

Chairman Towns Announces Hearing to Examine Financial Viability of the Postal Service

GAO to release report on Postal Service business model

WASHINGTON – Chairman Edolphus “Ed” Towns (D-NY) today announced that the House Committee on Oversight and Government Reform will hold a hearing on Thursday, April 15, 2010, to examine the status of the Postal Service and recent reports on short and long-term strategies for the financial viability and stability of the United States Postal Service (USPS). The hearing titled: “Continuing to Deliver: An Examination of the Postal Service’s Current Financial Crisis and its Future Viability” will examine three recent reports on the future of the Postal Service.

A report released recently by the USPS that studied possible scenarios for the Postal Service in 2020 will be examined. According to the report, under the most likely scenario and without changes to the current system, the Postal Service would continue to experience significant declines in mail volume from its peak in 2006 resulting in a \$238 Billion shortfall over ten years. The report called for legislative action to address the shortfall, including allowing a five day delivery.

The Committee will also examine a January 2010 report by the Postal Service Inspector General which concluded that in the past 30 years the Postal Service has made \$75 Billion in overpayments related to its Civil Service Retirement System (CSRS). The study pointed to possible shortcomings in the formulas OPM used in calculating the Postal Service’s CSRS obligations for postal employees who worked before and after July 1, 1971.

This week the Government Accountability Office (GAO) will release a report on the Postal Service’s business model. At the hearing, GAO will be asked to explain the reasoning behind the report and the impact of its recommendations in reducing the Postal Service’s projected shortfall.

The witnesses invited to testify include:

The Hon. John E. Potter
Postmaster General and CEO

United States Postal Service

Mr. David Williams
Inspector General
United States Postal Service Office of Inspector General

Mr. John Berry
Director
Office of Personnel Management

Mr. Phillip Herr
Director, Physical Infrastructure Issues
United States Government Accountability Office

Ms. Ruth Goldway
Chairman
Postal Rate Commission

Mr. Daniel P. Mulhollan
Director
Congressional Research Service

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