



e-NAPUS Legislative Newsletter

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USPS Pocket Change Please

On Wednesday, President Bush signed into law H.R. 3, a surface transportation bill to provide funds for highways, public transportation, and road programs. The five year price tag for the new law is approximately \$286.5 billion. Clearly this is not pocket change. Therefore, many postal observers are interested in why the White House is fixated with the modest budget impact of S. 662 and H.R. 22, the Postal Enhancement and Accountability Act, yet signed into law the multi-hundred-billion dollar transportation bill. As noted in previous *e-NAPUS Newsletters*, the Collins-Carper postal bill has a 5-year price tag of \$500 million and the McHugh postal bill costs \$1.4 billion over the 5-year period. However, there is a major distinction between the costs associated with postal legislation and the expenditure of the transportation bill. The cost associated with S. 662 and H.R. 22 merely reflects the transfer of expenses from the USPS to the U.S. Treasury; H.R. 3 represents new spending.

It is important to recognize the attraction of the "Safe, Accountable, Flexible, Efficient Transportation Equity Act" to Members of Congress and the Administration. The bill includes infrastructure projects that are important to many communities throughout the nation and located in key Congressional Districts. Thousands of construction and transportation jobs were linked to H.R. 3. Therefore, Members of Congress and the President could afford to overlook the significant budget impact of the bill. The overwhelmingly support by Congress aptly illustrates this fact. On Friday, July 29 (the same day that Senator Collins attempted to have the Senate consider S.662), the House approved the Transportation Act by a stunning vote of 412-8 and the Senate followed suit a few hours later with a 91-4 majority.

As you may recall, the White House, in its "Statement of Administration Policy" on H.R. 22, threatened to veto the bill should it have an adverse budget effect. Notwithstanding this warning, the postal community hopes that President Bush grants a similar standard of economic import to H.R. 22 or S. 662 as he employed when signing H.R. 3. As Senator Collins and congressional postal advocates constantly remind their colleagues, postal-impacted industry represents approximately \$900 billion or 9% of the U.S. Gross Domestic Product, accounting for about 9 million employees. The cost of postal legislation is tied to an unfair burden that the USPS is forced to carry – the obligation to fund the military retirement credit for present and past postal employees, and the requirement to continue to fund the CSRS overpayment. Both of these issues would be addressed in H.R. 22 and S. 662, yet this is the cost to which the Administration objects. It is important for postmasters to remind our elected leaders how unfair these dual obligations are.

It is unclear when S. 662 will reach the Senate floor, though early September is possible. The greeting card industry, lead by Hallmark Cards, still has a



major concern about S. 662. The matter regards a fear that the USPS could adjust rates to the disadvantage of single-piece first class mailers (i.e., people who send cards). This concern resulted in a "hold" being placed on the bill, precluding it from being considered under "unanimous consent" by Senate, on July 29.

Possible Fall GPO and WEP Opening

The passage of a number of key bills in late July provides an opening for the House to make room on the fall calendar for Social Security reform. Over the past few months, Congressional leaders on the House Ways and Means Committee, and the Senate Finance Committee have advised NAPUS that the best possibility to address the government pension offset (GPO) and windfall elimination provision (GPO) issues are within the context of debate over the future of Social Security.

The general public will be deluged with the pros and cons of establishing individual investment accounts, which is strongly supported by the White House and the GOP. At the same time, NAPUS will be focusing on how to incorporate GPO and WEP relief into whatever legislation is considered by Congress. It is clear that there is considerable support to address these two financially discriminatory and harmful provisions that adversely impact thousands of retired public employees, including many retired postmasters. It is equally clear, however, it would be a monumental task to adopt any of the current bills that seek to address the issues, as distinct from the overall debate over Social Security.

NAPUS understands that Ways and Means Chairman Bill Thomas (R-CA) is using the summer recess to put the finishing touches on his Social Security reform measure. The question remains about the scope of the measure, in light of growing national opposition to individual investment accounts, as reflected in public opinion polls.

Consideration of Social Security legislation in the Senate is far less certain. The Senate Floor Calendar is still cluttered with pending issues such as the confirmation of a new Supreme Court Justice and 7 appropriations bills which have yet to be debated.

For NAPUS, it will be essential that the Committee alleviate that unfair burden placed upon the backs of retired postmasters.

e-NAPUS To Take Two Weeks Off

Due to the looming NAPUS National Convention that is being hosted in Long Beach, CA, the next issue of the *e-NAPUS Legislative Newsletter* will be posted on Friday, September 2.

The NAPUS Convention will begin on Friday, August 19 and end on Wednesday, August 24. We anticipate the participation of approximately 1,600 postmaster delegates at the annual event. The Convention will feature the election of a new NAPUS President, legislative seminars that will update delegates on the status of postal legislation and issues that affect NAPUS members, and presentations by USPS officials. In addition, we expect congressional participation at the Convention.

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