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May 5, 2014

Dear Representative:

We write on behalf of nearly 500,000 postal employees who live and work in every Congressional District in America to urge you to oppose the so-called “Administration’s Postal Reform Act of 2014,” a bill drafted by Chairman Darrell Issa and scheduled for mark-up on May 7, 2014. If you serve on the Oversight and Government Reform (OGR) Committee, we ask that you vote against the legislation on Wednesday. If you do not serve on the committee, we urge you to express your opposition to the bill.

The [attached letter](#) was sent to every member of the OGR Committee on April 14, 2014. It outlines why a bill based on Postal Service proposals contained in the FY 2015 budget would be fatally flawed. Those proposals, devised by postal management during the Great Recession, are outdated and misguided. The Postal Service has recovered and has more than right-sized its workforce to reflect lower mail volumes since then. If not for the crushing and unfair mandate to pre-fund future retiree health benefits, the USPS would not be losing money.

With the Postal Service’s e-commerce business booming and the economy recovering, Congress must take a much different approach to postal reform. Gutting the quality of service and destroying 100,000 jobs would irreparably damage the Postal Service and drive more business away. The bill before the Committee has many flaws, but it suffers from two crucial ones that make the legislation unacceptable.

First, it would end Saturday delivery of mail for all business and residential addresses in the U.S. and it would end door delivery to millions of American companies, while encouraging the “voluntary” elimination of door delivery to 35-40 million American households. These measures are not necessary; Congress should repeal or reform the pre-funding mandate instead. Worse, they are likely to do more harm than good. A new study conducted for the PRC by Swiss Economics concluded that there would be no savings from these service cuts if mail volume dropped by more than 7.5% as a result. As indicated in our April 14 letter, an earlier study conducted by Opinion Research Corporation concluded that mail volume would fall by 7.7% if the Postal Service advanced its overall plans to slash services.

Second, the legislation fails to resolve the pre-funding mandate that accounts for 80% of USPS losses since 2007. It offers only temporary relief and leaves in place the unaffordable mandate to pre-fund retiree health premiums decades in advance. This would subject the Postal Service to endless rounds of service cuts and job losses in the future. In fact, the new Issa bill does not even provide the level of temporary relief provided by the administration’s deeply flawed pre-funding proposal, which at least provides early access to the Postal Service Retiree Health Benefits Fund. The USPS has contributed \$50 billion to that fund (which is irrationally invested in low-yielding Treasury bonds). Yet the Postal Service is denied use of the fund to cover the cost of current retirees’ health insurance premiums until 2017 under current law.

We urge you to oppose any legislation that includes either of these major provisions. We understand that the Postal Service needs significant reforms to remain viable and to meet the emerging needs of the 21<sup>st</sup> Century economy. We believe it is still possible to reach a bipartisan consensus on a package of targeted and sensible reforms within Congress and the mailing industry more broadly. Our organizations are committed to working with leaders in both parties to strengthen the Postal Service. Unfortunately, the bill before the OGR Committee on Wednesday would severely weaken it. We urge your strong opposition.

Thank you for considering the views of the Postal Service's hard-working and dedicated employees.

Sincerely,



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Fredric V. Rolando, President  
National Association of Letter Carriers, AFL-CIO



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Mark Dimondstein, President  
American Postal Workers Union, AFL-CIO



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John F. Hegarty  
National Postal Mail Handlers Union, AFL-CIO



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Jeanette Dwyer  
National Rural Letter Carriers Association