

Washington, DC – Ranking Member Elijah E. Cummings, joined by Representatives Norm Dicks, Ranking Member on the Appropriations Committee, Stephen F. Lynch, José Serrano, Gerald Connolly, Eleanor Holmes Norton and Danny K. Davis introduced legislation today to provide the U.S. Postal Service a 90-day extension on its pre-payment to the retired employee health benefit fund.

“The Postal Service is one of our nation’s most trusted and reliable institutions,” said Cummings. “This short-term measure would give Congress an additional three months to consider ways to ensure that the Postal Service is profitable and competitive in the 21st century economy.”

The bill, H.R. 2884, would postpone by 90 days a \$5.5 billion prepayment to the Postal Service’s retiree health benefits fund due September 30. This advance payment is required under the 2006 Postal Accountability Enhancement Act, which mandated that the Postal Service make accelerated annual payments to fully fund its anticipated retiree health care costs by 2016. This mandate is inconsistent with private sector policy, where companies typically prepay 70% to 80% of future retiree health care costs. The Postal Service has already paid more than \$42 billion to the U.S. Treasury toward its employees’ future healthcare costs.

“The truth is that the Postal Service is facing its financial challenges today in part because Congress changed the law in 2006, in a way that places extremely burdensome pre-funded health care requirements on the USPS that no other agency or organization must meet,” said Representative Lynch. “This measure will ensure that the Postal Service and Congress have additional time to work together on comprehensive legislation to improve the Postal Service’s long-term viability.”

Temporarily suspending this prepayment will not affect the health care provided to retirees and will not in any way disrupt the daily delivery of mail or the operations of post offices or mail processing facilities. It would simply extend by three months the due date for the prepayment while Congress and the Administration continue to consider broader reforms. Given time constraints in considering the legislation as a stand alone bill, the forthcoming continuing resolution also offers a suitable option for moving this legislation forward.

In the coming weeks, Cummings and other Members will introduce legislation to help the Postal Service return to profitability through innovative solutions designed to increase revenue and cut costs. A variety of provisions are being considered, including measures to allow the Postal Service to enter into new lines of business, lease its properties, revise the current Postal Service retiree benefits payment schedules, and right-size its workforce.

On September 6, Cummings and Lynch [sent a letter](#) to Postmaster General Patrick Donahoe strongly opposing proposals to abrogate provisions of collective bargaining agreements with unions representing Postal Service employees, which have already made significant pay and benefits concessions.