

# Postal Regulatory Commission

Postal Regulatory Commission  
901 New York Avenue, NW  
Suite 200  
Washington, DC 20268-0001  
[www.prc.gov](http://www.prc.gov)

Phone: 202-789-6800  
Fax: 202-789-6886  
  
Contact: Ann Fisher  
[Ann.Fisher@prc.gov](mailto:Ann.Fisher@prc.gov)

## Press Release

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### **PRC Chairman Stresses Need to Adjust Mandated Postal Service Payments Praises Progress under PAEA as Foundation for Further Postal Reform**

**Washington, DC** – Postal Regulatory Commission Chairman Ruth Y. Goldway today cited the success of postal reforms enacted in 2006 and urged adjustments in Postal Service funding of employee pension and health benefits.

“We believe Congressional action to address pension and retiree benefit issues remains the key element of any reform effort. Before a broader strategy for effectively managing its business and serving its customers can be realistically implemented, the Postal Service must be able to accommodate its mandated payments,” Goldway said in remarks before a Senate postal oversight subcommittee hearing on the Postal Operations Sustainment and Transformation Act (POST Act). Commission studies show that the Postal Service may have overfunded its pension plan by as much as \$55 billion and could possibly reduce annual health benefit outlays by as much as \$2 billion while meeting Congressional objectives to prefund its future retiree health benefits.

Goldway noted that the POST Act builds on a strong foundation of progress made under the Postal Accountability and Enhancement Act, including greater transparency and accountability, enhanced service measurement and product innovation and the implementation of a price cap that has reduced red tape, kept postage rates low and incited \$11 billion in Postal Service cost savings over the past three years.

The Chairman expressed Commission support for allowing the Postal Service to cooperate with state and local government agencies to provide public services as it now does with the federal sector. She also recommended that any expanded flexibility for the Postal Service to compete in private markets and to modify universal service as proposed in the POST Act should be balanced by regulatory oversight that ensures level playing fields, fair competition and due process for customer rights. Under current law, the Commission has approved numerous Postal Service requests for innovative sales of postal products, tests of new experimental services, and more than two hundred negotiated service agreements.

Regarding customer rights, Goldway cited major discrepancies in how the Postal Service treats customers of station and branch retail facilities compared to patrons of post offices. “Citizens expect and deserve the same public notice, opportunity for comment and rights of appeal if and when postal facilities they depend on may be closed,” Goldway said.

The legislation proposes to lift restrictions that currently prohibit the Postal Service from reducing the frequency of delivery service. The Commission soon will issue its Advisory Opinion on a Postal Service proposal to eliminate Saturday street delivery service nationwide. The Opinion will provide the Commission’s findings and analysis of the five-day proposal based on extensive public hearings and the evidentiary record.

The Commission received more than 20,000 public comments in the past year, an 11-fold increase from the prior year, in response to Commission activities and a call by the Chairman for a public discussion on the future of the Postal Service. “This is indicative of how important the Postal Service is to our citizens,” said Goldway.

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*The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the U.S. Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Goldway, the other Commissioners are Vice Chairman Mark Acton, Dan Blair, Nanci Langley, and Tony Hammond.*