

Employee Thrift Advisory Council

November 20, 2019

The Honorable Marco Rubio
U.S Senator
284 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Mitt Romney
U.S Senator
124 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Josh Hawley
U.S Senator
212 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Jeanne Shaheen
U.S Senator
506 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Kirsten Gillibrand
U.S Senator
478 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Rick Scott
U.S Senator
716 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators:

As chairman of the Employee Thrift Advisory Council (ETAC) and on behalf of the organizations listed below, I am writing to express our agreement with the Federal Retirement Thrift Investment Board (FRTIB) position, stated in its November 13 letter, that an expanded International (I) Fund should remain part of the Thrift Savings Plan (TSP) investment strategy. We believe that removing the option of investing in emerging markets from Federal employees' retirement portfolios would put them at a distinct disadvantage compared to private-sector workers.

As an organization that advocates for the retirement security of more than 5 million federal employees and members of the uniformed services, ETAC opposes policies that could significantly reduce federal retirement savings. Offering competitive benefits for federal employees is one way that we can recruit and retain a quality workforce to better serve the American people. If we allow those benefits to erode, we risk losing the talent needed to efficiently and effectively operate our government.

Based on both FRTIB's and investment consultant Aon's expert guidance, it would be fiscally irresponsible to divest from a fund that has consistently outpaced developed markets over the past 15 years. Instituting an investment mandate at odds with the private sector would wrongfully and unnecessarily disadvantage federal employees and veterans of the armed services.

Furthermore, modifying the Thrift Savings Plan portfolio is an improper route to limiting investments in Chinese companies. The Office of Foreign Assets Control (OFAC) is the federal office responsible for deciding what international securities are available for American investors. If you believe U.S. government policy should limit U.S. investments in China, we encourage you to utilize this existing channel. In so doing, you would avoid singling out the retirement savings of public servants and veterans and putting the TSP at a competitive disadvantage.

I hope you will reconsider the impact of S. 2791, legislation that will needlessly harm millions of hardworking Americans now and far into the future. If you have any questions or comments, please find my contact details below. Thank you for your time and consideration on this matter.

Sincerely,
Clifford D. Dailing
Chairman, Employee Thrift Advisory Council
Secretary-Treasurer, National Rural Letter Carriers' Association
cdailing@nrlca.org (703) 797-8402

ETAC Member Organizations

American Federation of Government Employees, National Federation of Federal Employees, National Treasury Employees Union, National Association of Government Employees, American Postal Workers Union, National Association of Letter Carriers, National Rural Letter Carriers' Association, United Postmasters and Managers of America, National Association of Postal Supervisors, Federally Employed Women, Inc., National Active and Retired Federal Employees Association, Federal Managers Association, Senior Executives Association, Uniformed Services Compensation