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Statement of the Honorable Henry A. Waxman S. 380, The Postal Civil Service Retirement System Reform Act of 2003

April 8, 2003

As the Ranking Member of the Government Reform Committee, I rise in support of S. 380.

Before I begin my remarks on the bill, I would like to commend my colleagues, Chairman Tom Davis and Representatives Danny Davis and John McHugh for the time and effort they have spent in refining this bill. The language in S. 380 is identical to the version of the bill we reported out of Committee, with the exception of a provision requiring a new study on military pensions that I worked out with Chairman Davis. This is a very positive bipartisan start for our Committee.

I would also like to commend my Senate colleagues, Senators Susan Collins and Joseph Lieberman, for their work on this issue.

The bill we are considering today corrects the calculation of the Postal Service's contributions to its pension fund and provides immediate and needed financial relief to the Postal Service. The legislation would credit the Postal Service for the real value of Civil Service Retirement System (CSRS) contributions it made in the past and change how contributions will be computed in the future. Under S. 380, the Postal Service will save \$9 billion over the next three years, and \$36 billion over the next ten years.

S. 380 divides the money saved by the Postal Service into two parts. For the savings received in FYs 2003, 2004, and 2005, the bill provides that the Postal Service will use the money to pay down the debt and hold postage rates stable. This will allow the Postmaster General to keep his commitment to hold off on any rate increases through the year 2006.

For fiscal years beyond 2005, the bill requires the Postal Service to submit to Congress a plan for using the savings. This plan must then be reviewed by the General

Accounting Office and approved or modified by Congress. The planning provisions contained in the bill provide an opportunity for Congress to review how the Postal Service will use the savings to address a number of long term challenges facing the Service, such as its debt load, underfunded capital projects, and unfunded liabilities for post-retirement healthcare.

This legislation is being acted upon quickly because, without it, the Postal Service faces an increasing financial crisis. In fact, the Postmaster General and the Postal Board of Governors have indicated that, in the absence of such a change, the Postal Service will be forced to apply for a rate increase later this year.

S. 380 has broad support among the postal community, and it deserves our passage today.