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David Obey, Chairman
House Appropriations
Committee

House Grants Postal Service 1-Year Reprieve – Senate to Act Next Week

On Friday, the House passed the Conference Agreement on the FY 2010 Legislative Branch Appropriations Act (HR 2918), which includes a provision requiring the Postal Service to make a \$1.4 billion payment (deferring \$4 billion) to pre-fund postal retiree health premiums. The vote was 217-190.

Earlier this year, the House and Senate passed different versions of the Legislative Branch Appropriations Bill, necessitating a House-Senate Conference Committee to resolve the discrepancies. The postal addition to the Act clears the way to enact postal relief legislation prior to the end of the fiscal year. Without this legislative tactic, the Postal Service would have had to make a \$5.4 billion payment on September 30 – an amount that the agency was financially incapable of making. During Friday's floor debate on H.R. 2918, Appropriations Chairman David Obey (D-WI) stated that including the postal provision was "following the lead of the House," since the body passed H.R. 22 with an overwhelming 388-32 majority during the previous week.

This House-passed version of H.R. 22 reduced the USPS' fiscal year 2009 payment into the Postal Retirees Health Benefits Trust Fund by \$4 billion. (This reduction applies only for FY 2009.) Despite significant Senate support for temporary postal relief, it was anticipated that Sen. Tom Coburn (R-OK) would object to considering H.R. 22 under "unanimous consent." This objection meant that the Senate would have had to consider the legislation under regular order, in the midst of other legislative activity and could have been subject to a filibuster. Moreover, the Senate Homeland Security and Governmental Affairs Committee favorably reported S. 1507, its own temporary postal relief package. The Senate bill, as amended by the Committee, includes a provision that alters the collective bargaining process – a highly controversial provision. There was insufficient time to schedule postal relief legislation in the Senate, debate it, amend and pass it by September 30. Consequently, as predicted at the NAPUS Convention, the vehicle for moving H.R. 22 proved to be a Continuing Resolution (CR).

A CR is a "stop-gap" appropriations measure that permits government to continue functioning, pending the enactment of regular appropriations bills. Inasmuch as Congress has yet to send any of its 12 appropriations bills to the President for his signature, a CR was imperative. Moreover, the CR has to be signed into law by September 30, the last day of the fiscal year – the same date that the USPS must make its prefunding payment.

Over this past week, House appropriators were cobbling together the CR and postal employee groups, including NAPUS, were working tirelessly to ensure that H.R. 22 was included in the appropriations measure. This was the *last train leaving the station*. We reminded Members of Congress of the one-week-

old overwhelming vote in support of HR 22, which was noted by Chairman Obey, and that the measure was “budget-neutral.” The bipartisan advocacy, along with strong support by House Majority Leader Steny Hoyer (D-MD) secured the postal provision a place in the CR.

The Senate will most likely take up the Conference Report on HR 2918 on Tuesday, September 29.

Senate Finance Committee Considers FEHBP Amendments

This week, the Senate Finance Committee began its long-awaited “mark-up” of Health Care Reform legislation. Three amendments were offered, which, if enacted would impact Federal Employee Health Benefits Program (FEHBP) participants. Committee Chairman Max Baucus (D-MT) has attempted to craft bipartisan legislation within the Committee; that effort appears to be out of reach and many issues are proceeding along partisan lines.

The three Committee amendments that could directly impact FEHBP include:

- Sen. Charles Grassley (R-IA): Amendment would require elected officials and federal employees to purchase coverage thoroughly newly created state-based health care exchanges, beginning in 2013.
- Sen. John Ensign (R-NV): Amendment would levy a “high-cost” health insurance tax on FEHBP plans.
- Sen. Ron Wyden (D-OR): Amendment would permit certain non-federally employed individuals to enroll in FEHBP.

In response to Sen. Grassley’s amendment and prior to the amendment process, Chairman Baucus modified the underlying bill to *permit* elected officials and federal employees to enroll in the state-based exchanges, rather than *require* enrollment. The modification was approved by the Committee. It appears that the Ensign amendment would apply the “high-cost tax” to the FEHBP plans, even though FEHBP plans are not “high-cost.” Of course, this tax would be passed on to FEHBP enrollees through premium increases. The Wyden amendment would open FEHBP to members of the general public, without creating a separate risk-pool for the non-federal population. The impact of opening up FEHBP in such a way could raise FEHBP premiums for active and retired postal and federal employees.

The federal-postal employee community has voiced opposition to the Grassley, Ensign and Wyden amendments.

Twist on Newspaper Bailout Rhetoric

A number of major newspapers have editorialized that postal relief legislation is a bailout: *Washington Post* (7/29/09), “Bailout in the Mail.” Therefore, the September 24 testimony by the President of the Newspaper Association of America to the House Judiciary Committee on “the Future of Newspapers” to the Judiciary Committee is noteworthy.

“The newspaper industry is not seeking a **bailout** ...” The NNA went on to ask for a tax provision that would let newspapers carry losses for 5 years, instead of 2; and permit businesses to spread out future contributions to defined benefit plans.



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