

Calendar No. 473

110TH CONGRESS }
1st Session }

SENATE

{ REPORT
110-222

EXTENDING THE SPECIAL POSTAGE STAMP
FOR BREAST CANCER RESEARCH FOR 2
YEARS

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 597

EXTENDING THE SPECIAL POSTAGE STAMP FOR BREAST CANCER
RESEARCH FOR 2 YEARS



NOVEMBER 7, 2007.—Ordered to be printed

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NOVEMBER 7, 2007.—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. 597]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 597) to extend the special postage stamp for breast cancer research for 2 years, having considered the same reports favorably thereon without amendment and recommends that the bill do pass.

I. PURPOSE AND SUMMARY

S. 597 reauthorizes the Stamp Out Breast Cancer Act (P.L. 105-41) through December 31, 2009. 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 55 cents, 14 cents above the regular rate of 41 cents.

II. BACKGROUND

Breast cancer is the most commonly diagnosed cancer among women in every major ethnic group in the United States.¹ About 3 million women in the United States are living with breast cancer, 1 million of whom have yet to be diagnosed. Women in the U.S. have a 1 in 8 lifetime chance of developing invasive breast cancer. It is estimated that in 2007, about 178,480 new cases of invasive breast cancer will be diagnosed among women in the United States. In fiscal year 2007, federal agencies reportedly spent an es-

¹U.S. Cancer Statistics Working Group. United States Cancer Statistics: 2003 Incidence and Mortality. Atlanta, GA: U.S. Department of Health and Human Services, Center for Disease Control and Prevention and National Cancer Institute; 2006. Available at <http://apps.nccd.cdc.gov/uscs/>

estimated \$1.4 billion on breast cancer research.² To supplement these efforts, Congress passed legislation creating 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. Since its first issuance in July of 1998 through July 31, 2007, the BCRS has raised a total of \$56.6 million for breast cancer research.

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 59 cosponsors, S. 597 has widespread Senate support.

In 2000, when the Committee considered legislation reauthorizing the BCRS, it also considered the broader issue of semipostal stamps.³ By that time, the BCRS had already experienced three years of highly successful sales. As a result of the BCRS's success, Members of Congress had introduced numerous bills to issue semipostal stamps related to research and education, Alzheimer's disease research, prostate cancer awareness, and World War II Memorial funding, to name a few. At the time, the postal service was not authorized to issue semipostal stamps. For this reason, Congress enacted 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.⁴

As of October 2007, the Postal Service has not issued any semipostals under the authority of the Semipostal Authorization Act.⁵ 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 indicates that sales of other semipostals established by Congress have lagged behind those of the BCRS.⁶

GAO has also reported that the Breast Cancer Research stamp has been an effective fundraiser and that funds raised through sales of the stamp had contributed to key insights and approaches for the treatment of breast cancer. For example, in 2006, the National Institutes of Health (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

²GAO, U.S. Postal Service: Agencies Distribute Fundraising Stamp Proceeds and Improve Reporting, GAO-08-45 (Washington, D.C.: October 30, 2007). The \$1.4 billion comprises funding from the National Institutes of Health (and that agency's National Cancer Institute) and the Department of Defense for breast cancer only.

³Senate Report 106-338.

⁴P.L. 106-253. See also, House Report 106-734.

⁵The Stamp Out Breast Cancer Act (P.L. 105-41), August 13, 1997 required that the Postal Service issue a Breast Cancer Research stamp. The 9/11 Heroes Stamp Act of 2001 and the Stamp Out Domestic Violence Act of 2001 mandated that the Postal Service issue semipostals for these causes. Both the Heroes of 2001 and the Stop Family Violence stamps were authorized as part of the Treasury and General Government Appropriations Act, 2002 (P.L. 107-67).

⁶GAO, U.S. Postal Service: Factors Affecting Fund-Raising Stamp Sales Suggest Lessons Learned, GAO-05-953 (Washington, D.C.: September 2005). The Stamp Out Breast Cancer Act (P.L. 105-41) requires GAO to issue a report to Congress on the Breast Cancer Research semipostal stamp no later than three months before the end of the stamp's authorized sales period.

breast cancer are most likely to benefit from chemotherapy. The Breast Pre-Malignancy Program is a National Cancer Institute (NCI) program in breast cancer research that encompasses prevention, etiology, biology, diagnosis and molecular epidemiology. 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.⁷ Additionally, DOD has used its share of the proceeds from the Breast Cancer Research stamp to fund Synergistic Idea Awards. This program promotes new ideas and collaborations by funding innovative, high-risk, high reward breast cancer research projects involving two researchers working synergistically.⁸

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.

III. LEGISLATIVE HISTORY

S. 597 was introduced on February 14, 2007 by Senator Dianne Feinstein. It currently has 60 cosponsors. The bill was referred to the Committee on Homeland Security and Governmental Affairs. On August 1, 2007, the Committee considered the bill and by voice vote ordered it reported favorably without amendment. Present were Senators Lieberman, Levin, Akaka, Carper, Pryor, Landrieu, McCaskill, Voinovich, Coleman, Coburn, Warner, and Sununu.

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. 597 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.

⁷GAO-08-45.

⁸Ibid.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

AUGUST 9, 2007.

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. 597, 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,

PETER R. ORSZAG.

Enclosure.

S. 597—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 55 cents, 14 cents above the regular rate of 41 cents. The authority to issue the stamp expires on December 31, 2007. 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. 597 would extend this program until December 31, 2009.

CBO estimates that enacting S. 597 would increase or decrease direct spending in each of the years 2008 through 2012, but would have no net effect on direct spending over the period as a whole. The legislation would not affect either revenues or discretionary spending, and would have no budgetary impact after 2012.

S. 597 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. 597 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—									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CHANGES IN DIRECT SPENDING										
Off-Budget Effects										
Impact on the Postal Service:										
Estimated Budget Authority	–4	0	4	0	0	0	0	0	0	0
Estimated Outlays	–4	0	4	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
Estimated Outlays	–2	–4	1	4	1	0	0	0	0	0
Unified Budget Effect										
Total Changes:										
Estimated Budget Authority	–4	0	4	0	0	0	0	0	0	0
Estimated Outlays	–6	–4	5	4	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. 597 would generate collections above the regular postage rate of \$18 million—roughly \$7 million in fiscal year 2008, \$9 million in 2009, and \$2 million in 2010. After covering its administrative costs (about \$50,000 over this period), the Postal Service would transfer those collections to NIH and DoD in May and November of each year. In fiscal year 2008, for example, the Postal Service would transfer \$3 million to NIH and DoD, resulting in a net reduction of \$4 million in Postal Service outlays in 2008. The net impact on the Postal Service over the 2008–2010 period, however, would be zero. Spending and collections of the Postal Service are classified as “off-budget.”

CBO estimates that enacting S. 597 would increase NIH and DoD collections (from Postal Service transfers) by \$3 million in 2008, \$9 million in 2009, and \$6 million in 2010. Spending of those collections by the two agencies would lag behind the amounts collected by several months. For example, in fiscal year 2008, we estimate that NIH and DoD would collect \$3 million from the Postal Service but spend only \$1 million. We estimate that research spending would be \$5 million in 2009, \$7 million in 2010, \$4 million in 2011, and about \$1 million in 2012. The on-budget NIH and DoD accounts would show net outlay reductions totaling \$6 million over the 2008–2009 period, and a corresponding increase in outlays from 2010 through 2012. Thus, the net unified budget impact of the proposal (including on-budget and off-budget effects) would be zero over the 2008–2012 period, with no effect after 2012.

Intergovernmental and private-sector impact: S. 597 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; Impact on the Private Sector: Justin Hall and Paige Piper/Bach.

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. 597, 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, **[2007]** *2009*.

