

Postmaster General Steiner Testifies in Senate, Warns of Consequences if Congress Doesn't Act

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Postmaster General David Steiner testified in the Senate Homeland Security and Governmental Affairs Committee on June 24th, warning that without congressional action, the U.S. Postal Service could become insolvent by the end of this fiscal year, September 30.

Committee Chairman Rand Paul's (R-KY) message was stark: either the USPS needs to accept painful reform, or it could fail. Paul pointed to the roughly \$117 billion deficit that USPS has taken on since 2007, noting that it's been protected from hard choices that would "stop the bleeding." The USPS may not have that protection any longer. In his eyes, before Congress commits to supporting USPS any more than it has in the past, it would need to show (1) a real plan to bring labor costs down, potentially shrinking the workforce; (2) proof that private partners will be used when they cost less, indicating the outsourcing of labor or operational capabilities; (3) commitments to stop capital spending that shows no return; (4) a willingness to consolidate facilities that no longer make sense, meaning slashes to USPS locations; and (5) proof that the service mandate cannot be met without service loss.

Postmaster General Steiner, for his part, argued that the tools available to other government agencies or private entities aren't provided to the Postal Service. USPS cannot merely adjust routes or close unprofitable locations— it must deliver to *all*. Moving forward, the choice for Congress is clear: either lawmakers need to remove/alter the mandates they've created for the Postal Service, or they can compensate it. The USPS is already taking drastic steps to save itself without congressional support by reducing work hours, shrinking the workforce by 28,000 employees, implementing a hiring freeze, and temporarily suspending regular contributions to employee retirement plans.

Congress hasn't made regular appropriations to financially assist the USPS since the 1980s, even though they knew that USPS could lose money from the current model. More congressional support is thus necessary to avoid layoffs, post office closures, and degraded service across the country. Whether it be financial, regulatory, or statutory support, only Congress has the true power to save the post office and avoid the degradation and insolvency of USPS in the future. High operational costs and little statutory flexibility exacerbate the need to convince skeptical lawmakers that USPS should not have to sacrifice its services and employees because of burdensome mandates.

While the U.S. Postal Service hasn't provided an exact estimate on when it may go under, it's clear that Congress and the USPS must work in tandem to enact reform and support its core mission – delivering the mail – without the fear of financial collapse in the backdrop.

[Please see a link to the full Senate hearing here.](#)

[Please view a full hearing summary here.](#)