



e-NAPUS Legislative Newsletter

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Free Postal Reform Now!

So much to do, yet so little time. There remains a mere two weeks prior to the month-long August recess. So, the Congressional Leadership is scrambling to allocate precious floor time to their pet legislative priorities. The question that remains is whether postal reform legislation is one of those priorities. Further delay could doom legislation this year, since the fall congressional schedule will be loaded with must-pass spending bills, and the Senate will be debating a Supreme Court nominee.

House Government Reform Chairman Tom Davis (R-VA) and Senate Homeland Security Chairman Susan Collins (R-ME) are doing their utmost to highlight the importance of scheduling time for the House and Senate to vote on H.R. 22 and S. 662. As reported last week, it appears that the White House had taken its hold off the legislation, removing a major impediment to scheduling the legislation. So, the only hurdles between getting floor time and languishing in legislative limbo are House Majority Leader Tom DeLay (R-TX) and Senate Majority Leader Bill Frist (R-TN). Postmasters who live and/or work in the 22nd Congressional District of Texas, or in the State of Tennessee should call, fax, or email (posted mail will not arrive in time) Representative DeLay or Senator Frist, urging them to free postal reform.

One of the remaining hang-ups to scheduling postal enhancement legislation is "cost". The House and Senate leadership are being extremely deferential to White House requirement that postal legislation be "cost-neutral". This means that when the Congressional Budget Office (CBO) "scores" (i.e., projects the cost) of enacting H.R. 22 and S. 662, the result should be zero. Staff members of Collins' and Davis' Committees are working to address the budget issue with Leadership and Budget Committee staff. In addition, the White House Office of Management and Budget are monitoring the congressional deliberations over scoring the bills. The bulk of the cost of H.R. 22 and S. 662 is attributable to the elimination of the CSRS escrow account. Under current law, beginning in 2006, the USPS would start contributing its CSRS "overpayment" into the account, and these deposits would be revenue for the U.S. Treasury. H.R. 22 and S. 662 suspend the overpayment and, as a consequence, reduce the income which the OMB relied upon to help mask the budget deficit. The Administration believes that the CSRS overpayment should be redirected to pay down the USPS' unfunded FEHBP liability. In the White House view, the benefit of this strategy is to continue the USPS revenue stream into the U.S. Treasury. This USPS payment reduces the deficit. As mentioned last week, the White House has suggested that Congress increase USPS borrowing authority in order to finance the projected 5.4% rate increase attributed to the escrow.

Interestingly, on Wednesday, the OMB projected that the budget deficit for the current fiscal year, which ends on September 30, to be \$333 billion. This new





Jim McCrery (R-LA)
Chairman, House
Subcommittee on
Social Security

budget number supplants OMB's February guesstimate of \$427 billion. Much of the \$94 billion improvement results from higher-than-expected tax revenue from individuals and businesses.

Social Security Legislation Delayed

Another issue that commands NAPUS attention is Social Security reform. Although the House and Senate Leadership expressed a strong desire to bring up Social Security reform prior to recess, neither the chamber will take up legislation before Labor Day. There are two major issues that remain unresolved – ensuring the long-term solvency of social security, and the status of personal retirement accounts. These are two weighty and complex issues.

NAPUS is carefully watching Social Security reform because of its potential affect on the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). The two social security provisions unfairly reduce the social benefits of many retired postmasters. The importance of social security reform was expressed in a number of conversations I had with postmasters at this week's Louisiana NAPUS Chapter Convention. Louisiana postmasters are in a unique position to influence the measure, because the Chairman of the House Ways and Means Subcommittee on Social Security is Rep. Jim McCrery (R-LA). Apparently, LA postmasters attended a recent congressional Town Hall Meeting, at which time they inquired about the prospects of legislation to help mitigate the impact of the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). The Member of Congress responded that it was doubtful that "stand alone" legislation (i.e., bills there deal solely with GPO & WEP) would be able to pass Congress. So, the future of legislation to remedy the GPO and WEP issues are tied to the success of enacting social security reform legislation. Stay tuned.

NAPUS – Leader of the PAC

NAPUS PAC will be reporting the Federal Elections Committee that NAPUS members have contributed approximately \$265,000 for the first six months of 2005 – a record amount. This level of postmaster generosity demonstrates the commitment to political activism, and the recognition that postal enhancement legislation will have a dramatic impact upon the future of active and retired. Indeed, postmasters' legislative knowledge bolstered our PAC totals. The receipts represent a 2% increase over the same period last year. During the first half of 2005, NAPUS has contributed over \$191,000 to benefit Members of Congress who support NAPUS' legislative agenda.

The increase in contributions appear to come from an extraordinary effort by State PAC Chairs who have educated postmasters about the importance of making contributions to PAC in order to further the legislative goals of NAPUS postmasters. These contributions are not necessarily large, but they do make a difference. The timing of the bulge in PAC contributions seem to be linked to the Chapter Convention schedule. This is more than a mere coincidence. In fact, the phenomenon clearly illustrates effective and extensive PAC Chair education at NAPUS state conventions. Also, it means that record numbers of NAPUS Chapter convention attendees are participating in NAPUS PAC. So, as MO Chapter PAC Chair Lee Scriven proclaims, "Every postmaster should be a 'Leader of the PAC.'"

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We are on the Web!