

Opening Statement of Michael M. Kubayanda

Nominee, Postal Regulatory Commission

October 3, 2018

Good morning Chairman Johnson, Ranking Member McCaskill, and members of the Committee. Thank you for inviting me to testify regarding my nomination to the Postal Regulatory Commission.

I have been fortunate to work with this Committee in earlier positions I have held and I am honored by the opportunity to do so again. I have built solid relationships with members of your staff over the years. I've been impressed by their dedication and knowledge and I understand the importance of providing accurate and timely information to Congress. I believe this ensures better oversight and better public policy. If confirmed, this will be a high priority for me.

I have several years of experience working on postal reform and oversight, most recently at the Office of Inspector General. I'm familiar with many of the key issues and organizations in the field. I believe my understanding of adjacent and complementary issues, such as technology, can also be helpful.

We appear to be close to an inflection point on postal issues. On one hand, declining mail volume and legal mandates contribute to ongoing financial losses. On the other

hand, e-commerce and new consumer technologies are transforming delivery services and providing options to improve customer service. It is vital that we in the postal community understand these changes and how they impact the Postal Service.

We should also try to understand how consumer expectations are changing in this era and ensure that services and regulations are responsive to these expectations. I have looked at these issues from many perspectives, especially at the OIG. I believe that this background has prepared me well to address the issues facing the postal sector now and in the future.

I view a Commissioner's role as similar to that of a state utility regulator. The Commission must bring to bear the necessary analytical skills to scrutinize the operations and finances of the Postal Service and ensure compliance with the law and public policy, as established by Congress. In addition, the Commission should support transparency by making sure that its findings are readily accessible to stakeholders and the public at large.

Key technical matters facing the Commission include negotiated service agreements, Post Office appeals, and complex issues of economic regulation. The Commission will issue a final order on the 10-year review of the system for regulating market dominant products under the PAEA. It is also looking at the proper contribution of competitive products, such as e-commerce packages, to the institutional costs of the Postal Service.

With this sizable and important workload, the Commission should continue to emphasize efficiency and responsiveness to stakeholders. I believe the Commission's emphasis on strategic planning will help it prioritize and execute against this agenda. If confirmed, I look forward to working with Chairman Taub and Commissioners Langley, Hammond, and Acton to do so.

Thank you for considering my nomination and I look forward to answering your questions.

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