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POSTMASTERS CONTINUE TO SUPPORT PASSAGE OF COLLINS-CARPER POSTAL REFORM ACT

The 42,000 members of NAPUS continue to believe that S. 662 remains the sole vehicle (along with H.R. 22) to revitalize the USPS, and achieve deserved fiscal relief through the elimination of the CSRS escrow account and restoration of U.S. Treasury responsibility for postal retirees' military retirement credit. We look forward in continuing to work constructively with our congressional allies to perfect the legislation.

-- Dale Goff NAPUS
President

Postal Smack Down

One of the more interesting forms of mindless entertainment is professional wrestling. In the past, such luminaries as Andre the Giant, the Iron Sheik, and Sergeant Slaughter drew huge followings. Nowadays, the Undertaker, Triple H and Kurt Angle dominate the square ring. This week, the activity inside the postal ring brings to mind *WWE Smack Down*, a widely-watched televised wrestling program. Wrestling and postal lobbying is entertaining, though a bit bloody. The Undertaker's trademark tactic is the "tombstone." This week, the USPS made it quite clear that it wants to employ such a move on S. 662.

On Monday, Chairman Susan Collins and Senator Tom Carper reached an agreement with Senator Kit Bond, enabling Bond to release his "hold" on the Postal Enhancement and Accountability Act (S. 662). The accord would require the USPS, as one of its objectives to establish a "just and reasonable schedule for rates and classifications." Moreover, the amendment would allow the USPS to make changes of "unequal magnitude within, between, or among classes of mail." Bond was seeking to preserve the current regulatory regime that requires that rates be "fair and equitable." In addition, Collins and Carper crafted, as part of their amendment, provisions that would grant the USPS one last rate case under present rules, and nominally weaken the authority granted the new postal regulator. These two changes were added in an attempt to address USPS concerns.

On Tuesday afternoon, Senators Collins and Carper circulated their amendments to the postal community. The Senate was poised to take up the bill. However, within hours of the agreement, the USPS Board of Governors (BoG) delivered a letter to Chairman Collins, advising her that, with regret, the USPS would oppose S. 662. However, despite the BoG letter, the Senators indicated that they would seek the "unanimous consent" of their Senate colleagues to pass S. 662. The USPS' mad dash to the Hill began.

On Wednesday morning, while Senators Collins and Lieberman presided over a hearing on "Lobbying Reform," USPS personnel fanned-out among the three Senate Office Buildings distributing literature telling Senators that the agency opposed S. 662. The USPS wrote that it believes:

- S. 662 grants the postal regulator "excessive" authority over operational decision-making
- S. 662 does not provide the USPS with price flexibility
- S. 662's CSRS escrow and military retirement relief would disappear under pressure from the White House.

While the literature was being delivered, Collins and Lieberman sent a formal request to the Senate Leadership to place S. 662 on the Senate calendar. In the early afternoon, the USPS issued a press release, claiming that S. 662



The Undertaker

would dramatically boost stamp prices. (In fact, the rate increase would result **if** the White House position on military retirement costs was adopted in Conference. Everyone in the postal community, including the Senate and House sponsors of postal reform, has pledged to fight the Administration on this issue.) At about that same time, the APWU announced that it did not support the S. 662. It has been reported that USPS personnel told Senate staff to contact APWU if they wanted to know how “postal employees” felt about the measure. To many, it seemed that USPS & APWU were joined at the hip. Senators Collins and Carper issued a press release reacting to the USPS statements and actions. What particularly irked the Senators was the USPS allegation that S. 662 would result in a major rate increase. Collins and Carper retorted, “We’re also outraged that the Postal Service would mislead Senators about what’s in S. 662 in an effort to block it. Nothing in the bill would lead to rate increases.” Press releases, emails, phone calls, etc. were being circulated throughout the day. During the commotion, Sen Tom Harkin (D-IA) objected to bringing the bill up on Wednesday due to an issue unrelated to the merits of the bill. He was upset about a USPS decision to consolidate a mail processing facility in Sioux City. In addition, Sen. Jeff Sessions (R-AL) objected to placing S. 662 on the unanimous consent calendar in order to more fully examine the budget impact of S. 662.

On Thursday morning, Senators Collins, Lieberman, and Carper continued to reach out to their colleagues to smooth the way for Senate consideration. Also, on Thursday, the USPS conducted a media event where Senior Vice President for Government Relations Tom Day and Chief Financial Officer Richard Strasser restated USPS objections to S. 662. They added that the USPS had similar objections to H.R. 22, introduced by Rep. McHugh. Senators Collins and Carper responded to the USPS with a scathing press release entitled, “The Postal Service Has Sunk to a New Low.” In part, the statement makes a point-by-point refutation of USPS objections to the bill.

On Friday, it appeared likely that a disagreement over limiting debate over the confirmation of Judge Alito may delay action on any item placed on the calendar for unanimous consent. Nonetheless, Senators Collins and Carper are working the phones and hoping to bring up the bill at the first opportunity.

Notwithstanding the outcome of the unanimous consent request, two long-term issues should worry the USPS.

- How deep a grave did it dig for itself, regarding its relationship with Congress? Clearly, the bipartisan advocates of postal reform are incensed by the USPS actions. In addition, at the Thursday USPS media event, a reporter queried Day and Strasser whether the USPS may have violated the federal anti-lobbying statute by using Headquarters personnel to lobby against S. 662. Accusations are also flying that HQ may have sent emails to USPS field personnel to urge opposition to the bill. These actions, if true, could invite an investigation and complicate future legislative activities by the USPS. (Remember, Congress is currently interested in lobby reform.)
- Congressional concern over the bill is not related to the regulatory issues that the USPS is highlighting. Rather, the reservations are about the two issues that are the linchpins to USPS financial relief. That is, the elimination of the CSRS escrow account and the restoration of U.S. Treasury funding of the CSRS military retirement credit.

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