

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives
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Opening Statement of Jason Chaffetz,
Ranking Member
Subcommittee on Federal Workforce, Postal Service,
and the District of Columbia
May 20, 2009

I thank you, Mr. Chairman for holding this hearing today. Back on March 25th, we held a hearing on restoring the financial stability of the United States Postal Service. Today we will revisit some of those issues discussed to see what sort of progress is being made on their cost-cutting efforts. One thing is clear—the Postal Service is rapidly approaching a “free-fall” state of operation, and will soon be unable to sustain itself without quick action. The cuts and trims being made at the Postal Service currently, which we will be discussing today, are critical to its future operations and profitability. However, none of them is nearly as significant as H.R. 22, a bill introduced by my deputy Ranking Member, John McHugh, and the former Chairman of this Subcommittee, Danny Davis. This is a bipartisan bill I am proud to cosponsor along with 308 of my colleagues.

Given the current economic climate, it is not surprising that many people initially were wary of this bill, assuming that, like so many bills introduced these days to help out troubled businesses, this was yet another bailout. This could not be further from what this bill proposes to do. This bill would allow the Postal Service to pay their debts out of the Postal Service Retiree Benefits Fund and would defer for 8 years the forward funding of their retirement system. In fact, without this bill, a very costly taxpayer-funded bailout is precisely what we will be discussing. When we say “costly,” consider that the Postal Service is the second only to Wal-Mart in being the largest employer in the nation.

The best way to think about this bill is to imagine you are in a hole up to your chest. You can get out of that hole if you use your arms and push yourself out. But before you can do this, you must ask Congress if you can use your arms. The cuts being made at the Postal Service are essential for its future, but if something like H.R. 22 isn't done soon, they will be irrelevant. It is important to note that had this aggressive pre-funding of retirement not been required by the Office of Management and Budget during the negotiations for the Postal Accountability and Enhancement Act of 2006, the Postal Service would have shown a profit in fiscal year 2008.

I look forward to hearing the status of current cost cutting efforts in the United States Postal Service, but recognize that without passing legislation to address the \$5.5 billion annual cost of pre-funding its retirement system, these efforts will be moot.