



eNAPUS Legislative & Political Bulletin

July 27, 2006

Volume 3, Number 25



Big Brown Rolling Over Bipartisan Postal Reform

On Tuesday, *Congress Daily* quoted House Government Reform Chairman Tom Davis as saying about the H.R. 22 Conference – “We still have a ways to go, but it’ll be out before October.”

UPS Vows to Kill Bill Over Single-Piece Parcels

In the face of overwhelming bipartisan support, UPS is threatening to “veto” the pending postal bill. Ben Franklin would not have signed the U.S. Constitution had he known that it bestowed United Parcel Service with veto authority. Just to make sure such a power was not snuck in, NAPUS scoured the document and its 26 Amendments; we found no UPS veto power. Yet, this week UPS warned Congressional postal reform advocates that it would use its imagined authority to kill H.R. 22, unless a provision that protects rural and residential communities is stripped from the bill. USPS data reveals that residential and rural parcel customers would suffer a 40% rate increase if Congress kowtows to the UPS threat.

Over the decade-long tortuous history of postal reform, UPS has periodically employed bullying tactics to prevent postal legislation from reaching the House floor. Ask former House Government Reform Chairman Dan Burton (R-IN) and former Postal Subcommittee Chairman John McHugh (R-NY). It was hoped that this year, UPS would be mollified by generous accommodations imparted by Chairmen Tom Davis and Susan Collins, and others. Sadly, these postal reform heroes may have misjudged UPS motives and notorious lobbying tactics. Last week, as reform advanced, UPS retreated to its dusty old legislative playbook and threatened to derail legislation that does not meet its narrow anti-postal goals. Apparently, providing residential and rural postal customers with protection against discriminatory parcel rates, and safeguarding universal parcel post is incompatible with UPS’ corporate philosophy.

NAPUS and all employee postal groups strongly support the Senate-passed reform provision, which safeguards universal parcel post by classifying single-piece parcels as a “market dominant product.” This provision protects rural and residential communities from astronomical postage increases for parcel post. This provision is absolutely vital to NAPUS and all postal employees. NAPUS and other postal employee organizations have notified potential conferees of the weight with which we assign the Senate language. Though the House-passed bill classified single-piece parcels as a “competitive” product, the potential House conferees recognize the importance of this issue to residential and rural communities and have indicated support of the longstanding position taken by postal employee groups. (*One of the original versions of McHugh’s legislation – H.R. 4950 in the 107th Congress – classified single-piece parcels as market-dominant.*) It appears that UPS, which up until this week had not stressed the single-piece issue as a priority, changed its tune and reshuffled its priorities. Alas, this week, “single-piece parcels” emerged as Big Brown’s number 1 issue. According to Congressional sources, UPS has declared that failure to capitulate to its demand will result in opposition to H.R. 22. In addition, we should anticipate UPS to strong arm its unions to lobby Congress

against single-piece parcels, and in support of the UPS position to kill the bill.

As Members of Congress know, NAPUS and other postal employee groups have consistently and unambiguously identified single-piece parcels being categorized as “market dominant” as a critical component of postal reform legislation. Such parcels are market dominant because rural and residential postal customers are highly dependent on the USPS for their parcel needs. The overwhelming geographic majority of our nation relies on the Postal Service. Hence, single-piece parcels are market dominant. In these far-flung and residential communities, there is simply no practical parcel alternative. Yes, UPS can argue that it delivers to every address – but not everyday, and not at a nondiscriminatory rate. Ironically, UPS’ claim to deliver everywhere is predicated on their exploitation of the Postal Service’ delivery network for the last mile. For retail parcel however, in large swaths of the U.S., there is no option other than the U.S. post office. *Caribou, ME, hometown of Chairman Collins, does not have a viable alternative to its post office. Yep, no UPS Store or Kinkos within range. Neither is there an alternative in Parkdale, AR, the birthplace of postal reform advocate Rep. Danny Davis, or Pierrepont Manor, NY, the residence of H.R. 22 author and reform champion Rep. HcHugh.*

It just doesn’t pay for UPS to serve America in the same universal fashion as the U.S. Postal Service. But for postmasters and postal employees, universal nondiscriminatory postal service, is our sacred responsibility. Consequently, postmasters and postal employee groups will fight for “single-piece” parcels in H.R.22.



Rep. Joe Schwarz
(R-MI)

Moderate MI Incumbent Faces Stiff Primary Challenge

On August 8, Rep. Joseph Schwarz (R-MI) is being challenged by State Rep. Tim Wahlberg in the Michigan GOP primary. The congressional district is solidly Republican, so the winner will likely win the November general election.

This primary race is competitive due to the aggressive participation of the right-wing organization, the Club for Growth. Former Rep. Pat Toomey is president of the operation. Two years ago, Toomey unsuccessfully challenged Senator Arlen Specter (R-PA) for the Keystone state’s GOP senate nomination. The Club wants to root-out GOP Members of Congress who they consider “Republicans In Name Only” (RINOs). The group believes that the reason the GOP agenda has not been enacted in its entirety is because of moderate Republicans who vote with Democrats on social and fiscal issues. Therefore, in selected primaries across the nation, the Club has targeted GOP Members of Congress who do not follow a doctrinaire hard-right legislative agenda.

The Club for Growth has placed a bulls-eye on Rep. Schwarz, committing approximately \$500 million to defeat the congressman. In fact, approximately 76% of Wahlberg’s campaign funds come from out-of-state contributors, while such donors account for only 13% of Schwarz’s funds. The incumbent has supported legislation that benefits postal and federal employees and retirees. In part, this support has garnered the wrath of the Club. As a physician, Schwarz recognizes the importance of health protection for Americans and the value of the FEHBP. For this reason, federal and postal employee groups – including NAPUS – are supporting Rep. Schwarz in his primary race.

**National Association of
Postmasters of the U.S.**

**8 Hebert Street
Alexandria, VA 22305**

**Tel. 703-683-9027
Fax. 703-683-0923**

Email: blevi@napus.org

We are on the Web!

www.napus.org