



United States Senate

Committee on Homeland Security and Governmental Affairs

Senator Susan M. Collins

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SENATOR COLLINS AGREES WITH ARGUMENTS IN MOTION TO BLOCK PROPOSED POSTAL RATE HIKES

Collins Backs Position taken by the Affordable Mail Alliance

WASHINGTON, D.C. – U.S. Senator Susan Collins, Ranking Member of the Senate Homeland Security and Governmental Affairs Committee and author of the landmark postal reform law, the Postal Accountability and Enhancement Act of 2006, issued a statement today in support of the Affordable Mail Alliance’s Motion to Dismiss the U.S. Postal Service’s proposed rate increases.

The Alliance filed its motion with the Postal Regulatory Commission, arguing that the Postal Service’s rationale for its proposed rate hikes does not meet the required criteria to use an exigent rate case – which would allow postal rates to exceed the annual price increase cap.

Senator Collins’ statement follows:

“As the author of the 2006 postal reform law, I completely agree with the Affordable Mail Alliance that the Postal Service's proposed exigent rate increases are not justified under law.

“Let me be clear. The authority to increase rates under an exigent case can only be used in extreme and unforeseen instances - such as terrorist attacks, natural disasters, and other events that would cause significant and substantial disruptions in service. The law was not meant to be used to remedy poor economic performance or to offset an ongoing marketplace trend, such as the increased use of electronic over traditional mail.

“In addition to not meeting the criteria set forth in the law, the exigent rate case is simply a bad business decision. Rather than help restore postal solvency, an exigent rate increase will worsen the Postal Service’s crisis by further driving down mail volumes and thus revenues. Such action will erode further the Postal Service's already declining customer base. The Postal Service should be looking at initiatives that will increase volume and attract more consumers. These rate increases will do just the opposite.”