



# *eNAPUS Legislative & Political Bulletin*

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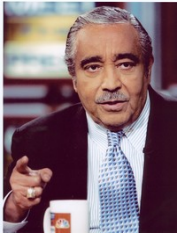
## Postal's Revenue Go Bye-Bye

On June 11 and again on June 21, the House Appropriations Committee passed the Fiscal Year 2008 Financial Services and General Government Appropriations Act, which removed the Postal Service's revenue forgone appropriation. The deletion of this provision defaults on an \$800 million taxpayer obligation to the USPS. The funds are intended to reimburse the Postal Service for congressionally-mandated discounts provided to charitable organizations, rural newspapers, and mailings for the blind.

In 1993, then-Chairman of the House Post Office and Civil Service Committee William Clay (D-MO) crafted legislation – the Revenue Forgone Reform Act which virtually eliminated the nonprofit postage subsidy. The legislation was included in the Fiscal Year 1994 Treasury Postal Appropriations Act (PL 103-123). It created a mechanism for continued preferred rates for certain nonprofit mailers by phasing in higher rates, and having other classes of mail bear the remaining institutional costs that had been covered by appropriations. However, the USPS was owed funds for Congressional failure to appropriate nonprofit subsidies in FY 1991-1993, and the cost incurred during the 5-year phase-in period for the new law. In sum, PL 103-123 split the outstanding obligation for discounting charitable postage between rate-payers and taxpayers. The total amount of money that the U.S. Government owed the USPS for providing these discounts totaled \$1.2 billion. This government debt was amortized over a 42-year period, resulting in a \$29 million per year appropriation. So far, the Federal government has remitted the first 14 annual payments. Eliminating this appropriation would force the mailing public, through increased postage, to underwrite the discounted postage. Moreover, Congressional default on the reimbursement would force the USPS to write-off the balance and recognize the “bad debt” on its bottom-line. This means that the agency would have to identify the bad-debt in its “last rate case” or borrow money to cover the new liability.

As of today, the House of Representatives has yet to vote on the FY' 08 Appropriations Act. The House is bogged down on other legislative matters. On June 20, the postal employee groups (including NAPUS) sent a letter to the key House appropriators, asking them to reconsider their decision to eliminate the revenue forgone appropriation and to reinstate the \$29 million.

In the meantime, NAPUS, in concert with the other employee groups, is alerting the Senate Appropriators of the issue and the importance of the funding. Its inclusion in the Senate bill would mean that the provision would be considered in a House-Senate Conference. We would not anticipate that the Senate would vote on a Financial Services and General Government Appropriations measure prior to the July 4<sup>th</sup> Congressional Recess. NAPUS will urge the Conferees to include the revenue forgone appropriation in the Conference Agreement, which would then go the President for his signature.



Rep. Charles Rangel  
Chairman  
House Ways and  
Means Committee

## Social Security Discrimination Push

During the July Fourth Congressional Recess, NAPUS will be orchestrating a major legislative campaign to garner consideration of legislation to address the unfair financial impact of the Social Security Government Pension Offset (GPO) and Windfall Elimination Provision (WEP).

Recently, the NAPUS Government Relations Department sent a memo to all Chapter Legislative Chairs, calling upon them to schedule office visits with key Members of Congress. Specifically, the Chairs will be singling out specific Postmasters in their state whose elected officials serve on the two subcommittees have jurisdiction over these dual retirement issues. These are the Members of Congress who can make a difference on whether the legislation can be put on the Committee agenda for a vote. We have asked the Chapter Chairs to report back to the Government Relations Department to evaluate the Congressional feedback and share the information with our colleagues at NARFE.

The NAPUS Government Relations Department is coordinating its activities with NARFE's legislative affairs operation, so we can effectively use our grassroots resources. NARFE is calling upon its members to communicate with all Members of Congress about GPO and WEP during the August Recess. However, during July 4<sup>th</sup> break, NAPUS will be focusing its attention on members of the House Way and Means Social Security Subcommittee and the Senate Finance Social Security Subcommittee. GPO and WEP legislation must emerge from these two subcommittees to move on. Notwithstanding the overwhelming broad-based sponsorship of GPO/WEP legislation, these are the Committees that will make the difference. NAPUS is concentrating on subcommittee members with hope of making them receptive to the broad grassroots pressure that will emanate from the late-summer NARFE effort. We believe that this NAPUS/NARFE 1-2 punch will reap substantial benefits.

On Tuesday, NAPUS met with House Ways and Means Committee Chair Charles Rangel (D-NY) to discuss the importance of resolving the longstanding GPO/WEP issue. Moreover, we have alerted his staff of our upcoming efforts.

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## Postal Staff Changes

The U.S. Postal Service and the Postal Regulatory Committee have recently announced two staff changes that should be of interest to Postmasters. First, the USPS announced the appointment of Marie Therese Dominguez as its new Vice President for Government Relations and Public Policy. She succeeds Tom Day who is now the Senior Vice President for Intelligent Mail. Ms Dominguez has extensive political campaign experience, served in the Clinton Administration, and, most recently, has worked in a Washington-based firm that specializes in grassroots political training. The Government Relations position reports directly to PMG Potter. The second postal personnel change brings House Oversight and Government Reform Republican Counsel Jack Callender to the Postal Regulatory Commission, as its first Inspector General. For the past decade, Mr. Callender has worked for Representative Tom Davis (R-VA) as the Committee's postal counsel. In addition, Jack was recognized at the past NAPUS Leadership Conference for his tireless efforts on behalf of postal reform legislation. NAPUS looks forward to working with both Marie Therese and Jack for the benefit of the USPS and Postmasters.

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

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