

**Statement of Senator Carl Levin
before
Homeland Security and Governmental Affairs Committee
on
U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown**

September 6, 2011

The Postal Service is facing a serious financial crisis. It is a result of declining mail volumes, particularly first class mail, as well as the requirement by Congress for the Postal Service to pre-fund future retiree health benefits at an unsustainable level.

If Congress does not act by the end of this Month, the Postal Service may be forced to default on a \$5.5 billion payment towards future Retiree Health Benefits and will be unable to deliver mail as soon as next summer. This hearing is intended to consider proposals put forth by the United States Postal Service to address this fiscal condition.

We must be ready to consider all options to address the funding shortfall being faced by the Postal Service. However, we must be careful to remember the importance of the Universal Service Obligation. While the Postal Service needs to be able to sustain itself as a rate-payer supported organization, not every post office needs to post a profit. While small post offices may not make a profit, they are an important part of the postal system and are an important part of any community.

The Postal Service needs to realign their postal network to fit the needs of a changing world without losing the ability to meet their universal service obligation. Efforts to constrain costs by closing post offices and limiting services may result in an ever decreasing volume of mail and revenue.

I look forward to working with the committee to mark up a bill that assists the Postal Service in returning to solvency.