



April 24, 2017

The Honorable Jason Chaffetz
Chairman
House Committee on Oversight and
Government Reform
2236 Rayburn House Office Building
Washington, DC 20515

The Honorable Elijah Cummings
Ranking Member
House Committee on Oversight and
Government Reform
2163 Rayburn House Office
Washington, DC 20515

Dear Chairman Chaffetz and Ranking Member Cummings:

The National Multifamily Housing Council (NMHC) and National Apartment Association (NAA) thank you for your work on H.R. 756, the Postal Service Reform Act of 2017 (the Postal Reform Act). We applaud you for working in a bipartisan manner to address the financial stability of the United States Postal Service (USPS) in a manner that aims to protect a viable service that Americans rely on for safe and secure mail delivery. This letter outlines how changes to USPS mail delivery policy could impact apartment communities and the 38.8 million Americans who call an apartment home.

For more than 20 years, NMHC and NAA have partnered to provide a single voice for America's apartment industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management and finance. NMHC represents the principal officers of the apartment industry's largest and most prominent firms. As a federation of nearly 170 state and local affiliates, NAA encompasses over 72,000 members representing more than 8.8 million apartment homes throughout the United States and Canada.

Like all Americans, operators and residents of apartment communities across the country continue to rely on the USPS for much of their mail and package delivery. The long-term viability and modernization of the USPS is critically important to our industry and impacts many facets of apartment operations and the services received in our communities provided to residents.

The Postal Reform Act works to put the USPS on sound financial footing by incorporating significant reforms to pension and personnel matters as well as authorizing an increase in postage rates. Further, the legislation, as passed by the House Oversight and Government Reform Committee, mandates a move to centralized delivery for all existing and future business addresses. Voluntary conversion, however, of existing and some new residential addresses to centralized delivery is allowed under the bill. It is our understanding that apartment homes, predominantly garden style and townhouse developments, that receive delivery to their door

by the USPS will have the same option to voluntarily convert to centralized delivery as owner-occupied dwellings. To codify this critical point, we urge the Committee to include report language in the bill that reflects the voluntary nature of the transition for existing multifamily rental properties.

It is important to note that while there are significant cost savings for the USPS with the proposed changes in H.R. 756, there is also a financial impact for apartment communities from any change to mail delivery policy. The legislation establishes a voucher program to use the cost savings associated with the move to centralized delivery to defray the costs of new mail receptacles. We support the use of these vouchers for all residential addresses, including multifamily residential addresses, so that postal patrons are not financially burdened by the conversion. Additionally, we respectfully urge the Committee to ensure that there is clarity around who holds responsibility to install, maintain, secure new centralized receptacles and who must ensure compliance with Americans with Disabilities Act (ADA)/accessibility requirements.

Existing USPS guidance already favors centralized mail delivery for new addresses. However, requiring existing apartment communities, or those already in the design and construction phase, to convert to centralized delivery would be costly and problematic for a wide range of reasons. Apartment communities, from design to operation, operate under layers of local, state and federal regulation that range from building codes to the ADA. Many of the apartment industry's concerns around centralized delivery stem from required compliance with these laws and regulations. They raise serious issues surrounding safety and security; construction/design costs; available space and building design; accessibility and convenience; historic designations and aesthetic style; and weather and geographical landscape. It is with these complexities in mind that we urge Congress to allow for apartment communities currently in the design and construction phase or currently in operation to be "grandfathered" and continue to receive door-to-door delivery service by the USPS where feasible.

The challenges to operators of apartment communities posed by centralized delivery are compounded by changing resident preferences and the continued growth of e-commerce. Increasing package deliveries have forced apartment communities to change how they operate, shift resources, divert staff time and, if possible, expand storage space. However, not every apartment firm can utilize such options. Furthermore, traditional apartment buildings and communities that do not receive door-to-door delivery must currently provide two separate delivery spaces for packages, one for USPS and one for other delivery companies. This is required under antiquated postal regulations that create a monopoly on mail-boxes designated for USPS deliveries. We urge the repeal of the monopoly on the mailbox because it causes a duplicative expense and design challenge for multifamily communities.

The structure of the USPS itself also creates a significant obstacle to the adoption of new and innovative technologies to meet resident preferences and service demands in apartment communities. Despite the stated goal of the USPS to embrace new technologies and accelerate testing of new approaches, wide discretion is provided to local and regional postmasters to implement postal guidance as they see fit. For example, an apartment developer or operator may install a modern USPS-approved mail and parcel receptacle that uses technology to enhance security, increase parcel space or improve resident access, yet find that the local

postmaster refuses to deliver to the location because they do not deem it as an acceptable point of delivery. In all too many cases, a USPS-approved delivery point, such as a package locker, may be permitted in one jurisdiction but not in another. This has created an uneven patchwork of accepted delivery points and a lack of clarity on how to provide centralized delivery in apartment communities. As the USPS continues to move toward centralized delivery, uniformity of guidance and in accepted delivery points is necessary to truly streamline the system.

We appreciate the bipartisan efforts undertaken to reach a compromise on legislation that reflects the concerns of many stakeholders and will protect the future of the USPS. Thank you for the opportunity to present the views of the apartment housing industry as you continue your work on this important matter. Please contact either one of us to discuss the impact of postal reform legislation on our industry and the ways we can all work to improve the financial standing of the USPS.

Sincerely,



Douglas M. Bibby
President
National Multifamily Housing Council



Robert Pinnegar
President & CEO
National Apartment Association

cc: Members of the House Oversight & Government Reform Committee