

**STATEMENT OF CHAIRMAN DANNY K. DAVIS  
AT THE**

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

**“The Three R’s of the Postal Network Plan: Realignment, Right-  
Sizing, and Responsiveness”**

**Thursday, July 24, 2008**

Today’s hearing will examine the Network Plan’s potential impact on the public, the postal workforce, the mailing industry, and the future economic health of the Postal Service.

The Postal Service accepts and processes over 200 billion pieces of mail annually, and delivers to nearly 148 million addresses, six days per week. In order to provide

this universal service throughout the United States and its territories, the Postal Service utilizes a vast network of more than 400 mail processing plants and 37,000 post offices.

Much of this complex network was developed in the 1970s and 1980s when our nation was experiencing significant increases in mail volume. Today, however, we face declining mail volumes, a new price-cap restriction on rate increases, and the mailing industry conducting more of the mail processing operation. These structural changes require the Postal Service to revise its distribution network to meet these changing conditions, while at the same time, addressing its operational needs. All this must be done in a way that maintains and improves service.

The Postal Accountability and Enhancement Act of 2006 (the Postal Act) required the Postal Service, in consultation with the Postal Regulatory Commission, to submit a plan for meeting modern service standards. As required, the Postal Service submitted this Network Plan to Congress last month, in which they laid out a long-term vision for rationalizing the infrastructure and workforce, and how they intend to implement this vision.

The Postal Service has identified excess capacity in its retail systems and mail processing and distribution facilities as an area of potential savings. The Service plans to reduce

excess capacity, increase efficiency, and reduce expenses by consolidating operations and facilities. For this effort to be successful the Postal Service MUST do a better job of realigning its processing and transportation networks, improve the data used in its computerized and statistical modeling, and minimize service disruptions. Failure to prevent and predict service problems will result in poor mail delivery, which in turn will anger the public and trigger political considerations.

We all want a Postal Service that continues to be a world leader in the mail industry and one that provides universal access and high quality service, at affordable prices.

Therefore, I think it is critical that we in Congress consider implementing the changes in the Network Plan as quickly as possible. After all, Congress made it clear in the Postal Act that the Postal Service has continued authority to change its network.

I look forward to hearing your views on the Network Plan, and I thank the witnesses for their testimony.