

Opening Statement of Victoria Reggie Kennedy
Senate Homeland Security and Governmental Affairs Committee
Confirmation Hearing, U.S. Postal Service Board of Governors

Mr. Chairman, Mr. Ranking Member and Members of the Committee:

I'm pleased to join James Miller, Steven Crawford and Michael Bennett to appear before you this afternoon as President Obama's nominees to the Board of Governors of the United States Postal Service. I am honored and humbled by the confidence and trust that President Obama has placed in me.

I look forward to answering your questions and hearing first-hand your thoughts and concerns about the Postal Service. If confirmed, I look forward to working with the Committee and with other Members of Congress to strengthen the Postal Service in a long-term and comprehensive way.

I would also like to thank my family for their support. Many of them are here today – my mother Doris Reggie, my son Curran Raclin, Congressman Patrick Kennedy and his lovely wife Amy, my sister Alicia Freysinger and my nephew Congressman Joe Kennedy. My daughter Caroline Raclin is working in the Philippines and Ted Kennedy, Jr. has a campaign in Connecticut, but I promised I'd mention them because they really wanted to be here.

The Postal Service is a vital public asset. It has near daily contact with every American household and business. There are more than 31,000 Post Offices, stations and branches across this country, many of which serve as a focal point of local identity and a center of community interaction. With 500,000 hardworking and dedicated employees, earning solid, middle class incomes, the Postal Service is an essential part of the fabric of American life. Indeed, the governing principle of universal service – that no matter where you live in the United States, you are entitled to the same postal service as every other American – unifies us as a nation. Our Founding Fathers understood that when they included the Postal Clause in the Article I of the Constitution.

As we meet today, however, the Postal Service is facing a serious financial crisis. First class mail volume continues to decline and the Postal Service is facing the unintended consequences of a Congressional mandate to prefund long-term retiree health benefits on a short-term basis. Post offices and distribution plants are closing and the work force is declining.

If confirmed, I would work with my fellow Board members to look at comprehensive ways to address this crisis both with and without the need for new legislation. I would likewise work with them to listen to the concerns and ideas of key constituency groups, to craft long-term solutions to long-term problems, to position the Postal Service to be nimble and ready to take advantage of opportunities for growth in its core business – letter and package delivery – and not to undermine its essential strengths. I think it also important to look at the possibility of expanding into related business lines, while always maintaining timely universal service and protecting and nurturing the core business of the Postal Service.

The mailing industry in this country generates \$800 billion in economic activity, and the Postal Service is a key part of the distribution network for that activity. Its competitors even rely on its exceptional distribution infrastructure for the key “last mile” delivery to connect the smallest towns and rural areas to E-commerce. A recent Inspector General report has concluded that preserving that infrastructure could allow the Postal Service to reap as much as a half billion dollars of additional revenue in the near future because of private sector manufacturing innovations, such as 3-D printing, that will need the sophisticated, full-service delivery infrastructure that the Postal Service has in place.

I believe that the Postal Service can and should be at the leading edge of innovation in envisioning the new ways that Americans communicate with each other and with the rest of the world. I also believe it should have the regulatory flexibility to take advantage of opportunity and innovative when it is in the public interest.

I look forward to discussing these and other issues with this Committee today, and, if confirmed, with the Committee and Congress in the future.

If confirmed, I believe that my skills and experiences can make a positive contribution. As a practicing attorney, I’ve counseled clients in heavily regulated environments. I have represented federally insured depository institutions undergoing serious financial challenges requiring mergers, recapitalizations and restructuring and have represented both banks and borrowers in restructuring large loan transactions. I have also both counseled boards of directors as an attorney and served on numerous Boards.

If confirmed to the Board of Governors, I would always keep paramount a focus on the public interest. The Board of Governors should set policy to ensure the long-term financial well being of the Postal Service and it should assure that senior management follows and executes that policy. The Board should not micromanage operations. I believe in a full airing of the issues

and a robust dialogue with all interested parties, as we seek, in the public interest, the best way to return the Postal Service to a safe and secure financial footing.

In closing, I again want to thank you for considering my nomination, and I look forward to answering your questions.