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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
<http://oversight.house.gov>

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Statement of Ranking Member Elijah E. Cummings House Committee on Oversight and Government Reform

Hearing on "Solutions to Solve the United States Postal Service's Financial Crisis" Senate Committee on Homeland Security and Governmental Affairs

February 13, 2013

Thank you, Chairman Carper, Ranking Member Coburn, and members of the Committee for convening this important hearing. I also thank Chairman Issa, with whom I am pleased to appear today.

The Postal Service is a vital link that binds our nation together. Delivering mail to more than 150 million addresses and operating 32,000 post offices nationwide, the Postal Service connects families, friends, and businesses across the vast distances of this country.

Last year, however, the Postal Service reported losses of approximately \$16 billion. It lost \$1.3 billion in the most recent quarter. It has borrowed the full \$15 billion it is authorized to borrow from the Treasury, and it continues to lose approximately \$25 million a day. It also faces a burden not required of any other agency or business in this country—it must pay tens of billions of dollars every year to pre-fund health benefits for its retirees.

As we all know, this math simply does not add up. The Postal Service needs a new formula for success.

Obviously, last week the Postal Service announced that it intends to end Saturday mail delivery, except packages, beginning in August. In my opinion, this announcement was an unfortunate development, and it will not solve the Postal Service's long-term fiscal problems. Instead, Congress needs to pass comprehensive reform legislation that addresses not only delivery standards, but the full range of reforms needed to fundamentally re-engineer the Postal Service for the next century.

To its great credit, the Senate last year passed comprehensive, bipartisan legislation to reform postal operations, including extending the schedule for retiree health payments, returning over-payments the Postal Service made to the federal pension system, and providing key tools to right-size the Postal Service workforce.

I was particularly pleased that the Senate included several provisions from my legislation, the Innovate to Deliver Act. Too many people argue that the Postal Service should be self-sustaining, like a business, while at the same time arguing it should be banned from competing against the private sector. I believe we must allow the Postal Service to expand into new business lines, and my bill would have done just that.

Unfortunately, the most significant challenge facing the Postal Service today is not Saturday delivery or declining mail volume or prefunding healthcare for its retirees—it's Congress's failure to act. Although the Senate passed a comprehensive and bipartisan bill, the House failed to consider any postal reform legislation whatsoever. None. Obviously, we cannot solve this problem if we continue to ignore it. It will only grow more desperate and more dire.

There is some reason for hope, however, and that is the ongoing commitment of the Members of Congress in this very room. Over the past two months, we have come together to discuss potential solutions in a serious and sustained manner, and I have been encouraged by the many areas of agreement we have reached.

I believe we are close, very close. And if we launch a renewed effort as soon as possible, we can develop a bipartisan—and bicameral—solution. If we are serious about this, I predict that we could complete this legislation before the end of the March, when the current appropriations rider expires. To meet that deadline, however, we need to re-engage now. There is absolutely no time to waste.

Finally, let me conclude with the issue that is closest to my heart in this debate. I believe we have a solemn obligation to honor the dedicated Postal Service employees who have served this institution for decades. As we examine how to right-size the Postal Service workforce, I urge my colleagues to fight—and fight hard—to demonstrate compassion and respect for these middle-class American workers and their families.

Thank you, Mr. Chairman, for holding this important hearing, and I look forward to working with you and our colleagues in the days to come.