



National Association of Letter Carriers

100 Indiana Ave. NW
Washington, DC 20001-2144
202.393.4695
www.nalc.org

Fredric V. Rolando, President

May 17, 2019

The Honorable Gerald Connolly
U.S. House of Representatives
Washington, D.C. 20510

Dear Chairman Connolly,

On behalf of over 300,000 active and retired letter carriers represented by the National Association of Letter Carriers (NALC), I write to thank you for the opportunity to testify at the House Committee on Oversight and Reform's April 30th hearing. Your commitment to stabilizing the agency and protecting the workforce is clear and while there is much to do, NALC stands ready to work with you to restore financial stability to the U.S. Postal Service (USPS) through any available avenue.

As stated in my testimony, NALC believes that the unique and unsustainable mandate to massively pre-fund future retirees' health benefits decades in advance must be eliminated. To that end, our preferred approach is a simple repeal of the prefunding mandate, a critical first step that will allow the Committee to address reforms that would permit the Postal Service to fully utilize its network, invest in its infrastructure, and continue serving millions of Americans and businesses.

If a full repeal is not attainable, we continue to urge the committee to use private-sector best practices by embracing the idea of 'vested liability,' an idea that has gained traction in recent months by the White House, various postal stakeholders, and in both chambers. Setting the pre-funding target at 60 percent, basing payments on actual liabilities, and allowing for investment of the retiree health benefits fund would go a long way in stabilizing the agency.

As it relates to integrating with Medicare, NALC would like to re-emphasize the importance of doing so on a prospective basis, meaning that for those under the age of 55, making enrollment automatic with the exception of members who cannot benefit from Medicare Part B. For those over the age of 55 and under the age of 65, allowing an opt-out. For those 65 and over, we suggest voluntary enrollment with the waiver of the late enrollment penalty as outlined in the Postal Service Reform Act of 2017 (H.R. 756). We still maintain that immediate and full integration in Medicare Part D is essential.

Inclusion of Medicare provisions are essential to reform efforts, but we recognize that these changes have raised jurisdictional issues for other committees dealing with Medicare Part A, B and D. Given the dynamics of the situation, we have requested a meeting with Speaker Pelosi, Chairman Cummings, Chairman Pallone, and Chairman Neal to discuss a viable path forward.

Finally, we encourage the committee to include language that would permit the Postal Service to utilize its vast network by expanding the goods and services it can offer. Examples would include partnering

with federal, state, and local government agencies and the ability to ship beer, wine, and spirits directly from licensed producers and retailers to legal consumers.

We also encourage you to refrain from including language that would compromise the value of the networks such as modifying or eliminating door delivery in any way, especially at a time when quick and immediate action on this legislation is essential. As you know, postal reform legislation was last signed into law thirteen years ago and the many efforts to advance it since have stalled and failed. We know that with your leadership and our shared commitment to putting USPS on a firm financial footing, we will be able to push postal reform past the finish line. To that end, we hope the provisions laid out above are part of your path forward. We will continue to brief your staff and look forward to meeting with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fredric V. Rolando'. The signature is fluid and cursive, with a large initial 'F' and 'R'.

Fredric V. Rolando
President