

The Postal Coalition

The Honorable Stephen F. Lynch
Chairman

April 28, 2009

The Honorable Jason Chaffetz
Ranking Member

Subcommittee on Federal Workforce, Postal
Service and the District of Columbia
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman and Congressman Chaffetz:

The Postal Coalition, composed of associations, companies and nonprofits with a strong interest in a financially healthy postal system, writes to endorse the analysis and conclusions about HR 22 and USPS Retiree Health Benefit Liability, including the call for an independent review of USPS' post-retirement obligations, contained in the April 8, 2009 letter to you from the postal employee organizations.

The employee organizations' letter accurately, in our view, sets out the current status of the projected obligations and pre-funding, as well as puts that pre-funding into appropriate context – i.e., the Postal Service today is vastly ahead of other federal entities, state and local government, and the private sector generally in its pre-funding. Even at the reduced level of pre-funding were HR 22 to be enacted (still in that case at approximately \$3.5 billion, or 60% of current pre-funding, annually), USPS would remain well ahead of virtually any rate of pre-funding by other organizations.

As the folks who actually pay the bills for the postal system, mailers of all stripes have come together in support of the approach embodied in HR 22. This is not, as you know, a bail-out: it requires no taxpayer funds whatsoever. Our organizations face as dire a commercial environment as does the Postal Service. Consequently any “exigent” rate increase is not financially viable, and any severe reduction in service will hamper any attempt to maintain or rebuild business. USPS is doing what it must in drastically cutting

costs, borrowing as much money as legally permissible, and looking for creative ways to entice new mail volume.

But all that won't be enough. USPS needs the relief provided by HR 22 to sustain its independent financial viability – that is, avoiding a true bailout by the Congress. Thus, we commend to you and agree with the views expressed by the employee organizations in their letter. The postal system remains indispensable not only to us, but to commerce and communications for the nation as a whole. We urge you to view the relatively modest rescheduling of pre-funding from that perspective, and take whatever steps are appropriate to speed the enactment of this essential and wise measure.

Sincerely,

The Postal Coalition:

Alliance of Nonprofit Mailers
American Business Media
American Catalog Mailers Association
American Express
American Forest & Paper Association
American Institute for Cancer Research
American Quarter Horse Association
Amerimark Direct LLC
Amerimark Holdings LLC

Ass'n for Mail Electronic Enhancement
Association for Postal Commerce
Barco Products Company
Christian Science Publishing Society
Conde Nast Publications
Consumers Union
Continuity Shippers Association
Cooking Enthusiast / Professional Cutlery Direct
Data-Mail, Inc.
Datamatx
Direct Marketing Association
Dixon Direct
DMA Nonprofit Federation
Doctor Leonards
Domtar
DST Output
Envelope Manufacturers of America
Financial Publishers Association
Greeting Card Association
Guideposts
Harte-Hanks
Hearst Magazines
International Paper
IWCO Direct
Japs-Olson
Lehigh Direct
Magazine Publishers of America

Major Mailers Association
Mailable Council
Mailing & Fulfillment Service Association
Mail Order Association of America
Meredith Corp.
Miles Kimball Company
NAPL
National Association of Presort Mailers
National Committee to Preserve Social Security and Medicare
National Geographic Society
National Newspaper Association
National Postal Policy Council
National Retail Federation
NewPage Corp.
Newspaper Association of America
Newsweek
NPES
Quad Graphics
Parcel Shippers Association
Paul Fredrick Menstyle
Pitney Bowes
Potpourri Group
Printing Industries of America
Publishers Clearing House
Quebecor World, Inc.
Readers Digest Association, Inc.
Ross-Simons
RR Donnelley
Saturation Mailers Coalition
Solar Communications
The McGraw-Hill Companies
Time Warner Inc
Uno Alla Volta
Valassis, Inc
Visant Marketing Services