

POSTAL STAKEHOLDERS & POSTAL REFORM IN 2019

As the Committee undertakes postal reform legislation in the coming months, a broad coalition of postal stakeholders* are committed to working together to advance reforms aimed at stabilizing the Postal Service's finances and improving its operations. We hope that the committee will consider our views.

Just as the Committee sought to do in the 115th Congress with H.R.756 and H.R. 6076, we urge the Committee to once again draw upon private sector best practices for providing and funding retiree benefits thereby *reducing future postal liabilities by tens of billions without burdening the taxpayer.*

Stakeholders strongly support reducing retiree health pre-funding burden by:

- ***Setting the prefunding target at 60% of the vested liability for retiree health benefits*** of postal employees and retirees, mirroring the best practice of the minority of large private firms that prefund such benefits (at a median level of 57%) and lowering the burden by ***\$35 billion.***
- ***Reducing the unfunded liability for retiree health benefits by approximately \$25 billion*** by creating postal-only health plans within the FEHB program that fully integrate with Medicare Part D (prescription drugs) to facilitate the same benefit provided to private sector health plans.
- ***Reducing the unfunded liability by an additional \$10 billion*** by mandating the enrollment in Medicare Parts A and B (a private sector best practice) on a prospective basis for postal employees under the age of 55 who wish to maintain FEHBP coverage in retirement, with exceptions for those who cannot benefit from enrollment due to special circumstances.

We also strongly support several provisions discussed as potentially improving the Postal Reform Act of 2018 (H.R. 6076):

- Requiring improvements in service measurement and delivery, especially in rural areas, as provided in a Senate companion bill (S. 2629 §211) from the 115th Congress.
- Ensuring PRC consideration of relevant congressional action in its ongoing review of the rate-setting system (S. 2629 §207)
- Increasing returns for the Postal Service Retiree Health Benefits Fund by investing in a well-diversified portfolio of stocks and bonds instead of low-yielding Treasury securities.
- Allowing the Postal Service to deliver beer and wine.

Stakeholders respectfully, but strongly, request that the Committee not include in its legislation contentious provisions related to the following:

- Rescinding the authority of the independent, expert Postal Regulatory Commission to prescribe rules for measuring and distributing postal costs. This authority was recently upheld by the U.S. Circuit Court of Appeals and is pending a request for Supreme Court review.
- Language that seeks to move the Postal Service's mode of delivery away from the door to curb or centralized delivery.

**Stakeholder groups include: the four postal employee unions; printers, paper and technology producers; and a wide range of business mailers of all sizes, including parcel shippers, greeting card publishers, newspapers and transactional marketing mailers. Please see the reverse side for a list of endorsers.*

SUPPORTING STAKEHOLDERS

American Postal Workers Union

National Association of Letter Carriers

National Postal Mail Handlers Union

National Rural Letter Carriers Association

Coalition for a 21st Century Postal Service:

Amazon

American Catalog Mailers Association

American Forest & Paper Association

Assn for Print Technologies

Bank of America

Bell + Howell

Datamatx

Domtar

eBay

Envelope Manufacturers Association

Greeting Card Association

ING

International Paper

LSC Communications

Major Mailers Association

Mailers Hub

National Association of Advertising Distributors

National Newspaper Association

National Postal Policy Council

National Retail Federation

News Media Alliance

Parcel Shippers Association

Pitney Bowes

Printing Industries of America

Quad Graphics

R.R. Donnelley