

**Statement of Senator Carper**  
**A PATH TO SUSTAINABILITY:**  
**RECOMMENDATIONS FROM THE PRESIDENT'S TASK FORCE**  
**ON THE UNITED STATES POSTAL SERVICE**  
**Tuesday, March 12, 2019**

Thank you, Mr. Chairman. I am happy to be pinch hitting today for the first part of this hearing today until our Ranking Member is able to join us. Especially as we discuss one of my favorite subjects – the U.S. Postal Service.

Mr. Chairman, I want to thank you for having this hearing to discuss the recommendations made by the President's Postal Service Task Force. I also want to thank our witnesses for coming today to discuss the unique challenges – and opportunities – facing the Postal Service.

For the last few years, the all-too-common headline regarding the Postal Service has been that it is in a financial crisis. I believe that is, in large part, due to Congress' failure to act on significant legislative reforms that the Postal Service desperately needs to operate. It is also partially due to the Senate's failure to confirm nominees to serve on the Postal Board of Governors in a timely fashion.

One of my top goals since I joined this Committee has been to address these challenges and give the Postal Service the tools it needs to improve service and thrive in the 21<sup>st</sup> Century. The Postal Service operates at the center of a \$1.4 trillion mailing industry that employs 7.5 million people across our country – accounting for six percent of our nation's jobs. The Postal Service is a cornerstone of our economy. Companies large and small, urban and rural, and in every line of business depend on the Postal Service and its one-of-a-kind retail, processing, and delivery network.

Today, we are at a crossroads. There are real questions about what the future holds for the Postal Service. I have some significant concerns with this report, particularly given the fact that our staff was told last week by representatives from the Treasury Department that the task force did no "quantitative analysis" on its recommendations to reform the Postal Service's business model.

Let's think about that for a second.

Doing quantitative analysis means collecting and assessing hard data in order to evaluate a business' performance or model. But now, we've learned that a task force charged with overhauling the Postal Service's business model did not, in fact, conduct the data-driven analysis that would be required to provide sound recommendations on this agency's financial outlook.

I received my MBA from the University of Delaware, and I started my career in politics as Delaware's State Treasurer. That just doesn't add up. That said, I think the report outlines a

key notion that everyone can agree on: The United States Postal Service is an essential lynch pin to our economy, and it must evolve. The question is how.

Despite having finished 2018 with cash on hand, which was due largely to a now-expired temporary rate increase, the Postal Service continues to report billions of dollars in losses, and its debt exceeds its revenue. The Postal Service has maxed out its \$15 billion line of credit with the Treasury Department. This left postal management with no choice but to continue to default on health care and pension payments. According to the Treasury Department, this puts the Postal Service at more than \$60 billion dollars in the hole.

Complicating matters, the Postal Service only has two sitting governors on its board, who alone are charged with overseeing operations, approving major business decisions, and holding senior management accountable. At a time when the Postal Service is in such desperate need of oversight and direction – and fresh thinking – it is irresponsible for Congress to not act.

This report has some very sound points. Here are the ones that stand out:

- The Postal Service should be self-sustaining.
- The Postal Service should not be privatized.
- The Postal Service is still needed for rural America.
- And, finally, the Postal Service business model must be reformed.

But those points are just that – a series of bullet points in this report. Unfortunately, this report is nothing close to a real business plan. This report was long overdue, but it is not what so many members hoped would be a “silver bullet.” This is especially concerning given the need to stabilize the Postal Service *now*.

I have consistently been working on bipartisan reforms with the Postal Service and stakeholders, as has House Oversight and Reform Chairman Elijah Cummings and his colleague Congressman Mark Meadows. But time is running out to protect the ratepayers from losing an essential service. We no longer have the luxury of kicking this can even further down the road.

The Postal Service is as big as a Fortune 500 company in both size and scope. But let's be clear – it is not a business. It is a government agency with federal mandates on pay, benefits, and service that must be taken into account.

I hope the discussion today will provide members an opportunity to better understand the opportunities and challenges of the Postal Service and help begin the process of addressing reform quickly this year.

We must help the Postal Service move in a more thoughtful direction and develop new ways to ensure that the Postal Service remains relevant in this digital age.

Again, thank you to our witnesses. I look forward to hearing from you.