



# *E-NAPUS Legislative Newsletter*

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## **Senate A-Bomb Averted for Now**

On Monday, 14 members of the Senate, including 5 members of the Senate Homeland Security and Governmental Affairs Committee (HSGAC), crafted a "memorandum of understanding" that averted the so-called nuclear option. Failure to reach an accord would have rendered radioactive legislation yet to be considered this year by Congress, including postal legislation.

The group of 7 Republicans and 7 Democrats committed the Republicans not to support Senate Majority Leader Bill Frist's (R-TN) effort to change the Senate rules, which would have precluded Democrats from using the filibuster to thwart Presidential judicial nominees. In return, the Democrats pledged to stop blocking three nominees. The bipartisan truce recognized the right of Senators to block future nominees only under "extraordinary circumstances." Currently, Senators can talk indefinitely (i.e., filibuster) unless a cloture motion passes. Cloture requires a 60-vote super majority. If the Frist rule-change passed, Minority Leader Harry Reid (D-NV) threatened to use every parliamentary tool in the Senate arsenal to derail all legislation, except appropriations bills and bills that impact national security.

Senators John McCain (R-AZ) and Ben Nelson (D-NE) led the band of 14. However, it is noteworthy that Senate HSGAC Chairman Susan Collins (R-ME) and Ranking Member Joseph Lieberman (D-CT) were high profile members of the coalition. In addition, HSGAC members Senators John Warner (R-VA), Lincoln Chafee (R-RI), and Mark Pryor (D-AR) joined the group.

The 11<sup>th</sup> hour compromise permits the Senate to continue consideration of bills that may come before the legislative body this year. One of those bills, should include S. 662, the Collins-Carper Postal Enhancement and Accountability Act. An important dynamic of the agreement was the degree to which a group of Senate mavericks, moderates and veterans collaborated to forge the document. This same type of diligence will be necessary to enact S. 662. Moreover, it is reassuring that members of the HSCAG, including the Committee's bipartisan leadership, were key participants in preventing a Senate nuclear winter. In the past, the Collins-chaired committee has tenaciously demonstrated how compromise and bipartisanship are necessary prerequisites to enact responsible and successful legislation.

In sum, constructive bipartisanship saved the Senate from plunging into legislative chaos for the time-being. The postal community is cautiously optimistic that this type of productive group effort will help push postal enhancement legislation to the Senate and House floors for passage. It would also send an unmistakable signal to the White House of how to promote complex legislation that is essential to economic and social well-being of postal customers and the \$900 billion mailing industry.



**Sen. Susan Collins  
Among Compromise  
Leaders**



## Recess Without Action

Today, the House and Senate left Washington for its Memorial Day Recess without action on postal enhancement legislation. The House Republican Leadership has yet to set aside floor time to vote on H.R. 22. Chairman Susan Collins and Senator Tom Carper are still negotiating over specific provisions in S. 662 with a number of postal stakeholders and the White House.

The speed bump that is delaying action – both in the House and the Senate – is the alleged impact that CSRS postal equity would have on the budget deficit. Federal budget vultures are feeding on the unnecessary, over-funded, congressionally-created postal account (the CSRS escrow fund) to conceal \$6 billion of the deficit. As a result, these policy-makers and legislators are passing a \$3 billion per year cost to postal customers who, in 2006, will be charged a 5.4% postal tax to mask the federal deficit. Make no doubt about it – this is a tax. Unless Congress enacts postal enhancement legislation, millions and millions of residential customers and businesses will have to pay the 5.4% stamp tax. The ripple effect would be felt nationwide, affecting employment in the postal industry. So, postmasters and the entire postal community must fight for consideration of postal legislation prior to the next recess.

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## Postal Health Cuts – A Non-Starter

A mailer pundit recently mused that Congress is “ducking” its responsibility by not legislating that the USPS negotiate health benefits with unions. According to the pundit, Congress is “living in a fairy tale.” *Fantasy is ignoring the fact that postal legislation will not pass with a provision that abolishes the legal health protections guaranteed to the over 700,000 member postal workforce.* Such efforts imperil the future of postal legislation, The bond that unites the postal employee and mailing community would be severed by attempts to force Congress to grab the health benefit third rail as the commentator desires.

Admittedly, legacy industries (e.g., manufacturing, automotive, and airlines) are struggling to balance employee and retiree health needs with the financial demands of their stockholders. However, there is a major difference between the for-profit requirements of private enterprise and the public service needs provided by a public institution. Moreover, the USPS *does* negotiate FEHBP employer contributions with its unions, and health costs are considered in negotiations over a pay package. Also, the White House Office of Personnel (OPM) negotiates the benefit package of participating FEHBP plans annually, including their premium. Such bargaining preserves comprehensive health insurance for 9 million beneficiaries, while also holding premium adjustments under private sector increases (7.9% vs. 11.2% in 2004). In addition, OPM ensures that each FEHBP plan’s administrative costs are bare-bones. Obviously, the private sector cannot boast the same claim.

Those who want to scrap the current process for providing postal employees and retirees their earned benefit bear a very heavy burden. They must prove that their plan would not endanger beneficiary health protection, that their negotiating team could do a better job than OPM, and that the resulting program would be as efficient as FEHBP. In the meantime, let’s work together to pass postal legislation without any ill-advised and divisive distractions.

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