

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

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

Opening Statement Chairman Gerald E. Connolly Subcommittee on Government Operations Full Committee Hearing

“Legislative Proposals to Put the Postal Service on Sustainable Financial Footing” February 24, 2021

I want to thank the Chairwoman for focusing on the long-term success of the Service at one of her first hearings in the 117th Congress. I am committed to working with the Chairwoman to get a bill through this Congress that fixes the longstanding financial problems of the Postal Service.

The Postal Service has been a critical lynchpin of the American fabric since 1775. It employs 650,000 people and is the foundation for a more than \$1.7 trillion mailing industry that employs more than 7.5 million people.

Today’s hearing serves to inform Congress of the reforms necessary to return the Postal Service to financial health and ensure the Postal Service survives into the future. These efforts are not new, and certainly not new to me. I was elected to Congress shortly after enactment of the Postal Accountability and Enhancement Act in December 2006, legislation that I believe is the root cause of the Postal Service’s decline.

For nearly 15 years, the Postal Service has struggled to comply with the pre-pay requirement: a unique obligation no other entity in the world is required to meet. Congress has an obligation — having created the problem — to fix it. And that’s what the USPS Fairness Act provision does.

The pre-funding requirement required the Postal Service to pay between \$5.4 and \$5.8 billion each year for 10 years into the health benefits fund. But a decrease in revenue, starting around 2006, forced the Postal Service to forego the required prepayments since 2010. The Postal Service currently has roughly \$35 billion in unfunded retiree health care benefits because of Congress’ last-minute decision to require pre-funding. The money sits in a Treasury account, waiting to fund the health benefits of those not yet born when it could be used to fortify the struggling Postal Service now — to replace vehicles that are on average 25 years or older, that literally explode and endanger the workforce.

The language of the USPS Fairness Act would remove a manufactured, yet real liability from the books, wiping the \$35 billion of debt away for the Postal Service. The provision is not a panacea, but it is a critical pillar of the bipartisan comprehensive reform plan that we are focused on today. This provision removes the distraction of a multi-billion debt of Congress's own creation and gives the Postal Service time to build a practical business model that can adjusted to changes in technology and the marketplace. We have a moral obligation to fix the problem Congress created. Most importantly, the provision will allow the Postal Service to focus on serving the American people and delivering their mail and packages every single day.

I have been working for 12 years, since I entered Congress, to build broad coalitions of multifarious stakeholders who rely on the postal service for their businesses and nonprofits — and for veterans who get their prescription medications through the mail, the rural Americans who rely on package delivery to make it through the pandemic, and the individuals who pay their bills through the mail.

I'm prepared to meet this moment and enact meaningful reforms to deliver for this nation. Congress cannot afford to miss it.

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