

**OPENING STATEMENT OF CHAIRMAN STEPHEN LYNCH**

**SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL  
SERVICE AND THE DISTRICT OF COLUMBIA**

**HEARING TITLED: “CONTINUING TO DELIVER: AN  
EXAMINATION OF THE POSTAL SERVICE’S CURRENT  
FINANCIAL CRISIS AND ITS FUTURE VIABILITY”**

**THURSDAY, APRIL 15, 2010**

Good morning and thank you all for being here.

I’d like to thank the Chairman Towns agreeing to hold today’s joint hearing, which goes to show that he also recognizes the critical state of affairs currently confronting the United States Postal Service. As Chair of the Subcommittee with oversight jurisdiction over the Postal Service, I continue to be quite concerned about the recent financial and operational challenges that have caused one of our nation’s most robust and fully solvent public entities to end the past three consecutive fiscal years in the red – cumulatively, to the tune of nearly \$12 billion dollars. It’s no secret that much of the Postal Service’s recent financial woes stem from dramatic declines in mail volume and corresponding revenue losses, which are attributable to increased diversion to new modes communication, the nationwide economic downturn and, in some ways, statutorily imposed benefit obligations, such as the prefunding of future retiree health costs.

And if projections for this year's end holds true, the Postal Service could stand to lose an additional \$7 plus billion dollars.

While we have all known for quite sometime the sources of many of the Postal Service's problems, what's encouraging about today's hearing is that it's being convened to specifically discuss suggested solutions for addressing what many have called an "unsustainable business model" in need of urgent attention and reform. I've had a chance to review both the Postal Service's "Action Plan for the Future" as well as the recently released GAO report on "Strategies and Options to Facilitate Progress towards Financial Viability" and commend you both for performing such thorough analysis. Given the Postal Service's current dire situation, both of these reports rightfully touch on some critical and highly controversial issues, such as calling for major changes in the frequency of mail delivery, statutory pricing, facility and network optimization and employee compensation and benefits.

I think we all get the fact that difficult times will require some difficult decisions to be made and the impact of some of these decisions will more than likely fall heavy, across the board – affecting the Postal Service, its customers, employees and stakeholders alike. While at the moment there may not be exact consensus on what needs to be done to bring about the financial recovery of the Postal Service, the one thing I believe we are all in agreement on is that 'doing nothing' is no longer a viable option. The keystone of a \$1.2 trillion dollar mailing industry and the employer of nearly 700,000 Americans, the solvency and long term operation of the United States Postal Service is essential to our nation's economy and to our way of

life, which is why I am glad that today's hearing gives us an opportunity today to lay everything - from the value of the mail nowadays to the debate over the Postal Service's Civil Service Retirement System responsibility - out on the table for deliberation and consideration.

I appreciate today's witnesses for being here with us this morning to offer their suggested strategies on how best to increase revenue, reduce costs and improve efficiency going forward in order to help ensure the future financial viability of the Postal Service. Again, I'd like to thank the Chairman Towns for agreeing to hold this joint hearing, and I look forward to an informative discussion this morning.

On our first panel, we will hear from the Postal Service and GAO on their reports, while our second panel will discuss the impact of these recommendations and the CSRS pension issues.

Again, I thank all our witnesses for appearing today and I look forward to their testimony.

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