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June 15, 2015

The Honorable Thomas E. Perez  
Secretary of Labor  
U.S. Department of Labor  
200 Constitution Avenue  
Washington, D.C. 20001

Dear Secretary Perez:

On May 20, 2015 the House Education and Workforce, Subcommittee on Workforce Protections held a hearing on reforming the workers compensation program for federal employees (FECA). The National Association of Letter Carriers' Director of Retired Members, Ron Watson, a recognized expert on FECA, testified alongside Mr. Leonard Howie III, Director of the DOL's Office of Workers Compensation Programs (OWCP) and an official of the General Accountability Office. Sue Carney, Human Relations Director of the American Postal Workers Union, also submitted testimony. **Based on what happened at that hearing, we believe the Obama administration and the Department of Labor should withdraw its current proposal for FECA reform and work with us and our allies in Congress to fashion sensible reform.**

Congressman Bobby Scott (D-VA), the Ranking Member of the sub-committee, summarized it best at the hearing when he said: "I am disappointed that the Department of Labor would come forward for the third time in the past five years with a proposal to cut benefits for injured workers that is not evidence-based, and whose justification has been completely debunked by the Government Accountability Office." He went on to say that it is "incomprehensible that we are now considering whether to take \$500 million from middle class workers – and their families – who have suffered a disabling work-related injury while doing their jobs in service to the American people."

It became clear during the hearing that your department's proposals to reduce workers' compensation benefits for injured workers with dependents, and reduce benefits again at retirement age, are not based on solid evidence that benefits are excessive. Rather they seem to be based on comparisons to state workers' compensation programs that have been systematically gutted over the past two decades. Indeed, a recent OSHA report, *Adding Inequality to Injury*, found that the cost of workplace injuries in state systems is massively subsidized by injured workers, their families and taxpayer-supported components of the social safety net.

The GAO witness at the hearing confirmed that its own studies show that the proposed cut in FECA benefits at retirement age would result in 22-35% less income for an injured worker than a typical FERS retiree. Frankly, the DOL's weak defense of its proposals at the hearing was embarrassing.

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While we would welcome the kind of thoughtful, bipartisan FECA reform legislation that was passed by the House of Representatives during the 112<sup>th</sup> Congress (H.R. 2465), we cannot accept unfair benefit cuts contained in the OWCP's proposals. Disabled and injured workers already face the loss of benefits under current law -- OWCP administratively reduces compensation benefits based on Loss of Wage Earning Capacity (LWEC) determinations, even if injured workers cannot find suitable alternative employment. Slashing benefits even further is totally unjustifiable.

That these unjust proposals are being touted as a "pay-for" for a reconciliation bill seeking to repeal the Affordable Care Act only adds insult to injury. While we know that President Obama will rightfully veto this legislation, these proposed FECA cuts will be offered again later this year when the Congress grapples with budget cuts required by the Budget Control Act of 2011. The Obama administration and your department should not be complicit in advancing these discredited proposals.

We call on the Department of Labor to withdraw its support for the FECA reforms outlined in the President's 2016 budget. They were developed during the Bush administration and have been repeatedly shown to be misguided. Please work with the unions and with allies in the Congress to fashion FECA reform that is both evidence-based and fair to injured workers.

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



Jeanette Dwyer  
President  
National Rural Letter Carriers Association