STATEMENT OF SENATOR SCOTT BROWN

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Nomination for Postal Regulatory Commission – Tony Hammond March 6, 2012

Thank you Mr. Chairman.

This nomination is being considered at a time when the Postal Service is at a crossroads. The evolution of electronic communications and the lingering effects of an economic recession have caused mail volumes to drop at an unprecedented rate. This decline, which is not expected to rebound, has combined with enormous labor costs and statutory mandates that have left the Postal Service financially crippled. There is little disagreement that the current business model is not sustainable in the future.

There is plenty of disagreement, however, on the steps necessary to put the Postal Service on a viable financial path forward. Surely, the Postal Service must continue to cut costs and reduce capacity to align with projected declines in mail volume. Yet, it is also up to Congress to find the right balance of reforms that will both ensure universal service and secure the long-term financial health of this vital institution into the future. No doubt, some tough choices must be made. The Postal Service impacts many important stakeholders and thoughtful consideration is required across many different viewpoints. I am confident, however, that Congress can find a responsible set of proposals that may require some shared sacrifice, but will finally put the Postal Service on a sustainable fiscal path.

Senator Carper and I, along with Senators Lieberman and Collins have attempted to do just that with S.1789, the 21st Century Postal Service Act -- a bill that is a shining example of how legislation can be developed with a bipartisan, bicameral solution in mind. We continue to receive a lot of input from our colleagues and will continue to work with them to address their concerns. It is my hope that we can finally see this bill on the floor sometime this work period. Otherwise, I am afraid that every day that passes without legislation is another day that pushes the Postal Service closer to the brink of insolvency.

We are here today to consider the nomination of a Commissioner to the Postal Regulatory Commission (PRC), an organization whose unique perspective has been extremely important to various ongoing postal policy debates. The PRC will have an important role as the legislative process moves forward. As the Postal Service looks to tackle excess capacity in its retail network and consolidate operations, the PRC's role will be crucial in addressing the questions surrounding proposed changes to service standards. This analysis will inform how the Postal Service proceeds with its ongoing consolidation plans and will provide key decision makers, such as Congress, with important insight into the resulting impact to postal customers, postal employees, and other important stakeholders.

Having served as a Commissioner for ten years, Mr. Hammond is no stranger to the balance of politics and policy considerations that govern the operations of the Postal Service on a daily basis. Many questions have been raised in the past about the proper role and responsibilities of the PRC now and in the future. I think his experience may provide some valuable insight into how the PRC will handle an increasingly demanding workload as the Postal Service moves forward with significant operational changes in the future. Furthermore, Mr. Hammond is no stranger to the challenges and debates surrounding postal reform in Congress having worked on the Hill himself at one time.

And though I have not yet had a chance to sit down with Mr. Hammond in person, I know we will get the chance in the near future. I look forward to it and the opportunity to start that conversation today. No doubt it will be a demanding time to serve on the PRC considering the challenges facing the Postal Service in the near and long term. Mr. Hammond, I appreciate your willingness to serve another term in this important position; I thank you for being here; and I look forward to your comments.