

REP. DAVIS JOINS HOUSE DEMOCRATS IN MOVE TO GRANT POSTAL SERVICE TEMPORARY RELIEF

WASHINGTON, DC (September 13, 2011) - REP. DANNY K. DAVIS JOINS HR 2884 A SHORT-TERM MEASURE TO HELP POSTAL SERVICE WHILE CONGRESS DEVELOPS LONG-TERM PROPOSAL TO RETURN POSTAL SERVICE TO PROFITABILITY

Rep. Danny K. Davis along with Reps. Elijah E. Cummings, Norm Dicks, Stephen F. Lynch, José Serrano, Gerald Connolly, Eleanor Holmes Norton introduced H.R. 2884, the USPS Retiree Health Benefits Prepayment Extension Act of 2011 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, an institution older than our Constitution, has unfortunately become ensnared in the partisan political bickering now plaguing the Congress. The Postal Service isn't paid for by taxpayer dollars, but rather fully funded by the sale of stamps. This bill will give Congress an additional three months to consider ways to ensure that the Postal Service continues to serve the needs of Americans and American business while maintaining profitability and competitiveness in the 21st century economy," said Congressman Davis.

The bill 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.

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.

In the coming weeks, Davis 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.

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