



January 31, 2020

Dear Representative,

On behalf of more than 600,000 postal employees – who are a critical part of America’s \$1.4 trillion mailing industry that employs 7.5 million Americans – we respectfully request that you vote for the USPS Fairness Act ([H.R. 2382](#)), a broadly bipartisan bill (with more than 300 co-sponsors) that would repeal the 2006 mandate that the U.S. Postal Service (USPS) prefund future retiree health benefits.

In 2006, the Postal Accountability and Enhancement Act mandated that USPS prefund retiree health benefits decades in advance -- a burden no other private or public enterprise faces. This unique and unfair mandate manufactured a financial crisis at the Postal Service, costing it almost \$5 billion annually since 2007 and accounting for nearly 90 percent of the its reported losses.

This mandate has prompted service cuts and damaged the Postal Service’s ability to invest in itself (for example, in new vehicles to replace its obsolete fleet), and prompted legislative threats to critical services such as six-day delivery, door-to-door service, and the quantity and quality of rural post offices.

Passage of HR 2382 is not an accounting gimmick – it would simply apply the same retiree health funding rules that apply to all other federal agencies and American enterprises. Nor would it “do nothing” for our employer. It would dramatically reduce the agency’s financial losses, improve employee morale, and restore the confidence of the broader mailing industry.

H.R. 2382 is not the entire solution, but it is a zero-score, first step forward that would provide some stability to the agency without cost to U.S. taxpayers. After 13 years of gridlock over more comprehensive postal reform, the USPS Fairness Act would ease the burden on Congress by reducing the size of the financial hole to be filled. The postal workforce is committed to ongoing bipartisan postal reform efforts that will be made easier once this mandate is eliminated and we have a fair baseline.

Passage of HR 2382 and repeal of the prefunding mandate would not relieve the Postal Service of its obligation to fund its retirees’ health benefits. Once the \$45 billion already in the Retiree Health Fund is exhausted (conservatively estimated 10-12 years), USPS would merely revert to the pay-as-you-go funding mechanism that existed before 2007 – a best practice in both private and public sectors. In the meantime, a new rate-setting system should provide additional relief and allow Congress the breathing room to develop more modest, bipartisan postal legislation.

In order to preserve and strengthen the constitutionally mandated Postal Service, an agency that receives no taxpayer money, we respectfully request you vote in favor of the USPS Fairness Act ([H.R. 2382](#)) in the coming days.

Sincerely,

Fredric V. Rolando
President
National Association of Letter Carriers

Mark Dimondstein
President
American Postal Workers Union

Paul V. Hogrogian
President
National Postal Mail Handlers Union

Ronnie W. Stutts
President
National Rural Letter Carriers Association