



February 4, 2020

Key Vote NO on the USPS Fairness Act, H.R. 2382

On behalf of our activist community, I urge you to contact your representative and ask him or her to vote NO on the USPS Fairness Act, H.R. 2382. The USPS Fairness Act would repeal the requirement in 5 U.S. Code 8909a(d) that the U.S. Postal Service (USPS) make annual payments to the Retiree Health Benefits Fund, from which benefits are paid to retired workers. The Retiree Health Benefits Fund faces an unfunded liability of \$70 billion. The USPS Fairness Act essentially sets up taxpayers to bail out this fund.

In December 2006, Congress passed the Postal Accountability and Enhancement Act, which included a provision that required the U.S. Postal Service to make annual payments to the Retiree Health Benefits Fund. Congress set a specific dollar amount to be paid on September 30 of each year between 2007 and 2016. After that time, annual payments would be based on a formula. The reason Congress took such a step was because the Retiree Health Benefits Fund faced. As Rep. John McHugh (R-N.Y.) noted during the discussion of the Postal Accountability and Enhancement Act, the Retiree Health Benefits Fund faced “roughly \$60 billion” in unfunded obligations at the time.

This change was made explicitly because the previous pay-as-you-go system was failing. Repealing this change would simply return USPS to that old system, with no efforts made to actually increase the solvency of the Retiree Health Benefits Fund. In fact, it does nothing to address any of USPS’ financial problems, despite laundry lists of reforms to this end offered by both the administration’s Task Force on the United States Postal System and the Government Accountability Office. Furthermore, the Task Force specifically advocates against changing the existing policy and, as put in its own words, “does not believe that...the liability for USPS retiree health benefits should be shifted to the taxpayers.”

The U.S. Postal Service made these annual payments required by the 2006 law through 2010 but has since simply defied the law. Naturally, the Retiree Health Benefits Fund has grown more unsustainable since then. In August 2018, the Government Accountability Office (GAO) released a report noting that “[t]he financial outlook of the Postal Service Retiree Health Benefits Fund (RHB Fund) is poor.” Today, the Retiree Health Benefits Fund faces an unfunded liability

of \$70 billion. According to the GAO, the Office of Personnel Management projected that the fund would be depleted in FY 2030 if the U.S. Postal Service did not make statutorily required contributions.

Make no mistake about it. The USPS Fairness Act sets the stage for a taxpayer-funded bailout of the Retiree Health Benefits Fund. There are serious and fiscal proposals to address the issues that face the U.S. Postal Service. The USPS Fairness Act is not one of them.

FreedomWorks will count the vote on the USPS Fairness Act, H.R. 2382, when calculating our Scorecard for 2020 and reserves the right to score any related votes and weight any votes. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes members of the House and Senate who consistently vote to support economic freedom and individual liberty.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Brandon', written in a cursive style.

Adam Brandon
President, FreedomWorks