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NAPUS Prepares for 2007 Leadership Conference

NAPUS Secretary Treasurer Ruthie Cauble was in town this week, in part, to help spearhead the legislative activities that are being planned for the **2007 NAPUS Leadership Conference (March 18-21)**. Ruthie and Director of Government Relations Bob Levi used the opportunity to touch base with two key Members of Congress who will have a major impact on NAPUS' Legislative Agenda for 2007. These two elected officials hail from Ruthie's home state – Illinois.



Senate Assistant Majority Leader Richard Durbin (D-IL) invited Secretary-Treasurer Cauble to his U.S. Capitol office to congratulate her on her assuming the number two spot in NAPUS and to discuss issues that Postmasters will be bringing to Congress this year. As Assistant Majority Leader, Sen. Durbin occupies the second highest leadership post in the Senate. The position is also referred to as the Majority Whip. As such, Sen. Durbin is tasked with shepherding the day-to-day action on the Senate floor, including counting votes on behalf of Majority Leader Harry Reid (D-NV), and monitoring legislation that is being considered by the Senate. Sen. Durbin's import does not end on the Senate floor. He is also the Chairman of the Senate Appropriations Subcommittee on Financial Services and General Government. This Subcommittee has jurisdiction over the USPS appropriations, which represents taxpayer reimbursement to the Postal Service for legally mandated postage discounts to non-profit mailers, and repayment for free mail for the blind and overseas voting. Ruthie spoke with Sen. Durbin about how postal staffing levels impact the quality of universal, dependable, and regular mail service. The Appropriations Subcommittee will be involved in attempting to find a permanent funding stream for the newly created Postal Regulatory Commission (PRC) and the Office of Inspector General. NAPUS briefly discussed this issue with Sen. Durbin's staff.



NAPUS Secretary-Treasurer Ruthie Cauble Visits with Senate Assistant Majority Leader Richard Durbin (top), and House Subcommittee on the Federal Workforce, the Postal Service and the District of Columbia Chairman Danny Davis (bottom)

NAPUS paid a call on Rep. Danny Davis (D-IL), the new chairman of the House Subcommittee on the Federal Workforce, the Postal Service, and the District of Columbia. He advised us that the Subcommittee will be conducting its organizational meeting next week, at which time Subcommittee Members will have the opportunity to discuss the Subcommittee's tentative legislative and oversight plans. The Subcommittee has jurisdiction over federal employee and retiree benefits, and the USPS. During our Hill travels, among others, we were fortunate to exchange words with the Subcommittee's Ranking Republican, Kenny Marchant (R-TX) and Subcommittee Member John Mica (R-FL). In addition, we were able to meet up with Senator Tom Carper (D-DE), who will lead the Senate Subcommittee having jurisdiction over the USPS.

Senate Governmental Affairs Committee Begins to Organize

On Wednesday, Sen. Joseph Lieberman (I-CT) convened the Senate Homeland Security and Governmental Affairs Committee to begin setting up its structure for the 110th Congress. Sen. Lieberman inherited the gavel from Sen. Susan Collins (R-ME). During the Committee meeting the members expressed their pride in serving on a Committee which has exercised extraordinary bipartisanship. In addition, Ranking Republican Collins stated that she would continue to be very interested in postal issues and the implementation of the Postal Accountability and Enhancement Act, PL 109-435.

At the meeting, the Committee approved three formal Subcommittees, and two ad hoc Subcommittees. The ad hoc subcommittees would focus almost exclusively on homeland security and disaster recovery. NAPUS will be concentrating on two of the "established" Subcommittees. Sen. Daniel Akaka (D-HI) will chair the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia. Sen. George Voinovich (R-OH) is the panel's Ranking Republican. This Subcommittee will cover federal employee and retiree benefits. Sen. Tom Carper (D-DE) will chair the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security. Sen. Tom Coburn (R-OK) will be the Ranking Republican. This panel has jurisdiction over the USPS. By the close of business today, Full Committee members will have expressed their Subcommittee preferences. Consequently, we would anticipate that the Subcommittee membership will be finalized next week.

FEHBP In the Spotlight

This past week, the Government Accountability Office (GAO) released a December 2006 report that analyzed premium growth in the Federal Employees Health Benefits Program (FEHBP). In sum, the GAO concluded that FEHBP premium inflation slowed from a 2002 peak of 12.9% to 1.8% for 2007. According to the GAO, the reasons for the reduced growth were benefit cuts, enrollee migration to cheaper plans, and the reduction of FEHBP reserves.

An important footnote in the GAO analysis is the fact that the federal government rejected the Medicare Part D subsidy, which is available to employers offering prescription drug coverage to Medicare-eligible beneficiaries. It is estimated that the subsidy is worth about \$670 per beneficiary per year. If the Federal Government accepted the subsidy and applied it to the FEHBP Trust Fund, the 2006 premium increase would have been 2.6% less. However, the Medicare Part D law did not require that the employer use the subsidy to reduce premiums.

A point not addressed in the GAO report was the USPS' interest in applying for the employer subsidy. The total rebate to the USPS would be about \$250 million. However, since the Office of Personnel Management (OPM) administers the FEHBP – not the USPS – the USPS cannot apply for the subsidy on its own. NAPUS plans to work on a two-step legislative strategy to access the Medicare Part D subsidy on behalf of our members. First, we must create the authority for the USPS to apply for the subsidy, and second, have the USPS apply the subsidy to FEHBP premium relief.

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