



eNAPUS Legislative & Political Bulletin

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Economic Stimulus Package



USPS at No Cost!!



Postal Stimulation

At Thursday's USPS Postal Board of Governors meeting, Chairman Alan Kessler announced a proposed modification in the USPS's accounting of FEHBP retirement premiums, saving the agency \$2.3 billion in Fiscal Year 2009. The 10-year savings would total \$28.1 billion. The proposal requires a minor change in the Postal Accountability and Enhancement Act (PL 109-435); efforts are underway to include this change in the next *Economic Stimulus Package*, which could be considered by Congress next week. It is important to note that the Congressional Budget Office has provisionally concluded that the proposal would be "budget neutral."

Under PL 109-435, the Postal is scheduled to make two payments with regard to retiree health benefits, through 2016. The first payment is made to the Office of Personnel Management, to pay the Federal Employee Health Benefit Program (FEHBP) premiums of *current* retirees. This amount depends on the annual FEHBP premium. The second payment is deposited into the "Postal Service Retiree Health Fund" to pay for USPS' unfunded FEHBP retiree liability. The contribution ranges from \$5.4 to \$5.8 billion per year, and the USPS is obligated to pay this amount through 2016. The USPS proposal would authorize the agency to make its FEHBP employer share premium contribution out of the Trust Fund, rather than from operating costs. Consequently, the USPS would continue its contributions into the Trust Fund at the current pace, but would pay for current retiree premiums out of that Trust Fund.

At the Board meeting, Chairman Kessler suggested that the fix is not a panacea; however, it would provide the USPS "needed breathing room." He also opined that, while, in 2006, the USPS believed that the 10-year 2-track payment schedule was "achievable", current economic conditions render this accounting timetable "unsustainable." Immediately, after the meeting adjourned, NAPUS, two other employee organizations and a representative from the direct mailers went to the Senate-side of the Capitol to promote the USPS proposal. In addition, the USPS was on the Hill – including Governors – to explain the importance of the providing immediate financial relief to the USPS.

NAPUS is hopeful that this "no-cost" Postal relief legislation could be included in a yet-to-be-drafted economic package – legislation that could be considered during next week's "lame-duck" session. However, it appears that the stimulus package seems to be losing steam, as a result of disagreement about the magnitude of the package, and of taxpayer relief of the automotive industry to the tune of \$25 billion. The House will not consider a stimulus package without a lifeline to the Big-3 automakers, the Senate GOP objects to the Detroit bailout, and the White House says it won't support a package, without agreement on an unrelated trade initiative. Unless another legislative vehicle is identified, it is likely that Postal Service may have to wait to until next year.

Congressional Results Still Pending

AK Senate - Sen. Ted Stevens (R) trails Mark Begich (D) by 814 votes, 40,000 ballots still pending

MN Senate - Sen. Norm Coleman (R) leads Al Franken (D) by 206 votes, recount begins next week

GA Senate - Sen. Saxby Chambliss (R) and Jim Martin in December 3 runoff

CA House - Tom McClintock (R) leads Charlie Brown (D) by about 1,000 votes, 40,000 ballots pending

OH House - Steve Stivers (R) leads Mary Jo Kilroy (D) by 393 votes, 20,000 ballots pending

LA House - General elections for 2 seats on December 6

New House Lineup
256 DEM - 175 GOP
(4 pending)

New Senate Lineup
57 DEM - 40 GOP
(3 pending)

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Congressional Musical Chairs

By mid next week, we should know who will chair the Committees most important to Postmasters – the Senate Homeland Security and Governmental Affairs Committee, and the House Oversight and Government Reform Committee. The two variables are: Will Rep. Henry Waxman (D-CA) unseat Rep. John Dingell (D-MI) as chair of the Energy and Commerce Committee? Will the Senate Democratic Caucus snatch the Homeland Security gavel from Sen. Joseph Lieberman (I-CT) in retribution for his enthusiastic support of Sen. John McCain (R-AZ) for President? If the answers to both questions are “yes”, then we will probably welcome either Sen. Daniel Akaka (D-HI) or Tom Carper (D-DE) as the new Senate Committee chairman; and we will greet either Rep. Ed Towns (D-NY), Paul Kanjorski (D-PA), or Elijah Cummings (D-MD) as the next House chairman.

As mentioned in the last *eNAPUS Newsletter*, Sen. Susan Collins (R-ME) will retain the Ranking position on the Senate Committee; on the House, it now appears that Rep. Darrell Issa (R-CA) is emerging as the frontrunner to succeed Rep. Tom Davis (R-CA) as the Ranking GOP on the House Committee. His candidacy for the position is being promoted by former Committee Chair Dan Burton (R-IN) and former Civil Service Subcommittee Chair John Mica (R-FL). Though there are members of the panel with more seniority, none of them have announced their desire to assume the top GOP slot on the Committee. In a letter to their GOP colleagues, Burton and Mica suggested that Issa would be more committed to the GOP mantra than Rep. Tom Davis. As Postmasters know, Waxman and Davis have had a constructive legislative relationship, no matter who chaired the committee. Rep. Issa has served in the House since 2001. He garnered considerable attention in 2003, when he bankrolled the recall of former Governor Gray Davis (D-CA), leading to the election of Gov. Arnold Schwarzenegger (R-CA).

President Elect Barack Obama to Resign Senate Seat

President Elect Obama announced that he will relinquish his Senate seat on Sunday, providing Illinois Gov. Rod Blagojevich (D-IL) an early opportunity to fill the vacancy. The Governor has 60 days to fill the post. Ironically, the immediate impact of the resignation is that, unless Gov. Blagojevich fills the vacancy immediately, the Democrats will “enjoy” a razor-thin 50-49 seat majority for the lame-duck session. More importantly, if the Democrats depose Sen. Lieberman and, as a result, he bolts to the Republican side of the aisle, it is possible for the Republicans to bask in a short-lived majority of 50-49.

There is a long line of aspirants to the Senate vacancy, including House Federal Workforce, Postal Service and the District of Columbia Chair Danny Davis (D-IL). A number of other sitting House members are under consideration by the Governor – all of whom representatives from the Windy City area – as well as state office-holders. One potential candidate is 2006 congressional candidate, IL director of Veterans Affairs and Iran War veteran Tammy Duckworth; however, she may be tapped by President Elect Obama as Secretary of Veterans Affairs.