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STATEMENT OF CHAIRMAN DANIEL K. AKAKA

Addressing the U.S. Postal Service's Financial Crisis

Hearing

Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security

Senator Akaka's remarks, as prepared for delivery:

"I want to thank Chairman Carper for calling this important hearing today about the future of the United States Postal Service. As we have heard time and again over the last three years, the Postal Service faces a devastating financial outlook.

By the end of this fiscal year, the Postal Service may not be able to fully pay its five billion dollar retiree health benefits prefunding obligation. The Government Accountability Office report released last year examines several options to help the Postal Service.

I commend Senator Carper and Senator Collins, who have both introduced legislation that aims to help the Postal Service meet its obligations by addressing overpayments to the retirement funds. Additionally, Senator Carper's Postal Operations Sustainment and Transformation (POST) Act offers several provisions which would allow the Postal Service to innovate and expand its business.

However, both of these bills still contain a provision introduced in the last Congress which would bias the collective bargaining process to favor the Postal Service during arbitration. The fact that the Postal Service and the American Postal Workers Union ratified a new four-year contract last week demonstrates that the Postal Service and employees can work together to reach an agreement that meets everyone's needs. Congress does not need to inject itself in the collective bargaining process.

I also want to mention the issue of five-day delivery. As I expected, the Postal Regulatory Commission's estimated savings for cutting a day of service is lower than the Postal Service's. The Postal Regulatory Commission also points out that Postal Service did not examine thoroughly the impact on rural areas. I am concerned about the impact of cutting service on Hawai'i, which already has slower mail delivery due to its location and challenges moving mail between islands. Ultimately, I do not believe this change would help the Postal Service attract new business or revenue. Instead, it could harm those who rely on the Postal Service.

Again, I want to thank my colleagues for their hard work on these issues, and thank all of our witnesses for their contributions to the conversation. These hearings will help us as we move forward with legislation to finally ensure a long-term fix for the Postal Service."

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