

Opening Statement of Chairman Thomas R. Carper
“Nominations of Hon. James C. Miller III, Stephen Crawford, David M. Bennett,
and Victoria Reggie Kennedy to be Governors, U.S. Postal Service”
July 14, 2014

As prepared for delivery:

We're meeting today to consider four nominations to fill vacancies on the Postal Service's Board of Governors. We're considering these nominations at what is a very challenging time for the Postal Service. But it's also a time that holds a lot of promise for someone in the line of business the Postal Service is in.

The Postal Service operates at the center of a massive printing, delivery, and logistics industry that employs millions of people. Even as First Class mail like letters, greeting cards, and even wedding invitations are lost to other forms of communication, the future is bright for the Postal Service in a number of ways. Advertising mail is still a popular and effective option for mailers. E-commerce and package delivery are booming, making the Postal Service a vital partner for businesses large and small. Even the Postal Service's traditional competitors rely on it to carry items the last mile to rural communities around the country.

For years people have questioned whether the Postal Service has a future. These developments I've mentioned tell me that it does, and potentially a very bright one. But all of this is at risk if those of us here in Congress continue to prove incapable of making the kind of tough decisions necessary to make the Postal Service competitive in the years to come. As important as the Board of Governors is, Congress holds the keys to the Postal Service's future. The men and women on the Board – including those before us today, should they be confirmed – have little chance of success unless we do our jobs and pass comprehensive postal reform legislation.

The Postal Service today carries barely enough cash to make payroll. Its line of credit with the Treasury is maxed out and has been incapable for years of making capital investments, including the technological investments necessary to compete with a UPS or a FedEx. Things are so bad that the Postal Service has letter carriers on the streets today driving inefficient, sometimes unsafe vehicles that guzzle gas, breakdown, and are older than a lot of members of my staff. This is just unacceptable.

Some observers point to the boom in package delivery and the fact that the Postal Service occasionally makes a small operating profit and say that things are OK. They argue that tough decisions aren't necessary and that we should be happy with a Postal Service that just limps along. That's just not acceptable. The Postal Service is just one major international crisis, one recession, or one big spike in gas prices away from failure. On top of that, with few tools at their disposal in their efforts to keep the Postal Service afloat, postal management announced just the other week that it would be closing an additional 82 mail processing plants across the country and further slowing down mail delivery in every community in the country.

This comes after the loss of about half of the Postal Service's mail processing capacity in recent years. At a time when the future holds so much promise for the Postal Service, this is a potentially devastating blow that will further sap the confidence the public has in the Postal Service and its ability to remain relevant. If we want a Postal Service that our constituents can rely on, that businesses can rely on, and that has a chance of continuing the progress we've seen it make in package delivery, Congress need to pass a bill.

Our committee has done its work on this issue so far. In February, we sent a bill to the full Senate that would save the Postal Service billions of dollars in pension and health care costs, including by allowing it to take full advantage of the investments it and its employees have made over the years in Medicare. It would also give it an immediate cash infusion through a refund of its overpayment into FERS and free it to compete in new lines of business. More importantly, it would preserve existing service standards – including the 82 plants and Saturday mail delivery – for the time being until other reforms have a chance to bear fruit.

Our bill is a solid, comprehensive, and realistic response to a real crisis. In my opinion, it's the only one introduced in the House or Senate in recent years that would actually work. The Postal Service has indicated that it would give it the cash needed to pay down debt, account for its pension and health care obligations, invest in capital, and still have as much as \$7 billion in more in cash on hand after ten years. This is real reform.

I look forward to talking to our nominees today about what they think needs to be done to address the challenges facing the Postal Service, and the skills they think they bring to the table. If confirmed, this group of nominees would nearly double the size of the current Board. So there's an opportunity with this new injection of talent combined with the enactment of a solid postal reform bill to make significant progress in the near future.

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