

Calendar No. 221

109TH CONGRESS }
1st Session }

SENATE

{ REPORT
109-140

EXTENDING THE SPECIAL POSTAGE STAMP
FOR BREAST CANCER

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 37

EXTENDING THE SPECIAL POSTAGE STAMP FOR BREAST CANCER



SEPTEMBER 26, 2005.—Ordered to be printed

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39-010

WASHINGTON : 2005

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Mr. COLLINS, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 37]

The Committee on Homeland Security and Governmental Affairs, to whom was referred the bill (S. 37) to extend the special postage stamp for breast cancer research for 2 years, having considered the same reports favorably thereon without amendments and recommends that the bill do pass.

I. PURPOSE AND SUMMARY

S. 37 reauthorizes the Stamp Out Breast Cancer Act (P.L. 105-41) through December 31, 2007. This special postage stamp for first-class mail was designed specifically to raise funds for breast cancer research efforts. The price of this stamp is 45 cents, 8 cents above the regular rate of 37 cents.

II. BACKGROUND

Breast cancer is considered the most commonly diagnosed cancer among women in every major ethnic group in the United States. About three million women in the U.S. are living with breast cancer, one million of whom have yet to be diagnosed. Annually, nearly \$7 billion is spent on the treatment of breast cancer. In the past five years alone, the federal government has spent about \$3 billion on breast cancer research.¹ To supplement these federal dollars, Congress passed legislation creating the Breast Cancer Research

¹ U.S. Government Accountability Office, *Breast Cancer Research Stamp: Effective Fund-Raiser, but Better Reporting and Cost-Recovery Criteria Needed*, GAO-03-1021 (September 2003), 1.

Semipostal (BCRS) to increase public awareness of the disease and allow the public to participate directly in raising funds for such research. Since its first issuance in July of 1998 through May 31, 2005, the BCRS has raised a total of \$43.9 million.

The BCRS is widely supported by groups, such as the American Cancer Society and the Susan G. Komen Breast Cancer Foundation, and the general public, as evidenced by strong annual sales of the stamp. The Committee also recognizes that with 68 cosponsors, the BCRS and S. 37 has widespread Senate support. The Committee recommends the bill pass, even though it has previously considered legislation which would remove the legislative branch from the process of issuing semipostal stamps, because of the importance of the cause, as well as the considerable support for the bill.

In 2000, when the Committee considered legislation reauthorizing the BCRS, it also considered the broader issue of semipostal stamps. At that time, the BCRS had already experienced three years of highly successful sales. However, as a result of the BCRS's success, Members of Congress had introduced numerous bills for the issuance of semipostals to raise funds for such issues as AIDS research and education, Alzheimer's disease research, prostate cancer awareness, and World War II Memorial funding, to name a few. However, postal rules at the time prohibited the Postal Service from issuing semipostal stamps. For this reason, the Committee approved the Semipostal Authorization Act, granting the Postal Service the authority to design a fair process by which to offer specially priced semipostal stamps for voluntary purchase by the public so long as they are of public interest and appropriate. The intent of this Act was to take the legislative branch out of the process of issuing semipostal stamps in the same spirit that commemorative stamps are the purview of the Postal Service.

The Postal Service has expressed concern that the popularity of the BCRS does not necessarily portend the success of future semipostals, whether mandated by Congress or initiated by the Postal Service, and that future semipostals might generate only modest amounts of revenue while still requiring substantial postal expenditures. Ongoing work by the U.S. Government Accountability Office appears to support this concern. As of August 2003, the Postal Service has not issued any semipostals of its own choosing under the authority of the Semipostal Authorization Act and has no plans to do so until the sales periods for congressionally mandated semipostals have ended.² The Committee finds this position consistent with the discretion afforded the Postal Service under the Semipostal Authorization Act.

The Stamp Out Breast Cancer Act provides that the Postal Service is to deduct from the surcharge revenue its reasonable costs incurred in carrying out the act. After deducting its reasonable costs, the Postal Service is to remit the remaining proceeds from the BCRS surcharge revenue to the National Institutes of Health (NIH) and the Department of Defense (DOD) for breast cancer research. Seventy percent of the net proceeds go to NIH, with the remaining 30 percent going to DOD's medical research program.

² GAO-03-1021, 32.

In a 2003 report, GAO pointed out that neither the NIH or DOD are subject to the same statutory reporting requirements as agencies that are to receive funds generated by semipostals issued under the Semipostal Authorization Act.³ Agencies that receive funds from semipostals issued under the Semipostal Authorization Act are required to submit annual reports to Congress that include: (1) the total amount of funds received during the year; (2) an accounting of how the funds were allocated or otherwise used; and (3) a description of any significant advances or accomplishments made during the year that were funded, in whole or in part, out of amounts received. Considering this, GAO has recommended that Congress consider establishing annual reporting requirements for NIH and DOD similar to those required of any agency that was to receive funds generated from semipostals issued under the Semipostal Authorization Act. The Committee agrees with GAO's recommendation. Whether a semipostal is congressionally mandated, or selected by the Postmaster General, the federal agencies benefitting from sale of the stamp should be subject to the same reporting requirements.

III. LEGISLATIVE HISTORY

S. 37 was introduced on January 24, 2005 by Senator Dianne Feinstein, for herself and Senator Hutchison. It currently has 68 cosponsors. The bill was referred to the Committee on Homeland Security and Governmental Affairs. On June 22, 2005, the Committee considered the bill and by voice vote ordered it reported favorably without amendment. Present were Senators Collins, Voinovich, Coleman, Chafee, Bennett, Coburn, Lieberman, Levin, Akaka, Carper, Lautenberg and Pryor.

IV. SECTION-BY-SECTION ANALYSIS

Section 1. Extends the issuance of the Breast Cancer Research Stamp an additional two years.

V. REGULATORY IMPACT STATEMENT

Paragraph 11(b)(1) of rule XXVI of Standing Rules of the Senate requires that each report accompanying a bill evaluate "the regulatory impact which would be incurred in carrying out this bill."

Enactment of this legislation will have no significant regulatory impact. S. 37 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the budgets of state, local, or tribal governments.

³ Ibid, 34.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 29, 2005.

Hon. SUSAN M. COLLINS,
Chairman, Committee on Homeland Security and Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MADAM CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 37, a bill to extend the special postage stamp for breast cancer research for two years.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Grabowicz.

Sincerely,

ELIZABETH M. ROBINSON
(For Douglas Holtz-Eakin, Director).

Enclosure.

S. 37—A bill to extend the special postage stamp for breast cancer research for two years

Summary: The Stamp Out Breast Cancer Act (Public Law 105–41) authorized a special postage stamp for first-class mail. The price of this stamp is 45 cents, 8 cents above the regular rate of 37 cents, and the authority to issue this stamp expires on December 31, 2005. After accounting for the Postal Service’s administrative costs, amounts above the regular postal rate collected from sales of the special stamp are transferred to the National Institutes of Health (NIH) and the Department of Defense (DoD) to spend on breast cancer research efforts. S. 37 would extend this program until December 31, 2007.

Over the 2006–2015 period, CBO estimates that enacting S. 37 would have no net effect on direct spending, and would not affect either revenues or discretionary spending. S. 37 contains no inter-governmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 37 is shown in the following table. The costs of this legislation fall within budget functions 050 (national defense), 370 (commerce and housing credit), and 550 (health).

	By fiscal year, in millions of dollars—										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
CHANGES IN DIRECT SPENDING											
OFF-BUDGET EFFECTS											
Impact on the Postal Service:											
Estimated Budget Authority	–3	0	3	0	0	0	0	0	0	0	0
Estimated Outlays	–3	0	3	0	0	0	0	0	0	0	0
ON-BUDGET EFFECTS											
Impact on NIH and DoD:											
Estimated Budget Authority	–1	–3	0	3	1	0	0	0	0	0	0
Estimated Outlays	–1	–3	0	3	1	0	0	0	0	0	0

	By fiscal year, in millions of dollars—									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UNIFIED BUDGET EFFECT										
Total:										
Estimated Budget Authority	-4	-3	3	3	1	0	0	0	0	0
Estimated Outlays	-4	-3	3	3	1	0	0	0	0	0

Basis of estimate: Based on sales of the special breast cancer stamp in recent years, CBO estimates that enacting S. 37 would generate collections above the regular postage rate of roughly \$5 million in each of fiscal years 2006 and 2007 and about \$2 million in 2008. After covering its administrative costs (about \$1 million over this period), the Postal Service would transfer those collections to NIH and DoD in May and November of each year. Thus, the net impact on the Postal Service over the 2006–2008 period would be zero. Spending and collections of the Postal Service are classified as “off-budget.”

We estimate that enacting S. 37 would increase NIH and DoD collections (from Postal Service Transfers) by about \$1 million in 2006, \$6 million in 2007, and \$4 million in 2008. Spending of these collections by those two agencies would lag behind the amounts collected by several months. We estimate research spending would be \$1 million in fiscal year 2006, \$3 million a year in 2007, \$4 million in 2008, \$2 million in 2009, and about \$1 million in 2010. Thus, the net unified budget impact of the proposal (including on-budget and off-budget effects) would be zero over the 2006–2010 period, with no effect after 2010.

Intergovernmental and private-sector impact: S. 37 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal Costs: Mark Grabowicz. Impact on State, Local, and Tribal Governments: Sarah Puro. Impact on the Private Sector: Alicia Handy.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

VII. CHANGES TO EXISTING LAW

In compliance with subsection 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 37, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 39. POSTAL SERVICE

PART I. GENERAL

CHAPTER 4. GENERAL AUTHORITY

§ 414. Special postage stamps

* * * * *

(h) This section shall cease to be effective after December 31, **[2005]** 2007.

