



e-NAPUS Legislative Newsletter

November 11, 2005

Volume 2, Number 40



Sen. Bill Frist (R-TN)
Majority Leader

Bond Rejects Frist Postal Offer

Early this week, Senator Christopher "Kit" Bond (R-MO) rejected an offer by Senate Majority Leader Bill Frist (R-TN) that would have enabled the Senate to consider S. 662, the Postal Enhancement and Accountability Act. The proposal would have authorized 2 hours of debate on an amendment that Senator Bond was promoting on behalf of Hallmark Cards. Senator Bond would have been guaranteed a vote on the amendment. Also, Frist would have provided for 1 hour of general debate on S. 662. Last week, Homeland Security and Government Affairs Chairman Susan Collins (R-ME) accepted the proposal.

Senator Bond must sign-off on the deal because S. 662 would have been considered under "unanimous consent" and the Senator had placed a "hold" on the bill. The hold represents a procedural red-flag to the Senate Leadership, indicating that a Senator will likely "filibuster" a particular bill. The irony about Senator Bond's hold is that, earlier this year, he decried Democratic efforts to deny votes on the confirmation of controversial federal judges. Yet, now, he is employing the very same tactic to deny a Senate vote on a widely-supported bipartisan bill that could have a major impact on the U.S. economy.

Notwithstanding Senator Bond's intransigence on S. 662, on November 8, postal labor, management, and supervisor groups co-signed a letter to all 100 U.S. Senators, opposing the Bond amendment. In part, the letter stated:

"The Bond amendment would allow certain interests to hold the new [rate] system hostage through the threat of expensive litigation. The amendment is an attempt by a small segment of the mailing community to micromanage rate making for their own purposes and to sabotage a new rate-making system designed to ensure the Postal Service's future economic viability."

The letter went on to note that the U.S. Postal Board of Governors also opposes the Bond amendment. Importantly, beginning last Friday, postmaster legislative activists were communicating NAPUS opposition of the Bond amendment to their respective Senators and urging them to vote against it when S. 662 reaches the Senate floor.

However, as a result of the Bond hold on S. 662, it does not appear likely that the Senate will have time to consider postal reform this year. The Senate plans to depart for Thanksgiving on November 18 and may return for a week in December to complete some unfinished legislative business. This means that S. 662 will be with us for, at least, the first few months of 2006. What will be interesting is how postal reform will play in an election year, in the wake of January 2006 5.4% rate increase due to the funding the escrow account, and amidst mailer fear of a mega-2007 postal rate case.

Employees and Mailers Agree on Postage Banking Language

During Senate Homeland Security and Governmental Affairs Committee consideration of S. 662, Senator Daniel Akaka (D-HI) expressed concern about a provision in the legislation that would limit the ability of the Postal Service to “bank” otherwise entitled postage rate increases. Employee groups and the USPS shared Sen. Akaka’s concern. In part, the provision would have restricted rate flexibility.

In light of this concern, Chairman Collins charged representatives of major mailers and employee groups, including NAPUS, to put together a compromise that could be incorporated in S. 662 when it reaches the Senate floor. For the past three months, the groups negotiated over the details of a potential agreement. Last week, we reached an accord and, on Tuesday, the mailers and the employee groups presented Sen. Collins with language acceptable to all of us. This product was the result of due diligence and absolute candor among all the participants. We sought common ground that could help to remove some impediments to flexible postal rate-setting. There give and take, and a strong desire to reach an agreement is how the legislative process is supposed to work.

The provision presented to Chairman Collins would enable the USPS to bank unused, but eligible postal rate increases for up to 5 years. In those years in which the USPS seeks to use a portion of the deferred increases, the increase in any one year cannot be more than 2% above the postage rate index (e.g. the CPI).

Election 2005 and the Budget Stall

On Tuesday, November 8, Virginia and New Jersey conducted key gubernatorial elections. Although one month is a lifetime in politics and one year is an epoch, the 2005 voting patterns should send strong signals to 2006 congressional candidates and incumbents. It appeared that in both states voters were projecting their ire about Washington politics, concern about the high price of gasoline and the war in Iraq on to statewide candidates. Both Democratic candidates won their races. In addition, a number of GOP-promoted California ballot initiatives failed. Clearly, President Bush is not riding the wave of electoral popularity. In fact, he made an election eve appearance on behalf of Virginia Republican gubernatorial candidate Jerry Kilgore. Dominion State political pundits are speculating that the presidential appearance may have overly energized an angry Democratic base and did nothing to boost the turnout of a dispirited Republican core. What is noteworthy is that the inner and outer suburbs of Virginia, a so-called Red State, provided the margin of victory for Democratic candidate Tim Kaine. These are regions that have in the past voted Republican.

Two questions will need to be asked as we attempt to divine the outcome of the 2006 congressional races. Can President Bush turn around the factors that are depressing his popularity? Will GOP candidates attempt to insulate themselves from the President? And, whether or not such political distancing works, do the Democrats have an attractive message and policy alternative?

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