Postal bill receives positive CBO score

On June 1, the non-partisan Congressional Budget Office (CBO) released a positive "score" report on H.R. 756, the Postal Service Reform Act—the first significant news related to this bill since the House of Representatives' Oversight and Government Reform Committee approved it in March.

"Although this bill still needs work before NALC can fully support it," NALC President Fredric Rolando said, "this score from the CBO is another encouraging step in the ongoing legislative process."

Gowdy succeeds Chaffetz as Oversight chairman

House Oversight and Government Reform Committee member Rep. Trey Gowdy (R-SC) recently was picked to succeed Rep. Jason Chaffetz (R-UT) as committee chairman. Gowdy is a former prosecutor who was first elected to Congress as a Tea Party Republican in 2010.

In May, Chaffetz announced rather unexpectedly that he was retiring from Congress at the end of June, saying that he wanted to go back to the private sector. He had been elected five times to represent Utah's 3rd Congressional District; notably, he was one of the sponsors of H.R. 756.

The CBO "scores" almost all bills once they move beyond committee consideration—that is, the office performs a formal estimate to determine how much the bill is expected to cost the federal government. A bill with a low score—one that will not cost the U.S. Treasury much money or that might even save money—has a greater likelihood of eventually becoming law than one with a high score.

Many postal reform bills in the past have failed to score favorably, for a variety of reasons. H.R. 756 is different—taking into account the overall federal budget, total spending is expected to decline by $6 billion over 10 years, should the bill become law.

The key parts of H.R. 756 in the CBO analysis were provisions calling for maximizing participation in Medicare among retirees in Federal Employees Health Benefits Program plans that cover postal employees and annuitants, and a $1 billion increase in postage rates gained from restoring half of the 4.3 percent exigent rate increase that expired last year. CBO gave the bill a positive score because, as written, it would save the federal government billions of dollars over the next 10 years.

But there's always an asterisk. For example, it's worth noting that, since USPS receives no taxpayer money and pays for operations from the sale of postage and postal products, its cash flow is recorded as "off-budget expenditures." However, H.R. 756 calls for changes that would affect the Postal Service Retiree Health Benefits Fund, which is an on-budget account.

The CBO estimates that the off-budget postal *savings* of enacting H.R. 756 would be $6.2 billion, while its on-budget *costs* would run only about $200 million. The unified budget score came in at more than $6 billion.

If passed, the bill would provide postal-only plans in the FEHBP billions in subsidies and low-cost prescription drugs made possible by the Medicare Part D law, helping to lower premiums.

It would also require all future and existing seniors (retirees age 65 or more) to enroll in Medicare Parts A (hospitalization) and B (medical insurance), making Medicare their primary provider and their existing plan their secondary payer. Most retired NALC members who have reached age 65 already use Parts A and B, combining it with their FEHBP plan—a strategy designed to cover, in almost all cases, charges, deductibles and co-pays.

And for those current Medicare-eligible postal annuitants who are not enrolled in Parts A and B, H.R. 756 includes provisions to help retirees gradually make the switch, with three years of USPS subsidies for Part B premiums, and a waiver of the onerous (10 percent per year after age 65) late enrollment penalty.

However, NALC will continue to demand additional protections: an exemption for current Medicare-eligible retirees who can't use Part B services because of where they live or because of other coverage; and additional assistance to others who would face an extreme financial hardship with a requirement to enroll in Part B.

The portions of the bill having to do with Parts A and B were referred to the House Ways and Means Committee for consideration. The portion of H.R. 756 dealing with prescription drug savings authorized by the Part D law was referred to the House Energy and Commerce Committee. These committees must act on the bill before it can be taken up by the full House of Representatives.

NALC also is working to address unacceptable and unnecessary provisions in the bill regarding the voluntary elimination of residential door delivery and the mandatory elimination of business door delivery—at the discretion of the Postal Service. The strong support in Congress (221 co-sponsors at press time) for the

House Resolution on door delivery, H. Res. 15, will be helpful in these efforts.

"H.R. 756 contains the essential elements necessary for positive postal reform, and CBO's optimistic score is a broad indication that the bill is largely on the right track," Rolando said. "While we generally support moving H.R. 756 forward in the legislative process, the bill still needs work before this union can fully support its passage, and we are continuing to assess its progress, to work with representatives in the House and to offer suggestions for the improvements we believe are crucial for gaining this union's full support for the bill."

Another measure that NALC is watching—and which it is lobbying to improve—is H.R. 760, which aims to bolster USPS' financial bottom line by allowing the PSRHBF to move a portion of its investments away from low-yielding Treasury bonds and into better-performing investment portfolios. There is hope that H.R. 760 can eventually be rolled into H.R. 756.

While NALC and its coalition are pressing the House to advance postal reform, so many other legislative priorities are occupying Congress' attention that any postal legislation likely has a long and complicated journey to President Donald Trump's desk for his signature. (Read "Postal reform's road map through Congress" in the June *Postal Record* for a look at what likely is in store in the months ahead.)

In the news media

President Rolando's letter to the editor of the *Wisconsin State Journal* ran on June 12. Prompted by an earlier letter to the editor, Rolando provided facts about postal finances and urged Wisconsin's congressional representatives to support constructive reform.

On May 27, Ohio's *The Columbus Dispatch* ran a commentary-length letter by Rolando that focused on the value of letter carriers and the U.S. Postal Service, postal finances and May's Stamp Out Hunger® Food Drive.

Pottstown, PA's *The Mercury* ran a letter by President Rolando on May 26. The same day, the president was quoted in stories in *The Wall Street Journal* and Press Associates about postal-related items in the Trump administration's budget proposal for Fiscal Year 2018. Rolando also was quoted in a story on that topic by *Linn's Stamp News* a day later.

On May 15, the *Atlanta Journal-Constitution* published online a commentary piece by Rolando that noted, among other things, how pre-funding disguises the actual profits brought in by postal operations.

Kentucky State Association of Letter Carriers President Bob McNulty's letter to the editor of the *Lexington Herald-Leader* ran on June 2. Meanwhile, Idaho State Association President John Paige had a number of letters promoting voting by mail that ran in May and June in Twin Falls' *Times-News*, *Idaho State Journal*, *Idaho Press-Tribune*, Idaho Falls' *Post-Register, Idaho Statesman* and *The Coeur d'Alene Press*.

Link to these and other stories can be found under "Postal Facts" on nalc.org. PR

Pennsylvania carriers' lobbying trip

In June, letter carrier activists from the Pennsylvania State Association of Letter Carriers traveled to Washington, DC, on their annual trip to lobby members of Congress on issues important to their fellow NALC members. Pictured from above: Reps. Brian Fitzpatrick (R-8) and Ryan Costello (R-6) attended a congressional breakfast on June 6.