

CONTRACT MAIL SERVICE

MARCH 12, 1926.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. BAILEY, from the Committee on the Post Office and Post Roads, submitted the following

REPORT

[To accompany H. R. 9511]

The Committee on the Post Office and Post Roads, having had under consideration the bill (H. R. 9511) authorizing the Postmaster General to remit or change deductions or fines imposed upon contractors for mail service, reports the same back to the House with the recommendation that the bill do pass.

Hearings on the bill were held before a subcommittee, at which representatives of the Post Office Department appeared to explain the purpose of the legislation. The following is a reprint of the existing law, which is reenacted by the bill with the additional language indicated in brackets, to wit:

The Postmaster General may make deductions from the pay of contractors, for failures to perform service according to contract and impose fines upon them for other delinquencies. [Strike out the period, insert a comma, and add the words "which deductions or fines may be changed or remitted, in his discretion."] He may deduct the price of the trip in all cases where the trip is not performed; and not exceeding three times the price if the failure be occasioned by the fault of the contractor or carrier.

The views of the Postmaster General in regard to the proposed legislation are expressed in his letter of March 9, 1926, as follows:

OFFICE OF THE POSTMASTER GENERAL,
March 9, 1926.

Hon. W. W. GRIEST,
*Chairman Committee on the Post Office and Post Roads,
House of Representatives:*

For a long number of years fines and deductions imposed upon mail contractors under section 3962, Revised Statutes (see sec. 1428, Postal Laws and Regulations of 1924) were remitted or changed by the Postmaster General, at his discretion, the same as they were imposed, and only in cases of absolute failure of a contractor, where bond is liable to forfeiture, were cases compromised as provided for in section 409, Revised Statutes (see sec. 278, Postal Laws and Regulations of 1924).

The Comptroller General has ruled, however, that when a fine or deduction has been entered as a charge against the contractor it may only be changed or remitted by the Comptroller General with the consent of the Postmaster General, as provided in section 409, Revised Statutes.

We have a considerable number of these cases, averaging four or five a month, and ranging from small amounts of less than \$1 upward, and the procedure now is for the Comptroller of the Post Office Department to review the case, submit a recommendation to the Postmaster General, and the Postmaster General forwards it to the Comptroller General with his consent for a remission or modification. This means that if a deduction is made for a failure and subsequently found to be an absolute error, the Postmaster General has not the authority to remit the deduction, which was made in the exercise of his discretion.

A few typical cases may be mentioned where it was necessary under the Comptroller General's ruling to go through the procedure outlined above and have the Comptroller General forward a warrant for the remission, instead of merely adding it to his next month's pay as was the procedure prior to his ruling.

On star route No. 64320, Moorcroft to Four Horse, monthly reports showed a failure to perform service on March 31, 1924, and the price of a trip (\$14.30) was deducted. The contractor protested and both postmasters advised that their reports were simply in error, they having failed to enter on monthly report service on the date mentioned.

On star route No. 3212, Londonderry to Manchester, Vt., monthly reports indicated that 12 miles of travel each way over the route was omitted on two dates, but after the deduction had been made subsequent correspondence showed that the failure was on 10½ miles, instead of 12 miles, which entitled the contractor to a remission of 41 cents.

A failure of one round trip occurred on star route No. 57251, Ansley to Sargent, Nebr., but through clerical error the deduction was made on star route No. 57252, Ansley to Huxley. Under the Comptroller General's ruling, a deduction of \$5.08 having been ordered and entered as a charge against the contractor on route No. 57252, it could only be remitted by the Comptroller General, as it is not permissible to issue a modifying order to state the deduction as on 57251 instead of on 57252.

On star route No. 55224, Rolla to Niagara, Kans., reports showed a failure to perform service for six days in April, 1924; a deduction of \$32.40 was made, but it developed that the postmasters were in error in having submitted reports, as they only intended to say that the regular contractor had not performed service on the dates mentioned and neglected to say that he had employed a substitute who performed the service.

HARRY S. NEW, *Postmaster General.*