

Congress of the United States
House of Representatives

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Opening Statement
Ranking Member Elijah E. Cummings

H.R. 760, Postal Service Financial Improvement Act of 2017

March 16, 2017

I strongly support H.R. 760, the Postal Service Financial Improvement Act of 2017, introduced by Congressmen Lynch and McKinley. I thank Mr. Lynch for his leadership on this issue throughout our long negotiations on postal reform.

This bill would authorize the Secretary of the Treasury to invest a limited amount of the Retiree Health Benefits Fund—25%—into index funds modeled on funds available in the federal Thrift Savings Plan.

Under current law, the Secretary of the Treasury must invest available portions of the Retiree Health Benefits Fund only in U.S. Treasury securities. In fiscal year 2016, the Postal Service earned a return of only 3.1% in interest on these securities. Investments in certain index funds maintained by the Thrift Savings Plan have historically yielded higher rates of return than investments in Treasury securities.

I agree with Representative Lynch that the Postal Service should be able to make investments that will yield higher returns without taking inappropriate risks.

The bill also would establish a Postal Service Retiree Health Benefits Fund Investment Committee to help advise the Treasury Secretary on the investments made from the Fund. The legislation also would require that an independent public accountant audit the financial statements of the Retiree Health Benefits Fund annually and the Secretary submit an annual report to Congress.

I am very pleased that we have reached agreement on this measure that would provide the flexibility the Postal Service needs to improve its financial position significantly. I understand that Representative Lynch made a technical change to the bill and I support his substitute amendment.

I again thank my colleagues for their work on this measure.

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