

Collins Queries OMB Nominee on Postal Reform



Bob Portman
Nominee for OMB
Director

On Wednesday, the Senate Homeland Security and Governmental Affairs Committee conducted a confirmation hearing for former Rep. Bob Portman, President Bush's choice to lead the Office of Management and Budget (OMB). Committee Chairman Susan Collins used the opportunity to explore the Administration's posture on postal reform. Currently, Portman is serving as U.S. Trade Representative, a cabinet level position. Joshua Bolton, the past OMB Director, left the post to become the President's chief of staff.

The OMB assists the President in preparing the federal budget and monitoring Executive Branch agency effectiveness. One of the more interesting and charged facets of the OMB mission is its responsibility to ensure that proposed legislation is consistent with the President's budget and policies.

Although the hearing focused on fiscal policy and government management, Committee Chairman Susan Collins asked Portman about the Administration's views regarding the pending postal legislation. Collins prefaced her question by noting the tremendous impact that the USPS has on the U.S. economy and the vital need for Congress to put the agency on firm financial footing. The Chairman also observed the need to reduce the USPS' unfunded retiree health care liability. While not directly responding to the Chairman's question, Portman remarked that he was aware of the issues that impact the USPS' future viability. He also acknowledged the controversial White House proposal to use the CSRS escrow account to pay down the USPS retiree health care liability, rather than permit using the fund to help mitigate future rate increases. However, Portman agreed that placing the USPS on secure financial footing is important to the Administration and he looks forward to working with Congress on the postal legislation. The Senate Committee did not explore with the OMB nominee the impact that CSRS escrow fund-induced and CSRS military service credit-induced postage increases would have on the economy. It is interesting to note how OMB views the negative economic consequences that tax increases have on the economy, yet has difficulty recognizing the affect that saddling the mailing public with the escrow account and the military service credit has on a key segment of the U.S economy.

As a footnote to his dialogue with Chairman Collins, Portman recalled the emergence of postal reform as a legislative issue while he was a member of the House of Representatives (1993-2005). As a Member of Congress, Bob Portman represented the 2nd District of Ohio (Cincinnati). He served on the House Budget Committee, and the House Ways and Means Committee. Today, Collins' Committee and the Senate Budget Committee approved Portman's nomination. It now goes to the Senate floor for confirmation.

NAPUS Active in GPO/WEP Coalition

NAPUS is an active member of the Coalition to Assure Retirement Equity (CARE), a group committed to fight on behalf of present and former public employees who are negatively impacted by the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). Both of these provisions discriminate against many CSRS annuitants who are also entitled to Social Security benefits.

This week, NAPUS participated in a strategy session with other affected employee groups to map out plans to energize our collective efforts to push for GOP and WEP relief. Postal participants included the National Rural Letter Carriers Association and the National Postal Mail Handlers Union. The Coalition's short-term goal is to aggressively solicit more cosponsors for pending legislation to repeal and modify the unfair Social Security provisions. Currently, 25 Senators have cosponsored S. 619, introduced by Sen. Diane Feinstein (D-CA), and 316 Representatives have cosponsored H.R. 147, introduced by Rep. Buck McKeon (R-CA). Both of these bills would repeal the GPO and the WEP. Presently, 14 Senators have signed on to S. 1799, introduced by Senator Barbara Mikulski (D-MD). In the past, Rep. William Jefferson (D-LA) introduced a House companion. However, he has been preoccupied with allegations of soliciting bribes. (The Justice Department and the House Committee on Standards of Official Conduct Committee are investigating his activities.) Finally, 37 Representatives have cosponsored H.R. 1714, introduced by Rep. Kevin Brady (R-TX). Sen. Kay Bailey Hutchison (R-TX) has introduced the Senate companion. The Brady-Hutchison legislation would relieve the impact that the WEP has on affected annuitants.

House Passes Budget Resolution

Slightly before 1 AM on Thursday morning, the House of Representatives narrowly (218-210) passed House Concurrent Resolution 376, the House budget plan. It reflects \$2.8 trillion in federal spending. On March 16, the Senate passed its version, Senate Concurrent Resolution 83. The good news is that neither bill reduces federal retirement benefits, federal employee health insurance, or includes any assessment against the USPS. Unfortunately, in past years, budget resolutions have directed the House and Senate committees with jurisdiction over federal employee benefit programs and the USPS to cut funds from these programs and the agency.

The House adopted its budget resolution amid partisan controversy over the process by which it was brought to the House floor and its content. 12 GOP Representatives crossed party lines to vote against the legislation, while no Democratic members reciprocated. The early morning deal was cut when the GOP Leadership assured its limited, but pivotal moderate wing that the Leadership would find an additional \$3.1 billion for labor, education and health programs. Although Senate action on its budget proposal was bumpy, the Senate resolution includes \$16 billion more than the House measure. The Senate budget proposal also includes a controversial provision that would open up the Arctic National Wildlife Refuge to oil exploration.

Although the House and Senate passed budget bills, it will be a daunting task for them to reach a Conference Agreement. The differences are significant.

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