



# *E-NAPUS Legislative Newsletter*

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## Postal Committees Likely To Vote on Postal Reform Bills During NAPUS Leadership Conference



On March 30, NAPUS CT Chapter President David Ravenelle and Stamford Postmaster Jim Long met with Senate Governmental Affairs Ranking Democrat Sen. Joe Lieberman

**This is no April Fools prank!** The Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Government Reform are moving towards consideration of S. 662 and H.R. 22, during the week of April 11. Senate Committee Chairman Susan Collins and House Committee Chairman Tom Davis have used the Easter Recess to perfect their legislation; and next week, the Senate Committee will conduct a hearing on S. 622. PMG Potter, GAO chief David Walker, and Assistant Treasury Secretary Timothy S. Bitsberger are scheduled to testify.

NAPUS President Olihovik welcomes the opportunity that postmasters will have to help influence the decision of the committee members. Approximately 1,200 NAPUS members will hit Capitol Hill during the Leadership Conference, promoting NAPUS' legislative agenda. The number one priority will be legislation to aid the USPS and its customers. Olihovik declared that "Postmasters are vital to the operations of the USPS, ensuring that postal customers receive the high-quality universal mail service they deserve. It seems only right that postmasters are in Washington at this key time, and will play an active legislative role as the future of the agency is being charted."

Consequently, the NAPUS Government Relations Department is adjusting its Leadership Conference program to exploit the presence of so many NAPUS activists who will be in attendance for the Leadership Conference. Workshops and presentations are being adapted to focus postmaster attention on the members of the two congressional committees that will be considering S. 662 and H.R. 22. NAPUS State Legislative Chairmen have already been provided with the first set of documents that will be used for Capitol Hill advocacy. Information has also been posted to the NAPUS Website and will continue to be updated as needed.

In fact, during the conference, both Chairman Collins and Chairman Davis will make a joint appearance during the April 13 general session, in a presentation moderated by President Olihovik, to provide the most up-to-date strategy and emerging legislative themes regarding postal reform. Senate Committee Ranking Democrat Senator Joseph Lieberman and House Government Reform Committee Vice Chairman Christopher Shays will also be addressing the Leadership Conference to provide their prospective on postal reform. Moreover, Claude Allen, Assistant to President Bush for Domestic Policy, has accepted NAPUS' invitation to share the Administration's views on the postal reform legislation with Leadership Conference participants.

## Unresolved Issues Remain

Despite widespread support for H.R. 22 and S. 662, the White House and Congressional postal reform advocates have yet to resolve their disagreement over the disposition of the CSRS escrow account, and the new obligation that the USPS cover the CSRS military retirement credit on behalf of its current and former employees. It is important to the postal workforce, postal customers, and the USPS that the mailing public not be burdened with paying into an unnecessary escrow fund merely to mask-over the federal deficit and cover retirement credits for which there are no reasonable relationship with postal employment.

In addition, three issues continue to be in play as the pending legislation moves toward a committee vote – the status of “single-piece parcels,” the conditions under which postage rate increases may exceed the consumer price index (CPI), and the ability of the USPS to subject transport of international mail to competitive bidding. The first two issues, which are important to the USPS and its employees, have been discussed in previous issues of the *E-NAPUS Legislative Newsletter* and the *Postmasters Gazette*.

To refresh your memory, H.R. 22 classifies single-piece parcels (e.g., house-to-household parcels and parcel otherwise not eligible for discounts by private parcel companies such as UPS) as a “competitive postal product.” This designation would result in significant postage increases for these products and would inevitably disrupt parcel service to rural America. This one-two punch would effectively drive the Postal Service out of the parcel post market, thereby granting UPS an uncontested monopoly over parcel shipping. NAPUS, the USPS, many small businesses, and others strongly believe that single-piece parcels should be designated as a “market-dominant postal product.” This would help to moderate postage adjustments and protect rural parcel service. S. 662 correctly classifies single-piece parcels as market-dominant.

An additional unresolved issue is that S. 662 is extremely restrictive in permitting the USPS to raise rates beyond the consumer price index. The legislation allows the USPS to file for an expedited adjustment only under “unexpected and extraordinary” circumstances. Postal observers believe that this criterion would only be met should there be a national emergency similar to September 11 or the anthrax scare. The Postal Service and its employee groups believe that this criterion is overly restrictive and may hamper the agency’s ability to meet operational factors that may be unexpected or extraordinary, but not both. While H.R. 22 also employs the consumer price index as the yardstick for rate adjustments, it also provides the USPS with slightly more latitude in adjusting rates beyond the CPI. Unfortunately, many in the mailing community are opposing the provision in the House bill. These mailers are clamoring for as much cost-containment as politically possible. For them, any postage increase hits them where it hurts – their bottom line.

The last issue is a provision in both bills that would enable the USPS to open to bid the transport of foreign-destined mail. Currently, the Department of Transportation establishes the charge. The U.S. airlines and the union that represents airline pilots are opposing this change.

Hey, you can't fight in here! This is the war room!

-- Dr. Strangelove

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