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United States Senate

April 17, 2018

COMMITTEES:
APPROPRIATIONS
COMMERCE, SCIENCE,
AND TRANSPORTATION
ENVIRONMENT AND
PUBLIC WORKS
VETERANS' AFFAIRS
INDIAN AFFAIRS

The Honorable Steven Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Secretary Mnuchin:

I appreciate the administration's commitment to dedicating time and resources to the sustainability of the United States Postal Service through the creation of a special task force. Changes to postal service and rates significantly impact our nation's economy and have an amplified impact on small towns and rural communities across America. To address the root causes of the Postal Service's current financial state, I worked with my colleagues to draft the Postal Service Reform Act, a finely tuned piece of legislation crafted with and for customers and stakeholders while avoiding a taxpayer-funded bailout. I request that you review this piece of legislation and use it as a blueprint for your work.

The Postal Service is a \$1.7 trillion industry and employs over seven million people; however, it has been forced to make cuts to its operations while reporting net operating losses for 11 years in a row. The downturn of the Postal Service's financial stability is caused by a decline in volume and revenue of mail as well as the statutory requirement that the Postal Service prefunds its future retirees' health benefits 75 years into the future – a standard not imposed on the Postal Service's competition.

To solve these issues, the Postal Service needs a sustainable path forward that relieves financial pressure while protecting taxpayers from a future bailout. The Postal Service Reform Act presents a plan that achieves this by changing the prefunding payment schedule and requiring postal employees to enroll in Medicare. The bill also gives the Postal Service flexibility to generate income by, among other things, allowing the shipment of beer, wine, and spirits.

The Postal Service Reform Act preserves service quality and access requirements that Americans have come to rely upon. The Postal Service can only find its way out of its current financial situation with more and better quality service. Mandatory six day delivery keeps our economy going and helps ensure the survival of small towns and rural communities. Post office closures and facility consolidation have already made a negative impact in these areas. We ought to mitigate this damage and the damage to the Postal service with a commitment to improved service.

I appreciate your attention to these issues and the attention given to rural areas and small towns, in particular in the Executive Order establishing your task force. Promoting a sustainable and fiscally healthy Postal Service is crucial to individuals and businesses of all sizes. The Postal Service Reform Act is a piece of legislation that achieves our shared goals, which will prevent damaging rate increases, lower quality of service, and an additional burden on taxpayers.

Sincerely,



Jerry Moran
United States Senator

cc: Secretary Labor R. Alexander Acosta, Department of Labor
Director Mick Mulvaney, Office of Management and Budget
Director Jeff T.H. Pon, Office of Personnel Management
Attorney General Jeff Session, Department of Justice