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Statement of Ranking Member Elijah E. Cummings on the Cummings Amendment to H.R. 4011

February 11, 2014

Thank you Mr. Chairman.

Our Committee should be working to place the Postal Service on a sound financial footing by enacting comprehensive reform legislation. For that reason, I am offering an amendment that would add provisions from H.R. 2690, the Innovate to Deliver Act, which I introduced last summer.

My amendment would create a new Chief Innovation Officer position within the Postal Service charged with leading the development of products and services that will enable the Postal Service to meet changing customer demands.

My amendment also would authorize the Postal Service to offer a wide range of non-postal products that capitalize on its retail and delivery networks.

In a White Paper issued on January 27, the Inspector General reported that the Postal Service could help millions of underserved Americans save money from excessive fees and interest payments while generating billions of dollars of new revenue by offering non-banking financial services to under-served Americans.

According to the Inspector General, in 2012, under-served Americans spent approximately \$89 billion on interest and fees for alternative financial services. The Postal Service could generate almost \$9 billion in new revenue if just 10% of the interest and fees under-served Americans paid for financial services each year was spent at the Postal Service.

Under-served Americans also would benefit if they could access a wider range of financial services at Postal retail locations. If access to financial services through the Postal Service decreased bankruptcy filings by just 5%, more than 50,000 people could avoid the devastating consequences of bankruptcy.

The Postal Service does not need to compete with current financial services providers to expand its range of financial products. Many of those who could benefit from accessing financial services at the Post Office are not currently served by the banking community. The Postal Service's 35,000 post offices, stations, branches and contract units provide it a reach that

Postal Service's 35,000 post offices, stations, branches and contract units provide it a reach that the banking industry simply has not chosen to provide. According to the Inspector General, "59 percent of Post Offices are in ZIP Codes with one or no bank branches."

The Inspector General's report also describes a number of ways in which the Postal Service could partner with existing financial services providers, which would benefit both the financial services sector as well as the Postal Service.

Chairman Issa previously included the Chief Innovative Officer language in his postal reform legislation that the Committee marked up in July, and there is absolutely no reason why Congress and the Postal Service should not work together to put the Postal Service on the path to a sustainable future by authorizing it to provide products and services that meet customers' needs.

Finally, the Postal Service recently announced its financial results for the first quarter of fiscal year 2014. If not for the pre-funding requirement, the Postal Service would have made more than \$1 billion. This result shows that it is imperative for the Committee to address the prefunding issue facing the Postal Service.

Both Chairman Issa and I have legislation that would grant the Postal Service a reprieve from the \$5 billion prefunding payment it is mandated to pay each year until 2016. Both the Chairman and I believe that the Postal Service should not have to start a new amortization payment schedule until 2017, giving it three years to build its capital reserves.

This is one area both sides agreement on, and we could easily come together to draft and pass legislation to achieve this common-sense reform.

I urge Members to adopt my amendment and, with that, I yield back.

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