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Harold P. Wimmer

July 6, 2016

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and
Government Reform
U.S. House of Representatives
Washington, DC 20515

The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and
Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Chaffetz and Ranking Member Cummings:

The American Lung Association wishes to express deep concern with two provisions – Section 203(3) and 207(a) and (b) – of the draft postal reform legislation bill. As a result of these provisions, the Lung Association and other nonprofits would be forced to cut back on the number of pieces we mail, which would greatly impact our abilities to deliver key programs and services across this nation.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease. For over one hundred years, the American Lung Association has funded research and programs that save lives and reduce the burden caused by lung disease – our nation's third leading cause of death. Our ability to fulfill our missions is critically dependent on our ability to operate and develop resources efficiently and in a cost-effective way. In addition, our mail operations generate a significant volume of response mail that is also an important source of revenue for the United States Postal Service.

Section 203(3) of the draft postal reform legislation would allow the Postal Service to increase machineable flat rates by an additional 2 percent each year until cost coverage reaches 90 percent. This additional two percent annual increase would eventually all but eliminate the nonprofit rate for this class, costing the American Lung Association over \$60,000 per year. Congress has authorized special nonprofit rates for more than fifty years, and has repeatedly reaffirmed that policy, which still makes good sense. Reduced postage rates for nonprofit mailers enable the American Lung Association and other nonprofit organizations, including churches and faith organizations, to provide a critical role in our society.

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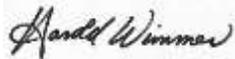
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Section 203(3) would result in the Lung Association reducing its mail volume by over 320,000 pieces of mail each year – further reducing postal revenues the Postal Service collects from both the Lung Association and our supporters who use a first-class stamp to respond to our mail. It is reasonable to expect that other mailers will also reduce their volume – rendering unnecessary and inefficient the infrastructure the Postal Service has created to process the expected volume generated by this class of mail.

The Lung Association is also concerned about Section 207(a) and (b) of the draft. Reinstating the exigent rate at a time when the Postal Service has a cash surplus will further drive down mail volume. According to the Alliance for Nonprofit Mailers, the nonprofit standard mail volume dropped 4.7 percent during the 4.3 percent exigent surcharge, and is expected to rebound if an additional surcharge is not added. Allowing the “exigent” rate of 2 percent to become permanent will cost the American Lung Association over \$100,000 each year and will result in our reducing mail volume by an estimated 500,000 pieces each year to make up for the net loss.

The American Lung Association appreciates your thoughtful consideration of our concerns and asks these two provisions to be removed from the bill when introduced. Thank you.

Sincerely,



Harold P. Wimmer
National President and CEO

