



NATIONAL FRATERNAL ORDER OF POLICE®

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22 March 2016

The Honorable Kevin P. Brady
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Sander M. Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman and Representative Levin,

I am writing on behalf of the members of the Fraternal Order of Police to advise you of our strong opposition to H.R. 4822, the "Public Employee Pension Transparency Act (PEPTA)," which has been referred to your committee for consideration.

This bill establishes a very harmful precedent with respect to Federal taxation and regulation of State and local law governments. It does not protect benefits, it does not save tax dollars or improve the funding of these retirement systems. In fact, it imposes unnecessary, unwanted and unfunded Federal mandates in areas that are the fiscal responsibility of sovereign States and their political subdivisions. These mandates are inconsistent, administratively burdensome and costly to State and local government budgets which are already under strain. Further, it threatens to eliminate the tax-exempt bonding authority of State and local governments.

We believe the legislation reflects a fundamental lack of understanding about the realities of State and local government operations and financing, especially of the governmental accounting rules and strict legal restraints already in place that require open financial reporting and processes. Every State and a vast number of localities have recently made modifications to pension financing, benefits structures, or both—a fact which this bill chooses to ignore.

The legislation violates the principles of federalism by creating new Federal interference into the fiscal affairs of State and local governments. Therefore, we strongly urge your opposition to H.R. 4822 and respectfully request the committee not take up the bill in this Congress.

On behalf of the more than 330,000 members of the Fraternal Order of Police, I want to thank you for considering our view on this important issue. If I can be of any further assistance, please do not hesitate to contact me or Executive Director Jim Pasco in my Washington Office.

Sincerely,


Chuck Canterbury
National President

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