



United States Senate

Committee on Homeland Security and Governmental Affairs

Senator Susan M. Collins

For Immediate Release
July 6, 2010

Contact: Jeannine Guttman
202-224-4751

SENATOR COLLINS' STATEMENT ON PROPOSED POSTAL SERVICE RATE INCREASE

U.S. Postal Service Files Request Today

WASHINGTON — The U.S. Postal Service today announced plans to seek approval for a wide array of rate increases, filing its request with the Postal Regulatory Commission (PRC). In response, Senator Susan Collins issued the following statement on the USPS proposal:

“As the principal author of the 2006 postal reform act, I am disappointed that the Postal Service is seeking rate increases that far exceed the rate of inflation, averaging between four and six percent and for one class of mail as high as 23 percent. Only when the Postal Service can demonstrate ‘exceptional or extraordinary circumstance’ does the law allow for rate increases that exceed the rate of inflation. The Postal Service cites as one factor justifying the exigent rate case ‘continued movement toward electronic alternatives’ despite that trend being neither unexpected nor extraordinary.

“The Postal Service’s proposal could actually worsen the erosion in its customer base. Raising the rate for catalogs by more than five percent will cause some businesses to reduce their mailings of catalogs and to direct more of their customers to websites for information about their products. The Postal Service’s plans to hike rates so substantially as well as to cut services may well produce a death spiral of fewer customers and ever declining volume, exactly the wrong direction.”