

Calendar No. 239

112TH CONGRESS }
1st Session }

SENATE

{ REPORT
112-97

AMEND TITLE 39, UNITED STATES CODE,
TO EXTEND THE AUTHORITY OF THE
UNITED STATES POSTAL SERVICE TO
ISSUE A SEMIPOSTAL TO RAISE FUNDS
FOR BREAST CANCER RESEARCH

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 384

AMEND TITLE 39, UNITED STATES CODE, TO EXTEND THE AU-
THORITY OF THE UNITED STATES POSTAL SERVICE TO ISSUE
A SEMIPOSTAL TO RAISE FUNDS FOR BREAST CANCER RE-
SEARCH



NOVEMBER 29, 2011.—Ordered to be printed

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NOVEMBER 29, 2011.—Ordered to be printed

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

R E P O R T

[To accompany S. 384]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 384) to amend title 39, United States Code, to extend the authority of the United States Postal Service to issue a semipostal to raise funds for breast cancer research, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

CONTENTS

	Page
I. Purpose and Summary	1
II. Background and Need for the Legislation	1
III. Legislative History	3
IV. Section-by-Section Analysis	3
V. Regulatory Impact Statement	3
VI. Congressional Budget Office Cost Estimate	3
VII. Changes to Existing Law	6

I. PURPOSE AND SUMMARY

S. 384 reauthorizes the Stamp Out Breast Cancer Act (P.L. 105-41) through December 31, 2015. This Act authorizes a special first-class mail postage stamp to raise funds for breast cancer research efforts. Purchasers pay 55 cents for the stamp—11 cents above the regular rate of 44 cents. The Postal Service remits the extra funds (minus the cost of running the program) for breast cancer research.

II. BACKGROUND AND NEED FOR THE LEGISLATION

Breast cancer is the second most common cancer among women (after skin cancer) and kills more women than any cancer other

than that of the lung.¹ One in eight women in the United States will develop breast cancer over the course of their lifetime.² The National Cancer Institute (NCI) estimates that in 2011, approximately 232,620 new cases of breast cancer will be diagnosed in the United States.³ To supplement federal and private funding for breast cancer research, Congress in 1997 first passed legislation authorizing the Breast Cancer Research Semipostal (BCRS) to increase public awareness of the disease and allow the public to participate directly in raising funds for such research. From its first issuance in July 1998 through October 2011, the BCRS has raised a total of \$74.2 million for breast cancer research.⁴

The BCRS is supported by the American Cancer Society and the Susan G. Komen Breast Cancer Foundation, as well as by postal consumers who have supported strong annual sales of the stamp. The Committee also recognizes that with 65 cosponsors, S. 384 has broad Senate support.

The Stamp Out Breast Cancer Act provides that the Postal Service is to deduct from the amount it charges over regular first class stamps its reasonable costs for carrying out the Act. After deducting its reasonable costs, the Postal Service remits 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.

The Government Accountability Office (GAO) has reported that the Breast Cancer Research stamp has been an effective fundraiser, with funds raised through sales of the stamp contributing to key insights and approaches for the treatment of breast cancer. For example, in 2006, NIH started using Breast Cancer Research stamp proceeds for the Trial Assigning Individual Options for Treatment (TAILORx) and the Breast Pre-Malignancy Program. TAILORx is designed to determine which patients with early stage breast cancer are most likely to benefit from chemotherapy. The Trans-NCI Breast Pre-Malignancy Program—another BCRS-funded program—is an NCI program to research factors involved in developing pre-malignant breast tumors, in the transition of these tumors into malignant tumors and in the effectiveness of various diagnostics and early-intervention approaches. This program was established in hopes that linking NCI's research programs with research programs underway at universities, medical schools, hospitals, and research institutions would create a collaborative and integrated program that would result in new discoveries and interventions.⁵ Additionally, DOD has used its share of the proceeds from the Breast Cancer Research stamp to fund Synergistic Idea

¹Department of Health and Human Services, National Institutes of Health, National Cancer Institute. *Report to Congress: Use of Funds Received for Semipostal Stamp for Breast Cancer Research, Fiscal Year 2010*. January 2011. <http://obf.cancer.gov/contribute/BCStampReportFY2010.pdf>

²National Cancer Institute at the U.S. National Institutes of Health. Cancer of the Breast: SEER Stat Fact. Retrieved from: <http://seer.cancer.gov/statfacts/html/breast.html>. November 14, 2011.

³National Cancer Institute at the National Institutes of Health. Retrieved from <http://www.cancer.gov/cancertopics/types/breast>. November 14, 2011.

⁴U.S. Postal Service figures as provided to the Senate Committee on Homeland Security and Governmental Affairs on November 21, 2011.

⁵GAO, *U.S. Postal Service: Agencies Distribute Fund-raising Stamp Proceeds and Improve Reporting*, GAO-08-45 (Washington, D.C.: October 2007).

Awards. This program promotes new ideas and collaborations by funding innovative, high-risk, high reward breast cancer research projects involving two researchers working synergistically.⁶

III. LEGISLATIVE HISTORY

S. 384 was introduced on February 17, 2011, by Senator Dianne Feinstein. It currently has 65 cosponsors. The bill was referred to the Committee on Homeland Security and Governmental Affairs. The Committee considered the bill at its business meeting on October 19, 2011, and by voice vote ordered it reported favorably without amendment. Senators Lieberman, Akaka, Carper, Pryor, McCaskill, Begich, Collins, Brown, Johnson and Moran were present for the vote.

IV. SECTION-BY-SECTION ANALYSIS

Section 1 of the bill (its only section) extends the Postal Service's authority to issue the Breast Cancer Research Stamp for an additional four 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 would have no significant regulatory impact. S. 384 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.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

NOVEMBER 1, 2011.

Hon. JOSEPH I. LIEBERMAN,
Chairman, Committee on Homeland Security and Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 384, a bill to amend title 39, United States Code, to extend the authority of the United States Postal Service to issue a semipostal to raise funds for breast cancer research.

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

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

S. 384 A bill to amend title 39, United States Code, to extend the authority of the United States Postal Service to issue a semipostal to raise funds for breast cancer research

Summary: The Stamp Out Breast Cancer Act (Public Law 105-41) authorized a special postage stamp for first-class mail. The

⁶ Ibid.

price of this stamp is 55 cents, 11 cents above the regular rate of 44 cents. The authority to issue the stamp expires on December 31, 2011. 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. S. 384 would extend this program until December 31, 2015.

CBO estimates that enacting S. 384 would increase or decrease direct spending in most of the years 2012 through 2018 but would have no net effect on direct spending over the period as a whole. On balance, we estimate that enacting the bill would result in a net reduction in direct spending of \$2 million over the 2012–2016 period, but that savings would be offset by increased direct spending in 2017 and 2018, leading to no net impact over the 2012–2021 period. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. The legislation would not affect revenues.

S. 384 contains no intergovernmental 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. 384 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—											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012–2016	2012–2021
CHANGES IN DIRECT SPENDING												
Off-Budget Effects												
Impact on the Postal Service:												
Estimated Budget Authority	–2	0	0	0	2	0	0	0	0	0	0	0
Estimated Outlays	–2	0	0	0	2	0	0	0	0	0	0	0
On-Budget Effects												
Impact on NIH and DoD:												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	–1	–2	*	*	1	2	*	0	0	0	–2	0
Unified Budget Effects												
Total Changes:												
Estimated Budget Authority	–2	0	0	0	2	0	0	0	0	0	0	0
Estimated Outlays	–3	–2	*	*	3	2	*	0	0	0	–2	0

Note: * = between –\$500,000 and \$500,000.

Basis of Estimate: Extending the authority to issue the special breast cancer stamp would generate additional offsetting receipts that would be spent without further appropriation for research on the disease. Although such transactions are a form of direct spending, the amounts collected and transferred by the Postal Service would be classified as “off-budget,” while the amounts received and spent by NIH and DoD would be recorded as “on-budget” effects. The budgetary impacts on each category and in individual years would vary because of the timing of such collections and spending,

but CBO estimates that implementing this bill would have no net impact on the unified budget over the next 10 years.

Based on sales of the special breast cancer stamp in recent years, CBO estimates that enacting S. 384 would generate collections above the regular postage rate of \$16 million over the next five years—about \$3 million in fiscal year 2012, \$4 million in each of fiscal years 2013 through 2015, and \$1 million in 2016. After covering its administrative costs (about \$100,000 over this period), the Postal Service would transfer those collections to NIH and DoD in May and November of each year. In fiscal year 2012, for example, the Postal Service would transfer \$1 million to NIH and DoD, resulting in a net reduction of \$2 million in Postal Service outlays in 2012. The net impact on the Postal Service over the 2012–2016 period, however, would be zero. Spending and collections of the Postal Service are classified as “off-budget.”

Those transfers from the Postal Service would increase NIH and DoD collections by \$1 million in 2012, \$4 million annually over the 2013–2015 period, and by \$3 million in 2016. Because spending of those collections would lag behind the amounts collected by several months, we estimate that NIH and DoD accounts (which are on budget) would show net outlay reductions totaling \$3 million over the 2012–2015 period and a corresponding increase in outlays from 2016 through 2018. The net unified budget impact of the proposal (including on-budget and off-budget effects) also would be zero over the 2012–2018 period, with no effect after 2018.

Pay-As-You-Go Considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table. Only on-budget changes to outlays or revenues are subject to pay-as-you-go procedures. Enacting S. 384 would affect on-budget direct spending by NIH and DoD.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR S. 384 AS ORDERED REPORTED BY THE SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS ON OCTOBER 19, 2011

	By fiscal year, in millions of dollars—											2012–2016	2012–2021
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021			
NET INCREASE OR DECREASE (–) IN THE ON-BUDGET DEFICIT													
Statutory Pay-As-You-Go Impact	–1	–2	0	0	1	2	0	0	0	0	0	–2	0

Intergovernmental and Private-sector impact: S. 384 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: Elizabeth Cove Delisle; Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: Theresa Gullo, 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. 384, 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, **[2011]** *2015*.

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