



May 25, 2021

Mr. Ken Thomas
National President
NARFE
606 N. Washington Street
Alexandria, VA 22314-1914

Dear Mr. Thomas:

We write to express our utter dismay with the letter you sent to the leadership and membership of the House Committee on Oversight and Reform on May 12, 2021, regarding the Postal Reform Act of 2021 (H.R. 3076). The letter was rife with misinformation and false claims about the impact the bill would have on non-postal federal employees and retirees. Worse, the letter criticized the very provision – making participation in Medicare voluntary for existing annuitants – that NARFE has advocated for years. The letter asserts, without evidence, that it will harm other federal employees and annuitants. This newly revealed stance on Medicare integration is a disturbing example of “moving the goalposts.”

The letter makes many false claims. This letter will focus on the three most egregious:

- 1) H.R. 3076 would cause the premiums of non-postal federal employees and annuitants to increase.
- 2) The bill “allows for the Postal Service to cherry-pick individuals who are less costly to insure, and leaves individuals who are more costly to insure in the federal population.”
- 3) The USPS is “seeking to avoid its full financial obligation to those retirees who choose not to enroll in Medicare” and to shirk its “responsibility for ALL its employees and retirees”.

Below is a response to each of these bogus claims.

First, there is no evidence to support the claim that H.R. 3076 would increase premiums for federal employees and annuitants. Some postal annuitants without Medicare Part A and B will remain in the federal risk pool if the bill passes. But the vast majority of Medicare-eligible postal annuitants have already enrolled in Medicare and many of the sickest annuitants who have not enrolled in Medicare (who are the most expensive to insure) can be expected to join the postal risk pool to get Part B coverage and to take advantage of the waiver of the late enrollment penalty. Moreover, this claim does not consider the fact that the younger, more-educated and more-white-collar federal workforce is likely to be less expensive to insure than the active postal workforce. Indeed, the average age of active postal employees in the FEHBP program is 3.5 years greater than that of enrolled active federal employees. As a result, premiums for federal employees and annuitants may be less in a separate risk pool than they would be in a single risk pool. The likely impact will be minimal, regardless of the direction.

Second, the Postal Service will not be able to “cherry-pick” annuitants that are less costly to insure under H.R. 3076. The USPS will have no say in the matter – it will be up to the annuitants themselves. No matter what they choose to do, the Postal Service will pay the government’s share of the premiums – whether the annuitants choose to remain in the federal risk pool or migrate to a postal plan.

Third, because the Postal Service will pay the legally required share of premium costs of every existing annuitant who decides to not to enroll in Medicare Parts A and B – in no way can that be characterized as “seeking to avoid its full financial obligation.”

The four postal unions represent more than 140,000 postal annuitants who are dues-paying members – far more than the number of postal annuitants that have joined NARFE. These same unions, representing more than 600,000 total members, have worked with Congress to protect all our members interests, active and retired alike in the development of H.R. 3076. We strongly support the enactment of this postal reform legislation.

NARFE, and the labor unions have a long history of cooperation on legislative matters. Indeed, representatives of both have chaired the Federal-Postal coalition in recent years. This fact makes your letter even more dismaying. In the weeks and months since the discussion draft of H.R. 3076 circulated on Capitol Hill, nobody from NARFE raised any objection to it during the coalition's regular meetings. Nor did anybody from NARFE have the courtesy to raise these concerns prior to sending a misinformed missive to the House Committee on Oversight and Reform. That is simply unacceptable.

Sincerely,



Fredric V. Rolando
President
National Association of Letter Carriers



Mark Dimondstein
President
American Postal Workers Union



Paul V. Hogrogian
President
National Postal Mail Handlers Union



Ronnie W. Stutts
President
National Rural Letter Carriers Association

Cc: Rep. Carolyn Maloney
Rep. James Comer
Members of the House Committee on Oversight and Reform