

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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Opening Statement Ranking Member Elijah E. Cummings

H.R. 756, Postal Reform Act of 2017

March 16, 2017

I thank you, Chairman Chaffetz, for your leadership on this issue. We would not be here today if you had not made Postal reform a priority.

I also thank my colleagues, Congressmen Meadows, Connolly, Lynch, and Ross for their dedication to Postal reform and extraordinary work in crafting a bipartisan measure that we can all support.

The bill before us is the product of more than a year of intense negotiations that began last Congress, and it is the result of broader efforts that have been underway for years.

Last Congress, we took a bipartisan approach. We tailored our bill to focus on essential provisions that would address the Postal Service's most urgent challenges. Narrowing the scope of the legislation enabled us to garner support from both sides of the aisle. In crafting the legislation, we also took into consideration the comments of stakeholders including 50 organizations and entities and nearly 150 members of the public. We were able to introduce and pass out of Committee a reform bill last Congress, but unfortunately time ran out before we could bring the bill to the floor. Chairman Chaffetz and my colleagues share my commitment to accomplishing our goal this Congress.

The measure before us is substantially similar to the bill from last Congress. I will be the first to admit that this bill is not perfect. It does not include everything we wanted. It does not include everything the majority wanted. But it does include the most critical elements of reform needed to put the Postal Service back on the right track.

The reality is we must all be willing to compromise. Our bill asks everyone to sacrifice to accomplish our shared goal—which is putting the Postal Service on a sound financial path that will ensure its long-term viability. This bill gives us the best chance we have to enact meaningful Postal reform in this Congress.

I want to highlight some of the provisions in the bill. This legislation would ensure that all retirees who are eligible for Medicare will be enrolled in Medicare automatically. Let me

point out that the Postal Service and its employees and retirees have already paid a total of almost \$30 billion since 1983 for Medicare but some retirees are not receiving a benefit in return. Without this change, the Postal Service cannot achieve financial stability.

This bill would ensure that a transition fund will be created to help newly enrolled retirees pay some of their premiums in the first three years. This bill would strengthen Postal governance by shrinking the Board of Governors and vesting in it responsibility for setting overall strategy and approving prices and products. Day-to-day executive authority in the Postmaster General would remain with the Postmaster General.

The bill also would increase postal rates for market-dominant products by 2.15%, or 1 cent for first class stamps. I wish we had been able to expand the Postal Service's authority to offer nonpostal products further, but I am pleased that this bill would create the Chief Innovation Officer position—something for which I have been advocating over the last several years.

As I close, let me be clear that continued delay in the enactment of Postal reform is simply not an option. The threats to the Postal Service's financial condition are clear and imminent, and if we do not intervene to help the Postal Service, a liquidity crisis will be unavoidable.

Enacting Postal reform in this Congress is now more urgent than ever because the Postal Service is now operating without any sitting Senate-confirmed board members. According to the Postal Service's Office of Inspector General, there are numerous management responsibilities that, by statute, can be exercised only by the Governors. The Postal Inspector General has noted that the lack of Board members may be highly problematic, stating, and I quote, "the Postal Service's constitutional authority to take certain actions could be in question." This underscores the need to accomplish postal reform this Congress.

The substitute amendment makes some minor technical changes to the underlying bill by requiring the Postal Inspector General to report to the Board of Governors and clarifying how postal rate increase would be applied.

We have made great progress on Postal reform and the lack of any members on the Board of Governors adds to the urgency. We must not waiver; we must press ahead and push this legislation over the finish line.

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