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House of Representatives

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May 6, 2014

LAWRENCE J. BRADY
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The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2235 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Cummings:

As you know, this Congress the Oversight and Government Reform Committee approved H.R. 2748, a postal reform bill that would accomplish what I believe needs to be done to address the various issues plaguing the financially distressed United States Postal Service. H.R. 2748 would put the postal service on a path of long-term financial viability, protect benefits already earned by postal employees, and avoid a large, taxpayer-funded bailout. H.R. 2748 was adopted by the Committee on a party-line basis last year.

As part of my continued efforts to seek bipartisan ground on postal reform, I have scheduled for tomorrow a business meeting to consider the Administration's Postal Reform Proposal Act, a bill that would implement all of the provisions – and only those provisions – proposed by President Obama in the *President's Budget for Fiscal Year 2015* for the United States Postal Service. At the Committee's April 8, 2014, hearing when the Office of Management and Budget testified in support of President Obama's plan, I indicated a willingness to move forward with that plan as a compromise effort. This new proposal contains some provisions I do not support, but it is a compromise I could accept, to help us enact necessary bipartisan reforms to save the Postal Service. These include a transition to five-day mail delivery that has been included in bipartisan Senate legislation.

The President proposes that the Postal Service be immediately allowed to transition to five-day mail delivery, that the remaining retiree health care prefunding payments be recalculated on an actuarial basis, that a Federal Employee Retirement System projected funding surplus be returned to the Postal Service, that the current temporary 4.3 percent exigent rate increase be made permanent, and a few more minor provisions.

Shortly after the April 8, 2014, hearing, my staff consulted with Democratic committee staff about a proposal that would have largely implemented the President's reforms. Notably, however, this initial offer did not include the President's requested exigent rate increase, and it

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did include a small number of alterations that I believed would have strong bipartisan support, as well as the support of the Administration. The most significant of these changes would have been to require the Postal Service to continue to deliver packages on Saturday for at least 5 years and to mandate that there could never be more than 2 consecutive days without mail delivery as a result of the change to a 5-day delivery schedule.

In response to concerns offered by Democratic committee staff, however, I subsequently revised the proposal to eliminate any variations at all with the President's budget. This revised language is what I intend to consider tomorrow. I believe it is a faithful representation of the President's proposal.

Ultimately, this revised proposal is a direct attempt to reach a bipartisan consensus on a postal reform package. Again, it includes provisions I have strong reservations about, most notably making the exigent increase permanent. But I believe it is vital for this Committee to make every effort within its power to move forward on a bipartisan basis on commonsense reforms to save a beleaguered agency that is still a vital lifeline to millions of Americans and to our economy as a whole.

Neither during the April 8, 2014, hearing nor since, however, have I received an indication that any Democratic members of the Committee would support the President's proposal. I am deeply concerned that special interest groups are attempting to sabotage support for the President's proposal, even amongst his own party, and push the Postal Service closer to a taxpayer-funded bailout.

My initial proposal for postal reform has already been approved by this Committee. This new proposal is President Obama's plan for reform that I am willing to support if there is any support among Democratic Members on our Committee. I write today to ask you directly if you will turn away from special interests and join me and the President in approving the Administration's own postal reforms.

A copy of this letter is being sent to all Oversight Committee Democrats. If you have any questions, please contact me or Jeffrey Post of my staff at (202) 225-5074.

Sincerely,



Darrell Issa
Chairman