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Contact: Dave Partenheimer  
(O) 202-268-2599  
(C) 202-262-3275  
*David.A.Partenheimer@usps.gov*  
*usps.com/news*

## Statement on Legislation Introduced by Rep. Darrell Issa

We thank House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA) for introducing the Postal Reform Act of 2011 and look forward to working with him as the bill makes its way through the legislative process.

While there are several provisions in the bill that we agree with, the bill appears to be based on the assumption that the Postal Service's challenges result from too little regulation. The opposite is true. Our financial instability is the result of dramatic loss in volumes, coupled with restrictions imposed by Congress that have prevented the Postal Service from adequately responding to those losses in a business-like fashion.

We strongly oppose a provision in the bill that provides for an additional \$10 billion in borrowing authority from the U.S. Treasury. The Postal Service does not need to incur additional debt — we need the money back that is already owed to us. We also strongly oppose sections of the bill that would create more government bureaucracy and slow our progress on streamlining our operations.

Also, we are disappointed that Rep. Issa's bill does not address core issues that Congress needs to address to enable the Postal Service to return to financial stability, including the need to:

- Eliminate the current mandates requiring retiree health benefit pre-payments, which costs the Postal Service \$5.5 billion annually.
- Allow the Postal Service to access Civil Service Retirement System and Federal Employees Retirement System (FERS) overpayments. The FERS overpayment is estimated to be \$6.9 billion.

We are pleased that the bill recognizes the need for a change in delivery frequency. The bill's provision to move to five-day delivery would save the Postal Service \$3.1 billion annually.

The need for legislative change is urgent. Despite significant and ongoing cost cutting actions and progress on new revenue generation, the Postal Service is in danger of running out of cash as early as this October.

The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$67 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 29th in the 2010 Fortune 500. Black Enterprise and Hispanic Business magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.