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ONE HUNDRED THIRTEENTH CONGRESS

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074

FACSIMILE (202) 225-3974

MINORITY (202) 225-5051

<http://oversight.house.gov>

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### Opening Statement

Rep. Elijah E. Cummings, Ranking Member

### Subcommittee on the Federal Workforce, U.S. Postal Service and the Census Hearing on "Alaska Bypass: A Broken System"

March 4, 2014

The Alaska Bypass Program is one of the most complicated systems in the U.S. Postal Service, and it is unfamiliar to those who have never lived in or traveled to Alaska. The system was established in response to unique local circumstances and needs.

Unlike other Postal Service programs, the Bypass program exists not only to deliver packages and freight, but also to subsidize passenger air service to remote locations in Alaska. It is proper for us to examine whether the Bypass program is the most efficient way of moving packages in Alaska and whether it remains the right way to support passenger air service there.

In 2011, the Postal Service Inspector General issued a white paper finding that the costs of the Alaska Bypass Program exceeded the rates paid by shippers by tens of millions of dollars every year, resulting in significant annual losses to the Postal Service. The Inspector General offered recommendations to reduce the costs of, and increase the revenues generated by, the Bypass program and to "make the Postal Service's responsibilities in Alaska more reasonable and consistent with its current role to provide universal service as it does in every other state."

Last month, the Committee voted to approve H.R. 4011, the Alaska Bypass Fair Competition Act. During our consideration of that legislation, Chairman Issa stated that the measure would "encourage greater competition and bring savings to the [Postal Service] and rural Alaskans." However, the Committee considered H.R. 4011 without first holding hearings or hearing from Alaska residents.

Before the vote last month, Congressman Don Young of Alaska wrote to the Committee in opposition of this legislation. He wrote that "the passage of H.R. 4011 will undermine successes accomplished" in the Rural Service Improvement Act of 2002. He also wrote:

[T]he market pressures will invite the operations of smaller, less efficient carriers and necessitate multiple stops. This will increase the operating costs of the USPS, and these costs will ultimately be passed along to the consumers and taxpayers.

I am pleased that we are convening a hearing today to examine the many complexities of the Bypass program. I am also pleased that we now have the opportunity to hear from Senator Mark Begich as well as Congressman Young since they represent the people who would be directly affected by any legislation reported by this Committee.

I look forward to the testimony of all of our witnesses today.

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Contact: Jennifer Hoffman, Communications Director, (202) 226-5181