

Prepared Statement of Senator Scott P. Brown

“U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown”

September 6, 2011

The Postal Service is clearly at a crossroads. Every day that passes is another day that pushes the Postal Service closer to the brink of insolvency. Many have argued that this is simply a result of burdensome statutory obligations placed on the Postal Service at a time when the economic situation was much different than today. Others have pointed out that the Postal Service is simply being forced to face a new reality brought on by new technology and accelerated by the recession. Regardless which reason you favor, all can agree that some hard choices must be made to allow the Postal Service to continue to serve this country successfully in the future.

The fact remains that first class mail volume, the largest contributor to postal revenue, is on the decline and there is no rebound in sight. This has forced the Postal Service to find ways to right-size its delivery network and reduce capacity to meet current volume levels. Its efforts so far have been fairly successful, saving \$12 billion in the last four years. It is clear, however, that additional reductions will be required. This process must move forward in a responsible way that is sensitive to the needs of communities and small businesses and recognizes the valuable service of postal employees.

I appreciate the Postmaster General’s efforts to provide Congress with a plan for reducing another \$20 billion in costs by 2015. The plan identifies possible cost reduction in all areas of the organization. As Congress continues to debate legislative action, however, I’m afraid the plan may raise more questions than it answers.

Recently proposed compensation and benefits changes may face considerable legal challenges, fiscal scrutiny, and employee opposition. The plan to further optimize the network faces significant questions on how fast changes can be made, how quickly cost savings can be obtained, and how they will impact both postal employees and customers. No doubt, some difficult decisions need to be made soon. Expectations must be kept in check with reality, however, and the possibility of unintended consequences must be thoroughly explored.

That said, the Postal Service can only do so much without some help from Congress. A number of well-intentioned regulatory and statutory mandates have further complicated the Postal Service’s ability to adapt to the changing times. If the Postal Service is going to make further progress, Congress must remove some of these roadblocks while being sensitive to the potential impact to federal employee benefit programs and the deficit.

Both Senators Carper and Collins have worked hard to reform the Postal Service over the years, and I appreciate their efforts to find a comprehensive solution to these important issues. Lifting some of these legislative restrictions will give the Postal Service a substantial financial boost in the near term. There is no doubt that declining mail volumes will continue to place significant fiscal strain on the Postal Service in the future. The Service must continue to

adapt its business model to ensure both its financial survival and maintain the level of service so many Americans and businesses rely on.

This is no easy task. There is universal agreement that the time for action is now, yet there is plenty of debate on the combination of solutions necessary. The Postal Service impacts many important stakeholders and thoughtful consideration is required across many viewpoints. I am confident, however, that Congress can find a set of proposals that will finally put the Postal Service on a sustainable fiscal path that will support employees, communities, and businesses alike.

I want to thank the dedicated postal employees for the great work they do every day and the witnesses for their testimony today. Thank you, Mr. Chairman.