



# *eNAPUS Legislative & Political Bulletin*

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## Postal Governance News

Tony Hammond  
Selected Postal  
Regulatory  
Commission Vice-  
Chairman

Richard Kessler  
Re-Nominated to the  
USPS Board of  
Governors

## Finance Committee Health Bill Could Hurt Postmasters and Federal Workers

On Monday, the Senate Finance Committee released the “legislative language” of its contribution to the health care reform debate (S. 1796). Two amendments were submitted to the Committee that could have devastated the Federal Employees Health Benefits Program (FEHBP); however, the provisions were not accepted. Nevertheless, it is quite possible that these ill-advised proposals could reach the floor of the Senate for a vote. In addition, among the bill’s 1504 pages that were adopted appears a section that could lead to a significant reduction in FEHBP benefits, resulting in the transfer of health care costs onto the backs of postal and federal employees and retirees.

Originally, Sen. Grassley (R-IA) introduced an amendment to require postal and federal employees to enroll in state-based plans, beginning in 2013. State insurance exchanges are established in the Finance Committee’s bill. Instead, the Committee settled on a compromise that requires Members of Congress and their staff to enroll in such state plans. While it appears that Sen. Grassley does not plan to offer the amendment on the floor, it is more than possible that another Senator could offer a version of the original amendment. *NAPUS members should urge their Senators to OPPOSE any amendment that would force FEHBP participants into a new health insurance program.*

Another amendment that was not accepted by the Finance Committee was a proposal to open up the FEHBP to individuals not currently employed or retired from the Postal Service, or the Federal government. Sen. Ron Wyden (D-OR) proposed an amendment that, if enacted would make the FEHBP the health insurer of last resort. Without a firewall to protect FEHBP participants, the Wyden amendment would dramatically increase FEHBP by forcing postal and federal workers to subsidize an extremely high-risk non-federal population. We understand the Sen. Wyden may offer his proposal on the floor. *NAPUS members should urge their Senators to OPPOSE any amendment to expose the FEHBP to a high-risk population, which results in dramatically increased FEHBP premiums.*

S. 1796 imposes a 40% tax on health plans with total premiums exceeding \$8,000 for single coverage, and \$21,000 for family coverage, including FEHBP. The threshold comprises the premium, flexible spending account contributions, and dental and vision benefits. The threshold would be indexed to inflation plus 1%. Medical inflation greatly exceeds general inflation, so even if the individual is currently in a modestly-priced health plan, in a matter of a few years, the plan would be taxable. It is unclear how the government would apply the tax to FEHBP, but it is likely that plans would be compelled to substantially reduce their benefits. *NAPUS members should urge their Senators to insulate FEHBP enrollees and other modest health plans from the S. 1796 tax.*



Ruth Goldway  
PRC Chairman

## Hacker Valley USA

On Monday, the Postal Regulatory Commission (PRC) rendered a decision initiated by Hacker Valley, West Virginia (Docket A2009-1). As reported in the July 24 issue of the *eNAPUS Legislative Bulletin*, Hacker Valley asked the PRC to intervene on its behalf, to remedy the inappropriate emergency suspension of its Post Office. The USPS argued that the PRC lacked jurisdiction, since the agency did not initiate a discontinuance study or issue a final determination to close the Post Office. Consequently, there was no process to assess. The PRC rejected the USPS position and took the opportunity to criticize USPS suspension practices.

While the PRC could not reopen the Post Office, it sharply disapproved the way in which the suspension was conducted. Furthermore, the filing of the case compelled the USPS to begin a discontinuance study. The PRC wrote:

"... the actions of the Postal Service have left the citizens of Hacker Valley without a post office. Several additional conclusions also are pertinent. First, the Postal Service should refrain from improper use of the Emergency Suspension process. Second, such suspensions are prejudicial to a fair closing process. Third, if and when the Postal Service makes a determination to close the Hacker Valley post office, its patrons will have another opportunity to appeal to the Commission."

The PRC also found, based upon the USPS suspension track record, "... history strongly suggests that the Postal Service is using its suspension authority to avoid the explicit Congressional instructions to hear and consider the concerns of patrons before closing post offices."

Toward the end of the decision, the PRC underscored its continued interest in USPS attempts to circumvent Congressional intent, in abusing its Emergency Temporary Suspension authority.

"... the Commission recognizes that such a practice may be ongoing, and it will initiate action to develop a more complete record on the subject so that it can fulfill its responsibility under the Postal Accountability and Enhancement Act..."

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## FERS Sick Leave Bill On To President

On Thursday, the Senate passed the Conference Report on the FY 2010 Defense Authorization Act (H.R. 2647), by a 68-29 majority. The bill includes the long-awaited provision enabling FERS employees to credit unused sick leave towards retirement. The House passed the Conference Report on October 8; the measure should be presented to President Obama next week.

This matter has endured a long and tortuous journey over the past two years. Originally, the House appended the sick-leave section to a Tobacco Bill, along with a provision creating a Roth IRA option within the Thrift Saving Plan. However, the Senate struck the FERS sick leave provision on a budget point of order. Subsequently, the House passed the sick leave twice, within minutes – first, as a provision to a Military Disability bill, and then the Department of Defense Authorization bill, which included the Disability Bill. However, once again, the Senate struck the sick leave provision from the bill, when Senators Tom Coburn (R-OK) and John McCain (R-AZ) objected to the sick leave provision. The end game was finalized when the Congressional Leadership added the provision in Conference to the Defense Bill, precluding objection.

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