

105TH CONGRESS
1ST SESSION

S. 1296

To reform the laws relating to Postal Service finances, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 20, 1997

Mr. COCHRAN introduced the following bill; which was read twice and referred
to the Committee on Governmental Affairs

A BILL

To reform the laws relating to Postal Service finances, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Postal Financing Re-
5 form Act of 1997”.

6 **SEC. 2. END OF TREASURY CONTROL OF POSTAL SERVICE**
7 **BANKING.**

8 (a) IN GENERAL.—Subsection (d) of section 2003 of
9 title 39, United States Code, is amended to read as fol-
10 lows:

11 “(d) The Postal Service, in its sole discretion—

1 “(1) may provide that amounts which would
 2 otherwise be deposited in the revolving fund referred
 3 to in subsection (a) shall instead, to the extent con-
 4 sidered appropriate by the Postal Service, be directly
 5 deposited in a Federal Reserve bank or a depository
 6 for public funds selected by the Postal Service; and

7 “(2) may provide for transfers of amounts
 8 under this subsection between or among—

9 “(A) Federal Reserve banks;

10 “(B) depositories for public funds; and

11 “(C) the revolving fund referred to in sub-
 12 section (a).”.

13 (b) SAVINGS PROVISION.—Until the authority under
 14 section 2003(d) of title 39, United States Code, as amend-
 15 ed by subsection (a), becomes available, the provisions of
 16 such section 2003(d), as last in effect before being so
 17 amended, shall be treated as if still in effect.

18 (c) STATUS OF MONEYS UNCHANGED.—

19 (1) Any amounts invested under section
 20 2003(c) of title 39, United States Code, as amended
 21 by this Act, shall be considered to be part of the
 22 Postal Service Fund, to the same extent as if such
 23 amounts had been invested under section 2003(c) of
 24 such title 39, as last in effect before the date of en-
 25 actment of this Act.

1 (2) Any amounts deposited or transferred under
 2 section 2003(d) of title 39, United States Code, as
 3 amended by this Act, shall be considered to be part
 4 of the Postal Service Fund, to the same extent as
 5 if such amounts had been transferred under section
 6 2003(d) of such title 39, as last in effect before the
 7 date of enactment of this Act.

8 **SEC. 3. POSTAL SERVICE INVESTMENTS.**

9 Section 2003(c) of title 39, United States Code, is
 10 amended by striking all after “it may” and inserting the
 11 following: “invest such amounts as it considers appro-
 12 priate in—

13 “(1) obligations of, or obligations guaranteed
 14 by, the Government of the United States; and

15 “(2) such other obligations or securities as it
 16 deems appropriate, if such investment is closely re-
 17 lated to Postal Service operations as determined by
 18 the Board of Governors.”.

19 **SEC. 4. ELIMINATION OF TREASURY PREEMPTION OF BOR-**
 20 **ROWING BY THE POSTAL SERVICE.**

21 Section 2006(a) of title 39, United States Code, is
 22 amended to read as follows:

23 “(a) Before selling any issue of obligations under sec-
 24 tion 2005 of this title, the Postal Service shall advise the
 25 Secretary of the Treasury of the amount, proposed date

1 of sale, maturities, terms and conditions, and expected
 2 maximum rates of interest of the proposed issue in appro-
 3 priate detail. The Postal Service shall consult with the
 4 Secretary of the Treasury, or the designee of the Sec-
 5 retary, under this subsection for a reasonable period of
 6 time as determined by the Postal Service. The sale and
 7 issue of obligations described under this subsection shall
 8 not be subject to approval by the Secretary of the Treas-
 9 ury.”.

10 **SEC. 5. ELIMINATION OF POSTAL SERVICE “PUT” ON**
 11 **TREASURY.**

12 Section 2006(b) of title 39, United States Code, is
 13 amended to read as follows:

14 “(b)(1) Upon request of the Postal Service, the Sec-
 15 retary of the Treasury may purchase obligations of the
 16 Postal Service in such amount as the Secretary and the
 17 Postal Service, in their discretion, may agree.

18 “(2) The obligations purchased by the Secretary pur-
 19 suant to paragraph (1) shall be exempt from the maximum
 20 amount limitations of section 2005(a), if—

21 “(A) the total outstanding amount of obliga-
 22 tions exempt from section 2005(a) does not exceed
 23 \$2,500,000,000 at any one time; and

1 “(B) the Secretary and the Postal Service joint-
2 ly determine that such exemption is necessary to
3 carry out the purposes of this chapter.”.

4 **SEC. 6. EFFECTIVE DATE.**

5 This Act, and the amendments made by this Act,
6 shall become effective 90 days after the date of enactment
7 of this Act.

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