

The Carolina Review: Governor Is Supporting "Dram Shop" Legislation

ROUTINE...North Carolina legislators settled into their early session routine last week, huddling anxiously around crowded Appropriations Committee and subcommittee meetings. Formal sessions for both the House and Senate were short.

The work in earnest began after the governor's State of the State address on Monday night. In his address, the governor had little new to say.

As expected, Gov. Hunt did commit himself to lifting the current salary freeze on teachers and state employees, and expressed hopes for an across-the-board increase later in the year.

In truth, with the state revenue picture as is, the governor couldn't say much more than "very little."

"But didn't he say it well," said one enthusiastic senator.

Other action centered around the governor's DUI proposals. A public hearing was held on Wednesday revealing some dissension over the minimum age limit for beer purchases and the more controversial "dram shop" law.

The "dram shop" law would create civil liability against the ABC permit holder who sells alcoholic beverages to someone later involved in an accident.

One senator on the Judiciary subcommittee studying the "dram shop" law seemed convinced that some version of it would be passed.

"The governor is for it," he said, "and his people assured me outside the committee room that whatever comes out of our committee will be passed."

The senator might be only a bit naive in his assessment of Gov. Hunt's ability to persuade the lawmakers to pass the "dram shop."

CRACKS...Cracks are already beginning to appear in Gov. Hunt's previously outstanding lobbying record in the General Assembly.

Legislative fiscal analyst David Crofts helped to chisel one crack when he testified to a joint Appropriations Committee during the week. Crofts said the governor's budget forecast was over \$90 million short of other, more realistic income projections for the state.

A number of senators were willing to point out privately that the same thing happened two years ago.

"Just remember," said one, "the governor's income projection was wrong then, and our's (the Assembly's) was right."

As a matter of fact, both were wrong, but the governor's was more wrong.

By Friday, perhaps a more serious crack had appeared—orchestrated by Senate President Pro Tem Craig Lawing of Charlotte.

Sen. Lawing proposed a bill that would repeal the constitutional succession amend-

ment allowing the governor and lieutenant governor to succeed themselves. Lawing's idea would allow the

voters to either keep the succession amendment, repeal it for one four-year term, or create a six-year term.

Automation Is Endorsed

A year-long General Accounting Office study endorses the Postal Service's acquisition of automated equipment and its use for letter mail processing and says the agency should proceed with ZIP plus 4, the expanded ZIP Code, if certain conditions are met.

In commenting on the GAO report, Postmaster General William F. Bolger says, "The GAO has done a thorough job in analyzing automation and ZIP plus 4, and they've concluded the program can result in savings to the Postal Service and mail users."

"Expected savings are of the magnitude that will enable the Postal Service to hold postal rates stable for longer periods and are just too great to ignore," Bolger adds.

He points out that while the GAO findings raise some warning flags about ZIP plus 4, they also acknowledge the benefits of automation and ZIP plus 4. The expanded ZIP will allow automated equipment to sort letters directly to the carrier's route, bypassing several processing steps.

The report concludes: "The potential incremental gain to the Postal Service in moving from automated use of the five-digit code to automated use of the nine-digit code is so great in comparison with the incremental cost that if certain conditions are met, the move to ZIP plus 4 would be more than justified."

Bolger says that GAO questions about equipment performance and business mailer acceptance of ZIP plus 4 will be satisfied, and the program should proceed considering the major benefits to mailers, the public and the Postal Service.

In 1981, Congress acted to allow the Postal Service to prepare for the automation of letter mail processing, including the purchase and installation of automated equipment, informing and working with major mailers to prepare for ZIP plus 4, and training postal employees. At the same time, Congress prohibited the Postal Service from implementing the expanded code and offering mailers a rate discount before October 1, 1983. Congress also asked the General Accounting Office to study the cost effectiveness of the system and report on it on December 1, 1982.

In September 1982, installation of computer-driven optical character readers began in mail processing facilities. By mid-1984, plans call for automated equipment to be installed in 118 mail processing centers across the coun-

try. These facilities handle 75% of all outgoing and 68% of all incoming mail.

In responding to the GAO report, the Postmaster General said the Postal Service agreed with the report's recommendation that longer tests be conducted to ensure optical character reader reliability.

Bolger pointed out that the Postal Service Board of Governors on December 7 approved a filing be made to the independent Postal Rate Commission for a rate incentive of a half-cent per piece for mailing 500 or more First-Class letters or cards bearing ZIP plus 4 codes. "Our market research indicates that approximately 12-billion pieces of mail—one out of every five pieces entering the First-Class mailstream—can be expected to qualify for the ZIP plus 4 rates within one year of implementation of that price incentive."

The Postmaster General says the Postal Service recognizes GAO's concerns that, because the ZIP plus 4 program is voluntary, mailers might decide not to participate. "We have had much experience in working with mailers, and we believe we understand their needs. We realize that customers will respond only if they see an advantage to their business," he says.

"The mailers' costs for converting to ZIP plus 4 are minimal when compared to the savings they can realize through longer-term rate stability, more accurate and consistent mail service, and a ZIP plus 4 usage rate discount," adds the PMG.

He explains that the Postal Service accepts GAO recommendations on beefing up its technical conversion assistance to mailers, including a program to improve the current optical character ability to "read" mail. "Direct contact with business mailers and materials to explain the advantages of ZIP plus 4 will also be expanded," he says.

The Postal Service response to the report disagrees with the methodology GAO used that reduced the return on investment (ROI) of the program. A major point was the treatment of the proposed one-half cent rate reduction as a program cost, whereas the Postal Service sees it as a program benefit.

"While there are always some risks and uncertainties in a large investment such as ZIP plus 4, we believe they are minimal, while the potential benefits are enormous," says Bolger.

Sewer Grant Is Approved

WASHINGTON—Sen. John East, R-N.C., said this week he was "extremely pleased" that the Department of Housing and Urban Development has given apparent approval for a one-million dollar grant for water and sewer work in the city of Manteo.

The grant, a HUD Community Development Block Grant administered by the state government, will help the city prepare for its scheduled 1984 celebration of the 400th anniversary of the founding of the first American colony on Roanoke Island.

"Sen. Helms and I have stressed the importance of this grant to HUD officials several times, and we're very glad to see it come through," East said.

Both Sens. East and Helms contacted HUD Secretary Samuel R. Pierce in November, urging him to fund the project.

"The 400th anniversary of the settling of Roanoke is an important event not just for North Carolina, but for the whole country. It is a significant part of our heritage," said East.

"Subdue your appetites, and you've conquered human nature." Charles Dickens

Observers speculated that Lawing had the bill drawn up at the behest of Lt. Gov. Jimmy Green, a longtime opponent of the succession amendment and close associate of

Lawing. Green is running for governor and such a proposal might be a shot in the arm for his sagging conservative constituency.

"Anytime you give the peo-

ple a choice, it can't be bad," said one source in Green's office.

Across the parking lot in the governor's office, though, Hunt aides were mapping

strategy to defeat the Lawing proposal. The governor and his supporters were taking the measure personal since he is the first chief executive to benefit from the

amendment. "The governor received assurances from Craig that there was nothing personal," said Hunt press aide Brent Hackney. "still, it looks bad."

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