



# e-NAPUS Legislative & Political Bulletin

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## S. 662

An Early Valentine  
for Chairman Susan  
Collins

NAPUS applauds the tireless and dedicated efforts of Chairman Collins and Sen. Carper to enhance the Postal Service. NAPUS congratulates them for passing S. 662. Postmasters look forward to continue to assist them and their conference colleagues as postal reform moves to conference, the next step in the legislative process. NAPUS will work to ensure that the final product will protect universal mail service, safeguard earned postmaster benefits, eliminate the CSRS escrow, restore U.S. Treasury responsibility for CSRS military retirement, and ensure that USPS thrives for years to come.

Dale Goff  
NAPUS President

## Postal Endgame - S. 662 Passes Now On to Conference!

After 6 months of negotiations with colleagues and withstanding a 12<sup>th</sup> hour USPS assault, Chairman Collins and Senator Carper claimed victory at noontime Thursday, as the Senate passed the Postal Enhancement and Accountability Act by a unanimous vote. After passage, Chairman Collins called NAPUS to express her thanks to NAPUS postmasters for their relentless efforts to help move postal reform forward. NAPUS reciprocated and expressed our confidence in her leadership. NAPUS members are recognized as consistent and dedicated allies to further postal reform, by virtue of year-round grassroots and targeted legislative advocacy.

S. 662, as passed, includes a number of provisions that were not in the Senate Homeland Security and Governmental Affairs approved bill. The changes were included in a "manager's amendment," which was offered by Chairman Collins and Senator Carper. The amendment included Senator Bond (R-MO) promoted language regarding rate-setting; a provision proposed by Senator Stevens (R-AK) to permit the USPS to use small planes for Alaskan mail delivery; a section advanced by Senator Harkin (D-IA) that called for community input in USPS plant consolidation decisions; and a provision requested by Senator Reid (D-NV) to modify the terms and qualifications for the Board of Governors.

In addition to passing S. 662, the Senate designated the Senate conferees for resolving the differences between the Senate-passed and House-passed bills. The Senate Conferees (5 Republicans and 3 Democrats) are listed on page 2 of the *e-NAPUS Bulletin*. It is expected that the House will name its conferees next week, and that the actual conference will convene after the Presidents' Day Recess.

Conference committee dynamics can be treacherous for those who are ill-prepared for closed-door high-stakes negotiations. The first conference in which I participated was to reconcile the differences in the *1984 Vocational Education Act*. It was a fascinating exercise in wheeling and dealing between two legislative giants, Sen. Orin Hatch (R-UT) and former Rep. Carl Perkins (D-KY). What I learned during my first conference experience was that an organization's effectiveness in promoting its interests depends on relationships that have been cultivated during the months – and in the case of H.R. 22 and S. 662, years – with conferees and their staff members. The resolution of key differences between bills will be made by balancing policy and political imperatives, some of which can only be facilitated by those who have earned the trust of the Members of Congress who sit in conference.

Obviously, the White House will be a major player at the conference table. It is widely known that the Administration believes that every dime of the CSRS escrow account (\$3 billion per year) should pay down the USPS's unfunded

### Senate Postal Reform Conferees

Susan Collins (R-ME)  
Ted Stevens (R-AK)  
George Voinovich (R-OH)  
Norm Coleman (R-MN)  
Robert Bennett (R-UT)  
Joseph Lieberman (D-CT)  
Tom Carper (D-DE)  
Daniel Akaka (D-HI)

health liability and that financing the CSRS military retirement credit should be a Postal Service obligation. Chairmen Collins and Tom Davis fiercely disagree with the White House position. While the Administration has threatened to veto legislation that rejects its budget position on CSRS, Collins and Davis are committed to provide the USPS the financial relief that it has long sought. The new wrinkle in the dynamic is the USPS itself. To many on Capitol Hill – most notably the conferees -- the USPS has replaced CSRS relief with *excessive* postal regulation as USPS' top priority. It has been widely written that the USPS conceded the CSRS issue to the Administration, assuming that the conference will yield to the White House. Consequently, the agency vigorously opposes H.R. 22 and S. 662. Ironically, it has been 24 hours since the Senate passed S. 662 and the USPS has yet to issue a public statement. Interesting!

Lost in the USPS' bemoaning of the legislation is the legislation's assurance that the USPS would be able to adjust rates periodically, without having to suffer through a protracted rate case. Postal observers recall that early on this goal was a Postal Service priority. Last year, when it became clear that S. 662 was going to pass and go to conference, NAPUS began its endgame strategy of whittling down the H.R. 22 and S. 662 differences the key disparities that would impact postmasters. Consequently, NAPUS already began to urge prospective conferees to adopt a variety of positions included in either the House or Senate bill. For example, NAPUS has already alerted potential conferees to:

- Adopt the Senate definition of a single-piece parcel as a *market dominant* product. This Senate provision guarantees affordable universal parcel post.
- Adopt the House provision that the USPS may apply for a rate increase above inflation in exigent circumstances. This House provision can ensure operational viability during emergencies.
- Adopt the Senate provision that enables the USPS to bank unused pricing authority for a finite amount of time. This Senate provision enhances USPS pricing flexibility.

We are now in the endgame. There are far fewer pieces remaining on the chessboard, than when the game began more than a decade ago. The USPS played its Chairman's gambit and lost its piece on the board. Only time will tell what impact, if any, their possible absence will have at this late stage of the game. Maybe the USPS will be invited back. And, if they are, what will be their impact? Only time – though, not much – will tell.

## 2007 Budget Spares Postal Employees

On Monday, the White House unveiled its Fiscal Year 2007 Budget. The hefty financial package did not land any direct blows against active postmasters. However, the document did include a number of items that could have an indirect impact on NAPUS members. For example, the budget would permit FEHBP's Blue Cross Plan to add a high-deductible option with an accompanying health savings account. The Administration suggests that the proposal would cut spending by \$3.4 billion over the next 10 years. However, the Government Accountability Office recently concluded that such plans tend to enroll a healthier younger population, which raises the health premium for older and less healthy individuals. NAPUS will continue to review the President's budget.

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