

**Opening Statement of Sen. Tom Coburn  
Business Meeting on Postal Reform Act  
January 29, 2014**

I would like to thank Chairman Carper for holding this markup to debate and consider this important Postal Reform legislation. In bringing this legislation before the committee, the Chairman and I have one objective in mind: We want to give the Postal Service the tools and freedom it needs to ensure a vibrant, successful and accountable future.

When this committee took up postal reform in 2006, it was pretty clear a lot had changed since the last time the Senate reformed the post office in the 1970's: fewer people were using the mail, and if the Postal Service was going to survive financially, it needed to adapt quickly.

First-class mail – the Postal Service's biggest revenue source – volume hit an all-time high in 2001 at over 103 billion pieces. But with the exception of 2005, it has fallen every year since. Today, the Postal Service delivers 65 billion pieces of first-class mail a year – less than it did thirty years ago.

The story is similar when you look at the *total* amount of mail the Postal Service has been delivering, which includes first-class mail. 2006 proved to be the high-water mark with 213 billion pieces delivered. In just seven short years, however, total mail volume has lost a quart of its business and now in 2013 delivered 158 billion pieces.

The last time we attempted to reform the Postal Service, the Senate focused in three areas: One, it allowed for a bit more pricing flexibility, but put in place a ten-year price cap at the rate of inflation. Two, it allowed for more flexibility to set service standards. And three, it required the Postal Service to set aside money for retiree health care – otherwise known as “pre-funding.”

All in all, these were modest changes that didn't solve the major financial problems facing the Post Service. That is why we are here today.

Sponsors of the last reform bill, however, promised the new changes would forever fix the Postal Service. Both here in the committee and later on the Senate floor, it was said that the Postal Service was saved.

It's now clear that far more needs to be done if we are going to put the Postal Service on the road to long term fiscal health. And so just a few short years later, we are here once more attempting to chip away further at the problems we face.

This bill is a good start. It does not go as far as I think is necessary in the area of cost-cutting, but it represents a bipartisan compromise to both maximize revenue and cut costs.

We began negotiations over a postal reform bill with a simple goal: helping the Postal Service achieve fiscal solvency. According to the best estimates we have available, this bill would get it there.

Right now the Postal Service owes \$15 billion to the Treasury and is losing money every year. If this bill is enacted, we believe that within ten years the Postal Service would not only be debt free, but have money in the bank.

For this reason, I urge my colleagues to support the bill. For some of my colleagues this legislation may not go as far as you would like in some areas, or even too far in others. But this legislation represents a bipartisan effort to fix a very challenging problem.

It reforms health care by eliminating double payment for retiree health care. Like any other business, it gives needed flexibility to the Board of Governors to set rates at market prices. It gives flexibility to the Postal Service to adjust its delivery schedule based on business decisions, rather than on political ones – including by delivering five days a week. It gives greater independence to the Postal Inspector General – and therefore greater accountability for the Postal Service – by requiring Senate confirmation.

More than these important changes, however, this bill also makes a significant contribution to fixing two other areas of government in financial crisis. First, it

would fix the central design flaw of our Federal Employees Compensation System, which allows people to stay on the program decades after they would have retired and stopped working. Second, it would reform – by expediting – the way our government gets rid of billions of dollars in property we no longer need. These two reforms alone will save billions.

I have long said that the last thing the Post Office needs is 536 postmaster generals. This bill would take basic business decisions out of the hands of Congress and give them to the Board of Governors appointed to make them.

If we expect the Postal Service to act like a business, we have to give them the freedom to operate like a business.

For those who may oppose this bill, I have one simple question: what is your plan? This Post Service is teetering on the fiscal cliff – and if we don't act we are pushing it off. We need to walk out of here today with a plan that allows the USPS to regain its fiscal footing and move it to a new path of prosperity.

This committee was given legislative jurisdiction over the Postal Service and we in this room are the ones responsible for helping solve the problems they now face. If we hope to succeed, our starting point cannot be business as usual, which is clearly not working. The fact is the Post Office is in serious, long-term financial trouble in large part because of Congress. To fix the Postal Service, Congress has to stop being a road block to meaningful reform.

I hope today we can change that. Thank you.