



Rep. John McHugh



Rep. Danny Davis

Postal Veterans Introduce Late Session Postal Relief Legislation

On Tuesday, Rep. John McHugh (R-NY) and House Postal Subcommittee chairman Danny Davis (D-IL) introduced legislation to provide much-needed temporary relief to the U.S. Postal Service. H.R. 7313 would stabilize the financial condition of the USPS in the midst of the current recession.

H.R. 7313 would enable the USPS to contribute the employer-share of its current retiree's health benefits premiums out of the Postal Service Health Benefits Fund, rather than from current revenue. Although the measure was not considered during the waning hours of the 110th Congress, McHugh and Davis indicated it will be reintroduced when the 111th Congress convenes, on January 6.

The McHugh-Davis legislation reflects a draft proposal circulated by the USPS in November. Under current law, the Postal Service is required to make an annual payment ranging from \$5.4 billion to \$5.8 billion from through 2016. Furthermore, the agency makes a separate payment to the Office of Personnel Management (OPM) for the employer share of its Federal Employees Health Benefits Program (FEHBP) premium, on behalf of USPS annuitants. The current economic climate, which has lead anemic USPS revenue, makes these dual payments extremely problematic. H.R. 7313 would reduce Postal expenses by over \$28 billion, over the next eight years. Basically, the legislation permits the Postal Service to refinance a portion of its retiree health payments. Separately, Postmaster General Potter warned, in a December 3 letter to senior members of the Senate Homeland Security and Governmental Affairs Committee (Senators Lieberman, Collins, Carper, and Coburn), that:

"... if Congress does not approve the change in the required retiree health benefits payments, the Postal Service would have to consider such options as service cuts, as in reducing hours in Post Offices; more aggressive employment cuts; or other actions to ensure cash is available to meet payroll, retiree health benefit requirements, and other obligations. Should our proposal not be adopted by Congress, and the economic downturn is greater then currently forecast, I would recommend to the Board that the Postal Service seek legislative authority to curtail or suspend delivery on our lightest delivery days next summer."

As Postmasters discuss this issue with their Members of Congress, they must advise the officials that the Postal Service is the only entity, public or private, required to pre-fund its retiree health liabilities. Other institutions merely record the liability on their balance sheets. We will be working to enact the 2009 version of H.R. 7313 early in the 111th Congress.

New Leadership of Government Reform Committee Selected

On Wednesday, the House Democratic Caucus and the House Republican Conference settled the new "leadership team" that will guide the House Committee on Oversight and Government Reform during the 111th Congress. As projected, the Democrats selected Rep. Edolphus "Ed" Towns (D-NY) to chair the panel, and the GOP chose Rep. Darrell Issa (R-CA) as the Ranking Republican on the committee. (By the way, the GOP also selected NAPUS' good friend, Rep. John McHugh as the new top Republican on the House Armed Service Committee.)

In January, Rep. Towns will be commencing his 14th term in Congress; Rep. Issa will be starting his 5th term. In the recent past, neither member played a major role in crafting postal legislation or measures impacting postal employee benefits. Rep. Towns currently chairs the House Government Reform Subcommittee on Government Management, Organization and Procurement. The panel has focused its attention on the effectiveness and efficiency of executive level agencies, and monitoring customer service and accountability. Rep. Issa serves as the ranking Republican on the House Government Reform Subcommittee on Domestic Policy. The Subcommittee has jurisdiction over energy, labor, education, criminal justice, economic, and federal drug policies. Town's urban congressional district is economically challenged and is located in Brooklyn, NY. Issa's Southern California district comprises parts of San Diego and Riverside counties.

On a related note, the House Democratic Caucus assigned House Federal Workforce, Postal Service, and the District of Columbia Chairman Davis to the House Ways and Means Committee. The congressional tax-writing committee, which also has jurisdiction over Social Security and federal trade policy, is considered an "exclusive" committee. Ordinarily, a Representative serving on an exclusive committee does not serve on any other committee, unless a waiver is granted by the Caucus. Moreover, it is unclear if the Caucus would permit Rep. Davis to continue to chair the Government Reform Subcommittee. Decisions as to Subcommittee chairs will not be decided until the full Committees "organize" next year. If Rep. Davis is denied a waiver, his likely Subcommittee chair successors include William "Lacey" Clay (D-MO), Diane Watson (D-CA), and Stephen Lynch (D-MA). Rep Eleanor Holmes Norton (D-DC), who chaired the Subcommittee Civil Service Subcommittee in the 90's, leads a Transportation and Infrastructure Subcommittee; it is unlikely that she would drop that Subcommittee.

NAPUS Hosts Obama Envoy

On Wednesday, NAPUS Headquarters hosted a meeting between the Postal-designee on President-elect Barack Obama's Transition Team and representatives of the Postal Service's three management-supervisory organizations – NAPUS, League and NAPS. The comprehensive meeting covered a wide range of topics involving postal finances, governance, operations and items of particular concern to Postmasters and EAS level employees. NAPUS pledged to continue to interact with the incoming Administration and offered our support for its efforts.

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

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