city and \$20,000 from county<sup>3</sup> \$6,000 in lieu of expenses<sup>4</sup> \$3,000 in lieu of expenses<sup>5</sup> \$4,500 in lieu of expenses

## Appendix E

## Average Compensation—2,537 Chief Executive Officers

(Source: Top Management Report, Nov. 1967  
American Management Association)

	Type of Industry				
Sales Volume (Millions)	Durable Goods	Non-Durable Goods	Petroleum	Utilities	Wholesale and Retail Trade
	(In thousands of dollars)				
Under \$2	\$ 31.8	\$ 35.0	\$ 34.2	\$ 24.3	*
\$2 to \$5	41.3	41.6	47.1	35.4	\$ 33.6
\$5 to \$10	48.2	48.6	*	40.2	39.2
\$10 to \$25	61.3	57.4	49.8	49.6	50.4
\$25 to \$50	72.2	70.9	66.5	59.0	63.6
\$50 to \$100	87.4	80.4	82.0	70.0	73.5
\$100 to \$200	111.3	96.8	112.5	87.1	84.2
\$200 to \$500	144.3	143.2	127.5	110.1	116.5
\$500 to \$1 billion	178.5	174.2	193.0	122.7	143.0
Over \$1 billion	269.5	220.7	250.1	181.4	186.8

(\*) Insufficient Data.

## Appendix F

### Average Percentage Increases in Executive Salaries 1953-1967

(Source: Top Management Report, American Management Association, November 1967)

Year of survey	Increase in salary over previous year	Total Compensation <sup>1</sup>
1953	3.9	0.6
1954	4.6	5.2
1955	2.7	1.8
1956	4.5	5.9
1957	4.4	5.1
1958	4.2	3.0
1959	2.9	1.2
1960	3.9	6.2
1961	1.6	0.2
1962	3.1	2.6
1963	3.0	4.0
1964	3.4	3.9
1965	3.5	4.9
1966	3.5	5.3
1967	4.0	4.8

Salary increases averaged 3.6 percent a year for the 15-year period (1953-1967) or 3.5 percent annually for the 5-year period (1963-1967).

Increases in total compensation average 3.7% a year for the 15-year period (1953-1967) or 4.6% annually for the 5-year period (1963-1967).

<sup>1</sup> As of 1966, total compensation percentages reflect over-all increases in salary plus bonus only. Percentages prior to 1966 reflect increases in retirement contributions as well.

## Appendix G

### Highest Paid Executives in 1304 Corporations in 1965

(Source: National Industrial Conference Board Study)

	Median	Range of Middle Half
Manufacturing	\$100,000	\$75,000 to \$150,000
Retail trade	100,000	74,000 to 154,500
Gas and electric utilities	80,000	65,000 to 100,000
Commercial banking	63,000	48,500 to 83,000
Life insurance	47,500	33,000 to 65,000
Fire, marine and Casualty insurance	45,000	33,000 to 67,500

## Appendix H

### Salaries of Presidents of Federal Reserve Banks December 31, 1967

(Source: Fifty-Fourth Annual Report of Board  
of Governors of the Federal Reserve System)

Federal Reserve Bank	Annual Salary of President
Boston	\$ 40,000
New York	75,000
Philadelphia	45,000
Cleveland	45,000
Richmond	45,000
Atlanta	35,000
Chicago	60,000
St. Louis	35,000
Minneapolis	42,500
Kansas City	42,500
Dallas	45,000
San Francisco	46,000

THE BUDGET  
OF THE  
United States Government  
1970  
—  
SUPPLEMENT  
—  
EXECUTIVE, LEGISLATIVE, AND JUDICIAL  
SALARY RECOMMENDATIONS

FOR RELEASE AT 12 NOON (E.S.T.) WEDNESDAY, JANUARY 15, 1969

**NOTICE:**

There should be no premature release of this Budget nor should any of its contents be paraphrased, alluded to, or hinted at in earlier stories. There is a total embargo on the Budget until 12 noon, January 15, 1969, which includes any and all references to any material in the Budget or the Budget Appendix.

GEORGE CHRISTIAN,  
*Press Secretary to the President.*

## **SALARY RECOMMENDATIONS**

### **Executive, Legislative, and Judicial Salaries**

Public Law 90-206, approved December 16, 1967, established the Commission on Executive, Legislative, and Judicial Salaries. The Commission is required to make recommendations to the President, at 4-year intervals, on the rates of pay for Senators, Representatives, Federal judges, Cabinet officers and other agency heads, and certain other officials in the executive, legislative, and judicial branches. The law requires that the President, in the budget next submitted by him after receipt of a report of the Commission, set forth his recommendations with respect to the exact rates of pay he deems advisable for those offices and positions covered by the law. The President's recommendations become effective 30 days following transmittal of the budget, unless in the meantime other rates have been enacted by law or at least one House of Congress has enacted legislation which specifically disapproves of all or part of the recommendations.

At the request of the President, the first report of the Commission was submitted to him in December 1968. The report has been considered by the President and, in accordance with section 225(h) of Public Law 90-206, approved December 16, 1967, 81 Stat. 644, the President recommends the following rates of pay for executive, legislative, and judicial offices and positions within the purview of subsection (f) of that section:

- A. Senators, Members of the House of Representatives, and the Resident Commissioner from Puerto Rico..... \$42, 500
- B. For other offices and positions in the legislative branch, as follows:
  - Comptroller General of the United States..... \$42, 500
  - Assistant Comptroller General of the United States.. \$40, 000
  - General Counsel of the United States General Accounting Office, Librarian of Congress, Public Printer, Architect of the Capitol..... \$38, 000
  - Deputy Librarian of Congress, Deputy Public Printer, Assistant Architect of the Capitol..... \$36, 000

C. For justices, judges, and other personnel in the judicial branch, as follows:

Chief Justice of the United States.....	\$62, 500
Associate Justices of the Supreme Court.....	\$60, 000
Judges, Circuit Court of Appeals; judges, Court of Claims; judges, Court of Military Appeals; judges, Court of Customs and Patent Appeals.....	\$42, 500
Judges, District Courts; judges, Customs Court; judges, Tax Court of the United States; Director of the Administrative Office of the United States Courts.....	\$40, 000
Deputy Director of the Administrative Office of the United States Courts; commissioners, Court of Claims; referees in bankruptcy, full-time (maxi- mum).....	\$36, 000
Referees in bankruptcy, part-time (maximum)....	\$18, 000

D. For offices and positions under the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code:

Positions at level I.....	\$60, 000
Positions at level II.....	\$42, 500
Positions at level III.....	\$40, 000
Positions at level IV.....	\$38, 000
Positions at level V.....	\$36, 000

*Federal Pay*

90TH CONGRESS }  
1st Session }

HOUSE OF REPRESENTATIVES }

REPORT  
No. 722

## POSTAL REVENUE AND FEDERAL SALARY ACT OF 1967

SEPTEMBER 28, 1967.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DULSKI, from the Committee on Post Office and Civil Service,  
submitted the following

### REPORT

together with

### INDIVIDUAL AND MINORITY VIEWS

[To accompany H.R. 7977]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7977) to adjust certain postage rates, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

#### AMENDMENTS

The committee proposes two amendments to the bill: "An amendment to the text and an amendment to the title."

#### AMENDMENT TO THE TEXT

The amendment proposed by the committee to the text of the bill strikes out all after the enacting clause and inserts in lieu thereof a substitute text which is contained in italic type in the reported bill. The explanation of the provisions of the substitute text is contained in the explanation of the bill set forth hereinafter in this report.

#### AMENDMENT TO THE TITLE

The amendment proposed by the committee to the title of the bill is intended to reflect more accurately the text of the bill as proposed to be amended by the committee.



## PURPOSE

The major purposes of this legislation are—

To increase postal rates in order to provide postal revenues approximately equal to postal operating costs after public service expenses have been deducted, as authorized by the congressional policy set forth in 39 U.S.C. 2202(c)(4);

To increase salaries of Government employees and provide authority to complete the implementation of the congressional policy specified in 1962, 5 U.S.C. 5301(2), to bring Federal salary schedules to levels that are comparable to those in private enterprise; and

To regulate the mailings of pandering advertisements.

It is also the purpose of this legislation—

To improve the mailing privileges for members of the Armed Forces; and

To modernize the provisions relating to mail matter for the blind, and to include within the benefits of such provisions persons who cannot read conventionally printed material because of physical impairment.

## EXECUTIVE RECOMMENDATIONS

The postal rate legislation is based on the recommendations of the President included in his message to the Congress on April 5, 1967, House Document No. 95, 90th Congress. A detailed explanation of the recommendations is included in the Postmaster General's report to the Congress dated April 17, 1967, entitled "Survey of Postal Rates," House Document No. 106, 90th Congress. The draft of legislation on postal rates was submitted by the Postmaster General to the Congress by letter dated April 5, 1967. The legislation recommended is included in H.R. 7977 as introduced.

The draft of legislation on Federal salaries was submitted by the Chairman, U.S. Civil Service Commission, on April 5, 1967, and is included in H.R. 8261 as introduced.

The President's message is set forth, as follows:

*To the Congress of the United States:*

Two weeks ago in my Message to the Congress on the Quality of American Government, I stated:

"The machinery of our Government has served us well. It has been the vehicle of the greatest progress and prosperity any nation has ever achieved.

"But this record should give us no cause for complacency. For any realistic review today reveals that there are substantial improvements to be made."

Today I ask the Congress to take two vital steps to help bring about those improvements:

—Increase the salaries of Government employees.

—Increase postal rates and improve postal services.

In America we demand the highest level of excellence in the public service. If we expect high quality,

—We must be able to attract and keep highly competent career employees.

—We must be willing to give them the machinery they need to do an effective job.

## SALARY INCREASES

Through the years, this Nation has built a corps of public servants whose quality is unmatched by any other country in the world.

Our career employees are well-trained and experienced. In ever-increasing numbers, they are skilled professionals. They include not only administrators and managers, but doctors, lawyers, diplomats, economists, scientists, engineers, actuaries, systems analysts, law enforcement officers, nurses—and many others critically needed to provide public services in a complex world.

These men and women come to the public service not by chance, but by choice. They come because they are challenged by problems that are far-reaching—and fateful. They come because Government offers unique opportunities for unselfish service.

From them, we expect unusual dedication. In turn, they have a right to expect from their Government rewards that match their contributions.

We have made great progress recently toward a pay scale which approaches that of private industry. Since 1962, civilian employees have received pay increases amounting to more than 23 percent. We have improved retirement and other fringe benefits so that they now compare favorably with benefits in private industry. There have been corresponding increases in military pay, and fringe benefits have been improved substantially.

Yet we still fall short of comparability with private industry. The Annual Report of the Chairman of the Civil Service Commission and the Director of the Bureau of the Budget describes the gap which remains between Government and industry pay scales. I am transmitting that report to the Congress today with the renewed conviction that this gap must be closed.

To close the gap in one year would require an average pay increase of 7.2 percent. With a similar increase for the Armed Forces, the cost would be more than \$2.5 billion per year.

In view of today's fiscal and economic conditions, my advisers inform me that a pay raise of this magnitude would not be prudent. While inflationary pressures in the economy have lessened in recent months, they have not disappeared. They could easily recur. We must therefore continue to seek restraint in private wage settlements and to exercise restraint in the operations of Government.

But a pay raise for the Government's employees clearly is needed. We must avoid placing the Government at a serious disadvantage in recruiting and retaining competent workers—and we must keep faith with our employees.

To do so requires that we achieve comparability with private pay levels—and that we do it in a way which does not endanger our unparalleled economic prosperity.

As President Kennedy said five years ago, "to pay more than this is to be unfair to American taxpayers—to pay less

is to degrade the public service and endanger our national security."

*I recommend a 4.5 percent pay increase for civilian employees effective October 1, 1967.*

*I recommend that the Congress take the final step this year to achieve full comparability with private industry. I propose a two stage plan to remove the remaining comparability lag in all grades by October 1, 1969. The first step would take effect in October 1968 and the second a year later.*

For our military personnel, pay alone can never reflect the full measure of our debt. On the battlefields, in outposts where there is tension but no battle, in the vast defense installations of our country, these men and women protect our national security. We must assure them and their families that they will be compensated for their service on a scale which is comparable to that of their 2.5 million civilian co-workers. As civilian pay goes up, so should the pay of the armed services.

*I recommend an increase in regular military pay similar to the raise for civilians—an average 4.5 percent effective October 1, 1967.*

This year the Secretary of Defense has been conducting a searching review of the principles underlying the military compensation system. When these studies have been completed, I will recommend further changes in the Armed Forces pay system.

We must also take steps to ensure the adequacy of salaries for top officials in the Legislative, Judicial and Executive Branches of the Government. To this end, I have established a special Commission headed by Frederick R. Kappel to study executive pay in the three branches of the Federal Government. When I have reviewed its report, I will make recommendations for appropriate adjustments in these areas.

Salary reform for the government of an increasingly complex and ever-changing society is never complete. The entire structure and interrelationships of all Federal pay systems, civilian and military, should be continually reviewed and improved. The adequacy of the basic pay system itself must be periodically re-examined.

*I recommend that a special Joint Salary Commission, representing the Executive, Legislative, and Judicial Branches, be established to examine all Federal pay systems and report to the President and Congress within two years.*

#### POSTAL RATES AND SERVICES

The postal service is the key link of the Nation's commerce. It is also the personal communications network of some 200 million private citizens. It must be responsive to the needs of the public and the needs of the business community.

That system now bears a tremendous burden. Each year the Post Office Department processes as much mail as the rest of the world combined. To cope with the great outpouring of mail created by our country's increasing social and economic

activity, we must have a modern, highly mechanized postal service.

We do not have such a postal service today.

The post offices in many of our major cities were built during the 1930's—built to handle between 25 and 30 billion pieces of mail a year. This year, nearly 80 billion items will move through the postal system. Next year still another 3 billion pieces of mail will be processed. If this growth rate continues, mail volume will exceed 100 billion pieces a year by 1976.

These figures make it dramatically clear that we must remodel old post offices and build new facilities. We must equip them with modern, high-speed mail processing machines—the most efficient our Nation's technology can produce.

We have made a good start in the past few years on modernizing and mechanizing the postal service. That pace must now be quickened. We must place even greater emphasis on research, engineering and new technology. We must intensify our efforts to enlist the support of all Americans to increase their use of the ZIP code.

*In the 1968 budget I have recommended more than \$300 million for postal modernization.* This represents a 40-percent increase in expenditures for research and engineering and a 46-percent increase in funds for plant and equipment.

These are substantial increases. But they are fully justified by the planning that has preceded them and the size of the task that lies ahead.

To keep pace with the demands of a growing Nation, we must also modernize the postal rate structure. We must bring postal revenues into line with operating costs.

Present rates do not provide sufficient funds for necessary improvements in postal facilities and equipment. *Indeed, present revenues do not even cover normal operating costs.*

For fiscal 1968, the Post Office Department deficit will be about \$1.2 billion—and this does not include the pay increase I am recommending today. Less than half of this deficit is attributable to the "public service" functions of the Department.

Yet the Postal Policy Act of 1958 calls for postal revenues "approximately equal" to operating costs after public service expenses have been deducted.

*I recommend that the Congress increase postal rates for all classes of mail:*

- First class and airmail:* a 1-cent increase in postage for cards and letters sent first-class or airmail, effective July 1, 1967.
- Second class:* an average increase of 22 percent for all categories of second-class mail, phased over a 3-year period beginning January 1, 1968.
- Third class:* an average increase of 28 percent for all categories of third-class mail. The rate increase for single pieces of mail will go into effect July 1, 1967, and the bulk rate increase on January 1, 1968.



—*Fourth class*: an average increase of 21 percent for special rate fourth-class mail (mainly books and records,) effective July 1, 1967.

—A *special surcharge* on odd-sized envelopes which cannot be processed by postal machinery. This surcharge, which will go into effect in 2 years, is designed to discourage the use of envelopes which cannot be rapidly processed through postal machinery.

The rate increases for second and third class bulk mail would have been substantially higher and would have been needed sooner if the ZIP code presorting regulations had not become effective on January 1 of this year. In recognition of the cost to mailers of ZIP coding and the savings anticipated from this program, I am recommending that the effective date for second class and bulk rate third class increases be delayed until January 1, 1968.

These postal rate increases will produce \$700 million in postal revenues in fiscal 1968. When fully effective, they will add more than \$800 million annually to postal revenues.

This legislation will provide the necessary funds for postal modernization and the proposed pay increase for postal employees. It will enable the Post Office Department to begin immediately to provide better services for all Americans:

- Faster and more efficient delivery of the mails,
- Restoration of six-day parcel post service,
- Door delivery in some residential areas now served by roadside boxes.

#### A BETTER GOVERNMENT

The pay and postal rate increases I recommend in this message are essential if we are to have a government of responsive and talented people and an efficient postal system.

Delay in attaining comparability beyond the effective dates I have suggested is inexcusable. To neglect—and thus impair—the public service would be far more expensive for the American people in the long run.

Delay in enacting the postal rate increases I request will hamper significantly our efforts to build a modern and efficient postal system.

The government of this Nation can never be any better than the people who work for it, the tools they have, and the people whom they serve.

I urge the Congress to act promptly on these proposals to insure those who work in our government just pay for the dedication they bring to the task of serving every one of us.

LYNDON B. JOHNSON.

THE WHITE HOUSE, April 5, 1967.

## TITLE I—POSTAL REVENUE ACT OF 1967

### REVENUE-COST

The postal rate increases provided by this legislation, when fully effective, will add more than \$884 million annually to postal revenue.

The Post Office Department's operating deficit in fiscal year 1967 was \$1,148 million, up from \$942 million in fiscal year 1966.

Of the total 1967 deficit, \$557 million was estimated as public service costs. These costs, enumerated in 39 U.S.C. 2303, are associated with the services performed by the Post Office Department to benefit the Nation as a whole rather than any one mail user group.

The difference between public service costs (\$557 million) and the operating deficit (\$1,148 million) is termed the "postal deficiency," which was \$591 million for fiscal year 1967.

The additional revenue of over \$884 million, expected to result in this legislation when fully effective, is expected to be sufficient to reduce the estimated postal deficiency and cover such increases in cost as can be expected due to—

- (1) Major service improvements now being initiated or planned to meet the unprecedented increase in mail volume;
- (2) The pending pay increases for postal employees; and
- (3) Postal modernization projects.

The provisions of title I of the bill extending the mailing privileges for the U.S. Armed Forces (secs. 101 (b) and (c), 102(b)(3), 116, and 117) will add approximately \$6.5 million in costs for the Department of Defense, which is responsible for such costs for the Armed Forces.

### SUMMARY OF PROPOSED RATE CHANGES

#### FIRST CLASS AND AIRMAIL (SECS. 101 AND 102)

Mail class	Present rate	Postmaster General's recommended rate	Committee amendment rate
<b>1st class:</b>			
Letters.....	5 cents per ounce.....	6 cents per ounce.....	6 cents per ounce.
Drop letters.....	4 cents per ounce.....	5 cents per ounce.....	Do.
Cards.....	4 cents each.....	5 cents each.....	5 cents each.
<b>Airmail:</b>			
Letters.....	8 cents per ounce.....	9 cents per ounce.....	10 cents per ounce.
Cards.....	6 cents each.....	7 cents each.....	8 cents each.
Parcel post.....	By zones.....	By zones.....	By zones.

### SECOND-CLASS PUBLICATIONS

#### Regular rates—Outside county (sec. 104)

The committee approved a 23-percent increase, effective in three steps beginning on January 7, 1968, as recommended by the Postmaster General. The current rates and the rates proposed by the committee are set forth below:

## Current rates

Editorial and news content.....	2.8 cents per pound.
Advertising:	
Zones 1 and 2 (150 miles).....	4.2 cents per pound.
Zone 3 (300 miles).....	5.2 cents per pound.
Zone 4 (600 miles).....	7.2 cents per pound.
Zone 5 (1,000 miles).....	9.2 cents per pound.
Zone 6 (1,400 miles).....	11.2 cents per pound.
Zone 7 (1,800 miles).....	12 cents per pound.
Zone 8 (over 1,800 miles).....	14 cents per pound.
Minimum.....	1 cent per piece.

## COMMITTEE

[In cents]

	Mailed during calendar year 1968	Mailed during calendar year 1969	Mailed on and after Jan. 1, 1970
Rate per pound:			
Advertising portion:			
Zones 1 and 2.....	4.5	4.8	5.1
Zone 3.....	5.6	5.9	6.3
Zone 4.....	7.7	8.2	8.7
Zone 5.....	9.9	10.5	11.1
Zone 6.....	12.0	12.8	13.6
Zone 7.....	12.8	13.7	14.5
Zone 8.....	15.0	16.0	17.0
Nonadvertising portion.....	3.0	3.2	3.4
Minimum charge per piece.....	1.1	1.2	1.3

## Nonprofit publications (sec. 103)

At present a flat rate of 1.8 cents a pound with a minimum of 0.125 cent per piece, is charged for qualified nonprofit second-class mail. The Postmaster General proposed an increase to 0.2 cent on the minimum rate and increases over a 3-year period on the pound rates in proportion to the amount of advertising content. The committee increases the existing minimum charge per piece of 0.125 cent to 0.2 cent, prescribes a three-step increase for the nonadvertising portion, and provides that the advertising portion of nonprofit publications would be subject to zone rates that increase in six steps during the period 1968-73. The Postmaster General's and the committee's proposals, beginning on January 7, 1968, are set forth below:

## POSTMASTER GENERAL

[In cents]

	Mailed during calendar year 1968	Mailed during calendar year 1969	Mailed on and after Jan. 1, 1970
Rate per pound when the advertising portion is—			
10 percent or less.....	1.9	2.0	2.1
Over 10 percent but not more than 20 percent.....	2.0	2.1	2.2
Over 20 percent but not more than 30 percent.....	2.0	2.2	2.3
Over 30 percent but not more than 40 percent.....	2.0	2.2	2.4
Over 40 percent but not more than 50 percent.....	2.1	2.3	2.5
Over 50 percent but not more than 60 percent.....	2.1	2.3	2.6
Over 60 percent but not more than 70 percent.....	2.1	2.4	2.7
Over 70 percent.....	2.1	2.5	2.8
Minimum charge per piece.....	.2	.2	.2

## COMMITTEE

[In cents]

	During calendar year 1968	During calendar year 1969	During calendar year 1970	During calendar year 1971	During calendar year 1972	During calendar year 1973 and thereafter
Rate per pound:						
Advertising portion:						
Zones 1 and 2.....	2.35	2.9	3.45	4.0	4.55	5.1
Zone 3.....	2.55	3.3	4.05	4.8	5.55	6.3
Zone 4.....	2.95	4.1	5.25	6.4	7.55	8.7
Zone 5.....	3.35	4.9	6.45	8.0	9.55	11.1
Zone 6.....	3.5	5.2	6.9	8.6	10.3	12.0
Zone 7.....	3.5	5.2	6.9	8.6	10.3	12.0
Zone 8.....	3.5	5.2	6.9	8.6	10.3	12.0
Nonadvertising portion.....	1.9	2.0	2.1	2.1	2.1	2.1
Minimum charge per piece.....	.2	.2	.2	.2	.2	.2

## Classroom publications (sec. 103)

The committee approved the Postmaster General's recommendation that classroom publications continue to pay 60 percent of the regular outside county rates.

## Within county rates (secs 103 and 113)

The committee made the per copy rates applicable only to publications mailed for delivery at the post office of original entry and adopted a rate schedule which is the same as that recommended by the Postmaster General, as follows:

	Current rates (cents)	Committee
		Year Rates (cents)
Per pound.....	1.25	1968 1.3 1969 1.4 1970 1.5
Minimum per piece.....	.125	1968 .2

## Agricultural publications (sec. 103)

Adopted a separate category for agricultural publications devoted to promoting the science of agriculture, 70 percent of which are distributed to rural areas. This category will have a rate for the advertising portion of 4.2 cents per pound in the first and second zones (present rate).

## CONTROLLED CIRCULATION

The committee adopted an increase (sec. 106) phased over 3 years, beginning January 7, 1968, in the pound rate and the minimum per piece rate, the same as recommended by the Postmaster General, as follows:

	Current rates (cents)	Committee
		Year Rates (cents)
Per pound.....	13.5	1968 14.0 1969 14.5 1970 15.0
Minimum per piece.....	1.0	1968 1.9 1969 2.9 1970 3.8



## THIRD-CLASS MAIL

*Single piece rates (sec. 107)*

The committee adopted an increase in the single piece rates to 6 cents for the first 2 ounces or fraction thereof and 2 cents for each additional ounce or fraction thereof. Current rates are 4 cents and 2 cents; the Postmaster General had recommended an increase to 5 cents for the first 2 ounces, with 2 cents for each additional ounce.

*Bulk rate regular (sec. 107)*

The committee adopted bulk rates, the same as recommended by the Postmaster General, effective January 7, 1968, as follows:

	Current rates (cents)	Committee (cents)
Per pound (books, etc.)	12	16.0
Per pound (circulars, etc.)	18	22.0
Minimum per piece	2.875	3.8

*Bulk nonprofit (sec. 107)*

Pound rates for bulk nonprofit third-class mailings are 50 percent of the regular pound rates and the minimum rate is increased as recommended by the Postmaster General, as follows:

	Current rates (cents)	Committee (effective Jan. 7, 1968) (cents)
Per pound (books, etc.)	6	8.0
Per pound (circulars, etc.)	9	11.0
Minimum per piece	1.25	1.9

*Charitable nonprofit (sec. 107)*

The committee increased the existing minimum rate of 1.25 cents to 1.3 cents per piece for bulk nonprofit mailings of organizations with charitable, religious, or general health purposes, or when bulk mailings by qualified nonprofit organizations consist wholly of solicitations of funds to be used for charitable, religious, or general health purposes.

## SPECIAL RATE FOURTH-CLASS MAIL

*General rate (sec. 108)*

The general rate for books, films, records, and other special items, which is now 10 cents for the first pound and 5 cents for each additional pound, was increased to 16 cents for the first 2 pounds and 6 cents for each additional pound, as recommended by the Postmaster General.

*Library rate (sec. 108)*

A special library rate, which is now 4 cents for the first pound and 1 cent for each additional pound, was increased to 8 cents for the first 2 pounds and 3 cents for each additional pound, as recommended by the Postmaster General.

## REVENUE EFFECT OF COMMITTEE CHANGES

(In millions of dollars)

Mail class	H.R. 7977	Com- mittee changes	Com- mittee bill
<b>1st class:</b>			
Letters	493.2		493.2
Drop letters	1.1	+1.1	2.2
Cards	23.0		23.0
<b>Total, 1st class</b>	<b>517.3</b>	<b>+1.1</b>	<b>518.4</b>
<b>Airmail:</b>			
Letters	28.1	+28.2	56.3
Cards	.3	+1.3	1.6
Parcels	-9.2	+2.0	-7.2
<b>Total, airmail</b>	<b>19.2</b>	<b>+30.5</b>	<b>49.7</b>
<b>2d class:</b>			
Regular	25.0		25.0
Nonprofit	2.2	+4.0	6.2
Classroom	.4		.4
In-county:			
Pound rate	1.0		1.0
1 cent or 2 cents per piece	1.0		1.0
Transient	.5		.5
<b>Total, 2d class</b>	<b>30.1</b>	<b>+4.0</b>	<b>34.1</b>
<b>3d class:</b>			
Single piece	34.9	+34.9	69.8
Bulk—Regular	154.1		154.1
Bulk—Nonprofit	21.8	-11.7	10.1
<b>Total, 3d class</b>	<b>210.8</b>	<b>+23.2</b>	<b>234.0</b>
Controlled circulation	6.4		6.4
4th class: Educational material	12.3		12.3
Government mail	28.8	.4	29.2
<b>Total</b>	<b>824.9</b>	<b>+59.2</b>	<b>884.1</b>

<sup>1</sup> Adjusted to reflect separate rate increases for charitable, religious, and health organizations.

<sup>2</sup> Estimates do not include changes affecting the following: 2d-class "inserts," air 2d class, bills and statements of accounts, and reduced 2d-class rates for farm publications.

## PROJECTED COST COVERAGE BY CLASSES OF MAIL

[In percent]

Mail classification	Without public service			With public service		
	Now <sup>1</sup>	After H.R. 7977	After committee bill	Now <sup>1</sup>	After H.R. 7977	After committee bill
1st class.....	103.0	123.3	123.3	103.0	123.3	123.3
Airmail:						
Letters and cards.....	105.3	118.5	131.7	105.3	118.5	131.7
Parcel post.....	174.5	159.5	162.4	174.5	159.5	162.4
Total, airmail.....	121.3	128.1	138.9	121.3	128.1	138.9
2d class:						
In county.....	13.1	15.2	15.2	100.0	100.0	100.0
Nonprofit.....	7.0	8.8	11.9	100.0	100.0	100.0
Classroom.....	18.3	23.8	23.8	100.0	100.0	100.0
Regular.....	29.3	36.2	36.2	29.3	36.2	36.2
Transient.....	92.1	100.0	100.0	92.1	100.0	100.0
Total, 2d class <sup>2</sup> .....	23.3	28.4	29.0	35.2	42.5	42.9
Controlled circulation <sup>2</sup> .....	57.9	73.1	73.1	57.9	73.1	73.1
3d class:						
Single piece rate.....	86.2	100.6	114.9	86.2	100.6	114.9
Bulk rate regular <sup>2</sup> .....	61.2	80.2	80.2	61.2	80.2	80.2
Bulk rate nonprofit <sup>2</sup> .....	27.0	40.7	33.4	100.0	100.0	100.0
Total, 3d class.....	62.9	80.3	82.4	69.3	86.8	90.0
4th class:						
Parcels and catalogs <sup>2</sup> .....	97.3	97.3	97.3	97.3	97.3	97.3
Special rate 4th class.....	42.4	51.1	51.1	100.0	100.0	100.0
Total, 4th class.....	89.9	91.1	90.8	97.5	97.5	97.5
Government mail.....	105.2	124.9	125.1	105.5	125.3	125.5
International mail <sup>2</sup> .....	90.4	100.2	100.2	90.6	100.3	100.3
Total, all mail and services.....	83.1	95.4	96.5	91.5	104.5	105.7

<sup>1</sup> Fiscal year 1966 adjusted for known revenue and cost changes as reported in the fiscal year 1966 cost ascertainment report.<sup>2</sup> Not adjusted for mandatory ZIP code savings.<sup>3</sup> Rates set administratively by Postmaster General; International rate changes effective May 1, 1967.MAIL CLASS FINANCES, 1966 ADJUSTED <sup>1</sup>

[Dollar amounts in millions]

Classification	Revenues	Costs	Deficit or surplus	Public services	Postal deficiency or surplus	Cost coverage (percent)	
						Before public services	After public services
First-class mail.....	\$2,333.9	\$2,266.2	+\$67.7	-----	+\$67.7	103.0	103.0
Airmail:							
Letters and cards.....	185.9	176.5	+9.4	-----	+9.4	105.3	105.3
Parcel post.....	90.5	51.9	+38.6	-----	+38.6	174.5	174.5
Fees.....	.6	-----	+6	-----	+6	-----	-----
Total.....	277.0	228.4	+48.6	-----	+48.6	121.3	121.3
Second-class mail:							
In county.....	10.1	77.4	-67.2	\$67.2	-----	13.1	100.0
Nonprofit publications.....	8.3	118.2	-109.9	109.9	-----	7.0	100.0
Classroom publications.....	1.5	8.0	-6.6	6.6	-----	18.3	100.0
Regular publications.....	97.7	334.1	-236.3	-----	-236.3	29.3	29.3
Return form 3579.....	4.3	-----	+4.3	-----	+4.3	-----	-----
Transient.....	4.4	4.8	-.4	-----	-.4	92.1	92.1
Total, second-class mail.....	126.3	542.5	-416.2	183.7	-232.5	23.3	35.2
Controlled circulation publications.....	18.9	32.7	-13.8	-----	-13.8	57.9	57.9
Third-class mail:							
Single-piece rate.....	200.9	233.1	-32.2	-----	-32.2	86.2	86.2
Bulk-rate regular.....	436.2	713.3	-277.1	-----	-277.1	61.2	61.2
Bulk-rate nonprofit.....	36.9	136.4	-99.5	99.5	-----	27.0	100.0
Fees.....	7.6	-----	+7.6	-----	+7.6	-----	-----
Total, third-class mail.....	681.6	1,082.8	-401.2	99.5	-301.7	62.9	69.3
Fourth-class mail:							
Parcels.....	783.8	794.3	-10.5	-----	-10.5	98.7	98.7
Catalogs.....	31.1	43.8	-12.7	-----	-12.7	71.0	71.0
Fees.....	.6	-----	+6	-----	+6	-----	-----
Total, zone-rate mail.....	815.5	838.1	-22.6	-----	-22.6	97.3	97.3
Special-rate fourth-class mail.....	55.4	130.6	-75.2	75.2	-----	42.4	100.0
Total, fourth-class mail.....	870.8	968.6	-97.8	75.2	-22.6	89.9	97.5
Government mail.....	136.1	129.4	+6.7	4.4	+7.1	105.2	105.5
Free for the blind.....	-----	2.9	-2.9	2.9	-----	-----	100.0
International mail.....	157.9	174.5	-16.7	3	-16.3	90.4	90.6
Special services <sup>2</sup> .....	278.3	333.2	-55.0	55.0	-----	83.5	100.0
Nonpostal services for other agencies <sup>3</sup> .....	81.9	106.4	-24.5	24.5	-----	77.0	100.0
Unassignable revenues and costs.....	9.4	8.6	+.8	-----	+.8	109.5	109.5
Public service direct costs.....	-----	105.5	-105.5	105.5	-----	-----	-----
Total, all mail and services.....	4,972.0	5,981.8	-1,009.7	547.1	-462.6	83.1	91.5

<sup>1</sup> Adjusted for known cost and revenue changes.<sup>2</sup> Special services includes: registered, certified, insured, or cash on delivery mail, special delivery, money orders, and stamped envelopes; offset by a surplus in postal savings and box rents.<sup>3</sup> Nonpostal services for other agencies includes: civil service functions for other agencies, documentary stamps, migratory bird stamps, official mail messenger service, building services for other agencies; offset by a surplus in sales of U.S. savings bonds.

Note: Estimated current basis, Jan. 20, 1967.

## COST ASCERTAINMENT AND POSTAL RATE-FIXING POLICY

The cost ascertainment system is a statistical-accounting system. It develops the ratio of revenue to cost for each class of mail or services, showing the percentage of cost coverage for each class. The system does not take into account factors, other than cost, which generally are to be considered in fixing postal rates and fees under policies established by law (39 U.S.C. 2301-2306).



For example, the system does not attempt to evaluate such service differences as—

1. The value of priority given first-class and airmail, or the deferment given to any other class of mail;
2. The relative values of the various services to the public; or
3. The relative intrinsic values of the items handled.

Some people consistently try to justify postage rate adjustments solely on cost coverage percentages, which is contrary to congressional policy based on law.

The cost coverage percentages are merely one of the many factors that, under the statutory policy, should be considered and weighed in the congressional rate-fixing process.

#### *Cost ascertainment*

The cost ascertainment system is required by law (39 U.S.C. 2331) to state the revenues derived from and cost of—

1. Carrying and handling the several classes of mail matter; and
2. Performing special services.

The system is designed to credit to each of the classes of mail and services the portion of revenue it has earned, and to assess against each its portion of the cost of the postal service.

The principal source of postal revenue is from the sale of stamps and from postage which is paid under a permit. In many cases, there is no possible way to identify postal revenues by class of mail as stamps may be used for service on any class of mail and on special services requiring stamps.

Revenues are distributed—

1. By direct identification of the class of mail where possible;
2. By assignment of amounts computed from administrative records; or
3. By apportionment based on the accounting and sampling at designated cost ascertainment post offices (500 in fiscal year 1966).

Costs distributed include those financed from revenues and reimbursements and those charged against appropriation limitations.

The assignment of costs is made by—

1. Direct allocation to each class of mail wherever possible;
2. Assignment of amounts computed from administrative records; or
3. Apportionment based on tests and sampling reflecting the use of facilities and personal services for each class of mail or category for special services.

The tests and sampling during fiscal year 1966 were conducted at 500 cost ascertainment offices during four specified periods of 7 consecutive days each.

On January 1, 1967, the Post Office Department installed a new system for collecting data on revenue, pieces, and weight of mail, by classes of mail and type of service. This new system is based on probability sampling.

Under the new method of probability sampling, the Department employs random samples of the mail. The data-collection effort is dispersed throughout the entire year, thereby reflecting daily and seasonal variations. The old method concentrated data collection during 4 weeks of the year, one in each calendar quarter. Under that

method, special adjustments were required to reflect seasonal variations.

The Post Office cost ascertainment system has been studied many times in its history, and it is under continual study by the Post Office Department itself. This is, as nearly as it can be at any point in time, an unbiased system of revenue allocation and cost allocation which seeks to portray the financial aspect of things as they actually are. It ascribes to each class of service the portion of the revenues that that class brings in. And it ascribes to each class of service or other activity the costs that are involved in performing the service or conducting the activity. The system uses scientific sampling and other statistical techniques, and conventional cost accounting principles.

#### *Postal rate-fixing policy*

It is the declared policy of the Congress (39 U.S.C. 2301-2306) that the Congress will fix and adjust from time to time the postal rate structure as the public interest may require in accordance with the general principles, standards, and related requirements specified in the law.

Historically, and as a matter of public policy, the Congress has recognized and accepted certain relationships among the several classes of mail. The major principles, standards, and related requirements, as set forth in the law, which justify the relationship among the several classes of mail are—

1. Postal rates and fees shall be adjusted from time to time as may be required to produce the amount of revenue approximately equal to the total cost of operating the postal establishment less the amount deemed attributable to the performance of public service;

2. First-class mail constitutes a preferred service and therefore, the postage for first-class mail should be sufficient to cover the entire amount of the expenses allocated to first-class mail, plus an additional amount representing the quality and character of the service rendered in terms of priority, secrecy, security, and speed of transmission;

3. All classes of mail, particularly second- and third-class mail, have been instrumental in providing one or more of the following—communication of intelligence, dissemination of information, the advancement of education and culture, the distribution of articles of commerce and industry, and the growth of many commercial enterprises which contribute materially to the national economy and to the public welfare.

The mailers of second- and third-class mail are required to process and present their mailings as directed by the Postmaster General. The steps involved in the preparation by the mailer represent, in most cases, at least one-half of the mail-handling steps. In the case of first-class mail, all of these steps are performed by postal employees. The material which follows highlights this point.

## MAIL PROCESSING FUNCTIONS PERFORMED BY POSTAL EMPLOYEES

1st class	2d or 3d class (bulk)
I. Acceptance: a. Bulk deposits by patron (platform or window) b. Lobby drop or collection box 1. Collection by postal employee	I. Acceptance: a. Bulk 1. Mailer brings to weighing unit (for computation of postage) 2. Plant acceptance and loading (confined to very largest mailers)
II. Initial preparation by post office at city of mailing: a. Cull and face (or batch) (except metered mail which represents about 50 percent) b. Cancel (except metered mail, 50 percent)	II. Initial preparation by post office at city of mailing: None
III. Outgoing sorting: a. Separation to destination post offices (except patron separated mails)	III. Outgoing sorting: a. None (except minimal amounts of States or mixed States mails where volume is not sufficient to require presorting by mailer)
IV. Pouching: a. All outgoing mails	IV. Sacking: a. None (except when less than 1/4 of sack is involved where mailer is not required to sack to destination city or to sectional center)
V. Transportation: a. Train b. Truck c. Air	V. Transportation: a. Train b. Truck
VI. Incoming sorting by delivery post offices: a. Primary b. Secondary	VI. Incoming sorting by delivery post offices: a. Primary, only where volume is insufficient for mailer to presort to 5-digit ZIP code b. Secondary
VII. Local transportation to delivery carrier: a. Manual to carrier's case at same postal unit b. Vehicle to carrier's case at station	VII. Local transportation to delivery carrier: a. Manual to carrier's case at same postal unit b. Vehicle to carrier's case at station
VIII. Delivery by carriers: a. Sortation in sequence of delivery b. Delivery to address	VIII. Delivery by carriers: a. Sortation in sequence of delivery b. Delivery to address

Establishment of the rates to be charged for postal services is only partially a problem in financial management. Much more importantly, it is a problem in specifying or respecifying national public policy. Important segments of commerce and industry, and important segments of social activity, have grown up around the postal service and its rate structure over the years, and it is fair to say that there is now and has long been a built-in interdependence which must always be carefully considered when postal rate revision is proposed. Also, of course, there is a built-in tendency for mail users to defend the status quo, or even simply to delay the effectiveness of change. Drastic or sudden revision of the postal rate structure could produce wholly unwanted side effects, as many interested parties are quick to point out whenever it is suggested that there should be a rate revision.

There are classes of mail which are carried at revenue rates that do not contemplate full recovery of cost. There are classes of mail which are carried at revenue rates intended to provide full cost recovery but not more than that. There are classes of mail, or classes of auxiliary service, that produce no revenues at all, these being deemed necessary or desirable public services to be paid for with money raised by general taxation. And then there is the first-class mail service which produces revenues from which, in the view of many people, something more than cost recovery should be expected.

Based on all of these factors, the Congress has encouraged the use of second- and third-class mail through reasonable and special postal rates.

As evidence of the congressional rate-fixing policy, the historical relationship among the various classes of mail is shown in the table which follows.

PERCENTAGE OF POSTAL COST COVERED BY REVENUE, 1926-66<sup>1</sup>

Year	First class	Air mail <sup>2</sup>	Air parcel post	Second class	Third class	Controlled circulation	Fourth class	
							Books	Library material
1926	129.8			29.2	97.5			
1930	129.0	34.9		25.5	74.1			
1935	150.1	52.4		18.8	72.2			38.1
1940	154.4	67.2		22.6	74.1		25.3	41.0
1945	164.6	163.8		20.1	76.8		77.1	65.6
1950	111.4	67.9	47.5	18.6	52.7		71.5	34.4
1955	106.9	119.2	160.8	22.0	61.0	77.7	59.8	29.0
1958	88.9	107.8	166.5	18.7	47.1	68.3	54.9	25.5
1959	110.4	116.7	161.9	18.5	57.6	69.3	60.1	24.0
1960	108.2	114.5	160.4	19.7	62.1	72.7	59.5	21.4
1961	100.7	113.2	165.8	20.1	63.2	64.1	53.2	18.8
1962	100.6	113.5	165.6	20.7	64.8	62.5	52.2	19.1
1963	107.9	116.6	168.5	21.6	64.5	62.2	51.4	19.3
1964	116.3	119.2	165.3	22.6	68.1	60.0	51.5	18.2
1965	111.6	122.9	168.0	23.9	65.1	61.3	48.6	17.4
1966 (adj.)	103.0	121.3	174.5	23.3	62.9	57.9	44.5	15.8
H.R. 7977 as introduced	123.3	128.1	159.5	28.4	80.3	73.1	51.9	40.7
Reported bill	123.3	138.9	162.4	29.0	82.4	73.1	51.9	40.7

<sup>1</sup> Does not include public service allowance.

<sup>2</sup> Includes air parcel post beginning in 1949.

## NONMACHINABLE MAIL

The provisions recommended by the Postmaster General and included in H.R. 7977, defining "nonmachinable mail" and the provisions imposing a surcharge on such mail, all have been eliminated from the bill as reported.

The Postmaster General recommended provisions (section 4, 9(c), and 9(d), of H.R. 7977) which defined such size mail to mean mail which has size dimensions greater than 5 1/4 inches wide or 11 1/2 inches long, nonuniform thickness or thickness which exceeds one-quarter inch, and ratio of width to length of less than 1 to 1.414. Extra charges were recommended on nonmachinable first-class mail and nonmachinable airmail weighing not more than 2 ounces; on nonmachinable size matter weighing not more than 4 ounces mailed at the third-class single piece rate; on nonmachinable size merchandise samples; and on all nonmachinable size pieces subject to the third-class bulk minimum piece rates.

The committee did not have an opportunity to examine these provisions in depth or to take extensive testimony from the Department in justification of the recommendation. The Department witnesses stated that the purpose of the standards of nonmachinability and the surcharges was not to raise additional revenue but to discourage the use of envelopes and other pieces of mail that cannot be readily handled by postal machinery or that create other mail processing or delivery problems.

The witnesses that testified before the Subcommittee on Postal Rates, who had vital interests in these provisions, unanimously recognized and supported the proposition that mechanized mail handling operations will require standardization of sizes of mail, and most witnesses indicated a willingness to pay a fair surcharge to cover the real difference in cost between machine and hand operations.

The recommendation seeks to resolve a question of machinability through the device of increasing postal rates, but cost figures to justify those rates are not available, nor was convincing testimony presented



as to the machinability or the nonmachinability of any particular size of mail. Moreover, the committee was not advised of any justification for applying the "machinability" standards to third-class mail which, in most instances, is not processed by machinery.

Several witnesses presented evidence which raised grave doubts as to whether the sizes recommended can be justified.

The subcommittee developed, considered, but delayed for further study, provisions which would have defined "standard-size mail."

It was the unanimous view of the Subcommittee on Postal Rates which was agreed to by the full committee, that the provision, recommended by the Postmaster General should be eliminated from this legislation.

The committee is convinced that a careful and complete study should be undertaken before dimensional characteristics of mail are prescribed, either by law or by regulation, or before surcharges are imposed for mail not within such characteristics.

The committee wishes to emphasize that it has long recognized the need for standardization of mail. The problems concerning standardized mail were a subject of considerable concern to the committee in connection with the review by the committee of the postal systems of certain European countries (H. Rept. 1226, 89th Cong.).

As early as 1948, Public Law 900, 80th Congress, prescribed a penalty rate for odd-sized third-class mail. The Postal Rate Act of 1958 (Public Law 85-426), enacted May 27, 1958, increased the rate for the odd-size category third-class mail from 3 to 6 cents per piece. Also, section 210 of the 1958 act required the Postmaster General to conduct a thorough investigation and study of the feasibility of establishing by regulations of the Postmaster General standard sizes for first- and third-class mail, and additional charges for mail not within those standards.

The increase from 3 to 6 cents was due to take effect August 1, 1958. However, Public Law 85-893 postponed the effective date until May 1, 1959, because of a serious problem which arose with regard to the catalog mailings by seed and nursery companies. Public Law 86-56 revised the minimum per piece charge from 6 to 3½ cents, because mailers of odd-sized pieces weighing not more than 1 ounce began to mail their pieces at the lower 4-cent rate for first class. The 3½-cent penalty rate continued until 1962, when it was eliminated by the Postal Rate Act of 1962 (Public Law 87-793).

The Postmaster General's report required by the 1958 act was submitted on March 11, 1959, and includes the following recommendations:

(b) *With respect to machinability.*—Since the Department's objective is to develop machines with which to handle larger volumes of future mail and since it is essential that mail of the future conform to machine use, the Department will recommend to the Congress at its session beginning in 1961 that a differential in rates be established which will give preference to mail which the Department, by administrative action, shall have declared machinable.

Mail not conforming to machinable categories would take higher rates since the time and labor cost of handling, sorting, canceling, etc., will justify such higher rates.

Our recommendations concerning these rates must await another year's experience in the use of machine versus hand methods and upon a more widespread use of machines in post offices. By presenting recommendations to the Congress in 1961 and by giving several years' advance notice of regulations of mail size and other characteristics to be effective July 1, 1961, a suitable period for public consideration and for adjustment of inventories, production, and other market operations will be provided.

#### Legislation

The Department, by administrative action, can adopt regulations establishing categories of nonmailability and of machinable versus nonmachinable mail. Rate differentials applying to machinable and to nonmachinable mail will require legislation which will be recommended at the appropriate time.

In accordance with our assurances to you when these matters were first taken under advisement a year ago, we wish to point out that no action will be taken on these decisions until you have had an opportunity to study this letter and at that time we will be happy to discuss the matter with you at your convenience.

With this background in mind, it becomes readily apparent that the problem relating to the dimensional characteristics of mail has been batted back and forth for over 20 years, and the time is long since past when it must be resolved by the Congress and the Post Office Department. The committee intends to conduct a thorough study of this problem at the earliest practicable time.

### JUSTIFICATION FOR POSTAGE REVISIONS

#### FINANCIAL SUMMARY

The Post Office Department's net operating loss in fiscal 1967 was \$1,148 million, up from \$942 million in fiscal year 1966. These amounts must be financed from general funds of the Treasury.

Of the total 1967 deficit, \$557 million was estimated as public service costs. These costs, enumerated in the Postal Policy Act (39 U.S.C. 2303), are associated with services performed by the Post Office Department to benefit the Nation as a whole rather than any one mail user group. The difference between public service costs and the Treasury financing—\$591 million—is termed the postal deficiency.

The Department's "Survey of Postal Rates," submitted to the Congress on April 15, 1966, (H. Doc. 420, 89th Cong.) anticipated a postal deficiency of \$187 million. The much higher deficiency estimated at this time is largely the result of the following developments:

1. Higher postal salaries and fringe benefits approved in July 1966 (Public Law 89-504).
2. Higher operating costs imposed by the terms of Public Law 89-301, which greatly reduced flexibility in scheduling personnel and caused high turnover with attendant costs of recruiting, training, and loss of efficiency.

3. Delay in enacting parcel post rate and size-weight increases (Public Law 89-593). These were expected to net \$107 million in fiscal 1967. Instead, the gain will be about \$31 million.

4. Unanticipated volume increases. While volume increased in all major classes of mail, impact on postal finances was particularly severe in rate-deficient services. On top of a 5.2-percent increase in all mail in fiscal 1966, an increase of about 4.5 percent is now expected for fiscal 1967.

### The postal deficiency

The following analysis of the postal revenue deficiency is based on estimates of costs and revenues for fiscal 1967 experience. On that basis, the key figures are:

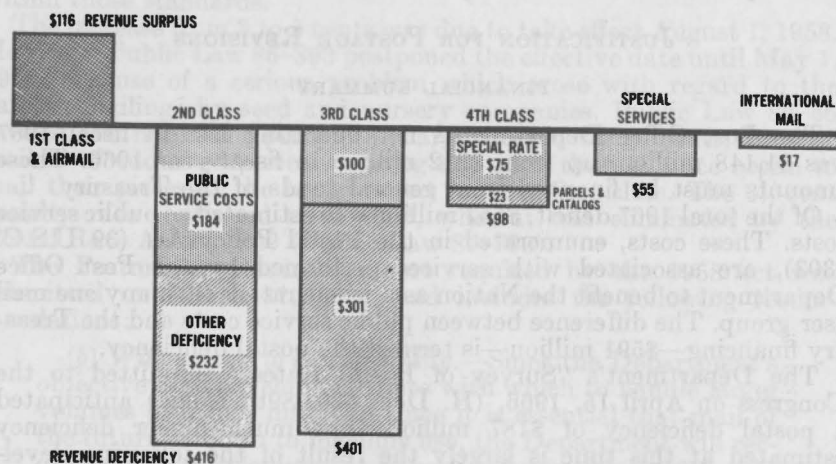
	Millions
Treasury financing.....	\$1, 148
Less public service costs.....	557

Postal deficiency..... 591

Revenues from second- and third-class mails are far below allocated costs. Moreover, while revenues from first-class mail currently exceed costs, a 3-year downtrend in cost coverage has narrowed the surplus from that service to a level that is incompatible with Postal Policy Act guidelines. These require first-class revenues to cover costs plus "an additional amount" for the value of preferential service.

### Pinpointing the Postal Deficit

(\$ MILLIONS)



Comparing revenues and fully allocated costs, for fiscal year 1966, before and after crediting public services, the principal cost-revenue relationships are as follows:

(Dollar amounts in millions)

Service	Revenues	Costs	Revenue deficiency or surplus	Cost coverage (percent)	
				Before public services	After public services
First class.....	\$2, 333. 9	\$2, 266. 2	+\$67. 7	103. 0	(1)
Airmail.....	277. 0	228. 4	+48. 6	121. 3	(1)
Second class.....	126. 3	542. 5	-416. 2	23. 3	35. 2
Controlled circulation.....	18. 9	32. 7	-13. 8	57. 9	(1)
Third class.....	681. 6	1, 082. 8	-401. 2	62. 9	69. 3
Fourth class.....	870. 8	968. 6	-97. 8	89. 9	97. 5
International.....	157. 9	174. 5	-16. 7	90. 4	90. 6
Special services.....	278. 3	333. 2	-55. 0	83. 5	100. 0

<sup>1</sup> Not applicable.

While first class and airmail have a combined surplus of \$116.3 million, cost coverage is at its lowest level since 1962, just slightly above the breakeven point.

The favorable 121-percent cost coverage for airmail is mainly the result of a 175-percent cost coverage for air parcel post. Stripping out that service leaves a cost coverage on other airmail of only 105 percent.

Second- and third-class mail have revenue deficiencies of \$416.2 million and \$401.2 million, respectively, including losses offset by public service allowances. Thus, these services account for about 80 percent of the total adjusted deficit figure of \$1,009.7 million. Reflecting these sizable deficiencies, second class has a cost coverage of only 23.3 percent before public service costs. Third-class cost coverage is 62.9 percent.

The fourth-class deficiency of \$97.8 million is attributable largely to special rates for parcels of books and recordings. After anticipating the full effects of Public Law 89-593, enacted September 20, 1966, the deficiency for zone-rate fourth-class mail (parcels and catalogs) is down to \$22.6 million, from \$107.1 million a year ago.

The deficiency reported for special services, \$55 million, is identified as a public service charge.

International mail recorded a deficit of over \$16 million in fiscal 1966 and prompted the Department to seek rate revisions in surface and airmail rates through administrative procedure. These were effective on May 1, 1967, except for publications mailed to Canada. For such publications, increases will be phased in two steps: On November 1, 1967, and November 1, 1968.

### Public service costs

On a fiscal 1966 adjusted basis, \$547 million—about 54 percent of the entire postal deficit—is identified as public service cost in accordance with the provisions of the Postal Policy Act.

In the Postal Policy Act of 1958, as amended in 1962, Public Law 87-793, the Congress directed that revenues must be kept in line with the total allocated cost of operating the postal establishment less the amount deemed to be attributable to the performance of public services.



A breakdown of fiscal 1966 (adjusted) public service costs, shown in the table below, indicates that free or reduced-rate postage accounts for about 66 percent of total public service costs. Operating costs for third-class offices and star routes, fourth-class post offices and rural routes account for just over 19 percent. The balance is attributable to losses incurred in performing special services, nonpostal services, and to the premium cost of employing foreign-flag air carriers.

	Amount (millions)	Percent
1. Total loss resulting from the transmission of matter in the mails free of postage or at reduced rates of postage.....	\$361.8	66.1
2. 10 percent of the gross cost of the operation of 3d-class post offices and the star route system, and 20 percent of the gross cost of the operation of 4th-class post offices and rural routes.....	105.5	19.3
3. Loss incurred in performing nonpostal services.....	24.5	4.5
4. Loss incurred in performing special services.....	55.0	10.1
5. Additional cost of transporting U.S. mail by foreign air carriers at a Universal Postal Union rate in excess of the rate prescribed for U.S. carriers.....	.3	(1)
<b>Total.....</b>	<b>547.1</b>	<b>100.0</b>

<sup>1</sup> Less than 0.1 percent.

#### MAIL MATTER—FREE OF POSTAGE OR AT REDUCED RATES

[1966 adjusted basis, in thousands of dollars]

	Revenues	Costs	Public services
<b>2d-class mail:</b>			
In-county.....	10,148	77,368	-67,220
Nonprofit publications.....	8,305	118,248	-109,943
Classroom publications.....	1,469	8,045	-6,576
<b>Total second class.....</b>	<b>19,922</b>	<b>203,661</b>	<b>-183,739</b>
<b>3d-class mail:</b>			
Bulk-rate nonprofit.....	36,881	136,394	-99,513
<b>4th-class mail:</b>			
Special-rate 4th-class.....	55,369	130,574	-75,205
Diplomatic mail.....		401	-401
Free for the blind.....		2,943	-2,943
<b>Total.....</b>	<b>112,172</b>	<b>473,973</b>	<b>-361,801</b>

#### NONPOSTAL SERVICES FOR OTHER AGENCIES

[1966 adjusted basis, in thousands of dollars]

	Revenues	Costs	Public services
FCC health service.....	5	5	-
Alien address reporting.....	280	292	-12
U.S. savings bonds and stamps, public sales.....	709	703	+6
Civil Service <sup>1</sup> .....		5,786	-5,786
Documentary stamps.....		391	-391
Migratory bird stamps.....	119	167	-48
Official mail messenger service.....		408	-408
Building services for other agencies.....	764	17,580	-16,816
Transportation of military mails.....	79,855	79,855	-
Miscellaneous items, other agencies.....	132	1,192	-1,060
<b>Total.....</b>	<b>81,864</b>	<b>106,379</b>	<b>-24,515</b>

<sup>1</sup> Does not include functions related to the postal service performed for the Civil Service Commission, estimated at 1/2 of total costs.

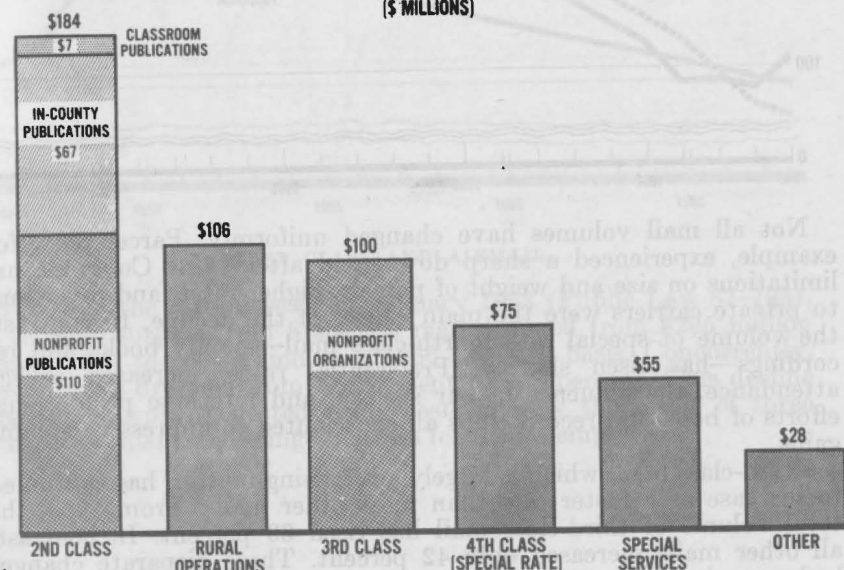
#### SPECIAL SERVICES

[1966 adjusted basis, in thousands of dollars]

	Revenues	Costs	Public services
Registry.....	36,002	51,994	-15,992
Certified.....	15,263	16,609	-1,346
Insurance.....	46,495	39,556	+6,939
Collection-delivery.....	15,014	27,956	-12,942
Special delivery.....	35,805	69,038	-33,233
Money orders.....	68,860	71,975	-3,115
Postal savings.....	4,527	2,829	+1,698
Stamped envelopes.....	20,340	20,707	-367
Box rents.....	35,960	32,555	+3,405
<b>Total.....</b>	<b>278,263</b>	<b>333,219</b>	<b>-54,955</b>

#### Public Service Costs

(\$ MILLIONS)



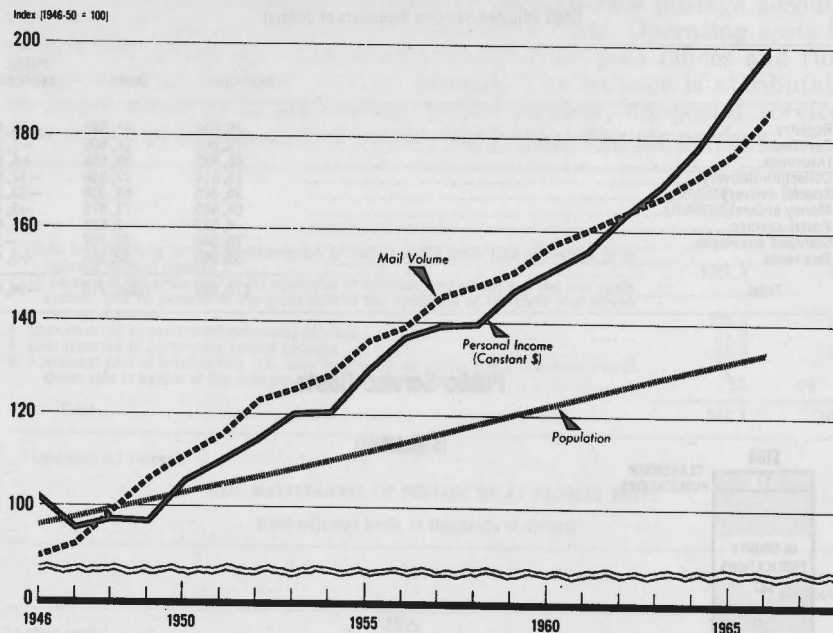
Estimated current basis

#### Mail volume

Mail volume increased 5.2 percent in fiscal 1966, reaching a level of 75.6 billion pieces. A further substantial rise to about 79 billion pieces is expected in fiscal 1967.

In the 20 years since 1946, mail volume increased some 40 billion pieces, more than in all the preceding years since establishment of the postal service. This unusual rise in mail volume was reflected in a significant per capita increase in the mails. In 1946 an average of 258 pieces of mail was dispatched for each person in the United States; by 1966 that count had risen to 386, an increase of about 50 percent.

## MAIL VOLUME, PERSONAL INCOME, POPULATION

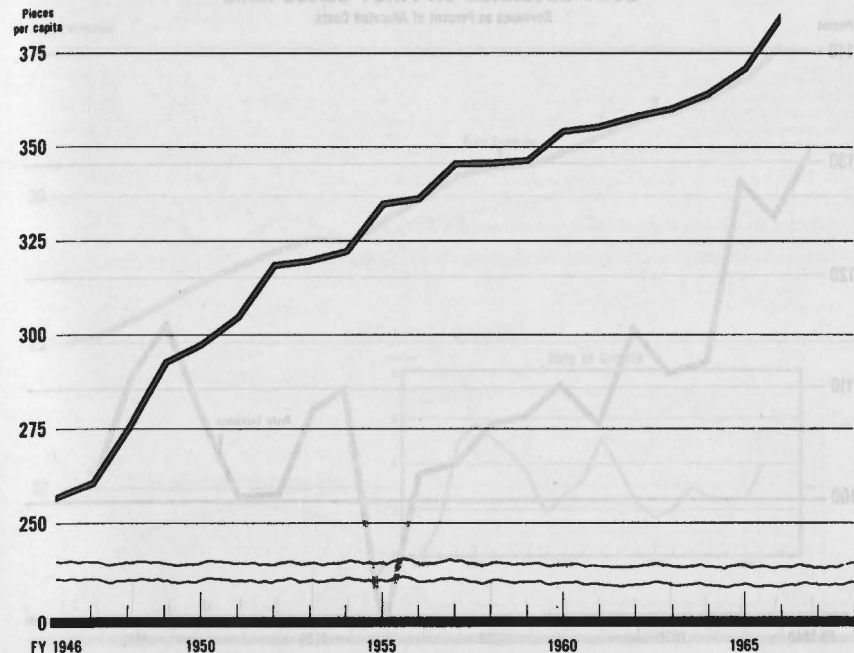


Not all mail volumes have changed uniformly. Parcel post, for example, experienced a sharp downtrend after 1951. Congressional limitations on size and weight of parcels, higher rates, and diversions to private carriers were the main causes of the decline. In contrast, the volume of special rate fourth-class mail—mainly books and recordings—has risen sharply. Preferential rates, increased college attendance, the affluence of our society, and intensive promotional efforts of book and record clubs all contributed to impressive volume gains.

Third-class mail, which is largely advertising matter, has continued to increase at a faster rate than most other mails. From 1953, the total volume of third-class mail has risen 69 percent. In contrast, all other mails increased only 42 percent. These disparate changes had a marked effect on the mix of mails during that period. Third-class mail accounted for 23.6 percent of all volume in 1953; but in 1966 it had risen to 26.9 percent of the total.

Divergent rates of growth in the various classes of mail and the consequent shifts in mail mix had a significant impact on the Department's mounting level of deficit financing. The fastest growth took place in the rate categories, in each class, having the lowest revenue-cost relationships.

## MAIL VOLUME PER CAPITA

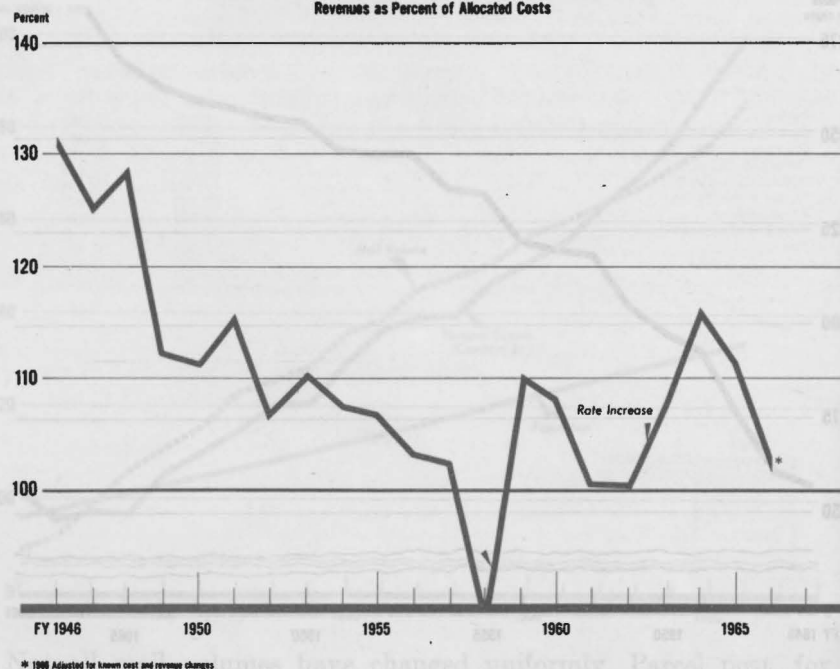


## FIRST CLASS AND AIRMAIL

Following the rate increase of January 1963 (Public Law 87-793), the revenue surplus from first-class mail dropped from \$295 million in fiscal 1964 to \$68 million on a 1966 adjusted basis. Concurrently, cost coverage dropped from 116 percent to 103 percent. This decline in revenue surplus reflected rising costs, largely the result of three increases in salary and fringe benefits for postal employees.

## COST COVERAGE ON FIRST CLASS MAIL

Revenues as Percent of Allocated Costs



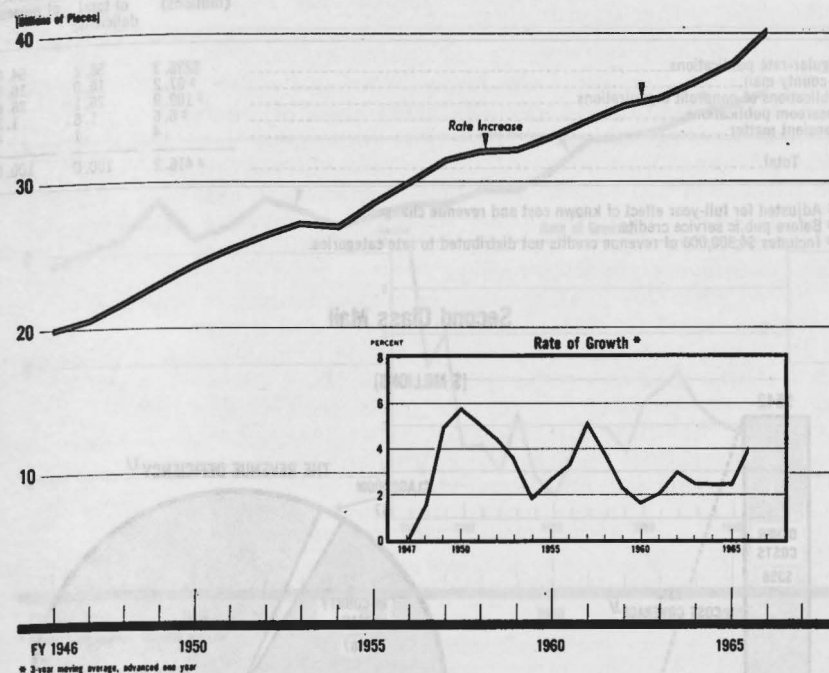
The Postal Policy Act guideline for first-class mail requires that postage cover costs plus "an additional amount" to reflect the value of preferential service. Clearly, the 3-percent revenue surplus fails to meet that standard. Moreover, that modest surplus is earned mainly on heavier pieces and the 5-cent rate fails to cover costs on most 1-ounce letters. It is conceivable, recognizing cost-increase trends, that cost coverage in the next several years would fall below 100 percent, as it did in 1958.

Annual volume growth between fiscal 1958 and 1965 ranged between 0.2 percent and 3.2 percent. In 1966, however, volume surged upward more than 6 percent, reaching a high of 40.4 billion pieces. A further substantial increase is now evident for fiscal year 1967.

In airmail, the excess of revenues over costs increased \$12 million last year, raising the 1966 (adjusted) surplus to \$48.6 million. This was mainly attributable to a \$39 million surplus for air parcel post.

Cost coverage for all airmail is currently 121 percent. But after excluding the highly profitable air parcel post service, cost coverage on all other airmail is only 105 percent. In these circumstances revenues from most 1-ounce airmail letters are insufficient to cover their fully allocated costs.

## FIRST CLASS MAIL VOLUME



## SECOND-CLASS MAIL

The revenue deficiency for second-class mail in fiscal 1966 is over \$416 million on an adjusted basis, before public service allowances are subtracted from costs. This record deficiency is reflected in a cost coverage of less than 24 percent for the entire class, the lowest among all major mail classes.

Adjusted postal revenues from second-class mail are \$126 million. In contrast, transportation costs alone are \$58 million, leaving only \$68 million to meet additional expenses of \$485 million for mail handling, carrier deliveries, and other expenses.

Although rate increases since 1951 have been fairly steep, percentage-wise, they have not been large enough to offset the rise in costs. When cost coverage is greatly deficient—as it is in second class—cost increases must be met by much sharper percentage increases in rates, just to avoid losing ground financially.

Full recovery of costs is not a congressional objective in second-class mail. In this instance, the Postal Policy Act continues the long-standing practice of differential pricing among the several classes of mail. Rates in each class of mail are expected to range above and below costs in accordance with value of service. In addition to priority of service and the intrinsic value of the mail, the Congress has given great weight to the contribution of each mail class to the social and economic betterment of the Nation. In formulating its proposed rate revisions, the committee has given full recognition to this concept.

The deficits for the five separate rate categories closely relate to their respective volumes, as indicated below:



	Deficiency <sup>1</sup> (millions)	Percent of total deficiency	Percent of pieces
Regular-rate publications	\$236.3	56.2	54.8
In-county mail	<sup>2</sup> 67.2	16.0	16.9
Publications of nonprofit organizations	<sup>2</sup> 109.9	26.1	26.6
Classroom publications	<sup>2</sup> 6.6	1.6	1.3
Transient matter	.4	.1	.4
<b>Total</b>	<b>\$416.2</b>	<b>100.0</b>	<b>100.0</b>

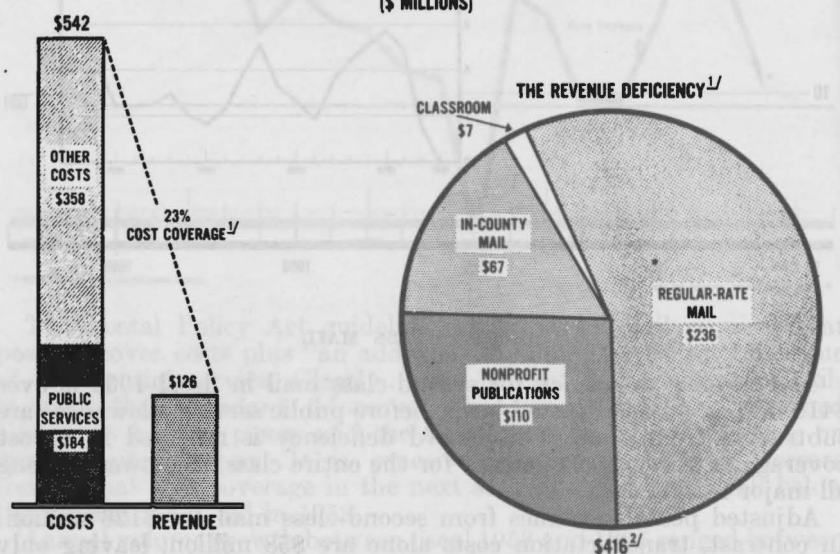
<sup>1</sup> Adjusted for full-year effect of known cost and revenue changes.

<sup>2</sup> Before public service credits.

<sup>3</sup> Includes \$4,300,000 of revenue credits not distributed to rate categories.

### Second Class Mail

(\$ MILLIONS)



<sup>1/</sup> Before public service credits

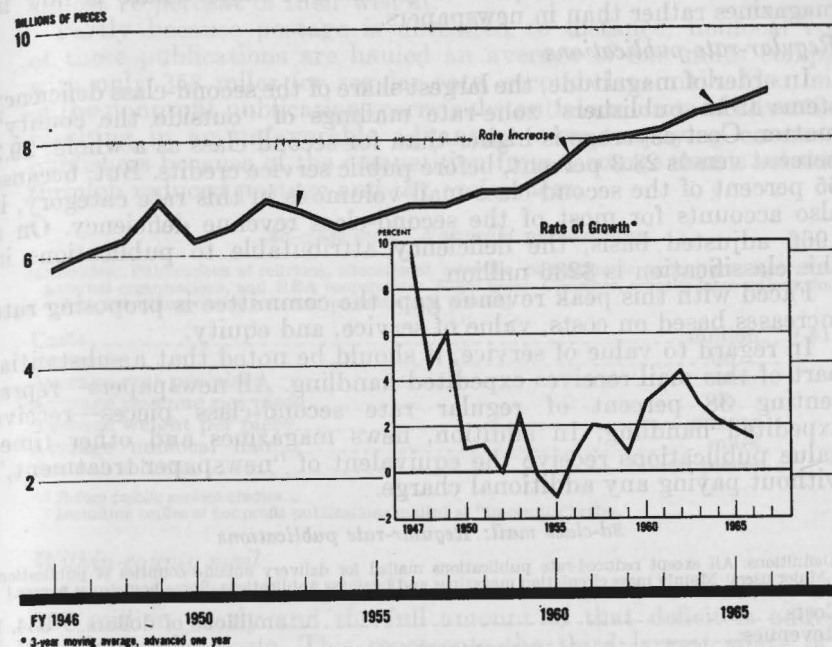
<sup>2/</sup> Includes \$4 million of revenue credits

Estimated current basis

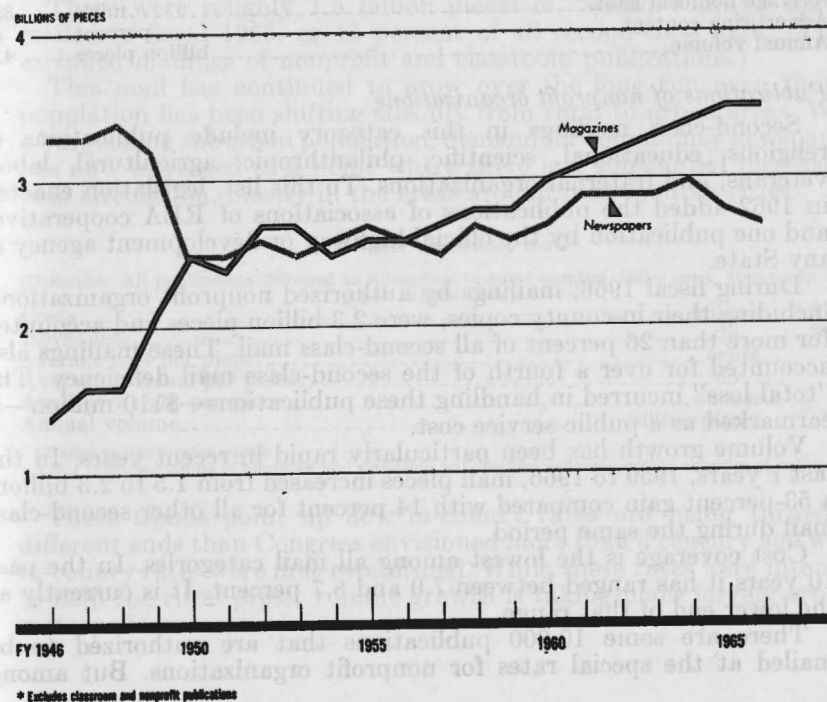
### Growth of second-class mail

While the rate of volume growth trended downward from 1947 to 1955, there has been a reversal in the last decade. Volume growth has been generally upward since 1955. Many factors contributed to that uptrend, including higher disposable personal income, more families, more leisure time, and increased school and college enrollment. But the upward trend was also the result of greater emphasis by publishers on magazine subscriptions rather than newsstand sales. This was reflected in promotional pricing efforts aimed at expanding advertising revenues through greater subscription circulation.

### SECOND CLASS MAIL VOLUME



### MAGAZINE AND NEWSPAPER VOLUME\*



As the accompanying chart shows, there has been a shift in second-class mail mix over the past 20 years. The major share is now in magazines rather than in newspapers.

#### *Regular-rate publications*

In order of magnitude, the largest share of the second-class deficiency stems from publishers' zone-rate mailings of "outside the county" matter. Cost coverage is higher than for second class as a whole: 29.3 percent versus 23.3 percent, before public service credits. But, because 55 percent of the second-class mail volume is in this rate category, it also accounts for most of the second-class revenue deficiency. On a 1966 adjusted basis, the deficiency attributable to publications in this classification is \$236 million.

Faced with this peak revenue gap, the committee is proposing rate increases based on costs, value of service, and equity.

In regard to value of service, it should be noted that a substantial part of this mail receives expedited handling. All newspapers—representing 38 percent of regular rate second-class pieces—receive expedited handling. In addition, news magazines and other time-value publications receive the equivalent of "newspaper treatment," without paying any additional charge.

#### *2d-class mail: Regular-rate publications*

[Definitions: All except reduced-rate publications mailed for delivery outside counties of publication. Major users: Mainly mass circulation magazines and business publications. Some hometown papers.]

Costs.....	millions of dollars..	334.1
Revenues.....	do.....	97.7
Average cost per piece.....	cents.....	7.1
Average revenue per piece.....	do.....	2.1
Average weight per piece.....	ounces.....	7.7
Average nonlocal haul.....	miles.....	358
Advertising content.....	percent.....	51
Annual volume.....	billion pieces.....	4.7

#### *Publications of nonprofit organizations*

Second-class mailings in this category include publications of religious, educational, scientific, philanthropic, agricultural, labor, veterans, and fraternal organizations. To this list, legislation enacted in 1962 added the publications of associations of REA cooperatives and one publication by the official highway or development agency of any State.

During fiscal 1966, mailings by authorized nonprofit organizations, including their in-county copies, were 2.3 billion pieces and accounted for more than 26 percent of all second-class mail. These mailings also accounted for over a fourth of the second-class mail deficiency. The "total loss" incurred in handling these publications—\$110 million—is earmarked as a public service cost.

Volume growth has been particularly rapid in recent years. In the last 7 years, 1959 to 1966, mail pieces increased from 1.5 to 2.3 billion, a 53-percent gain compared with 14 percent for all other second-class mail during the same period.

Cost coverage is the lowest among all mail categories. In the past 10 years it has ranged between 7.0 and 8.7 percent. It is currently at the lower end of that range.

There are some 10,000 publications that are authorized to be mailed at the special rates for nonprofit organizations. But among

these, some 200 account for nearly 60 percent of copies mailed and almost 70 percent of their weight.

Partly because postage is unrelated to distance, nonlocal copies of these publications are hauled an average of 838 miles compared with only 358 miles for regular rate, second-class mail. Also, many of the nonprofit publications carry substantial amounts of advertising, resulting in an unfavorable advantage over taxpaying commercial publishers because of the competition from a source that is subsidized through reduced postage and tax preferences.

#### *2d-class mail: Nonprofit publications*

[Definition: Publications of religious, educational, scientific, philanthropic, agricultural, labor, veterans, fraternal organizations, and REA cooperatives. Major users: Churches, schools, labor unions, fraternal orders, scientific societies, veterans' organizations, Scouts.]

Costs.....	million..	<sup>1</sup> \$118.2
Revenues.....	do.....	\$8.3
Average cost per piece.....	cents.....	<sup>1</sup> 5.1
Average revenue per piece.....	do.....	.4
Average weight per piece.....	ounces.....	2.8
Average nonlocal haul.....	miles.....	838
Annual volume.....	billion pieces.....	<sup>2</sup> 2.3

<sup>1</sup> Before public service credits.

<sup>2</sup> Including copies of nonprofit publications mailed at "in-county" rates.

#### *Within-county mail*

On a current basis, fully allocated costs exceed revenues by about \$67 million yearly and the full amount of that deficit is added to public service costs. This represents the third largest share of the second-class deficiency. Before reflecting these public service costs, revenues are equal to about 13 percent of fully allocated costs.

There were roughly 1.5 billion pieces of "within-county" matter mailed in fiscal 1966, or 15 percent of all second-class mail. (These excluded mailings of nonprofit and classroom publications.)

This mail has continued to grow over the long run even though population has been shifting steadily from rural to urban areas. With a burgeoning suburban population, demand for community newspapers has now increased to a point where there is a substantial increase in paid circulation, mostly in the areas around metropolitan cities.

#### *2d class: In-county mail*

[Definition: All publications delivered to subscribers in home counties. Major users: Hometown newspapers in rural areas.]

Costs.....	million..	<sup>1</sup> \$77.4
Revenues.....	do.....	\$10.1
Average cost per piece.....	cents.....	<sup>1</sup> 5.3
Average revenue per piece.....	do.....	.7
Average weight per piece.....	ounces.....	5.1
Annual volume.....	billion pieces.....	<sup>2</sup> 1.5

<sup>1</sup> Before public service credits.

<sup>2</sup> Not including copies of nonprofit and classroom publications delivered within counties of publication.

These trends point up how in-county rates are being turned to different ends than Congress envisioned more than a century ago when in-county rates were first established. While these rates were intended to help the rural press, volume growth is taking place largely around metropolitan areas.



### Classroom publications

The adjusted fiscal 1966 revenue deficiency in this rate category amounts to \$6.6 million and the entire amount is credited to public service. Cost coverage is about 18 percent before public service allowances.

These include about 140 classroom publications covering religious, educational, and scientific magazines and pamphlets. They amount to about 1 percent of second-class volume in pieces and weight.

### Transient matter

The fifth and smallest category of second-class mail consists of "transient" matter—generally publications not entitled to publishers' bulk rates. These publications have been charged higher rates of postage than other second-class matter.

In fiscal 1966, transient matter produced adjusted revenues of \$4.4 million and adjusted costs of \$4.8 million resulting in a cost coverage of over 92 percent. The deficit portion is not credited to public service.

### CONTROLLED CIRCULATION PUBLICATIONS

On a 1966-adjusted basis, these publications account for nearly \$19 million in revenues and nearly \$33 million in costs, resulting in a deficiency of about \$14 million.

These are publications which do not qualify for second class because, for the most part, addressees do not pay a subscription price. Publishers build circulation by distributing copies, without subscription charge, to selected readers. They rely on advertising as their principal revenue source. Circulation is usually "controlled" and subject to independent audit so that advertisers have some guarantee of readership volume.

Historically, the controlled circulation group has included mainly trade, technical, and industrial publications. More recently, a substantial number of shopper-guide publications have joined the group.

A controlled-circulation rate category was first set up in 1935 as an extension of third class, which then had an 8-ounce limit. The creation of this new category permitted heavier trade publications to break away from parcel post. Initially, controlled-circulation rates were closely related to third-class rates. But, over the years, the minimum rate for controlled-circulation mail has held at 1 cent while the third-class minimum has increased to 2½ cents.

Prior to the enactment of the 1962 rate law, the Department urged adoption of a minimum rate for controlled circulation to match the minimum for bulk third class. The Congress rejected that proposal and the minimum rate for controlled-circulation publications remains at 1 cent.

The Post Office Department has stressed that shopper guides and other lightweight publications had found the controlled-circulation classification a profitable escape from the higher third-class minimum rates. The recent increase in third class furnished an even greater incentive for that diversion.

Publications formerly mailed as third class were able to shift to controlled circulation when they met the following major requirements:

1. Issued regularly, at least four times yearly.
2. Contained at least 25 percent nonadvertising.
3. Contained 24 or more pages.

Very frequently the 24-page requirement could be met, not by adding to content of publications, but simply by transforming format into more pages of smaller size.

As evidence of the major shifts that are taking place, apparently due to rate anomalies, the volume of controlled circulation pieces increased about 110 percent in 4 years, since 1962. Currently volume is close to 350 million pieces annually.

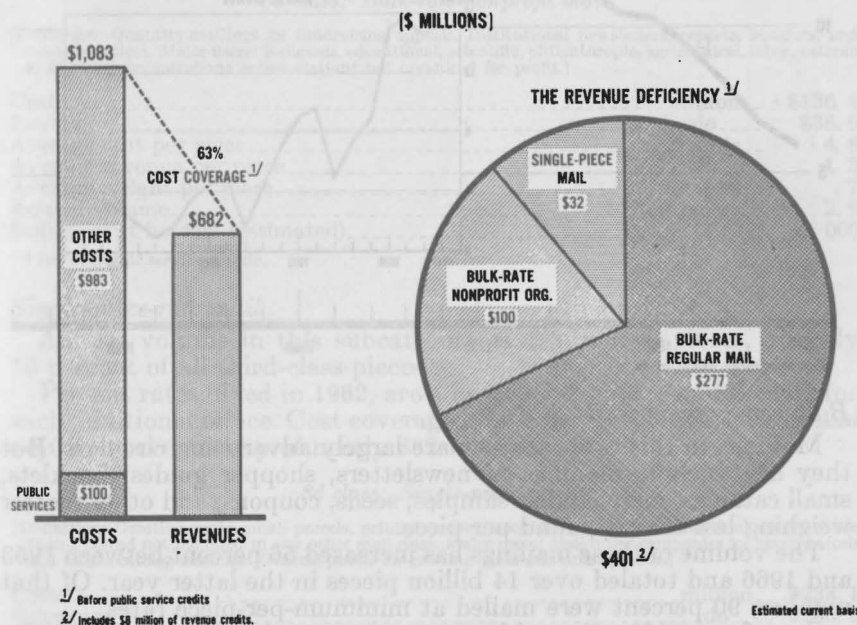
When evidence of these major shifts became apparent, the Department undertook a series of field surveys in order to get a clearer picture of where the volume increases were centered.

A study conducted by the Department in 1966 indicated there were 882 different publications identified with the controlled-circulation classification. Similar studies in earlier years indicated there were about 700 publications employing that mail service in 1964 and only 600 in 1961. Significantly, the increases in recent years occurred despite the demise of a very substantial number of publications that appeared in the first and second studies.

### THIRD-CLASS MAIL

After giving full effect to the latest cost increases, the revenue deficiency in the third-class mail service is over \$401 million. Cost coverage is 63 percent, before public service credits. Excluding mailings by authorized nonprofit organizations, cost coverage for "regular" third-class mail is 67 percent.

### Third Class Mail



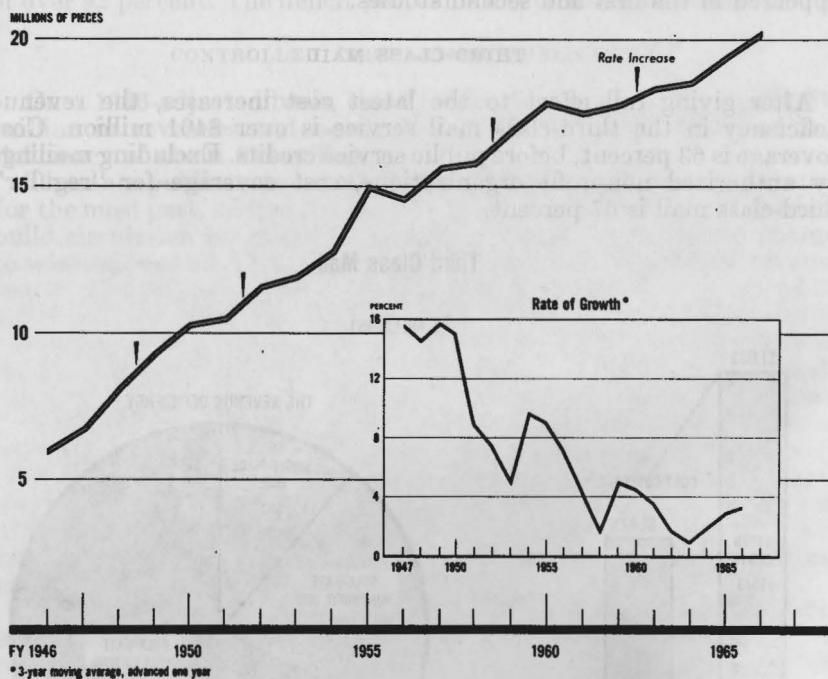


In 1958, cost coverage for third class was only 47 percent. But there has been a significant upward trend since then, aided by an increase from 1½ cents to 2½ cents in the minimum rate. Nevertheless, owing to volume increases, the current revenue deficiency for third-class mail is at a record high.

#### Third-class mail volume

Among the major classes of mail, volume growth in third class has led all others. For example, in the period from 1953 to 1966, third-class volume rose 69 percent, compared with a 42-percent increase for all other mails combined. As a result, third class now accounts for about 27 percent of total volume in contrast with nearly 24 percent in the earlier year. While growth has been steep, there has been a marked slowing of the uptrend in recent years.

THIRD CLASS MAIL VOLUME



#### Bulk-rate regular mail

Mailings in this rate category are largely advertising circulars. But they also include mailings of newsletters, shopper guides, booklets, small catalogs, merchandise samples, seeds, coupons, and other matter weighing less than 1 pound per piece.

The volume of these mailings has increased 56 percent between 1953 and 1966 and totaled over 14 billion pieces in the latter year. Of that number, 90 percent were mailed at minimum-per-piece rates.

On a fiscal 1966 adjusted basis, the revenue deficiency recorded for these mailings—at minimum-per-piece and bulk-pound rates is \$277 million. Cost coverage is 61 percent.

#### 3d class: Bulk-rate regular mail

[Definition: Quantity mailings of circulars, newsletters, shopper guides, booklets, small catalogs, seeds, merchandise samples, coupons, and other matter weighing less than 1 pound per piece. Major users: Advertisers, seed and plant wholesalers, State and local governments. Largely a mass-advertising medium. But many small business firms use direct mail as their only economical advertising medium.]

Costs.....	million.....	\$713.3
Revenues.....	do.....	\$436.2
Average cost per piece.....	cents.....	5.1
Average revenue per piece.....	do.....	3.1
Average weight per piece.....	ounces.....	1.5
Annual volume.....	billion pieces.....	14.1
Bulk permit holders.....	estimated.....	169,000

#### Bulk-rate nonprofit mail

The revenue deficiency in this mail class, fully covered by public service allowances, is nearly \$100 million annually, on a 1966 adjusted basis. Cost coverage is about 27 percent.

Eligible mailers number about 82,000 in eight different organizational categories. In 1966, these nonprofit organizations mailed about 2.9 billion pieces, largely at the minimum rate of 1¼ cents per piece, the same rate that has been in effect for such mailings since July 1, 1960. For heavier pieces, pound rates are half the rates for comparable mailings at regular bulk rates: 9 cents for circulars and merchandise, and 6 cents for books, catalogs, etc.

Third-class mailings by nonprofit organizations increased nearly 280 percent in the period from 1953 to 1966. In contrast, the volume of other bulk-rate third-class mail rose 56 percent. Mailings by these organizations now account for about 17 percent of all bulk-rate third-class mail compared with only 8 percent 13 years ago.

#### 3d class: Bulk-rate nonprofit mail

[Definition: Quantity mailings for fundraising appeals, Institutional newsletters, reports, booklets, and meeting notices. Major users: Religious, educational, scientific, philanthropic, agricultural, labor, veteran or fraternal organizations or associations not organized for profit.]

Costs.....	million.....	<sup>1</sup> \$136.4
Revenues.....	do.....	\$36.9
Average cost per piece.....	cents.....	<sup>1</sup> 4.8
Average revenue per piece.....	do.....	1.3
Average weight per piece.....	ounces.....	.7
Annual volume.....	billion pieces.....	2.9
Bulk permit holders (estimated).....		82,000

<sup>1</sup> Before public service credits.

#### Single-piece-rate mail

Annual volume in this subcategory is 3.3 billion pieces, roughly 16 percent of all third-class pieces.

Present rates, fixed in 1962, are 4 cents for 2 ounces and 2 cents for each additional ounce. Cost coverage is 86.2 percent, leaving an annual adjusted revenue gap of nearly \$32 million.

#### 3d class: Single-piece mail

[Definition: Greeting cards, small parcels, printed matter, booklets, and catalogs. All mail weighing less than 1 pound not included in any other mail class. Major users: Mail order companies for small parcels and single catalog mailings. General public for greeting cards and small parcels.]

Costs.....	million.....	\$233.1
Revenues.....	do.....	\$200.9
Average cost per piece.....	cents.....	7.0
Average revenue per piece.....	do.....	6.0
Average weight per piece.....	ounces.....	1.7
Annual volume.....	billion pieces.....	3.3

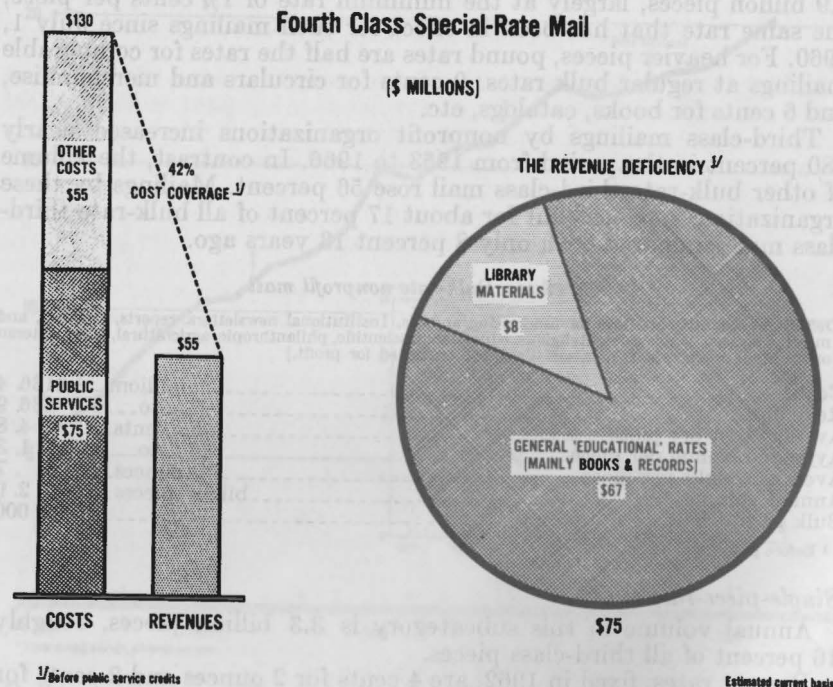
## FOURTH-CLASS MAIL

On a fiscal 1966 basis, adjusted for known changes in revenues and costs, fourth-class mail services operate with a deficiency of nearly \$98 million.

*Fourth-class special-rate mailings*

The largest losses are incurred for handling special-rate materials, consisting mainly of books and recordings. The deficiency here is over \$75 million on a 1966 adjusted basis, the entire amount chargeable to public service costs.

Although volume is still relatively small, it increased some 135 percent after 1958, under the combined impetus of changes in mail classification, growing membership in book and record clubs, the boom in college attendance, and low postage rates. In 1966 mailings at special rates totaled about 219 million pieces: 203 million at the general rate and 16 million at the library rate.



While most mailings are books and recordings, others include manuscripts, academic theses, printed music, periodicals, 16-millimeter films, filmstrips, transparencies, slides, microfilms, scientific kits and catalogs.

The special-rate category was first set up in 1938 by proclamation of the President. At that time it was strictly a "book rate." But nearly every rate bill since 1938 wedged additional items into that once-limited rate category. The biggest change took place in 1958 when recordings were added.

The size of the current revenue deficiency for special-rate parcels may be reason enough to increase their postage. Moreover, these special rates are being used in large measure to subsidize entertainment rather than education.

*4th class: Special-rate mail*

Definition: Books, sound recordings, manuscripts, academic theses, printed music, periodicals, 16-millimeter films, filmstrips, transparencies, slides, microfilms, scientific or mathematical kits, catalogs, and guides for some of these. Major users: Book publishers, book clubs, record clubs, book dealers, libraries, schools, and other educational institutions.]

Costs.....	<sup>1</sup> \$130.6 million.
Revenues.....	\$55.4 million.
Average cost per piece.....	<sup>1</sup> 59.7 cents.
Average revenue per piece.....	25.3 cents.
Average weight.....	3 pounds, 12 ounces.
Annual volume.....	219 million pieces.

<sup>1</sup> Before public service credits.

## EXPLANATION OF TITLE I BY SECTIONS

## TITLE I—POSTAL RATES

*Section 101. First-class mail*

Subsection (a) rewrites sections 4252 and 4253, title 39, United States Code.

Section 4252 provides a maximum size for first-class mail of 100 inches in length and girth combined and a maximum weight of 70 pounds. Existing law prescribes a weight limitation of 70 pounds, but does not provide any maximum limitation on the size. The committee recommends such maximum size and weight limitations to correspond with the maximum size and weight limitations now provided for domestic airmail and air parcel post pursuant to section 4305. This change is recommended because the postage rates for first-class mail weighing more than 13 ounces will be the rates prescribed for air parcel post.

Section 4253 provides a postal rate of 6 cents for each ounce or fraction of an ounce for first-class mail weighing 13 ounces or less and a rate of 5 cents for cards. First-class mail weighing over 13 ounces will have the rates of postage established for air parcel post pursuant to section 4303(d), and shall be entitled to the most expeditious handling and transportation practicable. Thus, the rate for first-class mail weighing 13 ounces at 6 cents per ounce would be 78 cents, and under the parcel post rates such mail weighing not over 16 ounces would be 80 cents. First-class mail weighing in excess of 1 pound would be subject to the same rate system established for air parcel post. The expeditious handling and transportation to be given first-class mail weighing more than 13 ounces normally is expected to be air transportation when such transportation will speed the delivery of the mail. This application reflects the priority mail principle and is a step toward the ultimate goal of establishing a single class of priority mail.

The special rate category for drop letters is eliminated. The postage rates on such matter will be 6 cents per ounce, the same as for other letters.

The rate of postage on business reply mail will continue to be the same as the regular rate plus an additional charge of 2 cents for each piece weighing 2 ounces or less, and 5 cents for each piece weighing more than 2 ounces. There are no changes in these additional charges.



Subsection (b) of section 101 rewrites subparagraphs (A) and (B) of section 4169(a)(1) of title 39, United States Code, relating to free mail for certain members of the U.S. Armed Forces and of friendly foreign nations for letters and sound-recorded communications having the character of personal correspondence.

The existing provisions of subparagraph (A) limit the free mailing privilege to servicemen in an overseas combat area as designated by the President.

Subparagraph (A), as amended by this bill, would extend the free mailing privilege to all servicemen when the letter or sound-recorded communication is mailed at an Armed Forces post office located outside the 48 contiguous States of the United States.

The existing provisions of subparagraph (B) authorize the free mailing privilege for servicemen hospitalized in a facility under the jurisdiction of the Armed Forces, but limit the application to servicemen who are hospitalized as a result of disease or injury incurred as a result of service in an overseas combat area as designated by the President.

Subparagraph (B), as amended by this bill, would extend the free mailing privilege to servicemen hospitalized as a result of disease or injury incurred while on active duty, without regard to where the disease or injury was incurred.

Subsection (c) of section 101 extends the free mailing privileges, in a manner similar to that provided by subsection (b) for a member of the armed forces of a friendly foreign nation serving with the U.S. Armed Forces.

Subsection (d) amends section 4251(a), to include within the definition of first-class mail "bills and statements of account."

Section 4451(b) of title 39, United States Code, now provides that bills and statements of account may be mailed at the lower third-class postage rate if produced by any photographic or mechanical process "other than typewriting," and if 20 or more identical copies are mailed at one time. This provision is repealed by section 107(b) of the bill.

For a number of years, bills and statements of account prepared by computers were considered as being produced by a typewriting process, and, therefore, required to be classified as first-class mail. In 1966, the question arose as to whether matter produced by electronic data processing equipment should be considered as being produced by a typewriting process, and it was concluded that computers produced matter by a mechanical process which more closely resembled printing and that such matter should be considered as having been produced by a mechanical process "other than typewriting." Consequently, as a result of the new interpretation, matter which for years had been classified as first-class mail, now, under existing law, can be mailed at the lower third-class rate. This amendment is intended to require that bills and statements of account, regardless of how produced, shall be mailed as first-class mail.

Concern has been expressed as to the effect the amendment made by section 101(d), requiring "bills and statements of account" to be mailed at first-class postage rates, will have on the provisions of 39 U.S.C. 4365(b), which authorizes publishers and news agents to enclose in their second-class publications "bills, receipts, and orders for subscriptions."

Such enclosures authorized by section 4365(b) are considered a part of the publication for postage purposes and currently are subject to second-class postage rates.

The amendment made by subsection (d) of the bill to section 4251(a) has no effect on such provisions of section 4365(b) insofar as those provisions relate to "orders for subscriptions."

A subscription renewal notice or an order for a subscription ordinarily informs the customer, not of charges incurred as a bill does, but of the expiration of his old subscription and the cost of renewal if the customer should elect to continue the subscription. Such a renewal notice or an order for a subscription is not a bill or statement of account within the meaning of this amendment.

While this amendment by itself has no effect on the postage to be paid for a bill or a receipt enclosed with a second-class publication, section 4656 of title 39, United States Code, as added by section 115 of this bill, will require first-class postage to be paid on a bill or a receipt mailed with a second-class publication.

Also a question has been raised whether the words "bills and statements of account" would be interpreted as including invoices.

Pursuant to section 4555 of title 39, United States Code and predecessor provisions of law authorizing the enclosure in fourth class mail of a description of the article mailed (which also applies to third class under section 4453), the Department has, at least since the 1913 edition of the Postal Laws and Regulations, authorized invoices to be enclosed.

The amendment makes no change with respect to the enclosure of invoices.

Subsection (e) repeals subsection (d) of section 4251, which contains the definition of drop letters, in order to conform with the amendment in subsection (a) which removes the special rate category for drop letters.

Subsection (f) makes the necessary technical adjustments in the table of contents of chapter 59, to conform with the changes made by the other provisions of this section.

#### *Section 102. Airmail*

Subsection (a) of section 102 of the bill rewrites subsections (a) and (b) of section 4303 of title 39, United States Code. The new subsection (a) prescribes a rate of postage on domestic airmail weighing not more than 7 ounces of 10 cents for each ounce or fraction thereof. This change represents an increase in the rate from 8 to 10 cents, and a reduction from 8 to 7 ounces. The reduction to 7 ounces is necessitated by the new 10-cent rate in order to keep the total rate for 7 ounces (70 cents) below the lowest air parcel post rate of 80 cents.

Subsection (d) amends the definition of air parcel post contained in section 4301(2) to change the "eight" to "seven" ounces to conform with the adjustment indicated above.

The existing provisions of subsection (b) of section 4303, prescribing the rate of postage on postal cards and post cards sent as domestic airmail, are amended to increase the rate for cards from 6 to 8 cents.

Subsection (b) of section 102 of the bill amends subsection (d) of section 4303, relating, in part, to the rates of postage on air parcel post. Three changes are made in air parcel post postage rates.

The first is the establishment of one-half pound postage increments between 1 and 5 pounds, which will result in the reduction of postage on some parcels.

The second is to provide a single rate of 80 cents for all zones for matter weighing not over 1 pound. Otherwise, the air parcel post rates remain unchanged.

The third change is the elimination of paragraph (2) of subsection (d), which requires that first-class mail sent as air parcel post pay postage not less than 8 cents an ounce for the first 8 ounces, and 5 cents for each ounce in excess of 8 ounces. This requirement is no longer appropriate as the rates for first-class mail over 13 ounces and for air parcel post are the same.

Paragraph (3) of section 102(b) strikes out subparagraphs (A), (B), and (C) of section 4303(d)(5) of title 39, United States Code, relating to airlift for servicemen overseas of certain categories of mail, and inserts new subparagraphs (A) and (B) with two substantive changes.

Subparagraph (B) of section 4303(d)(5) currently authorizes an airlift for second-class news publications only when addressed to a serviceman in an overseas combat area as designated by the President. The first amendment adds the second-class news publications to the category of mail covered by subparagraph (A), which authorizes airlift to all servicemen outside the 48 contiguous States of the United States.

The second amendment adds surface-type official mail to the category of mail entitled to airlift when mailed at or addressed to any Armed Forces post office where adequate surface transportation is not available. This category of airlift was included in subparagraph (C) of section 4303(d)(5), but the designation of the paragraph is changed to subparagraph (B) under the amendment.

Subsection (c) of section 102 makes technical amendments in section 4303(f) of title 39, United States Code, to conform with the new section 4170 added to title 39, United States Code, by section 116 of the bill.

#### *Sections 103 and 104. Second-class mail, effective January 7, 1968*

Sections 103 and 104 rewrite sections 4358, relating to within county rates for second-class publications, and 4359, relating to outside county rates, of title 39, United States Code, to place all the preferred rate categories under section 4358, and the regular rate categories under section 4359.

#### *Section 4358, rates of postage; preferred*

This section is amended to provide rates of postage for the following publications.

1. *Within county publications, subsection (a).*—The pound rate is increased in three steps, to take effect in 1968, 1969, and 1970. The minimum charge per piece is increased from 0.125 to 0.2 cent per piece.

Subsection (i) of section 4358 will apply the within county rates to each publication, if otherwise entitled to within county rates, having original entry at an independent incorporated city, an incorporated city which is situated entirely within a county, or which is situated contiguous to one of more counties in the same State but which is politically independent of such county or

counties. The rates will apply to the county with which the independent city is principally contiguous.

2. *Nonprofit publications, subsection (d).*—At present, a flat rate of 1.8 cents per pound, subject to a minimum charge of 0.125 cent per piece, is charged for this category of mail. The bill increases the minimum charge per piece of 0.125 cent to 0.2 cent and provides a three-step increase (1968—1.9 cents, 1969—2.0 cents, 1970—2.1 cents) in the rate of 1.8 cents per pound for the nonadvertising portion of the nonprofit publication. Six-phase zone-based rates (1968–73) are prescribed for the advertising portions of such publications.

3. *Classroom publications, subsection (e).*—The postage on classroom publications will continue to be 60 percent of the pound rates and of the minimum charge per piece for regular outside county publications prescribed by section 4359(b).

4. *Agricultural publications, subsection (f).*—The rate of 4.2 cents per pound now prescribed on the advertising portion of publications mailed for delivery in zones 1 and 2 outside the county of publication is continued for publications devoted to promoting the science of agriculture when mailed for delivery in zones 1 or 2. The special rate will apply only to such publications when the total number of copies furnished during any 12-month period to subscribers in rural areas consists of at least 70 percent of the total number of copies distributed.

5. *Publications mailed in quantities of fewer than 5,000, subsection (g).*—The regular rate publications mailed in quantities of fewer than 5,000 copies for delivery outside the county of publication will continue to be subject to a lower minimum charge per piece, which is increased in three steps from 0.5 cent to 0.6, 0.7, and 0.8 cent. However, the existing provisions which prescribed a preferred rate for publications having 5 percent or less advertising are eliminated.

Subsections (h) and (j) of section 4358 contain conforming amendments to include within section 4358, provisions relating to classroom publications, publications of nonprofit organizations, and the definition of the term "zones," which are now contained in section 4359.

Subsection (b) of section 103 makes conforming changes in the table of contents of chapter 63, title 39, United States Code.

#### *Section 4359, rates of postage; regular*

No change is made in the provisions of subsection (a) of section 4359, describing the conditions that must be met before copies of a publication are entitled to second-class postage rates.

Subsection (b) of section 4359 provides a three-phase increase (1968, 1969, and 1970) in the pound rates and the minimum charge per piece for regular rate publications mailed in accordance with subsection (a), and not subject to a preferred rate prescribed by section 4358.

The existing provisions of subsection (b)(2) of section 4359, relating to classroom publications, subsection (b)(3), relating to nonprofit publications, and subsection (b)(4), relating to publications mailing fewer than 5,000 copies per issue, have been included in section 4358.

Subsection (c) of section 4359, relating to the portion of a publication devoted to advertisements for purposes of determining that por-



tion of the publication subject to the advertising rate of postage, is amended so as to apply the provisions of such subsection (c) to publications covered by both sections 4358 and 4359, and to exclude from such portion the advertisements subject to the new section 4656 added by section 115 of the bill. The new section 4656 requires advertising supplements, mailed with publications entered as second-class mail, to pay the appropriate postage rate had such supplements been mailed other than with the publication.

Subsection (d) of section 4359 authorizes publications to be transported by air on a space-available basis upon the request of the publisher or news agent and upon payment of the regular postage plus an additional charge to be fixed by the Postmaster General. The additional charge may not be adjusted more frequently than once every 2 years and when prescribed or adjusted, shall equal as nearly as practicable the amount by which the allocated cost incurred by the Department for the delivery of such publications by air is in excess of the allocated cost the Department would have incurred had such publications been delivered by surface transportation.

The transportation of publications by air, pursuant to this section, will be permitted only when such transportation does not impede the transportation of airmail, air parcel post, or first-class mail.

The existing provisions of subsections (d) and (e)(1) and (2) of section 4359, relating to proof of qualifications and definitions of classroom publications and of a nonprofit publication, have been included in section 4358.

Subsection (e) of section 4359 updates and continues the definition of the term "zones" which was contained in the existing provisions of section 4359(e)(3).

Paragraph (2) of section 104(a) and section 104(b) of the bill make the necessary technical adjustments in the heading of section 4359, and in the table of contents of chapter 63, respectively.

Subsection (c) of section 104 amends section 4369(a)(4) to remove "trade publications serving the performing arts" from the exemption to the requirement that owners of publications having second-class mailing privileges furnish to the Postmaster General and publish in their publication certain information such as the number of copies distributed.

#### *Section 105. Second-class transient mail*

This section amends section 4362 of title 39, United States Code, to increase the rates for transient mail from 4 cents to 5 cents for the first 2 ounces. No increase is made in the 1-cent rate for each additional ounce or fraction thereof.

#### *Section 106. Controlled circulation publications*

This section amends section 4422 of title 39, United States Code, to provide a three-phase increase in both the rate per pound and the minimum charge per piece for controlled circulations during 1968, 1969, and 1970.

#### *Section 107. Third-class mail*

Subsection (a) of section 107 of the bill rewrites subsections (a) and (b) of section 4452 of title 39, United States Code, prescribing postage rates for third-class mail.

#### *Individual piece and bulk rate, subsection (a)*

The individual piece rate is increased from 4 cents to 6 cents for the first 2 ounces, and the 2-cent rate for each additional ounce is continued without change. The bulk rates per pound and the bulk minimum charge per piece are continued at the existing rates until January 7, 1968, and then are increased.

#### *Minimum rates*

Subsection (b) of section 4452 requires all bulk third-class mail to be subject to the applicable minimum charge per piece, as prescribed in the various provisions of section 4452. Also, a minimum charge per piece of 1.3 cents is prescribed for such matter mailed on and after January 7, 1968, by (1) qualified nonprofit organizations which are organized for charitable, religious, or general health purposes, and are engaged predominantly in the accomplishment of such purposes, or (2) when such matter mailed by a qualified nonprofit organization consists wholly of solicitations of funds to be used for charitable, religious, or general health purposes.

#### *Bills and statements of account, subsection (b) of section 107 of the bill*

Subsection (b) repeals section 4451(b) of title 39, United States Code, to conform with an amendment made by section 101(d) of the bill to section 4251(a), relating to the requirement that bills and statements of account be mailed as first-class mail.

#### *Section 108. Special rate fourth-class mail*

This section amends section 4554 of title 39, United States Code, in several major respects.

The section heading of section 4554 and the corresponding table of contents are amended by subsections (b) and (c) of section 108 to remove the implication that all items entitled to the preferred rates prescribed by this section consist of educational material. While the provisions of this section originally included only educational items, there now are included in the section many items which have doubtful, if any, educational value. For example, the preferred rates apply to all "books" and to all "sound recordings."

The general rate under subsection (a) of section 4554 is increased from 10 cents for the first pound to 16 cents for the first 2 pounds or fraction thereof, and from 5 cents to 6 cents for each additional pound or fraction thereof. The lower rates under subsection (b) for certain mailings between libraries, schools, and certain nonprofit organizations are increased from 4 cents for the first pound to 8 cents for the first 2 pounds, and from 1 cent to 3 cents for each additional pound.

Subsection (a)(1) of section 4554 is amended to clarify the provisions so that they will not be interpreted to deny the special fourth-class rates to book supplements; such as, for example, single volumes belonging to multivolume sets, or law or medical books issued serially. Public Law 89-593 redefined the definition of books so as to extend the special rates to complete looseleaf books, excluding replacement pages thereafter mailed. The language included in the amendment could be interpreted to exclude book supplements such as those described above, which was not intended by the Congress. This amendment simply clarifies the existing state of the law since book supplements are, and have been, entitled to the special fourth-class postage rates.

Subsection (a)(2) is amended to include films narrower than 16-millimeter films within the items that are entitled to the preferred rates under section 4554.

Subsection (c) of section 4554 is amended to include films narrower than 16 millimeters.

A new subsection (e) is added to section 4554, authorizing the Postmaster General to prescribe the manner of preparation for mailing items at the preferred rates when items are mailed in quantities of 1,000 or more.

#### *Section 109. Keys and other small articles*

This section amends section 4651(b) of title 39, United States Code, to increase the rate for keys and other small articles from 6 cents for each 2 ounces or fraction thereof, to 14 cents for the first 2 ounces or fraction thereof, and 7 cents for each additional 2 ounces or fraction thereof.

#### *Section 110. Special handling service*

This section amends section 6008 of title 39, United States Code.

The existing provisions of section 6008 are amended to include third-class mail (limited in weight to less than 16 ounces) within the authority of the provisions entitling fourth-class mail (minimum weight limit of 16 ounces) to the most expeditious handling and transportation practicable. Such special service is available only upon payment of a special handling fee, which is authorized to be fixed by the Postmaster General. The amendment adds a further provision to make it clear that such special handling does not require handling and transportation as airmail.

#### *Section 111. Separation by mailer of second-class mail*

This section rewrites section 4363 of title 39, United States Code, to require publishers and news agents to mail second-class matter in the manner directed by the Postmaster General.

This section eliminates the words "to zones" from the present law on sorting and separating of second-class mail.

The Postmaster General has not required zone separation for many years. Instead, city and State separation was required. More recently the requirement is to separate by ZIP codes.

#### *Section 112. Printing on second-class covers*

This section adds a new subsection (d) to section 4365 of title 39, United States Code, relating to permissible marks and enclosures on or in second-class mail matter.

Under subsection (d), there may be included, in accordance with uniform regulations which the Postmaster General shall prescribe, on the envelopes, wrappers, and other covers in which copies of publications are mailed, messages and notices of a civic or public-service nature, if no charge is made for the inclusion of such messages and notices on such envelopes, wrappers, and covers.

Many publications issuing a special edition in honor of a centennial or anniversary celebration of a community, have printed matter on the envelopes or covers, identifying the centennial or anniversary, which makes the publication nonmailable at second-class rates under the existing provisions of law. The Department has found that enforcement of the provisions presents an unnecessary administrative

burden. There are no restrictions of this kind applicable to other classes of mail.

The amendment made by this section will remove the administrative burden and permit certain writing or printing as indicated above to be included on the outside wrappers or envelopes in which copies of second-class publications are mailed.

#### *Section 113. Additional entry points*

This section adds a new subsection (k) to section 4358 of title 39, United States Code, as amended by this bill. Under this amendment, special local rates for mailings at additional entry points would be eliminated. Under present law, publications issued more often than once a week pay a flat rate of 1 cent per copy for local delivery by city carriers from the post office where they are entered for mailing. Publications issued less often than once a week pay 1 cent per copy if they weigh 2 ounces or less, and a flat 2 cents if they weigh more for local delivery by city carriers from the office of mailing. These special local delivery rates apply at every post office where the publication is entered for mailing, even at post offices outside the actual county of publication. Mailings at post offices outside the county of publication are called additional entry points. A number of mass-circulation magazines have taken advantage of this rate by shipping their publications to major cities outside the county of publication, entering the publication for mailing in these cities, and receiving the special reduced local delivery rate. The Department has just completed a survey of mailing patterns of 20 major nonweekly magazines which employ additional entry points and are now subject to the special 1- and 2-cent-per-copy rates at such points. The results indicate a loss of \$1 million a year in postal revenue, representing the difference between the postage and the 1-cent and 2-cent-per-copy rates for the local deliveries at the additional entry points and the postage that would have to be paid if the publications were charged the regular zone rates. The bill would eliminate the per-copy rates for publications mailed at additional points of entry. The per-copy rates would continue to apply to local delivery from the post office of original entry in the county of publication.

This amendment does not affect the practice of using additional entry points upon payment of the appropriate zone rate but does eliminate the use of the within-county rates or the per copy rates at the additional entry points.

#### *Section 114. Matter for the blind and other handicapped persons*

This section strikes out sections 4653 and 4654 of title 39, United States Code, and adds new sections 4653, 4654, and 4655. Also, existing section 4451(d) of title 39 is repealed. This section relates to the mailing as third-class mail of unsealed letters written in point print or raised characters, or sound reproduction records.

The new section 4653 would extend the free mailing privileges currently provided only for matter mailed to the blind, to include other persons who cannot use or read conventionally printed material because of a physical impairment. The Library of Congress has for over 35 years administered the national books for the blind program. Public Law 89-522, July 30, 1966, authorized the Library of Congress to provide books and other reading materials to those persons who, because of physical handicaps, cannot read or hold ordinary printed



materials. The amendment made by this section will include such persons within the benefits of the free mailing privilege.

The free postage is available when the matter mailed has no charge, or rental, subscription, or other fee, or the fee required is not in excess of the cost thereof. The matter may be opened by the Postmaster General for inspection, it must contain no advertising, and is subject to size and weight limitations prescribed by the Postmaster General. The free mailing privilege is extended to reading matter and musical scores; sound reproductions; paper, records, tapes, and other material for the production of reading matter, musical scores, or sound reproductions; reproducers, or parts thereof, for sound reproductions; and braille writers, typewriters, educational or other materials or devices, or parts thereof, used for writing by, or specifically designed or adapted for use of, a blind person or a person having a physical impairment within the meaning of this section.

The new section 4654 would restate the present provisions of section 4451(d), which is repealed, under which unsealed letters written in raised characters or sightsaving type, or in the form of sound recordings, may be mailed free of postage by a blind person or a person having a physical impairment, as described in section 4653(a)(1).

The new section 4655 would include in the law a new requirement that all matter mailed free under sections 4653 and 4654 be appropriately marked "Free Matter for the Blind or Handicapped" or with a similar phrase prescribed by the Postmaster General.

#### *Section 115. Enclosures mailed with second-class publications*

This section adds a new section 4656 to title 39, United States Code, to require certain matter mailed with second-class mail to be charged postage at first-, third-, or fourth-class rates, as appropriate, had such matter been mailed other than with the publication. The applicable higher rates will apply to bills or receipts mailed with second-class publications, either loose or bound in the publication, or loose in the same envelope, wrapper, or other cover in which the publication is mailed. The higher rate also will apply to advertising supplements mailed with such publications.

Under existing regulations, an advertising supplement may be mailed with a second-class publication subject to certain conditions (Postal Manual 132.44). The supplement must be germane to the issue and prepared in order to complete the issue. It must bear the title of the publication, preceded by the words "Supplement to".

The regulations provide that "publications" which are distinct from and independent of the regular issue, such as catalogs, circulars, handbills, posters, and other "special" advertisements, are not germane to the issue and may not be inserted as supplements to publications sent as second-class mail. Also, under the regulations, publishers must be paid advertising rates and charges for carrying preprinted advertising supplements germane to the issue with which they are mailed.

During the course of the hearings, the committee received many exhibits of advertising supplements which were mailed with publications. In the opinion of the committee, it is doubtful whether some of these advertising supplements qualified under the regulations.

Some did not have the imprint, "Supplement to", others appeared to be independent "publications," circulars, catalogs, or not germane to the issue.

This amendment is intended to strengthen the position of the Post Office Department in this matter by excluding all advertising supplements from being mailed at the low second-class rate category, and requiring the regular rates even though mailed with second-class publications. It is expected that new, more meaningful regulations, be issued by the Department defining "advertising supplements."

Under this amendment the advertising supplements, as properly defined by the Department, which are mailed with a second-class publication will be required to pay postage at first-, third-, or fourth-class rates, as appropriate, had such supplements been mailed other than with the publication.

#### *Section 116. Mailing privileges of Armed Forces in the Canal Zone*

This section adds a new section 4170 to title 39, United States Code, to clarify the application of the mailing privileges for members of the U.S. Armed Forces and of friendly foreign nations, to the servicemen stationed in the Canal Zone. The Canal Zone currently does not have any Armed Forces post offices, but operates an independent postal service under the jurisdiction of the Canal Zone Government (2 Canal Zone Code 1132, 76A Stat. 39).

Subsection (a) of section 4170 of title 39, United States Code, as added by this bill, will extend the mailing privileges prescribed by sections 4169(a), 4303(d)(5), and 4560 of title 39, as amended by this legislation, to servicemen stationed in the Canal Zone.

Subsection (b) of section 4170 authorizes the Department of Defense to reimburse the postal service of the Canal Zone for the equivalent amount of postage due, and sums equal to the expenses incurred by, the postal service of the Canal Zone, for matter sent in the mails, and in providing air transportation of mail, as required by such section 4170.

Subsection (b) of section 116 makes technical amendments in the table of contents to chapter 57 of title 39, United States Code, to conform to the new section 4170 added by subsection (a) of this section.

#### *Section 117. Air transportation of parcels to or from Armed Forces post offices*

This section adds a new section 4560 to title 39, United States Code, to create a new category of airlift mail consisting of parcels weighing not in excess of 30 pounds, and measuring not in excess of 60 inches in length and girth combined, other than parcels mailed airmail or air parcel post.

This new authority will apply for parcels mailed at or addressed to any Armed Forces post office, whether such post office is established within the United States or overseas, upon payment by the sender of the regular surface parcel post zone rate of postage, plus a special fee to be fixed by the Postmaster General for the domestic transportation by air. The committee intends that the fee be uniform for all packages without regard to weight or domestic distance to be transported. The preliminary indications are that the fee probably could be fixed in the neighborhood of \$1 per package.

The new airlift is authorized for transportation between the point of mailing and the point of delivery and will include airlift within the

United States, whereas airlift for parcels not in excess of 5 pounds under existing law (39 U.S.C. 4303(d)(5)) applies only between the point of embarkation and the point to or from which the parcel is mailed overseas. The new authority adds an additional airlift category and is not intended to deprive a mailer of the option to ship a parcel weighing not in excess of 5 pounds at the regular surface parcel post zone rates, and obtain airlift only between the embarkation point and the Armed Forces post office overseas, or the option to ship a parcel at the premium airmail or air parcel post rates with the resulting preferred airmail service.

This section includes the requirement that the mail will be transported by air on a space-available basis on scheduled U.S. air carriers at rates fixed and determined by the Civil Aeronautics Board.

Also, authority is included so that whenever adequate service by scheduled U.S. air carriers is not available to provide transportation of mail by air, the transportation of mail pursuant to this section may be authorized by airlift on other than scheduled U.S. air carriers.

*Section 118. Solicitations in the guise of bills or statements of account*

This section adds a new subsection to section 4001 of title 39, United States Code, relating to nonmailable matter, to declare as nonmailable, solicitations for orders or services prepared in a form to mislead the addressee into believing that the solicitation actually is a bill for goods or services previously rendered.

The section provides that a solicitation for the order by the addressee of the goods or services is nonmailable matter and shall not be carried or delivered by the mail when it is in the form of, and reasonably could be interpreted or construed as, a bill, invoice, or statement of account due, unless such matter bears on its face, in conspicuous and legible type, a notice that the matter actually is a solicitation for the order of goods and is not a bill, invoice, or statement of account due. The actual form of the notice to be imprinted on the solicitation may be as prescribed by regulations of the Postmaster General, or in the specific form set forth in the amendment. The section provides that this new provision shall be effective with respect to matter mailed on or after the 90th day following the effective date of the section.

*Section 119. Effective dates*

Section 119 prescribes effective dates for the various sections.

**AGENCY RECOMMENDATIONS**

This legislation is based on the official recommendations of the President relating to "Postal Rates and Services" included in his message to the Congress entitled "Civilian and Military Pay Raises," House Document No. 95, 90th Congress. The legislative proposal was transmitted by the Postmaster General by letter dated April 5, 1967, which is set forth below. The proposal was introduced as H.R. 7977, and an explanation of the proposal is included in House Document No. 106, 90th Congress, entitled "Survey of Postal Rates."

The provisions of several bills pending before the committee relating to postal rates have been included in the reported bill. The agency reports on such provisions are as follows:

1. Reports on H.R. 4224, relating to mailing privileges for U.S. Armed Forces, which was superseded by H.R. 10226, and

included in sections 101(b), 101(c), 116, and 117 of the reported bill.

2. Reports on H.R. 7192, relating to postage on matter for the blind and other handicapped persons, included in section 114 of the reported bill.

3. Two reports on provisions relating to bills and statements of account, included in sections 101(d) and 107(b) of the reported bill.

4. Report on H.R. 2071, relating to the book rate on book supplements, included in section 108 of the reported bill.

5. Report on H.R. 8951, relating to printing on envelopes, wrappers, or other covers in which second-class publications are mailed, included in section 112 of the reported bill.

THE POSTMASTER GENERAL,  
Washington, D.C., April 5, 1967.

HON. JOHN W. MCCORMACK,  
Speaker of the House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill to adjust certain postal rates and for other purposes. The proposed bill, if enacted, would carry out the recommendations the President has made to the Congress with respect to postal rates in his message on postal rates and pay. (H. Doc. No. 95, 90th Cong.)

I urge early enactment of this legislation by the Congress.

Sincerely yours,

LAWRENCE F. O'BRIEN.

The reports from the Bureau of the Budget on H.R. 4224 and the Post Office Department on H.R. 4224 and related bills are set forth below. The recommendations of the committee are included in the reported bill in sections 101(b), 101(c), 116, and 117. The Department of Defense witnesses testified at the public hearings in support of the position of the Bureau of the Budget, which is to the effect that action on this legislation should be delayed on the basis that the special mailing privileges granted by this legislation are a form of personnel benefits and, as such, any adjustments therein should be considered in the context of the results of the comprehensive review of pay, allowances, and fringe benefits now underway. The committee cannot agree with this contention.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., May 3, 1967.

HON. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget on H.R. 4224, a bill to amend title 39, United States Code, to provide additional free letter mail and air transportation mailing privileges for certain members of the U.S. Armed Forces, and for other purposes.



The testimony before your committee, the Department of Defense notes that H.R. 4224 would provide servicemen stationed in designated combat areas with little that they do not already enjoy with respect to mail privileges. Further, that testimony notes that to extend to servicemen not in combat zones special mail privileges originally granted in recognition of the unique needs of servicemen in such zones is to detract from the significance of those special privileges. Moreover, the Department questions the need and justification for extending special mail privileges to those not in combat zones, such as H.R. 4224 would provide. Finally, Defense states that special mailing privileges are a form of personnel benefits and, as such, any adjustments should be considered in the context of the results of the comprehensive review of pay, allowances, and fringe benefits now underway.

The Bureau of the Budget concurs in the views of the Department of Defense and, therefore, strongly recommends against favorable consideration of H.R. 4224, the enactment of which would be inconsistent with the administration's objectives.

Sincerely yours,

WILFRED H. ROMMEL,  
Assistant Director for Legislative Reference.

THE POSTMASTER GENERAL,  
Washington, D.C., April 25, 1967.

HON. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 4224, providing additional free letter mail and air transportation mailing privileges for certain members of the U.S. Armed Forces, and for other purposes. This will also serve as a report on H.R. 4771, identical legislation.

Section 1 of this legislation extends free mailing privileges for letters, cards, and voice records or tapes to members of the Armed Forces stationed outside the 48 contiguous States. Presently, only troops in designated combat zones are entitled to the privilege. In addition, section 1 grants the privilege to servicemen hospitalized in a facility under the jurisdiction of the Armed Forces as a result of disease or injury incurred while on active duty. Existing law in this regard grants the privilege only to servicemen hospitalized as the result of disease or injury incurred in a designated combat area. Section 1 also extends the privilege in similar fashion to members of an armed force of a friendly foreign nation serving under U.S. commands (39 U.S.C. 4169(a)(2)).

Basically, extension of free mailing privileges as proposed is a matter falling within areas of responsibility which pertain to the Department of Defense. We would defer to the judgment of that Department as to whether all overseas troops should have free mailing privileges at this time. Should the privilege be so expanded, the Post Office Department would receive appropriate postage reimbursement from the Defense Department, by virtue of section 4169(b) of title 39, United States Code.

Section 2 of the bills establishes a new category of airlift mail. It provides that a surface parcel not over 30 pounds in weight, and 60

inches in combined length and girth, which is mailed at or addressed to any Armed Forces post office shall be transported by air, on a space-available basis, upon payment of the regular postage plus a special fee to be prescribed by the Postmaster General.

Under present law (39 U.S.C. 4303(d)(5)), parcels up to 5 pounds in weight, and 60 inches in combined length and girth, are accorded airlift service between points of embarkation or debarkation and Armed Forces post offices overseas, upon payment of regular surface postage.

Section 2, it is noted, does not contain any criteria or guidelines for the special fee to be prescribed by the Postmaster General. In this connection a single, flat fee to be charged an eligible parcel, regardless of considerations of weight or distance involved, would not be equitable.

The enactment of section 2 would result in encouraging and increasing the flow of packages to members of the Armed Forces. This involves questions of logistics and troop morale, considerations which relate to responsibilities of the Department of Defense. We suggest, therefore, that the merits of section 2 can best be determined by that Department. If it is favorably considered, however, we believe it should contain provision for reimbursement to this Department from the Defense Department of the additional unrecovered air transportation cost that would result from its adoption.

Section 3 extends the present airlift service for second-class news publications so as to include all overseas Armed Forces post offices. Currently, this aspect of the airlift law is confined to designated combat areas. The Department would defer to the Defense Department on this feature of the bill.

The Bureau of the Budget has advised that from the standpoint of the administration's program there is no objection to the submission of this report to the committee.

Sincerely yours,

LAWRENCE F. O'BRIEN.

THE POSTMASTER GENERAL,  
Washington, D.C., August 16, 1966.

HON. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service,  
House of Representatives,  
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for a report on H.R. 7192, relating to rates of postage on matter for blind and other handicapped persons.

The bill would strike sections 4653 and 4654 of title 39, United States Code, which relate to certain mailing privileges for the blind, and substitute in lieu thereof new sections 4653, 4654, and 4655. The bill would also repeal section 4451(d) of title 39, which likewise relates to these mailing privileges.

New section 4653 would restate the present provisions of sections 4653 and 4654, making the following substantive changes therein: (1) Matter now mailable at reduced rates under section 4653(b) would be postage free; (2) regardless of the identity of the mailer or addressee, qualified matter for the use of a qualified person would be

postage free; (3) typewriters and other materials and devices designed or adapted for use by the blind would be postage free, subject to size and weight limitations prescribed by the Postmaster General; (4) advertising matter for the blind could be postage free, although it is now categorically excluded from any matter mailed postage free under sections 4653 and 4654; (5) the requirement that publishing houses and other institutions using the free mailing privileges not be conducted for profit would be deleted; (6) the restrictions on the ownership of matter now mailable under section 4654 would be deleted; and (7) the class of persons entitled to the free mailing privileges of sections 4653 through 4655 would be expanded to include "persons who cannot use or read conventionally printed material because of a physical impairment."

New section 4654 would restate the present provisions of section 4451(d), under which unsealed letters written in point print or raised characters, or on sound reproduction records, used by the blind are defined as third-class mail, and make such letters postage free.

New section 4655 would include in the law a new requirement that all matter mailed free under sections 4653 and 4654 be marked "Free Matter for the Blind or Handicapped," or a similar phrase prescribed by the Postmaster General.

The Department has long supported the principle of free mailing privileges for the blind. We, furthermore, generally endorse the liberalization of these privileges as proposed by this bill. For the reasons hereinafter set forth, however, we believe three changes in the bill are desirable.

First, we understand that the proposed extension of free mailing privileges to matter which "is for the use of the blind or other persons who cannot use or read conventionally printed material because of a physical impairment" is intended to (1) enable blind or other qualified handicapped persons to mail special form matter to other qualified persons and (2) extend the free mailing privilege to materials for the use of those other handicapped persons who are covered into the Library of Congress books-for-the-blind program by Public Law 89-522 (2 U.S.C. 135a, 135b). With regard to (1), it may be noted that the coverage of the bill is much broader than the understood purpose. Accordingly, it is suggested that the class of mailers or addressees be stated as "for the use of and mailed by, or mailed for, or addressed to \* \* \*." With regard to (2), Public Law 89-522 describes these handicapped persons as "other physically handicapped readers certified by a competent authority as unable to read normally printed matter as a result of physical limitations, under regulations prescribed by the Librarian of Congress for this service." We believe this certification procedure is a prudent and adequate protective measure, designed to prevent use of the program by persons not intended by Congress to benefit therefrom. Furthermore, we suggest that similar protective measures are needed to prevent abuse of the free mailing privilege. Accordingly, we suggest that this provision of the bill be amended to incorporate, either by reference or independently, the certification procedure required in Public Law 89-522.

Second, we believe that the proposed change under which advertising matter could be mailed postage free is unwarranted, unnecessary, and a potential source of considerable loss to the postal revenues. Accordingly, we strongly urge that the bill be amended to restore the present provisions of law relating to advertising matter.

In conclusion, it should be noted that the expanded free mailing privileges proposed by this bill will result in lost postal revenues. At present we cannot accurately estimate these losses. The Department believes, however, that the program should be funded in conjunction with other similar programs. Accordingly, it is suggested that a provision similar to that relating to reimbursement to the Post Office Department by the Department of Defense of expenses incurred in connection with soldier mail, set forth in section 4169 of title 39, United States Code, be included in the bill. The Congress can best determine whether the funding agency should be the Department of Health, Education, and Welfare or Library of Congress, both of which have substantial programs for the assistance of the blind and other handicapped.

The Bureau of the Budget has advised that there is no objection to the submission of this report to the committee from the standpoint of the administration's program.

Sincerely yours,

LAWRENCE F. O'BRIEN.

THE LIBRARIAN OF CONGRESS,  
Washington, D.C., June 6, 1967.

HON. THADDEUS J. DULSKI,  
Committee on Post Office and Civil Service,  
House of Representatives, Washington, D.C.

DEAR MR. DULSKI: This is in reply to your recent letter asking for the comments of the Library of Congress on H.R. 7192 and H.R. 7153.

As you know, the Library of Congress has, for over 35 years, administered the national books for the blind program. During the last session of Congress, Public Law 89-522 amended the act to provide that books and other reading materials furnished for the blind should also be made available to those persons who, because of physical handicaps, cannot read or hold ordinary printed materials.

Under provision of law (39 U.S.C. 4653-4654) reading materials for the blind, including books in braille and talking books, and the machines on which to play the talking books have been exempt from postage fees. As a result blind residents of the United States have been able to receive free library service comparable to the library service provided to sighted persons.

Heretofore, persons with physical handicaps other than blindness who could not read or manipulate a book have not been able to participate in any library program because specialized reading materials such as talking books have not been available to them. It would, in my opinion, be unfortunate if they could not participate in this expanded library program because they were unable to pay the cost of postage. Library service in the United States has traditionally been a free service and these individuals would be penalized because their physical infirmities prevent them from being able to go to the library to obtain reading materials. For the most part, the only way they can receive books is via the United States mail.

In addition, the administration of the Library's books for the blind and physically handicapped has been complicated by the fact that blind readers can receive reading material and talking book machines



free of postage and the handicapped readers cannot. At present, over 100,000 blind readers and 25,000 handicapped readers are enrolled in the program. It is estimated that approximately 20,000 more handicapped readers will enroll in the program during fiscal year 1968.

Congress has been generous in its support of this very worthwhile program and I believe it has taken special pride in the achievements made since the program was inaugurated in 1930. The enactment by Congress of the legislation before your committee would insure the success of the expanded program to provide reading materials to other physically handicapped persons. The extension of the postage-free provision to this segment of the population would constitute a national investment in the rehabilitation of physically handicapped individuals.

Sincerely yours,

L. QUINCY MUMFORD,  
*Librarian of Congress.*

THE POSTMASTER GENERAL,  
Washington, D.C., July 5, 1967.

HON. THADDEUS J. DULSKI,  
*Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department on S. 1693, a bill to provide that bills and statements of account prepared by electronic data processing equipment be classified as first-class mail.

Section 4251 (a) of title 39, United States Code, defines first-class mail as consisting of mailable: (1) postal cards, (2) post cards, (3) matter wholly or partially in writing or typewriting (with certain exceptions not here material), and (4) matter closed against postal inspection.

Section 4451(a) of title 39, United States Code, defines third-class mail as consisting of mailable matter which is: (1) not mailed or required to be mailed as first-class mail, (2) not entered as second-class mail, and (3) less than 16 ounces in weight.

Section 4451(b) of title 39, United States Code, provides that bills and statements of account may be mailed at the lower third-class postage rate if produced by any photographic or mechanical process, other than typewriting, and if 20 or more identical copies are mailed at one time. In other cases, bills and statements of account shall be mailed as first-class mail.

Some years ago, the question arose as to whether material produced by electronic data processing equipment (now commonly referred to as computers) should be considered as material produced by a mechanical process other than typewriting. It was then decided that such material should be considered as being produced by a typewriting process. Accordingly, for a number of years thereafter, bills and statements of account prepared by computers were classified as first-class mail.

In 1966, the question was again presented as to whether material produced by electronic data processing equipment should be considered as being produced by a typewriting process. After very long and careful consideration, which included consideration of the exact mechanical manner in which high speed computers produced the material, the

General Counsel of the Post Office Department concluded that computers produced material by a mechanical process which more closely resembled a printing than a typewriting process. Accordingly, in February 1967, the General Counsel expressed the opinion that material produced by high speed computers should be considered as having been produced by a mechanical process other than typewriting. The effect of that ruling is that material which for years had been classified as first-class mail could thereafter be mailed at the lower third-class rate. Thus, at a time when the Department is attempting to secure needed increases in postal rates to pay for the increased costs of the postal service, certain mailers are receiving substantial reductions in postal rates. It is estimated that if S. 1693 is not enacted, the Department will suffer an annual loss of revenue in the amount of \$20 million.

The Department believes that S. 1693 should not be regarded as a bill to increase postal rates. Rather that it may more properly be considered as a bill to keep bills and statements of account produced by computers in the first-class postage rate category that they had been in before the February 1967 ruling. In short, by its enactment, the status quo would be preserved and one group of mailers would not receive an unexpected rate reduction while other groups of mailers have their rates increased.

In view of the foregoing, we recommend the enactment of S. 1693.

The Bureau of the Budget has advised that there is no objection to the submission of this report to the committee from the standpoint of the administration's program.

Sincerely yours,

LAWRENCE F. O'BRIEN.

AUGUST 31, 1967.

HON. THADDEUS J. DULSKI,  
*Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This will reply to your letter of August 17, 1967, in which you advise that the committee has adopted an amendment to H.R. 7977 which will change section 4251 of title 39, United States Code, to read in pertinent part: "(a) First class mail consists of mailable \* \* \* (4) bills and statements of account \* \* \*"

You ask whether the words "bills and statements of account" would be interpreted as including invoices.

The Department has long made a distinction between bills and statements of account on the one hand and invoices on the other. Pursuant to section 4555 of title 39, United States Code, and predecessor provisions of law authorizing the enclosure in fourth-class mail of a description of the article mailed, the Department has, at least since the 1913 edition of the Postal Laws and Regulations, authorized invoices to be enclosed.

Bills differ from invoices in that they constitute requests for payment of amounts due. Invoices on the other hand are itemized lists of goods shipped to a buyer, stating quantities, prices, shipping charges, etc. They do not purport to call for payment, nor do they state an account between the buyer and the seller.

If the amendment in question becomes law the Department, in the absence of legislative history to the contrary, would not consider the phrase in question as including invoices.

It is my understanding that a question has also been raised as to whether the amendment to section 4251 would affect title 39, United States Code, section 4365(b). That section provides, in relation to second-class mail, "publishers and news agents may enclose in their publications bills, receipts and orders for subscriptions." The purpose of section 4365 is to authorize the enumerated items to travel as a part of second-class mail even though these same items might be chargeable with first-class postage if mailed separately. In view of the difference in purpose between section 4365(b) and 4251 we would not consider the amendment to the latter as affecting the former.

Sincerely yours,

LAWRENCE F. O'BRIEN.

THE POSTMASTER GENERAL,  
Washington, D.C., April 6, 1967.

Hon. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 2071, extending the book rate of postage to books issued to supplement other books.

The purpose of this measure is to clarify the meaning of "books," as defined in Public Law 89-593, in order to make clear that it will not inadvertently deny the special fourth-class rates to book supplements such as, for example, single volumes belonging to multivolume sets, or law or medical books issued serially.

Public Law 89-593, the Parcel Post Act of 1966, redefined the definition of books so as to extend the special rates to complete looseleaf books, excluding replacement pages thereafter mailed. It now appears, however, that the language used could be interpreted to exclude also book supplements, such as those described above, an exclusion not intended by Congress. H.R. 2071 would remove the possibility of such an incorrect interpretation.

Book supplements are, and have been, entitled to the special fourth-class postage rates. As indicated, the proposed legislation simply clarifies the existing state of the law. We favor such clarification, and, therefore, have no objection to the enactment of H.R. 2071.

The Bureau of the Budget has advised that from the standpoint of the administration's program there is no objection to the submission of this report to the committee.

Sincerely yours,

LAWRENCE F. O'BRIEN.

THE POSTMASTER GENERAL,  
Washington, D.C., July 17, 1967.

Hon. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 8951, a bill to allow writing or printing on envelopes, wrappers,

or other covers in which copies of second-class publications are mailed.

This measure amends section 4365 of title 39, United States Code, relating to permissible marks and enclosures on or in second-class mail matter, so as to permit writing or print on the outside wrappers or envelopes in which copies of second-class publications are mailed.

The Department favors the purpose of H.R. 8951. The present restriction on writing or print on outside covers of second-class mail is difficult for our post offices to administer. In any case the general practice of publishers is to mail as many copies of their publications as is possible without wrappers, in order to save the cost of wrappers. Furthermore, there are no restrictions of this kind applicable to other classes of mail.

However, since enactment of the bill would permit advertising matter to appear on the outside wrapper or cover, which matter is now confined to the inner content of a publication, the effect of the legislation is to merge the outer wrapper with the body of the publication. In view of this, the Department recommends an amendment to the bill to the effect that wrappers or covers containing advertising matter shall be considered as part of the advertising portion of a publication for purposes of postage payment. This could take the form of adding the following language to the proposed new subsection: "but when such covers contain advertising they shall be considered as part of the advertising portion and the publication for the purpose of computation of postage."

The Bureau of the Budget has advised that from the standpoint of the administration's program there is no objection to the submission of this report to the committee.

Sincerely yours,

LAWRENCE F. O'BRIEN.



## TITLE II—FEDERAL SALARY ACT OF 1967

The purposes of this title and the official recommendation of the President for general Federal civilian salary adjustments are set forth at the beginning of this report.

### STATEMENT

In view of the repetition this year of the perennial struggle between conflicting interests involved in all Federal civilian salary legislation, certain observations are deemed in order to establish a proper frame of reference for the committee salary recommendations contained in title II of the committee amendment to H.R. 7977.

The Government's 3 million employees constitute the largest single work force in the world. The \$18 billion annual civilian payroll for the salary systems, covered by title II, constitutes 14 percent of the total Federal administrative budget. Even a modest adjustment in such an immense payroll, therefore, is a formidable undertaking, demanding most careful examination and weighing of all of the interests concerned. These interests arise from three principal sources.

There are the employees, who have families to clothe, house, and feed, children to educate, and all of the problems and expenses of other Americans. Salaries are matters of first importance to these employees and their dependents, who often have no other source of income. There are the fiscal responsibilities of the President and the administration. Federal salaries are but one aspect of a total budget involving high economic policy, the dangers of inflation, the financing of a war, conflicting demands for available funds, and innumerable other problems.

Finally, there are the taxpayers who must pay the costs of any Federal salary increase. With a \$30 billion fiscal year deficit facing their Government and the Congress trying to cut expenditures in every category, the taxpayers are sympathetic to the efforts of the administration to control the amount of any salary increases.

The committee devoted serious attention to all of these interests, and had the benefit of a wealth of information developed in extensive hearings before the Subcommittee on Compensation, as well as the carefully worked out legislative recommendation of the subcommittee. The subcommittee listened sympathetically to arguments by the administration and by employee groups, while keeping in mind the interests of the taxpayers.

It has been impossible, as usual, to bring forth a bill that fully satisfies all interests. The pay raises recommended by the Subcommittee on Compensation are well below many employee group requests, but in their entirety represent the most liberal salary "package" proposed in many years. The raises are moderately more liberal than those recommended by the President, but are regarded as not unreasonably beyond his recommendations.

In the judgment of the committee, the salary bill reported by the Subcommittee on Compensation strikes a fair and realistic balance between all of the major interests concerned. It is a suitable compromise, consistent with the best interests of the taxpayers, the Government, and the employees. Accordingly, title II of the committee bill adopts the subcommittee proposal virtually without change.

The chief thrust of title II is toward the achievement, finally, of comparability between Federal civilian salaries and those in private enterprise, as guaranteed by the Federal Salary Reform Act of 1962, without aggravating the critical budget problems of most immediate concern to the administration and the taxpayers. This title adopts the President's recommendation for a 4.5-percent increase, effective in October of 1967, for all statutory salary systems except the postal field service, and adds 1.5 percent to the President's proposal for that service. This first-phase increase costs only \$63 million more than the increase recommended by the President for the current fiscal year, in terms of the salary systems included in the President's recommendation.

Both the President's proposal and title II are designed to achieve full comparability with two added adjustments following the first-phase increases. The difference is that the President recommended a longer period of time than is provided in title II of the committee bill to reach full comparability.

## SUMMARY OF MAJOR POLICIES IN TITLE II

### OCTOBER 1967 SALARIES

The present 20-level postal field service salary schedule will be changed to a 21-level schedule, and all employees subject to the present schedule will be advanced by one numerical salary level. The advancement in salary level will give each employee a 6-percent salary increase effective in October of 1967. Rural carriers will receive the same increases as are granted city carriers.

Employees subject to the General Schedule (classified), Foreign Service Officer, and Foreign Service Staff Schedules, Veterans' Administration medical and surgical salary ranges, Agricultural Stabilization and Conservation county committee pay schedule, judicial branch pay rates or ranges, and legislative branch pay rates, all will receive 4½-percent pay raises effective in October of 1967.

### JULY 1968 SALARIES

Postal employees will receive a second-phase increase of 5 percent in July of 1968. Employees in other pay systems will receive adjustments in July of 1968 to close one-half of the difference between their salary levels and comparable private enterprise salary levels (based on the June 1967 Bureau of Labor Statistics salary survey) but not less than 3 percent. The necessary salary adjustments for these other employees will be made by the President, without further legislative action.

### APRIL 1969 SALARIES

Both postal and other employees will receive a final, third-phase adjustment in April of 1969 to bring all of their salaries up to a par

with private enterprise salaries, as determined by the June 1968, Bureau of Labor Statistics salary survey. This final adjustment also will be made by the President without further legislative action.

#### EXECUTIVE SCHEDULE SALARIES

Salaries for executive levels III, IV, and V are increased from \$28,500, \$27,000, and \$26,000, to \$29,500, \$28,750, and \$28,000, respectively, in order to accommodate the general salary increases proposed for career employees.

#### COMMISSION ON EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES

A "Quadrennial Commission" is established to determine proper levels for executive, congressional, and judicial salaries once every 4 years. Each Commission will make a study for a full fiscal year every fourth year (beginning with the 1969 fiscal year) and must submit its recommendations to the President by the end of the calendar year in which the study is completed. The President shall include, in the next budget he transmits to the Congress after receiving the Commission's report, his recommendations for the exact rates of pay, and the kinds and amounts of expenses and allowances, for Federal executives, judges, and Members of Congress. The recommendations transmitted to the Congress by the President in his budget will become effective the first pay period beginning more than 30 days after transmittal of the budget, unless the Congress has enacted a statute fixing specific rates of pay and amounts and kinds of expenses and allowances or unless one House or the other has specifically disapproved any or all of the President's recommendations.

#### STATUTORY SCHEDULES—SALARY LINKAGE

The Federal Salary Reform Act of 1962, among other matters, established the principle of "salary linkage" of postal field service salaries and General Schedule salaries, as a necessary means for orderly establishment of appropriate relationships between the two salary systems, for purposes of determining comparability with private enterprise rates, because a great many postal field service positions have no counterpart for comparison of duties and responsibilities in the private sector.

It is the committee's intention that this direct salary linkage of the postal field service and the General Schedule salary systems be maintained, as a necessary adjunct of the comparability policy, even though the salary rates in the committee bill provide a 6-percent initial increase for postal field service employees and a 4.5-percent increase for General Schedule employees. The variance is due entirely to budgetary considerations, and does not alter the substantive principle of linkage of the levels of duties and responsibilities. The direct salary linkage, heretofore in effect, will be restored through the salary adjustments the President is to make in July of 1968 and April of 1969. The final schedules to be prescribed by the President in 1969 will establish the same salary ranges for postal field service level 21 and General Schedule grade 17, for postal field service level 12 and General Schedule grade 11, and for the first 10 step-rates of postal field service level 5 and General Schedule grade 5.

TABLE OF EMPLOYMENT AND COSTS

Statutory salary system	Number of employees	Fiscal year costs (in millions of dollars, cumulative)		
		1968	1969	1970
General Schedule.....	1,200,000	\$354.9	\$1,170.1	\$1,807.8
Postal field service.....	715,000	250.0	649.2	711.3
Veterans' Administration, Department of Medicine and Surgery.....	21,000	8.3	32.1	50.0
Foreign Service.....	16,000	7.8	32.4	50.7
Total, executive branch.....	1,952,000	621.0	1,883.8	2,619.8
Judicial branch.....	5,000	1.75	5.68	8.55
Legislative branch.....	6,550	1.99	6.25	9.24
Agricultural Stabilization and Conservation county committee employees.....	21,350	4.10	12.90	19.75
Total, all systems.....	1,984,900	628.84	1,908.63	2,657.34

#### EXPLANATION OF TITLE II BY SECTIONS

Section 201 of title II provides a short title—"Federal Salary Act of 1967."

The schedule in section 202(a) provides 4.5-percent pay raises for all General Schedule (GS) employees, substantially as recommended by the President, effective the first pay period in October 1967. Subsection (b) provides the usual rules to convert employees to the new salary schedule.

Section 203 makes a technical change in the designation of the two top postal field service (PFS) salary levels, to conform with later provisions which replace the present 20-level postal field service salary schedule with a 21-level schedule.

Section 204(a) establishes a new position of "Cleaner" in PFS salary level 1, which will be the only position in the new salary level 1, and assigns a new position of "Custodian" to PFS salary level 2 which replaces the existing position of "Janitor."

Subsection (b) of section 204 advances every salary level now under the 20-level PFS schedule to the next higher level in the new 21-level PFS schedules provided by section 205(a).

Subsection (c) of section 204 is a salary saving provision for "cleaners" who are in PFS level 1 at date of enactment and are advanced to the new PFS level 2.

Section 205(a) replaces the present 20-level PFS salary schedule with two 21-level schedules. Postal field service schedule I grants a 6-percent, across-the-board raise to all PFS employees except for six rates in levels 20 and 21. The 6-percent raise is effective the first pay period in October 1967. Postal field service schedule II is a "comparability catchup" schedule, granting an additional 5-percent across-the-board raise effective the first pay period in July 1968, except for six rates in levels 20 and 21.

Subsection (b) of section 205 provides 2-phase raises for rural carriers to keep their compensation in line with city carriers in the postal field service schedules.

Subsection (c) of section 205 establishes an improved method of fixing salaries of postmasters at fourth-class offices. The present fourth-class office schedule is replaced by provisions which require payment of salaries of these postmasters at the appropriate step of PFS salary level 6 of the new PFS schedules, in amounts which bear the same ratio to the annual rate of level 6 as the total number of



hours worked by the postmasters bear to the regular 40-hour work schedule.

Subsections (d) and (e) of section 205 are appropriate adaptations of the usual conversion rules, to place employees in the new postal field service schedule I.

Subsection (f) of section 205 prevents loss of credit for time served in the postal field service upon conversion by this legislation to new salary schedules. Each employee will be credited with time served toward step advancement under the present PFS salary schedule when he is converted to the new salary schedule, and will not have to start a new waiting period.

Subsection (g) of section 205 provides for orderly conversion of employees from postal field service schedule I to postal field service schedule II when the latter schedule becomes effective in July of 1968.

Subsection (h) of section 205 guarantees credit for all time served in the postal field service for purposes of salary protection of any employee who shall have been reduced in salary standing, as provided in section 3560 of title 39, United States Code.

Subsection (i) of section 205 conforms the table of contents of chapter 45 of title 39, United States Code, with the fourth-class office changes.

Section 206 (a) and (b) consists of necessary conforming amendments to title 39, United States Code, relating to the new fourth-class office salary system established by section 205(c).

Subsection (c) of section 206 is a technical conforming amendment needed to preserve the right to overtime compensation for employees in present postal field service salary levels up to level 10, since the present PFS level 10 is redesignated as PFS level 11 by section 205.

Subsection (d) of section 206 also is a technical conforming amendment. Section 3575 of title 39, United States Code, exempts from coverage of certain sections of that title (among other special categories) "employees in salary level 15 and above" of the present 20-level PFS salary schedule. Since level 15 of the present schedule will become level 16 under title II of the committee bill, the reference in section 3575 of title 39, United States Code is changed accordingly.

Subsection (e) of section 206, similar in purpose to subsections (c) and (d), is a technical amendment providing for appropriate conforming changes in the administration of rules, regulations, orders, and other statutes with respect to any reference therein to PFS salary level numbers now in effect and as changed by title II of the committee bill.

Section 207(a) authorizes the President, when he finds that pay rates in private enterprise in certain occupations or areas are so far above Federal statutory pay rates as to impede recruitment and retention of qualified Federal employees, to establish initial salary rates for those occupations and areas above the initial steps of the appropriate grades or levels, but not above the maximum step rates of such grades or levels. Present law limits this authority to the seventh step rates.

Subsection (b) of section 207 authorizes the President or an agency he may designate to make appropriate adjustments in any salary rate established under the authority granted in subsection (a) to reflect salary increases enacted by statute for the regular salary

schedule or schedules to which such adjustments made under subsection (a) pertain.

Section 208 provides 4.5-percent increases in all of the minimums and maximums of the salary ranges applicable to employees in the Department of Medicine and Surgery of the Veterans' Administration, effective in October of 1967.

Section 209 grants 4.5-percent pay raises to Foreign Service officers and staff officers and employees effective in October of 1967.

Section 210 grants Agricultural Stabilization and Conservation county committee employees pay raises in proportion to the pay raises granted General Schedule employees in section 202(a), effective in October of 1967.

Section 211 authorizes similar adjustments in the pay of employees whose salary rates are fixed by administrative action under separate statutory authority.

Section 212 provides for closing the lag of Federal salaries behind private enterprise rates which remains after the initial and, for postal, the second-phase pay raises, discussed above. For the executive branch, the President, without any further legislative action, (1) will be required to place in effect new pay rates for all employees (except postal) in July of 1968 which close half of the then existing "comparability gap" based on the 1967 Bureau of Labor Statistics comparability survey of private enterprise, but such new pay rates shall not be less than 3 percent above the rates in effect immediately before the President acts, and (2) will be required to make a second adjustment for all employees in April of 1969 closing the remainder of the then existing "comparability gap" based on the 1968 Bureau of Labor Statistics comparability survey of private enterprise. Employees subject to other pay systems covered by the bill will have their salaries similarly adjusted by appropriate authorities. All of the salary adjustments made pursuant to this section will be automatic, and will have the force and effect of statute when made by the appropriate authority.

Subsections (a), (b), and (c) of section 213 provide pay raises for judicial branch employees customarily included in committee salary bills in line with the raises provided by the General Schedule in section 202(a), effective in October of 1967. Subsection (d) restores salaries of the Director and the Deputy Director, Administrative Office of the U.S. Courts, to their former relationship with salaries of U.S. district court judges.

Section 214 provides pay raises for legislative employees customarily included in committee salary bills effective in October of 1967, except as noted in subsections (f) and (g), in line with those provided by the General Schedule in section 202(a). Subsection (f) restores, in part, the salary relationships of certain employees in the Office of the Architect of the Capitol that were established by the Legislative Branch Appropriation Act, 1960 (73 Stat. 407). The exclusions provided by subsection (g) are self explanatory.

Section 215 adjusts salaries for executive levels III, IV, and V from \$28,500, \$27,000, and \$26,000, to \$29,500, \$28,750, and \$28,000, respectively, in order to accommodate the general salary increases proposed for career employees.

Section 216 establishes a "Quadrennial Commission" to determine proper levels for executive, congressional, and judicial salaries once every 4 years. The Commission will make a study for a full fiscal

year once every fourth year (beginning with the 1969 fiscal year) and must submit its recommendations to the President by the end of the calendar year in which the study is completed. The President shall include, in the next budget he transmits to the Congress after receiving the Commission's report, his recommendations for the exact rates of pay, and the kinds and amounts of expenses and allowances, for Federal executives, judges, and Members of Congress. The recommendations transmitted to the Congress by the President in his budget will become effective the first pay period beginning more than 30 days after transmittal of the budget, unless the Congress has enacted a statute fixing specific rates of pay and amounts and kinds of expenses and allowances or unless one House or the other has specifically disapproved any or all of the President's recommendations.

Section 217 provides that this title will not raise any salary to a rate above the salary rate for executive level V, except as otherwise specified. The exceptions relate to positions already at rates above the rate for such level V.

Section 218 establishes a 20-percent minimum, and raises the maximum from 25 to 30 percent, for premium pay (in lieu of overtime pay) payable for regular overtime work by Federal employees which involves substantial amounts of "standby" time.

Section 219 provides the customary guidelines governing payment of retroactive salary raises that are needed if the title is enacted with a retroactive effective date, is probable.

Sections 220 and 221 extend eligibility for continued retirement, life insurance, and health benefits coverage to Government employees who are on officially approved leave without pay to serve with labor organizations which may have both Federal and non-Federal employees as members, if the employees pay the entire costs.

Section 222 makes adjustments in the statutory salary rates of certain officials in legislative branch agencies to maintain the relationships of such salaries to the salary rates for executive levels III, IV, and V, provided by section 215, since the salaries for such officials were keyed to those executive levels in Public Law 88-426.

Section 223(a) provides appropriate effective dates for the various parts of title II.

Subsection (b) of section 223 makes all of the October 1967 pay raises provided by the bill, and the salary adjustments to be made by the President and other authorities under section 212, effective on date of enactment or the date any such adjustment is ordered if retroactive, as the case may be, for purposes of fixing amounts of coverage under the Government employees' life insurance program. These provisions are needed, and like provisions are customary, whenever retroactive pay increases are authorized.

#### AGENCY RECOMMENDATIONS

The provisions of title II are based generally on the official recommendations of the President, including his message to the Congress entitled, "Civilian and Military Pay Raises," House Document No. 95, 90th Congress. The legislative proposal, together with a statement of purpose and justification, was transmitted by the Chairman, U.S. Civil Service Commission, by letter dated April 5, 1967, which is set forth below. The proposal was introduced as H.R. 8261.

U.S. CIVIL SERVICE COMMISSION,  
Washington, D.C., April 5, 1967.

HON. JOHN W. MCCORMACK,  
Speaker of the House of Representatives.

Dear MR. SPEAKER: In accordance with the President's message of April 5, 1967, I transmit herewith for the consideration of the Congress proposed legislation which would place in effect the President's recommendations for adjustment of statutory salary schedules pursuant to the provisions of subchapter I of chapter 53, title 5, United States Code. There are enclosed a draft bill, a section analysis of its provisions, and a statement of purpose and justification.

Salary adjustments recommended would affect the schedules of the four statutory pay systems, for the General Schedule, for the postal field service, for the Foreign Service, and for physicians, dentists, and nurses in the Department of Medicine and Surgery in the Veterans' Administration. Proposed salary schedules rest on the factual basis presented in the annual report of the Director of the Bureau of the Budget and the Chairman of the Civil Service Commission under the provisions of Executive Order 11073 and their further report of March 30, 1967. These reports, attached to the President's message, compare Federal salaries with private enterprise levels as reported by the Bureau of Labor Statistics in October 1966; propose a 4.5-percent average increase in statutory schedules in 1967, except that some of the highest rates where such an increase would bring career salaries above the salary of level V of the executive schedule; and further propose a commitment to increase statutory schedules to levels fully comparable to pay levels in private enterprise by two further increases, one in 1968 and one in 1969. Each of the three adjustments in schedules that are proposed would be effective in October of the particular year.

One additional proposal included in the draft bill would aid the Government in recruiting, especially at the inexperienced graduate level where industry rates have moved farther and farther ahead of salaries the Government can offer. Under section 5303 of title 5, United States Code, the Civil Service Commission can prescribe special rate ranges when it finds that the Government is significantly handicapped in recruiting or retaining well-qualified persons because private enterprise salaries are substantially higher than those in Federal statutory salary schedules for the classes of positions concerned. Under existing law the minimum rate for such special ranges may not exceed the seventh rate of the statutory scale of the grade. The proposal in the draft bill would raise this ceiling to the maximum rate of the grade.

The proposed 1967 salary adjustment would increase the Government's fiscal year 1968 costs by approximately \$541.4 million.

As directed by the President, I am prepared to consult with the appropriate committees of Congress on the form and specific content of the legislation which the President recommended to establish a special joint executive, legislative, and judicial salary committee to examine all Federal pay systems and to make a report to the President and to the Congress in January 1969.



The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the President's program.

A similar letter is being sent to the President of the Senate.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

STATEMENT OF PURPOSE AND JUSTIFICATION OF A DRAFT LEGISLATIVE PROPOSAL TO ADJUST THE RATES OF BASIC COMPENSATION OF CERTAIN EMPLOYEES OF THE FEDERAL GOVERNMENT, AND FOR OTHER PURPOSES

The draft bill (H.R. 8261) would carry out recommendations in the President's message to Congress of April 5, 1967, forwarding the annual comparison of Federal salaries with salaries paid in private enterprise as provided in section 5302 of title 5, United States Code. The joint report of the Director of the Bureau of the Budget and the Chairman of the Civil Service Commission prepared pursuant to Executive Order 11073, and their further report of March 30, 1967, were forwarded with the President's message.

The President's proposals include a 1967 increase in statutory salary schedules averaging 4.5 percent and a commitment for two further increases, one in 1968 and one in 1969, to bring statutory salary schedules by October 1969 up to levels comparable with those in private enterprise. The four statutory pay systems concerned are those of the General Schedule, of the postal field service, of the Foreign Service, and of the physicians, dentists, and nurses in the Department of Medicine and Surgery in the Veterans' Administration.

Salary rates reported by the Bureau of Labor Statistics for 1966, eliminating the effects of changes in the universe surveyed, show an average private enterprise increase of approximately 3.6 percent. Pay raises averaging 7.2 percent, at a cost well over \$1 billion, would be required for statutory salaries to be made fully comparable with private enterprise pay levels in 1966. From a fiscal and economic standpoint, full comparability is not possible in fiscal year 1968. Funds in the 1968 budget, however, will permit an average 4.5-percent increase in statutory schedules. This is sufficient to match the 1966 private enterprise pay rise and, beyond that, to close slightly the remaining gap between Federal and private enterprise pay levels by an additional salary increase of nearly 1 percent.

Top statutory salaries for the career ranks are now very close to those in the executive schedule. The President has appointed a committee to study top executive, legislative, and judicial compensation and to make recommendations to him by June of this year. Pending possible future adjustments in pay for these top levels, the career schedules in the proposed bill keep their highest salaries below the present \$26,000 salary for level V of the executive schedule.

Section 2 of the draft bill is a key provision. It would guarantee removal of the comparability gap in all four civilian statutory salary systems not later than October 1969. This would be done by a two-step plan with the first step to take effect in October 1968 closing the comparability gap by at least one-half and the final step to take effect in October 1969. The adjustments in each case would be based on the latest Bureau of Labor Statistics pay survey data available at the time. In each of these years the adjustment will be based on pay survey data more up to date by 3 months than has previously been possible.

The Bureau of Labor Statistics has made comprehensive changes in its salary survey program so that beginning with 1967 the survey findings will represent private enterprise salary levels in June rather than in the February-March period.

Attainment of Federal salary levels comparable with those of private enterprise is necessary for the Government to meet its responsibility as a good employer and as part of the continuing program to provide Federal employees with pay and working conditions comparable to those offered by private employers. In good faith, the Government must take this step. While fiscal and economic conditions now prevailing do not permit a full step of this magnitude at the present time, a guaranteed timetable will reassure the loyal workers now in the Federal service and will aid in recruiting competent personnel as needed.

Section 7 of the draft bill would help meet a current critical recruiting problem. Under the present law, when it is found that the Government is significantly handicapped in recruiting or retaining well-qualified persons because private enterprise salaries are substantially higher than salary rates authorized by statute for a given occupation, in one or more locations and grades or levels, higher basic pay rates may be established for such categories of positions. Responsibility for administering this provision of law has been delegated to the Civil Service Commission by Executive Order 11073.

Section 5303 of title 5, United States Code, which contains this authority, further provides that no minimum rate may be set higher than the seventh pay rate prescribed by statute for the grade or level. Recent experience of Government agencies in competing for college graduates to staff positions in essential defense and other key activities has clearly established a need to change this limitation. Competition for college graduates particularly in technical fields has intensified greatly due to the expanding needs of industry and government at all levels and the inadequate supply of available candidates. This has resulted in a rapid spiraling of private industry salary offers to college graduates during 1965 and 1966. Most recently this problem has arisen in the employment of nurses in certain locations where very substantial pay increases have been implemented in non-Federal hospital facilities.

Although entry level rates established for college graduates in engineering and other technical fields and for hospital nurses in certain locations have reached the seventh rate limitation, Government offers are simply no longer competitive. The differences are not minor; they have been as much as \$1,000 to \$1,500 per year, and more. Unless action is taken to change the limitation on higher minimum rates the existing deficiency will worsen and seriously undermine the technical staffing needs of essential Federal programs. Consequently, section 7 of the draft bill proposes changing the limitation on the Commission's authority from the seventh rate to the maximum rate of the grade. At most grades, the maximum is the 10th rate.

*Summary of draft bill provisions*

Altogether, provisions of the draft bill would immediately make a slight improvement in the relationship of Federal salaries to those in private enterprise that was established by the 1966 pay act, would aid the Government to recruit and retain a competent work force, and, most importantly, would guarantee full attainment in 1969 of the principle enacted in 1962 that "Federal pay rates be comparable with private enterprise pay rates for the same levels of work."

# TITLE III—PANDERING ADVERTISEMENT MAIL MATTER

## STATEMENT

The provisions of title III are intended to afford the public a means to prevent the mailing of pandering advertisements which the Postmaster General determines offers for sale matter represented by the advertisements as erotically arousing or sexually provocative.

During the 88th Congress, the House of Representatives passed legislation, H.R. 319, which would have afforded a homeowner an effective and urgently needed means to prevent the forced entry into his home through the U.S. mails of "morally offensive matter."

During the 89th Congress, the House of Representatives passed H.R. 980, which characterized the mail matter as "obscene, lewd, lascivious, indecent, filthy, or vile" rather than "morally offensive."

Neither of these bills was considered by the Senate, and strong objections were received from many interested parties that the proposed legislation would give private persons the right to set in motion a series of governmental actions which could seriously impede the dissemination of perfectly mailable matter to the general public.

All of the objections raised during the 88th and 89th Congresses have been reviewed, and the proposal contained in title III of this legislation is intended to provide a reasonable solution to the continuing problem faced by the homeowner of receiving unsolicited and undesirable sex-related mail matter.

During the past year, the Post Office Department received approximately a quarter of a million complaints from people throughout the United States, bitterly protesting the receipt of offensive, sex-oriented advertising matter in the mail. This represents an increase of about 200,000 over the number of complaints received 5 years ago. Most of the complaints are from parents whose minor children have received such advertisements.

Frequently, a teenager will write to a record club or answer an advertisement in a teenage or a Scout magazine. Somehow or other, the response to such advertisements frequently results in the teenager's name reaching the mailing-list market, and subsequently many of the teenagers are annoyed by receiving advertisements for obscene material or what is identified in this legislation as "pandering advertisement."

The public has been demanding that steps be taken to afford parents a means to stop this material from reaching their children through the U.S. mails. This legislation is in response to these demands.

The most singular development in the field of mail obscenity during the past year came in the far-reaching decision of the U.S. Supreme Court in the case of *Ginzburg v. U.S.*, 383 U.S. 463 (1966). The publisher's conviction for violation of the postal obscenity law was upheld by the Court because of his "pandering" advertisements.

The decision is expected to be useful in the prosecution of commercial traffic in pornography and will help curb mail-order advertisers

who have shown little restraint in the word-and-picture representations of their merchandise. This type of unsolicited advertising deeply irritates thousands of people who have protested to the Post Office Department. The Court noted in its decision that such unsolicited advertising "would tend to force public confrontation with the potentially offensive aspects of the work: the brazenness of such an appeal heightens the offensiveness of the publications to those who are offended by such material."

This legislation is phrased in keeping with the *Ginzburg* case to cover only that advertising matter which is intended for commercial exploitation of sexually provocative matters. It requires the determination by the Postmaster General that the particular mailing piece comes within the category of "pandering advertisements," as that term is used in the *Ginzburg* case. And if so, an order would be issued to the mailer which would advise the mailer to delete the name of the addressee involved from all mailing lists owned or controlled by the sender or his agents or assigns. Such an order by the Postmaster General is required to further prohibit the sender and his agents or assigns from the sale, rental, exchange, or other transaction involving mailing lists bearing the name of the designated addressee.

The order would additionally caution mailers that any further mailing of such matter after 30 days from receipt of such order could result in a request to the Attorney General, for an application to be made to a district court of the United States for an order directing compliance with such an order. Violation of such a court order could lead to punishment by the court as a contempt of court.

The committee believes that it is time that something be done to halt this suffusion of sex upon a protesting and objecting populace, and the saturation of our children with sexual fantasies during their adolescence.

The committee is mindful that any legislative attempt to impede the free circulation of printed matter, particularly in the area of sex-related materials, is confronted with the strictest constitutional limitations laid down by the Supreme Court in a series of cases running from *Roth v. U.S.*, 354 U.S. 476 (1958) down through the *Ginzburg* case. With these cases in mind, this legislation is intended to afford a means to prevent a mailer from sending through the mail matter offering to sell material of an erotic, sexual nature to an addressee who previously had notified the mailer he did not want to receive such material in the mail.

This type of solicitation is referred to in this legislation as "pandering advertisement." Such an advertisement is not obscene in itself, but offers to sell materials which are claimed to be erotically arousing or sexually provocative.

While the procedures prescribed by this legislation are exempted by subsection (h) from the provisions of the Administrative Procedure Act, the benefits of administrative due process are preserved by other provisions of this amendment which require the Postmaster General to grant a hearing if the mailer requests a hearing, and by the usual procedure which is required to be followed by a district court before a court order is issued.

The committee believes that this legislation represents a major step forward in the field of preventive legislation. It is designed to stop repeated mailings of offensive material rather than to punish the mailer after the mailings have occurred.



## EXPLANATION OF TITLE III BY SECTIONS

Section 301 of title III amends chapter 51 of title 39, United States Code, by adding a new section 4009.

Subsection (a) of section 4009 subjects a sender or his agent or assign, who mails any "pandering advertisement" which offers for sale matter which the advertisement represents as erotically arousing or sexually provocative, to an order of the Postmaster General. The order would direct the sender to refrain from further mailings of such pandering advertisements to a designated addressee.

Subsection (b) authorizes the Postmaster General to issue such an order upon receipt of a notice from an addressee that he has received such mail matter, providing the Postmaster General determines the mail matter to be of the character of pandering advertisement. The order would direct the sender or his agents or assigns to refrain from further mailings of such matter to the named addressee.

Subsection (c) requires the order of the Postmaster General to expressly prohibit the sender from making further mailings of pandering advertisements to the designated addressee, effective on the 30th day after receipt of the order. The subsection also requires the order to direct the sender, his agents or assigns to delete the name of the designated addressee from all mailing lists and to prohibit the sender, or his agents or assigns, from the sale, rental, exchange, or other transactions involving mailing lists bearing the names of the designated addressees.

Subsection (d) authorizes the Postmaster General, when he believes that the notice has been or is being violated, to serve on the offender a formal complaint stating the Postmaster General's belief and the reasons for it, giving the offender 15 days to respond if he cares to. Any such response must be in writing. If the Postmaster General, after appropriate hearing, if requested by the sender, thereafter determines that there is or has been violation of the notice, he is authorized to request the Attorney General to apply to a district court for an order directing compliance with the notice. The subsection also confers authority on the Attorney General to apply for such orders.

Subsection (e) confers specific jurisdiction on any district court of the United States where mail has been sent or received in violation of such a notice, upon application by the Attorney General, to issue an order directing compliance with the notice. It further specifically empowers the court to punish failure to obey such an order as a contempt of court.

Subsection (f) provides that the receipt of mail matter 30 days or more after the effective date of the order shall create a rebuttable presumption that such mail was sent after such effective date.

Subsection (g) requires the Postmaster General, upon request of any addressee, to include in his order the names of any minor children who have not attained their 19th birthday and who reside with the addressee.

Subsection (h) exempts the provisions of section 4009 from the provisions of the Administrative Procedures Act.

Subsection (i) defines certain terms used in this section for purposes of clarity and to insure expeditious and effective administration.

Section 302 provides that title III shall become effective on the 120th day following the date of enactment of this act.

## COST

There is no possible way of anticipating the additional cost of administering the program contemplated by title III of this bill.

## AGENCY RECOMMENDATIONS

This legislation is based, in part, on the recommendations by the Post Office Department, presented during extensive hearings held on H.R. 426 and H.R. 8215.

A report from the Department of Justice in connection with this proposal is set forth below.

U.S. DEPARTMENT OF JUSTICE,  
Washington, D.C., May 29, 1967.

Hon. THADDEUS J. DULSKI,  
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning H.R. 8215, a bill to amend title 39 of the United States Code in order to proscribe the mailing of certain matter not desired by addressees.

The primary purpose of the bill is disclosed in the proposed caption for the section which would be added to title 39 of the United States Code: "Prohibition of pandering advertisements in the mails." The remarks of the bill's sponsor upon its introduction clearly indicate that it is intended to reach advertising matter which, while not itself obscene, offers to sell "material of an erotic, sexual nature," although such material is also not necessarily obscene. 113 Congressional Record (daily edition) H3716.

Subsection (a) of the proposed new 39 U.S.C. 4009 would, in effect, define a "pandering advertisement" as one which offers for sale "matter which the advertisement represents as erotically arousing or sexually provocative."

Subsection (b) would authorize the Postmaster General to determine whether particular mail matter is "of the character of a pandering advertisement" and to issue an order, at the request of any addressees who have received such matter, "directing the sender and his agents or assigns to refrain from further mailings of such matter to the named addressees."

Subsection (c) would require that the order issued by the Postmaster General shall not only prohibit further mailings of "pandering advertisements" to the designated addressees but shall also: (1) direct the immediate deletion of the names of such addressees from "all mailing lists owned or controlled by the sender or his agents and assigns," and (2) prohibit the sender, his agents, and assigns "from the sale, rental, exchange, or other transaction involving mailing lists bearing the names of the designated addressees."

Subsection (d) would provide a criminal penalty of not more than 1 year's imprisonment or a \$1,000 fine, or both, for anyone who has "willfully violated" any provision of such an order.

Subsection (e) would consist of various technical provisions, including authorization for such order to cover an addressee's minor children who reside with him, and an express direction that the Administrative Procedure Act "shall not apply to any provisions of this section."

In attempting to inhibit, upon threat of criminal sanctions, the mailing of any "pandering advertisements" which offer for sale erotic or sexual material, although neither the advertisement itself nor the material advertised for sale is obscene, the bill raises a substantial constitutional problem. Under existing law (18 U.S.C. 1461) the mailing of an advertisement for such material may constitute a crime, but only if the advertisement itself or the material advertised is actually obscene. *Cf. Ginzburg v. United States*, 383 U.S. 463, 465, note 4 (1966). The constitutionality of Federal legislation to make "pandering" of nonobscene material a criminal offense—as is here proposed—is an open question, even assuming a definition of "pandering" which could withstand attack on the grounds of vagueness. (See dissenting opinion of Mr. Justice Harlan in *Ginzburg*, supra at 494.)

Moreover, in authorizing the Postmaster General to determine, without a hearing and without applying prescribed criteria, whether particular material is "of the character of a pandering advertisement" and to thereupon issue an order prohibiting the sender from "further mailings of such matter to designated addressees," the bill is subject to substantially the same objection raised by the Department of Justice in its report, dated April 11, 1967, on H.R. 367 and H.R. 426. Those bills would impose upon the sender of mail the risk of anticipating whether the addressee will subjectively find a particular mailing to be as obscene as that addressee had subjectively found a previous mailing to be; the subject bill would impose upon the sender of mail the risk of anticipating whether the Postmaster General will subjectively find a particular advertisement to be of the same "pandering" character as he had subjectively found a previous mailing to be. In either case, as we stated in our April 11 report:

It is thus inevitable that the proposal would have, against any sender receiving such notice, a "chilling effect upon the exercise of first amendment rights." *Dombrowski v. Pfister*, 380 U.S. 479, 487 (1965).

Indeed, the "chilling effect" on the sender which would result from receipt of the order contemplated by the subject legislation deliberately goes far beyond the proposal of H.R. 367 and H.R. 426. By the very terms of subsection (c) the recipient of an order thereunder would be inhibited from mailing to designated addressees any further material, without limitation, since he would be required to delete those addressees from "all mailing lists," even those which might clearly not involve "pandering advertisements."

By the same token, inasmuch as the order issued by the Postmaster General to the sender would inevitably constitute a broad administrative restraint on future mailings of any kind of material, procedural due process would seem to require at least the kind or prior notice and hearing afforded by the Administrative Procedure Act. Since the bill expressly renders the Administrative Procedure Act inapplicable, the absence of any judicial or administrative hearing prior to the issuance of the order would seem to run afoul the Supreme Court's admonition that: "Any system of prior restraint of expression comes to this Court bearing a heavy presumption against its constitutionality." *Bantam Books v. Sullivan*, 372 U.S. 58, 70 (1963).

By subjecting a sender to criminal sanctions for the mailing of non-obscene matter to an unwilling addressee, the subject legislation would

permit the addressee's right to privacy to outweigh the sender's right to disseminate constitutionally protected material. As the Department has previously stated in its reports to Congress on similar legislative proposals (e.g., our report dated June 3, 1964, on H.R. 319, 88th Cong., First sess.), there is strong reason to believe that in weighting these relative rights of the sender and the addressee, the Supreme Court would hold that the balance favors the sender.

Finally, as a technical matter, we note that the citation in subsection (e)(4) to "5 U.S.C. 1001-1011," for the reference to the Administrative Procedure Act, does not reflect the 1966 codification of that title. The current citation should be to "subchapter 2 of chapter 5 and chapter 7 of title 5 of the United States Code."

In view of the above, and despite our continued support of the objective of this legislation, the Department of Justice is unable to recommend its enactment.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

RAMSEY CLARK,  
Attorney General.



INDIVIDUAL VIEWS OF HON. EDWARD J. DERWINSKI  
TO H.R. 7977

To be factual this bill should be called "The Public Be Damned Act of 1967."

In addition to the minority views, which I share, there are other problems relating to the operation of the Post Office Department, and attempts to correct them were rejected by the committee in its treatment of this legislation.

One is the practice of permitting supervisors to be paid less than those employees they supervise. This is a mockery of efficient management and the Post Office Department is itself derelict in condoning it.

The committee also rejected a proposal to assist, in high cost of living areas, the recruitment and retention of postal employees. I would favor a complete study applied to all Federal employees to determine those areas of the country in which living costs would dictate a special salary rate adjustment.

It is a disservice to the taxpaying public that the inclusion of a salary bill with a postal rate bill prevented a proper discussion of Federal employees' compensation.

Insofar as this section of the legislation is concerned, I see no reason for awarding one category of Federal employees an increase higher than the rest of the workforce. I cannot approve of discrimination against the so-called "classified" employees and suggest that whatever the magic percentage of wage increase is decided, that it be applied to all Government employees.

In an effort to improve a bad bill I intend to offer constructive amendments on the House floor, hoping to help the Department despite their own objections. Specifically, I will offer or support amendments to give the Department needed authority and flexibility in adjusting salary schedules in high cost of living metropolitan areas, such as Chicago. As I have stated, I believe that equity requires an equal salary increase for all employees with necessary corrections of the inequities that have been permitted to develop within the postal salary structure.

I will also offer an amendment by which staff employees of Members of the House of Representatives will be covered by provisions similar to those which govern the salary increases of their Senate counterparts.

It must be emphasized that the bill as produced by the committee is a most imperfect proposal and should not be treated with any sanctity. All amendments to be offered deserve careful consideration and in this instance the floor of the House will be the place to rework this bill into a proper form with emphasis on the public interest and protection of the aggrieved American taxpayer as he patiently waits for long overdue improved mail service.

EDWARD J. DERWINSKI.

MINORITY VIEWS OF JOE POOL

First class and airmail now under the present rates are showing a profit and are operating above 100 percent of cost. I do not think that it is right for this mail to be increased so that it will pay 23 percent more than its allocated cost. If this increase is approved, first-class mail will have sustained a 50-percent increase since 1960. I think the American public is entitled to at least a 50-percent increase in service if they are going to be taxed a 50-percent increase for the handling of the public's mail. The same objection with respect to the right to better service can be made against increases in all other classes of mail.

The House Post Office and Civil Service Committee, Subcommittee on Facilities and Modernization, of which I am chairman, has been conducting investigations and holding hearings attempting to help the Post Office Department provide the facilities for a faster handling of the mail. This modernization is long overdue but we feel that the rate increase is not justified until the Post Office Department has improved its techniques.

One mistake of the bill in my opinion is the delegation of powers over the salaries and pay of certain Federal employees to a commission some members of which are appointed by the President. Under this provision of the bill, the President's authority over not only the Federal employees will be absolute, but also he will have the power of life and death over the salaries of Congressmen. This amounts clearly to a violation of the philosophy of constitutional government that there should be a separation of powers of the coequal branches of the Government, the legislative, judiciary, and the executive.

Under this provision, Members of the Congress, Federal judges, heads of the executive departments and agencies, and other officials will be put directly under the thumb of the President. If Congress fails to take affirmative action, his wishes through his controlled commission will prevail. Those familiar with the legislative process know it is hard to pass legislation in Congress, especially if the administration is opposing it. The President still has the power to recommend legislation under the present laws and this delegation of this unusual power is a direct attack on the power of Congress itself. To accentuate how absurd this provision is in the bill, let it be pointed out that the President himself did not ask for such broad powers over salaries and expenses of Federal judges, Members of Congress, or even his own appointees in the executive branch.

If Congress passes this provision without even a request being made for it, then certainly the present President and future Presidents will interpret this as a mandate from Congress that the Congressmen want no part of fixing salaries and that they are abdicating their role as representatives of the people in the spending of their hard-earned tax money.

I favor proper pay adjustments for Federal employees in 1967, but I cannot vote to usurp the power of the representatives of the people

just to get a pay raise for myself. Congressmen should stand up and be counted and vote against this provision instead of turning it over to some commission largely controlled by the President and leave themselves at the mercy of the President for any crumbs he might throw their way. Also, I do not think that future pay increases should be determined by a President who has yet to be elected.

JOE POOL.

## MINORITY VIEWS ON H.R. 7977

### CONCLUSIONS AND RECOMMENDATIONS

We believe that the enactment of H.R. 7977 is not in the public interest and that the Congress should reject this legislation. Postal rate increases and pay adjustments for postal and other Federal employees should not be included in the same bill. There is no relationship between the two issues and Congress should not be forced to accept such a proposal.

This supposedly "veto-proof" legislation represents a masterful job of buckpassing between the administration and the majority members of the committee—and with the American public a suffering victim.

As a matter of principle, we believe that the American public should not be saddled with a postage rate increase until we can guarantee this same public an improved and efficient postal service. Unfortunately, this legislation offers no such guarantees.

### POSTAL RATE INCREASES

According to the proponents of the bill, title I, which increases postal rates on all classes of mail, provides increased postal revenues of \$884 million annually.

For the first time in the history of the Post Office and Civil Service Committee a general postal rate increase bill of this magnitude was the subject of hearings by only a minority of the members of the committee. In the past hearings on measures of this importance have always been conducted by the full membership of the committee. A subcommittee, composed only of a minority of the members of the committee, conducted hearings, and only 10 members had an opportunity to question the Postmaster General and the mailers and secure information upon which the full committee was to act.

#### *Subcommittee disavows own recommendations*

The subcommittee of 10 of the 26 members then brought a postal increase proposal to the full committee and proceeded to disavow its own recommendations. A new bill was written which bears little resemblance to the subcommittee bill. There has been no testimony presented to the full committee membership by the Postmaster General or the users of the mail, with respect to the provisions contained in title I.

#### *Committee procedure marked by confusion*

The House Post Office and Civil Service Committee is organized with an elaborate subcommittee structure which was ignored during the processing of this bill. Parliamentary procedure, especially in deliberations on the pay provisions in the bill, was marked by great confusion, with arbitrary termination of discussion the order of the day. Constant lobbying pressure by administration officials and employee union spokesmen produced numerous changes and counter-



changes. The bill which finally emerged from committee is a rate and salary legislative catchall in which the few meritorious features are far outweighed by its controversial and unwise provisions.

#### *Rate burden placed on first-class mail*

With respect to the rate increases it should be pointed out that first-class and air mail, now showing a profit, bears the burden of providing over one-half of the increased postal revenues or \$518 million. First-class mail now pays more than its own way and under the bill it will pay 23 percent more than its allocated costs.

If this increase is approved by Congress it simply means that first-class letter mail rates will have been increased 50 percent within a 4-year period. But what is more significant is the fact that there has been a steady deterioration of mail service during the same period of time. And there is not even the slightest indication that this additional revenue will be used to improve the mail service.

We agree with the chairman of the Senate Post Office and Civil Service Committee, Senator A. S. Mike Monroney, when he stated on February 24, 1967:

If we are going to increase the price of the first-class stamp by 20 percent, then the American public is entitled to a similar percentage increase in service.

As a matter of fact, it is interesting to note that on September 21, 1967, the same day the committee approved postal rate increases, the Postmaster General announced the expenditure of nearly \$300 million in the next 9 months for hardware and mechanized equipment, including 16 closed circuit TV systems in an attempt to discover faulty mail handling operations.

The exaggerated claims that these devices or "gimmicks" will improve the postal service is open to serious question.

In ridiculing the Eisenhower administration for similar expenditures, former Deputy Postmaster General H. W. Brawley stated on June 1, 1961:

It does little or no good to move a batch of mail through a post office on conveyor belts—to have it sorted by electronic eyes and canceled by automatic devices—if, at the end of its breathless and eye-catching journey it must wait overnight for the train or the plane which will carry it on its way toward its ultimate destination.

#### *Unnecessary spending should be eliminated*

We believe that either with or without a postal rate increase all of the frills and unnecessary domestic Government expenditures should be eliminated, particularly during this critical time of war in Vietnam. The President has said that this is the time for cutting nonmilitary Government expenditures. We agree, so it seems incongruous that the Postmaster General would announce at this time unnecessary expenditures equal to more than one-third of the first year's increased postal revenues.

The other provisions of the postal rate increase portion of the bill are incapable of objective consideration. The newspapers and Post Office Department lobbyists have hammered at the committee members to such an extent that it is impossible to properly evaluate the postal rate increases provided for second-, third-, and fourth-class

mail. Whether these rate increases are excessive or inadequate is impossible to determine due to the fact the bill was rammed through the committee. And at the end of the final session there were a number of amendments proposed by members which did not receive consideration. The confusion which existed and the frustration of a majority of the members of the committee is unbelievable.

#### *Cost ascertainment figures questioned*

The rate increases contained in this legislation are based on the cost ascertainment report of the Post Office Department, which is the statement of revenue and cost of handling which is allocated to each class of mail. Time and time again these figures and the method of allocating costs to the various categories of mail were seriously questioned. Many witnesses at the hearings, and in fact many members of the committee, expressed honest concern that the Post Office Department figures are not representative of the true cost of handling each class of mail.

The full committee had no opportunity whatever to study the cost ascertainment figures on which the rate increases are based. We believe that the Department's figures on cost ascertainment should not be blindly accepted and that therefore all rate adjustments are suspect because they are based on questionable and dubious statistics.

We believe that before any postal rate increases are provided the entire mail classification system now in effect should be reviewed by the Post Office and Civil Service Committees of the Congress.

While second-class mailers are not too unhappy with the bill as passed by the committee and third-class mailers are predictably aggrieved, we must note that John Q. Public was unrepresented before the committee. Therefore, first-class mail rates are subject to substantial increases in the bill. It shouldn't be necessary to point out to second-class mailers that as the Post Office deficit again grows the need for a rate increase will reappear in 4 to 6 years and very limited increases will remain to be squeezed out of first- and third-class mail rates. The next go around will find second-class mailers the main target remaining within the postal department rate structure.

The committee confusion was accentuated when the chairman of the Subcommittee on Postal Rates acquiesced to a series of confusing adjustments and reversals of subcommittee recommendations. There were 15 sessions devoted to the rate section of the bill. It is interesting to note that the pay section, which is in its own right controversial and complex, was pushed through the committee in 2½ working sessions.

We believe the House should reject this bill and return it to the Post Office and Civil Service Committee for more complete and objective consideration.

#### FEDERAL SALARY INCREASES

Title II of the bill provides salary increases for all Federal employees, except so-called "wage-board" employees. Such salary increases apply not only this year but additional annual increases are provided for several years to come.

In his message to the Congress on April 5, 1967, the President made only one specific recommendation. He said, "I recommend a 4.5-percent pay increase for civilian employees effective October 1, 1967."

The proponents of this bill have blown this seemingly modest recommendation, which would have cost the taxpayers \$558 million annually, into a pay increase proposal which by fiscal year 1970 will cost \$2,657 million annually or about five times greater than was requested by the President.

The provisions of this title II, which provide pay increases beyond this year, erroneously assume that the Congress will be incapable of acting on pay adjustments for Federal employees in the future. As a matter of fact, three of the six increases provided for (one for postal employees in April 1969 and two for classified employees in July 1968 and April 1969) are completely undefined in the bill and the authority to determine the amount of such pay increases is delegated to the President without congressional approval.

By reason of the above provisions in the bill it is impossible to predict the real cost of the legislation. We believe it could easily exceed \$3 billion annually when it is fully effective.

#### *Abdication of jurisdiction over salaries not desirable.*

Nowhere in the President's message on civilian employee pay increases is there the slightest suggestion that Congress should delegate him such powers. If it is the purpose of the proponents of the bill that Congress shall abdicate its jurisdiction over the salaries and pay of Federal employees the approval of title II will go a long way toward that goal. We do not agree that this is desirable.

The precedent-shattering nature of these provisions of title II is so shocking that we are not certain that the rank and file of Federal employees are aware of their implications. For example, if title II becomes law a simple amendment to that law in the future changing only three dates will extend the President's authority over adjustments for Federal employees forever, and the function of Congress in this area will be eliminated, as it is for the next 3 years under this bill.

The committee action in delegating authority to the President to make pay adjustments for Federal employees based upon the comparability policy established in section 5301 of title 5 of the U.S. Code, is contrary to existing law. Section 5302 of title 5 of the U.S. Code specifically requires the President to submit reports annually to the Congress with respect to bringing Federal employees' salaries in line with comparable pay rates in private enterprise. And section 5302(2)(B) of title 5 of the U.S. Code states specifically: "Such recommendations for revision of statutory pay schedules, pay structures, and pay policy, as he (the President) considers advisable", shall be submitted annually to the Congress. Nowhere in existing law is there provision for the delegation of powers such as are provided in this legislation.

While the committee has insisted on tying Federal salaries, including those of postal employees, with the rate legislation, there is, in fact, little relationship between postal rate increases and increased salary of employees.

#### *Adequate consideration not given pay provisions*

Again, we cannot overemphasize the fact that the full committee never adequately considered the pay provisions of this bill. Also we stress that because of the limitations imposed during the consideration of this title, many members were denied the opportunity to offer amendments.

#### *Politics in postal service*

In standard labor-management relations, it is an accepted principle that wage increases are in some way related to productivity. This principle has never been adopted in Federal circles. One underlying problem in the operation of the Post Office Department is its complete domination by politics and the use of the Department by politically oriented interests.

It is an open secret that in major post offices, such as in Chicago, assignment, promotion, advancement, and even entrance into the postal field service are made on a political basis. The net result is a frustration of dedicated citizens who have an honest desire to devote their skills and ability to a career in the postal service. Efficient administration would require a stimulus for proper promotion of employees based on merit. The political operation of the Post Office Department discourages this.

In line with this, legislation has been sponsored (among such sponsors are Mr. Gross and Mr. Derwinski) aimed at increasing the efficiency of the Post Office Department by eliminating political activity through appropriate sanctions and revising the term of office of the Postmaster General and other top officials. The Postmaster General has himself suggested creating a non-Government corporate organization to operate the postal service. We should take him at his word and our committee's attention should next be devoted to this possibility.

#### *Powers granted under Quadrennial Commission excessive*

The powers granted the President under section 216 of the bill are even more offensive to the public interest, if that is possible. Under this section a Quadrennial Commission is created beginning in 1969 to recommend to the President the pay, expenses, and allowances for Members of Congress, Federal judges, heads and assistant heads of the executive departments and agencies, and other officials. Based upon the Commission's findings, the President is to include his own recommendation to the Congress in his budget with respect to the exact rates of pay and the exact amounts and kinds of expenses and allowances for the Federal officials cited above.

Up to this point such a provision is unnecessary, because indeed the President has the responsibility to recommend legislation which he believes will improve the operations of the Federal Government.

However, section 216 continues by providing that such recommendations by the President shall become effective 30 days after transmittal of the budget unless the Congress by specific action rejects the President's proposal.

#### *A violation of doctrine of separation of powers*

We consider this provision of doubtful constitutionality and certainly it is a violation of the time-honored "doctrine of the separation of powers" upon which our system of government is based.

The most precise declaration of the "doctrine of the separation of powers" occurs in the Massachusetts Declaration of Rights of 1780:

In the government of this commonwealth, the legislative department shall never exercise the executive and judicial powers, or either of them: The executive shall never exercise



the legislative and judicial powers, or either of them: the judicial shall never exercise the legislative and executive powers, or either of them: *to the end it may be a government of laws and not of men.*

Again, we say that there is not one scintilla of evidence or testimony that the President desires such broad powers over salaries and expenses of Federal judges, Members of Congress, or even his own appointees in the executive branch.

Moreover, such presidential power over the pay, expenses and allowances of the top officials of our Government could lead to abuse and intimidation. In some future administration, judicial decisions could be influenced, executive branch policies could be altered, decisions of quasi-judicial boards or commissions could be changed and undue pressures could be brought to bear on the Congress if such powers were abused either by the Chief Executive or by his assistants who pretended to speak for him.

We favor proper pay adjustments for Federal employees in 1967, but we do not believe such provisions should be incorporated in this postal rate increase bill.

Further, we believe that such 1967 pay increases for Federal employees should not be jeopardized by including in the same bill provision for future pay increases to be determined exclusively by a President who is yet to be elected.

#### *Blank check commitment is dangerous*

There is another alarming aspect to committing the Federal Government to a \$2 billion increase in Federal payroll costs in the next 18 months without further action of the Congress.

The unsettled, uncertain condition of our economy, military commitments and status of our national debt, are such that a blank check commitment of this nature could be extremely dangerous. The times in which we live, if never before, require extreme fluidity in meeting the day-to-day challenges that threaten our entire existence.

Eighteen months from now conditions may be such that we will be calling upon all Americans, including Federal employees, for sacrifices in the national interest. We could very possibly have runaway inflation that would require holding the line everywhere on wage and price increases.

It is interesting to note that in the recent past serious consideration was given to the imposition of mandatory wage and price controls on our Nation's economy, and if such should happen in the future how could we justify writing a blank check now for future wage increases that may be contrary to any situation existing at that time?

It must not be overlooked that the automatic future pay raises called for in this bill all occur in the same fiscal year, and place an unconscionable burden on any budget that any President may submit for that fiscal year.

It is simply unrealistic, if not completely irresponsible, for the Congress to issue a postdated blank check without knowing how much money might be in the bank or what the financial condition might be at the time the check is cashed.

#### *Congress would be relegated to rubber stamp function*

Another dangerous feature embodied in title II is its cynical philosophy. These provisions simply mean that Congress should no longer

exercise its constitutional jurisdiction in cooperation with the executive branch, over the pay, expenses, and allowances of Federal employees, generally.

We believe the provisions of title II relegate the Congress to a mere "rubber stamp" function with respect to these matters. We are aware that there are those in high places in the executive branch who for years have deprecated the functions and activities of the Congress. They have sought the power and authority over Federal employees, the Federal courts and the Congress, which would be granted to the executive branch under the provisions of title II.

We hope our colleagues in the House reject this philosophy of Government which destroys the "doctrine of the separation of powers," and we ask that they support us in rejecting the bill, particularly the provisions in title II discussed above.

H. R. GROSS.  
EDWARD J. DERWINSKI.  
JAMES A. McCLURE.

# CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## TITLE 39, UNITED STATES CODE

### CHAPTER 43.—APPOINTMENT AND ASSIGNMENT OF FIELD SERVICE EMPLOYEES

#### § 3301. Personnel requirements

The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 55 employees assigned to salary levels [19 and 20] 20 and 21 in the postal field service.

### CHAPTER 45.—COMPENSATION IN THE POSTAL FIELD SERVICE

#### POSITIONS

Sec.	Ranking of positions.
3501.	Appeals to Civil Service Commission.
3511.	Key positions.
3512.	Positions in salary level 1.
3512A.	Positions in salary level 2.
3513.	Positions in salary level [2] 3.
3514.	Positions in salary level [3] 4.
3515.	Positions in salary level [4] 5.
3516.	Positions in salary level [5] 6.
3517.	Positions in salary level [6] 7.
3518.	Positions in salary level [7] 8.
3519.	Positions in salary level [8] 9.
3520.	Positions in salary level [9] 10.
3521.	Positions in salary level [10] 11.
3522.	Positions in salary level [11] 12.
3523.	Positions in salary level [12] 13.
3524.	Positions in salary level [13] 14.
3525.	Positions in salary level [14] 15.
3526.	Positions in salary level [15] 16.
3527.	Positions in salary level [16] 17.
3528.	Positions in salary level [17] 18.
3529.	Positions in salary level [18] 19.
3530.	Positions in salary level [19] 20.
3531.	Positions in salary level [20] 21.

#### COMPENSATION AND ALLOWANCES

- 3541. Pay periods and computation of rates.
- 3542. Postal Field Service Schedule.
- 3543. Rural Carrier Schedule.
- [3544. Fourth Class Office Schedule.]
- 3544. Compensation of postmasters at fourth-class offices.

#### SALARY STEPS AND PROMOTIONS

- 3551. Appointments to positions in the postal field service.
- 3552. Automatic advancement by step-increases.
- 3553. Creditable service for advancement.
- 3554. Compensation of certain temporary employees.
- 3555. Reduction in salary step.
- 3556. Automatic advancement withheld.
- 3557. Automatic advancement of substitute employee deferred.
- 3559. Promotions.
- 3560. Salary protection.

#### HOURS OF WORK AND OVERTIME

- 3571. Maximum hours of work.
- 3572. Minimum hours of work for hourly rate employees.
- 3573. Compensatory time, overtime, and holidays.
- 3574. Night work.
- 3575. Exemptions.
- 3576. Holiday service of rural carriers and employees assigned to road duty.
- 3577. Workweek of postmasters in post offices of the first, second, and third classes.

#### SPECIAL PROVISIONS FOR POSTAL TRANSPORTATION AND MOTOR VEHICLE SERVICES

- 3581. Road duty employees.
- 3582. Time credit for delay to trains and highway post offices.

#### [§ 3512. Positions in salary level 1.

##### [Janitor. (KP-1).

[(1) Basic function.—Cleans, sweeps, and removes trash from work areas, lobbies, and washrooms.

##### [(2) Duties and responsibilities.—

[(A) Sweeps and scrubs floors and stairs, dusts furniture and fixtures, cleans washrooms and washes windows (except exterior glass in high buildings).

[(B) Moves furniture and helps erect equipment and fixtures within offices of the building.

[(C) In addition, may perform any of the following duties:

[(i) cleans ice and snow from the sidewalks and driveways, and tends the lawn, shrubbery, and premises of the post office;

[(ii) washes walls and ceilings.

[(3) Organizational relationships.—Reports to a foreman or other designated supervisor.]

#### § 3512. Positions in salary level 1

##### Cleaner. (KP-51)

(1) *Basic function.*—Performs a variety of light cleaning and housekeeping tasks in connection with the custodial maintenance of a postal installation.

##### (2) *Duties and responsibilities.*—

(A) *Sweeps, mops, dusts, washes, and otherwise performs light cleaning and housekeeping tasks to maintain offices, washrooms,*



lobbies, corridors, stairways, and other areas of the building in neat and orderly condition.

(B) Performs such duties as dusting, waxing, and polishing office furniture, sweeping and mopping floors, vacuuming rugs, emptying wastebaskets and trash, washing interior window and partition glass and fixtures which can be reached without use of ladders or scaffolding.

(3) **Organizational relationships.**—Reports to a foreman or other designated supervisor.

#### § 3512A. Positions in salary level 2

##### **Custodian. (KP-1)**

(1) **Basic function.**—Performs manual laboring duties in connection with custody of an office or building.

(2) **Duties and responsibilities.**—

(A) Performs any combination of the following duties:

1. Moves furniture and equipment.
2. Uncrates and assembles furniture and fixtures, using bolts and screws for assembly.
3. Loads and unloads supplies and equipment.
4. Removes trash from work areas, lobbies, and washrooms.
5. Tends to lawns, shrubbery, and premises of the post office and cleans ice and snow from the sidewalks and driveways.
6. Stacks supplies in storage rooms and on shelves, and completes forms or records as required.

(B) May perform cleaning duties as assigned.

(3) **Organizational relationships.**—Reports to a foreman or other designated supervisor.

#### § 3513. Positions in salary level [2] 3.

##### **(a) Elevator Operator. (KP-2).**

(1) **Basic function.**—Operates a freight or passenger elevator.

(2) **Duties and responsibilities.**—

(A) Operates elevator.

(B) Cleans cab of elevator and polishes metal fittings.

(C) In addition, may perform any of the following duties:

- (i) pushes handcars of mail on and off elevator or assists in loading or unloading material carried on elevator;
- (ii) tends the heating plant or performs cleaning duties in the vicinity of the elevator.

(3) **Organizational relationships.**—Reports to an elevator starter or other designated supervisor.

##### **(b) Order Filler. (KP-3).**

(1) **Basic function.**—Selects, assembles, and makes ready for shipment items requisitioned by postal field establishments.

(2) **Duties and responsibilities.**—

Is assigned any of the following duties:

- (A) Separate sheets of the requisition form, fastens copies to clipboards and places on appropriate conveyor line.
- (B) Clarifies writing on carbon copies of requisitions in order to minimize errors in filling requisitions.
- (C) Sets up and prepares shipping containers.

(D) Places in cartons on conveyor lines the quantities of items requisitioned from an assigned station, indicating action taken opposite each item.

(E) Fills and labels bulk shipping orders and moves bulk material to dispatch area.

(F) Replenishes from stock items stored in individual stations and keeps stations neat and orderly to facilitate filling of requisitions.

(G) Transports bulk and individual shipments on hand trucks.

(H) Assembles materials for each requisition where conveyor lines converge.

(I) Places cartons on assembly table for coordination and packing.

(J) Checks requisition copies and items to assure that proper action has been taken.

(K) Directs items not requiring packing to dispatch area.

(L) Combines shipments to reduce packing.

(M) Transmits bulk slips and shipping labels to the appropriate person.

(N) Labels bulk and individual packages with printed labels to avoid hand labeling.

(O) Prepares labels by use of appropriate rubber stamps.

(P) Seals cartons with stapling machine or tape.

(Q) Packs supplies for shipment.

(R) Stacks and trucks completed orders.

(3) **Organizational relationships.**—Reports to a foreman or other designated supervisor.

##### **(c) Post Office clerk. (KP-4).**

(1) **Basic function.**—Sorts incoming and dispatches outgoing mail for a small number of points of separation and destination; provides a limited number of services at public windows. This office has fewer than 190 revenue units annually.

(2) **Duties and responsibilities.**—

(A) Sorts incoming mail for general delivery, lock boxes, and one or more delivery routes.

(B) Postmarks and prepares mail for dispatch by train or other mail route; closes, locks, and affixes labels to pouches and mail sacks.

#### § 3514. Positions in salary level [3] 4.

##### **(a) Guard. (KP-5).**

(1) **Basic function.**—Makes rounds of the post office building, and punches clocks at designated stations.

(2) **Duties and responsibilities.**—

(A) Patrols buildings, punching watchman's clock where furnished, checking door and window locks, noting and reporting fire hazards and other irregularities, such as running water and unclosed doors and windows.

(B) Sounds fire alarm.

(C) Preserves order in corridors and, when necessary, detains persons for interrogation by post-office inspectors or local police.

(D) In addition may perform any of the following duties:

- (i) Gives directions to the public in building lobby.
- (ii) Raises and lowers the flag.

(iii) Retrieves lost and found articles and delivers them to the appropriate place.

(iv) Obtains names of victims, doctors, police, and witnesses in the event of accident.

(v) Guards property entrances and prevents damage to property by the public.

(vi) Tends the heating plant of the building.

(vii) Operates elevators on a relief basis.

(viii) Does incidental cleaning and laboring work.

(3) Organizational relationships.—Reports to a lieutenant of the guard, a building superintendent, or other designated supervisor.

**(b) File Clerk. (KP-6).**

(1) Basic function.—Sets up and maintains files on one or more subject matters.

(2) Duties and responsibilities.—

(A) Prepares new file folders and maintains existing folders in correct order as prescribed in the established filing system.

(B) Transmits folders or information contained therein to authorized personnel (for example, forwards personnel folders to requesting supervisors, or copies data from folders to satisfy requests).

(C) Opens, sorts, and searches file material, and maintains files in up-to-date condition.

(D) In addition, may perform any of the following duties:

(i) Types from rough draft or plain copy.

(ii) Answers telephones.

(iii) Prepares requisitions for supplies.

(iv) Operates a mimeograph machine.

(3) Organizational relationships.—Reports to a designated supervisor.

**(c) Typist. (KP-7).**

(1) Basic function.—Types material such as forms, correspondence, and stencils from rough draft or plain copy.

(2) Duties and responsibilities.—

(A) In accordance with instructions and information furnished by supervisors, types forms, standard reports, and documents such as invitations to bid, orders, contracts, invoices, personnel actions and related materials.

(B) Types correspondence and memoranda from rough drafts or general information.

(C) Cuts stencils for instructions, circulars, and other general uses.

(D) In addition, may perform any of the following duties:

(i) Transcribes from a dictating machine.

(ii) Operates a mimeograph machine.

(iii) Files, checks requisitions, prepares vouchers, and answers the telephone.

(3) Organizational relationships.—Reports to a designated supervisor.

**(d) Mail Handler. (KP-8).**

(1) Basic function.—Loads, unloads, and moves bulk mail, and performs other duties incidental to the movement and processing of mail.

(2) Duties and responsibilities.—

(A) Unloads mail received by trucks. Separates all mail received by trucks and conveyors for subsequent dispatch to other conveying units, and separates and delivers working mails for delivery to distribution areas.

(B) Places empty sacks or pouches on racks, labels them where labels are prearranged or racks are plainly marked, dumps mail from sacks, cuts, ties, faces letter mail, carries mail to distributors for processing, places processed mail into sacks, removes filled sacks and pouches from racks, closes and locks same. Picks up sacks, pouches and outside pieces, separates outgoing bulk mails for dispatch and loads mail onto trucks.

(C) Handles and sacks empty equipment, inspects empty equipment for mail content, restrings sacks.

(D) Cancels stamps on parcel post, operates canceling machines, carries mail from canceling machine to distribution cases.

(E) Assists in supply and slip rooms and operates addressograph, mimeograph, and similar machines.

(F) In addition, may perform any of the following duties:

(i) Acts as armed guard for valuable registry shipments and as watchman and guard around post office building.

(ii) Makes occasional simple distribution of parcel post mail requiring no scheme knowledge.

(iii) Operates electric fork-lift trucks.

(iv) Rewraps soiled broken parcels.

(v) Performs other miscellaneous duties, such as stamping tickets, weighing incoming sacks, cleaning and sweeping in workrooms, offices, and trucks where such work is not performed by regular cleaners.

(3) Organizational relationships.—Reports to a foreman or other designated supervisor.

**(e) Garageman. (KP-9).**

(1) Basic function.—Performs a variety of routine services incidental to the proper maintenance of motor vehicles.

(2) Duties and responsibilities.—

(A) Lubricates trucks in accordance with lubrication charts and type of truck.

(B) Changes crankcase oil and filter cleaners and cleans case in conformance with instructions and vehicle mileage.

(C) Changes tires and makes necessary repairs.

(D) Washes and steam-cleans trucks.

(E) Assists automotive mechanics.

(F) Fuels and oils trucks.

(G) Cleans garage, garage office, swing room, and washroom, as assigned.

(3) Organizational relationships.—Reports to a foreman of mechanics or other designated supervisor.

**§ 3515. Positions in salary level [4] 5.**

**(a) Motor Vehicle Operator. (KP-10).**

(1) Basic function.—Operates a mail truck on a regularly scheduled route to pick up and transport mail in bulk.

(2) Duties and responsibilities.—



(A) Picks up and delivers bulk quantities of mail at stations, branch offices, and terminal points; as required, picks up mail from collection boxes and deposits mail in relay boxes.

(B) Operates truck in conformity with time schedules and rules of safety, and in accordance with instructions regarding the route for which responsible.

(C) Ascertains the condition of the truck prior to leaving and upon returning to the garage; reports all accidents, mechanical defects noted, and mechanical failures while on route.

(D) In addition, may perform any of the following duties:

(i) Drives a tractor and semitrailer on occasion, unloading bagged mail and packages at post offices and picking up mail for delivery to a central point.

(ii) Prepares daily trip reports showing work performed.

(iii) Makes minor mechanical repairs to truck in emergencies while on route.

(3) Organizational relationships.—Reports to a superintendent of motor vehicles or other designated supervisor.

**(b) City or Special Carrier or Special Delivery Messenger. (KP-11).**

(1) Basic function.—Is responsible for the prompt and efficient delivery and collection of mail on foot or by vehicle under varying conditions in a prescribed area within a city. As a representative of the postal service, maintains pleasant and effective public relations with route patrons and others, requiring a general familiarity with postal laws, regulations, and procedures commonly used, and with the geography of the city.

(2) Duties and responsibilities.—

(A) Routes or cases all classes of mail in sequence of delivery along an established route. Rearranges and relabels cases as required by route adjustments and changes in deliveries.

(B) Withdraws mail from the distribution case and prepares it in sequence for efficient delivery by himself or a substitute along an established route. Prepares and separates all classes of mail to be carried by truck to relay boxes along route for subsequent delivery.

(C) Enters change of address orders in change of address book and on appropriate form. Readdresses mail to be forwarded and marks for appropriate handling other mail addressed to route patrons who have moved. Sorts such mail into throw-back case for convenient handling by clerks.

(D) Delivers mail along a prescribed route, on a regular schedule, picking up additional mail from relay boxes. Collects mail from street letter boxes and accepts letters for mailing from patrons. Such service may be rendered on foot or by vehicle and in some instances may consist exclusively of parcel post delivery or collection of mail.

(E) Delivers and collects charges on customs, postage-due, and c.o.d. mail matter. Delivers and obtains receipts for registered and certain insured mail. Receipts for such matter, except insured mail, at the post office before beginning route and accounts for it upon return by payments of the amounts collected and delivery of receipts taken.

(F) Deposits mail collected in the post office upon return from route; faces such mail for stamp cancellation.

(G) Checks, and corrects if necessary, mailing cards presented by advertisers bearing names and addresses of patrons or former patrons of the route.

(H) Furnishes patrons with postal information when requested, and provides change of address cards and other postal forms as requested.

(I) Reports to supervisor all unusual incidents or conditions relating to mail delivery, including condition of street letter boxes and timecards.

(J) Regular city carriers assigned to foot delivery routes are required to become proficient in the casing of mail on at least one other foot delivery route.

(K) Substitute city carriers may be assigned to perform clerical duties and may be required to pass examinations on schemes of city primary distribution.

(L) Special delivery carriers and special delivery messengers receive special delivery mail for delivery and sign c.o.d. and registered items at post office before beginning route; delivery on foot and by vehicle special delivery mail to patrons; obtain signatures when required; collect amounts and fees on c.o.d.'s; in case of absent patrons, exercise judgment in determining whether to leave mail or leave notice and return mail to post office; return receipts and moneys collected to authorized personnel at post office.

(M) In addition, may perform any of the following duties:

(i) Checks hotels and other such establishments to insure that mail for residents undeliverable as addressed is not improperly held.

(ii) Delivers stamps or other paper supplies to contract or classified stations.

(iii) Serves at carriers' delivery window.

(iv) Receives and registers, where practical, all letters and packages of first class mail properly offered for registration and gives receipt therefor.

(v) Makes delivery on other routes as assigned.

(3) Organizational relationships.—Reports to a postmaster or assistant postmaster, or other designated supervisor.

**(c) Distribution Clerk. (KP-12).**

(1) Basic function.—Separates mail in a post office, terminal, airmail field, or other postal facility in accordance with established schemes, including incoming or outgoing mail or both.

(2) Duties and responsibilities.—

(A) Makes primary and one or more secondary distributions of incoming mail by delivery point (for example, classified or contract station or branch or other delivery unit, general delivery, lockboxes, rural or star route, or city carrier route) based on a knowledge of the distribution scheme established for that office.

(B) Makes primary and one or more secondary distributions of outgoing mail for dispatch (for example, by city, State, region, train, highway or railway post office, or airmail flight) based on a knowledge of the distribution scheme prescribed by the Postal Transportation Service.

(C) In addition, may perform any of the following duties:

- (i) Maintains records of mails.
- (ii) Examines balances in advance deposit accounts.
- (iii) Faces and cancels mail.
- (iv) Ties mail and inserts facing slips.
- (v) Opens and dumps pouches and sacks.
- (vi) Operates cancelling machines.
- (vii) Records and bills mail (for example, c.o.d., registered, and so forth) requiring special services.
- (viii) Renders service at public windows.

(3) Organizational relationships.—Reports to a foreman or other designated supervisor.

**(d) Window Clerk. (KP-13).**

(1) Basic function.—Performs a variety of services at a public window of a post office or post office branch or station. As a representative of the postal service, maintains pleasant and effective public relations with patrons and others requiring a general familiarity with postal laws, regulations, and procedures commonly used.

(2) Duties and responsibilities.—

(A) Sells postage stamps, stamped paper, cards, internal revenue stamps, migratory bird stamps, and postal savings stamps and certificates.

(B) Accepts from and, after proper identification, delivers to patrons parcel post, insured, c.o.d., and registered mail; makes collection of required postage, issues necessary receipts, and issues general-delivery mail to patrons.

(C) Verifies second-, third-, and fourth-class mailings, computing and maintaining on a current basis mailers' credit balances.

(D) Assigns special delivery and registered mail for delivery.

(E) Checks and sets post office stamp-vending machines, postage meters, and large mailers' stamp permit meters.

(F) Receives, follows up, and recommends action on patrons' claims and complaints.

(G) Issues and cashes foreign and domestic money orders and postal savings certificates.

(H) Rents post-office boxes, receives rental payments, conducts reference checks, and completes related forms.

(I) Provides information to the public concerning postal regulations, mailing restrictions, rates, and other matters involving postal transactions.

(J) In addition, may perform any of the following duties:

- (i) Makes emergency carrier relays.
- (ii) Assists in alien registration and census matters.
- (iii) Separates and distributes mail.

(3) Organizational relationships.—Reports to a postmaster, assistant postmaster, or other designated supervisor.

**§ 3516. Positions in salary level [5] 6.**

**(a) Automotive Mechanic. (KP-14).**

(1) Basic function.—Repairs mail trucks, including the removal and installation of complete motors, clutches, transmissions, and other major component parts.

(2) Duties and responsibilities.—

(A) Diagnoses mechanical and operating difficulties of vehicles, repairing defects, replacing worn or broken parts.

(B) Adjusts and tunes up engines, cleaning fuel pumps, carburetors, and radiators; regulates timing, and makes other necessary adjustments to maintain in proper operating condition trucks that are in service.

(C) Repairs or replaces automotive electrical equipment such as generators, starters, ignition systems, distributors, and wiring; installs and sets new spark plugs.

(D) Conducts road tests of vehicles after repairs, noting performance of engine, clutch, transmission, brakes, and other parts.

(E) Operates standard types of modern garage testing equipment.

(F) In addition, may perform any of the following duties:

(i) Removes, disassembles, reassembles, and installs entire engines.

(ii) Overhauls transmission, rear end assemblies, and braking systems.

(iii) Straightens frames and axles, welding broken parts where required.

(iv) Makes road calls to make emergency repairs.

(v) Makes required truck inspections.

(3) Organizational relationships.—Reports to a foreman of mechanics or other designated supervisor.

**(b) Transfer Clerk. (KP-15).**

(1) Basic function.—Arranges for transfer of mail at junction points between trains and other mail units and observes the separation, loading and unloading of mail by railroad employees to make certain that this is done properly.

(2) Duties and responsibilities.—

(A) Provides for the most expeditious transfer of mail from observations of the operation of trains, star route, or mail messenger vehicles. Government-owned vehicles and platform vehicles.

(B) Examines outgoing and incoming cars to determine maximum utilization of space and proper adherence to railroad safety requirements; reports findings, when necessary, to the district superintendent.

(C) Decides whether outbound cars in full authorizations should be held beyond the first available dispatches in order to obtain fuller loading and maximum utilization of the space paid for, making certain that this will not unduly delay the arrival of the mail at destination.

(D) Studies the routing and loading of mail dispatched from his station in storage cars in order to recommend changes which would bring about economies in line haul and terminal charges and effect earlier arrival. Gives similar attention to incoming mail to assure that dispatching divisions are using best routing and loading methods; reports facts to the district superintendent.

(E) Maintains close liaison with foremen of appropriate incoming and outgoing trains and vehicles to assure prompt receipt and expeditious dispatch of mail.

(F) Keeps informed on local holding orders for each outgoing dispatch and requests that departure of unit within these limitations be withheld when scheduled connections are delayed.

(G) Prepares list of railroad cars (except railway post office cars) in which mail is loaded, and maintains record of mail



loaded and unloaded in outgoing and incoming trains. Serves notice on railroad company to cancel operation and purchases lesser storage unit in its place when necessary. Prepares official diagram and appropriately labels outgoing cars to indicate destination or next relay point.

(H) Inspects the loading and unloading of storage mail to secure individual piece count of lesser storage units (thirty feet and less); estimates volume when more than thirty feet.

(I) Observes and reports to designated supervisor any failure of the railroad company to afford protection for the mail.

(J) Qualifies periodically through examination on knowledge of distributing schemes, postal regulations, space rules, and train connections.

(K) In addition, may perform any of the following rules:

- (i) Receipts for, transfers, and delivers registered mail between trains or between train and post office.
- (ii) Distributes mail prescribed for distribution in transfer office.

(3) Organizational relationships—Reports to a foreman or other designated supervisor.

**(c) Distribution Clerk, R.P.O. or H.P.O. (KP-16).**

(1) Basic function.—Distributes mail in railway or highway post office prior to departure and while en route.

(2) Duties and responsibilities.—

(A) Determines the fastest or most expeditious dispatch of mail from the standpoint of assignment. In emergencies, such as floods, storms, wrecks, strikes, and missed connections, redistributes the mail so as to reach destination by the most expeditious alternative means, for example, by other railway post office or highway post office, airmail route, or star route.

(B) Distributes mail rapidly into letter case or pouches and sacks.

(C) Hangs pouches and sacks in racks and places labels in holders provided; labels letter cases in accordance with official diagram.

(D) Prepares mail for dispatch, involving labeling and tying of letter mail in packages for distribution in pouches, closing and locking sacks and pouches, and maintenance of proper separations for connections en route.

(E) In addition, may perform any of the following duties:

- (i) Receives and dispatches mail en route.
- (ii) Unloads mail and equipment at terminal of run.
- (iii) Examines car to ascertain that no mail is left.
- (iv) Convoys registered mail to post office and connecting lines.

(F) Qualifies through examination periodically on knowledge of distributing schemes, postal regulations, space rules, and train schedules.

(3) Organizational relationships.—Reports to a foreman in charge of the railway post office car or highway post office.

**(d) Claims Clerk, Paying Office. (KP-17).**

(1) Basic functions.—Examines claims for loss or damage of insured or c.o.d. mail and determines and approves for payment the amount found to be due under postal regulations.

(2) Duties and responsibilities.—

(A) Receives and reviews prescribed claim papers to ascertain whether:

(i) All necessary items of the appropriate claim form have been properly completed.

(ii) Proof of value has been properly determined.

(iii) Appropriate check has been made of applicable records.

(iv) Other necessary information has been supplied.

(B) Determines whether amount of claim exceeds amount of loss and the proper amount payable is within the limits of the indemnity.

(C) Conducts necessary correspondence in connection with the claim.

(D) Approves amount to be paid, and directs disposition of damaged articles.

(E) Maintains prescribed record of claims.

(3) Organizational relationships.—Reports to an assistant postmaster or other designated supervisor.

**(e) Postmaster. (KP-18).**

(1) Basic function.—Is responsible for all operations of a small post office, including actual performance of mail processing and window service, disbursement of funds and preparation of required reports. This office has no employees other than the postmaster and a replacement to serve during his leave; has approximately 40 revenue units annually; has no rural delivery service within its jurisdiction.

(2) Duties and responsibilities.—

(A) Conducts the activities of the office in such manner as to provide prompt and efficient postal service to the patrons of the office.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Sorts incoming mail for boxholders and general delivery; faces, cancels, sorts by destination, ties and sacks outgoing mail.

(D) At a window delivers general delivery mail, issues and cashes money orders, delivers c.o.d. and customs mail, accepts and delivers parcel post, registered and insured mail, sells stamps and stamped paper, and collects box rents.

(E) Prepares and submits estimates of operating allowances as required.

(F) Makes deposits of accountable funds; requisitions stamps and stamped paper; requisitions supplies; pays authorized bills.

(G) Maintains required office records; prepares and submits necessary reports in accordance with instructions.

(H) Maintains files for the office.

(3) Organizational relationship.—Administratively responsible to a district manager.

**§ 3517. Positions in salary level [6] 7.**

**(a) Claims Clerk, Common and Contract Carriers. (KP-19).**

(1) Basic function.—Audits carriers' claims for the transportation of mail to insure their accuracy and correctness of form prior to certifying them for payment.

(2) Duties and responsibilities.—

(A) Checks original or draft of claims submitted by carriers using space procurement data, records of air carrier flights and weight allocations, reports of railroad space utilization, emergency space procured, and other pertinent reports and data submitted by the districts.

(B) Corrects errors in drafts of claims and returns them to the carrier for resubmission in final corrected form.

(C) Expedites the processing of claims by continuous coordination with the carriers to minimize the incidence of error on claims submitted.

(D) Rechecks resubmitted claims prior to certifying them for payment.

(E) Maintains records pertinent to carrier claims such as unscheduled air carrier flights, weight allocations for mail on flights of air carriers, and air line flight schedules.

(F) Accumulates data and prepares periodic and special reports on subjects related to the purchase and use of railroad space, and air carrier weight allocation.

(3) Organizational relationships.—Reports to the supervisor in charge of the fiscal section in a Postal Transportation Service division office or other designated supervisor.

**(b) Postmaster. (KP-20).**

(1) Basic function.—Is responsible for all operations of a post office, including actual performance of mail processing and window services, disbursement of funds and preparation of required reports. This office has one part time clerical employee; has approximately 110 revenue units annually; has no rural delivery service within its jurisdiction.

(2) Duties and responsibilities.—

(A) Supervises and conducts the activities of the office in order to provide prompt and efficient postal service to patrons.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations.

(D) Sorts incoming mail for boxholders and general delivery; faces, cancels, sorts by destination, ties and sacks outgoing mail.

(E) At a window delivers general delivery mail, issues and cashes money orders, delivers c.o.d. and customs mail, accepts and delivers parcel post, registered and insured mail, sells stamps and stamped paper, and collects box rents.

(F) Makes required deposits of accountable funds; requisitions stamps and stamped paper; requisitions supplies; pays authorized bills and makes salary disbursements.

(G) Prepares and submits annual estimates of manpower needs and operating allowances as required.

(H) Maintains required office records; prepares and submits necessary reports in accordance with instructions.

(I) Maintains files for the office.

(3) Organizational relationships.—Administratively responsible to a district manager.

**§ 3518. Positions in salary level [7] 8.**

**(a) Foreman, Mails. (KP-21).**

(1) Basic function.—Supervises a group of employees engaged in carrying out assigned tasks connected with the processing of incoming or outgoing mail.

(2) Duties and responsibilities.—

(A) Lays out work for employees; insures attendance to duties and proper performance of assignments; shifts employees from one assignment to another to meet fluctuations in workload; answers questions respecting work progress.

(B) Trains new employees and provides continuous on-the-job training for all employees under his supervision.

(C) Reports unusual difficulties to a general foreman and suggests solutions. Personally resolves problems of a routine nature.

(D) Keeps required records for such matters as time, mail on hand, and mail processed.

(E) Recommends personnel actions respecting subordinates; maintains morale among the employees in the group; adjusts complaints; supplies leadership necessary to secure maximum interest and effort from men and promotes cooperation and harmony.

(3) Organizational relationships.—Administratively responsible to a general foreman or other designated superior. Supervises approximately twenty or more employees.

**(b) Postmaster. (KP-22).**

(1) Basic function.—Is responsible for all operations of a post office, including actual participation in processing of mail and window services, disbursement of funds and preparation of required reports. This office has two clerical employees and approximately 140 revenue units annually, and rural delivery service within its jurisdiction.

(2) Duties and responsibilities.—

(A) Supervises the activities of the office in order to provide expeditious handling of the mails, and efficient and courteous postal service to patrons.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by the Department and Civil Service Regulations; selects personnel and trains them in their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees and is responsible for the administration of the Efficiency Appraisal System.

(E) Distributes incoming mail for carrier delivery, boxholders and general delivery; faces, cancels, distributes, ties and sacks outgoing mail; performs general delivery window services; issues and cashes money orders; delivers c.o.d. and customs mails; accepts and delivers parcel post, registered and insured mail; sells stamps, stamped paper, savings bonds, postal savings stamps and certificates, migratory and documentary stamps, and collects box rents.



(F) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies; issues checks for employees' salaries and other official disbursements.

(G) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(H) Prepares reports of a recurring nature, reflecting various transactions of the office, such as personnel salary summaries, retirement and withholding tax data, cost estimates, money order and bond summaries and schedules of disbursement.

(I) Maintains all files for the office.

(3) Organizational relationships.—Administratively responsible to a district manager.

### § 3519. Positions in salary level [8] 9.

#### (a) General Foreman.—R.P.O. (KP-23).

(1) Basic function.—Directs mail service operations in a railway post office train with two or more authorized cars. Supervises a crew of foremen and clerks whose primary function is the distribution and exchange of mails en route.

(2) Duties and responsibilities.—

(A) Provides for the proper distribution, exchange, and dispatch of mail regularly assigned for handling in the railway post office cars. Makes decisions concerning the most expeditious dispatch, rerouting and utilization of alternative connections involving irregularly received mail and also in emergency situations.

(B) Directs mail service operations in the railway post office train including:

(i) Rapid distribution of all classes of mail in accordance with official diagrams and via most advantageous routing.

(ii) Handling, recording, and protection of registered mails.

(iii) Makeup and exchange of mail at intermediate and terminal offices.

(iv) Proper utilization of space in each railway post office car with relation to other storage space in train and, except as charged to transfer clerks, for proper handling of all storage mail in train.

(v) Loading and unloading of railway post office cars to assure maximum use of available storage space without additional cost.

(vi) Proper usage of mail equipment and supplies.

(vii) Maintenance of distribution schemes and schedules of mail routes in corrected condition.

(C) Supervises the activities of foremen and clerks in the cars and reassigns them to various duties as may be required to complete maximum distribution. Instructs clerks on proper practices and procedures and reports failures to meet operating standards to the district superintendent.

(D) Inspects condition of railway post office cars and reports to the railroad company unsatisfactory situations.

(E) Completes trip report form covering service operations, including particulars of train operation, roster of clerks on duty, mails received, worked, and dispatched, and mails not worked;

prepares a list of all cars on train in which mail is carried, a record of the mail, and a report of any irregularities in service. Observes and reports to district superintendent any failure of the railroad company to afford protection to the mail.

(F) May personally distribute letter mail for one or more States, and maintain record of pouches received and dispatched.

(3) Organizational relationships.—Administratively responsible to a district superintendent or other designated superior. Directs, through one or more subordinate foremen, clerks assigned to the run.

#### (b) Assistant postmaster. (KP-24).

(1) Basic function.—Serves as the overall assistant to the postmaster, providing general direction and supervision over mails, finance, personnel, and other related activities. This office has approximately sixteen employees, approximately 1,490 revenue units annually, and eight carrier routes within its jurisdiction.

(2) Duties and responsibilities.—

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate employees in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

(3) Organizational relationships.—Administratively responsible to the postmaster.

#### (c) Postmaster. (KP-25).

(1) Basic function.—Is responsible for all operations of a post office, including actual participation in processing of mail and window services, disbursement of funds and preparation of required reports. This office has approximately six employees, approximately 380 revenue units annually, and has rural delivery service within its jurisdiction.

## (2) Duties and responsibilities.—

(A) Supervises and coordinates the activities of the office in order to provide expeditious handling of the mails, and efficient and courteous postal service to patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; selects personnel and trains them in their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees; recommends promotions of employees; is responsible for the administration of the Efficiency Appraisal System.

(E) Distributes incoming mail for carrier delivery, boxholders and general delivery; faces, cancels, distributes, ties and sacks outgoing mail; performs general delivery window service; issues and cashes money orders; delivers c.o.d. and customs mails; accepts and delivers parcel post, registered and insured mail, sells stamps, stamped paper, savings bonds, postal savings stamps and certificates, migratory and documentary stamps, and collects box rents.

(F) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies; issues checks for employees' salaries and other official disbursements.

(G) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(H) Prepares reports of a recurring nature, reflecting various transactions of the office, such as personnel salary summaries, retirement and withholding tax data, cost estimates, money order and bond summaries and schedules of disbursement.

(I) Maintains all files for the office.

(3) Organizational relationships.—Administratively responsible to a district manager.

### § 3520. Positions in salary level [9] 10.

#### (a) General Foreman, Mails. (KP-26).

(1) Basic function.—Directs foreman in the distribution of all or part of incoming mails, outgoing mails, or both, at a first class post office.

#### (2) Duties and responsibilities.—

(A) Lays out work for foremen at the beginning of a tour and issues instructions.

(B) Oversees work in progress to prevent accumulation of mail.

(C) Insures that mail is distributed in accordance with established orders and instructions.

(D) Shifts men from one foreman to another to keep mails moving.

(E) Reports difficulties and suggests corrective measures to superior.

(F) Maintains required records.

(G) Assures that adequate on-the-job training is carried out to promote employee proficiency.

(H) Reviews and forwards recommendations of foremen respecting discipline, promotions, or changes in assignments; approves time and leave requests; submits manpower estimates.

(3) Organizational relationships.—Administratively responsible to a superintendent or assistant superintendent or other designated superior. Directs, through approximately four foremen, employees as assigned.

#### (b) Postmaster. (KP-27).

(1) Basic function.—Is responsible for all operations of a post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately sixteen employees, approximately 1,490 revenue units annually, and city delivery service consisting of eight carrier routes within its jurisdiction.

#### (2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees; recommends promotions of employees and is responsible for the proper administration of the Efficiency Appraisal System.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local banks; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

(3) Organizational relationships.—Administratively responsible to a district manager.

### § 3521. Positions in salary level [10] 11.

#### (a) Building Superintendent. (KP-28).

(1) Basic function.—Directs the janitorial, maintenance, and operating services of a large post office building and branches and stations covering an aggregate area of approximately 700,000 square feet, including security, heating and ventilating, mechanical and electrical equipment, and elevator services.



## (2) Duties and responsibilities.—

(A) Plans and prepares work schedules and supervises the custodial forces in cleaning, heating, guarding, operating, and repairing the post office building and equipment.

(B) Makes frequent inspections to determine maintenance needs of the building and equipment, and to determine the efficiency of the janitorial and maintenance force.

(C) Prepares and answers correspondence relating to custodial service.

(D) Plans and supervises maintenance or alteration work under contract.

(E) Supervises the office force in the preparation of vouchers, requisitions, and reports incidental to custodial service, and in the maintenance of required accounts and records.

(F) Recommends transfers, promotions, and disciplinary measures for custodial personnel.

(G) Inspects mechanical equipment to determine repair needs and adherence to standards of preventive maintenance.

(3) Organizational relationships.—Administratively responsible to the postmaster or other designated superior. Directs, through a general foreman of laborers and a chief engineer, approximately 100 employees, including electricians and other skilled trades.

## (b) Postmaster. (KP-29).

(1) Basic function.—Is responsible for all operations of a post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately twenty-seven employees, approximately 3,060 revenue units annually, and eleven city delivery and rural carrier routes within its jurisdiction.

## (2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints all personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that all personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of all employees; supervises arrangement of working schedules of employees; recommends promotions of employees; and is responsible for the proper administration of the Efficiency Appraisal System.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular

maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

(3) Organizational relationships.—Administratively responsible to a district manager.

## § 3522. Positions in salary level [11] 12.

## (a) Tour Superintendent, Incoming or Outgoing Mails. (KP-30).

(1) Basic function.—Directs general foremen in the distribution of incoming mails or outgoing mails on a tour at a large first class post office.

## (2) Duties and responsibilities.—

(A) Provides for the prompt and complete operation of a tour activity, such as incoming mails, outgoing mails, or all first and third class outgoing mails.

(B) Reassigns employees as necessary to meet peakload demands; provides direction to subordinate foremen, coordinating the portions of work assigned to them.

(C) Answers questions of subordinate foremen regarding operating problems; refers policy questions to his superior with appropriate recommendations.

(D) Reviews requests for personnel actions by subordinate foremen, recommending final action to superior.

(E) Reviews estimates of manpower required, consolidating for recommendation to superior.

(3) Organizational relationships.—Administratively responsible to an assistant superintendent of mails or other designated superior. Directs, through general foremen, employees assigned to the tour.

## (b) Postmaster. (KP-31).

(1) Basic function.—Is responsible for all operations of a post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately fifty-three employees, approximately 7,450 revenue units annually, six Government-owned vehicle units, no classified stations, and twenty-five city and rural delivery routes within its jurisdiction.

## (2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of all employees; supervises arrangement of working schedules of employees; recommends promotions of employees; and is responsible for the proper administration of the Efficiency Appraisal System.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares numerous reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

(3) Organizational relationships.—Administratively responsible to a district manager.

### § 3523. Positions in salary level [12] 13.

#### (a) Postal Inspector. (KP-32).

(1) Basic function.—Is responsible in an assigned territory, usually including all classes of post offices, for inspection and investigative programs covering all phases of the postal service. In heavily populated areas may be assigned a majority of the time to selected types of work as determined by the inspector-in-charge.

(2) Duties and responsibilities.—Assigned territory.—

(A) Inspects post offices and related postal units to insure compliance with postal laws and regulations, protection and proper expenditure of postal revenues and appropriated funds, and evaluates and reports to administrative officials on operational efficiency.

(B) Maintains close working relationship with regional officials and submits to them factual information and recommendations on conditions and needs of the postal service; acts as counselor to postmasters and other postal officials and employees in explaining instructions, regulations, applicable laws and decisions.

(C) Investigates violations of postal laws, including, but not limited to, armed robbery, mailing of bombs, burglary, theft of mail, embezzlements, obscene literature and pictures, and mail fraud.

(D) Determines the validity and seriousness of charges against postmasters and other officers and employees and makes pertinent recommendations.

(E) Investigates local and area operating problems and recommends corrective action, and within his prescribed jurisdiction, initiates necessary corrective action, including restoration of service immediately in disaster areas caused by hurricanes, tornadoes, floods, and other catastrophes.

(F) Maintains liaison activities (i) with military installations to insure adequate postal service for the military forces; (ii) with Federal and State civil defense authorities at the area level; (iii) with branches of Federal and State law enforcement agencies.

(G) Ascertains postal needs for post offices and stations, rural and city delivery, changes in schedules, quarters, equipment, manpower and procedures and reports findings and recommendations to appropriate officials.

#### SELECTED CASES.—

(H) Investigates the loss, theft, destruction, and damage to mail matter through technical analyses of complaints and other specialized procedures.

(I) Investigates money-order forgeries; investigates complaints of use of the mails to defraud and to operate lotteries.

(J) Investigates personal injuries, motor-vehicle and other accidents; develops evidence for defense of suits under the so-called Federal Tort Claims Act; recommends out-of-court settlements.

(K) In any criminal investigation, develops evidence, locates witnesses and suspects; apprehends and effects arrests of postal offenders, presents facts to United States attorney, and collaborates as required with Federal and State prosecutors in presentation before United States commissioner, grand jury, and trial court.

(L) Surveys postal service on an area basis to ascertain and recommend ways of improving service and effecting economies.

(M) Makes investigations of a variety of other matters and performs related duties as assigned.

(3) Organizational relationships.—Responsible to the inspector-in-charge or the assistant inspector-in-charge of the division. Supervises trainees and other inspectors as assigned.

#### (b) Postmaster. (KP-33).

(1) Basic function.—Is responsible for all operations of a post office, including direction and supervision of mails, finance, buildings, personnel, and related services. This office has approximately 110 employees, approximately 14,350 revenue units annually, 13 government-owned vehicle units, one classified station and 42 carrier routes within its jurisdiction.

(2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of the mails and to provide efficient and courteous postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.



(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

(3) Organizational relationships.—Administratively responsible to a district manager.

**§ 3524. Positions in salary level [13] 14.**

**(a) Station Superintendent, Large Classified Station. (KP-34).**

(1) Basic function.—Directs the operations of a large classified station, including the distribution, delivery, and dispatch of mail and all required window services to the public.

(2) Duties and responsibilities.—

(A) Plans and supervises the distribution of incoming and outgoing mails, the delivery service, including special delivery, and the dispatch of outgoing mail.

(B) Supervises services to the public at windows, including sales of stamps and stamped paper, money orders, postal savings stamps and certificates, migratory and documentary stamps, registry and insurance of mail; handling of c.o.d. items; general delivery and box mail.

(C) Supervises city and rural carriers and determines that delivery schedules are maintained; consults in the adjustment and establishment of routes to reflect changes in volume, patronage, or population; and recommends establishment or changes in location of collection boxes.

(D) Directs and maintains required records for personnel of station; verifies and approves timecards for payroll purposes; makes manpower estimates and reports; trains new supervisors and employees in various aspects of station operations.

(E) Requisitions supplies and equipment, stamps, stamped paper, and accountable forms from main post office, reissuing to subordinates as required. Is responsible for entire fixed credit of station and for operation within the allowance granted.

(F) Maintains effective relations with large mailers and the public; simplifies handling of mail, and takes appropriate action to meet complaints.

(G) In addition, may perform any of the following duties:

(i) Supervises the cleaning and custodial maintenance of the station building.

(ii) Makes necessary arrangements for special services such as alien registrations, special census reports, or handling of special purpose mailing.

(3) Organizational relationships.—Administratively responsible to a superintendent of mails or other designated superior. Directs, through subordinate supervisors, approximately one thousand or more employees.

**(b) Assistant postmaster. (KP-35).**

(1) Basic function.—Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. The office has approximately four hundred and fifty employees, approximately 64,000 revenue units annually, fifty Government-owned vehicle units, one classified station or branch, and one hundred and thirty carrier routes within its jurisdiction.

(2) Duties and responsibilities.—

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of postoffice personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction by key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

(3) Organizational relationships.—Administratively responsible to the postmaster.

**(c) Postmaster. (KP-36).**

(1) Basic function.—Is responsible for all operations of a post office, including the direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately one hundred and eighty employees, approximately 23,700 revenue units annually, twenty-one Government-owned vehicle units, three classified stations, and sixty-five carrier routes within its jurisdiction.

(2) Duties and responsibilities.—

(A) Organize the post office to insure expeditious handling of the mails and to provide efficient and courteous postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

(3) Organizational relationships.—Administratively responsible to a district manager.

#### § 3525. Positions in salary level [14] 15.

##### (a) Assistant postmaster. (KP-37).

(1) Basic function.—Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. This office has approximately one thousand and two hundred employees, approximately 200,000 revenue units annually, one hundred and seventeen Government-owned vehicle units, sixteen classified stations and branches, and two hundred and ninety carrier routes within its jurisdiction.

##### (2) Duties and responsibilities.—

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationship with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

(3) Organizational relationships.—Administratively responsible to the postmaster.

##### (b) Postmaster. (KP-38).

(1) Basic function.—Is responsible for all operations of a post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately four hundred and fifty employees, approximately 64,000 revenue units annually, fifty Government-owned vehicle units, one classified station or branch, and one hundred and thirty carrier routes within its jurisdiction.

##### (2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

(3) Organizational relationships.—Administratively responsible to a regional director or other designated superior.

#### § 3526. Positions in salary level [15] 16.

##### (a) Assistant postmaster. (KP-39).

(1) Basic function.—Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative and service functions of the post office. This office has approximately three thousand two hundred employees, approximately 400,000 revenue units annually, two hundred Government-owned vehicle units, thirty-four classified stations and branches, and one thousand carrier routes within its jurisdiction.

##### (2) Duties and responsibilities.—

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of postoffice personnel; generally oversees the training of all personnel for their respective positions.



(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

(3) Organizational relationships.—Administratively responsible to the postmaster.

**(b) Postmaster. (KP-40).**

(1) Basic function.—Is responsible for all operations of a post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations and branches. This office has approximately seven hundred employees, approximately 106,000 revenue units annually, seventy-seven Government-owned vehicle units, eight classified stations and branches, and two hundred carrier routes within its jurisdiction.

(2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

(3) Organizational relationships.—Administratively responsible to a regional director or other designated superior.

**§ 3527. Positions in salary level [16] 17.**

**(a) General Superintendent, PTS Division. (KP-41).**

(1) Basic function.—Directs all activities of a division of the Postal Transportation Service of average size and complexity in terms of numbers of employees and in expenditure of funds, or in terms of the importance of the mail gateways in the division, the volume and complexity of the mail and mail handling operations, and concentrations which create congestions. Is responsible for the transportation, transfer, distribution, and dispatch of mail in transit, and for the efficient and economical operation of the division.

(2) Duties and responsibilities.—

(A) Directs and coordinates the activities of subordinate district superintendents in planning and effectuating the transportation and processing of transit mail within, entering, or emanating from the division; confers with officials of commercial carriers regarding mail handling and transportation, schedules, security of mail in transit, and rates.

(B) Provides, through his assistants, general supervision over the activities of the employees of the division. Establishes manpower controls, effective employee relations, and inspections of personnel activities, both informally and as required by regulations.

(C) Exercises administrative control over the district superintendents and, through them, the constituent field units such as transfer offices, airmail fields, terminals, railway post office lines, highway post office lines, and contract carriers such as star routes and mail messenger routes, and related operating units; maintains financial control of the division, reporting on expenditures and requirements as directed.

(D) Maintains liaison with airlines, railroads, trucklines, and other contract carriers; contacts major publishers, mail-order houses, and other large volume patrons with respect to mass mailing problems.

(E) Coordinates division activities with those of contiguous divisions and with other segments of the Post Office Department within the area.

(3) Organizational relationships.—Administratively responsible to a regional director. Directs, through an assistant and district superintendents, up to three thousand three hundred employees.

**(b) Assistant postmaster. (KP-42).**

(1) Basic function.—Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative and service functions of the post office. This office has approximately eight thousand employees, approximately 1,000,000 revenue units annually, four hundred Government-owned vehicle units, fifty classified stations and branches, and one thousand four hundred carrier routes within its jurisdiction.

## (2) Duties and responsibilities.—

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

(3) Organizational relationships.—Administratively responsible to the postmaster.

## (c) Postmaster. (KP-43).

(1) Basic function.—Is responsible for all operations of a post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately one thousand two hundred employees, approximately 200,000 revenue units annually, one hundred and seventeen Government-owned vehicle units, sixteen classified stations and branches, and two hundred and ninety carrier routes within its jurisdiction.

## (2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints all personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that all personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

(3) Organizational relationships.—Administratively responsible to a regional director or other designated superior.

## § 3528. Positions in salary level [17] 18.

## (a) General Superintendent, Largest PTS Division. (KP-44).

(1) Basic function.—Directs all activities of one of the largest divisions of the Postal Transportation Service in terms of numbers of employees and in expenditure of funds, as well as in terms of the importance of the mail gateways in the division, the volume and complexity of the mail and mail handling operations, and concentrations which create congestions. Is responsible for the transportation, transfer, distribution, and dispatch of mail in transit, and for the efficient and economical operation of the division.

## (2) Duties and responsibilities.—

(A) Directs and coordinates the activities of subordinate district superintendents in planning and effectuating the transportation and processing of transit mail within, entering, or emanating from the division; confers with officials of commercial carriers regarding mail handling and transportation schedules, security of mails in transit, and rates.

(B) Provides, through his assistants, general supervision over the activities of the employees of the division. Establishes manpower controls, effective employee relations, and inspections of personnel activities, both informally and as required by regulations.

(C) Exercises administrative control over the district superintendents and, through them, the constituent field units such as transfer offices, air mail fields, terminals, railway and post office lines, highway post office lines, and contract carriers such as star routes and mail messengers routes, and related operating units; maintains financial control of the division, reporting on expenditures and requirements as directed.

(D) Maintains liaison with airlines, railroads, trucklines, and other contract carriers; contacts major publishers, mail-order houses, and other large volume patrons with respect to mass mailing problems.

(E) Coordinates division activities with those of contiguous divisions and with other segments of the Post Office Department within the area.

(3) Organizational relationships.—Administratively responsible to a regional director. Directs, through an assistant and district superintendents, approximately three thousand three hundred or more employees.



**(b) Assistant postmaster. (KP-45).**

(1) Basic function.—Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. This office has approximately twenty thousand employees, approximately 2,500,000 revenue units annually, one thousand and one hundred Government-owned motor-vehicle units, sixty-six classified stations and branches, and three thousand two hundred carrier routes within its jurisdiction.

**(2) Duties and responsibilities.—**

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

(3) Organizational relationships.—Administratively responsible to the postmaster.

**(c) Postmaster. (KP-46).**

(1) Basic function.—Is responsible for all operations of a first class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office and stations and branches. This office has approximately three thousand two hundred employees, approximately 400,000 revenue units annually, two hundred Government-owned vehicle units, thirty-four classified stations and branches, and one thousand carrier routes within its jurisdiction.

**(2) Duties and responsibilities.—**

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

(3) Organizational relationships.—Administratively responsible to a regional director or other designated superior.

**§ 3529. Positions in salary level [18] 19.****Postmaster. (KP-47).**

(1) Basic function.—Is responsible for all operations of a large post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office and stations and branches. This office has approximately eight thousand employees, approximately 1,000,000 revenue units annually, four hundred Government-owned vehicle units, fifty classified stations and branches, and one thousand four hundred carrier routes within its jurisdiction.

**(2) Duties and responsibilities.—**

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

- (G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.
- (3) Organizational relationships.—Administratively responsible to a regional director or other designated superior.

### § 3530. Positions in salary level [19] 20.

#### Postmaster. (KP-48).

(1) Basic function.—Is responsible for all operations of one of the largest offices, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations and branches. This office has approximately twenty thousand employees, approximately 2,500,000 revenue units annually, one thousand one hundred Government-owned vehicle units, sixty-six classified stations and branches, and three thousand two hundred carrier routes within its jurisdiction.

#### (2) Duties and responsibilities.—

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

(3) Organizational relationships.—Administratively responsible to a regional director.

### § 3531. Positions in salary level [20] 21.

#### Regional Director. (KP-49).

(1) Basic function.—Directs the management of all postal activities within the jurisdiction of an assigned region in accordance with basic departmental policies and with functional direction and guidance from Assistant Postmasters General.

#### (2) Duties and responsibilities.—

(A) Develops and formulates policies and practices for the region within basic policies and instructions of the Postmaster General.

(B) Manages post office operations.

(C) Administers routing, distribution, and transportation of mail within and in transit through the region.

(D) Arranges for the provision of adequate facilities and equipment for all postal functions in the region.

(E) Administers the personnel program of the region, including employment, placement, training, evaluation of positions, employee relations, and other personnel functions.

(F) Authorizes and issues allowances for all expenditures and exercises budgetary controls.

(G) Administers cost reduction programs and provides industrial engineering services to operating segments of the region.

(H) Maintains effective public relations with the general public, large mail users, and with Federal, State, and municipal authorities.

(3) Organizational relationships.—Administratively responsible to the Deputy Postmaster General. Directs, through subordinate officials approximately thirty thousand to thirty-five thousand employees in some three thousand offices within the region.

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### § 3542. Postal Field Service Schedule.

[(a) There is established a basic compensation schedule for positions in the postal field service which shall be known as the Postal Field Service Schedule and for which the symbol shall be "PFS". Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with such schedule.]

POSTAL FIELD SERVICE SCHEDULE

PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1.....	\$4,204	\$4,343	\$4,482	\$4,621	\$4,760	\$4,899	\$5,038	\$5,177	\$5,316	\$5,455	\$5,594	\$5,733
2.....	4,552	4,701	4,850	4,999	5,148	5,297	5,446	5,595	5,744	5,893	6,042	6,191
3.....	4,919	5,085	5,251	5,417	5,583	5,749	5,915	6,081	6,247	6,413	6,579	6,745
4.....	5,331	5,507	5,683	5,859	6,035	6,211	6,387	6,563	6,739	6,915	7,091	7,267
5.....	5,697	5,888	6,079	6,270	6,461	6,652	6,843	7,034	7,225	7,416	7,607	7,798
6.....	6,113	6,316	6,519	6,722	6,925	7,128	7,331	7,534	7,737	7,940	8,143	8,346
7.....	6,545	6,763	6,981	7,199	7,417	7,635	7,853	8,071	8,289	8,507	8,725	
8.....	7,088	7,323	7,558	7,793	8,028	8,263	8,498	8,733	8,968	9,203		
9.....	7,665	7,920	8,175	8,430	8,685	8,940	9,195	9,450	9,705	9,960		
10.....	8,345	8,628	8,911	9,194	9,477	9,760	10,043	10,326	10,609	10,892		
11.....	9,221	9,536	9,851	10,166	10,481	10,796	11,111	11,426	11,741	12,056		
12.....	10,202	10,549	10,896	11,243	11,590	11,937	12,284	12,631	12,978	13,325		
13.....	11,274	11,663	12,052	12,441	12,830	13,219	13,608	13,997	14,386	14,775		
14.....	12,427	12,859	13,291	13,723	14,155	14,587	15,019	15,451	15,883	16,315		
15.....	13,736	14,210	14,684	15,158	15,632	16,106	16,580	17,054	17,528	18,002		
16.....	15,179	15,707	16,235	16,763	17,291	17,819	18,347	18,875	19,403	19,931		
17.....	16,793	17,380	17,967	18,554	19,141	19,728	20,315	20,902	21,489	22,076		
18.....	18,530	19,145	19,760	20,375	20,990	21,605	22,220	22,835	23,450	24,065		
19.....	20,525	21,210	21,895	22,580	23,265	23,950	24,635	25,320				
20.....	22,760	23,520	24,280	25,040	25,800							

(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be "PFS". Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with such schedules.



(To be effective for the period beginning on the first day of the first pay period beginning on or after October 1, 1967, and ending immediately before the effective date of Postal Field Service Schedule II set forth below)

## POSTAL FIELD SERVICE SCHEDULE I

PFS	1	2	3	4	5	6	7	8	9	10	11	12
1	\$4,118	\$4,255	\$4,392	\$4,529	\$4,666	\$4,803	\$4,940	\$5,077	\$5,214	\$5,351	\$5,488	\$5,625
2	4,460	4,607	4,754	4,901	5,048	5,195	5,342	5,489	5,636	5,783	5,930	6,077
3	4,802	4,954	5,106	5,258	5,410	5,562	5,714	5,866	6,018	6,170	6,322	6,474
4	5,144	5,296	5,448	5,600	5,752	5,904	6,056	6,208	6,360	6,512	6,664	6,816
5	5,486	5,638	5,790	5,942	6,094	6,246	6,398	6,550	6,702	6,854	7,006	7,158
6	5,828	5,980	6,132	6,284	6,436	6,588	6,740	6,892	7,044	7,196	7,348	7,500
7	6,170	6,322	6,474	6,626	6,778	6,930	7,082	7,234	7,386	7,538	7,690	7,842
8	6,512	6,664	6,816	6,968	7,120	7,272	7,424	7,576	7,728	7,880	8,032	8,184
9	6,854	7,006	7,158	7,310	7,462	7,614	7,766	7,918	8,070	8,222	8,374	8,526
10	7,196	7,348	7,500	7,652	7,804	7,956	8,108	8,260	8,412	8,564	8,716	8,868
11	7,538	7,690	7,842	7,994	8,146	8,298	8,450	8,602	8,754	8,906	9,058	9,210
12	7,880	8,032	8,184	8,336	8,488	8,640	8,792	8,944	9,096	9,248	9,400	9,552
13	8,222	8,374	8,526	8,678	8,830	8,982	9,134	9,286	9,438	9,590	9,742	9,894
14	8,564	8,716	8,868	9,020	9,172	9,324	9,476	9,628	9,780	9,932	10,084	10,236
15	8,906	9,058	9,210	9,362	9,514	9,666	9,818	9,970	10,122	10,274	10,426	10,578
16	9,248	9,400	9,552	9,704	9,856	10,008	10,160	10,312	10,464	10,616	10,768	10,920
17	9,590	9,742	9,894	10,046	10,198	10,350	10,502	10,654	10,806	10,958	11,110	11,262
18	9,932	10,084	10,236	10,388	10,540	10,692	10,844	10,996	11,148	11,300	11,452	11,604
19	10,274	10,426	10,578	10,730	10,882	11,034	11,186	11,338	11,490	11,642	11,794	11,946
20	10,616	10,768	10,920	11,072	11,224	11,376	11,528	11,680	11,832	11,984	12,136	12,288
21	10,958	11,110	11,262	11,414	11,566	11,718	11,870	12,022	12,174	12,326	12,478	12,630

## POSTAL FIELD SERVICE SCHEDULE II

(To be effective on the first day of the first pay period beginning on or after July 1, 1968)

PFS	1	2	3	4	5	6	7	8	9	10	11	12
1	\$4,324	\$4,468	\$4,612	\$4,756	\$4,900	\$5,044	\$5,188	\$5,332	\$5,476	\$5,620	\$5,764	\$5,908
2	4,687	4,831	4,975	5,119	5,263	5,407	5,551	5,695	5,839	5,983	6,127	6,271
3	5,050	5,194	5,338	5,482	5,626	5,770	5,914	6,058	6,202	6,346	6,490	6,634
4	5,413	5,557	5,701	5,845	5,989	6,133	6,277	6,421	6,565	6,709	6,853	6,997
5	5,776	5,920	6,064	6,208	6,352	6,496	6,640	6,784	6,928	7,072	7,216	7,360
6	6,139	6,283	6,427	6,571	6,715	6,859	7,003	7,147	7,291	7,435	7,579	7,723
7	6,502	6,646	6,790	6,934	7,078	7,222	7,366	7,510	7,654	7,798	7,942	8,086
8	6,865	7,009	7,153	7,297	7,441	7,585	7,729	7,873	8,017	8,161	8,305	8,449
9	7,228	7,372	7,516	7,660	7,804	7,948	8,092	8,236	8,380	8,524	8,668	8,812
10	7,591	7,735	7,879	8,023	8,167	8,311	8,455	8,599	8,743	8,887	9,031	9,175
11	7,954	8,098	8,242	8,386	8,530	8,674	8,818	8,962	9,106	9,250	9,394	9,538
12	8,317	8,461	8,605	8,749	8,893	9,037	9,181	9,325	9,469	9,613	9,757	9,901
13	8,680	8,824	8,968	9,112	9,256	9,400	9,544	9,688	9,832	9,976	10,120	10,264
14	9,043	9,187	9,331	9,475	9,619	9,763	9,907	10,051	10,195	10,339	10,483	10,627
15	9,406	9,550	9,694	9,838	9,982	10,126	10,270	10,414	10,558	10,702	10,846	10,990
16	9,769	9,913	10,057	10,201	10,345	10,489	10,633	10,777	10,921	11,065	11,209	11,353
17	10,132	10,276	10,420	10,564	10,708	10,852	10,996	11,140	11,284	11,428	11,572	11,716
18	10,495	10,639	10,783	10,927	11,071	11,215	11,359	11,503	11,647	11,791	11,935	12,079
19	10,858	10,999	11,143	11,287	11,431	11,575	11,719	11,863	12,007	12,151	12,295	12,439
20	11,221	11,365	11,509	11,653	11,797	11,941	12,085	12,229	12,373	12,517	12,661	12,805
21	11,584	11,728	11,872	12,016	12,160	12,304	12,448	12,592	12,736	12,880	13,024	13,168

## § 3543. Rural Carrier Schedule.

[(a) There is established a basic compensation schedule which shall be known as the Rural Carrier Schedule and for which the symbol shall be "RCS." Compensation shall be paid to rural carriers in accordance with this schedule.

## RURAL CARRIER SCHEDULE

	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carrier in rural delivery service:												
Fixed compensation per annum	\$2,391	\$2,507	\$2,623	\$2,739	\$2,855	\$2,971	\$3,087	\$3,203	\$3,319	\$3,435	\$3,551	\$3,667
Compensation per mile per annum for each mile up to 30 miles of route	88	90	92	94	96	98	100	102	104	106	108	110
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25

(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules and for which the symbol shall be "RCS". Compensation shall be paid to rural carriers in accordance with such schedules.

## RURAL CARRIER SCHEDULE I

(To be effective for the period beginning on the first day of the first pay period beginning on or after October 1, 1967, and ending immediately before the effective date of Rural Carrier Schedule II set forth below)

	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Fixed compensation	\$2,551	\$2,668	\$2,785	\$2,902	\$3,019	\$3,136	\$3,253	\$3,370	\$3,487	\$3,604	\$3,721	\$3,838
For each mile up to 30 miles of route	94	96	98	100	102	104	106	108	110	112	114	116
For each mile of route over 30	25	25	25	25	25	25	25	25	25	25	25	25

## RURAL CARRIER SCHEDULE II

(To be effective on the first day of the first pay period beginning on or after July 1, 1968)

	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Fixed compensation	\$2,668	\$2,804	\$2,940	\$3,076	\$3,212	\$3,348	\$3,484	\$3,620	\$3,756	\$3,892	\$4,028	\$4,164
For each mile up to 30 miles of route	99	101	103	105	107	109	111	113	115	117	119	121
For each mile of route over 30	25	25	25	25	25	25	25	25	25	25	25	25

## [§ 3544. Fourth Class Office Schedule.

[(a) There is established a basic compensation schedule which shall be known as the Fourth Class Office Schedule and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class, which is based on the revenue units of the post office for the preceding fiscal year. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with this schedule.

## FOURTH CLASS OFFICE SCHEDULE

Revenue units	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
30 but fewer than 36	\$4,019	\$4,152	\$4,285	\$4,418	\$4,551	\$4,684	\$4,817	\$4,950	\$5,083	\$5,216	\$5,349	\$5,482
24 but fewer than 30	3,715	3,837	3,959	4,081	4,203	4,325	4,447	4,569	4,691	4,813	4,935	5,057
18 but fewer than 24	3,064	3,168	3,272	3,376	3,480	3,584	3,688	3,792	3,896	4,000	4,104	4,208
12 but fewer than 18	2,407	2,485	2,563	2,641	2,719	2,797	2,875	2,953	3,031	3,109	3,187	3,265
6 but fewer than 12	1,736	1,791	1,846	1,901	1,956	2,011	2,066	2,121	2,176	2,231	2,286	2,341
Fewer than 6	1,398	1,443	1,488	1,533	1,578	1,623	1,668	1,713	1,758	1,803	1,848	1,893

[(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in revenue units at the start of the first pay period after January 1 of each year. When a post office is restored to a revenue unit category held by it prior to relegation to a lower revenue unit category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher revenue unit category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding calendar year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted revenue units of the office. Each increase in basic salary because of change in revenue units shall be deemed the equivalent of a step increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.]

[(c) The basic salaries of postmasters at newly established offices of the fourth class shall be fixed at the lowest salary rate. Whenever unusual conditions prevail at any post office of the fourth class the Postmaster General may advance such office to the appropriate category based on his estimate of the number of revenue units which the office will have during the succeeding twelve months. Any fourth-class office advanced to the appropriate category pursuant to this subsection shall not be reduced in category until the start of the first pay period after January 1 of the calendar year following the calendar year in which it was so advanced, at which time it shall be assigned to the category indicated by the revenue units for the preceding fiscal year.]

[(d) Persons who perform the duties of postmaster at post offices of the fourth class where there is a vacancy or during the absence of the postmaster on sick or annual leave, or leave without pay, shall be paid the same basic salary to which they would have been entitled if regularly appointed as postmaster.]

[(e) The Postmaster General may allow to postmasters in fourth-class post offices additional compensation for separating services and for unusual conditions during a portion of the year, in lieu of an allowance for clerical services for this purpose.]

[(f) At seasonal post offices of the fourth class, the Postmaster General may authorize the payment of the basic salary prorated over the pay periods the office is open for business during the fiscal year.]

[(g) Where the revenue units of a post office of the third class for each of two consecutive fiscal years are less than 36, or where in any

fiscal year the revenue units are less than 33, the post office shall be relegated to the fourth class and the basic salary of the postmaster shall be fixed in the manner provided in subsection (b) of this section.

[(h) When required by the Postmaster General a postmaster at a fourth-class office shall, and any other postmaster in PFS level 5 when permitted by the Postmaster General may, furnish quarters, fixtures, and equipment for an office on an allowance basis. The allowance for this purpose shall be an amount equal to 15 per centum of the basic compensation for the postmaster at the office.]

### § 3544. Compensation of postmasters at fourth-class offices

(a) The Postmaster General shall—

(1) rank each position of postmaster at a post office of the fourth class in salary level 6 of the Postal Field Service Schedule; and

(2) establish, and adjust from time to time, the annual rate of basic compensation, for each such position of postmaster so ranked, in an amount which bears the same ratio to the annual rate of basic compensation for full-time service in a position (other than postmaster at a post office of the fourth class) in the same step of salary level 6 of such schedule, as the total number of hours of service which the Postmaster General determines necessary to be performed by such postmaster to operate the post office, in the light of the postal needs of the patrons of the office, bears to the total number of hours of such full-time service.

Actions and determinations by the Postmaster General under this subsection shall be final and conclusive until changed by him.

(b) A person who performs the duties of postmaster at a post office of the fourth class where there is a vacancy, or during the absence of the postmaster on sick or annual leave or leave without pay, shall be compensated at the rate of basic compensation for step 1 of salary level 6 of the Postal Field Service Schedule, determined under subsection (a) of this section.

(c) When required by the Postmaster General, a postmaster at a fourth-class office shall, and any other postmaster in PFS level 6 when permitted by the Postmaster General may, furnish quarters, fixtures, and equipment for an office on an allowance basis. The allowance for this purpose shall be an amount equal to 15 per centum of the basic compensation for step 1 of salary level 6 of the Postal Field Service Schedule.

\* \* \* \* \*

### § 3560. Salary protection.

(a) As used in this section, the term "salary standing" means—

(1) basic salary and salary level, with respect to the Postal Field Service Schedule,

(2) salary for the particular route (including additional compensation for forty hours and under for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and

(3) [revenue unit category, with respect to the Fourth-Class Office Schedule] minimum hours of service with respect to postmasters in fourth-class post offices.

(b) Subject to the provisions of subsection (c) of this section, each employee—

(1) who at any time on or after July 1, 1961, is or was reduced in salary standing;



(2) who, on the effective date of such reduction in salary standing, holds or held a career appointment or a probational appointment in the postal field service;

(3) whose reduction in salary standing is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not or was not a condition of his temporary appointment, and is not or was not effected in a reduction in force due to lack of funds or curtailment of work;

(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and

(5) whose performance of work at all times during such period of two years is or was satisfactory;

shall be entitled, as of the effective date of such reduction in salary standing or as of the first day of the first pay period which begins on or after the date of enactment of this section, whichever is later, unless or until he is entitled to receive basic salary at a higher rate by reason of the operation of this section, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing or immediately following the first day of such first pay period, as applicable, to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:

(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in salary standing (including each increase provided by law in such rate); or

(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum; or

(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.

(d) The Postmaster General is authorized to issue regulations to carry out the purposes of this section.

(e)(1) For the purposes of section 3559(a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.

(2) For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.

(f) For the purposes of this section, the term "curtailment of work" does not include—

- (1) [reductions in class or revenue unit category of any post office, or] *reductions in class or revenue units of any post office or in the minimum hours of service for a fourth-class post office, or*
- (2) reductions in route mileage for rural carriers.

\* \* \* \* \*

### § 3573. Compensatory time, overtime, and holidays.

(a) In emergencies or if the needs of the service require, the Postmaster General may require employees to perform overtime work or to work on holidays. Overtime work is any work officially ordered or approved which is performed by—

(1) an annual rate regular employee in excess of his regular work schedule.

(2) an hourly rate regular employee in excess of eight hours in a day or forty hours in a week, and

(3) a substitute employee in excess of forty hours in a week.

The Postmaster General shall determine the day and week used in computing overtime work.

(b) For each hour of overtime work the Postmaster General shall compensate an employee in the "PFS" Schedule as follows:

(1) He shall pay each employee in or below salary level [PFS-10] *PFS-11* compensation at the rate of 150 per centum of the hourly rate of basic compensation for his level and step computed by dividing the scheduled annual rate of basic compensation by two thousand and eighty.

(2) He shall grant each employee in or above salary level [PFS-11] *PFS-12* compensatory time equal to the overtime worked, or in his discretion in lieu thereof pay such employee compensation at the rate of 150 per centum of the hourly rate of basic compensation of the employee or of the hourly rate of the basic compensation for the highest step of salary level [PFS-10] *PFS-11*, whichever is the lesser.

(c) For officially ordered or approved time worked on a day referred to as a holiday in the Act of December 26, 1941 (55 Stat. 862; 5 U.S.C. 87b), or on a day designated by Executive order as a holiday for Federal employees, under regulations prescribed by the Postmaster General, an employee in the PFS schedule shall receive extra compensation, in addition to any other compensation provided for by law, as follows:

(1) Each regular employee in or below salary level [PFS-10] *PFS-11* shall be paid extra compensation at the rate of 100 per centum of the hourly rate of basic compensation for his level and step computed by dividing the scheduled annual rate of basic compensation by two thousand and eighty.

(2) Each regular employee in or above salary level [PFS-11] *PFS-12* shall be granted compensatory time in an amount equal to the time worked on such holiday within thirty working days thereafter or, in the discretion of the Postmaster General, in lieu thereof shall be paid extra compensation for the time so worked at the rate of 100 per centum of the hourly rate of basic compensation for his level and step computed by dividing the scheduled annual rate of basic compensation by two thousand and eighty.

(3) For work performed on Christmas Day (A) each regular employee shall be paid extra compensation at the rate of 150 per centum of the hourly rate of basic compensation for his level and step, computed by dividing the scheduled annual rate of basic compensation by two thousand and eighty, and (B) each substitute employee shall be paid extra compensation at the rate of 50 per centum of the hourly rate of basic compensation for his level and step.

(d) The Postmaster General shall establish conditions for the use of compensatory time earned and the payment of compensation for unused compensatory time.

(e) Each regular employee whose regular work schedule includes an eight-hour period of service any part of which is within the period commencing at midnight Saturday and ending at midnight Sunday shall be paid extra compensation at the rate of 25 per centum of his hourly rate of basic compensation for each hour of work performed during that eight-hour period of service.

(f) If an employee is entitled under this section to unused compensatory time at the time of his death, the Postmaster General shall pay at the rate prescribed in this section, but not less than a sum equal to the employee's hourly basic compensation, for each hour of such unused compensatory time to the person or persons surviving at the date of such employee's death. Such payment shall be made in the order of precedence prescribed in the first section of the Act of August 3, 1950 (5 U.S.C. 61f), and shall be a bar to recovery by any other persons of amounts so paid.

(g) Notwithstanding any provision of this section other than subsection (f), no employee shall be paid overtime or extra compensation for a pay period which when added to his basic compensation for the pay period exceeds one twenty-sixth of the annual rate of basic compensation for the highest step of salary level [PFS-17] PFS-18.

(h) For the purposes of this section and section 3571 of this title—

(1) "Annual rate regular employee" means an employee for whom the Postmaster General has established a regular work schedule consisting of five eight-hour days in accordance with section 3571 of this title.

(2) "Hourly rate regular employee" means an employee for whom the Postmaster General has established a regular work schedule consisting of not more than forty hours a week.

(3) "Substitute employee" means an employee for whom the Postmaster General has not established a regular work schedule.

#### § 3575. Exemptions.

(a) Sections 3571, 3573 and 3574 of this title do not apply to postmasters, rural carriers, postal inspectors, and employees in salary level [PFS-15] PFS-16 and above.

(b) Sections 3571 and 3573 of this title do not apply to employees referred to in section 3581 of this title.

(c) Sections 3571(a), (b), and (d), and 3573(e) of this title do not apply to substitute employees.

(d) Section 3571(b) of this title does not apply to hourly rate regular employees.

## CHAPTER 51—NONMAILABLE MATTER

Sec.

4001. Nonmailable matter.

4002. Nonmailable fourth class matter.

4003. Mail bearing a fictitious name or address.

4004. Delivery of mail to persons not residents of the place of address.

4005. Fraudulent and lottery matter.

4006. "Unlawful" matter.

4007. Detention of mail for temporary periods.

4008. Communist political propaganda.

4009. Prohibition of pandering advertisements in the mails.

### § 4001. Nonmailable matter.

(a) Matter, the deposit of which in the mails is punishable under sections 1302, 1341, 1342, 1461, 1463, 1714, 1715, 1716, 1717, or 1718 of title 18, is nonmailable.

(b) Except as provided in section 4002 of this title, nonmailable matter which reaches the office of delivery, or which may be seized or detained for violation of law, shall be disposed of as the Postmaster General directs.

(c) Matter otherwise legally acceptable in the mails which—

(1) is in the form of, and reasonably could be interpreted or construed as, a bill, invoice, or statement of account due; but

(2) constitutes, in fact, a solicitation for the order by the addressee of goods or services, or both,

is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postmaster General directs, unless such matter bears on its face, in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postmaster General shall prescribe—

(A) the following notice: "This is a solicitation for the order of goods and/or services and not a bill, invoice, or statement of account due. You are not under obligation to make any payments on account of this offer unless you accept this offer."; or

(B) in lieu thereof, a notice to the same effect in words which the Postmaster General may prescribe.

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### § 4009. Prohibition of pandering advertisements in the mails

(a) Whoever for himself, or by his agents or assigns, mails or causes to be mailed any pandering advertisement which offers for sale matter which the advertisement represents as erotically arousing or sexually provocative shall be subject to an order of the Postmaster General to refrain from further mailings of such pandering advertisements to designated addressees thereof.

(b) Upon receipt of notice from an addressee that he has received mail matter, determined by the Postmaster General to be of the character of a pandering advertisement, the Postmaster General shall issue an order, if requested by the addressee, to the sender thereof, directing the sender and his agents or assigns to refrain from further mailings of such matter to the named addressees.

(c) The order of the Postmaster General shall expressly prohibit the sender and his agents or assigns from making any further mailings of pandering advertisements to the designated addressees, effective on the

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thirtieth calendar day after receipt of the order. The order of the Postmaster General shall also direct the sender and his agents or assigns to delete immediately the names of the designated addressees from all mailing lists owned or controlled by the sender or his agents or assigns and, further, shall prohibit the sender and his agents or assigns from the sale, rental, exchange, or other transaction involving mailing lists bearing the names of the designated addressees.

(d) Whenever the Postmaster General believes that the sender or anyone acting on his behalf has violated or is violating the order given under this section, he shall serve upon the sender, by registered or certified mail, a complaint stating the reasons for his belief and request that any response thereto be filed in writing with the Postmaster General within fifteen days after the date of such service. If the Postmaster General, after appropriate hearing is requested by the sender, and without a hearing if such a hearing is not requested, thereafter determines that the order given has been or is being violated, he is authorized to request the Attorney General to make application, and the Attorney General is authorized to make application, to a district court of the United States for an order directing compliance with such notice.

(e) Any district court of the United States within the jurisdiction of which any mail matter shall have been sent or received in violation of the order provided for by this section shall have jurisdiction, upon application by the Attorney General, to issue an order commanding compliance with such notice. Failure to observe such order may be punished by the court as contempt thereof.

(f) Receipt of mail matter thirty days or more after the effective date of the order provided for by this section shall create a rebuttable presumption that such mail was sent after such effective date.

(g) Upon request of any addressee, the order of the Postmaster General shall include the names of any of his minor children who have not attained their nineteenth birthday, and who reside with the addressee.

(h) The provisions of subchapter II of chapter 5 (relating to administrative procedure) and chapter 7 (relating to judicial review) of part I of title 5, United States Code, shall not apply to any provisions of this section.

(i) For the purposes of this section—

(1) mail matter, directed to a specific address covered in the order of the Postmaster General, without designation of a specific addressee thereon, shall be considered as addressed to the person named in the Postmaster General's order; and

(2) the term "children" includes natural children, stepchildren, adopted children, and children who are wards of or in custody of the addressee or who are living with such addressee in a regular parent-child relationship.

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## CHAPTER 57.—PENALTY AND FRANKED MAIL

Sec.

- 4151. Definitions.
- 4152. Penalty mail.
- 4153. Endorsements on penalty covers.
- 4154. Restrictions on use of penalty mail.
- 4155. Accounting for penalty covers.
- 4156. Reimbursement for penalty mail service.
- 4158. Limit of weight of penalty mail; postage on overweight matter.
- 4159. Shipment by most economical means.
- 4160. Executive departments to supply information.
- 4161. Official correspondence of Vice President and Members of Congress.
- 4162. Public documents.
- 4163. Congressional Record under frank of Members of Congress.
- 4164. Seeds and reports from Department of Agriculture.
- 4165. Mailing privilege of former Presidents.
- 4166. Lending or permitting use of frank unlawful.
- 4167. Reimbursement for franked mailings.
- 4168. Correspondence of members of diplomatic corps and consuls of countries of Postal Union of Americas and Spain.
- 4169. Mailing privilege of members of United States Armed Forces and of friendly foreign nations.
- 4170. Mailing privilege of members of United States Armed Forces and of friendly foreign nations in the Canal Zone.

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### § 4169. Mailing privilege of members of United States Armed Forces and of friendly foreign nations.

(a) First-class letter mail, including postal cards and post cards, and sound-recorded communications having the character of personal correspondence shall be carried, at no cost to the sender, in the manner provided by section 4303(d)(5) of this title, when mailed by—

(1) a member of the Armed Forces of the United States on active duty as defined in sections 101(4) and 101(22) of title 10, United States Code, and addressed to a place within the delivery limits of a United States post office, if—

(A) the letter or sound-recorded communication is mailed by the member at an Armed Forces post office established under section 705(d) of this title [in an overseas area, as designated by the President, where the Armed Forces of the United States are engaged in action against an enemy of the United States, engaged in military operations involving armed conflict with a hostile foreign force, or serving with a friendly foreign force in an armed conflict in which the United States is not a belligerent; or] which is located at a place outside the forty-eight contiguous States of the United States; or

(B) the member is hospitalized in a facility under the jurisdiction of the Armed Forces of the United States as a result of disease or injury incurred [as a result of service in an overseas area designated by the President under clause (A); or] while on active duty; or

(2) a member of an armed force of a friendly foreign nation at an Armed Forces post office and addressed to a place within the delivery limits of a United States post office, or a post office of the nation in whose armed forces the sender is a member, if—

(A) the member is accorded free mailing privileges by his own government;



(B) the foreign nation extends similar free mailing privileges to a member of the Armed Forces of the United States serving with, or in, a unit under the control of a command of that foreign nation;

(C) the member is serving with, or in, a unit under the operational control of a command of the Armed Forces of the United States;

(D) the letter or sound-recorded communication is mailed by the member—

(i) at an Armed Forces post office established under section 705(d) of this title [in an overseas area, as designated by the President, where the Armed Forces of the United States are engaged in action against an enemy of the United States, engaged in military operations involving armed conflict with a hostile foreign force, or serving with a friendly foreign force in an armed conflict in which the United States is not a belligerent; or] *which is located at a place outside the forty-eight contiguous States of the United States; or*

(ii) while hospitalized in a facility under the jurisdiction of the Armed Forces of the United States as a result of disease or injury incurred [as a result of services in an overseas area designated by the President under clause (D)(i); and] *while in the services with, or in, a unit under operational control of a command of the Armed Forces of the United States; and*

(E) the nation in whose armed forces the sender is a member has agreed to assume all international postal transportation charges incurred.

(b) The Department of Defense shall transfer to the Post Office Department as postal revenue, out of any appropriations or funds available to the Department of Defense, as a necessary expense of the appropriations or funds and of the activities concerned, the equivalent amount of postage due, as determined by the Postmaster General, for matter sent in the mails under authority of subsection (a) of this section.

(c) Subsections (a) and (b) of this section shall be administered under such conditions, and under such regulations, as the Postmaster General and the Secretary of Defense jointly may prescribe.

#### **§ 4170. Mailing privilege of members of United States Armed Forces and of friendly foreign nations in the Canal Zone**

(a) For the purposes of sections 4169(a), 4303(d)(5), and 4560 of this title, each post office in the Canal Zone postal service, to the extent that it provides mail service for members of the United States Armed Forces and of friendly foreign nations, shall be considered to be an Armed Forces post office established under section 705(d) of this title.

(b) The Department of Defense shall reimburse the postal service of the Canal Zone, out of any appropriations or funds available to the Department of Defense, as a necessary expense of the appropriations or funds and of the activities concerned, the equivalent amount of postage due, and sums equal to the expenses incurred by, the postal service of the Canal Zone, as determined by the Governor of the Canal Zone, for matter sent in the mails, and in providing air transportation of mail, under such sections.

### **CHAPTER 59—FIRST CLASS MAIL**

Sec.

4251. Definition.

4252. [Weight limit.] *Size and weight limits.*

4253. Postage rates on first class mail.

4254. Business reply mail.

#### **§ 4251. Definition**

(a) First class mail consists of mailable (1) postal cards, (2) post cards, (3) matter wholly or partially in writing or typewriting, except as provided in sections 4365, 4453, and 4555 of this title, [and (4)] *(4) bills and statements of account, and (5) matter closed against postal inspection.*

(b) A postal card is a card supplied by the Department with a postage stamp printed or impressed on it for the transmission of messages, orders, notices and other communications, either printed or written in pencil or ink.

(c) Post cards are privately printed mailing cards for the transmission of messages. They may not be larger than the size fixed by the Convention of the Universal Postal Union in effect and of approximately the same form, quality and weight as postal cards.

[(d) Drop letters are letters—

[(1) mailed for local delivery at post offices where letter carrier service is not established; and

[(2) neither collected nor delivered by rural or star route carriers.]

#### **[§ 4252. Weight limit**

[The maximum weight of first class mail is the same as the maximum limit applicable to fourth class mail.]

#### **§ 4252. Size and weight limits**

*The maximum size of first-class mail is one hundred inches in length and girth combined and the maximum weight is seventy pounds.*

#### **[§ 4253. Postage rates on first class mail**

[(a) Postage on first class mail is computed separately on each letter or piece of mail. The rate of postage on first class mail is five cents for each ounce or fraction of an ounce, except that the rate—

[(1) on drop letters is four cents for each ounce or fraction of an ounce;

[(2) for each single postal card and each portion of a double postal card, including the cost of manufacture, is four cents;

[(3) for each post card and the initial portion of each double post card conforming to section 4251(c) of this title is four cents.]

#### **§ 4253. Postage rates on first-class mail**

(a) Postage on first-class mail is computed separately on each letter or piece of mail. Except as otherwise provided in this section, the rate of postage on first-class mail weighing thirteen ounces or less is 6 cents for each ounce or fraction of an ounce.

(b) First-class mail weighing more than thirteen ounces shall be mailed at the rates of postage established by section 4303 (d) of this title and shall be entitled to the most expeditious handling and transportation practicable.

(c) The rate of postage for each single postal card and for each portion of a double postal card, including the cost of manufacture, and for each

post card and the initial portion of each double post card conforming to section 4251 (c) of this title is 5 cents.

[(b)] (d) The rate of postage on business reply mail is the regular rate prescribed in [subsection (a) of] this section, together with an additional charge thereon of [two] 2 cents for each piece weighing two ounces or less and [five] 5 cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

## CHAPTER 61—AIR MAIL AND AIR PARCEL POST

Sec.

4301. Definitions.

4302. Treatment of air mail.

4303. Postage rates on air mail.

4304. Postage on Alaskan air mail.

4305. Size and weight limits.

### § 4301. Definitions

As used in this chapter—

(1) “domestic air mail” means matter bearing postage at the rates of postage prescribed in sections 4303 and 4304 of this title which is mailed in the United States Postal Service for transportation by air and delivery by the United States Postal Service.

(2) “air parcel post” means domestic air mail of any class weighing in excess of [eight] 7 ounces.

### § 4302. Treatment of air mail

(a) Except with respect to the postage required, domestic air mail, other than air parcel post, shall be treated as first class mail.

(b) The Postmaster General shall prescribe the conditions under which air parcel post shall be—

- (1) forwarded or returned to the sender;
- (2) charged with forwarding or return postage; and
- (3) registered, insured, or given C. O. D. service.

### § 4303. Postage rates on air mail

(a) Except as provided in section 4304 of this title and subsection (b) of this section, the rate of postage on domestic air mail weighing not more than [eight] 7 ounces is [eight] 10 cents for each ounce or fraction thereof.

(b) The rate of postage on each postal card and post card sent as domestic air mail is [six] 8 cents.

(c) The rate of postage on letters in business reply envelopes and on business reply cards sent as domestic air mail is the regular rate prescribed in subsection (a) or (b) together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

(d)(1) The rates of postage on air parcel post are based on the eight zones described in section 4553, or prescribed pursuant to section 4558, of this title in accordance with the following [table] tables:

Zones	First pound over 8 ounces or fraction thereof	Additional pounds or fraction thereof
	Cents	Cents
1, 2, and 3.....	68	48
4.....	73	50
5.....	78	56
6.....	83	64
7.....	83	72
8.....	88	80

	Zones					
	Local, 1, 2, and 3	4	5	6	7	8
Not over 1 lb.....	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Over 1 lb. but not over 1½ lbs.....	.98	1.02	1.07	1.14	1.18	1.24
Over 1½ lbs. but not over 2 lbs.....	1.18	1.23	1.34	1.47	1.55	1.68
Over 2 lbs. but not over 2½ lbs.....	1.40	1.48	1.62	1.79	1.91	2.08
Over 2½ lbs. but not over 3 lbs.....	1.64	1.73	1.90	2.11	2.27	2.48
Over 3 lbs. but not over 3½ lbs.....	1.83	1.98	2.18	2.43	2.63	2.88
Over 3½ lbs. but not over 4 lbs.....	2.12	2.23	2.46	2.75	2.99	3.28
Over 4 lbs. but not over 4½ lbs.....	2.36	2.48	2.74	3.07	3.35	3.68
Over 4½ lbs. but not over 5 lbs.....	2.60	2.73	3.02	3.39	3.71	4.08

For each pound or fraction of a pound in excess of five pounds in weight, the additional postage is as follows:

Zones	Rate
Local and zones 1, 2, and 3.....	\$0.48
Zone 4.....	.50
Zone 5.....	.56
Zone 6.....	.64
Zone 7.....	.72
Zone 8.....	.80

[(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels.]

(3) In addition to parcels to which it is otherwise applicable, the eighth zone includes, for purposes of this section only, except as provided by paragraph (4) of this subsection, parcels transported between the United States, its territories and possessions or the Commonwealth of Puerto Rico, and the Canal Zone.

(4) The rates of postage on air parcel post transported between the United States, its territories and possessions or the Commonwealth of Puerto Rico, and the Canal Zone, and Army, Air Force, and Fleet post offices, shall be the applicable zone rates shown in paragraph (1) of this subsection for mail between the place of mailing or delivery within the United States, its territories or possessions or the Commonwealth of Puerto Rico, and the Canal Zone, and the city of the postmaster serving the Army, Air Force, or Fleet post office concerned, except that the rate of postage applicable to air



parcel post transported directly between (1) Hawaii, Alaska, or the territories and possessions of the United States in the Pacific area, and (2) an Army, Air Force, or Fleet post office served by the postmaster at San Francisco, California, or Seattle, Washington, shall be the rate which would be applicable if the parcel were in fact mailed from or delivered to that city, as the case may be.

(5) There shall be transported by air, between Armed Forces post offices established under section 705(d) of this title which are located outside the forty-eight contiguous States of the United States, or between any such Armed Forces post office and the point of embarkation or debarkation within the fifty States of the United States, the territories and possessions of the United States in the Pacific area, the Commonwealth of Puerto Rico, the Virgin Islands or the Canal Zone, on a space available basis, on scheduled United States air carriers at rates fixed and determined by the Civil Aeronautics Board in accordance with section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376), the following categories of mail matter:

(A)(i) first-class letter mail (including postal cards and post cards),

(ii) sound-recorded communications having the character of personal correspondence, [and]

(iii) parcels of any class of mail not exceeding five pounds in weight and sixty inches in length and girth combined, and

(iv) *second-class publications published once each week or more frequently and featuring principally current news of interest to members of the Armed Forces and the general public,*

which are mailed at or addressed to any such Armed Forces post office; and

[(B) second-class publications published once each week or more frequently and featuring principally current news of interest to members of the Armed Forces and the general public which are mailed at or addressed to any such Armed Forces post office in an overseas area designated by the President under section 4169 of this title; and]

[(C)] (B) parcels of any class of mail exceeding five pounds but not exceeding seventy pounds in weight and not exceeding one hundred inches in length and girth combined, *including surface-type official mail*, which are mailed at or addressed to any such Armed Forces post office where adequate surface transportation is not available.

Whenever adequate service by scheduled United States air carriers is not available to provide transportation of mail matter by air in accordance with the foregoing provisions of this paragraph, the transportation of such mail matter may be authorized by aircraft other than scheduled United States air carriers. This paragraph shall not affect the operation of section 4169(a) of this title.

(6) Paragraphs (4) and (5) of this subsection shall be administered under such conditions and regulations as the Postmaster General and the Secretary of Defense severally may prescribe to carry out their respective functions under such paragraphs.

(e) Air parcel post of light weight in relation to size is subject to such surcharge as the Postmaster General determines to be warranted by reason of the extra space and care required in handling and transporting it.

(f) The Department of Defense shall reimburse the Post Office Department, out of any appropriations or funds available to the Department of Defense, as a necessary expense of the appropriations or funds and of the activities concerned, sums equal to the expenses incurred by the Post Office Department, as determined by the Postmaster General, in providing air transportation of mail between Armed Forces post offices established under section 705(d) of this title which are not located within the fifty States of the United States, the territories and possessions of the United States in the Pacific area, the Commonwealth of Puerto Rico, or the Virgin Islands [or the Canal Zone], or between any such Armed Forces post office and the point of embarkation or debarkation within the fifty States, the territories and possessions of the United States in the Pacific area, the Commonwealth of Puerto Rico, or the Virgin Islands [or the Canal Zone].

#### § 4304. Postage on Alaskan air mail

Notwithstanding the provisions of section 4303 of this title, the Postmaster General may fix the postage at rates not exceeding 30 cents per ounce or 15 cents per one-half ounce for airmail sent to, from, or within Alaska.

#### § 4305. Size and weight limits

The maximum size and weight of domestic airmail and air parcel post is 100 inches in length and girth combined and 70 pounds.

### CHAPTER 63—SECOND CLASS MAIL AND CONTROLLED CIRCULATION PUBLICATIONS

#### SECOND CLASS MAIL

- Sec.
- 4351. Definition.
  - 4352. Entry as second class mail.
  - 4353. Entry of foreign publications.
  - 4354. Conditions for entry of publications.
  - 4355. Conditions for entry of publications of certain organizations.
  - 4356. Conditions for entry of publications of State departments of agriculture.
  - 4357. Fees for entry and registration.
  - 4358. [Postage rates within county of publication.] *Rates of postage; preferred.*
  - 4359. [Postage rates beyond county of publication.] *Rates of postage; regular.*
  - 4360. Minimum postage.
  - 4361. Rates for proofs of advertisements
  - 4362. Transient postage rate.
  - 4363. Separation by mailer of second class mail.
  - 4364. Information to be furnished by mailer.
  - 4365. Permissible marks and enclosures.
  - 4366. Permissible supplements.
  - 4367. Marking of advertising matter.
  - 4368. Affidavits relating to mailings; second class mail.
  - 4369. Filing of information relating to publications of the second class.
  - 4370. Delivery of newspapers by postal transportation service.

#### CONTROLLED CIRCULATION PUBLICATIONS

- 4421. Definition.
- 4422. Rates.

\* \* \* \* \*



**§ 4358. [Postage rates within county of publication] Rates of postage; preferred**

(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

[[In cents]]

	Mailed after January 6, 1963, and prior to January 1, 1965	Mailed after December 31, 1964
Rate per pound.....	1	1 1/4
Minimum charge per piece.....	1/8	3/8

[In cents]

	Mailed during calendar year 1968	Mailed during calendar year 1969	Mailed after Dec. 31, 1969
Rate per pound.....	1.3	1.4	1.5
Minimum charge per piece.....	.2	.2	.2

(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

(1) publications issued more frequently than weekly, one cent a copy;

(2) publications issued less frequently than weekly—

(A) weighing two ounces or less, one cent a copy;

(B) weighing more than two ounces, two cents a copy.

(c) When copies of a publication are mailed at a post office where it is entered for delivery by letter carrier at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located the rate of postage is—

(1) the rate that would be applicable if the copies were mailed at the latter post office, or

(2) the pound rates from the office of mailing if those rates are higher.

(d) The rates of postage on publications mailed in accordance with section 4359(a) of this title, of qualified nonprofit organizations, are as follows:

[In cents]

	During calendar year 1968	During calendar year 1969	During calendar year 1970	During calendar year 1971	During calendar year 1972	During calendar year 1973 and thereafter
Rate per pound:						
Advertising portion:						
Zones 1 and 2.....	2.35	2.9	3.45	4.0	4.55	5.1
Zone 3.....	2.55	3.3	4.05	4.8	5.55	6.3
Zone 4.....	2.95	4.1	5.25	6.4	7.55	8.7
Zone 5.....	3.35	4.9	6.45	8.0	9.55	11.1
Zone 6.....	3.6	5.2	6.9	8.6	10.3	12.0
Zone 7.....	3.6	5.2	6.9	8.6	10.3	12.0
Zone 8.....	3.6	5.2	6.9	8.6	10.3	12.0
Nonadvertising portion.....	1.9	2.0	2.1	2.1	2.1	2.1
Minimum charge per piece.....	.2	.2	.2	.2	.2	.2

(e) The postage on classroom publications, mailed in accordance with section 4359(a) of this title, is 60 per centum of the postage computed in accordance with section 4359(b) of this title.

(f) The postage shall be 4.2 cents per pound on the advertising portion of publications (1) which are mailed for delivery in zones 1 and 2 in accordance with section 4359(a) of this title, (2) which are devoted to promoting the science of agriculture, and (3) when the total number of copies of the publications furnished during any twelve-month period to subscribers residing in rural areas consists of at least 70 per centum of the total number of copies distributed by any means for any purpose.

(g) In lieu of the minimum charge per piece prescribed by section 4359(b) of this title, the minimum charge per piece for publications (other than publications to which subsections (d) and (e) of this section are applicable), when fewer than five thousand copies are mailed outside the county of publication, is 0.6 cent per piece when mailed during the calendar year 1968, 0.7 cent per piece when mailed during the calendar year 1969, and 0.8 cent per piece when mailed thereafter.

(h) The publisher of a classroom publication or of a publication of a nonprofit organization, before being entitled to the rates for the publications, shall furnish such proof of qualifications as the Postmaster General prescribes.

(i) For the purposes of the application of this section with respect to each publication having original entry at an independent incorporated city, an incorporated city which is situated entirely within a county, or which is situated contiguous to one or more counties in the same State, but which is politically independent of such county or counties, shall be considered to be within and a part of the county with which it is principally contiguous.

(j) As used in this section—

(1) "classroom publication" means a religious, educational, or scientific publication entered as second-class mail and designed specifically for use in classrooms or in religious instruction classes;

(2) "a publication of a qualified nonprofit organization" means a publication published by and in the interest of one of the following types of organizations or associations if it is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual: Religious, educational, scientific, philanthropic, agricultural, labor, veterans', fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway or development agency of a State which meets all of the requirements of section 4354 and which contains no advertising;

(3) "zones" means the eight zones prescribed in section 4553, or prescribed pursuant to section 4558, of this title.

(k) The rates of postage prescribed by subsections (a) and (b) of this section shall apply only to mailings within the county in which the publications have original entry.

**§ 4359. [Postage rates beyond county of publication] Rates of postage; regular**

(a) Except as provided in sections 4358 and 4362 of this title, the rates of postage set out in this section are applicable to copies of publications entered as second class mail when (1) mailed by the publisher thereof from the post office of publication and entry or other

post office where entry is authorized and (2) when mailed by news agents, registered as such under regulations prescribed by the Postmaster General, to actual subscribers thereto or to other news agents for the purpose of sale and (3) sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year.

[(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

[In cents]			
	Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
Rates per pound:			
Advertising portion:			
Zones 1 and 2.....	3.4	3.8	4.2
Zone 3.....	4.4	4.8	5.2
Zone 4.....	6.4	6.8	7.2
Zone 5.....	8.4	8.8	9.2
Zone 6.....	10.4	10.8	11.2
Zone 7.....	12.0	12.0	12.0
Zone 8.....	14.0	14.0	14.0
Nonadvertising portion.....	2.6	2.7	2.8
Minimum charge per piece.....	.6	.8	1.0

[(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

[(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

[In cents]			
	Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
Rate per pound.....	1.6	1.7	1.8
Minimum charge per piece.....	.125	.125	.125

[(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

[(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece.

[(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.

[(c) For the purpose of this section, the portion of a publication devoted to advertisements shall include all advertisements inserted in the publication and attached permanently thereto.

[(d) The publisher of a classroom publication or of a publication of a nonprofit organization before being entitled to the rates for the publications shall furnish such proof of qualifications as the Postmaster General prescribes.

[(e) As used in this section the term—

[(1) "classroom publication" means a religious, educational or scientific publication entered as second class mail and designed specifically for use in classrooms or in religious instruction classes;

[(2) "a publication of a qualified nonprofit organization" means a publication published by and in the interest of one of the following types of organizations or associations if it is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual: Religious, educational, scientific, philanthropic, agricultural, labor, veterans', fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway or development agency of a State which meets all of the requirements of section 4354 and which contains no advertising; and

[(3) "zones" means the eight zones described in section 4553, or prescribed pursuant to section 4558, of this title.]

(b) Except as otherwise provided in this section and section 4358 of this title, the rates of postage on publications mailed in accordance with subsection (a) are as follows:

[In cents]			
	Mailed during calendar year 1963	Mailed during calendar year 1969	Mailed on and after Jan. 1, 1970
Rate per pound:			
Advertising portion:			
Zones 1 and 2.....	4.5	4.8	5.1
Zone 3.....	5.6	5.9	6.3
Zone 4.....	7.7	8.2	8.7
Zone 5.....	9.9	10.5	11.1
Zone 6.....	12.0	12.8	13.6
Zone 7.....	12.8	13.7	14.5
Zone 8.....	15.0	16.0	17.0
Nonadvertising portion.....	3.0	3.2	3.4
Minimum charge per piece.....	1.1	1.2	1.3

(c) For the purpose of this section and section 4358 of this title, the portion of a publication devoted to advertisements shall include all advertisements inserted in the publication and attached permanently thereto, except such advertisements as are subject to the provisions of section 4656 of this title.

(d)(1) Publications mailed in accordance with subsection (a), upon request by the publisher or news agent, may be transported by air on a space-available basis, on scheduled United States air carriers at rates fixed and determined by the Civil Aeronautics Board in accordance with section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376). The Postmaster General may authorize the transportation of publications by air pursuant to this subsection only when such transportation does not impede the transportation of airmail, air parcel post, or first-class mail.

(2) The Postmaster General shall prescribe from time to time charges to be collected for matter transported by air pursuant to this section. The charges—

(A) shall be in addition to the payment of lawfully required postage;



(B) may not be adjusted more frequently than once every two years; and

(C) when prescribed or adjusted, shall equal, as nearly as practicable, the amount by which the allocated cost incurred by the Department for the delivery of such matter by air is in excess of the allocated cost which would have been incurred by the Department had such matter been delivered by surface transportation.

(e) As used in this section the term "zones" means the eight zones prescribed in section 4553, or prescribed pursuant to section 4558, of this title.

#### § 4362. Transient postage rate

The rate of postage on copies of publications having second class entry mailed—

(1) by persons other than the publishers or registered news agents;

(2) as sample copies by the publishers in excess of the 10 per centum permitted to be mailed at the pound rates; and

(3) copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers; is [four] 5 cents for the first two ounces and one cent for each additional ounce or fraction thereof. When postage at the rates prescribed for fourth class mail is lower, the latter applies. The rates are computed on each individually addressed copy or package of unaddressed copies.

#### § 4363. Separation by mailer of second class mail

[The Postmaster General may require publishers and news agents to separate and make up to zones, in such manner as he directs, second class mail offered for mailing.]

*Publishers and news agents shall mail second-class matter in the manner directed by the Postmaster General.*

#### § 4365. Permissible marks and enclosures

(a) Second class mail may contain no writing, print, or sign thereon or therein, in addition to the original print except—

(1) the name and address of the person to whom the mail is sent and directions for transmission, delivery, forwarding or return;

(2) index figures of subscription book either printed or written;

(3) the printed title of the publication and the place of its publication;

(4) the printed or written name and address without addition of advertisement of the publisher or sender, or both;

(5) written or printed words or figures, or both, indicating the date on which the subscription to the matter will end;

(6) the correction of typographical errors;

(7) a mark except written or printed words to designate a word or passage to which it is desired to call attention;

(8) the words "sample copy" when the matter is sent as such; and

(9) the words "marked copy" when the matter contains a marked item or article.

(b) Publishers and news agents may enclose in their publications bills, receipts and orders for subscriptions.

(c) This section does not prohibit the insertion in periodicals of advertisements permanently attached thereto.

(d) In addition to other matter authorized by this section to be contained, enclosed, or inserted in second-class mail, there may be included, in accordance with uniform regulations which the Postmaster General shall prescribe, on the envelopes, wrappers, and other covers in which copies of publications are mailed, messages and notices of a civic or public-service nature, if no charge is made for the inclusion of such messages and notices on such envelopes, wrappers, and covers.

#### § 4369. Filing of information relating to publications of the second class

(a) Each owner of a publication having second-class mail privileges under section 4354 of this title shall furnish to the Postmaster General at least once a year, and shall publish in such publication once a year, information in such form and detail and at such time as he may require respecting—

(1) the identity of the editor, managing editor, publishers, and owners;

(2) the identity of the corporation and stockholders thereof, if the publication is owned by a corporation;

(3) the identity of known bondholders, mortgagees, and other security holders;

(4) the extent and nature of the circulation of the publication, including, but not limited to, the number of copies distributed, the methods of distribution, and the extent to which such circulation is paid in whole or in part [Provided, however, That trade publications serving the performing arts need only to furnish such information to the Postmaster General]; and

(5) such other information as he may deem necessary to determine whether the publication meets the standards for second-class mail privileges.

The Postmaster General shall not require the names of persons owning less than 1 per centum of the total amount of stocks, bonds, mortgages, or other securities.

#### CONTROLLED CIRCULATION PUBLICATIONS

##### § 4421. Definition

Controlled circulation publications are those publications which—

(1) contain twenty-four pages or more;

(2) are issued at regular intervals of four or more times a year;

(3) devote 25 per centum or more of their pages to text or reading matter and not more than 75 per centum to advertising matter;

(4) may be circulated free or mainly free; and

(5) are not owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control them.



**§ 4422. Rates of postage**

[The postage rate on controlled circulation publications found by the Postmaster General to meet the definition contained in section 4421 of this title when mailed in the manner prescribed by the Postmaster General, is 12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964, regardless of the weight of the individual copies, with a minimum charge of 1 cent for each piece. The rates provided in this section shall remain in effect until otherwise provided by the Congress.]

*The rates of postage on controlled circulation publications found by the Postmaster General to meet the definition contained in section 4421 of this title when mailed in the manner prescribed by the Postmaster General are as follows:*

[In cents]

	Mailed during calendar year 1968	Mailed during calendar year 1969	Mailed on and after Jan. 1, 1970
Rate per pound.....	14.0	14.5	15.0
Minimum charge per piece.....	1.9	2.9	3.8

**CHAPTER 65—THIRD CLASS MAIL**

Sec.

4451. Definition.  
4452. Postage rates.  
4453. Permissible marks and enclosures.

**§ 4451. Definition**

- (a) Third class mail consists of mailable matter which is—  
(1) not mailed or required to be mailed as first class mail;  
(2) not entered as second class mail; and  
(3) less than sixteen ounces in weight.

[(b) A person who presents for mailing at one time twenty or more identical copies of bills and statements of account produced by any photographic or mechanical process, other than typewriting, may mail them as third class mail. In other cases, bills and statements of account shall be mailed as first class mail.]

(c) Circulars, including printed letters which according to internal evidence are being sent in identical terms to several persons, are third class mail. A circular does not lose its character as such when the date and name of the addressee and of the sender are written therein, nor by the correction in writing of mere typographical errors.

[(d) Unsealed letters written in point print or raised characters, or on sound reproduction records, used by the blind are third class mail without regard to the limit on weight prescribed in subsection (a) (3) of this section.]

(e) Printed matter within the limit of weight set forth in subsection (a) of this section is third class mail. For the purpose of this subsection, printed matter is paper on which words, letters, characters, figures or images, or any combination thereof, not having the character of actual and personal correspondence, have been reproduced by any process other than handwriting or typewriting.

**§ 4452. Postage rates**

[(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

Type of mailing	Rate	Unit
(1) Individual piece.....	Cents 4	First 2 ounces or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:	2	Each additional ounce or fraction thereof.
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter.....	18	Do.

[(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2½ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, 2½ cents when mailed during calendar year 1964, and 2½ cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.]

(a) *Except as otherwise provided in this section, the postage rates of third-class mail are as follows:*

Type of mailing	Rates		Unit
	Mailed prior to Jan. 7, 1968	Mailed on and after Jan. 7, 1968	
(1) Individual piece.....	Cents 6	Cents 6.0	First 2 ounces or fraction thereof.
(2) Bulk mailings under subsection (e) of this section of—	2	2.0	Each additional ounce or fraction thereof.
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	16.0	Each pound or fraction thereof.
(B) Other matter.....	18	22.0	Do.
(C) Minimum charge of—			
(i) Regular.....	2½	3.8	Per piece.
(ii) Qualified nonprofit organizations.....	1.25	1.9	Do.

(b) *Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece. The minimum charge for each piece on such matter is the minimum charge prescribed by this section, as applicable, except that the minimum charge is 1.3 cents per piece on such matter mailed on and after January 7, 1968, by qualified nonprofit organizations (1) which are organized for charitable, religious, or general health purposes, and are engaged predominantly in the accomplishment of such purposes, or (2) when such matter consists wholly of solicitations of funds to be used for charitable, religious, or general health purposes.*

(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a).

(d) The term "qualified nonprofit organization" as used in this section means religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual. Before being entitled to the preferential rates set out in this section, the organization or association shall furnish proof of its qualifications to the Postmaster General.

(e) Upon payment of a fee of \$30 for each calendar year or portion thereof, any person may mail in the manner directed by the Postmaster General, separately addressed, identical pieces of third class mail, in quantities of not less than fifty pounds or of not less than two hundred pieces subject to pound rates of postage applicable to the entire bulk mailed at one time.

#### § 4453. Permissible marks and enclosures

Only marks and enclosures permissible in the case of fourth class mail, pursuant to section 4555 of this title, may be placed on or enclosed in third class mail.

### CHAPTER 67—FOURTH CLASS MAIL

Sec.

4551. Definition.

4552. Size and weight limitations.

4553. Postal zones.

4554. [Postage rates on books and films.] *Books, films, and other materials; preferred rates.*

4555. Permissible marks and enclosures.

4556. Postage rates on parcel post.

4557. Postage rates on catalogs.

4558. Reformation of conditions of mailability.

4559. Certification on fourth-class mail revenue-cost relationship.

4560. *Air transportation of parcels mailed at or addressed to Armed Forces post offices.*

#### § 4551. Definition

Fourth class mail consists ofailable matter—

- (1) not mailed or required to be mailed as first class mail;
- (2) within the size and weight limits prescribed for fourth class mail; and
- (3) not entered as second class mail.

\* \* \* \* \*

#### § 4554. [Postage rates on books, films, and similar educational materials] *Books, films, and other materials; preferred rates*

(a) Except as provided in subsection (b) of this section, the postage rate is [9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963] *16 cents for the first two pounds or fraction thereof and 6 cents for each additional pound or fraction thereof*, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every

case where such rate is lower than the rate prescribed in this subsection on—

[(1) complete books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcements of books except additions, supplements, fillers, or similar matter which are mailed thereafter and which are intended to replace or add to material in the complete book originally mailed;]

(1) *books, including books issued to supplement other books, consisting wholly of reading matter or reading matter with incidental blank spaces for notations containing no advertising matter other than incidental announcement of books;*

[(2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters;]

(2) *16-millimeter or narrower width films, and catalogs of such films, except when sent to commercial theaters;*

(3) printed music, whether in bound form or in sheet form;

(4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answer, test scores, or identifying information recorded thereon in writing, or by mark;

(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;

(6) manuscripts for books, periodicals and music;

(7) Printed educational reference charts, permanently processed for preservation; and

(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students.

(b)(1) Matter designated in paragraph (2) of this subsection may be mailed at the regular third or fourth class postage rates or at the rate of [4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof] *8 cents for the first two pounds or fraction thereof and 3 cents for each additional pound or fraction thereof* when loaned or exchanged (including cooperative processing by libraries) between—

(A) schools, colleges or universities;

(B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members, readers or borrowers.

(2) The materialsailable under the rates prescribed in paragraph (1) of this subsection are—

(A) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcements of books;

(B) printed music, whether in bound form or in sheet form;

(C) bound volumes of academic theses in typewritten or other duplicated form;



- (D) periodicals, whether bound or unbound;
- (E) sound recordings; and
- (F) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

(3) Before being entitled to the preferential rates under this subsection, the Postmaster General may require an organization or association to furnish satisfactory evidence to him that none of the net income inures to the benefit of any private stockholder or individual.

(c) 16-millimeter or narrower width films, filmstrips, transparencies for projection, slides, microfilms, sound recordings, scientific or mathematical kits, instruments or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials may be mailed at the rates prescribed in subsection (b)(1) of this section when sent to or from the institutions, organizations or associations listed in (A) and (B) of subsection (b)(1).

(d) The limit of weight on parcels mailed under this section is 70 pounds.

[(e) The postage rates prescribed in this section shall continue until otherwise provided by the Congress.]

(e) *Articles may be mailed under this section in quantities of one thousand or more in a single mailing, as defined by the Postmaster General, only in the manner directed by him.*

\* \* \* \* \*

#### § 4559. Certification on fourth-class mail revenue-cost relationship.

The Postmaster General shall not withdraw from the general fund of the Treasury any funds appropriated to the Department for any fiscal year, until he has certified in writing to the Secretary of the Treasury that—

(1) he has reason to believe that the revenues from the rates of postage on fourth-class mail (other than fourth-class mail for which the rates are prescribed by sections 4422, 4554, and 4651 to 4654, inclusive, of this title) will not be greater than the costs thereof by more than 4 per centum and will not be less than the costs thereof by more than 4 per centum; or

(2) he has filed with the Interstate Commerce Commission a request for the establishment or reformation of rates or other conditions of mailability, or both, in accordance with section 4558 of this title, with the objective that the revenues of such fourth-class mail will not be greater than the costs thereof by more than 4 per centum, or will not be less than the costs thereof by more than 4 per centum; or

(3) the volume data published in the most recent Cost Ascertainment Report does not reflect increases in the volume of fourth-class mail from changes in law, including changes which have not become effective, which in the opinion of the Postmaster General would have resulted in revenues of fourth-class mail (other than that for which rates are prescribed by sections 4422, 4554 and 4651 to 4654 inclusive, of this title) not greater than the costs thereof by more than 4 per centum, or not less than the costs thereof by more than 4 per centum, had such changes in law been in effect for the period covered by such Cost Ascertainment Report.

Certificates required by this subsection shall be based on the volume data published in the most recent Cost Ascertainment Report of the Department.

#### § 4560. Air transportation of parcels mailed at or addressed to Armed Forces post offices

*Any parcel, other than a parcel mailed airmail or as air parcel post, not exceeding thirty pounds in weight and sixty inches in length and girth combined, which is mailed at or addressed to any Armed Forces post office established under section 705(d) of this title shall be transported by air on a space-available basis, on scheduled United States air carriers at rates fixed and determined by the Civil Aeronautics Board in accordance with section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376), upon payment, in addition to the regular surface rate of postage, of a special fee to be prescribed by the Postmaster General for such transportation by air. Whenever adequate service by scheduled United States air carriers is not available to provide transportation of mail matter by air in accordance with the foregoing provisions of this section, the transportation of such mail matter may be authorized by aircraft other than scheduled United States air carriers.*

### CHAPTER 69—POSTAGE RATES FOR MISCELLANEOUS MATTER WITHIN THE VARIOUS CLASSES

Sec.

4651. Keys and other small articles.

4652. Congressional Record.

[4653. Publications for the blind.

4654. Reproducers and sound reproduction records for the blind.]

4653. Matter for blind and other handicapped persons.

4654. Unsealed letters sent by blind or physically handicapped persons.

4655. Markings.

4656. Enclosures mailed with second-class publications.

#### § 4651. Keys and other small articles

(a) Any person may mail without prepayment of postage a key, identification card, identification tag, or similar identification device, or small article which the Postmaster General by regulation designates, which bears, contains, or has attached securely thereto—

(1) a complete, definite, and legible post office address, including any street address or box or route number; and

(2) a notice directing that it be returned to the address, and guaranteeing the payment, on delivery, of the postage due thereon.

(b) Postage at the rate of [6 cents for each two ounces or fraction thereof] 14 cents for the first two ounces or fraction thereof, and 7 cents for each additional two ounces or fraction thereof, shall be collected on delivery.

§ 4652. Repealed. Pub. L. 87-793, § 304(a)(3), Oct. 11, 1962, 76 Stat. 840, eff. Jan. 7, 1963.

#### [§ 4653. Publications for blind persons.

[(a) The following matter may be mailed free of postage—

[(1) books, pamphlets, and other reading matter, including pages thereof:

[(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

[(B) in packages not exceeding the weight prescribed by the Postmaster General;

[(C) containing no advertising or other matter whatsoever;



- [(D) unsealed;
- [(E) sent—

[(i) by an institution, agency publisher, organization, or association (including a library or school and including organizations or associations of or for blind people); not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or

[(ii) to a blind person without cost to the blind person; or

[(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

[(2) magazines, periodicals, and other regularly issued publications:

[(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

[(B) containing no advertising;

[(C) for which no subscription fee is charged.

[(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—

[(1) books, pamphlets, and other reading matter, including pages thereof:

[(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

[(B) in packages not exceeding the weight prescribed by the Postmaster General;

[(C) containing no advertising or other matter whatsoever;

[(D) unsealed;

[(E) sent—

[(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organization, at a price not greater than the cost price thereof; or

[(ii) to a blind person at a price not greater than the cost price thereof; or

[(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people) not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

[(2) magazines, periodicals, and other regularly issued publications.

[(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

[(B) containing no advertising;

[(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

#### § 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons.

[(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

[(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

[(2) by a blind person to such an agency not conducted for private profit;

[(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

[(4) to a blind person.

[(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

[(1) State governments or subdivisions thereof;

[(2) public libraries;

[(3) private agencies for the blind not conducted for private profit; or

[(4) blind individuals.

[(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sightsaving-size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

[(1) State governments or subdivisions thereof;

[(2) public libraries;

[(3) private agencies for the blind not conducted for private profit; or

[(4) blind individuals.]

#### § 4653. Matter for blind and other handicapped persons

(a) The matter described in subsection (b) (other than matter mailed under section 4654 of this title) may be mailed free of postage, if—

(1) the matter is for the use of the blind or other persons who cannot use or read conventionally printed material because of a physical impairment;

(2) no charge, or rental, subscription, or other fee, is required for such matter or a charge, or rental, subscription, or other fee is required for such matter not in excess of the cost thereof;

(3) the matter may be opened by the Postmaster General for inspection;

- (4) the matter contains no advertising; and  
 (5) the matter is mailed subject to size and weight limitations prescribed by the Postmaster General.
- (b) The free mailing privilege provided by subsection (a) is extended to—

- (1) reading matter and musical scores;
- (2) sound reproductions;
- (3) paper, records, tapes, and other material for the production of reading matter, musical scores, or sound reproductions;
- (4) reproducers, or parts thereof, for sound reproductions; and
- (5) Braille writers, typewriters, educational or other materials or devices, or parts thereof, used for writing by, or specifically designed or adapted for use of, a blind person or a person having a physical impairment as described in subsection (a)(1) of this section.

**§ 4654. Unsealed letters sent by blind or physically handicapped persons**

Unsealed letters sent by a blind person or a person having a physical impairment, as described in section 4653(a)(1) of this title, in raised characters or sight-saving type, or in the form of sound recordings, may be mailed free of postage.

**§ 4655. Markings**

All matter relating to blind or other handicapped persons mailed under section 4653, or section 4654, of this title, shall bear the words "Free Matter for the Blind or Handicapped", or words to that effect specified by the Postmaster General, in the upper right-hand corner of the address area.

**§ 4656. Enclosures mailed with second-class publications**

Bills or receipts mailed with publications entered as second-class mail, either loose or bound in the publications, and advertising supplements mailed with such publications, shall be charged postage at first, third, or fourth-class rates, as appropriate, had such matter been mailed other than with the publications.

**CHAPTER 91—DELIVERY SERVICE**

**§ 6008. Special handling**

Upon payment of a special handling fee, [fourth class mail is] third-class mail and fourth-class mail are entitled to the most expeditious handling and transportation practicable, but such mail is not required to receive the same handling and transportation as air mail.

**TITLE 5, UNITED STATES CODE**

**§ 5303. Higher minimum rates: Presidential authority.**

(a) When the President finds that the pay rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the pay rates of statutory pay schedules as to

handicap significantly the Government's recruitment or retention of well-qualified individuals in positions paid under—

- (1) section 5332 of this title;
- (2) the provisions of part III of title 39 relating to employees in the postal field service;
- (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery, Veterans' Administration, under chapter 73 of title 38; or
- (4) sections 867 and 870 of title 22;

he may establish for the areas or locations higher minimum rates of basic pay for one or more grades or levels, occupational groups, series, classes, or sub-divisions thereof, and may make corresponding increases in all step rates of the pay range for each such grade or level. However, a minimum rate so established may not exceed the [seventh] maximum pay rate prescribed by statute for the grade or level. The President may authorize the exercise of the authority conferred on him by this section by the Civil Service Commission or, in the case of individuals not subject to the provisions of this title governing appointment in the competitive service, by such other agency as he may designate.

(b) Within the limitations of subsection (a) of this section, rates of basic pay established under that subsection may be revised from time to time by the President or by such agency as he may designate. The actions and revisions have the force and effect of statute.

(c) An increase in rate of basic pay established under this section is not an equivalent increase in pay within the meaning of section 5335(a) of this title and section 3552 of title 39.

[(d) The rate of basic pay, established under this section, and received by an individual immediately before the effective date of a statutory increase in the pay schedules of the pay systems specified in subsection (a) of this section shall be initially adjusted on the effective date of the new pay schedules under conversion regulations prescribed by the President or by such agency as he may designate.]

(d) The rate of basic pay established under this section and received by an individual immediately before a statutory increase, which becomes effective prior to, on, or after the date of enactment of the statute, in the pay schedule applicable to such individual of any pay system specified in subsection (a) of this section, shall be initially adjusted, effective on the effective date of the statutory increase, under conversion rules prescribed by the President or by such agency as the President may designate.

**§ 5314. Positions at level III.**

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is [\$28,500] \$29,500:

- (1) Deputy Attorney General.
- (2) Solicitor General of the United States.
- (3) Deputy Postmaster General.
- (4) Under Secretary of Agriculture.
- (5) Under Secretary of Commerce.
- (6) Repealed. Pub. L. 89-670, § 10(e), Oct. 15, 1966, 80 Stat. 948.
- (7) Under Secretary of Health, Education, and Welfare.
- (8) Under Secretary of the Interior.



- (9) Under Secretary of Labor.
- (10) Under Secretary of State for Political Affairs or Under Secretary of State for Economic Affairs.
- (11) Under Secretary of the Treasury.
- (12) Under Secretary of the Treasury for Monetary Affairs.
- (13) Administrator of General Services.
- (14) Administrator of the Small Business Administration.
- (15) Deputy Administrator of Veterans' Affairs.
- (16) Deputy Administrator, Agency for International Development.
- (17) Chairman, Civil Aeronautics Board.
- (18) Chairman of the United States Civil Service Commission.
- (19) Chairman, Federal Communications Commission.
- (20) Chairman, Board of Directors, Federal Deposit Insurance Corporation.
- (21) Chairman of the Federal Home Loan Bank Board.
- (22) Chairman, Federal Power Commission.
- (23) Chairman, Federal Trade Commission.
- (24) Chairman, Interstate Commerce Commission.
- (25) Chairman, National Labor Relations Board.
- (26) Chairman, Securities and Exchange Commission.
- (27) Chairman, Board of Directors of the Tennessee Valley Authority.
- (28) Chairman, National Mediation Board.
- (29) Chairman, Railroad Retirement Board.
- (30) Chairman, Federal Maritime Commission.
- (31) Comptroller of the Currency.
- (32) Commissioner of Internal Revenue.
- (33) Director of Defense Research and Engineering, Department of Defense.
- (34) Deputy Administrator of the National Aeronautics and Space Administration.
- (35) Deputy Director of the Bureau of the Budget.
- (36) Deputy Director of Central Intelligence.
- (37) Director of the Office of Emergency Planning.
- (38) Director of the Peace Corps.
- (39) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.
- (40) Director of the National Science Foundation.
- (41) Repealed. Pub. L. 90-83.
- (42) President of the Export-Import Bank of Washington.
- (43) Members, Atomic Energy Commission.
- (44) Members, Board of Governors of the Federal Reserve System.
- (45) Director of the Federal Bureau of Investigation, Department of Justice.
- (46) Administrator, Federal Highway Administration.
- (47) Administrator, Federal Railroad Administration.
- (48) Chairman, National Transportation Safety Board.
- (49) Chairman of the National Endowment for the Arts the incumbent of which also serves as Chairman of the National Council on the Arts.

- (50) Chairman of the National Endowment for the Humanities.
- (51) Director of the Federal Mediation and Conciliation Service.
- (52) Under Secretary of Housing and Urban Development.

#### § 5315. Positions at level IV.

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is **[\$27,000] \$28,750**:

- (1) Administrator, Bureau of Security and Consular Affairs, Department of State.
- (2) Repealed. Pub. L. 89-670, § 10(e), Oct. 15, 1966, 80 Stat. 948.
- (3) Deputy Administrator of General Services.
- (4) Associate Administrator of the National Aeronautics and Space Administration.
- (5) Assistant Administrators, Agency for International Development (6).
- (6) Regional Assistant Administrators, Agency for International Development (4).
- (7) Under Secretary of the Air Force.
- (8) Under Secretary of the Army.
- (9) Under Secretary of the Navy.
- (10) Deputy Under Secretaries of State (2).
- (11) Assistant Secretaries of Agriculture (3).
- (12) Assistant Secretaries of Commerce (5).
- (13) Assistant Secretaries of Defense (7).
- (14) Assistant Secretaries of the Air Force (3).
- (15) Assistant Secretaries of the Army (3).
- (16) Assistant Secretaries of the Navy (3).
- (17) Assistant Secretaries of Health, Education, and Welfare (5).
- (18) Assistant Secretaries of the Interior (5).
- (19) Assistant Attorneys General (9).
- (20) Assistant Secretaries of Labor (4).
- (21) Assistant Postmasters General (6).
- (22) Assistant Secretaries of State (11).
- (23) Assistant Secretaries of the Treasury (4).
- (24) Chairman of the United States Tariff Commission.
- (25) Repealed. Pub. L. 90-83.
- (26) Repealed. Pub. L. 90-83.
- (27) Repealed. Pub. L. 90-83.
- (28) Repealed. Pub. L. 90-83.
- (29) Director of Civil Defense, Department of the Army.
- (30) Repealed. Pub. L. 90-83.
- (31) Deputy Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.
- (32) Deputy Director of the Office of Emergency Planning.
- (33) Deputy Director of the Office of Science and Technology.
- (34) Deputy Director of the Peace Corps.
- (35) Deputy Director of the United States Arms Control and Disarmament Agency.
- (36) Deputy Director of the United States Information Agency.
- (37) Assistant Directors of the Bureau of the Budget (3).
- (38) General Counsel of the Department of Agriculture.



- (39) General Counsel of the Department of Commerce.
- (40) General Counsel of the Department of Defense.
- (41) General Counsel of the Department of Health, Education, and Welfare.
- (42) Solicitor of the Department of the Interior.
- (43) Solicitor of the Department of Labor.
- (44) General Counsel of the National Labor Relations Board.
- (45) General Counsel of the Post Office Department.
- (46) Counselor of the Department of State.
- (47) Legal Adviser of the Department of State.
- (48) General Counsel of the Department of the Treasury.
- (49) First Vice President of the Export-Import Bank of Washington.
- (50) General Manager of the Atomic Energy Commission.
- (51) Governor of the Farm Credit Administration.
- (52) Inspector General, Foreign Assistance.
- (53) Deputy Inspector General, Foreign Assistance.
- (54) Members, Civil Aeronautics Board.
- (55) Members, Council of Economic Advisers.
- (56) Members, Board of Directors of the Export-Import Bank of Washington.
- (57) Members, Federal Communications Commission.
- (58) Member, Board of Directors of the Federal Deposit Insurance Corporation.
- (59) Members, Federal Home Loan Bank Board.
- (60) Members, Federal Power Commission.
- (61) Members, Federal Trade Commission.
- (62) Members, Interstate Commerce Commission.
- (63) Members, National Labor Relations Board.
- (64) Members, Securities and Exchange Commission.
- (65) Members, Board of Directors of the Tennessee Valley Authority.
- (66) Members, United States Civil Service Commission.
- (67) Members, Federal Maritime Commission.
- (68) Members, National Mediation Board.
- (69) Members, Railroad Retirement Board.
- (70) Director of Selective Service.
- (71) Associate Director of the Federal Bureau of Investigation, Department of Justice.
- (72) Chairman, Equal Employment Opportunity Commission.
- (73) Chief of Protocol, Department of State.
- (74) Director, Bureau of Intelligence and Research, Department of State.
- (75) Director, Community Relations Service.
- (76) United States Attorney for the District of Columbia.
- (77) United States Attorney for the Southern District of New York.
- (78) Members, National Transportation Safety Board.
- (79) General Counsel, Department of Transportation.
- (80) Deputy Administrator, Federal Aviation Administration.
- (81) Assistant Secretaries of Transportation (4).
- (82) Director of Public Roads.
- (83) Administrator of the St. Lawrence Seaway Development Corporation.

- (84) Assistant Secretary for Science, Smithsonian Institution.
- (85) Assistant Secretary for History and Art, Smithsonian Institution.
- (86) Deputy Administrator of the Small Business Administration.
- (87) Assistant Secretaries of Housing and Urban Development (4).
- (88) General Counsel of the Department of Housing and Urban Development.
- (89) Commissioner of Interama.

#### § 5316. Positions at level V.

Level V of the Executive Schedule applies to the following positions for which the annual rate of basic pay is **[\$26,000] \$28,000**:

- (1) Administrator, Agricultural Marketing Service, Department of Agriculture.
- (2) Administrator, Agricultural Research Service, Department of Agriculture.
- (3) Administrator, Agricultural Stabilization and Conservation Service, Department of Agriculture.
- (4) Administrator, Farmers Home Administration.
- (5) Administrator, Foreign Agricultural Service, Department of Agriculture.
- (6) Administrator, Rural Electrification Administration, Department of Agriculture.
- (7) Administrator, Soil Conservation Service, Department of Agriculture.
- (8) Administrator, Bonneville Power Administration, Department of the Interior.
- (9) Administrator of the National Capital Transportation Agency.
- (10) Repealed. Pub. L. 89-670, § 10(e), Oct. 15, 1966, 80 Stat. 948.
- (11) Associate Administrators of the Small Business Administration (3).
- (12)-(14) Repealed. Pub. L. 89-670, § 10(e), Oct. 15, 1966, 80 Stat. 948.
- (15) Associate Administrator for Advanced Research and Technology, National Aeronautics and Space Administration.
- (16) Associate Administrator for Space Science and Applications, National Aeronautics and Space Administration.
- (17) Associate Administrator for Manned Space Flight, National Aeronautics and Space Administration.
- (18) Associate Deputy Administrator, National Aeronautics and Space Administration.
- (19) Deputy Associate Administrator, National Aeronautics and Space Administration.
- (20) Associate Deputy Administrator of Veterans' Affairs.
- (21) Archivist of the United States.
- (22) Repealed—Pub. L. 90-83.
- (23) Assistant Secretary of Agriculture for Administration.
- (24) Assistant Secretary of Health, Education, and Welfare for Administration.
- (25) Assistant Secretary of the Interior for Administration.

- (26) Assistant Attorney General for Administration.
- (27) Assistant Secretary of Labor for Administration.
- (28) Assistant Secretary of the Treasury for Administration.
- (29) Assistant General Manager, Atomic Energy Commission.
- (30) Assistant and Science Adviser to the Secretary of the Interior.
- (31) Chairman, Foreign Claims Settlement Commission of the United States.
- (32) Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense.
- (33) Chairman of the Renegotiation Board.
- (34) Chairman of the Subversive Activities Control Board.
- (35) Chief Counsel for the Internal Revenue Service, Department of the Treasury.
- (36) Chief Forester of the Forest Service, Department of Agriculture.
- (37) Chief Postal Inspector, Post Office Department.
- (38) Repealed. Pub. L. 90-83.
- (39) Commissioner of Customs, Department of the Treasury.
- (40) Commissioner, Federal Supply Service, General Services Administration.
- (41) Commissioner of Education, Department of Health, Education, and Welfare.
- (42) Commissioner of Fish and Wildlife, Department of the Interior.
- (43) Commissioner of Food and Drugs, Department of Health, Education, and Welfare.
- (44) Commissioner of Immigration and Naturalization, Department of Justice.
- (45) Commissioner of Indian Affairs, Department of the Interior.
- (46) Repealed. Pub. L. 90-9.
- (47) Commissioners, Indian Claims Commission (5).
- (48) Commissioner of Patents, Department of Commerce.
- (49) Commissioner, Public Buildings Service, General Services Administration.
- (50) Commissioner of Reclamation, Department of the Interior.
- (51) Commissioner of Social Security, Department of Health, Education, and Welfare.
- (52) Commissioner of Vocational Rehabilitation, Department of Health, Education, and Welfare.
- (53) Commissioner of Welfare, Department of Health, Education, and Welfare.
- (54) Director, Advanced Research Projects Agency, Department of Defense.
- (55) Director of Agricultural Economics, Department of Agriculture.
- (56) Director, Bureau of the Census, Department of Commerce.
- (57) Director, Bureau of Mines, Department of the Interior.
- (58) Director, Bureau of Prisons, Department of Justice.
- (59) Director, Geological Survey, Department of the Interior.
- (60) Director, Research and Development, Post Office Department.
- (61) Director, National Bureau of Standards, Department of Commerce.

- (62) Director of Regulation, Atomic Energy Commission.
- (63) Director of Science and Education, Department of Agriculture.
- (64) Deputy Under Secretary for Monetary Affairs, Department of the Treasury.
- (65) Deputy Commissioner of Internal Revenue, Department of the Treasury.
- (66) Deputy Director, National Science Foundation.
- (67) Deputy Director, Policy and Plans, United States Information Agency.
- (68) Deputy General Counsel, Department of Defense.
- (69) Deputy General Manager, Atomic Energy Commission.
- (70) Associate Director of the Federal Mediation and Conciliation Service.
- (71) Associate Director for Volunteers, Peace Corps.
- (72) Associate Director for Program Development and Operations, Peace Corps.
- (73) Assistants to the Director of the Federal Bureau of Investigation, Department of Justice (2).
- (74) Assistant Directors, Office of Emergency Planning (3).
- (75) Assistant Directors, United States Arms Control and Disarmament Agency (4).
- (76) Repealed. Pub. L. 89-670, § 10(e), Oct. 15, 1966, 80 Stat. 948.
- (77) Fiscal Assistant Secretary of the Treasury.
- (78) General Counsel of the Agency for International Development.
- (79) General Counsel of the Department of the Air Force.
- (80) General Counsel of the Department of the Army.
- (81) General Counsel of the Atomic Energy Commission.
- (82) Repealed. Pub. L. 89-670, § 10(e), Oct. 15, 1966, 80 Stat. 948.
- (83) Repealed. Pub. L. 90-83.
- (84) General Counsel of the Department of the Navy.
- (85) General Counsel of the United States Arms Control and Disarmament Agency.
- (86) General Counsel of the National Aeronautics and Space Administration.
- (87) Governor of the Canal Zone.
- (88) Manpower Administrator, Department of Labor.
- (89) Maritime Administrator, Department of Commerce.
- (90) Members, Foreign Claims Settlement Commission of the United States.
- (91) Members, Renegotiation Board.
- (92) Members, Subversive Activities Control Board.
- (93) Members, United States Tariff Commission.
- (94) Repealed. Pub. L. 90-83.
- (95) Special Assistant to the Secretary (Health and Medical Affairs), Department of Health, Education, and Welfare.
- (96) Deputy Directory of Defense Research and Engineering, Department of Defense (4).
- (97) Assistant Administrator of General Services.
- (98) Director, United States Travel Service, Department of Commerce.



(99) Executive Director of the United States Civil Service Commission.

(100) Administrator, Wage and Hour and Public Contracts Division, Department of Labor.

(101) Assistant Director (Program Planning, Analysis and Research), Office of Economic Opportunity.

(102) Assistant General Managers, Atomic Energy Commission (2).

(103) Associate Director (Policy and Plans), United States Information Agency.

(104) Chief Benefits Director, Veterans' Administration.

(105) Commissioner of Labor Statistics, Department of Labor.

(106) Deputy Director, National Security Agency.

(107) Director, Bureau of Land Management, Department of the Interior.

(108) Director, National Park Service, Department of the Interior.

(109) Director of International Scientific Affairs, Department of State.

(110) General Counsel of the Veterans' Administration.

(111) Members, Equal Employment Opportunity Commission

(4) (112) National Export Expansion Coordinator, Department of Commerce.

(113) Special Assistant to the Secretary of Defense.

(114) Staff Director, Commission on Civil Rights.

(115) United States Attorney for the Northern District of Illinois.

(116) United States Attorney for the Southern District of California.

(117) Assistant Secretary for Administration, Department of Transportation.

(118) Director, United States National Museum, Smithsonian Institution.

(119) Director, Smithsonian Astrophysical Observatory, Smithsonian Institution.

(120) Administrator for Economic Development.

(121) Administrator of the Environmental Science Services Administration.

(122) Assistant Secretary of Housing and Urban Development for Administration.

(123) Director, Construction Engineering, Post Office Department.

(124) Director, National Highway Safety Bureau.

(125) Director, National Traffic Safety Bureau.

\* \* \* \* \*

### § 5332. The General Schedule.

(a) The General Schedule, the symbol for which is "GS," is the basic pay schedule for positions to which this subchapter applies. Each employee to whom this subchapter applies is entitled to basic pay in accordance with the General Schedule.

### GENERAL SCHEDULE

Grade	Annual rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	\$3,609	\$3,731	\$3,853	\$3,975	\$4,097	\$4,219	\$4,341	\$4,463	\$4,585	\$4,707
GS-2	3,925	4,058	4,191	4,324	4,457	4,590	4,723	4,856	4,989	5,122
GS-3	4,269	4,413	4,557	4,701	4,845	4,989	5,133	5,277	5,421	5,565
GS-4	4,776	4,936	5,096	5,256	5,416	5,576	5,736	5,896	6,056	6,216
GS-5	5,331	5,507	5,683	5,859	6,035	6,211	6,387	6,563	6,739	6,916
GS-6	5,967	6,065	6,263	6,461	6,659	6,857	7,055	7,253	7,451	7,649
GS-7	6,451	6,664	6,877	7,090	7,303	7,516	7,729	7,942	8,155	8,368
GS-8	7,068	7,303	7,538	7,773	8,008	8,243	8,478	8,713	8,948	9,183
GS-9	7,696	7,957	8,218	8,479	8,740	9,001	9,262	9,523	9,784	10,045
GS-10	8,421	8,709	8,997	9,285	9,573	9,861	10,149	10,437	10,725	11,013
GS-11	9,221	9,536	9,851	10,166	10,481	10,796	11,111	11,426	11,741	12,056
GS-12	10,927	11,306	11,685	12,064	12,443	12,822	13,201	13,580	13,959	14,338
GS-13	12,873	13,321	13,769	14,217	14,665	15,113	15,561	16,009	16,457	16,905
GS-14	15,106	15,629	16,152	16,675	17,198	17,721	18,244	18,767	19,290	19,813
GS-15	17,550	18,157	18,764	19,371	19,978	20,585	21,192	21,799	22,406	23,013
GS-16	20,075	20,745	21,415	22,085	22,755	23,425	24,095	24,765	25,435	-----
GS-17	22,760	23,520	24,280	25,040	25,800	-----	-----	-----	-----	-----
GS-18	25,890	-----	-----	-----	-----	-----	-----	-----	-----	-----

### GENERAL SCHEDULE

Grade	Annual rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	\$3,770	\$3,902	\$4,034	\$4,166	\$4,298	\$4,430	\$4,562	\$4,694	\$4,826	\$4,958
GS-2	4,108	4,245	4,382	4,519	4,656	4,793	4,930	5,067	5,204	5,341
GS-3	4,466	4,615	4,764	4,913	5,062	5,211	5,360	5,509	5,658	5,807
GS-4	4,995	5,161	5,327	5,493	5,659	5,825	5,991	6,157	6,323	6,489
GS-5	5,565	5,751	5,937	6,123	6,309	6,495	6,681	6,867	7,053	7,239
GS-6	6,137	6,342	6,547	6,752	6,957	7,162	7,367	7,572	7,777	7,982
GS-7	6,734	6,959	7,184	7,409	7,634	7,859	8,084	8,309	8,534	8,759
GS-8	7,334	7,580	7,826	8,072	8,318	8,564	8,810	9,056	9,302	9,548
GS-9	8,054	8,323	8,592	8,861	9,130	9,399	9,668	9,937	10,206	10,475
GS-10	8,821	9,116	9,409	9,703	9,997	10,291	10,585	10,879	11,173	11,467
GS-11	9,657	9,979	10,301	10,623	10,945	11,267	11,589	11,911	12,233	12,555
GS-12	11,461	11,843	12,225	12,607	12,989	13,371	13,753	14,135	14,517	14,899
GS-13	13,507	13,957	14,407	14,857	15,307	15,757	16,207	16,657	17,107	17,557
GS-14	15,841	16,369	16,897	17,425	17,953	18,481	19,009	19,537	20,065	20,593
GS-15	18,404	19,017	19,630	20,243	20,856	21,469	22,082	22,695	23,308	23,921
GS-16	20,982	21,681	22,380	23,079	23,778	24,477	25,176	25,875	26,574	-----
GS-17	23,788	24,581	25,374	26,167	26,960	-----	-----	-----	-----	-----
GS-18	27,055	-----	-----	-----	-----	-----	-----	-----	-----	-----

### § 5545. Night, Sunday, standby, irregular, and hazardous duty differential.

(a) Except as provided by subsection (b) of this section, nightwork is regularly scheduled work between the hours of 6:00 p.m. and 6:00 a.m., and includes—

(1) periods of absence with pay during these hours due to holidays; and

(2) periods of leave with pay during these hours if the periods of leave with pay during a pay period total less than 8 hours.

Except as otherwise provided by subsection (c) of this section, an employee is entitled to pay for nightwork at his rate of basic pay plus premium pay amounting to 10 percent of that basic rate. This subsection and subsection (b) of this section do not modify section 180 of title 31, or other statute authorizing additional pay for nightwork.



(b) The head of an agency may designate a time after 6:00 p.m. and a time before 6:00 a.m. as the beginning and end, respectively, of nightwork for the purpose of subsection (a) of this section, at a post outside the United States where the customary hours of business extend into the hours of nightwork provided by subsection (a) of this section.

(c) The head of an agency, with the approval of the Civil Service Commission, may provide that—

(1) an employee in a position requiring him regularly to remain at, or within the confines of, his station during longer than ordinary periods of duty, a substantial part of which consists of remaining in a standby status rather than performing work, shall receive premium pay for this duty on an annual basis instead of premium pay provided by other provisions of this subchapter, except for irregular, unscheduled overtime duty in excess of his regularly scheduled weekly tour. Premium pay under this paragraph is determined as an appropriate percentage, [not in excess of 25 percent] *not less than 20 per centum or more than 30 per centum*, of such part of the rate of basic pay for the position as does not exceed the minimum rate of basic pay for GS-10, by taking into consideration the number of hours of actual work required in the position, the number of hours required in a standby status at or within the confines of the station, the extent to which the duties of the position are made more onerous by night, Sunday, or holiday work, or by being extended over periods of more than 40 hours a week, and other relevant factors;

or

### § 8332. Creditable service.

(k)(1) An employee who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of employees as defined by section 8331(1) of this title, or of a "labor organization" as defined by paragraph (3) of this subsection, within 60 days after entering on that leave without pay, may file with his employing agency an election to receive full retirement credit for his periods of that leave without pay and arrange to pay currently into the Fund, through his employing agency, amounts equal to the retirement deductions and agency contributions that would be applicable if he were in pay status. If the election and all payments provided by this paragraph are not made, the employee may not receive credit for the periods of leave without pay occurring after July 17, 1966, notwithstanding the second sentence of subsection (f) of this section. [For the purpose of the preceding sentence, "employee" includes an employee who was on approved leave without pay and serving as a fulltime officer or employee of such an organization on July 18, 1966, and who filed a similar election before September 17, 1966.]

(2) An employee may deposit with interest an amount equal to retirement deductions representing any period or periods of approved leave without pay while serving, before July 18 1966, as a full-time officer or employee of an organization composed primarily of employees as defined by section 8331(1) of this title. An employee who makes the deposit shall be allowed full retirement credit for the period

or periods of leave without pay. If the employee dies, a survivor as defined by section 8331(10) of this title may make the deposit. If the deposit is not made in full, retirement credit shall be allowed in accordance with the second sentence of subsection (f) of this section or of a "labor organization" as defined by paragraph (3) of this subsection.

(3) For the purposes of this subsection, "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and includes a national or international organization of which such labor organization is a member.

\* \* \* \* \*

### § 8706. Termination of insurance.

\* \* \* \* \*

(e) Notwithstanding subsections (a)-(c) of this section, an employee who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of employees as defined by section 8701(a) of this title, or of a "labor organization" as defined by section 8332(k)(3) of this title, within 60 days after entering on that leave without pay, may elect to continue his insurance and arrange to pay currently into the Employees' Life Insurance Fund, through his employing agency, both employee and agency contributions from the beginning of leave without pay. The employing agency shall forward the premium payments to the Fund. If the employee does not so elect, his insurance will continue during nonpay status and stop as provided by subsection (a) of this section.

\* \* \* \* \*

### § 8906. Contributions.

(e)(1) An employee enrolled in a health benefits plan under this chapter who is placed in a leave without pay status may have his coverage and the coverage of members of his family continued under the plan for not to exceed 1 year under regulations prescribed by the Commission. The regulations may provide for the waiving of contributions by the employee and the Government.

(2) An employee who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of employees as defined by section 8901 of this title, or of a "labor organization" as defined by section 8332(k)(3) of this title, within 60 days after entering on that leave without pay, may file with his employing agency an election to continue his health benefits enrollment and arrange to pay currently into the Employees Health Benefits Fund, through his employing agency, both employee and agency contributions from the beginning of leave without pay. The employing agency shall forward the enrollment charges so paid to the Fund. If the employee does not so elect, his enrollment will continue during nonpay status and end as provided by paragraph (1) of this subsection and implementing regulations.

\* \* \* \* \*

## TITLE 38, UNITED STATES CODE

## § 4107. Grades and pay scales

(a) The per annum full-pay scale or ranges for positions provided in section 4103 of this title, other than Chief Medical Director, Deputy Chief Medical Director, and Associate Deputy Chief Medical Director, shall be as follows:

## [SECTION 4103 SCHEDULE

[Assistant Chief Medical Director, \$25,890.  
[Medical Director, \$22,760 minimum to \$25,800 maximum.  
[Director, Nursing Service, \$17,550 minimum to \$23,013 maximum.  
[Director, Chaplain Service, \$17,550 minimum to \$23,013 maximum.  
[Chief Pharmacist, \$17,550 minimum to \$23,013 maximum.  
[Chief Dietitian, \$17,550 minimum to \$23,013 maximum.]

## Section 4103 Schedule

Assistant Chief Medical Director, \$27,055.  
Medical Director, \$23,788 minimum to \$26,960 maximum.  
Director of Nursing Service, \$18,404 minimum to \$23,921 maximum.  
Director of Chaplain Service, \$18,404 minimum to \$23,921 maximum.  
Chief Pharmacist, \$18,404 minimum to \$23,921 maximum.  
Chief Dietitian, \$18,404 minimum to \$23,921 maximum.

(b)(1) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

## [PHYSICIAN AND DENTIST SCHEDULE

[Director grade, \$20,075 minimum to \$25,435 maximum.  
[Executive grade, \$18,730 minimum to \$24,355 maximum.  
[Chief grade, \$17,550 minimum to \$23,013 maximum.  
[Senior grade, \$15,106 minimum to \$19,813 maximum.  
[Intermediate grade, \$12,873 minimum to \$16,905 maximum.  
[Full grade, \$10,927 minimum to \$14,338 maximum.  
[Associate grade, \$9,221 minimum to \$12,056 maximum.]

## [NURSE SCHEDULE

[Assistant Director grade, \$15,106 minimum to \$19,813 maximum.  
[Chief grade, \$12,873 minimum to \$16,905 maximum.  
[Senior grade, \$10,297 minimum to \$14,338 maximum.  
[Intermediate grade, \$9,221 minimum to \$12,056 maximum.  
[Full grade, \$7,696 minimum to \$10,045 maximum.  
[Associate grade, \$6,730 minimum to \$8,749 maximum.  
[Junior grade, \$5,867 minimum to \$7,649 maximum.]

## Physician and Dentist Schedule

Director grade, \$20,982 minimum to \$26,574 maximum.  
Executive grade, \$19,576 minimum to \$25,444 maximum.  
Chief grade, \$18,404 minimum to \$23,921 maximum.  
Senior grade, \$15,841 minimum to \$20,593 maximum.

Intermediate grade, \$13,507 minimum to \$17,557 maximum.  
Full grade \$11,461 minimum to \$14,899 maximum.  
Associate grade, \$9,657 minimum to \$12,555 maximum.

## Nurse Schedule

Assistant Director grade, \$15,841 minimum to \$20,593 maximum.  
Chief grade, \$13,507 minimum to \$17,557 maximum.  
Senior grade, \$11,461 minimum to \$14,899 maximum.  
Intermediate grade, \$9,657 minimum to \$12,555 maximum.  
Full grade, \$8,064 minimum to \$10,475 maximum.  
Associate grade, \$7,033 minimum to \$9,139.  
Junior grade, \$6,137 minimum to \$7,982 maximum.

(2) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or comparable position.

(c) Notwithstanding any other provision of law, the per annum salary rate for each individual serving as a director for a hospital, domiciliary, or center who is not a physician shall not be less than the salary rate which he would receive under this section if his service as a director of a hospital, domiciliary, or center had seen service as a physician in the director grade. The position of the director of a hospital, domiciliary, or center shall not be subject to [the provisions of the Classification Act of 1949, as amended] chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

FOREIGN SERVICE ACT OF 1946  
(22 U.S.C. 867 AND 870)

SEC. 412. There shall be ten classes of Foreign Service officers, including the classes of career ambassador and of career minister. The per annum salary of a career ambassador shall be at the rate provided by law for level IV of the Federal Executive Salary Schedule. The per annum salary of a career minister shall be at the rate provided by law for level V of such schedule. The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1.....	\$23,935	\$24,770	\$25,890	\$21,347	\$22,018	\$22,689	\$23,360
Class 2.....	19,333	20,004	20,675	17,491	18,041	18,591	19,141
Class 3.....	15,841	16,391	16,941	14,217	14,665	15,113	15,561
Class 4.....	12,873	13,321	13,769	11,706	12,074	12,442	12,810
Class 5.....	10,602	10,970	11,338	9,755	10,059	10,363	10,667
Class 6.....	8,843	9,147	9,451	8,226	8,477	8,728	8,979
Class 7.....	7,473	7,724	7,975	7,090	7,303	7,516	7,729
Class 8.....	6,451	6,664	6,877				



Class 1.....	\$24,944	\$25,778	\$27,055				
Class 2.....	20,956	20,956	21,632	\$22,308	\$22,984	\$23,660	\$24,336
Class 3.....	16,616	17,170	17,724	18,278	18,832	19,386	19,940
Class 4.....	13,867	13,867	14,407	14,951	15,495	16,039	16,583
Class 5.....	11,180	11,491	11,802	12,113	12,424	12,735	13,046
Class 6.....	9,267	9,578	9,889	10,199	10,509	10,819	11,129
Class 7.....	7,819	8,078	8,337	8,596	8,855	9,114	9,373
Class 8.....	6,794	6,959	7,124	7,289	7,454	7,619	7,784

\* \* \* \* \*

SEC. 415. (a) There shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees. The per annum salaries of such staff officers and employees within each class shall be as follows:

Class 1.....	\$15,841	\$16,391	\$16,941	\$17,491	\$18,041	\$18,591	\$19,141	\$19,691	\$20,241	\$20,791
Class 2.....	12,873	13,321	13,769	14,217	14,665	15,113	15,561	16,009	16,457	16,905
Class 3.....	10,802	10,970	11,338	11,706	12,074	12,442	12,810	13,178	13,546	13,914
Class 4.....	8,843	9,147	9,451	9,755	10,059	10,363	10,667	10,971	11,275	11,579
Class 5.....	7,974	8,246	8,518	8,790	9,062	9,334	9,606	9,878	10,150	10,422
Class 6.....	7,201	7,441	7,681	7,921	8,161	8,401	8,641	8,881	9,121	9,361
Class 7.....	6,614	6,832	7,050	7,268	7,486	7,704	7,922	8,140	8,358	8,576
Class 8.....	5,853	6,051	6,249	6,447	6,645	6,843	7,041	7,239	7,437	7,635
Class 9.....	5,341	5,517	5,693	5,869	6,045	6,221	6,397	6,573	6,749	6,925
Class 10.....	4,776	4,936	5,096	5,256	5,416	5,576	5,736	5,896	6,056	6,216

Class 1.....	\$16,616	\$17,170	\$17,724	\$18,278	\$18,832	\$19,386	\$19,940	\$20,494	\$21,048	\$21,602
Class 2.....	13,507	13,957	14,407	14,857	15,307	15,757	16,207	16,657	17,107	17,557
Class 3.....	11,120	11,491	11,862	12,233	12,604	12,975	13,346	13,717	14,088	14,459
Class 4.....	9,267	9,578	9,889	10,199	10,509	10,819	11,129	11,439	11,749	12,059
Class 5.....	8,351	8,629	8,907	9,185	9,463	9,741	10,019	10,297	10,575	10,853
Class 6.....	7,524	7,775	8,026	8,277	8,528	8,779	9,030	9,281	9,532	9,783
Class 7.....	6,906	7,155	7,405	7,655	7,905	8,155	8,405	8,655	8,905	9,155
Class 8.....	6,125	6,329	6,533	6,737	6,941	7,145	7,349	7,553	7,757	7,961
Class 9.....	5,575	5,761	5,947	6,133	6,319	6,505	6,691	6,877	7,063	7,249
Class 10.....	4,995	5,161	5,327	5,493	5,659	5,825	5,991	6,157	6,323	6,489

## TITLE 28, UNITED STATES CODE

\* \* \* \* \*

### § 603. Salaries.

[The Director shall receive a salary of \$27,000 a year. The Deputy Director shall receive a salary of \$26,000 a year.]

The salary of the Director shall be the same as the salary of a United States District Judge. The salary of the Deputy Director shall be in the same amount as the rate of basic pay for level V of the Executive Schedule in title 5.

\* \* \* \* \*

## THIRD PARAGRAPH UNDER THE HEADING "OFFICE OF THE ARCHITECT OF THE CAPITOL" IN THE LEGISLATIVE BRANCH APPROPRIATION ACT, 1960 (73 STAT. 407)

### ARCHITECT OF THE CAPITOL

#### OFFICE OF THE ARCHITECT OF THE CAPITOL

#### SALARIES

\* \* \* \* \*

Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of three positions under the appropriation "Salaries, Office of the Architect of the Capitol", of one position under the appropriation "Capitol Buildings", and of one position under the appropriation "House Office Buildings" at a basic rate of **[\$7,700]** \$8,200 per annum each: *Provided*, That this provision shall not be applicable to the positions of Architect, Assistant Architect, or Second Assistant Architect of the Capitol.

## SECTION 203 OF THE FEDERAL LEGISLATIVE SALARY ACT OF 1964 (78 STAT. 415)

SEC. 203. (a) The compensation of the Comptroller General of the United States shall be at the rate of \$30,000 per annum.

(b) The compensation of the Assistant Comptroller General of the United States shall be at the rate of **[\$28,500]** \$29,500 per annum.

(c) The compensation of the General Counsel of the United States General Accounting Office, the Librarian of Congress, the Public Printer, and the Architect of the Capitol shall be at the rate of **[\$27,000]** \$28,750 per annum.

(d) The compensation of the Deputy Librarian of Congress, the Deputy Public Printer, and the Assistant Architect of the Capitol shall be at the rate of **[\$25,500]** \$27,500 per annum.

(e) The compensation of the Second Assistant Architect of the Capitol shall be at the rate of **[\$23,500]** \$25,000 per annum.

(f) The compensation of the Chaplain of the House of Representatives shall be at the rate of \$12,500 per annum.

(g) The compensation of the Secretary of the Senate, the Sergeant at Arms of the Senate, and the Legislative Counsel of the Senate shall be at the rate of \$27,500 per annum.

(h) The compensation of the Chaplain of the Senate shall be at the rate of \$15,000 per annum.

○



91st CONGRESS  
1ST SESSION

# H. R. 4

*Dulski's  
Postal Reform Bill,  
including Employee  
Management Title (7).*

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1969

Mr. DULSKI introduced the following bill; which was referred to the Committee on Post Office and Civil Service

## A BILL

To modernize the United States postal establishment, to provide for efficient and economical postal service to the public, to improve postal employee-management relations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Postal Reform Act of  
4 1969".

### 5 TITLE I—CONGRESSIONAL FINDINGS WITH 6 RESPECT TO POSTAL REFORM

7 SEC. 101. (a) The Congress hereby finds that—

8 (1) the United States postal establishment, as  
9 now constituted, has not been given the means, and can-



1 not be expected, to continue to provide—and certainly  
2 not to extend—the present quality and scope of postal  
3 service in the face of the tremendous increases in mail  
4 volume expected in the future;

5 (2) serious handicaps are imposed on the postal  
6 establishment by certain legislative, budgetary, finan-  
7 cial, and personnel policies that are outmoded, unneces-  
8 sary, and inconsistent with the modern management and  
9 business practices which should be available to a Post-  
10 master General as aids in the performance of his heavy  
11 responsibility to provide efficient and economical postal  
12 service to the American public;

13 (3) the existing limitations imposed by various  
14 laws on the authority of the Postmaster General to pro-  
15 cure transportation for mail are so rigid as to frequently  
16 prevent the most expeditious and economic movement of  
17 mail, and, therefore, a revision of such laws, in order  
18 to provide greater flexibility to the Postmaster General  
19 in this regard, will facilitate more rapid and less expen-  
20 sive delivery of the mail, permit more economic utiliza-  
21 tion of the Nation's transportation resources, and en-  
22 courage more rapid and imaginative development of new  
23 transportation facilities;

24 (4) the working environment of the majority of  
25 postal employees, which has been described as no less

1 than disgraceful in many instances, seldom approaches  
2 those desirable standards long observed in modern pro-  
3 gressive industrial organizations;

4 (5) the public interest demands, and it is the re-  
5 sponsibility of the Congress to provide, prompt and  
6 effective measures to remove these handicaps and limi-  
7 tations on the postal establishment, to give postal man-  
8 agement the means to improve the value and the scope  
9 of postal service at lowest possible rates and fees, and to  
10 create a lasting foundation for a modern, dynamic, and  
11 viable postal institution that is both equipped and em-  
12 powered at all times to satisfy the postal requirements  
13 of the future economic, cultural, and social growth of  
14 the Nation;

15 (6) the major areas to which corrective measures  
16 should be first directed are—

17 (A) the strengthening of top-level postal  
18 management authority—consistent with the level of  
19 responsibility;

20 (B) the provision of critically needed capital  
21 funds, with a necessary measure of access and con-  
22 trol by top management, and a program for the  
23 systematic review and adjustment of postal reve-  
24 nues coupled with an effective authorization for the  
25 use of revenues for payment of current expenses;

1 (C) the clarification of postal transportation  
2 policy;

3 (D) the modernization of postal employee-  
4 management relations and employees' working en-  
5 vironment; and

6 (E) the establishment and maintenance of an  
7 orderly, effective system for the fixing of fair and  
8 reasonable postal rates and fees; and

9 (7) the needed postal reforms can best be accom-  
10 plished, and should be accomplished—within the frame-  
11 work of the historic philosophy and the fundamental  
12 principles upon which the Government is founded—  
13 without radically changing the traditional character of  
14 the postal service as a direct duty of the Government,  
15 effectuated through the delegation of authority and re-  
16 sponsibility to the executive departments and agencies  
17 in a manner that will be most consistent with the gen-  
18 eral welfare and fully responsive to the interests and the  
19 needs of the public.

20 (b) It is, therefore, the purpose of this Act to provide  
21 a means for—

22 (1) the accomplishment of the modernization of  
23 the postal establishment;

24 (2) the provision of rapid, efficient, and economical  
25 postal service to the public;

1 (3) the improvement of postal employee-manage-  
2 ment relations; and

3 (4) the achievement of postal reform generally.

#### 4 TITLE II—APPOINTMENT OF POSTMASTERS

5 SEC. 201. (a) Section 3311 (relating to method of ap-  
6 pointment of postmasters) of title 39, United States Code,  
7 is amended to read as follows:

##### 8 "§ 3311. Method of appointment

9 "(a) The Postmaster General shall appoint postmasters  
10 at post offices of the first, second, and third classes in the  
11 competitive civil service without term. He shall make the  
12 appointments in accordance with the civil service laws and  
13 rules by—

14 "(1) competitive examinations; and

15 "(2) promotions from within the postal service.

16 "(b) The Postmaster General shall appoint postmasters  
17 at post offices of the fourth class without term.

18 "(c) Notwithstanding any other provision of law but  
19 subject to subsection (g) of this section, the Postmaster  
20 General shall make each appointment to a position of post-  
21 master at a post office of any class without regard to any  
22 recommendation or statement, oral or written, with respect  
23 to any person who requests, or is under consideration for,  
24 appointment to a position of postmaster of any class, made  
25 by—



“(1) any Member of the Senate or House of Representatives (including the Resident Commissioner from Puerto Rico) ;

“(2) any elected official of the government of any State (including the Commonwealth of Puerto Rico) or of any county, city, or other political subdivision of such State or Commonwealth;

“(3) any official of a national, State, county, or municipal, or other local political party; or

“(4) any other individual or organization.

“(d) Notwithstanding any other provision of law but subject to subsection (g) of this section, a person or organization referred to in subparagraph (1), (2), (3), or (4) of subsection (c) of this section is hereby prohibited from making or transmitting to the Postmaster General, or to any other officer or employee of the Federal Government, any recommendation or statement, oral or written, with respect to any person who requests, or is under consideration for, appointment to a position of postmaster at a post office of any class. The Postmaster General and any other officer or employee of the Federal Government, subject to subsection (g) of this section—

“(1) shall not solicit, request, consider, or accept any such recommendation or statement; and

“(2) shall return any such recommendation or

statement, if written, received by him, appropriately marked as in violation of this section, to the person or organization making or transmitting the same.

“(e) A person who requests, or is under consideration for, appointment to a position of postmaster at a post office of any class is hereby prohibited from requesting or soliciting any such recommendation or statement from any person or organization within the purview of subparagraph (1), (2), (3), or (4) of subsection (c) of this section. Any person making such solicitation or request, knowing the same to be in violation of this subsection, is disqualified for appointment to the position of postmaster concerned.

“(f) Each application or informational form of the Federal Government used in connection with an application for appointment to a position of postmaster at a post office of any class shall contain appropriate language, in conspicuous and legible type in contrast by typography, layout, or color with other printing in the application or informational form, informing the applicant of the provisions of this section.

“(g) This section shall not be held or considered to prohibit—

“(1) the solicitation, acceptance, and consideration by the Postmaster General or other authorized officer or employee of the Federal Government, or

1       “(2) the furnishing and transmission to the Post-  
 2       master General or such authorized officer or employee  
 3       by any other individual or organization,  
 4       of any statement with respect to a person who requests, or is  
 5       under consideration for, appointment to a position of post-  
 6       master, if—

7       “(A) the statement is furnished pursuant to a  
 8       request or requirement of the Postmaster General  
 9       and consists solely of an evaluation of the work per-  
 10      formance, ability, aptitude, and general qualifications  
 11      of an employee in the postal service who is under  
 12      consideration for promotion to a position of post-  
 13      master in accordance with subparagraph (2) of sub-  
 14      section (a) of this section;

15      “(B) the statement is furnished by an individ-  
 16      ual or organization referred to in subparagraph (4)  
 17      of subsection (c) of this section pursuant to a re-  
 18      quest made by an authorized representative of the  
 19      Federal Government solely in order to determine  
 20      whether the person who requests, or is under con-  
 21      sideration for, appointment to a position of post-  
 22      master meets—

23      “(i) the loyalty, suitability, and character  
 24      requirements for employment with the Federal  
 25      Government;

1       “(ii) the residence requirements for post-  
 2       masters imposed by section 3312 of this title; or

3       “(iii) both; or

4       “(C) the statement is furnished by a former  
 5       employer of the person who requests, or is under  
 6       consideration for, appointment to a position of post-  
 7       master, pursuant to a request of the Postmaster  
 8       General, and consists solely of an evaluation of the  
 9       work performance, ability, aptitude, and general  
 10      qualifications of such person during his employment  
 11      with such former employer.”.

12      (b) Section 3315 (relating to the filling of vacancies  
 13      in positions of postmaster) of title 39, United States Code,  
 14      is amended by adding at the end thereof the following new  
 15      subsection:

16      “(d) The prohibitions, restrictions, exceptions, and re-  
 17      lated provisions of section 3811 of this title governing the  
 18      appointment of postmasters also shall apply with respect to  
 19      the interim appointment, assignment, or designation of any  
 20      person in accordance with subparagraphs (1) to (4), in-  
 21      clusive, of subsection (a) of this section.”.

22      (c) The amendments made by subsections (a) and  
 23      (b) of this section shall not affect the status or tenure, on  
 24      the effective date of this section, of—

- 1 (1) postmasters in office; and  
 2 (2) persons appointed, assigned, or designated in  
 3 accordance with subparagraphs (1) to (4), inclusive,  
 4 of section 3315 (a) of title 39, United States Code.

### 5 TITLE III—POSTAL TRANSPORTATION

#### 6 REVISION OF CHAPTER 95 OF TITLE 39, UNITED STATES

#### 7 CODE

8 SEC. 301. Chapter 95 of title 39, United States Code, is  
 9 amended to read as follows:

### 10 **“Chapter 95.—TRANSPORTATION OF MAIL BY RAIL- 11 ROAD, MOTOR CARRIER, AND FREIGHT FOR- 12 WARDER**

“Sec.

“6201. Definitions.

“6202. Service by carriers.

“6203. Authorization of service by carriers.

“6204. Facilities provided by carriers.

“6205. Changes in service.

“6206. Evidence of service.

“6207. Fines and deductions.

“6208. Interstate Commerce Commission to fix rates.

“6209. Procedures.

“6210. Special rates.

“6211. Authority to distinguish between classes of mail.

“6212. Transportation by motor vehicle.

“6213. Statistical studies.

“6214. Special contracts.

“6215. Railroad operations, receipts, and expenditures.

#### 13 **“§ 6201. Definitions**

14 “As used in this chapter—

15 “(1) ‘carrier’ means a railroad, a freight forwarder,  
 16 and a motor carrier;

17 “(2) ‘railroad’ means a railway common carrier,

1 including an electric urban and interurban railway com-  
 2 mon carrier;

3 “(3) ‘motor carrier’ means any common carrier of  
 4 property by motor vehicle as defined in section 303  
 5 (a) (14) of title 49 (section 203 (a) (14) of the Inter-  
 6 state Commerce Act) which holds a certificate of public  
 7 convenience and necessity issued by the Interstate Com-  
 8 merce Commission, except that the Postmaster General,  
 9 as he deems necessary in the public interest, may utilize  
 10 motor carriers holding a permit or a certificate of regis-  
 11 tration from the Commission upon the filing of a notice  
 12 in the Federal Register specifying the types and classes  
 13 of such carriers eligible to transport mail;

14 “(4) ‘freight forwarder’ means any regulated  
 15 freight forwarder which holds itself out to the general  
 16 public as a common carrier to transport or provide trans-  
 17 portation of property as authorized by a permit issued  
 18 by the Commission; and

19 “(5) ‘Commission’ means the Interstate Commerce  
 20 Commission.

#### 21 **“§ 6202. Service by carriers**

22 “This chapter applies to mail transportation performed  
 23 by—

24 “(1) a railroad by means of rail, by means of a



1 combination of rail and vessel, or by means of motor  
2 vehicle as provided by section 6212 of this title; or

3 “(2) a carrier other than a railroad by means  
4 other than those described in subparagraph (1) of this  
5 section.

6 **“§ 6203. Authorization of service by carriers**

7 “(a) The Postmaster General may establish carrier mail  
8 routes and authorize mail transportation service thereon. He  
9 may transport equipment and supplies of the Department as  
10 mail thereon.

11 “(b) A carrier shall transport mail, including equipment  
12 and supplies of the Department, offered by the United States  
13 for transportation, in the manner, under the conditions, and  
14 with the type of service prescribed by the Postmaster Gen-  
15 eral. The carrier is entitled to receive fair and reasonable  
16 compensation for the transportation and service connected  
17 therewith.

18 “(c) The Postmaster General shall determine the rail-  
19 road trains and the motor vehicles upon which mail shall be  
20 transported.

21 “(d) A carrier shall transport with due speed, on any  
22 train or motor vehicle it operates, such mail, including equip-  
23 ment and supplies of the Department, as the Postmaster  
24 General directs.

25 “(e) A carrier engaged in the transportation of mail

1 shall transport on any train or motor vehicle operated by that  
2 carrier, upon the exhibition of their credentials and without  
3 extra charge therefor—

4 “(1) persons in charge of the mail when on duty  
5 and traveling to and from duty; and

6 “(2) accredited agents and officers, including postal  
7 inspectors, of the Department while traveling on official  
8 business.

9 “(f) At any time after the effective date of this chapter,  
10 the Postmaster General may issue a statement or statements  
11 of service, which shall be published in the Federal Register,  
12 describing the services required of carriers for mail trans-  
13 portation. Each statement of service shall set forth—

14 “(1) the Postmaster General’s requirements for mail  
15 transportation;

16 “(2) the units of service with respect to which com-  
17 pensation (as determined by the Postmaster General  
18 to be fair and reasonable for the service required) will  
19 be paid; and

20 “(3) such other information as may be material to  
21 such mail transportation and the establishment of rates  
22 of compensation therefor.

23 **“§ 6204. Facilities provided by carriers**

24 “(a) A carrier engaged in the transportation of mail  
25 shall provide the following equipment and facilities—

1 “(1) cars or motor vehicles or parts thereof used  
2 in the transportation and distribution of mail;

3 “(2) facilities for protecting and handling mail in  
4 its custody;

5 “(3) station space and rooms for handling, storing,  
6 and transfer of mail in transit, including the separation  
7 thereof by packages for connecting lines, and for dis-  
8 tribution of registered or certified mail in transit; and

9 “(4) when required by the Postmaster General,  
10 offices for employees of the postal service engaged in  
11 station work, in which mail from station boxes may be  
12 distributed if additional space is not required therefor.

13 “(b) Carrier post office cars or vehicles, or parts thereof,  
14 used for mail transportation and distribution, must be of such  
15 construction, style, length, and character, and must be  
16 equipped in such manner, as the Postmaster General requires.  
17 Such cars or vehicles, or parts thereof, must be constructed,  
18 equipped, maintained, heated, lighted, and cleaned by and at  
19 the expense of the carrier. The Postmaster General may not  
20 pay for full and apartment carrier post office service unless  
21 the car or vehicle furnished therefor is sound in material and  
22 construction, is equipped with sanitary drinking water con-  
23 tainers and toilet facilities, and is regularly and thoroughly  
24 cleaned. He may not accept or pay for service by a full car-

1 rier post office car or vehicle unless it is constructed of steel,  
2 steel underframe, or equally indestructible material.

3 “(c) A carrier shall place cars or vehicles used for full  
4 or apartment carrier post office service in position at such  
5 times before departure as the Postmaster General directs.

#### 6 “§ 6205. Changes in service

7 “The Postmaster General—

8 “(1) may authorize, according to the need therefor,  
9 new or additional mail transportation service by carriers  
10 at the rates of compensation fixed pursuant to this  
11 chapter; and

12 “(2) may reduce or discontinue service with pro  
13 rata reductions in compensation; but

14 “(3) may not pay for additional service which he  
15 has not specifically authorized.

#### 16 “§ 6206. Evidence of service

17 “A carrier shall submit evidence of its performance of  
18 mail transportation service, signed by an authorized official  
19 of that carrier, in such form and at such times as the Post-  
20 master General requires. Mail transportation service is con-  
21 sidered that of the carrier performing the service regardless  
22 of the ownership of the property used by the carrier.

#### 23 “§ 6207. Fines and deductions

24 “(a) The Postmaster General may fine any carrier in

1 an amount not to exceed \$500 for each day the carrier  
 2 refuses to perform mail transportation service required by  
 3 the Postmaster General at rates of compensation established  
 4 under this chapter.

5 “(b) the Postmaster General shall fine a carrier engaged  
 6 in the transportation of mail such amount as he deems reason-  
 7 able for—

8 “(1) failure or refusal by that carrier, when re-  
 9 quired by the Postmaster General, to transport mail,  
 10 equipment, and supplies on any train or motor vehicle  
 11 operated by that carrier;

12 “(2) failure or refusal by that carrier, when re-  
 13 quired by the Postmaster General, to furnish cars or  
 14 motor vehicles, or apartments in cars or motor vehicles,  
 15 for distribution purposes;

16 “(3) failure or refusal by that carrier to construct,  
 17 equip, maintain, heat, light, and clean cars or motor  
 18 vehicles or apartments in cars or motor vehicles for  
 19 distribution purposes;

20 “(4) failure or refusal by that carrier to furnish  
 21 appliances for use in case of accident, as required by the  
 22 Postmaster General, in cars or motor vehicles, or apart-  
 23 ments in cars or motor vehicles, used for distribution  
 24 purposes; or

1 “(5) other delinquencies in mail transportation and  
 2 the service connected therewith.

3 “(c) The Postmaster General may make deductions  
 4 from the compensation of a carrier for failure of that carrier  
 5 to perform mail transportation service as required. If the  
 6 failure to perform is due to the fault of the carrier, the Post-  
 7 master General may deduct a sum not exceeding three times  
 8 the compensation applicable to such service.

9 “§ 6208. Interstate Commerce Commission to fix rates.

10 “(a) The Commission shall determine, and fix from time  
 11 to time, the fair and reasonable rates of compensation for the  
 12 transportation of mail by carrier and the service connected  
 13 therewith, and shall prescribe the method for computing  
 14 such rates of compensation. The Commission shall publish  
 15 its orders stating its determinations under this section which  
 16 shall remain in force until changed by it after notice and  
 17 hearing.

18 “(b) For the purpose of determining and fixing rates of  
 19 compensation under this section, the Commission may make  
 20 just and reasonable classifications of carriers and, where just  
 21 and equitable, fix general rates applicable to carriers in the  
 22 same classification.

23 “(c) In determining and fixing fair and reasonable



1 rates under this section, the Commission shall consider the  
 2 relation between carriers, as public corporations, and the  
 3 Government, and the nature of the public service as distin-  
 4 guished, if there is a distinction, from the ordinary transpor-  
 5 tation business of the carriers.

6 **“§ 6209. Procedures**

7 “(a) The initial rates of compensation at which mail  
 8 shall be transported by carriers pursuant to the provisions  
 9 of this chapter shall be the rates of compensation described  
 10 in the statement or statements of service issued by the Post-  
 11 master General under section 6203 of this chapter.

12 “(b) At any time after six months from the issuance  
 13 by the Postmaster General of a statement of service and  
 14 initial rates, or at any time after six months from the entry  
 15 of an order by the Commission fixing rates of compensation  
 16 for the transportation of mail as provided in subsection (c)  
 17 of this section, the Postmaster General, any carrier, or a  
 18 group of such carriers may file with the Commission a peti-  
 19 tion requesting an investigation of the initial rates of com-  
 20 pensation or of the rates of compensation fixed by the  
 21 Commission.

22 “(c) Upon the filing of a petition under subsection  
 23 (b) of this section, and for good cause shown, the Com-  
 24 mission shall promptly institute an investigation to deter-  
 25 mine and fix fair and reasonable rates of compensation for

1 the transportation of mail by common carriers, and the  
 2 services in connection therewith, and shall prescribe the  
 3 method for computing such rates of compensation. Rates of  
 4 compensation fixed by the Commission pursuant to this  
 5 subsection shall have effect prospectively from the date the  
 6 Commission's order fixing such rates of compensation is  
 7 issued or such later date as the Commission shall prescribe  
 8 in its order.

9 “(d) Except as authorized by sections 6210 and 6214  
 10 of this title, or the applicable provisions of any other law, the  
 11 Postmaster General shall pay a carrier the rates of compen-  
 12 sation so determined and fixed for application at such stated  
 13 times as named in the order.

14 “(e) The Postmaster General may file with the Com-  
 15 mission a comprehensive plan, stating—

16 “(1) his requirements for the transportation of  
 17 mail by carrier;

18 “(2) the number, equipment, size, and construction  
 19 of the cars or motor vehicles necessary for the transpor-  
 20 tation of mail;

21 “(3) the character and speed of the trains or motor  
 22 vehicles which are to carry the various kinds of mail;

23 “(4) the service, both terminal and en route, which  
 24 carriers are to render;

25 “(5) the rates of compensation for the service

1 required which he believes to be fair and reasonable;  
2 and

3 “(6) all other information which may be material  
4 to any inquiry pursuant to subsection (f) of this section,  
5 but such other information may be filed at any time  
6 during the inquiry in the discretion of the Commission.

7 “(f) When a comprehensive plan is filed, the Commis-  
8 sion shall give notice thereof of not less than thirty days to  
9 each carrier required by the Postmaster General to transport  
10 mail. A carrier may file its answer to the plan at the time  
11 fixed by the Commission, but not later than thirty days after  
12 the expiration date for the answer to be filed fixed by the  
13 Commission in the notice, and the Commission shall proceed  
14 with the hearing.

#### 15 **“§ 6210. Special rates**

16 “Upon petition by the Postmaster General the Com-  
17 mission shall determine and fix carrier carload or less-  
18 than-carrier-carload rates for the transportation of fourth-class  
19 and periodical mail. A carrier shall perform the service at  
20 the rates so determined when requested to do so and under  
21 the conditions prescribed by the Postmaster General.

#### 22 **“§ 6211. Authority to distinguish between classes of mail**

23 “The Postmaster General may distinguish between the  
24 several classes of mail and arrange for less frequent dis-  
25 patches of mail other than first-class mail than he arranges

1 for first-class mail when lower transportation rates or other  
2 economies may be secured without material detriment of the  
3 service.

#### 4 **“§ 6212. Transportation by motor vehicle**

5 “The Postmaster General may permit a railroad to per-  
6 form mail transportation by motor vehicle over highways in  
7 lieu of service by rail at rates of compensation not exceeding  
8 those allowable for similar service by rail.

#### 9 **“§ 6213. Statistical studies**

10 “The Postmaster General may arrange for weighing and  
11 measuring mail transported on carrier mail routes and make  
12 other computations for statistical and administrative purposes  
13 to carry out the purposes of this chapter and pay the  
14 expenses thereof out of funds available to the Department.

#### 15 **“§ 6214. Special contracts**

16 “The Postmaster General may enter into special con-  
17 tracts with carriers for terms not to exceed four years for  
18 the transportation of mail, and for the service connected  
19 therewith, without advertising for bids. He may contract to  
20 pay lower rates of compensation, or, if in his judgment  
21 conditions warrant, higher rates of compensation, than those  
22 determined and fixed by the Commission.

#### 23 **“§ 6215. Railroad operations, receipts, and expenditures**

24 “The Postmaster General shall request all railroad com-  
25 panies transporting the mails to furnish, under seal, such

1 data relating to the operations, receipts, and expenditures of  
 2 such railroads as may, in his judgment, be necessary to  
 3 enable him to ascertain the cost of mail transportation and  
 4 the proper compensation to be paid for the same. He shall, in  
 5 his annual report to Congress, make such recommendations,  
 6 founded on the information obtained under this section, as  
 7 shall, in his opinion, be just and equitable."

8 SEC. 302. The table of contents of part VI of title 39,  
 9 United States Code, is amended by striking out

"95. Transportation of Mail by Railroad."

10 and inserting in lieu thereof

"95. Transportation of Mail by Railroad, Motor Carrier, and Freight For-  
 warder."

11 **PROCUREMENT OF AIR TRANSPORTATION BY**

12 **NEGOTIATED CONTRACT**

13 SEC. 303. Chapter 97 of title 39, United States Code, is  
 14 amended by inserting immediately after section 6301, the  
 15 following new section;

16 **"§ 6301a. Contracting for transportation of mail by air**

17 "Notwithstanding any other provision of law and, when-  
 18 ever he shall find it in the public interest, the Postmaster  
 19 General may, without advertising for bids, contract for the  
 20 transportation of mail by aircraft with any certified air car-  
 21 rier between any of the points between which such air carrier  
 22 is authorized by the Civil Aeronautics Board to engage in

1 the transportation of mail. He may provide in any such con-  
 2 tract for the payment of rates of compensation which are  
 3 higher or lower than those prescribed pursuant to section  
 4 1376 of title 49 for the transportation of mail between the  
 5 points to be served under the contract."

6 SEC. 304. The table of contents for chapter 97 of title,  
 7 39, United States Code, is amended by inserting therein  
 8 immediately following:

"6301. Rules and regulations."

9 the following:

"6301a. Contracting for transportation of mail by air."

10 **MISCELLANEOUS PROVISIONS**

11 SEC. 305. Section 6402 of title 39, United States Code,  
 12 is amended to read as follows:

13 **"§ 6402. Authority to contract for mail transportation**

14 "The Postmaster General may contract for necessary  
 15 domestic or foreign transportation of mail, except that—

16 "(1) transportation of mail by railroad shall be  
 17 obtained in accordance with chapter 95 of this title and  
 18 as otherwise provided by law;

19 "(2) transportation of mail by air shall be obtained  
 20 in accordance with chapter 97 of this title;

21 "(3) highway post office service shall be obtained  
 22 in accordance with chapter 99 of this title;



1 “(4) delivery and collection service may not be  
2 established or extended under any star route contract on  
3 a rural route other than a vacant rural route which does  
4 not meet the minimum standards established by the Post-  
5 master General;

6 “(5) transportation of mail by regulated motor  
7 carrier or freight forwarder, as defined in section 6201 of  
8 this title, shall be obtained in accordance with chapter 95  
9 of this title, or as provided in this chapter; and

10 “(6) transportation of mail, in passenger-carrying  
11 motor vehicles, by passenger common carriers shall be  
12 obtained in accordance with section 6402a of this title.”

13 SEC. 306. Chapter 101 of title 39, United States Code, is  
14 amended by inserting immediately following section 6410 a  
15 new section 6410a, to read as follows:

16 **“§ 6410a. Through service by intermodal transportation**

17 “The Postmaster General may make contracts, without  
18 advertising for bids, for the transportation of mail by contract  
19 motor vehicle service when such service is a part of a through  
20 service with rail, air, or vessel transportation.”

21 SEC. 307. The table of contents of chapter 101 of title  
22 39, United States Code, is amended by inserting immediately  
23 following:

“6410. Transportation of mail by vessel as freight or express.”

24 the following:

“6410a. Through service by intermodal transportation.”

1 SEC. 308. (a) The heading for chapter 101 of title 39,  
2 United States Code, is amended to read as follows:

3 **“Chapter 101.—TRANSPORTATION OF MAIL OTHER**  
4 **THAN BY RAIL, AIR, HIGHWAY POST OFFICE,**  
5 **REGULATED MOTOR CARRIER OR FREIGHT**  
6 **FORWARDER”.**

7 (b) The table of contents of part VI of title 39, United  
8 States Code, is amended by striking out

“101. Transportation of Mail Other Than by Rail, Air, or Highway Post  
Office.”

9 and inserting in lieu thereof

“101. Transportation of Mail Other Than by Rail, Air, Highway Post  
Office, Regulated Motor Carrier or Freight Forwarder.”

10 SEC. 309. (a) Subsection (a) of section 6420 of title  
11 39, United States Code, is repealed.

12 (b) Subsection (b) of such section is amended by  
13 striking out “(b)” at the beginning thereof.

14 SEC. 310. This title does not—

15 (1) impair the authority of the Postmaster General  
16 to enter into star route contracts under provisions of  
17 law other than those contained in this title;

18 (2) impair or suspend contracts for the transporta-  
19 tion of mail which are in effect on the effective date of  
20 this title; or

21 (3) modify or change any rate of compensation  
22 for the transportation of mail under chapter 95 of title

1 39, United States Code, as in effect immediately prior  
 2 to the effective date of this title, until appropriate action  
 3 is taken in accordance with such chapter as amended by  
 4 this title.

5 SEC. 311. Section 6405 of title 39, United States Code,  
 6 is amended to read as follows:

7 **“§ 6405. Duration of contracts**

8 “(a) The Postmaster General may make contracts for  
 9 the transportation of mail for terms not in excess of four  
 10 years.

11 “(b) This section does not apply to mail messenger serv-  
 12 ice or to any contract for which the maximum term is pro-  
 13 vided by any other provision of this title.”

14 **TITLE IV—MODERNIZATION OF POSTAL**  
 15 **FACILITIES**

16 SEC. 401. (a) Chapter 23 of title 39, United States  
 17 Code, is amended to read as follows:

18 **“Chapter 23.—PROPERTY AND POSTAL**  
 19 **MODERNIZATION**

20 **“GENERAL PROVISIONS**

“Sec.

“2101. Gifts, donations of services and property.

“2117. Sublease of property.

1 **“POSTAL MODERNIZATION AUTHORITY**

“2121. Definitions.

“2122. Establishment and purposes.

“2123. Administrator.

“2124. Executive Director.

“2125. Appointment, duties, and pay of officers and employees.

“2126. Powers.

“2127. Transfers of property.

“2128. Leases.

“2129. Bonds.

“2130. Accounts.

“2131. Protection of public moneys and property.

2 **“GENERAL PROVISIONS**

3 **“§ 2101. Gifts, donations of services and property**

4 “The Postmaster General and the Postal Modernization  
 5 Authority may accept gifts and donations of services and  
 6 property in aid of the activities of the Department or the  
 7 Authority.

8 **“§ 2117. Sublease of property**

9 “The Postmaster General may sublease real property,  
 10 and any interest therein, acquired for use or used for postal  
 11 purposes on such terms as he deems appropriate to the best  
 12 interests of the United States.

13 **“POSTAL MODERNIZATION AUTHORITY**

14 **“§ 2121. Definitions**

15 “As used in this chapter—

1 “(1) ‘Administrator’ means the Administrator of  
2 the Postal Modernization Authority;

3 “(2) ‘Authority’ means the Postal Modernization  
4 Authority established by section 2122 of this chapter;

5 “(3) ‘bonds’ means negotiable and nonnegotiable  
6 bonds, notes, and other evidences of indebtedness or  
7 other obligations issued by the Authority; and

8 “(4) ‘equipment’ includes machinery and vehicles.

9 **“§ 2122. Establishment and purposes**

10 “(a) There is established the Postal Modernization  
11 Authority, a body corporate, as an instrumentality of the  
12 United States, whose principal office shall be in Washing-  
13 ton, District of Columbia. The Administrator of the Au-  
14 thority shall be deemed the incorporator.

15 “(b) The Authority is established for the purposes of—

16 “(1) financing, acquiring, improving, replacing,  
17 modernizing, and holding title to property, facilities,  
18 systems, and equipment necessary for the administration  
19 and operation of the postal service, together with plan-  
20 ning related thereto;

21 “(2) leasing such property, facilities, systems, and  
22 equipment to the Department; and

23 “(3) performing other functions and activities re-  
24 lated to matters within the purview of subparagraphs  
25 (1) and (2) of this subsection.

1 **“§ 2123. Administrator**

2 “The Postmaster General shall be the Administrator  
3 of the Authority. If there is no Postmaster General, the per-  
4 son acting as Postmaster General shall serve as acting  
5 Administrator of the Authority. The Administrator or the  
6 acting Administrator, as the case may be, of the Authority  
7 shall exercise the powers and duties of the Authority.

8 **“§ 2124. Executive Director**

9 “There shall be an Executive Director of the Authority,  
10 appointed by the Administrator, who shall discharge such  
11 administrative and executive functions of the Authority as  
12 the Administrator may direct. The term of office of the  
13 Executive Director shall be for five years unless he is  
14 sooner removed by the Administrator for cause.

15 **“§ 2125. Appointment, duties, and pay of officers and**  
16 **employees**

17 “Subject to the prohibitions, restrictions, exceptions,  
18 and related provisions of section 3311 of this title (govern-  
19 ing the appointment of postmasters), the Administrator  
20 shall—

21 “(1) appoint, in accordance with the provisions  
22 of title 5 governing appointments in the competitive  
23 service, and define the duties of, such officers and  
24 employees as may be necessary to carry out the powers,  
25 functions, and duties of the Authority; and



1 “(2) fix the rates of basic pay of such officers and  
2 employees in accordance with the provisions of chapter  
3 51 and subchapter III of chapter 53 of title 5, relating  
4 to classification and General Schedule pay rates.

5 **“§ 2126. Powers**

6 “Except as otherwise specifically provided in this chap-  
7 ter, the Authority—

8 “(1) shall have succession in its corporate name;

9 “(2) may sue and be sued in its corporate name in  
10 the manner provided by section 507 of title 28;

11 “(3) may adopt and use a corporate seal, which  
12 shall be judicially noticed;

13 “(4) may adopt, amend, and repeal bylaws;

14 “(5) may acquire, hold, and use any property, real,  
15 personal, or mixed, tangible or intangible, or any interest  
16 therein, which it finds necessary for carrying out its  
17 purposes;

18 “(6) may lease, sell, or encumber any property of  
19 the Authority as it may find necessary in order to carry  
20 out the purposes of the Authority;

21 “(7) may obtain services of experts and consultants  
22 in accordance with section 3109 of title 5 at rates of  
23 compensation not in excess of the per diem equivalent of  
24 the rate prescribed for level V of the Executive  
25 Schedule;

1 “(8) shall have power, subject to the limitations of  
2 section 868 of title 31, or as otherwise specifically pro-  
3 vided in this chapter—

4 “(A) to borrow money, and to make and issue  
5 bonds, to carry out the purposes of this chapter, in an  
6 aggregate amount not exceeding \$20,000,000,000  
7 outstanding at any one time;

8 “(B) to make and issue such bonds as the  
9 Authority may from time to time determine to issue  
10 for the purpose of refunding bonds previously issued  
11 by the Authority;

12 “(C) to secure the payment of all bonds or any  
13 part thereof, and the rights of the holders thereof, by  
14 pledge, mortgage, or deed of trust of any property,  
15 revenues, rentals, or receipts; and

16 “(D) to make such agreements with the pur-  
17 chasers or holders of such bonds or with others in  
18 connection with any such bonds, whether issued or  
19 to be issued, as the Authority shall deem advisable;

20 “(9) may make contracts in its corporate name  
21 and execute all instruments necessary or advisable for the  
22 carrying on of its business;

23 “(10) may enter into such agreements, contracts,  
24 leases, or other arrangements with the United States or

1 any agency thereof, as may be appropriate in carrying  
2 out the purposes of this chapter;

3 “(11) may convey or dispose of property of the  
4 Authority, by deed, lease, or otherwise, and encumber  
5 the same, for the purposes of this chapter; and

6 “(12) shall have such other powers and may per-  
7 form such other acts as it deems necessary or appropriate  
8 to carry out the purposes of the Authority.

9 **“§ 2127. Transfers of property**

10 “(a) Within one year after the Authority is established,  
11 or at such other time as may be approved by the Authority,  
12 the Postmaster General, on behalf of the United States, shall  
13 transfer to the Authority the following property:

14 “(1) the mail equipment shops located in Wash-  
15 ington, District of Columbia;

16 “(2) all equipment of the Department;

17 “(3) the unobligated balance of appropriations in  
18 the site acquisition account of the Department;

19 “(4) all real property, and all interests therein,  
20 whose ownership was acquired by the Postmaster Gen-  
21 eral pursuant to section 2103 (prior to repeal of such  
22 section) of this title or which is under the administration  
23 of the Department for the purpose of constructing a  
24 postal building from funds appropriated or transferred

1 to the Department, together with all funds appropriated  
2 or allocated therefor;

3 (5) all leases, contracts therefor, and rental agree-  
4 ments made by the Department; and

5 “(6) all real property under the administration of  
6 the Department, substantially all of which is used by the  
7 Department and which the Postmaster General deter-  
8 mines to be in excess of the needs of the Department.

9 “(b) All real property and equipment, and all interests  
10 therein, acquired by the Department after the establishment  
11 of the Authority shall be transferred to the Authority as of  
12 the date of acquisition. All real property of the United States  
13 under the administration of the Postmaster General which is  
14 being improved or renovated by the Department at the time  
15 of the establishment of the Authority shall be transferred to  
16 the Authority upon completion of the improvement or  
17 renovation.

18 “(c) There may be excluded from transfer under this  
19 section such property, or interests therein, and such funds,  
20 as the Administrator shall determine would not be useful to  
21 the carrying out of the functions of the Authority.

22 **“§ 2128. Leases**

23 “The Authority shall lease to the Department such real

1 and personal property owned by the Authority as may be  
 2 needed by the Department at rentals which shall be estab-  
 3 lished, with respect to each item of property so leased, in an  
 4 amount equal to the aggregate of—

5 “(1) the amount necessary to amortize the adjusted  
 6 cost of the leased property over the estimated period  
 7 of useful life of the property; and

8 “(2) the amount necessary to reimburse the Au-  
 9 thority for the cost of the interest on its bonds, and  
 10 for its other expenses, which are allocable to such  
 11 property,

12 as shown on the books of the Authority.

### 13 § 2129. Bonds

14 “(a) Bonds issued by the Authority under this chapter  
 15 shall be negotiable instruments unless otherwise specified  
 16 therein. Such bonds shall pledge the full faith and credit of  
 17 the Authority, but shall not be obligations of, nor shall pay-  
 18 ment of the principal thereof or interest thereon be guaran-  
 19 teed by, the United States. The proceeds realized by the  
 20 Authority from issuance of bonds and from other sources  
 21 shall not be subject to apportionment under the provisions  
 22 of section 3679 of the Revised Statutes, as amended (31  
 23 U.S.C. 665).

24 “(b) Bonds issued by the Authority under this  
 25 chapter—

1 “(1) shall be in such forms and denominations;

2 “(2) shall be sold at such times and in such  
 3 amounts;

4 “(3) shall mature at such time or times not more  
 5 than fifty years from their respective dates;

6 “(4) shall be sold at such prices;

7 “(5) shall bear such rates of interest;

8 “(6) may be redeemable before maturity at the  
 9 option of the Authority in such manner and at such times  
 10 and redemption premiums as the Authority shall deter-  
 11 mine;

12 “(7) may be entitled to such relative priorities of  
 13 claim on the assets of the Authority with respect to prin-  
 14 cipal and interest payments as the Authority shall deter-  
 15 mine; and

16 “(8) shall be subject to such other terms and con-  
 17 ditions,

18 as the Authority may determine.

19 “(c) (1) At least fifteen days before selling each issue of  
 20 bonds hereunder the Authority shall advise the Secretary  
 21 of the Treasury as to the amount, proposed date of sale,  
 22 maturities, terms, and conditions, and expected rates of in-  
 23 terest of the proposed issue in the maximum possible detail  
 24 and, upon request of the Secretary, shall consult with him or  
 25 his designee thereon. The Authority is not required to obtain



1 the approval of the Secretary or his designee with respect to  
 2 any of the above matters other than the time of issuance of  
 3 the bonds and the maximum rates of interest thereon.

4 “(2) If the Secretary does not approve the time of  
 5 issuance and the maximum rates of interest for a proposed  
 6 issue of bonds within seven working days following the date  
 7 on which he is advised of the proposed sale, the Authority  
 8 may issue to the Secretary interim obligations in the amount  
 9 of the proposed issue, which the Secretary is directed to  
 10 purchase.

11 “(3) If the Authority determines that a proposed issue  
 12 of bonds hereunder cannot be sold on reasonable terms, the  
 13 Authority may issue to the Secretary interim obligations  
 14 which the Secretary is authorized to purchase.

15 “(4) Notwithstanding the foregoing provisions of this  
 16 subsection, not more than \$500,000,000 in obligations issued  
 17 by the Authority to the Secretary shall be outstanding at any  
 18 one time. The obligations shall mature on or before one year  
 19 from date of issue, and shall bear interest equal to the  
 20 average rate (rounded to the nearest one-eighth of a percent)  
 21 on outstanding marketable obligations of the United States  
 22 with maturities from dates of issue of one year or less as of the  
 23 close of the month preceding the issuance of the obligations  
 24 of the Authority.

25 “(5) If agreement is not reached within eight months

1 concerning the issuance of any bonds which the Secretary has  
 2 failed to approve, the Authority may nevertheless proceed to  
 3 sell such bonds on any date thereafter without approval by  
 4 the Secretary in amount sufficient to retire the interim obliga-  
 5 tions issued to him and such interim obligations shall be  
 6 retired from the proceeds of such bonds.

7 “(6) For the purpose of any purchase of the Author-  
 8 ity's obligations the Secretary of the Treasury is authorized  
 9 to use as a public debt transaction the proceeds from the sale  
 10 of any securities issued under the applicable provisions of  
 11 chapter 12 of title 31, and the purposes for which securities  
 12 may be issued under such chapter are extended to include  
 13 any purchase of the obligations of the Authority hereunder.

14 “(d) The Authority may—

15 “(1) sell bonds by negotiation or on the basis of  
 16 competitive bids, subject to the right, if reserved, to  
 17 reject all bids;

18 “(2) designate trustees, registrars, and paying  
 19 agents in connection with said bonds and the issuance  
 20 thereof;

21 “(3) arrange, with the consent of the Comptroller  
 22 General of the United States, for audits of its accounts  
 23 and for reports concerning its financial condition and  
 24 operations by certified public accounting firms (which

1 audits and reports shall be in addition to those required  
2 by sections 850 and 851 of title 31) ; and

3 “(4) subject to any covenants contained in any  
4 agreements entered into with the purchasers or holders  
5 of its bonds, invest the proceeds from the sale of bonds  
6 and other funds under its control in any securities ap-  
7 proved for investment of national bank funds and de-  
8 posit said proceeds and other funds, subject to with-  
9 drawal by check or otherwise, in accordance with  
10 section 867 of title 31.

11 “(e) Bonds issued by the Authority hereunder shall  
12 contain a recital that they are issued pursuant to this chap-  
13 ter, and such recital shall be conclusive evidence of the  
14 regularity of the issuance and sale of such bonds and of  
15 their validity.

16 “(f) Bonds issued by the Authority hereunder shall be  
17 lawful investments and may be accepted as security for all  
18 fiduciary, trust, and public funds, the investment or deposit  
19 of which shall be under the authority or control of any officer  
20 or agency of the United States. The Secretary of the Treasury  
21 or any other officer or agency having authority over or con-  
22 trol of any such fiduciary, trust, or public funds, may at any  
23 time sell any of the bonds of the Authority acquired by them  
24 under this section. Bonds issued by the Authority hereunder  
25 shall be exempt both as to principal and interest from all

1 taxation now or hereafter imposed by any State or local  
2 taxing authority except estate, inheritance, and gift taxes.

### 3 “§ 2130. Accounts

4 “The General Accounting Office, in the settlement of the  
5 accounts of the accountable officer or employee of the Au-  
6 thority, shall not disallow credit for, nor withhold funds  
7 because of, any expenditure in any case in which the Au-  
8 thority determines the expenditure is necessary to honor  
9 the pledge of its full faith and credit in any bonds, or is  
10 necessary to maintain their marketability.

### 11 “§ 2131. Protection of public moneys and property

12 “General statutes for the protection of public moneys or  
13 property of the United States shall apply to the moneys and  
14 property of the Authority and to moneys and properties of  
15 the United States entrusted to the Authority.”.

16 (b) The table of contents of part II of title 39, United  
17 States Code, is amended by striking out—

“23. Property ----- 2101”

18 and inserting in lieu thereof—

“23. Property and Postal Modernization ----- 2101”.

19 SEC. 402. Section 5315 of title 5, United States Code,  
20 is amended by adding at the end thereof the following new  
21 clause:

22 “(90) Executive Director of the Postal Modernization  
23 Authority.”.

1 SEC. 403. (a) Section 101 of the Government Corpora-  
 2 tion Control Act (31 U.S.C. 846) is amended by inserting  
 3 "Postal Modernization Authority;" immediately after "Pan-  
 4 ama Canal Company;"

5 (b) Section 105 of such Act (31 U.S.C. 850) is  
 6 amended by inserting before the period at the end of the  
 7 first sentence the following phrase: "or the powers reserved  
 8 to the Postal Modernization Authority under section 2130  
 9 of title 39, United States Code".

10 SEC. 404. (a) There are hereby transferred to the Postal  
 11 Modernization Authority established under section 2122 of  
 12 title 39, United States Code, as added by section 401 of this  
 13 title, the following functions of the Postmaster General:

14 (1) the acquisition, modernization, improvement,  
 15 and disposition of real property and equipment;

16 (2) the conduct of research, engineering, and de-  
 17 velopment studies and programs; and

18 (3) the making of studies for and the developing of  
 19 long-range plans for improved postal service.

20 (b) So much of the personnel, property, records, and  
 21 unexpended balances of appropriations, allocations, and other  
 22 funds employed, used, held, available, or to be made avail-  
 23 able in connection with functions transferred by this section  
 24 as the Administrator shall determine shall be transferred to

1 the Authority at such time or times, in such manner, and  
 2 with such further measures and dispositions as the Admin-  
 3 istrator shall direct in order to effectuate the transfers re-  
 4 ferred to in this section and to carry out the purposes of this  
 5 title. Personnel transferred in accordance with this subsection  
 6 shall be employed by the Authority without break in service  
 7 or loss of, or reduction in, status, tenure, seniority, pay,  
 8 leave, or any other employee benefits incident to their em-  
 9 ployment immediately prior to such transfer.

10 (c) The incorporation of the Postal Modernization Au-  
 11 thority established by section 2122 of title 39, United States  
 12 Code, shall be held to have been effected on the effective  
 13 date of this title.

14 SEC. 405. If any provision of this title, or the applica-  
 15 tion of such provision, shall be held invalid, the remainder  
 16 of this title, or the application of such provision in any con-  
 17 nection other than that as to which it is held invalid, shall not  
 18 be affected thereby.

## 19 TITLE V—COMMISSION ON POSTAL FINANCE

### 20 ESTABLISHMENT OF COMMISSION

21 SEC. 501. Part II of title 39, United States Code, is  
 22 amended by adding at the end thereof the following new  
 23 chapter:



# 1 **"Chapter 33.—COMMISSION ON POSTAL FINANCE**

"Sec.

"2601. Establishment of Commission on Postal Finance.

"2602. Membership of Commission.

"2603. Personnel of Commission.

"2604. Use of United States mails by Commission.

"2605. Administrative support services for Commission.

"2606. Function of Commission.

"2607. Report of Commission to the President.

"2608. Recommendations of the President.

"2609. Effective dates of recommendations of the President.

"2610. Effect of recommendations of the President on existing law and prior Presidential recommendations.

"2611. Publication of recommendations of the President.

"2612. Effect of this chapter on other laws.

## 2 **"§ 2601. Establishment of Commission on Postal Finance**

3 "There is established a Commission on Postal Finance,  
4 referred to in this chapter as the 'Commission'.

## 5 **"§ 2602. Membership of Commission**

6 "(a) The Commission shall be composed of eleven mem-  
7 bers, who shall be appointed from private life as follows:

8 "(1) five appointed by the President of the United  
9 States;

10 "(2) three appointed by the Speaker of the House  
11 of Representatives; and

12 "(3) three appointed by the President pro tempore  
13 of the Senate.

14 One of the members shall be designated as Chairman by the  
15 President.

16 "(b) The terms of office of persons first appointed as  
17 members of the Commission shall be for the period of eight-  
18 een months beginning July 1, 1969, and ending at the

1 close of December 31, 1970, except that, if any appointment  
2 to membership on the Commission is made after the begin-  
3 ning and before the close of such period, the term of office  
4 based on such appointment shall be for the remainder of  
5 such period.

6 "(c) After December 31, 1970, persons shall be  
7 appointed as members of the Commission with respect to  
8 each period of eighteen months which commences on the  
9 first day of the thirty-first month following the immediately  
10 preceding period of eighteen months for which persons  
11 were appointed as members of the Commission. The terms  
12 of office of persons so appointed shall be for the eighteen-  
13 month period with respect to which the appointment is  
14 made, except that, if any appointment is made after the  
15 beginning and before the close of any such period, the term  
16 of office based on such appointment shall be for the remainder  
17 of such period.

18 "(d) A vacancy in the membership of the Commission  
19 shall be filled in the manner in which the original appoint-  
20 ment was made.

21 "(e) Each member of the Commission who is not an  
22 officer or employee of the Federal Government shall be  
23 paid at the rate of \$200 for each day such member is en-  
24 gaged upon the work of the Commission, and shall be  
25 allowed travel expenses, including a per diem allowance, in

1 accordance with section 5703 (b) of title 5, United States  
2 Code, when engaged in the performance of services for the  
3 Commission.

4 **“§ 2603. Personnel of Commission**

5 “(a) Without regard to the provisions of title 5, United  
6 States Code, governing appointments in the competitive  
7 service, and the provisions of chapter 51 and subchapter III  
8 of chapter 53 of such title, relating to classification and Gen-  
9 eral Schedule pay rates, and on a temporary basis for periods  
10 covering all or part of any period of eighteen months re-  
11 ferred to in subsection (b) or (c) of section 2602 of this  
12 title—

13 “(1) the Commission is authorized to appoint an  
14 Executive Director and fix his basic pay at the rate  
15 provided for level IV of the Executive Schedule; and

16 “(2) with the approval of the Commission, the  
17 Executive Director is authorized to appoint and fix the  
18 basic pay (at respective rates not in excess of the maxi-  
19 mum rate paid under the General Schedule) of such  
20 additional personnel as may be necessary to carry out  
21 the function of the Commission.

22 “(b) Upon the request of the Commission, the head of  
23 any department, agency, or establishment of any branch of  
24 the Federal Government is authorized to detail, on a reim-  
25 bursable basis, for periods covering all or part of any period

1 of eighteen months referred to in subsection (b) or (c) of  
2 section 2602 of this title, any of the personnel of such depart-  
3 ment, agency, or establishment to assist the Commission  
4 in carrying out its function.

5 **“§ 2604. Use of United States mails by Commission**

6 “The Commission may use the United States mails in the  
7 same manner and upon the same conditions as other depart-  
8 ments and agencies of the United States.

9 **“§ 2605. Administrative support services for Commission**

10 “The Administrator of General Services shall provide  
11 administrative support services for the Commission on a  
12 reimbursable basis.

13 **“§ 2606. Function of Commission**

14 “The Commission shall conduct, in each of the respec-  
15 tive periods of eighteen months referred to in subsection (b)  
16 and (c) of section 2702 of this title, a review of—

17 “(1) all postage rates, charges, and fees on all  
18 classes, types, and kinds of mail matter, classifications of  
19 articles mailable, postal zone structures and methods  
20 used in establishing such structures, and other conditions  
21 of mailability, provided for by this title;

22 “(2) all other charges and fees established by the  
23 Department;

24 “(3) the postal policy contained in chapter 27 of  
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1 this title, including, among other matters, the identifica-  
 2 cation of public services, the determination of the costs  
 3 thereof, and the extent to which such policy, identifica-  
 4 tion of services, and determination of costs are consistent  
 5 with the public interest;

6 “(4) the cost ascertainment system of the Depart-  
 7 ment including, among other matters, the methods used  
 8 to determine costs and to allocate such costs among the  
 9 various classes and categories of mail and the services  
 10 performed by the Department; and

11 “(5) the authority, function, operation, and admin-  
 12 istration of the Postal Modernization Authority estab-  
 13 lished by chapter 23 of this title including, among other  
 14 matters, the adequacy of capital funds available for mod-  
 15 ernization of postal facilities and the effectiveness of the  
 16 Authority in providing the modern and efficient build-  
 17 ings, machinery, and equipment required to serve the  
 18 postal needs of the public.

19 Such review by the Commission shall be made for the pur-  
 20 pose of providing—

21 “(A) a comprehensive system of rates, charges,  
 22 and fees for services performed by the postal establish-  
 23 ment that is consistent with the economic, cultural, and  
 24 social interests of the Nation and the general public  
 25 welfare and recovers total costs incurred in the perform-

1 ance of such services after excluding the public service  
 2 costs in accordance with chapter 27 of this title;

3 “(B) a system of cost ascertainment, and of allo-  
 4 cation or apportionment of costs among the various  
 5 classes and categories of mail and the services performed  
 6 by the Department, that is consistent with the best busi-  
 7 ness accounting practices, is fully responsive to the needs  
 8 of management, and is the basis for a sound and equitable  
 9 postal rate structure;

10 “(C) identification of public services and the deter-  
 11 mination of costs thereof on a current basis, in the light  
 12 of the responsibility of the Department to furnish postal  
 13 service to the public, the value of such service to both  
 14 mailers and addressees, and the relationship of postal  
 15 revenues and expenses; and

16 “(D) such changes in the authority, functions,  
 17 management, and operation of the Postal Moderniza-  
 18 tion Authority established by chapter 33 of this title as  
 19 will facilitate the achievement of its purpose to supply  
 20 and maintain, for the postal establishment, the modern  
 21 buildings, machinery, and equipment needed for effi-  
 22 cient and economical service to the public.

# **§ 2607. Report of Commission to the President**

24 “The Commission shall submit to the President a report



1 of the results of each review conducted by the Commission,  
 2 together with its recommendations. Each such report shall be  
 3 submitted not later than the close of the period of eighteen  
 4 months with respect to which the then incumbent members  
 5 of the Commission were appointed.

6 **“§ 2608. Recommendations of the President**

7 “The President shall transmit to the Congress, not later  
 8 than the ninetieth day following the close of each period  
 9 of eighteen months referred to in section 2607 of this title,  
 10 his recommendations with respect to matters within the  
 11 purview of subparagraphs (1), (3), and (5) of section  
 12 2606 of this title. The President may transmit to the Post-  
 13 master General such directions as the President deems appro-  
 14 priate with respect to matters within the purview of subpara-  
 15 graphs (2) and (4) of section 2606 of this title, and such  
 16 recommendations shall be placed in effect by the Postmaster  
 17 General as directed by the President.

18 **“§ 2609. Effective dates of recommendations of the Presi-  
 19 dent**

20 “The recommendations of the President transmitted to  
 21 the Congress in accordance with section 2608 of this title  
 22 shall become effective on such date or dates as the President  
 23 may prescribe in the recommendations, but such recom-  
 24 mendations shall become effective only if, within the period  
 25 of one hundred and twenty days immediately following the

1 date of transmittal of such recommendations by the President  
 2 to the Congress—

3 “(1) there has not been enacted into law a statute  
 4 which modifies, supersedes, or otherwise renders in-  
 5 applicable all or part of such recommendations;

6 “(2) neither House of the Congress has, by bill or  
 7 resolution, disapproved such recommendations; or

8 “(3) both.

9 **“§ 2610. Effect of recommendations of the President on  
 10 existing law and prior Presidential recom-  
 11 mendations**

12 “The recommendations of the President which become  
 13 effective under this chapter shall be held and considered to  
 14 modify, supersede, or render inapplicable, as the case may be,  
 15 to the extent inconsistent therewith—

16 “(1) all provisions of law enacted prior to the date  
 17 the President transmitted such recommendations to the  
 18 Congress pursuant to section 2708 of this title; and

19 “(2) any prior recommendations of the President  
 20 which shall have taken effect under this chapter.

21 **“§ 2611. Publication of recommendations of the President**

22 “The recommendations of the President which take  
 23 effect pursuant to section 2609 of this title shall be printed  
 24 in the Statutes at Large in the same volume as public laws

1 and shall be printed in the Federal Register and included  
2 in the Code of Federal Regulations.

3 **“§ 2612. Effect of this chapter on other laws**

4 “This chapter does not preclude changes in postal rates,  
5 charges, and fees by, or pursuant to, laws (other than this  
6 chapter) in force on, or enacted after, the effective date of  
7 this chapter.”

8 **TITLE VI—POST OFFICE DEPARTMENT**

9 **OPERATING FUND**

10 SEC. 601. (a) Chapter 25 of title 39, United States  
11 Code, is amended by inserting after section 2212 the fol-  
12 lowing:

13 **“POST OFFICE DEPARTMENT OPERATING FUND**

14 **“§ 2221. Definition**

15 “As used in this chapter, ‘Fund’ means the Post Office  
16 Department Operating Fund established by section 2222  
17 of this title.

18 **“§ 2222. Establishment**

19 “The Post Office Department Operating Fund is estab-  
20 lished in the Treasury of the United States as a separate fund  
21 subject to withdrawal by check by the Postmaster General.  
22 There shall be deposited in the Fund the following items,  
23 except to the extent all or any part thereof is transferred to  
24 the Postal Modernization Authority established by chapter  
25 23 of this title:

1 “(1) the unexpended balances of all appropriations  
2 made to the Post Office Department;

3 “(2) any other unexpended balance of the Post  
4 Office Department Fund established under former sec-  
5 tion 2202 of this title;

6 “(3) all revenue of the Department;

7 “(4) payments received by the Department from  
8 the following sources:

9 “(A) payments for damage to Government-  
10 owned vehicles operated by the Department,

11 “(B) payments for the sale of leather, metal,  
12 canvas cuttings, and old canvas resulting from the  
13 manufacture and repair of mail bags and locks,

14 “(C) payments for damage to Government-  
15 owned personal property under custody and control  
16 of the Department,

17 “(D) payments made by contractors for serv-  
18 ices performed for them by postal personnel, and

19 “(E) payments of fines, penalties, and refunds  
20 resulting from nonperformance or inadequate per-  
21 formance of carriers and contractors;

22 “(5) payments and reimbursements made by other  
23 departments and agencies of the Government for services  
24 performed by the Department for such other depart-  
25 ments and agencies;

1 “(6) funds appropriated to the Department in  
2 accordance with law;

3 “(7) receipts from subleases of property under sec-  
4 tion 2117 of this chapter; and

5 “(8) any funds which, except for the provisions of  
6 this chapter and chapter 23 of this title, would be  
7 credited to appropriations made to the Department.

8 **“§ 2223. Use of Fund**

9 “(a) The Postmaster General shall use the moneys in  
10 the Fund to pay all of the expenses and costs of the adminis-  
11 tration and operation of the Department, including, but not  
12 limited to—

13 “(1) as they become due and payable, all obliga-  
14 tions chargeable to balances of appropriations deposited  
15 in the Fund;

16 “(2) salaries, wages, and related retirement and  
17 other employee benefit contributions;

18 “(3) rentals in accordance with section 2128 of this  
19 title;

20 “(4) indemnities for the loss or damage to regis-  
21 tered, insured, and collect-on-delivery mail, and the ex-  
22 pense of manufacturing embossed stamped envelopes,  
23 printed or unprinted;

24 “(5) the face value of money orders issued; and

1 “(6) expenditures which, except for the provisions  
2 of this chapter, would be paid out of the postal revenue or  
3 the revenue of the Department.

4 “(b) Moneys deposited in the Fund shall remain avail-  
5 able for expenditure without limitation as to time and are not  
6 subject to apportionment under section 665 of title 31 (Rev.  
7 Stat. 3679, as amended).

8 “(c) From time to time the Postmaster General shall  
9 deposit in the general fund of the Treasury of the United  
10 States as miscellaneous receipts those balances in the Fund  
11 which he determines to be in excess of the amount required  
12 for the operation and administration of the Department.

13 **“§ 2224. Authorization of appropriations to Fund**

14 “There are hereby authorized to be appropriated to the  
15 Fund—

16 “(1) amounts equal to the amounts of the costs of  
17 public services determined in accordance with the postal  
18 policy contained in chapter 27 of this title, and

19 “(2) amounts equal to the amounts by which the  
20 expenses of the operation and administration of the de-  
21 partmental service and the postal field service exceed  
22 the amounts available in the Fund for the payment of  
23 such expenses.”.



1 (b) Chapter 25 of title 39, United States Code, is  
2 amended—

3 (1) by repealing sections 2201 through 2204, sec-  
4 tions 2231 through 2234, and the center heading  
5 “Postal Modernization Fund” appearing immediately be-  
6 fore section 2231, and

7 (2) by amending the table of contents to read as  
8 follows:

9 “Chapter 25.—FUNDS AND ACCOUNTING

10 “GENERAL

“Sec.  
“2205. Date of orders, entries, contracts.  
“2206. Audit by General Accounting Office.  
“2207. Administrative accounting.  
“2208. System of accounting and control.  
“2209. Responsibility of postmasters.  
“2210. Withholding compensation of postmasters.  
“2211. Administrative examination of accounts.  
“2212. Continuance of disbursing officer’s accounts and issuance of checks.

11 “POST OFFICE DEPARTMENT OPERATING FUND

“2221. Definition.  
“2222. Establishment.  
“2223. Use of Fund.  
“2224. Authorization of appropriations to Fund.”.

12 TITLE VII—EMPLOYEE-MANAGEMENT

13 RELATIONS

14 SEC. 701. Part III of title 39, United States Code, is  
15 amended by adding at the end thereof the following new  
16 chapters:

1 “Chapter 47.—EMPLOYEE-LABOR MANAGEMENT

2 RELATIONS

“Sec.  
“3701. Declaration of policy.  
“3702. Definitions.  
“3703. Recognition of labor organizations.  
“3704. Saving provision—prior agreements.  
“3705. Dues checkoff.  
“3706. Standards of conduct for labor organizations.  
“3707. Code of Fair Labor Practices.  
“3708. Labor-management disputes.  
“3709. Creation of Postal Labor-Management Relations Panel.  
“3710. Powers and duties of Panel.  
“3711. Settlement of grievances.  
“3712. Violations and enforcement.  
“3713. Separability of provisions.

3 “§ 3701. Declaration of policy

4 “(a) Participation of postal employees, through labor  
5 organizations, with management in decisions which affect  
6 them contributes to the effective conduct of the business of  
7 the Post Office Department. Therefore, strong, democrati-  
8 cally administered labor organizations are in the public inter-  
9 est and their development should be encouraged.

10 “(b) The right of labor organizations to organize em-  
11 ployees of the Department, and to bargain collectively, and  
12 to present grievances on their behalf without restraint,  
13 coercion, interference, intimidation, or reprisal is recognized  
14 and encouraged.

15 “§ 3702. Definitions

16 “As used in this chapter—

1       “‘employee’ means any employee in the postal field  
2 service;

3       “‘labor organization’ means any national union of  
4 postal employees and its affiliates, composed of employees  
5 of the Department, in which employees participate and  
6 pay dues, and which has, as one of its basic and central  
7 purposes, dealing with management of the Department  
8 concerning terms and conditions of employment, but  
9 shall not include (1) any organization whose basic  
10 purpose is purely social, fraternal, or limited to special  
11 interest objectives which are only incidentally related  
12 to terms and conditions of employment, (2) any orga-  
13 nization which by ritualistic practice, constitution, or  
14 bylaws proscription, by tacit agreement among its mem-  
15 bers or otherwise, denies membership because of race,  
16 color, religion, national origin, sex, age, or preferential  
17 or nonpreferential civil service status, or (3) any orga-  
18 nization sponsored by the Department or by any agency,  
19 activity, or organization of the Federal Government;

20       “‘representative’ means any representative of a  
21 labor organization, whether an employee or nonem-  
22 ployee of the Department;

23       “‘agreement’ means any collective-bargaining  
24 agreement negotiated pursuant to the provisions of this  
25 chapter;

1       “‘dispute’ includes any controversy concerning  
2 terms, tenure, or conditions of employment, or concern-  
3 ing the association or representative of persons in nego-  
4 tiating, fixing, maintaining, changing, or seeking to  
5 arrange terms or conditions of employment, regardless  
6 of whether the disputants stand in the proximate rela-  
7 tion of employer and employee;

8       “‘grievance’ means any cause for dissatisfaction  
9 outside an employee’s control if the matter arises out of  
10 employment in the postal field service and the remedy  
11 sought is within the authority of the Department, in-  
12 cluding, but not limited to, adverse actions, complaints  
13 of discrimination, any other complaint by any employee  
14 against the Department concerning the effect, interpre-  
15 tation, or application of a collective bargaining agree-  
16 ment, and any violation of any law, rule, or regulation  
17 governing conditions of employment which the Depart-  
18 ment has the authority to correct;

19       “‘adverse action’ means any action which results  
20 in (1) any suspension for any reason of an employee  
21 from his job, (2) any discharge from employment, (3)  
22 any furlough without pay, (4) any reduction in rank or  
23 compensation, including those which are taken at the  
24 election of the Department after a classification decision  
25 by either the United States Civil Service Commission or

the Department, and (5) any withholding of a salary step increase;

“‘conditions of employment’ includes, but is not limited to, such factors as seniority, working conditions and environment, work schedules, work procedures, automation, safety, transfers, job classifications, details, promotion procedures, demotions, assignments and re-assignments, job security, disciplinary actions and appeals, in-service training, labor-management relationship, methods of adjusting grievances, granting of leave, and such other matters as may be specified by law, rule, regulation, or agreement negotiated pursuant to this chapter;

“‘consultation’ means the obtaining and/or entertaining by management of views from designated representatives of the labor organizations relative to formulating, changing, or implementing policies, practices, and working conditions and considering those views, including objections or suggestions, before final action is taken. Such consultation shall permit sufficient time for the representatives of the labor organizations to present formal agreement or objection to management and the reasons for such agreement or objection. If any objections are made, they must receive full consideration before final action is taken;

“‘unit’ means craft of postal employees for the purposes of recognition and representation; and

“‘craft’ means each of the following groups of employees:

“(1) postal clerks.

“(2) city letter carriers.

“(3) mail handlers.

“(4) motor vehicle and motor vehicle maintenance employees.

“(5) rural letter carriers.

“(6) special delivery messengers.

“(7) maintenance employees.

### “§ 3703. Recognition of labor organizations

“(a) Any labor organization shall be granted exclusive recognition within a unit by submitting to the Department a verifiable certified membership list of more than 50 per centum of the total number of employees within the unit. However, if one or more labor organizations submit a verifiable certified membership list of not more than 50 per centum and not less than 30 per centum of the total number of employees within the craft, a secret national ballot election shall be scheduled within a period of sixty days from date of submission.

“(b) The right of a labor organization to selection as

1 the exclusive craft representative on a national basis where  
 2 an election is necessary shall be decided by a national secret  
 3 ballot election with the right of such selection being awarded  
 4 to the labor organization receiving a majority of valid votes  
 5 cast in the election. If no labor organization secures a ma-  
 6 jority of all valid votes cast but a majority of all votes cast  
 7 are for representation by some labor organization, then a run-  
 8 off election shall be held within sixty days thereafter, be-  
 9 tween the two labor organizations securing the largest num-  
 10 ber of votes, to determine the labor organization which has  
 11 achieved exclusive recognition. The election shall be con-  
 12 ducted by the Department of Labor under rules and regula-  
 13 tions promulgated by the Secretary of Labor. Any dispute  
 14 or disagreement as to eligibility of a labor organization or  
 15 an employee to participate in the selection of an exclusive  
 16 craft representative shall be resolved by the Department of  
 17 Labor pursuant to regulations established by the Secretary  
 18 of Labor. Such regulations shall include provision for binding  
 19 arbitration of any such dispute or disagreement.

20 “(c) The Department shall accord exclusive recogni-  
 21 tion on a national craft basis to a labor organization which  
 22 has been selected under subsection (b) of this section. Such  
 23 national exclusive recognition shall be accorded to such labor  
 24 organization and the affiliates thereof at installation, regional,  
 25 and other levels within the Department.

1 “(d) Recognition of a labor organization shall continue  
 2 unless withdrawn pursuant to the provisions of this chapter.  
 3 The Department shall not determine whether a labor orga-  
 4 nization shall become or continue to be recognized as exclu-  
 5 sive representative of the employees in any unit within  
 6 twenty-four months after a determination of exclusive status,  
 7 or while an agreement is in effect with respect to such unit.

8 “(e) No unit shall be established for purposes of ex-  
 9 clusive recognition which includes any Department official  
 10 who has primarily executive, managerial, or policymaking  
 11 responsibilities or any supervisor who officially and regularly  
 12 evaluates the performance of employees.

13 “(f) When a labor organization has been recognized  
 14 as the exclusive craft representative of employees of an  
 15 appropriate unit, it shall be entitled to act for and to nego-  
 16 tiate agreements covering all employees in the unit at the  
 17 national and local installation levels and it shall be respon-  
 18 sible for representing the interests of all such employees.  
 19 Such a labor organization shall have the right to participate  
 20 with management in the formulation, implementation, and  
 21 modification of personnel policies and practices, and all other  
 22 matters affecting the conditions of employment of employees  
 23 in the unit. The Department and such labor organization,  
 24 through appropriate officials and representatives, shall me-



1 at reasonable times for the purposes of consultation as de-  
 2 fined in this chapter. The Department and the recognized  
 3 labor organization shall be required to negotiate in good  
 4 faith for the purpose of arriving at an agreement at any  
 5 level. Such obligation to bargain shall include the determina-  
 6 tion of appropriate bargaining techniques and the inclusion  
 7 of any understanding reached by the parties in a written  
 8 agreement. In exercising authority to make rules and regula-  
 9 tions relating to personnel policies and practices or to work-  
 10 ing conditions, the Department may not make rules or regu-  
 11 lations which are in conflict with any agreements negotiated  
 12 under this chapter.

13 **“§ 3704. Saving provision—prior agreements**

14 “Nothing in this chapter shall nullify any provisions of  
 15 any agreement in effect on the effective date of this Act  
 16 between the Department and any labor organization, except  
 17 as hereafter may be agreed to by the parties thereto, until  
 18 superseded by an agreement made pursuant to this chapter.

19 **“§ 3705. Dues check-off**

20 “Where the Department has received from any em-  
 21 ployee a written assignment which authorizes the Depart-  
 22 ment to deduct from the wages of such employee money for  
 23 the payment of membership dues in a labor organization,  
 24 such assignment shall be honored, except that any such  
 25 assignment shall not be irrevocable for a period of more

1 than one year or beyond the termination date of the ap-  
 2 plicable collective agreement, whichever occurs sooner.

3 **“§ 3706. Standards of conduct for labor organizations**

4 “The Department will not accord exclusive recognition  
 5 to any labor organization unless the labor organization is  
 6 subject to governing requirements adopted by the labor  
 7 organization containing explicit and detailed provisions to  
 8 which it subscribes, providing for—

9 “(1) the maintenance of democratic procedures  
 10 and practices, including provisions for periodic elections  
 11 to be conducted subject to recognized safeguards and  
 12 provisions defining and securing the right of individual  
 13 members to participation in the affairs of the labor  
 14 organization, to fair and equal treatment under the  
 15 governing rules of the organization, and to fair process  
 16 in disciplinary proceedings;

17 “(2) the exclusion from office in the labor organi-  
 18 zation of persons affiliated with Communist or other  
 19 totalitarian movements;

20 “(3) the prohibition of business or financial in-  
 21 terests on the part of labor organization officers and  
 22 agents which conflict with their duty to the organization  
 23 and its members; and

24 “(4) the maintenance of fiscal integrity in the  
 25 conduct of the affairs of the labor organization, including

1 provision for accounting and financial controls and regu-  
 2 lar financial reports or summaries to be made available  
 3 to members.

4 **“§ 3707. Code of Fair Labor Practices**

5 “(a) The Department is prohibited from—

6 “(1) interfering with, restraining, or coercing any  
 7 employee in the exercise of the rights assured by this  
 8 chapter;

9 “(2) encouraging or discouraging membership in  
 10 any labor organization by discrimination in regard to  
 11 hiring, tenure, promotion, or other conditions of em-  
 12 ployment;

13 “(3) sponsoring, controlling, or otherwise assisting  
 14 any employee organization, except that the Department  
 15 may furnish customary and routine services and facili-  
 16 ties;

17 “(4) disciplining or otherwise discriminating  
 18 against any employee because he has filed a complaint  
 19 or given testimony under this chapter or under the  
 20 Standards of Conduct for Labor Organizations or the  
 21 Code of Fair Labor Practices;

22 “(5) refusing to accord exclusive recognition to a  
 23 labor organization qualified for such recognition; and

24 “(6) refusing to hear, consult, confer, or negotiate

1 in good faith with a labor organization as required by  
 2 this chapter.

3 “(b) The labor organization is prohibited from—

4 “(1) interfering with, restraining, or coercing any  
 5 employee in the exercise of the rights assured by this  
 6 chapter;

7 “(2) attempting to induce postal management to  
 8 coerce any employee in the enjoyment of his rights  
 9 under this chapter;

10 “(3) coercing or attempting to coerce, or disciplin-  
 11 ing any member of the organization as punishment or  
 12 reprisal for, or for the purpose of hindering or impeding  
 13 his discharge of his duties owed as an officer or employee  
 14 of the Department; and

15 “(4) discriminating against any employee with  
 16 regard to the terms or conditions of membership because  
 17 of race, color, creed, sex, age, or national origin.

18 “(c) A labor organization granted exclusive recogni-  
 19 tion shall, upon request, admit to membership in the orga-  
 20 nization without discrimination any employee in the unit  
 21 represented who meets reasonable occupational standards  
 22 and pays the required fee and dues. Nothing in this chapter  
 23 shall preclude a labor organization from suspending or ex-  
 24 pelling a member, who is an employee in the unit repre-

1 sented, from the organization, if such action is taken for just  
2 cause and in accordance with procedures under the constitu-  
3 tion or bylaws of the labor organization.

4 **“§ 3708. Labor-management disputes**

5 “(a) The Department and any recognized labor orga-  
6 nization shall have the right to invoke the provisions of sec-  
7 tion 3710 in respect to any dispute concerning—

8 “(1) the application or interpretation of provisions  
9 of this chapter;

10 “(2) the terms to be incorporated in an agree-  
11 ment;

12 “(3) the interpretation, application, and enforce-  
13 ment of the Standards of Conduct for Labor Organiza-  
14 tions and the Code of Fair Labor Practices; and

15 “(4) alleged violations of any agreement.

16 “(b) In resolving disputes set forth in subsection (a)  
17 of this section, the following procedures shall be applicable:

18 “(1) Either party may invoke the services of the  
19 Federal Mediation and Conciliation Service, which shall  
20 immediately assign one or more of its mediators to work  
21 with the parties, using every effort to bring the parties  
22 to an agreement.

23 “(2) If such efforts to bring about a settlement  
24 through mediation and conciliation are unsuccessful, then  
25 either party to the controversy is authorized to invoke

1 the services of the Postal Labor-Management Relations  
2 Panel hereinafter provided for.

3 **“§ 3709. Creation of Postal Labor-Management Relations**  
4 **Panel**

5 “(a) There is created a Postal Labor-Management Rela-  
6 tions Panel (referred to in this chapter as the ‘Panel’).

7 “(b) The Panel shall be composed of a Chairman and  
8 two additional members. The Chairman and the members of  
9 the Panel shall be appointed by the President of the United  
10 States by and with the advice and consent of the Senate, and  
11 shall not be otherwise employed by the Government of the  
12 United States.

13 “(c) One of the original members of the Panel shall  
14 be appointed for a term of one year, one for a term of three  
15 years, and one for a term of five years, but their successors  
16 shall be appointed for terms of five years each, excepting  
17 that any individual chosen to fill a vacancy shall be appointed  
18 only for the unexpired term of the member whom he shall  
19 replace. The President shall designate one member to serve  
20 as Chairman of the Panel. Any member of the Panel may  
21 be removed by the President, upon notice and hearing, for  
22 neglect of duty or malfeasance in office, but for no other  
23 cause.

24 “(d) There shall be an Executive Secretary of the  
25 Panel who shall be appointed by the Panel for a term of

1 five years. Each member of the Panel and the Executive  
 2 Secretary shall receive a salary equal to level II of the Exec-  
 3 utive Schedule and shall be eligible for reappointment and  
 4 shall not engage in any other business, vocation, or employ-  
 5 ment. The Panel shall have the authority to employ staff,  
 6 including counsel, it deems necessary for the proper perform-  
 7 ance of its duties and to fix their compensation and expenses.

8 **“§ 3710. Powers and duties of Panel**

9 “(a) The Panel shall have authority from time to time  
 10 to make, amend, and rescind, in the manner prescribed by  
 11 the Administrative Procedure Act, such rules and regulations  
 12 as may be necessary to carry out the provisions of this  
 13 chapter.

14 “(b) The Panel shall have authority to investigate  
 15 and resolve any dispute arising under section 3708 of this  
 16 chapter, and to afford prompt and full relief with respect  
 17 to the issues involved in such dispute. Such relief shall in-  
 18 clude, among other matters, reinstatement to a position,  
 19 restitution of monetary loss, and such other compensatory  
 20 measures as the Panel deems appropriate, with respect to  
 21 any employee involved in such dispute. The Panel, upon  
 22 its determination that there has been an arbitrary, capricious,  
 23 or otherwise knowing violation of this chapter, may recom-  
 24 mend that the Postmaster General discipline the offending  
 25 party by demotion, suspension, removal, or such other reme-

1 dial action as the Panel deems advisable. The Postmaster  
 2 General shall consider any such recommendation of the  
 3 Panel and take such action thereon as he determines to be  
 4 proper in the light of all of the pertinent facts and circum-  
 5 stances, subject to the exercise by any officer or employee  
 6 of the Department of the right to appeal any determination  
 7 of the Postmaster General in accordance with laws, rules, and  
 8 regulations governing appeals of postal employees from  
 9 adverse personnel actions.

10 “(c) For the purpose of any hearings or investigation  
 11 provided for in this chapter, the provisions of sections 49  
 12 and 50 of title 15, United States Code (relating to the  
 13 attendance of witnesses and the production of books, papers,  
 14 and documents) are made applicable to the jurisdiction,  
 15 powers, and duties of the Panel.

16 “(d) Any person who shall wilfully resist, prevent,  
 17 impede, or interfere with any member of the Panel or any  
 18 of its agents or agencies or any arbitrator selected pursuant  
 19 to this chapter in the performance of duties pursuant to this  
 20 chapter shall be punished by a fine of not more than \$5,000  
 21 or by imprisonment for not more than one year, or both.

22 “(e) After its services have been invoked, the Panel  
 23 or its designee shall assist the parties in arriving at a settle-  
 24 ment through whatever voluntary methods and procedures  
 25 it may consider to be appropriate.



1       “(f) If the Panel is unable to assist the parties in  
2 arriving at a settlement through other means, the Panel or its  
3 designee shall promptly hold hearings at which both parties  
4 shall be given a full opportunity to present their respective  
5 cases.

6       “(g) At the conclusion of the hearings, the Panel shall,  
7 with due dispatch, render its decision in writing on the mat-  
8 ters in dispute. This decision shall be promptly served  
9 upon the parties to the proceedings and shall be final and  
10 binding upon all parties.

11       “(h) Employees of the Department called upon by  
12 either party to participate in any phase of the Panel proceed-  
13 ings shall be free to do so without suffering any loss of pay,  
14 and all such employees shall be free from restraint, coercion,  
15 interference, intimidation, or reprisal as a consequence of  
16 their participation.

17       “§ 3711. Settlement of grievances

18       “(a) Grievances filed under this chapter shall be proc-  
19 essed as provided in subsections (b), (c), (d), and (e) of  
20 this section.

21       “(b) Any employee, or a labor organization which has  
22 achieved exclusive recognition for the craft in which the  
23 employee is employed, shall have the right to present and  
24 process grievances and to submit to arbitration unresolved  
25 grievances: *Provided, however, That any employee desiring*

1 arbitration of a grievance shall notify the labor organization  
2 which has exclusive recognition for the employee's craft in  
3 writing and must receive the written consent of said labor  
4 organization in order to have the grievance submitted to  
5 arbitration: *Provided further, That the labor organization*  
6 *may initiate grievances and arbitration proceedings on its own*  
7 *behalf.*

8       “(c) Grievance procedures shall be established in nego-  
9 tiations between representatives of labor organizations which  
10 have achieved exclusive recognition and representatives of  
11 the Department. Such procedures shall include, but shall not  
12 be restricted to, procedures assuring employees—

13               “(1) the right to be represented by their labor  
14 organization;

15               “(2) fixed and reasonable time limits for a deci-  
16 sion at each grievance step; and

17               “(3) the right to call, question, and cross-examine  
18 witnesses.

19       “(d) The arbitration procedure shall be as follows:

20               “(1) Any grievance not satisfactorily settled in the  
21 grievance process shall be subject to arbitration upon  
22 the written request of the labor organization which has  
23 achieved exclusive recognition for the craft of the em-  
24 ployee or employees involved. Such written request

1 shall be directed to the principal administrative officer  
2 of the Department.

3 “(2) The Department shall within five working  
4 days after receipt of the request for arbitration request  
5 the Secretary of Labor to furnish a panel of names of  
6 five arbitrators from which the labor organization and  
7 the Department shall select an arbitrator, by alternately  
8 striking off four names. The name of the person remain-  
9 ing on the list shall be arbitrator in that case.

10 “(3) The decision of the arbitrator shall be final  
11 and binding. The fee and expenses of the arbitrator and  
12 the general expenses incident to the arbitration shall be  
13 paid by the Secretary of Labor from an arbitration fund  
14 created for such purpose. No employee of the Depart-  
15 ment involved in the arbitration shall suffer any loss in  
16 pay because of his participation in the proceedings,  
17 either as a witness, aggrieved employee, or employee  
18 representative.

19 “(e) Department employees called upon by either  
20 party to participate in any phase of the grievance procedure,  
21 including arbitration, shall be free to do so without suffering

1 any loss of pay, and all such employees shall be free from  
2 restraint, coercion, interference, intimidation, or reprisal  
3 as a consequence of their participation.

4 **“§ 3712. Violations and enforcement**

5 “(a) It shall be unlawful for anyone to violate or re-  
6 fuse to comply with a decision or order of the Panel rendered  
7 pursuant to sections 3708 or 3710 of this chapter or of an  
8 arbitrator rendered pursuant to section 3711 of this chapter.

9 “(b) The district courts of the United States, upon  
10 petition of an aggrieved party, shall have jurisdiction for  
11 cause shown to restrain any violation of subsection (a) of  
12 this section, to require compliance with any decision or order  
13 issued under section 3708, 3710, or 3711 of this chapter,  
14 and to afford interim relief.

15 **“§ 3713. Separability of provisions**

16 “If any provision of this chapter, or the application  
17 of such provision to any person or circumstance, shall be  
18 held invalid, the remainder of this chapter or the application  
19 of such provision to persons or circumstances other than  
20 those as to which it is held invalid, shall not be affected  
21 thereby.”

1 **“Chapter 49.—POSTAL SUPERVISOR-MANAGEMENT**  
 2 **RELATIONS**

“Sec.

“3901. Declaration of policy.

“3902. Definitions.

“3903. Recognition of supervisors’ organizations.

“3904. Saving provision—prior agreements.

“3905. Dues checkoff.

“3906. Standards of conduct for supervisors’ organizations.

“3907. Code of Fair Labor Practices.

“3908. Labor-management disputes.

“3909. Authority of Postal Labor-Management Relations Panel.

“3910. Settlement of grievances.

“3911. Violations and enforcement.

“3912. Separability of provisions.

3 **“§ 3901. Declaration of policy**

4 “The declaration of policy contained in section 3701  
 5 of this title, with respect to the value of employee participa-  
 6 tion, through organizations, in management decisions affect-  
 7 ing them, and to their right to organize, applies with equal  
 8 force and effect with respect to supervisors and supervisors’  
 9 organizations provided for in this chapter.

10 **“§ 3902. Definitions**

11 “As used in this chapter—

12 “‘supervisor’ means any supervisor, and any other  
 13 officer or employee whose position is classified as execu-  
 14 tive, administrative, professional, or technical, in the  
 15 postal field service, but does not include any postmaster;

16 “‘supervisors’ organization’ means any national or-  
 17 ganization and its affiliates, composed of supervisors of  
 18 the Department, in which supervisors participate and

1 pay dues, and which has, as one of its basic and central  
 2 purposes, dealing with management of the Department  
 3 concerning terms and conditions of employment, but  
 4 shall not include (1) any organization whose basic pur-  
 5 pose is purely social, fraternal, or limited to special in-  
 6 terest objectives which are only incidentally related to  
 7 terms and conditions of employment, (2) any organiza-  
 8 tion which by ritualistic practice, constitution, or bylaws  
 9 proscription, by tacit agreement among its members or  
 10 otherwise, denies membership because of race, color,  
 11 religion, national origin, sex, age, or preferential or  
 12 nonpreferential civil service status, or (3) any organiza-  
 13 tion sponsored by the Department or by any agency,  
 14 activity, or organization of the Federal Government;

15 “‘representative’ means any representative of a  
 16 supervisors’ organization, whether an employee or non-  
 17 employee of the Department;

18 “‘agreement’ means any collective-bargaining  
 19 agreement negotiated pursuant to the provisions of this  
 20 chapter;

21 “‘dispute’ includes any controversy concerning  
 22 terms, tenure, or conditions of employment, or concern-  
 23 ing the association or representative of persons in nego-  
 24 tiating, fixing, maintaining, changing, or seeking to ar-

1 range terms or conditions of employment, regardless of  
2 whether the disputants stand in the proximate relation  
3 of employer and employee;

4 “‘grievance’ means any cause of dissatisfaction out-  
5 side a supervisor’s control if the matter arises out of  
6 employment in the postal field service and the remedy  
7 sought is within the authority of the Department, in-  
8 cluding, but not limited to, adverse actions, complaints  
9 of discrimination, any other complaint by any supervisor  
10 against the Department concerning the effect, inter-  
11 pretation, or application of a collective bargaining  
12 agreement, and any violation of any law, rule, or regu-  
13 lation governing conditions of employment which the  
14 Department has the authority to correct;

15 “‘adverse action’ means any action which results in  
16 (1) any suspension for any reason of a supervisor from  
17 his job, (2) any discharge from employment, (3) any  
18 furlough without pay, (4) any reduction in rank or  
19 compensation, including those which are taken at the  
20 election of the Department after a classification decision  
21 by either the United States Civil Service Commission  
22 or the Department, and (5) any withholding of a salary  
23 step increase;

24 “‘conditions of employment’ includes, but is not  
25 limited to, such factors as seniority, working conditions

1 and environment, work schedules, work procedures,  
2 automation, safety, transfers, job classifications, details,  
3 promotion procedures, demotions, assignments and re-  
4 assignments, job security, disciplinary actions and ap-  
5 peals, in-service training, general labor-management  
6 relationship, methods of adjusting grievances, granting  
7 of leave, and such other matters as may be specified by  
8 law, rule, regulation, or agreement negotiated pursuant  
9 to this chapter;

10 “‘consultation’ means the obtaining and/or enter-  
11 taining by management of views from designated repre-  
12 sentatives of a supervisors’ organization relative to  
13 formulating, changing, or implementing policies, prac-  
14 tices, and working conditions and considering those  
15 views, including objections or suggestions, before final  
16 action is taken. Such consultation shall permit sufficient  
17 time for the representatives of the supervisors’ organi-  
18 zation to present formal agreement or objection to man-  
19 agement and the reasons for such agreement or objec-  
20 tion. If any objections are made, they must receive full  
21 consideration before final action is taken;

22 “‘unit’ means all supervisors in an installation of  
23 the postal field service.

24 “§ 3903. Recognition of supervisors’ organizations

25 “(a) Any supervisors’ organization shall be granted



1 exclusive recognition within a unit by submitting to the  
 2 Department a verifiable certified membership list of more  
 3 than 50 per centum of the total number of supervisors  
 4 within the unit. However, if one or more supervisors' orga-  
 5 nizations submit a verifiable certified membership list of not  
 6 more than 50 per centum and not less than 30 per centum  
 7 of the total number of employees within the craft, a secret  
 8 national ballot election shall be scheduled within a period of  
 9 sixty days from the date of submission.

10     “(b) The right of a supervisors' organization to selec-  
 11 tion as exclusive representative on a national basis where an  
 12 election is necessary shall be decided by a national secret  
 13 ballot election with the right of such selection being awarded  
 14 to the supervisors' organization receiving a majority of valid  
 15 votes cast in the election. If no supervisors' organization  
 16 secures a majority of all valid votes cast but a majority of  
 17 all votes cast are for representation by some supervisors'  
 18 organization, then a runoff election shall be held within sixty  
 19 days thereafter, between the two supervisors' organizations  
 20 securing the largest number of votes, to determine the super-  
 21 visors' organization which has achieved exclusive recogni-  
 22 tion. The election shall be conducted by the Department of  
 23 Labor under rules and regulations promulgated by the Secre-  
 24 tary of Labor. Any dispute or disagreement as to eligibility  
 25 of a supervisors' organization or an employee to participate

1 in the selection of an exclusive representative shall be re-  
 2 solved by the Department of Labor pursuant to regulations  
 3 established by the Secretary of Labor. Such regulations shall  
 4 include provision for binding arbitration of any such dispute  
 5 or disagreement.

6     “(c) The Department shall accord exclusive recogni-  
 7 tion on a national basis to a supervisors' organization which  
 8 has been selected under subsection (b) of this section. Such  
 9 national exclusive recognition shall be accorded to such  
 10 organization and the affiliates thereof at installation, regional,  
 11 and other levels within the Department.

12     “(d) Recognition of a supervisors' organization shall  
 13 continue unless withdrawn pursuant to the provisions of this  
 14 chapter. The Department shall not determine whether a  
 15 supervisors' organization shall become or continue to be  
 16 recognized as exclusive representative of the supervisors in  
 17 any unit within twenty-four months after a determination  
 18 of exclusive status, or while an agreement is in effect with  
 19 respect to such unit.

20     “(e) When a supervisors' organization has been recog-  
 21 nized as the exclusive representative of supervisors of an  
 22 appropriate unit, it shall be entitled to act for and to negoti-  
 23 ate agreements covering all supervisors in the unit at the  
 24 national and local installation levels and it shall be respon-  
 25 sible for representing the interests of all such supervisors.

1 Such a supervisors' organization shall have the right to par-  
 2 ticipate with management in the formulation, implementa-  
 3 tion, and modification of personnel policies and practices, and  
 4 all other matters, affecting the conditions of employment of  
 5 supervisors in the unit. The Department and such super-  
 6 visors' organization, through appropriate officials and repre-  
 7 sentatives, shall meet at reasonable times for the purposes of  
 8 consultation as defined in this chapter. The Department and  
 9 the recognized supervisors' organization shall be required to  
 10 negotiate in good faith for the purpose of arriving at an  
 11 agreement at any level. Such obligation to bargain shall  
 12 include the determination of appropriate bargaining tech-  
 13 niques and the inclusion of any understanding reached by  
 14 the parties in a written agreement. In exercising authority to  
 15 make rules and regulations relating to personnel policies and  
 16 practices or to working conditions, the Department may not  
 17 make rules or regulations which are in conflict with any  
 18 agreements negotiated under this chapter.

19 **“§ 3904. Saving provision—prior agreements**

20 “Nothing in this chapter shall nullify any provision of  
 21 any agreement in effect on the effective date of this Act  
 22 between the Department and any supervisors' organization,  
 23 except as hereafter may be agreed to by the parties thereto,  
 24 until superseded by an agreement made pursuant to this  
 25 chapter.

1 **“§ 3905. Dues checkoff**

2 “Where the Department has received from any super-  
 3 visor a written assignment which authorizes the Department  
 4 to deduct from the wages of such supervisor money for the  
 5 payment of membership dues in a supervisors' organization,  
 6 such assignment shall be honored, except that any such  
 7 assignment shall not be irrevocable for a period of more than  
 8 one year or beyond the termination date of the applicable  
 9 collective agreement, whichever occurs sooner.

10 **“§ 3906. Standards of conduct for supervisors' organiza-**  
 11 **tions**

12 “The Department will not accord exclusive recognition  
 13 to any supervisors' organization unless the supervisors' or-  
 14 ganization is subject to governing requirements adopted by  
 15 the supervisors' organization containing explicit and detailed  
 16 provisions to which it subscribes, providing for—

17 “(1) the maintenance of democratic procedures and  
 18 practices, including provisions for periodic elections to  
 19 be conducted subject to recognized safeguards and pro-  
 20 visions defining and securing the right of individual  
 21 members to participation in the affairs of the supervisors'  
 22 organization, to fair and equal treatment under the  
 23 governing rules of the organization, and to fair process  
 24 in disciplinary proceedings;

25 “(2) the exclusion from office in the supervisors'

organization of persons affiliated with Communist or other totalitarian movements;

“(3) the prohibition of business or financial interests on the part of supervisors’ organization officers and agents which conflict with their duty to the organization and its members; and

“(4) the maintenance of fiscal integrity in the conduct of the affairs of the supervisors’ organization, including provision for accounting and financial controls and regular financial reports or summaries to be made available to members.

#### § 3907. Code of Fair Labor Practices

“(a) The Department is prohibited from—

“(1) interfering with, restraining, or coercing any supervisor in the exercise of the rights assured by this chapter;

“(2) encouraging or discouraging membership in any supervisors’ organization by discrimination in regard to hiring, tenure, promotion, or other conditions of employment;

“(3) sponsoring, controlling, or otherwise assisting any supervisors’ organization, except that the Department may furnish customary and routine services and facilities;

“(4) disciplining or otherwise discriminating

against any supervisor because he has filed a complaint or given testimony under this chapter or under the Standards of Conduct for Supervisors’ Organizations or the Code of Fair Labor Practices;

“(5) refusing to accord exclusive recognition to a supervisors’ organization qualified for such recognition; and

“(6) refusing to hear, consult, confer, or negotiate in good faith with a supervisors’ organization as required by this chapter.

“(b) The supervisors’ organization is prohibited from—

“(1) interfering with, restraining, or coercing any supervisor in the exercise of the rights assured by this chapter;

“(2) attempting to induce postal management to coerce any supervisor in the enjoyment of his rights under this chapter;

“(3) coercing or attempting to coerce, or disciplining any member of the organization as punishment or reprisal for, or for the purpose of hindering or impeding, his discharge of his duties owed as an officer or employee of the Department; and

“(4) discriminating against any supervisor with regard to the terms or conditions of membership because of race, color, creed, sex, age, or national origin.

1 “(c) A supervisors’ organization granted exclusive rec-  
 2 ognition shall, upon request, admit to membership in the orga-  
 3 nization without discrimination any supervisor in the unit  
 4 represented who meets reasonable occupational standards and  
 5 pays the required fee and dues. Nothing in this chapter shall  
 6 preclude an organization from suspending or expelling a  
 7 member, who is a supervisor in the unit represented, from  
 8 the organization, if such action is taken for just cause and  
 9 in accordance with procedures under the constitution or by-  
 10 laws of the supervisors’ organization.

11 **“§ 3908. Labor-management disputes**

12 “(a) The Department and any recognized supervisors’  
 13 organization shall have the right to invoke the provisions of  
 14 section 3910 in respect to any dispute concerning—

15 “(1) the application or interpretation of provisions  
 16 of this chapter;

17 “(2) the terms to be incorporated in an agreement;

18 “(3) the interpretation, application, and enforce-  
 19 ment of the Standards of Conduct for Supervisors’ Orga-  
 20 nizations and the Code of Fair Labor Practices; and

21 “(4) the alleged violations of any agreement.

22 “(b) In resolving disputes set forth in subsection (a)  
 23 of this section, the following procedures shall be applicable:

24 “(1) Either party may invoke the services of the  
 25 Federal Mediation and Conciliation Service, which shall

1 immediately assign one or more of its mediators to work  
 2 with the parties, using every effort to bring the parties  
 3 to an agreement.

4 “(2) If such efforts to bring about a settlement  
 5 through mediation and conciliation are unsuccessful, then  
 6 either party to the controversy is authorized to invoke the  
 7 services of the Postal Labor-Management Relations  
 8 Panel provided for by section 3709 of this title.

9 **“§ 3909. Authority of Postal Labor-Management Relations**

10 **Panel**

11 “(a) The Postal Labor-Management Relations Panel  
 12 created by section 3709 of this title shall have authority to  
 13 investigate and resolve any dispute arising under section  
 14 3908 of this chapter, and to afford prompt and full relief  
 15 with respect to the issues involved in such dispute. Such  
 16 relief shall include, among other matters, reinstatement to a  
 17 position, restitution of monetary loss, and such other com-  
 18 pensatory measures as the Panel deems appropriate, with  
 19 respect to any supervisor involved in such dispute. The  
 20 Panel, upon its determination that there has been an arbi-  
 21 trary, capricious, or otherwise knowing violation of this  
 22 chapter, may recommend that the Postmaster General disci-  
 23 pline the offending party by demotion, suspension, removal,  
 24 or such other remedial action as the Panel deems advisable.  
 25 The Postmaster General shall consider any such recommen-



1 dation of the Panel and take action thereon as he determines  
 2 to be proper in the light of all of the pertinent facts and  
 3 circumstances, subject to the exercise by any officer or em-  
 4 ployee of the Department of the right to appeal any deter-  
 5 mination of the Postmaster General in accordance with laws,  
 6 rules, and regulations governing appeals of postal employees  
 7 from adverse personnel actions.

8 “(b) All of the additional powers, duties, practices, and  
 9 procedures of the Panel, and all of the related rights and  
 10 remedies, provided for by chapter 47 of this title shall apply,  
 11 with equal force and effect, to the operation of the Postal  
 12 Supervisor-Management Relations Program established by  
 13 this chapter.

14 “(c) Supervisors of the Department called upon by  
 15 either party to participate in any phase of the Panel pro-  
 16 ceedings shall be free to do so without suffering any loss  
 17 of pay, and all such employees shall be free from restraint,  
 18 coercion, interference, intimidation, or reprisal as a conse-  
 19 quence of their participation.

20 **“§ 3910. Settlement of grievances**

21 “(a) Grievances filed under this chapter shall be proc-  
 22 essed as provided in subsections (b), (c), (d), and (e)  
 23 of section 3711 of this title.

24 “(b) Any supervisor, or a supervisors’ organization  
 25 which has achieved exclusive recognition for the unit in

1 which the supervisor is employed, shall have the right to  
 2 present and process grievances and to submit to arbitration  
 3 unresolved grievances: *Provided, however,* That any super-  
 4 visor desiring arbitration of a grievance shall notify the  
 5 supervisors’ organization which has exclusive recognition for  
 6 the supervisors’ unit in writing and must receive the written  
 7 consent of said supervisors’ organization in order to have  
 8 the grievance submitted to arbitration: *Provided further,*  
 9 That the supervisors’ organization may initiate grievances  
 10 and arbitration proceedings on its own behalf.

11 “(c) Grievance procedures shall be established in nego-  
 12 tiations between representatives of supervisors’ organizations  
 13 which have achieved exclusive recognition and representa-  
 14 tives of the Department. Such procedures shall include, but  
 15 shall not be restricted to, procedures assuring supervisors—

16 “(1) the right to be represented by their super-  
 17 visors’ organization;

18 “(2) fixed and reasonable time limits for a decision  
 19 at each grievance step; and

20 “(3) the right to call, question, and cross-examine  
 21 witnesses.

22 “(d) The arbitration procedure shall be as follows:

23 “(1) Any grievance not satisfactorily settled in the  
 24 grievance process shall be subject to arbitration upon the

written request of the supervisors' organization which has achieved exclusive recognition for the unit of the supervisor or supervisors involved. Such written request shall be directed to the principal administrative officer of the Department.

"(2) The Department shall within five working days after receipt of the request for arbitration request the Secretary of Labor to furnish a panel of names of five arbitrators from which the supervisors' organization and the Department shall select an arbitrator, by alternately striking off four names. The name of the person remaining on the list shall be arbitrator in that case.

"(3) The decision of the arbitrator shall be final and binding. The fee and expenses of the arbitrator and the general expenses incident to the arbitration shall be paid by the Secretary of Labor from an arbitration fund created for such purpose. No supervisor of the Department involved in the arbitration shall suffer any loss in pay because of this participation in the proceedings, either as a witness, aggrieved supervisor, or supervisor representative.

"(e) Supervisors called upon by either party to participate in any phase of the grievance procedure, including arbitration, shall be free to do so without suffering any loss of pay, and all such supervisors shall be free from restraint,

coercion, interference, intimidation, or reprisal as a consequence of their participation.

### **"§ 3911. Violations and enforcement**

"(a) It shall be unlawful for anyone to violate or refuse to comply with a decision or order of the Panel rendered pursuant to sections 3908 or 3909 of this chapter or of an arbitrator rendered pursuant to section 3910 of this chapter.

"(b) The district courts of the United States, upon petition of an aggrieved party, shall have jurisdiction for cause shown to restrain any violation of subsection (a) of this section, to require compliance with any decision or order issued under section 3908, 3909, or 3910 of this chapter, and to afford interim relief.

### **"§ 3912. Separability of provisions**

"If any provision of this chapter, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this chapter or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

## **TITLE VIII—MISCELLANEOUS PROVISIONS**

### **MAIL INPUT FROM BUSINESS AND INDUSTRY**

SEC. 801. (a) Chapter 5 of title 39, United States Code, is amended by adding at the end thereof the following new section:

1 **“§ 511. Scheduling mail input**

2 “The Postmaster General shall make full use of his  
3 authority to operate the Department to obtain, from mailers  
4 in private business and industry, agreements that matter  
5 to be transmitted in the mails by such mailers be presented  
6 for mailing at such times and places, and in such manner,  
7 as in the judgment of the Postmaster General will contribute  
8 most effectively to the orderly, expeditious, and efficient  
9 handling, transportation, and delivery of the mails.”.

10 (b) The table of contents of chapter 5 of title 39,  
11 United States Code, is amended by adding at the end  
12 thereof—

“511. Scheduling mail input.”.

13 **POSTAL EMPLOYEE RELATIONS ASSISTANT**

14 SEC. 802. (a) Chapter 3 of title 39, United States Code,  
15 is amended by adding at the end thereof the following new  
16 section:

17 **“§ 310. Executive Assistant for Employee Relations**

18 “An Executive Assistant for Employee Relations,  
19 appointed by the Postmaster General, shall act as confidential  
20 personal adviser to the Postmaster General on matters per-  
21 taining to employee relations and perform such other related  
22 duties as the Postmaster General may designate.”.

23 (b) The table of contents of chapter 3 of title 39, United  
24 States Code, is amended by adding at the end thereof:

“310. Executive Assistant for Employee Relations.”.

1 (c) Section 5109 of title 5, United States Code, is  
2 amended by adding at the end thereof the following new  
3 subsection:

4 “(e) The position of Executive Assistant for Employee  
5 Relations in the Post Office Department established by sec-  
6 tion 310 of title 39 is classified at GS-18 and is in addition to  
7 the number of positions authorized by section 5108 (a) of  
8 this title.”.

9 **EFFECTIVE DATES**

10 SEC. 803. This Act shall take effect as follows:

11 (1) Titles I, IV, V, and VIII on date of enact-  
12 ment of this Act;

13 (2) Titles II and VII on the first day of the third  
14 month which begins after date of enactment of this Act;

15 (3) Title III on the first day of the sixth month  
16 which begins after date of enactment of this Act; and

17 (4) Title VI on the first day of the first fiscal year  
18 which begins after the date of enactment of this Act.

91<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4

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## A BILL

To modernize the United States postal establishment, to provide for efficient and economical postal service to the public, to improve postal employee-management relations, and for other purposes.

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By Mr. DULSKI

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JANUARY 3, 1969

Referred to the Committee on Post Office and Civil  
Service



91ST CONGRESS  
1ST SESSION

*This is the principal bill under consideration*  
**H. R. 4803**

*Same as Dulski's H.R. 8519*

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 1969

Mr. DANIELS of New Jersey introduced the following bill; which was referred to the Committee on Post Office and Civil Service

*Subcomm. on Postal Operations*

## A BILL

To provide for improved employee-management relations in the postal service, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Postal Employee Labor-
- 4 Management Act of 1969".

### 5 TITLE I—DECLARATION OF POLICY

- 6 SEC. 101. (a) Participation of postal employees, through
- 7 labor organizations, with management in decisions which
- 8 affect them contributes to the effective conduct of the
- 9 business of the Post Office Department. Therefore, strong,
- 10 democratically administered labor organizations are in the
- 11 public interest and their development should be encouraged.

1 (b) The right of labor organizations to organize em-  
 2 ployees of the Department, and to bargain collectively, and  
 3 to present grievances on their behalf without restraint,  
 4 coercion, interference, intimidation, or reprisal is recognized  
 5 and encouraged.

## 6 TITLE II—DEFINITIONS

7 SEC. 201. For the purposes of this Act—

8 (1) "employee" means any employee in the postal  
 9 field service;

10 (2) "labor organization" means any national union,  
 11 federation, or association of postal employees and its  
 12 affiliates, composed of employees of the Department, in  
 13 which employees participate and pay dues, and which  
 14 has, as one of its basic and central purposes, dealing  
 15 with management of the Department concerning terms  
 16 and conditions of employment, but shall not include

17 (A) any organization whose basic purpose is purely  
 18 social, fraternal, or limited to special interest objectives  
 19 which are only incidentally related to terms and condi-  
 20 tions of employment, (B) any organization which by  
 21 ritualistic practice, constitution, or bylaws proscription,  
 22 by tacit agreement among its members or otherwise,  
 23 denies membership because of race, color, religion, na-  
 24 tional origin, sex, age, or preferential or nonpreferential  
 25 civil service status, or (C) any organization sponsored

1 by the Department or by any agency, activity, or orga-  
 2 nization of the Federal Government;

3 (3) "representative" means any representative of a  
 4 labor organization, whether an employee or nonem-  
 5 ployee of the Department;

6 (4) "agreement" means any collective-bargaining  
 7 agreement negotiated pursuant to the provisions of this  
 8 Act;

9 (5) "dispute" includes any controversy concerning  
 10 terms, tenure, or conditions of employment, or concern-  
 11 ing the association or representative of persons in nego-  
 12 tiating, fixing, maintaining, changing, or seeking to  
 13 arrange terms or conditions of employment, regardless  
 14 of whether the disputants stand in the proximate rela-  
 15 tion of employer and employee;

16 (6) "grievance" means any cause for dissatisfaction  
 17 outside an employee's control if the matter arises out of  
 18 employment in the postal field service and the remedy  
 19 sought is within the authority of the Department, in-  
 20 cluding, but not limited to, adverse actions, complaints  
 21 of discrimination, any other complaint by any employee  
 22 against the Department concerning the effect, interpre-  
 23 tation, or application of a collective-bargaining agree-  
 24 ment, and any violation of any law, rule, or regulation

governing conditions of employment which the Department has the authority to correct;

(7) "adverse action" means any action which results in (A) any suspension for any reason of an employee from his job, (B) any discharge from employment, (C) any furlough without pay, (D) any reduction in rank or compensation, including those which are taken at the election of the Department after a classification decision by either the United States Civil Service Commission or the Department, and (E) any withholding of a salary step increase;

(8) "conditions of employment" includes, but is not limited to, such factors as seniority, working conditions and environment, work schedules, work procedures, automation, safety, transfers, job classifications, details, promotion procedures, demotions, assignments and reassignments, job security, disciplinary actions and appeals, in-service training, labor-management relationship, methods of adjusting grievances, granting of leave, and such other matters as may be specified by law, rule, regulation, or agreement negotiated pursuant to this Act;

(9) "consultation" means the obtaining and/or entertaining by management of views from designated representatives of the labor organizations relative to formulating, changing, or implementing policies, prac-

tices, and working conditions and considering those views, including objections or suggestions, before final action is taken. Such consultation shall permit sufficient time for the representatives of the labor organizations to present formal agreement or objection to management and the reasons for such agreement or objection. If any objections are made, they must receive full consideration before final action is taken;

(10) "unit" means craft of postal employees for the purposes of recognition and representation; and

(11) "craft" means each of the following groups of employees:

(A) postal clerks.

(B) city letter carriers.

(C) mail handlers.

(D) motor vehicle employees (operations and maintenance).

(E) rural letter carriers.

(F) special delivery messengers.

(G) maintenance employees.

### TITLE III—RECOGNITION OF LABOR

#### ORGANIZATIONS

SEC. 301. (a) Any labor organization shall be granted exclusive recognition within a unit by submitting to the Department a verifiable certified membership list of more than 50 per centum of the total number of employees within

1 the unit. However, if one or more labor organizations submit  
 2 a verifiable certified membership list of not more than 50  
 3 per centum and not less than 30 per centum of the total  
 4 number of employees within the craft, a secret national ballot  
 5 election shall be scheduled within a period of sixty days  
 6 from date of submission.

7 (b) The right of a labor organization to selection as  
 8 the exclusive craft representative on a national basis where  
 9 an election is necessary shall be decided by a national secret  
 10 ballot election with the right of such selection being awarded  
 11 to the labor organization receiving a majority of valid votes  
 12 cast in the election. If no labor organization secures a ma-  
 13 jority of all valid votes cast but a majority of all votes cast  
 14 are for representation by some labor organization, then a run-  
 15 off election shall be held within sixty days thereafter, be-  
 16 tween the two labor organizations securing the largest num-  
 17 ber of votes, to determine the labor organization which has  
 18 achieved exclusive recognition. The election shall be con-  
 19 ducted by the Department of Labor under rules and regula-  
 20 tions promulgated by the Secretary of Labor. Any dispute  
 21 or disagreement as to eligibility of a labor organization or  
 22 an employee to participate in the selection of an exclusive  
 23 craft representative shall be resolved by the Department of  
 24 Labor pursuant to regulations established by the Secretary

1 of Labor. Such regulations shall include provision for binding  
 2 arbitration of any such dispute or disagreement.

3 (c) The Department shall accord exclusive recogni-  
 4 tion on a national craft basis to a labor organization which  
 5 has been selected under subsection (b) of this section. Such  
 6 national exclusive recognition shall be accorded to such labor  
 7 organization and the affiliates thereof at installation, regional,  
 8 and other levels within the Department.

9 (d) Recognition of a labor organization shall continue  
 10 unless withdrawn pursuant to the provisions of this Act.  
 11 The Department shall not determine whether a labor orga-  
 12 nization shall become or continue to be recognized as exclu-  
 13 sive representative of the employees in any unit within  
 14 twenty-four months after a determination of exclusive status,  
 15 or while an agreement is in effect with respect to such unit.

16 (e) No unit shall be established for purposes of ex-  
 17 clusive recognition which includes any Department official  
 18 who has primarily executive, managerial, or policymaking  
 19 responsibilities or any supervisor who officially and regularly  
 20 evaluates the performance of employees.

21 (f) When a labor organization has been recognized  
 22 as the exclusive craft representative of employees of an  
 23 appropriate unit, it shall be entitled to act for and to nego-  
 24 tiate agreements covering all employees in the unit at the  
 25 national and local installation levels and it shall be respon-



sible for representing the interests of all such employees. Such a labor organization shall have the right to participate with management in the formulation, implementation, and modification of personnel policies and practices, and all other matters affecting the conditions of employment of employees in the unit. The Department and such labor organization, through appropriate officials and representatives, shall meet at reasonable times for the purposes of consultation as defined in this Act. The Department and the recognized labor organization shall be required to negotiate in good faith for the purpose of arriving at an agreement at any level. Such obligation to bargain shall include the determination of appropriate bargaining techniques and the inclusion of any understanding reached by the parties in a written agreement. In exercising authority to make rules and regulations relating to personnel policies and practices or to working conditions, the Department may not make rules or regulations which are in conflict with any agreement negotiated under this Act.

#### TITLE IV—SAVING PROVISION—PRIOR NATIONAL EXCLUSIVE RECOGNITION AND AGREEMENTS

SEC. 401. Nothing in this Act shall nullify any previously established national exclusive recognition status within a unit, as defined herein, nor any provisions of any agreement in effect on the effective date of this Act between the Depart-

ment and any labor organization, except as hereafter may be agreed to by the parties thereto, until superseded by an agreement made pursuant to this Act.

#### TITLE V—DUES CHECKOFF

SEC. 501. Where the Department has received from any employee a written assignment which authorizes the Department to deduct from the wages of such employee money for the payment of membership dues in a labor organization, such assignment shall be honored, except that any such assignment shall not be irrevocable for a period of more than one year or beyond the termination date of the applicable collective agreement, whichever occurs sooner.

#### TITLE VI—STANDARDS OF CONDUCT FOR LABOR ORGANIZATIONS

SEC. 601. The Department will not accord exclusive recognition to any labor organization unless the labor organization is subject to governing requirements adopted by the labor organization containing explicit and detailed provisions to which it subscribes, providing for—

- (1) the maintenance of democratic procedures and practices, including provisions for periodic elections to be conducted subject to recognized safeguards and provisions defining and securing the right of individual members to participation in the affairs of the labor organization, to fair and equal treatment under the govern-

ing rules of the organization, and to fair process in disciplinary proceedings;

(2) the exclusion from office in the labor organizations of persons affiliated with Communist or other totalitarian movements;

(3) the prohibition of business or financial interests on the part of labor organization officers and agents which conflict with their duty to the organization and its members; and

(4) the maintenance of fiscal integrity in the conduct of the affairs of the labor organization, including provision for accounting and financial controls and regular financial reports or summaries to be made available to members.

#### TITLE VII—CODE OF FAIR LABOR PRACTICES

SEC. 701. (a) The Department is prohibited from--

(1) interfering with, restraining, or coercing any employee in the exercise of the rights assured by this chapter;

(2) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other conditions of employment;

(3) sponsoring, controlling, or otherwise assisting any employee organization, except that the Department

may furnish customary and routine services and facilities;

(4) disciplining or otherwise discriminating against any employee because he has filed a complaint or given testimony under this chapter or under the Standards of Conduct for Labor Organizations or the Code of Fair Labor Practices;

(5) refusing to accord exclusive recognition to a labor organization qualified for such recognition; and

(6) refusing to hear, consult, confer, or negotiate in good faith with a labor organization as required by this Act.

(b) The labor organization is prohibited from--

(1) interfering with, restraining, or coercing any employee in the exercise of the rights assured by this Act.

(2) attempting to induce postal management to coerce any employee in the enjoyment of his rights under this Act.

(3) coercing or attempting to coerce, or disciplining any member of the organization as punishment or reprisal for, or for the purpose of hindering or impeding his discharge of his duties owed as an officer or employee of the Department; and

(4) discriminating against any employee with

1 regard to the terms or conditions of membership because  
2 of race, color, creed, sex, age, or national origin.

3 (c) A labor organization granted exclusive recogni-  
4 tion shall, upon request, admit to membership in the orga-  
5 nization without discrimination any employee in the unit  
6 represented who meets reasonable occupational standards  
7 and pays the required fee and dues. Nothing in this Act  
8 shall preclude a labor organization from suspending or ex-  
9 pelling a member, who is an employee in the unit repre-  
10 sented, from the organization, if such action is taken for just  
11 cause and in accordance with procedures under the constitu-  
12 tion or bylaws of the labor organization.

### 13 TITLE VIII—LABOR-MANAGEMENT DISPUTES

14 SEC. 801. (a) The Department and any recognized  
15 labor organization shall have the right to invoke the provi-  
16 sions of title X in respect to any dispute concerning—

17 (1) the application or interpretation of provisions  
18 of this Act;

19 (2) the terms to be incorporated in an agreement;

20 (3) the interpretation, application, and enforce-  
21 ment of the Standards of Conduct for Labor Organiza-  
22 tions and the Code of Fair Labor Practices; and

23 (4) alleged violations of any agreement.

24 (b) In resolving disputes set forth in subsection (a)  
25 of this section, the following procedures shall be applicable:

1 (1) Either party may invoke the services of the  
2 Federal Mediation and Conciliation Service, which shall  
3 immediately assign one or more of its mediators to work  
4 with the parties, using every effort to bring the parties  
5 to an agreement.

6 (2) If such efforts to bring about a settlement  
7 through mediation and conciliation are unsuccessful, then  
8 either party to the controversy is authorized to invoke  
9 the services of the Postal Labor-Management Relations  
10 Panel hereinafter provided for.

### 11 TITLE IX—CREATION OF POSTAL LABOR- 12 MANAGEMENT RELATIONS PANEL

13 SEC. 901. (a) There is created a Postal Labor-Man-  
14 agement Relations Panel (referred to in this Act as the  
15 "Panel").

16 (b) The Panel shall be composed of a Chairman and  
17 two additional members. The Chairman and the members  
18 of the Panel shall be appointed by the President of the  
19 United States by and with the advice and consent of the  
20 Senate, and shall not be otherwise employed by the Gov-  
21 ernment of the United States.

22 (c) One of the original members of the Panel shall  
23 be appointed for a term of one year, one for a term of  
24 three years, and one for a term of five years, but their  
25 successors shall be appointed for terms of five years each,

1 excepting that any individual chosen to fill a vacancy shall  
 2 be appointed only for the unexpired term of the member  
 3 whom he shall replace. The President shall designate one  
 4 member to serve as Chairman of the Panel. Any member of  
 5 the Panel may be removed by the President, upon notice  
 6 and hearing, for neglect of duty or malfeasance in office,  
 7 but for no other cause.

8 (d) There shall be an Executive Secretary of the  
 9 Panel who shall be appointed by the Panel for a term of  
 10 five years. Each member of the Panel and the Executive  
 11 Secretary shall receive a salary equal to the salary for level  
 12 II of the Executive Schedule and shall be eligible for reap-  
 13 pointment and shall not engage in any other business, voca-  
 14 tion, or employment. The Panel shall have the authority to  
 15 employ staff, including counsel, it deems necessary for the  
 16 proper performance of its duties and to fix their compensa-  
 17 tion and expenses.

#### 18 TITLE X—POWERS AND DUTIES OF PANEL

19 SEC. 1001. (a) The Panel shall have authority from  
 20 time to time to make, amend, and rescind, in the manner  
 21 prescribed by the Administrative Procedure Act, such rules  
 22 and regulations as may be necessary to carry out the pro-  
 23 visions of this Act.

24 (b) The Panel shall have authority to investigate  
 25 and resolve any dispute arising under title VIII of this

1 Act, and to afford prompt and full relief with respect  
 2 to the issues involved in such dispute. Such relief shall in-  
 3 clude, among other matters, reinstatement to a position,  
 4 restitution of monetary loss, and such other compensatory  
 5 measures as the Panel deems appropriate, with respect to  
 6 any employee involved in such dispute. The Panel, upon  
 7 its determination that there has been an arbitrary, capricious,  
 8 or otherwise knowing violation of this Act, may recom-  
 9 mend that the Postmaster General discipline the offending  
 10 party by demotion, suspension, removal, or such other reme-  
 11 dial action as the Panel deems advisable. The Postmaster  
 12 General shall consider any such recommendation of the  
 13 Panel and take such action thereon as he determines to be  
 14 proper in the light of all of the pertinent facts and circum-  
 15 stances, subject to the exercise by any officer or employee  
 16 of the Department of the right to appeal any determination  
 17 of the Postmaster General in accordance with laws, rules,  
 18 and regulations governing appeals of postal employees from  
 19 adverse personnel actions.

20 (c) For the purpose of any hearings or investigation  
 21 provided for in this Act, the provisions of sections 49 and  
 22 50 of title 15, United States Code (relating to the  
 23 attendance of witnesses and the production of books, papers,  
 24 and documents) are made applicable to the jurisdiction,  
 25 powers, and duties of the Panel.



1 (d) Any person who shall wilfully resist, prevent,  
2 impede, or interfere with any member of the Panel or any  
3 of its agents or agencies or any arbitrator selected pursuant  
4 to this Act in the performance of duties pursuant to this  
5 Act shall be punished by a fine of not more than \$5,000  
6 or by imprisonment for not more than one year, or both.

7 (e) After its services have been invoked, the Panel  
8 or its designee shall assist the parties in arriving at a settle-  
9 ment through whatever voluntary methods and procedures  
10 it may consider to be appropriate.

11 (f) If the Panel is unable to assist the parties in  
12 arriving at a settlement through other means, the Panel or its  
13 designee shall promptly hold hearings at which both parties  
14 shall be given a full opportunity to present their respective  
15 cases.

16 (g) At the conclusion of the hearings, the Panel shall,  
17 with due dispatch, render its decision in writing on the mat-  
18 ters in dispute. This decision shall be promptly served  
19 upon the parties to the proceedings and shall be final and  
20 binding upon all parties.

21 (h) Employees of the Department called upon by  
22 either party to participate in any phase of the Panel proceed-  
23 ings shall be free to do so without suffering any loss of pay,  
24 and all such employees shall be free from restraint, coercion,

1 interference, intimidation, or reprisal as a consequence of  
2 their participation.

### 3 TITLE XI—SETTLEMENT OF GRIEVANCES

4 SEC. 1101. (a) Grievances filed under this Act shall be  
5 processed as provided in subsections (b), (c), (d), and (e)  
6 of this section.

7 (b) Any employee, or a labor organization which has  
8 achieved exclusive recognition for the craft in which the  
9 employee is employed, shall have the right to present and  
10 process grievances and to submit to arbitration unresolved  
11 grievances: *Provided, however,* That any employee desiring  
12 arbitration of a grievance shall notify the labor organization  
13 which has exclusive recognition for the employee's craft in  
14 writing and must receive the written consent of said labor  
15 organization in order to have the grievance submitted to  
16 arbitration: *Provided further,* That the labor organization  
17 may initiate grievances and arbitration proceedings on its  
18 own behalf.

19 (c) Grievance procedures shall be established in nego-  
20 tiations between representatives of labor organizations which  
21 have achieved exclusive recognition and representatives of  
22 the Department. Such procedures shall include, but shall not  
23 be restricted to, procedures assuring employees—

1 (1) the right to be represented by their labor  
2 organization;

3 (2) fixed and reasonable time limits for a deci-  
4 sion at each grievance step; and

5 (3) the right to call, question, and cross-examine  
6 witnesses.

7 (d) The arbitration procedure shall be as follows:

8 (1) Any grievance not satisfactorily settled in the  
9 grievance process shall be subject to arbitration upon  
10 the written request of the labor organization which has  
11 achieved exclusive recognition for the craft of the em-  
12 ployee or employees involved. Such written request  
13 shall be directed to the principal administrative officer  
14 of the Department.

15 (2) The Department shall within five working  
16 days after receipt of the request for arbitration request  
17 the Secretary of Labor to furnish a panel of names of  
18 five arbitrators from which the labor organization and  
19 the Department shall select an arbitrator, by alternately  
20 striking off four names. The name of the person remain-  
21 ing on the list shall be arbitrator in that case.

22 (3) The decision of the arbitrator shall be final  
23 and binding. The fee and expenses of the arbitrator and  
24 the general expenses incident to the arbitration shall be

1 paid by the Secretary of Labor from an arbitration fund  
2 created for such purpose. No employee of the Depart-  
3 ment involved in the arbitration shall suffer any loss in  
4 pay because of his participation in the proceedings,  
5 either as a witness, aggrieved employee, or employee  
6 representative.

7 (e) Department employees called upon by either  
8 party to participate in any phase of the grievance procedure,  
9 including arbitration, shall be free to do so without suffering  
10 any loss of pay, and all such employees shall be free from  
11 restraint, coercion, interference, intimidation, or reprisal as a  
12 consequence of their participation.

### 13 TITLE XII—VIOLATIONS AND ENFORCEMENT

14 SEC. 1201. (a) It shall be unlawful for anyone to  
15 violate or refuse to comply with a decision or order of the  
16 Panel rendered pursuant to title VIII or title IX of this Act  
17 or of an arbitrator rendered pursuant to section 1101 of this  
18 Act.

19 (b) The district courts of the United States, upon peti-  
20 tion of an aggrieved party, shall have jurisdiction for cause  
21 shown to restrain any violation of subsection (a) of this  
22 section, to require compliance with any decision or order  
23 issued under title VIII, title IX, or title XI of this Act and  
24 to afford interim relief.

1     **TITLE XIII—SEPARABILITY OF PROVISIONS**

2         **SEC. 1301.** If any provision of this chapter, or the  
3 application of such provision to any person or circumstance,  
4 shall be held invalid, the remainder of this chapter or the  
5 application of such provision to persons or circumstances  
6 other than those as to which it is held invalid, shall not be  
7 affected thereby.

91<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 4803**

**A BILL**

To provide for improved employee-manage-  
ment relations in the postal service, and for  
other purposes.

By Mr. DANIELS of New Jersey

JANUARY 28, 1969

Referred to the Committee on Post Office and Civil  
Service

91ST CONGRESS  
1ST SESSION

# H. R. 7915

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1969

Mr. DULSKI (for himself, Mr. OLSEN, Mr. NIX, Mr. CHARLES H. WILSON, Mr. WALDIE, Mr. WILLIAM D. FORD, Mr. HAMILTON, Mr. CUNNINGHAM, and Mr. HAWKINS) introduced the following bill; which was referred to the Committee on Post Office and Civil Service

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## A BILL

To provide for improved employee-management relations in the Federal service, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Federal Employee  
4       Labor-Management Act of 1969".

### 5           TITLE I—DECLARATION OF POLICY

6       SEC. 101. Participation of employees with manage-  
7       ment, through employee organizations or unions in deci-  
8       sions which affect them, contributes to the effective conduct  
9       of the public business. Therefore, strong, democratically run  
10      employee organizations or unions are in the public interest



1 and their development should be encouraged by lawful  
2 means.

3 SEC. 102. The right of officers or representatives of a  
4 union or organization of Government employees representing  
5 the employees of a department or agency or subdivision of  
6 such department or agency to present grievances and engage  
7 in collective bargaining in behalf of their members without  
8 restraint, coercion, interference, intimidation, or reprisal is  
9 recognized and encouraged. Violation of such right on the  
10 part of an administrative official shall be cause for his sus-  
11 pension or removal or such other punitive action as the head  
12 of the department or agency may deem advisable.

13 SEC. 103. In order to assure a uniform and orderly  
14 administration of labor-management operations throughout  
15 the Federal service it is in the public interest to establish  
16 a Federal Service Labor-Management Relations Board,  
17 which shall perform the basic and essential role of providing  
18 direction to the entire labor-management relations program.

## 19 TITLE II—DEFINITIONS

20 SEC. 201. For the purposes of this Act—

21 (a) The term "grievance" means any complaint by any  
22 employee of the executive branch of the United States Gov-  
23 ernment against the management of any United States Gov-  
24 ernment department, agency, activity, organization, or func-  
25 tion in the executive branch, concerning the effect, interpre-

1 tion, application, claim of breach, or violation of any law,  
2 rule, or regulation governing conditions of employment, in  
3 which the head of the department or agency has the authority  
4 to correct.

5 (b) The term "conditions of employment" shall include  
6 such factors as working conditions, work schedules, work pro-  
7 cedures, automation, safety, transfers, job classifications,  
8 details, promotional procedures, demotions, rates of pay, reas-  
9 signments, reductions in force, hours of work, disciplinary  
10 actions, and such other matters as may be specified by law,  
11 rule, or regulation.

12 (c) The term "union representative" means any repre-  
13 sentative of a union of Government employees, whether an  
14 employee or a nonemployee of the Federal Government, who  
15 has been chosen by an aggrieved employee to represent him  
16 in dealing with Government management on the subject of  
17 his complaint.

18 (d) The term "union of Government employees" means  
19 any national organization and/or its affiliates, made up in  
20 whole or in part of employees of the Federal Government,  
21 in which the employees participate and pay dues, and which  
22 has as its basic and central purposes, dealing with the man-  
23 agement of a Government department, agency, activity, or  
24 ganization, or function concerning conditions of employment,  
25 but shall not include any organization whose basic purpose

1 is purely social, fraternal, or limited to a single special in-  
 2 terest objective which is only incidentally related to condi-  
 3 tions of employment; and shall not include any organization  
 4 which, by ritualistic practice, constitutional or bylaws pre-  
 5 scription, by tacit agreement among its members or other-  
 6 wise, denies membership because of race, color, religion, na-  
 7 tional origin, preferential or nonpreferential civil service  
 8 status, or any organization sponsored by a department,  
 9 agency, activity, organization, or facility of the Federal  
 10 Government.

11 (e) The term "dues-paying member" means any em-  
 12 ployee, former employee, or retired employee of the executive  
 13 branch of the United States Government covered by this  
 14 Act who is a member of a "union of Government employees"  
 15 and who is free from delinquency in the payment of dues and  
 16 assessments lawfully required as a condition of membership  
 17 in the constitution and/or bylaws of any "union of Govern-  
 18 ment employees" covered by this Act.

19 (f) When used in this Act, the term "United States  
 20 Government" or "Federal Government" includes the govern-  
 21 ment of the District of Columbia and employees paid in  
 22 whole or in part from nonappropriated funds.

### 23 TITLE III—RECOGNITION OF ORGANIZATIONS

24 SEC. 301. (a) Determination of the right of a union to  
 25 selection as the representative on a national or local basis

1 shall be decided by a secret ballot, where an election is nec-  
 2 essary, with the representation decided by a majority of  
 3 votes cast

4 (b) Within six months after the effective date of this Act,  
 5 the Federal Service Labor-Management Relations Board,  
 6 hereinafter provided in section 401 (a) of this Act, shall,  
 7 after giving officers or representatives of unions having mem-  
 8 bers in the Federal Government an opportunity to present  
 9 their views, promulgate regulations specifying that adminis-  
 10 trative officers shall at the request of officers or representa-  
 11 tives of the unions confer, either in person or through duly  
 12 designated representatives, with such officers or representa-  
 13 tives on matters of policy affecting working conditions, work  
 14 procedures, automation, safety, inservice training, labor-man-  
 15 agement cooperation, methods of adjusting grievances, trans-  
 16 fers, appeals, granting of leave, promotion procedures, de-  
 17 motions, rates of pay, and reduction in force. Such regulations  
 18 shall recognize the right of such officers or representatives to  
 19 carry on any lawful activity without intimidation, coercion,  
 20 interference, or reprisal: *Provided*, That nothing in this sub-  
 21 section shall nullify any provision of any contract, agreement  
 22 or regulation, or established past practice or regulation  
 23 reached by mutual agreement between a department or  
 24 agency and a union, except as may hereafter be agreed to by  
 25 the parties thereto.

1 (c) Administrative officers shall solicit the views of offi-  
 2 cers or representatives of such organizations of employees  
 3 prior to the promulgation of new policies or the modification  
 4 of existing policies with respect to such matters as are enu-  
 5 merated in subsection (b) of this section.

6 SEC. 302. (a) Agencies shall accord formal or exclu-  
 7 sive recognition to employee organizations, on a national  
 8 basis, which request such recognition in conformity with the  
 9 requirements of this Act. In the case of local units, where no  
 10 organization qualifies for exclusive recognition, formal recog-  
 11 nition can be granted with 10 per centum actual unit mem-  
 12 bership.

13 (b) Recognition of an employee organization or union  
 14 shall continue so long as such organization satisfies the cri-  
 15 teria of this Act applicable to such recognition; but nothing  
 16 in this section shall require any agency to determine whether  
 17 an organization should become or continue to be recognized  
 18 as exclusive representative of the employees in any unit  
 19 within twelve months after a prior determination of exclu-  
 20 sive status or while a contract is in effect with respect to  
 21 such unit has been made pursuant to the provisions of this  
 22 Act.

23 (c) Recognition, in whatever form accorded, shall not—  
 24 (1) preclude any employee, regardless of employee  
 25 organization membership, from bringing matters of per-

1 sonal concern to the attention of appropriate officials in  
 2 accordance with applicable law, rule, regulation, or  
 3 established agency policy, or from choosing his own  
 4 representative in a grievance or appellate action; or

5 (2) preclude or restrict consultations and dealings  
 6 between an agency and any veterans' organization with  
 7 respect to matters of particular interest to employees  
 8 with veterans' preference; or

9 (3) preclude an agency from consulting or dealing  
 10 with any religious, social, fraternal, or other lawful  
 11 association, not qualified as an employee organization  
 12 with respect to matters or policies which involve indi-  
 13 vidual members of the association, or are of particular  
 14 applicability to it or its members.

15 SEC. 303. (a) An agency shall accord an employee  
 16 organization, which does not qualify for exclusive recogni-  
 17 tion, informal recognition as representative of its member  
 18 employees without regard to whether any other employee  
 19 organization has been accorded exclusive recognition as  
 20 representative of some or all employees in any unit.

21 (b) When an employee organization has been infor-  
 22 mally recognized, it shall, to the extent consistent with the  
 23 efficient and orderly conduct of the public business, be  
 24 permitted to present to appropriate officials its views on  
 25 matters of concern to its members. The agency need not,

1 however, consult with an employee organization so rec-  
 2 ognized in the formulation of personnel or other policies with  
 3 respect to such matters.

4 SEC. 304. (a) An agency shall accord an employee  
 5 organization formal recognition as the representative of  
 6 its members in a local unit defined by the agency when—

7 (1) no other employee organization is qualified  
 8 for exclusive recognition as representative of employ-  
 9 ees in the unit;

10 (2) it is determined by the agency that the em-  
 11 ployee organization has a substantial and stable mem-  
 12 bership of no less than 10 per centum of the employees  
 13 in the unit; and

14 (3) the employee organization has submitted to  
 15 the agency a roster of its officers and representatives,  
 16 a copy of its constitution and bylaws, and a statement of  
 17 objectives.

18 (b) When an employee organization has been formally  
 19 recognized, the agency, through appropriate officials, shall  
 20 consult with such organization from time to time in the  
 21 formulation and implementation of personnel policies and  
 22 practices, and matters affecting working conditions that are  
 23 of concern to its members. Any such organization shall be  
 24 entitled from time to time to raise such matters for discussion

1 with appropriate officials and at all times to present its views  
 2 thereon in writing. Formal recognition applies only on a  
 3 local basis.

4 (c) For the purposes of this Act, "consultation" means  
 5 a formal meeting between officials of the department or  
 6 agency with the designated representatives of the union or  
 7 organization, before any action or order is finalized. Such  
 8 consultation should permit sufficient time for the represent-  
 9 atives of the employee organizations to present formal and  
 10 proper agreement or objection to management and the  
 11 reasons for such agreement or objections. If any objections  
 12 are made they should receive consideration before final  
 13 action is taken.

14 SEC. 305. (a) Except where otherwise required by  
 15 established practice, prior agreement, or special circum-  
 16 stances, no unit shall be established for purposes of exclusive  
 17 recognition which includes—

18 (1) any managerial executive;

19 (2) any employee engaged in Federal personnel  
 20 work in other than a purely clerical capacity;

21 (3) both supervisors, who officially evaluate the  
 22 performance of employees, and the employees whom  
 23 they supervise; or



(4) both professional employees and nonprofessional employees unless a majority of such professional employees vote for inclusion in such unit.

(b) When an employee organization has been recognized as the exclusive representative of employees of an appropriate unit it shall be entitled to act for and to negotiate agreements covering all employees in the unit and shall be responsible for representing the interests of all such employees. Such employee organization shall be given the opportunity to be represented at discussions between management and employees or employee representatives concerning grievances, personnel policies and practices, or other matters affecting general working conditions of employees in the unit. The agency and such employee organization, through appropriate officials and representatives, shall meet at reasonable times and confer with respect to personnel policy and practices and matters affecting working conditions, so far as may be appropriate subject to law. This extends to the negotiation of an agreement, or any question arising thereunder, the determination of appropriate techniques, consistent with the terms and purposes of this Act, to assist in such negotiation, and the execution of a written contract or agreement or understanding incorporating any agreement reached by the parties. In exercising authority to make rules and regulations relating to personnel policies and prac-

tices and working conditions, agencies shall have due regard for the obligation imposed by this section.

SEC. 306. (a) Any basic or initial agreement entered into with an employee organization as the exclusive representative of employees in a unit must be approved by the head of the agency or any official designated by him. All agreements with such employee organizations shall also be subject to the following requirements, which shall be expressly stated in the initial or basic agreement and shall be applicable to all supplemental, implementing subsidiary, or informal agreements between the agency and the organization.

(b) In the administration of all matters covered by the agreement, officials and employees are governed by the provisions of any existing or future laws, including policies set forth in the Federal Personnel Manual and agency regulations, which may be applicable, and the agreement shall at all times be applied subject to such laws and regulations.

(c) Management officials of the agency retain the right, in accordance with applicable laws and regulations—

(1) to direct employees of the agency;

(2) to hire, promote, transfer, and retain employees in positions within the agency, and to suspend, demote, discharge, or take other disciplinary action against employees;

(3) to relieve employees from duties because of lack of work or for other legitimate reasons;

(4) to maintain the efficiency of the Government operations entrusted to them; and

(5) to determine the methods, means, and personnel by which such operations are to be conducted.

SEC. 307. Agreements entered into or negotiated in accordance with this Act with an employee organization which is the exclusive representative of employees in an appropriate unit may contain provisions, applicable only to employees in the unit, concerning procedures for consideration of grievances. Such procedures shall conform to standards issued by the Department of Labor, and may not in any manner diminish or impair any rights which would otherwise be available to any employee in the absence of an agreement providing for such procedures.

#### TITLE IV—ADMINISTRATIVE PROCEDURES

##### AND APPEALS

SEC. 401. (a) There is herewith established a Federal Service Labor-Management Relations Board to direct and supervise the implementation of this Act. The Chairman shall be appointed by the President with the advice and consent of the Senate. One member shall be appointed by the President from a list representing labor unions; and one member shall be appointed by the President from a list repre-

senting Federal management. The Board's actions will be determined by majority vote.

(b) The Federal Service Labor-Management Relations Board is authorized and directed to promulgate rules and regulations not inconsistent with the provisions of this Act to be followed by the departments and agencies in developing and administering the labor-management programs provided for herein.

(c) Upon a finding by the Federal Service Labor-Management Relations Board that a department or agency has failed to develop an adequate labor-management program or has permitted administrative violations to occur, the Board shall assume responsibility for the development of an adequate labor-management program or for the administration of such a program in any such department or agency until satisfactory evidence is produced by the department or agency that the deficiency has been eliminated.

SEC. 402. The Federal Service Labor-Management Relations Board assisted by the Civil Service Commission and the Department of Labor shall supervise the preparation of—

(1) proposed standards of conduct for employee organizations; and

(2) a proposed code of fair labor practices in employee-management relations in the Federal service ap-

1     appropriate to assist in securing the uniform and effective  
2     implementation of the policies, rights, and responsibil-  
3     ities described in this Act.

4     SEC. 403. The head of each agency, in accordance with  
5     the provisions of this Act and regulations prescribed by the  
6     Civil Service Commission, shall extend to all employees in  
7     the competitive civil service, rights identical in adverse ac-  
8     tion cases to those provided preference eligibles under sec-  
9     tion 14 of the Veterans' Preference Act of 1944, as amended.  
10    Each employee in the competitive service shall have the  
11    right to appeal to the Civil Service Commission from an  
12    adverse decision of the administrative officer so acting, such  
13    appeal to be processed in an identical manner to that pro-  
14    vided for appeals under section 14 of the Veterans' Prefer-  
15    ence Act. Any recommendation by the Civil Service Com-  
16    mission submitted to the head of an agency on the basis of  
17    an appeal by an employee in the competitive service shall  
18    be complied with by the head of the agency.

19    SEC. 404. This Act (except section 403) shall not  
20    apply to the Federal Bureau of Investigation, the Central  
21    Intelligence Agency, or any other agency, or to any office,  
22    bureau, or entity within an agency, primarily performing  
23    intelligence, investigative, or security functions if the Fed-  
24    eral Service Labor-Management Relations Board deter-  
25    mines that the provisions of this Act cannot be applied in a

1     manner consistent with national security requirements and  
2     considerations. When he deems it necessary in the national  
3     interest, and subject to prior notification to the Federal Serv-  
4     ice Labor-Management Relations Board and to such condi-  
5     tions as he may prescribe, the head of any agency may  
6     suspend any provision of this Act (except section 403) with  
7     respect to any agency installation or activity which is  
8     located outside of the United States.

9     SEC. 405. In the case of disputes resulting from unre-  
10    solved grievances or from disagreement between unions and  
11    departments or agencies on the policies enumerated in sec-  
12    tion 301 (b), the following procedures shall be followed—

13       (a) Either party may invoke the services of the Federal  
14    Mediation and Conciliation Service which shall immediately  
15    assign one or more of its mediators to work with the parties  
16    using every effort to bring the parties to an agreement.

17       (b) If such efforts to bring about an amicable settle-  
18    ment through mediation and conciliation are unsuccessful,  
19    then either party to the controversy is authorized to invoke  
20    the services of the Government Labor-Management Relations  
21    Panel hereinafter provided for.

22       (c) The President of the United States is authorized  
23    and requested to immediately establish and maintain a Gov-  
24    ernment Labor-Management Relations Panel. This Panel

1 shall be composed of a Chairman, an Executive Secretary,  
 2 and not less than four nor more than six additional members.  
 3 The Chairman and the members of the Panel (exclusive of  
 4 the Executive Secretary who shall be appointed by the Panel  
 5 itself) shall be appointed by the President of the United  
 6 States and shall not be otherwise employed by the Govern-  
 7 ment of the United States.

8 (d) After its services have been invoked, the Panel  
 9 shall assist the parties in arriving at a settlement through  
 10 whatever voluntary methods and procedures it may consider  
 11 to be appropriate.

12 (e) If the Panel is unable to assist the parties to arrive  
 13 at a settlement through other means, it shall promptly hold  
 14 hearings at which both parties shall be given a full oppor-  
 15 tunity to present their case.

16 (f) After the hearings have concluded, the Panel shall  
 17 with due dispatch render its decision in writing on the mat-  
 18 ters in dispute. This decision shall be promptly served upon  
 19 the parties to the proceeding and shall be final and binding  
 20 upon all parties.

21 (g) Government employees called upon by either party  
 22 to participate on its behalf in any phase of the Panel proceed-  
 23 ing shall be free to do so without suffering any loss in pay  
 24 and all such employees shall be free from restraint, coercion,  
 25 interference, intimidation, or reprisal for their participation.

## 1 TITLE V—SETTLEMENT OF GRIEVANCES

2 SEC. 501. (a) Any union of Government employees  
 3 shall have the right to present and process grievances inform-  
 4 ally and to submit to arbitration unresolved grievances on  
 5 behalf of a member or members employed in any depart-  
 6 ment, agency, activity, organization, function, or facility of  
 7 the executive branch of the United States Government.

8 (b) Grievance as specifically used in this title includes  
 9 any dispute between any department, agency, activity, orga-  
 10 nization, function, or facility of the executive branch of the  
 11 United States Government by any union of Government em-  
 12 ployees on behalf of its individual members or group of mem-  
 13 bers concerning the effect, interpretation, or application of  
 14 any law, rule, regulation, or provision of a collective-bargain-  
 15 ing agreement, governing any condition of employment, in-  
 16 cluding but not limited to, working conditions, work proce-  
 17 dures, automation, safety, transfers, job classification, details,  
 18 promotional procedures, demotions, rates of pay, reductions  
 19 in force, hours of work, and disciplinary actions.

20 (c) Grievances shall be presented or taken up at any  
 21 level by the representative or representatives of the union of  
 22 Government employees representing the employee or em-  
 23 ployees involved through established supervisory channels  
 24 preferably starting with the lowest level of management in  
 25 such Government organizations having competent authority



1 to make a decision on the subject of the grievance, up to the  
2 designated chief supervisory officer concerned, as defined  
3 from time to time by the appropriate administrative head of  
4 the Government organization involved.

5 (d) Failing prompt and satisfactory adjustment, an ap-  
6 peal can be taken by the union representing the employee  
7 or employees involved directly to the principal administra-  
8 tive officer of the Government organization involved for in-  
9 vestigation and settlement.

10 (e) Details of grievance procedures shall be established  
11 by each Government organization in negotiation or consulta-  
12 tion with representatives of unions of Government employees  
13 with members employed in such Government organization.  
14 Such procedures shall assure employees—

15 (1) the right to be represented through their union  
16 of Government employees;

17 (2) of fixed reasonable time limits for a decision  
18 at each grievance step;

19 (3) of the right to call witnesses at each step of  
20 the procedure; and

21 (4) of no loss of pay to the aggrieved employee  
22 or employees, employee witnesses or employee represen-  
23 tatives in the processing of such grievance.

24 (f) (1) Any grievance not satisfactorily settled in the  
25 grievance process shall be subject to arbitration upon the

1 written request of the union of Government employees rep-  
2 resenting the employee or employees involved. Such writ-  
3 ten request shall be directed to the principal administrative  
4 officer of the Government organization involved and shall  
5 specify the name and address of person selected by the union  
6 to serve on a three-member Board of Arbitration to be con-  
7 stituted to hear and decide the case.

8 (2) Within five working days after receipt of such  
9 arbitration request, the principal administrative officer of  
10 the Government organization involved shall advise the union  
11 of the name and address of the person selected by the Gov-  
12 ernment organization to serve on such Board of Arbitration.

13 (3) The two arbitrators so selected shall request the  
14 Secretary of Labor to furnish them with a panel of names  
15 of five arbitrators from which they will endeavor to select  
16 a third member who will serve as Chairman of the Board  
17 of Arbitration. If they cannot agree on the third member,  
18 they shall then request the Secretary of Labor to name the  
19 third member.

20 (4) The decision of the majority of the members of such  
21 Board of Arbitration shall be final and binding. Each party  
22 shall be responsible for the costs of its members of the Board  
23 of Arbitration. The fee and expenses of the Chairman and  
24 the general expenses incident to the arbitration shall be  
25 paid by the Secretary of Labor from an arbitration fund

1 created for such purpose. No employee of the Government  
2 organization involved in the arbitration shall suffer any loss  
3 in pay because of his participation in the proceedings, either  
4 as a witness, aggrieved employee, or employee representative.

5 **TITLE VI—EFFECTIVE DATE**

6 **SEC. 601.** This Act shall take effect as of the first day  
7 of the second calendar month following the date of its  
8 enactment.

91st CONGRESS  
1st Session

# H. R. 7915

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## A BILL

To provide for improved employee-management relations in the Federal service, and for other purposes.

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By Mr. DULSKI, Mr. OLSEN, Mr. NIX, Mr.  
CHARLES H. WILSON, Mr. WALDIE, Mr. WIL-  
LIAM D. FORD, Mr. HAMILTON, Mr. CUN-  
NINGHAM, and Mr. HAWKINS

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FEBRUARY 27, 1969

Referred to the Committee on Post Office and Civil  
Service

91ST CONGRESS  
1ST SESSION

# H. R. 7917

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1969

Mr. DULSKI introduced the following bill; which was referred to the Committee on Post Office and Civil Service

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## A BILL

To provide for employee-management relations between the United States Government and its employees.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Federal Employee-  
4       Management Relations Act".

### 5                               TITLE I—PURPOSE

6       SEC. 101. It is the purpose and policy of this Act to  
7       prescribe the legitimate rights of both the employees and  
8       the United States Government in their relations and to  
9       provide orderly and peaceful procedures for a settlement of  
10      the disputes between the two and to prevent interference by  
11      either with the legitimate rights of the other.



## TITLE II—FINDINGS AND POLICIES

SEC. 201. (a) The denial by some governmental agencies of the right to organize and the refusal by some governmental agencies to accept the procedure of collective bargaining leads to employee unrest, which has the effect of impairing the efficiency, safety, or operation of the governmental agencies and which deprive the employees of such agencies from receiving their just rights and benefits to which they are entitled. Experience has proven that protection by law of the right of employees to organize and bargain collectively safeguards the United States from certain recognized sources of unrest by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to working conditions and by restoring security of bargaining power by the United States Government and its employees.

(b) It is hereby declared to be the policy of the United States to eliminate obstructions to free purposeful collective bargaining by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization and designation of representatives of their own choosing for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

## TITLE II—DEFINITIONS

SEC. 202. For the purposes of this Act—

(a) The term "person" includes one or more individuals, labor organizations, and agencies of the United States Government.

(b) The term "employer" includes the United States Government or any agency thereof and includes any person acting as its agent directly or indirectly.

(c) The term "employee" shall include any employee and shall not be limited to the employees of a particular employer unless the Act states otherwise and shall include any individuals whose work has ceased as a consequence of or in connection with any unfair labor practice, and who has not obtained any substantial or equivalent employment.

(d) The term "representatives" includes any labor organization.

(e) The term "labor organization" means any organization in which employees participate and which exists for the purpose of dealing with employers concerning grievances, labor disputes, hours of employment or conditions of work and which does not condone strikes against the United States.

(f) The term "unfair labor practice" means any unfair labor practice listed in section 501.

(g) The term "Federal Employee Labor Relations

1 Board" means the Federal Employee Labor Relations Board  
2 provided in section 301 of this Act.

3 (h) The term "supervisor" means any employee having  
4 authority in the interest of the employer, to hire, transfer,  
5 suspend, lay off, recall, promote, discharge, assign, reward,  
6 rate, or discipline other employees, or responsibility to direct  
7 them or adjust their grievances or effectively to recommend  
8 such action, if in connection with the foregoing the exercise  
9 of such authority is not of a merely routine or clerical nature,  
10 but requires the use of independent judgment.

11 (i) The term "professional employee" means—

12 (1) any employee engaged in work—

13 (A) predominantly intellectual and varied in  
14 character as opposed to routine mental, manual,  
15 mechanical, or physical work;

16 (B) involving the consistent exercise of dis-  
17 cretion and judgment in its performance;

18 (C) of such a character that the output pro-  
19 duced or the result accomplished cannot be stand-  
20 ardized in relation to a given period of time;

21 (D) requiring knowledge of an advanced type  
22 in a field of science or learning customarily acquired  
23 by a prolonged course of specialized intellectual in-  
24 struction and study in an institution of higher learn-  
25 ing or a hospital, as distinguished from a general

1 academic education or from an apprenticeship or  
2 from training in the performance of routine mental,  
3 manual, or physical processes; or

4 (2) any employee, who—

5 (A) has completed the courses of specialized  
6 intellectual instruction and study described in clause  
7 (D) of subparagraph (1), and

8 (B) is performing related work under the su-  
9 pervision of a professional person to qualify himself  
10 to become a professional employee as defined in sub-  
11 paragraph (1) of this subsection.

12 (j) The term "consultation" means meeting and discuss-  
13 ing with representatives of labor organizations and responsi-  
14 ble representatives of employers to discuss the working con-  
15 ditions and agency regulations, and any and all other  
16 problems that affect the employees.

## 17 TITLE III—FEDERAL EMPLOYEES LABOR 18 RELATIONS BOARD

19 SEC. 301. (a) The Federal Employees Labor Relations  
20 Board (hereafter called the Board) created by this Act  
21 shall be an agency of the United States, and shall consist of  
22 three members no more than two from the same political  
23 party appointed by the President by and with the advice  
24 and consent of the Senate. The members shall be appointed  
25 for a term of five years. Any successors appointed to a

1 vacancy shall be appointed only for the unexpired term of the  
 2 member whom he shall succeed. The President shall designate  
 3 one member to serve as Chairman of the Board. Any  
 4 member of the Board may be removed by the President,  
 5 upon notice and hearing, for neglect of duty or malfeasance  
 6 in office, but for no other cause.

7 (b) A vacancy in the Board shall not impair the right  
 8 of the remaining members to exercise all of the power of  
 9 the Board, and two members of the Board shall, at all  
 10 times, constitute a quorum of the Board. The Board shall  
 11 have an official seal which shall be judicially noticed.

12 (c) The Board shall at the close of each fiscal year  
 13 make a report in writing to Congress and to the President  
 14 stating in detail the cases it has heard, the decisions it has  
 15 rendered, the names, salaries, and duties of all employees  
 16 and officers in the employ or under the supervision of the  
 17 Board and an account of all moneys it has disbursed.

18 SEC. 302. (a) Each member of the Board shall receive  
 19 a salary of \$27,000 a year, except the chairman  
 20 shall receive \$28,000, shall be eligible for reappointment,  
 21 and shall not engage in any other business, vocation, or  
 22 employment. The Board shall appoint the Executive Secretary  
 23 and such attorneys, and examiners and such other  
 24 employees as it may from time to time find necessary for  
 25 the proper performance of its duties. The Board may not

1 employ any attorneys for the purpose of reviewing transcripts  
 2 of hearings or preparing drafts of opinions except  
 3 that any attorney employed for assignment as a legal assistant  
 4 to any Board member may for such Board review such transcripts  
 5 and prepare such drafts. No trial examiner's report shall be reviewed,  
 6 either before or after its publication, by any person other than  
 7 a member of the Board or his legal assistant and no trial examiner  
 8 shall advise or consult with the Board with respect to exceptions  
 9 taken to his findings, rulings, or recommendations. The Board  
 10 may establish or utilize such regional, local, or other agencies,  
 11 and utilize such voluntary and uncompensated services, as may  
 12 from time to time be needed. Attorneys appointed under this section  
 13 may, at the direction of the Board, appear for and represent the Board  
 14 in any case in court.

15 (b) All the expenses of the Board, including all necessary  
 16 traveling and subsistence expenses outside the District of Columbia  
 17 incurred by the members or employees of the Board, shall be allowed  
 18 and paid on the presentation of itemized vouchers therefor approved  
 19 by the Board or by an individual it designates for that purpose.

20 SEC. 303. The principal office of the Board shall be in the District  
 21 of Columbia, but it may meet and exercise any or all of its powers  
 22 at any time or place. The Board

1 may, by one or more of its members or by such agents as  
 2 it may designate, prosecute any inquiry necessary to its  
 3 functions in any part of the United States. A member who  
 4 participates in such inquiry shall not be disqualified from  
 5 subsequently participating in a decision of the Board in the  
 6 same case.

7 SEC. 304. The Board shall have authority from time to  
 8 time to make, amend, and rescind, in the manner prescribed  
 9 by the Administrative Procedure Act, such rules and regu-  
 10 lations as may be necessary to carry out the provisions of  
 11 this Act.

#### 12 TITLE IV—RIGHTS OF EMPLOYEES

13 SEC. 401. Employees shall have the right to self-orga-  
 14 nization, form, join, or assist labor organizations, to bargain  
 15 collectively through representatives of their own choosing,  
 16 and shall have the right to refrain from such activities.

#### 17 TITLE V—UNFAIR LABOR PRACTICES

18 SEC. 501. (a) It shall be an unfair labor practice for  
 19 an employer—

20 (1) to interfere with, restrain or coerce employees  
 21 in the exercise of the rights guaranteed in section 401  
 22 of this Act;

23 (2) to dominate or interfere with the formation or  
 24 administration of any labor organization or contribute  
 25 financial or other support to it, provided that subject

1 to rules and regulations made and published by the  
 2 Board pursuant to section 304 the employer shall not be  
 3 prohibited from permitting employees to confer with  
 4 him during working hours without loss of time or pay;

5 (3) to discriminate in regard to hire or tenure of  
 6 employment or any term or condition of employment or  
 7 encourage or discourage membership in any labor  
 8 organization;

9 (4) to discharge or discriminate against an  
 10 employee because he had filed charges or given testi-  
 11 mony under this Act; and

12 (5) to refuse to bargain collectively (including  
 13 bargaining on agency regulations) with the representa-  
 14 tives of its employees subject to the provisions of this  
 15 Act.

16 (b) It shall be an unfair labor practice for a labor orga-  
 17 nization or its agents—

18 (1) to restrain or coerce employees in the exercis-  
 19 ing of the rights guaranteed in section 401: *Provided,*  
 20 That this paragraph shall not impair the right of—

21 (A) labor organizations to prescribe their own  
 22 rules with respect to the acquisition or retention of  
 23 membership therein; or

24 (B) an employer in the selection of his repre-



1        representatives for the purpose of collective bargaining or  
2        the adjustment of grievances;

3        (2) to refuse to bargain collectively with an  
4        employer, provided it is the representative of his employ-  
5        ees subject to the provisions of section 601.

## 6 TITLE VI—REPRESENTATIVES AND ELECTIONS

7        SEC. 601. (a) Representatives designated or selected for  
8        the purpose of collective bargaining by the majority of the  
9        employees in a unit appropriate for such purposes, shall be  
10       the exclusive representatives of all the employees in such  
11       unit for the purpose of collective bargaining in respect to,  
12       but not limited to, such matters as pay policies and regula-  
13       tions, safety, training, labor-management cooperation, em-  
14       ployee services, methods of adjusting grievances, appeals on  
15       adverse actions of all types, granting of leave, promotion  
16       plans, demotion practices, reduction-in-force practices, hours  
17       of work, ranking and evaluation of positions and jobs, and  
18       mediation and arbitration of disputes: *Provided*, That any in-  
19       dividual employee or a group of employees shall have the  
20       right at any time to present grievances to their employer  
21       and to have such grievances adjusted, without the inter-  
22       vention of the bargaining representative, as long as the ad-  
23       justment is not inconsistent with the terms of a collective-  
24       bargaining contract or agreement then in effect: *Provided*  
25       further, That the bargaining representative has been given

1       opportunity to be present at such adjustment and any meet-  
2       ing or hearing in connection with same.

3        (b) The Board shall decide in each case whether, in  
4       order to assure to employees the fullest freedom in exercising  
5       the rights guaranteed by this Act, the unit appropriate for  
6       the purpose of collective bargaining shall be the plant unit,  
7       or craft unit, or functional unit, or subdivision thereof: *Pro-*  
8       *vided*, That the Board shall not—

9        (1) decide that any unit is appropriate for such  
10       purposes if such unit includes both professional em-  
11       ployees and employees who are not professional em-  
12       ployees unless a majority of such professional employees  
13       vote for inclusion in such unit; or

14       (2) decide that any craft unit is inappropriate for  
15       such purposes on the ground that a different unit has  
16       been established by a prior Board determination, unless  
17       a majority of the employees in the proposed craft unit  
18       vote against separate representation.

19       (c) Wherever a petition shall have been filed, in ac-  
20       cordance with such regulations as may be prescribed by  
21       the Board—

22       (1) by a labor organization acting in the employees'  
23       behalf alleging that a substantial number of employees  
24       wish to be represented for collective bargaining and that

1 their employer declines to recognize their representative  
2 as the representative defined in section 202, or

3 (2) by an employer, alleging that a labor organi-  
4 zation has presented to him a claim to be recognized  
5 as the representative defined in section 202;

6 the Board shall investigate such petition and if it has reason-  
7 able cause to believe that a question of representation exists  
8 shall provide for an appropriate hearing upon due notice.  
9 Such hearing may be conducted by an officer or employee  
10 of the Board who shall not make any recommendations with  
11 respect thereto. If the Board finds upon the record of such  
12 hearing that such a question of representation exists, it shall  
13 direct an election by secret ballot and shall certify the results  
14 thereof.

15 (d) No election shall be directed in any bargaining unit  
16 or any subdivision within which, in the preceding twelve-  
17 month period, a valid election shall have been held. In any  
18 election where none of the choices on the ballot receives a  
19 majority of the votes cast a runoff shall be conducted, the  
20 ballot providing for a selection between the two choices re-  
21 ceiving the largest and second largest number of valid votes  
22 cast in the election.

23 (e) Nothing in this section shall be construed to pro-  
24 hibit the waiving of hearings by stipulation for the purpose

1 of a consent election in conformity with regulations and  
2 rules or decisions of the Board.

3 (f) In determining whether a unit is appropriate for  
4 the purposes specified in subsection (a) of this section, the  
5 extent to which the employees have organized shall not be  
6 controlling.

7 (g) Whenever an order of the Board made pursuant  
8 to section 701 is based in whole or in part upon facts certi-  
9 fied following an investigation pursuant to subsection (c) of  
10 this section and there is a petition for the enforcement or re-  
11 view of such order, such certification and the record of such  
12 investigation shall be included in the transcript of the en-  
13 tire record required to be filed under section 801, and there-  
14 upon the decree of the court enforcing, modifying, or set-  
15 ting aside in whole or in part the order of the Board shall  
16 be made and entered upon the pleadings, testimony, and  
17 proceedings set forth in such transcript.

18 (h) No election shall be conducted pursuant to this  
19 subsection in any bargaining unit or any subdivision within  
20 which, in the preceding twelve-month period, a valid election  
21 shall have been held.

22 (i) Nothing in this section or the Act shall prevent an  
23 employer from granting a labor organization voluntary rec-

1 cognition based upon the authorization of a majority of the  
2 employees in the unit.

### 3 TITLE VII—PREVENTION OF UNFAIR LABOR 4 PRACTICES

5 SEC. 701. (a) The Board is empowered, as hereinafter  
6 provided, to prevent any person from engaging in any  
7 unfair labor practice (listed in section 501). This power  
8 shall not be affected by any other means of adjustment or  
9 prevention that has been or may be established by agreement.

10 (b) Whenever it is charged that any person has engaged  
11 in or is engaging in any such unfair labor practice, the  
12 Board, or any agent or agency designated by the Board for  
13 such purposes, shall have power to issue and cause to be  
14 served upon such person a complaint stating the charges in  
15 that respect, and containing a notice of hearing before the  
16 Board or a member thereof, or before a designated agent  
17 or agency, at a place therein fixed, not less than five days  
18 after the serving of said complaint: *Provided*, That no com-  
19 plaint shall issue based upon any unfair labor practice occur-  
20 ring more than six months prior to the filing of the charge  
21 with the Board and the service of a copy thereof upon the  
22 person against whom such charge is made, unless the person  
23 aggrieved thereby was prevented from filing such charge by  
24 reason of service in the Armed Forces, in which event the  
25 six-month period shall be computed from the day of his dis-

1 charge. Any such complaint may be amended by the mem-  
2 ber, agent, or agency conducting the hearing or the Board  
3 in its discretion at any time prior to the issuance of an order  
4 based thereon. The person so complained of shall have the  
5 right to file an answer to the original or amended complaint  
6 and to appear in person or otherwise and give testimony at  
7 the place and time fixed in the complaint. In the discretion  
8 of the member, agent, or agency conducting the hearing or  
9 the Board, any other person may be allowed to intervene  
10 in the said proceeding and to present testimony. Any such  
11 proceeding shall, so far as practicable, be conducted in ac-  
12 cordance with the rules of evidence applicable in the district  
13 courts of the United States under the rules of civil procedure  
14 for the district courts of the United States, adopted by the  
15 Supreme Court of the United States pursuant to the Act of  
16 June 19, 1934 (28 U.S.C. 723-B, 723C).

17 (c) The testimony taken by such member, agent, or  
18 agency of the Board shall be reduced to writing and filed  
19 with the Board. Thereafter, in its discretion, the Board  
20 upon notice may take further testimony or hear argument.  
21 If upon the preponderance of the testimony taken the Board  
22 shall be of the opinion that any person named in the com-  
23 plaint has engaged in or is engaging in any such unfair  
24 labor practice, then the Board shall state its findings of  
25 fact and shall issue and cause to be served on such person

1 an order requiring such person to cease and desist from  
 2 such unfair labor practice, and to take such affirmative  
 3 action including reinstatement of employees with or without  
 4 backpay, as will effectuate the policies of this Act: *Pro-*  
 5 *vided*, That where an order directs reinstatement of an  
 6 employee, backpay may be required of the employer or  
 7 labor organization, as the case may be, responsible for the  
 8 discrimination suffered by him: *And provided further*, That  
 9 in determining whether a complaint shall issue alleging a  
 10 violation of section 501, and in deciding such cases, the  
 11 same regulations and rules of decision shall apply irre-  
 12 spective of whether or not the labor organization affected  
 13 is affiliated with a labor organization national or interna-  
 14 tional in scope. Such order may further require such person  
 15 to make reports from time to time showing the extent to  
 16 which it has complied with the order. If upon the pre-  
 17 ponderance of the testimony taken the Board shall not  
 18 be of the opinion that the person named in the com-  
 19 plaint has engaged in or is engaging in any such unfair  
 20 labor practice, then the Board shall state its findings of  
 21 fact and shall issue an order dismissing the said com-  
 22 plaint. No order of the Board shall require the reinstate-  
 23 ment of any individual as an employee who has been  
 24 suspended or discharged, or the payment to him of any  
 25 backpay, if such individual was suspended or discharged

1 for just cause. In case the evidence is presented before a  
 2 member of the Board, or before an examiner or examiners  
 3 thereof, such member, or such examiner or examiners, as  
 4 the case may be, shall issue and cause to be served on  
 5 the parties to the proceeding a proposed report, together  
 6 with a recommended order, which shall be filed with the  
 7 Board, and if no exceptions are filed within twenty days  
 8 after service thereof upon such parties, or within such fur-  
 9 ther period as the Board may authorize, such recommended  
 10 order shall become the order of the Board and become ef-  
 11 fective as therein prescribed.

12 (d) Until the record in a case shall have been filed in  
 13 a court, as hereinafter provided, the Board may at any time,  
 14 upon reasonable notice and in such manner as it shall deem  
 15 proper, modify or set aside, in whole or in part, any finding  
 16 or order made or issued by it.

17 (e) The Board shall have power to petition any court  
 18 of appeals of the United States, or if all the courts of appeals  
 19 to which application may be made are in vacation, any dis-  
 20 trict court of the United States, within any circuit or district,  
 21 respectively, wherein the unfair labor practice in question  
 22 occurred or wherein such person resides or transacts business,  
 23 for the enforcement of such order and for appropriate tem-  
 24 porary relief or restraining order, and shall file in the court  
 25 the record in the proceedings, as provided in section 2112 of



1 title 28, United States Code. Upon filing of such petition, the  
 2 court shall cause notice thereof to be served upon such per-  
 3 son, and thereupon shall have jurisdiction of the proceeding  
 4 and of the question determined therein, and shall have power  
 5 to grant such temporary relief or restraining order as it deems  
 6 just and proper, and to make and enter a decree enforcing,  
 7 modifying, and enforcing as so modified, or setting aside in  
 8 whole or in part the order of the Board. No objection that  
 9 has not been urged before the Board, its member, agent, or  
 10 agency, shall be considered by the court, unless the failure  
 11 or neglect to urge such objection shall be excused because of  
 12 extraordinary circumstances. The findings of the Board with  
 13 respect to questions of fact if supported by substantial evi-  
 14 dence on the record considered as a whole shall be conclu-  
 15 sive. If either party shall apply to the court for leave to  
 16 adduce additional evidence and shall show to the satisfaction  
 17 of the court that such additional evidence is material and that  
 18 there were reasonable grounds for the failure to adduce such  
 19 evidence in the hearing before the Board, its member, agent,  
 20 or agency, the court may order such additional evidence to  
 21 be taken before the Board, its member, agent, or agency, and  
 22 to be made a part of the record. The Board may modify its  
 23 findings as to the facts, or make new findings, by reason of  
 24 additional evidence so taken and filed, and it shall file such  
 25 modified or new findings, which findings with respect to

1 questions of fact if supported by substantial evidence on the  
 2 record considered as a whole shall be conclusive, and shall  
 3 file its recommendations, if any, for the modification or set-  
 4 ting aside of its original order. Upon the filing of the record  
 5 with it the jurisdiction of the court shall be exclusive and its  
 6 judgment and decree shall be final, except that the same shall  
 7 be subject to review by the appropriate United States court  
 8 of appeals if application was made to the district court as  
 9 hereinabove provided, and by the Supreme Court of the  
 10 United States upon writ of certiorari or certification as pro-  
 11 vided in section 1254 of title 28.

12 (f) Any person aggrieved by a final order of the Board  
 13 granting or denying in whole or in part the relief sought  
 14 may obtain a review of such order in any circuit court of  
 15 appeals of the United States in the circuit wherein the unfair  
 16 labor practice in question was alleged to have been engaged  
 17 in or wherein such person resides or transacts business, or in  
 18 the United States Court of Appeals for the District of  
 19 Columbia, by filing in such court a written petition praying  
 20 that the order of the Board be modified or set aside. A copy  
 21 of such petition shall be forthwith transmitted by the clerk  
 22 of the court to the Board, and thereupon the aggrieved party  
 23 shall file in the court the record in the proceeding, certified  
 24 by the Board, as provided in section 2112 of title 28, United

1 States Code. Upon the filing of such petition, the court shall  
 2 proceed in the same manner as in the case of an application  
 3 by the Board under subsection (e) of this section, and  
 4 shall have the same jurisdiction to grant to the Board such  
 5 temporary relief or restraining order as it deems just and  
 6 proper, and in like manner to make and enter a decree en-  
 7 forcing, modifying, and enforcing as so modified, or setting  
 8 aside in whole or in part the order of the Board; the findings  
 9 of the Board with respect to questions of fact if supported by  
 10 substantial evidence on the record considered as a whole  
 11 shall in like manner be conclusive.

12 (g) The commencement of proceedings under subsection  
 13 (e) or (f) of this section shall not, unless specifically  
 14 ordered by the court, operate as a stay of the Board's order.

15 (h) When granting appropriate temporary relief or a  
 16 restraining order, or making and entering a decree enforcing,  
 17 modifying, and enforcing as so modified, or setting aside in  
 18 whole or in part an order of the Board, as provided in this  
 19 section, the jurisdiction of courts sitting in equity shall not  
 20 be limited by the Act entitled "An Act to amend the  
 21 Judicial Code and to define and limit the jurisdiction of  
 22 courts sitting in equity, and for other purposes," approved  
 23 March 23, 1932 (U.S.C., Supp. VII, title 29, secs. 101-  
 24 115).

25 (i) Petitions filed under this Act shall be heard ex-

1 peditiously, and if possible within ten days after they have  
 2 been docketed.

3 (j) The Board shall have power, upon issuance of a  
 4 complaint as provided in subsection (b) charging that any  
 5 person has engaged in or is engaging in an unfair labor  
 6 practice, to petition any district court of the United States  
 7 (including the District Court of the United States for the  
 8 District of Columbia), within any district wherein the un-  
 9 fair labor practice in question is alleged to have occurred or  
 10 wherein such person resides or transacts business, for appro-  
 11 priate temporary relief or restraining order. Upon the filing  
 12 of any such petition the court shall cause notice thereof to  
 13 be served upon such person, and thereupon shall have juris-  
 14 diction to grant to the Board such temporary relief or  
 15 restraining order as it deems just and proper.

## 16 TITLE VIII—INVESTIGATORY POWERS

17 SEC. 801. For the purpose of all hearings and investi-  
 18 gations, which, in the opinion of the Board are necessary  
 19 and proper for the exercise of the powers vested in it by  
 20 section 601 and section 701—

21 (1) The Board, or its duly authorized agents or  
 22 agencies, shall at all reasonable times have access to, for  
 23 the purpose of examination, and the right to copy any  
 24 evidence of any person being investigated or proceeded  
 25 against that relates to any matter under investigation or

in question. The Board, or any member thereof, shall upon application of any party to such proceedings, forthwith issue to such party subpoenas requiring the attendance and testimony of witnesses or the production of any evidence in such proceeding or investigation requested in such application. Within five days after the service of a subpoena of any person requiring the production of any evidence in his possession or under his control, such person may petition the Board to revoke, and the Board shall revoke, such subpoena if in its opinion the evidence whose production is required does not relate to any matter under investigation, or any matter in question in such proceedings, or if in its opinion such subpoena does not describe with sufficient particularity the evidence whose production is required. Any member of the Board, or any agent or agency designated by the Board for such purposes may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any territory or possession thereof, at any designated place of hearing.

(2) In case of contumacy or refusal to obey a subpoena issued to any person, any district court of the United States or the United States courts of any terri-

tory or possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpoena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt

1 from prosecution and punishment for perjury committed  
2 in so testifying.

3 (4) Complaints, orders, and other process and pa-  
4 pers of the Board, its member, agent, or agency, may be  
5 served either personally or by registered mail or by tele-  
6 graph or by leaving a copy thereof at the principal office  
7 or place of business of the person required to be served.  
8 The verified return by the individual so serving the same  
9 setting forth the manner of such service shall be proof  
10 of the same, and the return post office receipt or tele-  
11 graph receipt therefore when registered and mailed or  
12 telegraphed as aforesaid shall be proof of service of the  
13 same. Witnesses summoned before the Board, its mem-  
14 ber, agent, or agency, shall be paid the same fees and  
15 mileage that are paid witnesses in the courts of the  
16 United States, and witnesses whose depositions are taken  
17 and the persons taking the same shall severally be en-  
18 titled to the same fees as are paid for like services in the  
19 courts of the United States.

20 (5) All process of any court to which application  
21 may be made under this Act may be served in the ju-  
22 dicial district wherein the defendant or other person re-  
23 quired to be served resides or may be found.

24 (6) The several departments and agencies of the  
25 Government, when directed by the President, shall fur-

1 nish the Board, upon its request, all records, papers, and  
2 information in their possession relating to any matter  
3 before the Board.

4 SEC. 802. Any person who shall willfully resist, prevent,  
5 impede, or interfere with any member of the Board or any  
6 of its agents or agencies in the performance of duties pur-  
7 suant to this Act shall be punished by a fine of not more  
8 than \$5,000 or by imprisonment for not more than one  
9 year, or both.

#### 10 TITLE IX—LIMITATIONS

11 SEC. 901. If any provision of this Act, or the application  
12 of such provision to any person or circumstances, shall be  
13 held invalid, the remainder of this Act, or the application  
14 of such provisions to persons or circumstances other than  
15 those as to which it is held invalid, shall not be affected  
16 thereby.

#### 17 TITLE X—SETTLEMENT OF IMPASSES

18 SEC. 1001. Any employer and any labor organization  
19 which cannot agree upon the terms and conditions of a col-  
20 lective bargaining agreement within a reasonable time and  
21 having reached an impasse such dispute shall be submitted  
22 to mediation. The mediators shall be furnished by the Federal  
23 Mediation and Conciliation Service at no cost to either the  
24 employer or the labor organization. The mediators shall at-  
25 tempt to amicably settle the matter with expedition.



## TITLE XI—ARBITRATION

SEC. 1101. If mediation does not resolve an impasse or dispute upon the terms and conditions of a collective-bargaining agreement, such impasse or dispute shall be submitted to arbitration under rules and procedures prescribed by the Board. The arbitration award shall be binding on both parties. Any arbitration award may be modified or rejected by mutual written agreement of both parties. The parties shall share equally the cost of arbitration.

## TITLE XII—DUES DEDUCTION AUTHORIZATION

SEC. 1201. Any labor organization which is designated by the employees as the collective-bargaining representatives or any labor organization which is recognized as the bargaining representative shall have the right to submit dues deduction authorizations to the employer which shall be honored without charge by the employer. The employer may establish regulations which would be negotiable as to the form and length of irrevocability.

## TITLE XIII—EXCLUSIONS

SEC. 1301. This Act shall not apply to the Federal Bureau of Investigation, the Central Intelligence Agency, or any other agency, or to any office, bureau, or entity within an agency, primarily performing intelligence, investigative, or security functions if the President of the United States determines that the provisions of this Act cannot

be applied in a manner consistent with national security requirements and considerations.

## TITLE XIV—FUNDING

SEC. 1401. There is hereby authorized such sums as are necessary to carry out the functions and purposes of this Act.

91ST CONGRESS  
1ST SESSION

# H. R. 7917

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## A BILL

To provide for employee-management relations  
between the United States Government and  
its employees.

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By Mr. DULSKI

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FEBRUARY 27, 1969

Referred to the Committee on Post Office and Civil  
Service

# HERE'S THE ISSUE

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## Postal Modernization

**The Post Office is Big Business—and Getting Bigger  
It is Time We Put Its Operations on a Business-like Basis**

President Nixon has made it clear that a “comprehensive reorganization of the Post Office Department” will be a major goal of his Administration, and the House Post Office and Civil Service Committee, without awaiting his detailed plans, has opened hearings on the subject.

The House hearings promise to extend over several months. Widespread agreement on the need for change, unfortunately, does not mean agreement on the character of the change. The path that leads to postal modernization is beset by many roadblocks.

These roadblocks, it is safe to say, do not arise because there is great public enthusiasm for the way the Post Office is now being operated or from any general desire to let well enough alone.

The President's Commission of Postal Reorganization, commonly called the Kappel Commission after the name of its Chairman, former AT&T Chairman Frederick R. Kappel, reported that it found a pattern of public concern over the quality of mail service. Delayed letters, erroneous deliveries, damaged parcels, and lost magazines are everyday experiences.

Moreover, the Commission found that those who used the mails the most were the most critical of the service. It concluded: “The lesson is clear; from a distance, the mail service is not bad, but the more you use and depend on it, the less satisfactory it seems.”

One's depth of concern over the plight of the Post Office does, in fact, seem to be in direct proportion to one's knowledge of its operations. People who delve deeply into its workings are likely to echo Postmaster Blount's statement that he knew conditions were bad, but did not realize how bad.

The experts in the field calmly use alarming words. Former Postmaster General O'Brien referred to the “race with catastrophe.”

The Kappel Commission Report uses the word “crisis” repeatedly. It says:

The United States Post Office faces a crisis. Each day it slips further behind the rest of the economy

- in service
- in efficiency
- in meeting its responsibilities as an employer.

Each year it operates at a huge financial loss.

### Complete Breakdown Possible

Today, three-quarters of a million employees work in some 44,000 postal facilities in virtually every city, town and hamlet in the United States. This year, postal employees will use 72,000 vehicles to transport 82 billion pieces of mail between these facilities. Within a decade, that figure will soar to 110 billion pieces of mail.

Physically, organization-wise, or financially, the Post Office is not equipped to handle that fantastic volume of mail with any efficiency.

The Commission recalled:

In October 1966, the 13-story, 60-acre Chicago Post Office — the world's largest postal facility — stopped functioning. Breakdowns in management authority and in physical plant paralyzed service in one of the Nation's biggest cities and delayed millions of cross-country letters and parcels normally routed through Chicago. The crisis lasted three weeks.

The backlog of mail exceeded 10 million pieces. Railroad cars and trailer trucks clogged approaches to the post office. Millions of citizens were inconvenienced; hundreds of businesses suffered financial losses. With the help of a Department task force vested with special authority by the Postmaster General, service was gradually restored. . .

It then reached this sobering conclusion:

The facility and management problems of Chicago, in varying degrees, exist in post offices all over the country. In the Commission's judgment, particularly with mail volumes continuing to increase, the causes which produced Chicago may well produce the same results elsewhere.

The Post Office is still the basic medium of communications even in our electronic age. Business, which contributes three-fourths of the mail volume, would be paralyzed if the system ever broke down completely.

The symptoms of sickness are clear and visible. The experts say it is time to move boldly toward a cure. That means dealing with the causes.

### Management

The basic cause is not difficult to locate. The Commission traced present difficulties in the operation of the Post Office Department to one thing — management.

In fairness to the thousands of dedicated men and

women, however, who have made the Post Office Department function as well as it has under trying conditions, it should be pointed out in the same breath that this, essentially, is a failure of method — not of men.

This point was emphasized time and time again. For example:

"The nominal managers of the postal service do not have the authority to run the post office."

"The postal system is not managed, in the accepted sense of the word."

"The absence of responsible management having normal operating authority, is, we believe, the primary cause of the deficiencies."

The key words, perhaps, are "responsibility" and "authority." The men who manage the post office have little of either. Because the Postmaster General is a member of the Cabinet and funds to run it are contained in the Budget, the ultimate source of authority is the Congress.

In 1967, the Chairman of the House Postal Appropriations Subcommittee summarized the situation in this way for the Postmaster General:

General . . . would this be a fair summary: that at the present time, as the manager of the Post Office Department, you have no control over your workload, you have no control over the rates of revenue, you have no control over the pay of employees that you employ, you have very little control over the conditions of the service of those employees; you have virtually no control, by the nature of it, of your physical facilities, and you have only a limited control, at best, over the transportation facilities that you are compelled to use — all of which adds up to a staggering amount of "no control" in terms of the duties you have to perform.

The Kappel Commission said bluntly: ". . . the legislative process makes most managerial decisions for the Post Office." And, then, perhaps, with some understatement, it added: "When key business decisions are made in this way, they do not necessarily bring about what is best for the postal system and its customers. This process, however conscientiously and well it is followed, is simply not a substitute for sound decision-making in a business context."

This combination of "no control management" and Congressional authority, the Commission found, results in three basic characteristics which prevent the Post Office from developing a sound management system.

**Financing Problems.** The fact that the Post Office Department is financed in part by funds from the Treasury in regular appropriations and that tax revenues are called on to make up the deficit has many unfortunate results.

It means that the Post Office must compete with many other National priority projects to obtain funds for capital improvements. Congress is always tempted to cut the post office requests for new plant and equipment. Moreover, business generally amortizes costs over many years as the equipment is being used. The Post Office Department must make purchases from current appropriations — which

means, in many cases, improved technology is not fully utilized.

**Red Tape.** When tax funds are intermingled with postal receipts a host of regulations governing appropriated funds become effective. The Commission found: "a hodge-podge of postal laws 200 years in the making constrains managerial judgment and initiative."

**Political Appointments.** The Commission said diplomatically: "Because of the system for selecting postal managers, normal line relationships between them and top management are impossible."

### Proposed Legislation

When Chairman Dulski (D-N.Y.), of the House Post Office and Civil Service Committee opened hearings over the objections of Postmaster General Blount, who wanted more time to analyze the situation and make recommendations, two major approaches had been advanced.

One approach, as embodied in H.R. 1382 (Udall, D-Ariz.), essentially follows the Kappel Commission recommendations; the second approach, as embodied by H.R. 4 (Dulski, D-N.Y.), would drastically change many aspects of Post Office operations, but would retain it as an executive department.

### Udall Bill (H.R. 1382)

The Kappel Commission made five principal recommendations:

1. That a Postal Corporation owned entirely by the Federal Government be chartered by Congress to operate the postal service of the United States on a self-supporting, business-like basis.
2. That the Corporation take immediate steps to improve the quality and kinds of services offered, the means by which service is provided and the physical conditions under which postal employees work.
3. That all appointments to, and promotions within, the postal system be made on a nonpolitical basis.
4. That present postal employees be transferred, with their accrued Civil Service benefits, to a new career service within the Postal Corporation.
5. That the Corporation's Board of Directors, after hearings by expert rate commissioners, establish postal rates, subject to Congressional veto within 60 days. Congress would establish broad criteria for rate policy but the details would be left to the corporation to determine.

More specifically, the Commission's recommendations included:

The Corporation would be directed by a nine-member Board, six part-time members to be appointed by the President and confirmed by the Senate, and three full-time Officer-Directors to be chosen by the Board.

The Charter of the Corporation would provide powers analogous to those of private corporations. Most important,

it would be given direct access to its revenues and have authority to borrow funds in its own name to finance modern facilities.

The Postal Service — over-all — should be self-supporting. If postal managers were given the authority and the financial means to put modern management and technology to work, the Commission said, improved methods and mechanization could save over \$1 billion a year. "With this savings, deficit financing should become unnecessary within several years after the Corporation gets under way."

In working toward increased efficiency and productivity, the Report said, management must have access to better cost figures.

The first essential for raising Post Office productivity is a management information network which reports promptly and accurately the real costs of operating the postal system. Next, managers and workers alike must be motivated toward cost-conscious operation. Normal lines of management control are an essential part of such motivation.

. . . Postal management, too, needs a modern cost accounting system, one that shows, by each postal function, how costs vary with each class of service, how much each class contributes to peakload and the size of the remaining pool of institutional costs.

While data on postal costs are unreliable, information on the market for postal services is nonexistent. Only when reliable cost and market information is available will it be possible to tell which class is and is not "paying its own way."

The Commission recommended that the Post Office develop a full-time marketing and sales capacity to respond better to the service needs of the public and to offer a greater variety of services; that it study the feasibility of providing two services, one of which would assure overnight delivery, and the other which would provide slower, but dependable delivery; that several long-standing restrictions on procurement of highway and air transportation be removed; and that special management functions of the Inspection Service be re-assigned to the Corporation.

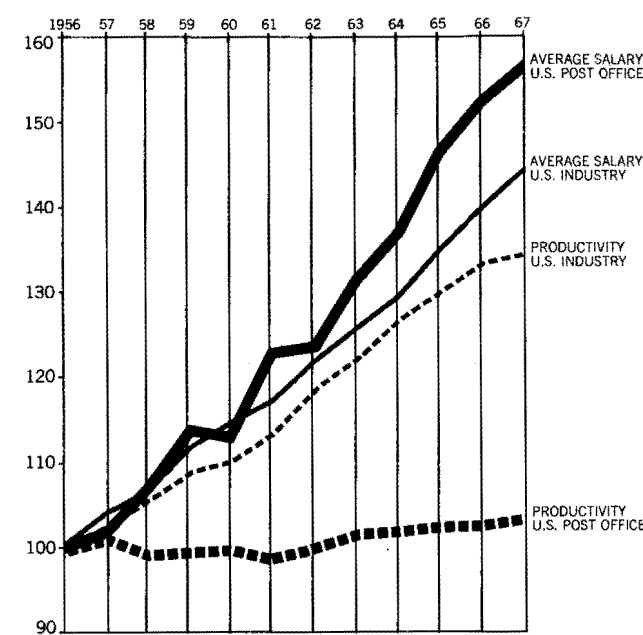
The only substantial difference between the Udall bill and the Commission recommendations is that the bill requires postmasters to be resident of the areas served by the post offices they are named to head. The Kappel Commission criticized a similar existing requirement on the grounds that it limits the number of available postmaster candidates and prevents the transfer of successful postmasters in small offices to larger offices or to regional offices.

### The Dulski Bill (H.R. 4)

The second approach to the problem of postal modernization is H.R. 4, sponsored by Chairman Dulski (D-N.Y.) of the Post Office and Civil Service Committee. It would change drastically the operation of the Post Office, but retain it as an executive agency.

In a speech to the House on January 6, Representative Dulski said:

**PRODUCTIVITY AND SALARY TRENDS**  
(Post Office and U.S. Industry, 1956-1967)



Sources: Post Office salary, Post Office Department Annual Report, various years; Post Office productivity (weighted), Robert R. Nathan Associates; U.S. Industry data, Economic Report of the President, February 1968.

From *Towards Postal Excellence, The Report of the President's Commission on Postal Organization*.  
U.S. Government Printing Office, Washington, D.C. 1968

My studies indicate that every major postal reform that a non-profit corporation might achieve can be done more quickly and effectively within the present framework of Government. Most important, I am convinced that these can be done without the inevitable disruption and turmoil involved in a changeover to a corporation.

He declared that three basic changes are needed:

(1) giving top management the authority it needs; (2) restructuring employee-management relations; and (3) providing the Department with "updated, business-type financing."

To ease its financing problems, the Department should be given "reasonable flexibility" in the use of the revenues it generates, and should be allowed to finance both the construction of its own buildings and the acquisition of necessary operating equipment."

To deal with these financing problems, Representative Dulski would set up a new Postal Modernization Authority.

The Authority would be headed by the Postmaster General and would act as a holding company, subject to the Government Corporation Control Act.

The Authority would be authorized (1) to issue, finance, and retire bonds secured by the Post Office property; (2) to conduct a vigorous research and development program, and (3) to lease needed equipment and property to the Post Office on a cost-recovery basis.



## Underlying Questions

The search for a solution to the widely-accepted problem of Post Office financing is complicated by strong pressures and counterpressures in related areas, most specifically, controversy over the underlying concept that should guide the postal service, the way rates should be determined, and the knotty problem of labor-management relations.

It is in these three areas that major differences of opinion arise and which — even if not always stated so directly — color and mould the arguments on other points.

## A Business Operation or a Tax-Subsidized Service?

The theme running throughout the Kappel Commission Report is that the Post Office is essentially a business-type operation and should be run as one.

Another viewpoint was epitomized in a letter to the *Washington Post* by Patrick J. Nilan, National Legislative Director, United Federation of Postal Clerks, AFL-CIO, commenting on a column by Evans and Novak. Mr. Nilan said:

The Post Office is many things. We ourselves agree it must develop more efficiency and better service — but why do Evans and Novak call it “debt-ridden”? As a public service agency, is the Post Office in any rational sense to be viewed as any more debt ridden than the Pentagon or NASA or the President’s Committee on Employment of the Handicapped?

Whether one believes the Post Office is merely a public service, like national defense, or a business-type enterprise that should be operated as a self-supporting business with its costs paid by the people who use it will color one’s approach to many aspects of the problem.

The Kappel Commission made clear on which side it stands:

Mail today is used primarily for commercial purposes. Mail service is principally a utility service not unlike the electronic communication system and the transportation system. The Post Office has a monopoly on communication by personal, written messages, and it provides the principal means for the shipment of small parcels; it is a major advertising medium.

The Commission concludes, therefore, that today the Post Office is a business. Like all economic functions it should be supported by revenues from its users. The market should decide what resources are to be allocated to the postal service.

**Two Types of Subsidies.** The Commission also recognized that its “essentially economic appraisal” of the Postal service is challenged by those who argue that the Postal Policy Act of 1958 declared the postal service to be a “public service” and that the Act defines the public service allowance or statutory subsidy.

Although agreeing that the Post Office is a public service in the sense, that like a utility, it serves the public at large without discrimination, the Commission said that much confusion has arisen because of failure to distinguish

between a subsidy to the postal service as a whole and to specified individuals and groups using the service.

The overall subsidy should be eliminated entirely, it said, “in the light of the business nature of the mails and the impact of the deficit on management.” It added:

The second category of subsidies — subsidies to specific users of the service — is illustrated by special rates for charitable organizations and educational materials. These rates are the real “public service” subsidies. At present the method used to calculate them tends to overstate their amount and understate the extent to which the Treasury is supporting the postal system as a whole . . . when properly calculated, these subsidies represent about 3.8% of total postal costs. Thus, the amount of the true public service subsidy is quite small, confirming once again the business character of the postal system.

Differences of opinion as to whether the Post Office should be operated in a business-type way inevitably spill over into other areas, such as rate-setting and labor-management relations.

## Postal Rates

The Commission noted that the Post Office remains the only major public utility with rates set by Congress. It recommended that the Corporation’s Board set postal rates in the public service based on actual cost of service, value to those served, and changing market demands. Meaningful information on the cost behavior of each postal activity, audited by independent professional accountants, would be provided by a modern cost accounting system that would replace the outmoded Cost Ascertainment System in use since 1926.

A combination of rate revisions and improvements in facilities and equipment that would boost productivity should enable the Post Office eventually to become self-supporting — “although not necessarily class by class.”

The Udall bill essentially follows this proposal, by authorizing the Board of Directors of the Corporation to set rates, which would go into effect unless vetoed by a concurrent resolution of Congress within 60 days.

Under this plan, Congress would establish broad policy criteria for rates, but not the “intricacies.”

The Dulski proposal is different, and generally reduces the role of the Corporation in rate-setting.

He proposes that a commission be empaneled to review postal rates every four years. The panel would make recommendations to the President, who could review them before submitting proposals to Congress. Either the House or Senate could vote changes to part or all of the proposals before they went into effect in 120 days.

In approving the Kappel Commission’s recommendations for creation of a postal corporation, the Board of Directors of the National Chamber also backed the rate-setting authority of the Corporation, subject to veto by Congress, with two qualifications: (1) Congress, not other postal users, should subsidize rate concessions like those now

given non-profit groups; and (2) the Corporation should be compelled to set rates that are competitively fair with those imposed by Federal agencies on private enterprise services in competition with postal services.

## Labor-Management

With the postal work force now highly unionized, it can be expected that these unions will be a major force in the battle over postal modernization.

There are numerous indications that the union leadership is less than enthusiastic about a corporation concept, probably because they fear they would not have as much leverage with the Directors named to run the system as they can now apply on Congress through their powerful lobbying efforts.

Under the Kappel Commission proposal and under the Udall bill, all present Departmental and field employees would be transferred from the Federal Civil Service to a new career service, with their accrued pension rights, leave pay, and seniority.

Conditions of employment for non-managerial employees would be established by collective bargaining, with salaries and fringe benefits negotiated.

The existing ban on strikes by Federal employees would be retained, but the parties would be free to establish binding arbitration procedures for the resolution of disputes. If a dispute could not be settled by mediation, the President would be authorized to devise a suitable means or mechanism for coping with the impasse.

The labor features in the Dulski bill are supported by the major postal unions. It would go much further in promoting union organization.

It provides for an independent, full-time Postal Labor-Management Relations Panel vested with authority to render final and conclusive decisions on disputes between employees and management, and for creation of an Executive Assistant for Employee Relations “who will not be subject to supervision, control or interference on the part of any other officer or employee of the Post Office Department.”

A study of the proposal by experts at the National Chamber revealed that “the subordination of employee rights to union prerogatives occurs throughout the bill”, and it “would erect artificially strong unions at the expense of employee rights and freedom. It would also seriously erode management’s freedom, and thereby its ability, to manage.”

It provides for such things as a union dues check-off, and requires the union to “participate” — not just negotiate — in management decisions. Generally, the study says, “the provisions of this bill go beyond any existing form of union participation in decision-making in our country today.”

## Principles

Postmaster General O’Brien, under President Johnson

said. “I think the effort to patch a fabric so full of holes is yielding diminishing returns.” He recommended that the system be operated by a non-profit Government corporation.

President Johnson endorsed the principle of a government corporation in his closing days of office, as did his last Postmaster General, Marvin Watson.

An opinion poll of the Chamber’s 33,000 business members revealed near unanimous support for the major recommendations of the Kappel Commission.

Postmaster Blount has not yet made his recommendations, which are certain to be influential, although the Administration has moved to eliminate politics from the post office and has sent to Congress a bill that would eliminate patronage by requiring postmasters to be appointed through the Civil Service.

Amidst the pushing and the pulling that lie ahead in Congress and in the country, however, it would seem that certain principles must be adhered to if meaningful modernization is to be achieved.

Some of those principles were enunciated in a policy statement adopted by the National Chamber Board of Directors in February 1969. It said, in part:

The postal service is fundamentally a service to all the people of the United States and should be operated in their interest. The postal service should be conducted according to the highest standards of efficiency. The foundation of such operating efficiency should be a management organization structure as free from outside interference as possible with full responsibility and authority to control the income and expenses of the service in the same manner as a corporation operating in the private sector of the economy. All appointments to, and promotions within, the postal system should be made on a nonpolitical basis.

The postal service should be self-supporting. Until such time as the Congress eliminates rate concessions, it should specifically appropriate money to pay the difference, if any, between the rates that are paid and the reasonable allocated costs of handling such mail.

For consideration in fixing postal rates and fees, the postal organization should prepare cost schedules showing all fixed and variable costs of each subclass of mail. The reallocation of these costs would be determined after due consideration of the causes of such costs including such factors as preferment, deferment, and the character of the service.

The postal management should take continuing steps to improve the quality and kinds of service offered, the means by which service is provided and the physical conditions under which postal employees work.

Since postal workers must be denied the right to strike against the service reasonable methods should be provided to satisfactorily settle labor disputes.

The Board of Directors of the Chamber has interpreted the principles of this policy as supporting the establishment of a corporation as recommended by the Kappel Commission. Other plans will also be appraised against these principles.



# IN CONGRESS

## SPENDING AND TAXES

The Administration has sent to Congress its "interim" tax reform proposals as well as its review of the Budget -- along with promises that more changes would be recommended later.

**Taxes.** Tax changes recommended by the President and amplified in testimony before the House Ways and Means Committee by Treasury spokesmen are designed, he said, to "lighten the burden on those who pay too much and increase the burden on those who pay too little."

To place in effect what is a version of the much-discussed "minimum tax" on those whom it is charged pay too little, the Administration proposed (1) placing a limit on the use of tax preferences and (2) allocation of deductions.

The limit on tax preferences would set a 50% ceiling on the amount of a person's income (over \$10,000 a year) that could "enjoy tax preferred status."

The allocation of deductions proposal is designed to prevent persons from bunching all their deductions and applying them against regularly-taxable income. A person with more than \$10,000 of tax preferences would be required to allocate his non-business itemized deductions proportionately between his taxable income and the "allowable" portion of tax-preferred income.

The proposals designed to provide tax relief for low-income families would make a change in the optional tax table on the regular form. It would add a "low-income allowance" deduction. The combination of the low-income allowance and the minimum standard deduction would total \$1,100, to which would be added the \$600 personal exemption.

For a single taxpayer, the proposal would make income tax free up to \$1,700. A family of four would pay no tax on an income up to \$3,500.

Above these figures, the deduction would be gradually phased out, so that the relief for the single person would disappear at \$3,300, and for the family of four, somewhere between \$3,500 and \$4,500.

The Treasury estimates the proposal would affect about 13 million taxpayers, and would remove about 5 million of these from the tax rolls.

## Investment Credit and Surcharge

In what was obviously a last-minute decision, the Administration included in its message a request that the 7% investment tax credit be repealed, effective April 21, on the grounds that this incentive to business investment should no longer have priority over other pressing National needs.

Increased revenues from the repeal of 7% tax credit -- along with the growth of the economy -- would permit a reduction in the present 10% surcharge to 5% on January 1, and the probable elimination of the surtax by June 30, 1970, the President said.

**Moving Expenses.** The Message also included a proposal long-made by business that the tax treatment of moving expenses be eased. Under the proposal, the miscellaneous costs of moving, including the costs of house-hunting trips, the costs of temporary living quarters at a new location, and the costs of selling a house (or buying a new one) would be allowed as a deduction -- up to \$1,000. An additional \$1,500 would be allowed to the extent that selling or buying a house or breaking a lease are involved.

The Treasury also proposed changes in other tax treatment in numerous other areas including:

-- mineral production payments; tax-exempt foundations and charitable organizations; the limits on the charitable contributions deductions; the tax treatment of corporate securities frequently associated with corporate acquisitions; multiple surtax exemptions; farm income; the payment of tax-free dividends from accelerated depreciation reserves; the treatment of the accelerated depreciation election in the public utility regulatory process; stock dividends; long-term capital losses; restricted stock plans; income splitting in multiple trusts; and the rules affecting Subchapter S "small business" corporations.

## BUDGET

The long-awaited Budget review projected outlays of \$192.9 billion for fiscal 1970 (a reduction of \$2.4 billion from the Johnson budget figure) and a surplus of \$5.8 billion. Of the \$5.8 billion surplus, \$4 billion is to be obtained from a slash in outlays -- \$1.1 billion from reduced defense spending, \$1 billion from projected Social Security benefit plans; and \$1.9 billion elsewhere.

## DOMESTIC GOALS

The proposals for tax changes was the first of a series of legislative recommendations to go to Congress that the President outlined in an informal State-of-the-Union Message. Mr. Nixon told the Congress that the recommendations would be realistic -- that the goal of his Administration is "to propose legislation that we know we can execute once it becomes law." Among the recommendations will be:

- An increase in Social Security benefits designed to take account of rising living costs.

- A program of tax credits, aimed at providing new incentives for the enlistment of additional private resources in meeting social needs.

- A program to increase the effectiveness of equal employment opportunity efforts.

- A start on sharing revenues of the Federal government with other levels of Government.

- New airways, airports, and mass transit programs.

- A comprehensive labor and manpower program, including job training and placement improvements, and proposals to help guarantee the health and safety of workers.

- A comprehensive reorganization of the Post Office Department.

## CRIME CONTROL

In the first of what are expected to be several special messages on crime control, the President painted a bleak picture of the effects of organized crime which has "deeply penetrated American life."

Included in his outlined program were authorized wiretapping; establishment of a unique Federal-State Racket Squad in New York City and 20 other Federal racketeering field offices across the Nation; an increase in the Federal Budget of \$25 million, which will "roughly double present expenditures for the organized crime effort", and \$300 million for the Law Enforcement Assistance Administration.

Mr. Nixon said that much of the income of the racketeers was derived from gambling, and asked for new Federal laws to help fight illegal gambling.

He said the Administration is studying the infiltration of organized crime into fields of legitimate business and the Attorney General is "examining the potential application of the theories underlying our anti-trust laws as a potential new weapon."

## WATER QUALITY

Efforts are being made by the business community to clarify water quality legislation before its expected Congressional passage.

The House approved H.R. 4148 (Fallon, D-Md.) 392-1, on April 16, and the Senate Subcommittee on Air and Water Pollution is expected to report out soon legislation of a similar nature (S. 7, Muskie, D-Me.).

While proposing to give the Federal Government clear authority to deal with oil pollution disasters, the House bill prohibits the discharge in coastal waters of oil and "other matter", which, in the judgment of the Secretary of the Interior, presents a "substantial hazard to public health or welfare". It additionally places responsibility on owners of ships, offshore oil rigs, and other facilities for pollution damage -- up to \$10 million in cleanup costs for ship-owners and to \$8 million for operators of industrial facilities, including offshore oil rigs.

The \$368 million, three-year program also includes funds for research and training grants.

## OTHER DEVELOPMENTS

H.R. 9951 has been reported by the House Ways and Means Committee. The bill, sponsored by Committee Chairman Mills (D-Ark.) and Ranking Republican Member Byrnes, calls for quarterly, rather than annual collections of the Federal tax on payroll exacted from covered employers to finance administrative costs of the Federal-State employment security system. A Chamber committee has recommended the legislation be supported as a temporary solution to the problems caused by the fact that administrative costs are rising faster than revenues.

\* \* \*

For the first time in history, the House Judiciary Committee seems ready to report out a Constitutional amendment that would abolish the electoral college and use the direct popular vote system in electing a President and Vice President. (H.J.Res. 179, Celler, D-N.Y.).

\* \* \*

A spokesman for the National Chamber will appear April 29 before the House Foreign Affairs Subcommittee on Economic Policy to ask for enactment of H.Con.Res. 86 (Tunney, D-Calif.), that would urge the President to do away with present mandatory con-



trols over U.S. direct investments in foreign countries. President Nixon recently eased the controls.

\* \* \*

The House, prior to passage, amended H.R. 514 (Perkins, D-Ky.) so as to shorten from five years to two years the proposed extension of the Elementary and Secondary Education Act. The House also authorized some of the funds to be distributed as block grants. Observers feel the Senate will probably go along with the shorter extension. Supporters of the change said that the longer term was designed to prevent the new Administration from making any changes in the program.

\* \* \*

President Nixon, in an effort to reduce the expected \$1.2 billion 1970 postal deficit by more than \$600 million has asked Congress to boost mail rates. First-class mail would go to 7¢, postcards to 6¢, effective July 1, 1969. Second-class mail would be raised by 12%, July 1, 1970, in addition to the 8% increase now scheduled January 1. Third-class mail would be increased by 16%, effective January 1, 1970.

\* \* \*

Labor Secretary Shultz, appearing before the House Labor Committee, flatly rejected H.R. 100, a union-backed bill to permit secondary boycott picketing by construction and building unions at building sites, but offered to try to work out a compromise. Mr. Shultz said any bill to permit common situs picketing should not include its use in jurisdictional disputes between unions, should provide protection for industrial and independent unions, and should limit picketing to 15 days.

\* \* \*

Rep. Dingel (D-Mich.) has introduced H.R. 10124, that would extend Federal authority beyond the Secretary of Commerce for approval of voluntary manufacturing standards. The bill provides that a voluntary group could submit standards to the Secretary of Commerce, who would also pass

them on to the Bureau of Standards and to the FTC for approval...

\* \* \*

Chairman Rodino (D-N.J.) has called his Special Committee on State Taxation of Interstate Commerce into executive session, April 30, and observers say it may report out H.R. 7906....

Mrs. Virginia Knauer, head of the Pennsylvania State Bureau of Consumer Protection, has been named President Nixon's Special Assistant on Consumer Affairs....The Antitrust Subcommittee of the Senate Judiciary Committee, has resumed hearings on the auto repair industry, including the role that insurance companies play in the business....

The Administration is opposing H.R. 7919 (Foley, D-Wash.), which would set up an Assistant Secretary of Human Nutrition in the Department of Agriculture to coordinate food assistance programs, on the grounds that the Department should develop its own programs on hunger and malnutrition and not be tied down by legislation at this time....

Senator Hart is expected to introduce soon a revised bill on franchising, which he says, will take some of the sting out of franchise cancellation and termination for the franchisee....Hearings will continue until May 1 by the International Finance Subcommittee, Senate Banking Committee, on legislation (S. 813) that would extend the Export Control Act, now scheduled to expire June 30, until June 30, 1973.

....Hearings are also continuing on H.R. 474 (Holifield, D-Calif.) by the Subcommittee on Military Operations. The bill would set up a 15-member Commission on Government Procurement to make a two-year study....The Joint Economic Committee will hold hearings April 30-May 1 on Federal statistical programs, with special emphasis on the scope of questions asked in the Census....The House Rules Committee has appointed a Special Subcommittee to study and report on the numerous proposals for Congressional Reform.

January 17, 1969

*Salaries*

NOTICE: There should be no premature release of this message nor should its contents be paraphrased, alluded to or hinted at in earlier stories. There is a total embargo on this message until it has been delivered to the United States Senate or the House of Representatives, which includes any and all references to any material in this message.

George Christian

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THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

The Congress, the Executive Branch, and the Federal Judiciary are the vital nerve centers of government. Whoever mans them is involved in activities so momentous and far-reaching that they touch the lives of all our citizens -- and indeed of people the world over. Our national interest demands -- and our national survival requires -- that America summon its best men and women to assume the power of decision and the responsibility of leadership for government in action.

Central to this concern is the matter of compensation at the top echelons of Government. Today, the salaries we pay our top officials are clearly inadequate.

The Kappel Commission

The record of the past has been one of inadequate and fragmentary adjustments in top-level compensation -- always too little, often too late.

I believed in my Administration that the time had clearly come to re-examine the entire top Federal salary network. To this end, I asked the Congress to create a bipartisan commission to:

- Recommend any changes its study found necessary
- Review top-level Federal salaries every four years.

The Congress responded. In December 1967, I signed into law a measure which gave life to the Commission on Executive, Legislative and Judicial Salaries -- the first such body in our Nation's history.

The Commission was composed of nine distinguished Americans:

Three were appointed by the President:

- Frederick R. Kappel, former Chairman of the Board of Directors of the American Telephone and Telegraph Company, who served as the Commission's Chairman.
- John J. Corson  
Consultant and Corporate Director
- George Meany  
President, American Federation of Labor and  
Congress of Industrial Organizations

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Two were appointed by the President of the Senate:

- Stephen K. Bailey  
Dean, Maxwell Graduate School  
Syracuse University
- Sidney J. Weinberg  
Senior Partner, Goldman, Sachs & Co.

Two were appointed by the Speaker of the House of Representatives:

- Edward H. Foley  
Attorney  
Former Undersecretary of the Treasury
- William Spoelhof  
President, Calvin College  
Grand Rapids, Michigan

Two were appointed by the Chief Justice of the United States:

- Arthur H. Dean  
Attorney  
Chairman, U.S. Delegation, Nuclear Test Ban and  
Disarmament Conference
- William T. Gossett  
Attorney  
President, American Bar Association

After a comprehensive study of top Federal salaries, the Commission concluded that:

- Present compensation levels are not commensurate with the importance of the positions held.
- These levels are not sufficient to support a standard of living that individuals qualified for such posts can fairly expect to enjoy and in many instances have long established.
- Action should be taken to modernize, without delay, the top pay structure of the Executive, Legislative and Judicial Branches of government.

#### The Recommended Reforms

Any recommendations the President might make for salary reform must be included in his budget. In preparing my budget for Fiscal Year 1970, I carefully reviewed the full report of the Kappel Commission. Their proposals served as a valuable guide as I weighed the recommendations the law requires me to make -- recommendations which will become effective 30 days after they are submitted unless the Congress disapproves them during that period.

I agree with the recommendations of the Kappel Commission Report. If I alone had the power to put its recommendations into effect, I would do so. But in our proposal to the Congress and in the law passed by the Congress creating the Commission, final action on the report was to be a joint enterprise between the executive and legislative branches. I have

therefore found it necessary to modify some of the Kappel Commission recommendations -- particularly with respect to congressional salaries, and also with respect to the pay of certain executive positions.

I do recommend that the Kappel Commission proposals be put into effect for the top officials of the federal, judicial and executive branches. For them, I recommend the following pay scales:

Chief Justice:	\$62,500
Associate Justices of the Supreme Court:	\$60,000
Cabinet Heads:	\$60,000

Of all the salaries, Congressional compensation posed the most difficult problem of all and was the hinge on which my recommendations turned. As the Commission pointed out:

"Members' salaries should be adjusted to compensate for the substantial and unique responsibilities they bear, to meet the cost peculiar to elective rather than appointive office, and to minimize the need to rely on other means of augmenting income."

The Commission then recommended that Congressional pay should be set at \$50,000.

Congressional salaries have been raised in slow and piecemeal fashion, far outpaced by pay increases in the rest of the economy. Over the past three decades, Congressmen have received only three pay increases -- an average of one pay raise every ten years -- to the current level of \$30,000, a salary which by today's standards is woefully inadequate.

I do not think that the American people want to see their elected representatives -- who must bear the awesome burdens these critical times demand -- serve their Nation at the price of financial hardship. I therefore believe that the \$50,000 Congressional salary recommended by the Kappel Commission can be justified.

A proper concern for history and tradition, however, suggests that the President should consult the leaders of Congress before he makes any recommendations concerning Congressional salaries.

I have done that.

These discussions and consultations revealed that Congress would be reluctant to approve a \$50,000 salary. When it comes to a pay increase, Congress puts its own members last in line. Instead, an increase to \$42,500 was considered preferable and more likely to receive the necessary support. I respect the desires of the leaders of the Congress. I therefore now recommend a \$42,500 salary for the Members of the House of Representatives and the Senate.

The Congressional salary I am recommending today represents an 89% increase over the level of compensation in 1955. I must point out, however, that during this same period salaries of the highest Civil Service career grade increased by well over 100 per cent.

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Civil Service salaries, moreover, will be adjusted periodically to keep them comparable to those in industry -- while Congressional salaries must, under current law, remain unchanged for the next four years.

Projections indicate the following salary increases between 1955 and 1972:

-- 88.9%	<u>Congressional salaries</u>
-- 90%	<u>Postal workers</u>
-- 94%	<u>Average Federal worker</u>
-- 94%	<u>Factory workers</u>
-- 101%	<u>Government Wage Board employees</u>
-- 109%	<u>GS-15 Career Civil Servant</u>
-- 135%	<u>GS-18 Career Civil Servant</u>

Thus, even with the recommended pay increase for our lawmakers, the increase in Congressional salaries will lag behind those of other Government workers and employees in the private sector.

Since the weight of custom and a sense of fairness require that we maintain and preserve proper pay relationships at the upper echelons of Government, the proposed \$42,500 Congressional salary requires that I make certain adjustments in the Kappel Commission's proposals for other top level salaries. Accordingly, I recommend the following pay scales:

Level II (Heads of Major Agencies):	\$42,500
Level III (Including Under Secretaries):	\$40,000
Level IV (Including Ass't. Secretaries):	\$38,000
Level V (Including Heads of Boards):	\$36,000

My recommendations for the other top level positions covered by the Kappel Commission are set forth in my budget in accordance with the requirements of Public Law 90-206.

The salaries of the Vice President, the Speaker of the House, the Majority and Minority Leaders of the House and Senate and the President Pro Tem of the Senate were not, as such, covered by the Kappel Commission's charter. For this reason, I am submitting separate pay legislation embodying my recommendations, as follows:

Vice President:	\$62,500
Speaker of the House:	\$62,500
Majority and Minority Leaders of the House and Senate and President Pro Tem of the Senate:	\$55,000

more

### Congressional Allowances

The burdens imposed by Congressional service are unique. They often require members to bear extra expenses in connection with their official responsibilities.

Most lawmakers, for example, must maintain two homes for themselves and their families -- one among the people in the district or state they serve; the other in or near the Nation's capital.

Recognizing these facts, the Federal tax laws have allowed deductions of up to \$3,000 a year for living expenses at the seat of our national government.

That maximum deduction has remained fixed for 15 years now -- while sessions of the Congress have grown longer and longer under the pressure of increasing workloads and crowded legislative calendars.

I believe we should increase the maximum deduction so that Members of Congress will not be required to use any new pay increase to defray some of the essential living expenses incurred in the pursuit of their official duties.

Accordingly, I recommend that the maximum Federal tax deduction for Congressional living expenses be raised by \$2,500 -- from \$3,000 to \$5,500.

### Excellence in the Public Service

The proposals I make today are long overdue and urgently needed salary reforms at the upper levels of our government. But they are more than pay recommendations, for they cut to the heart of what modern government is all about -- excellence in the pursuit of the public's business.

This moment of decision provides a unique occasion to strengthen the sinews of American government. We can do this by offering to our best and ablest citizens fair compensation for the job they must do in guiding America forward in the years ahead.

Just as these public servants -- in the Congress, in the Cabinet and in the Judiciary -- have a responsibility to the Nation, so the Nation has a responsibility to them.

The total amounts involved in my pay proposals are relatively small. But they will be wise investments in our future.

I urge the Congress to grasp the opportunity presented to it and to respond favorably to the recommendations I am submitting today.

LYNDON B. JOHNSON

THE WHITE HOUSE,

January 17, 1969.

# # # #



91<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 4**

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**A BILL**

To modernize the United States postal establishment, to provide for efficient and economical postal service to the public, to improve postal employee-management relations, and for other purposes.

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By Mr. DULSKI

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JANUARY 3, 1969

Referred to the Committee on Post Office and Civil  
Service