

Committee on Homeland Security and Governmental Affairs
United States Senate
July 14, 2014

Mr. Chairman, Mr. Ranking Member, and Members of the Committee: my name is James C. Miller III, and I thank you for inviting me to this hearing today. The U.S. Postal Service (USPS) faces extraordinary challenges. The work you do can either put the organization on a sound financial footing or see it become an expensive ward of the state. With the Postal Reform Act of 2014 (S.1486) you have taken an important step in the direction of the former. I hope the House Oversight and Government Reform Committee moves forward with its bill and that a conferenced bill will become law. If confirmed, I pledge my support of such an outcome.

I wish to thank President Obama for nominating me for another term as USPS Governor and Majority Leader McConnell for urging him to do so. I am pleased to be nominated alongside the three distinguished individuals with whom I share the table, all of whom I have gotten to know and admire in recent months. They will make splendid additions to the Board.

There was a time, when as President Reagan's budget director, I knew my way around Capitol Hill pretty well, and I dare say most Members of Congress knew me or at least knew of me. But that was a quarter of a century ago. So, let me tell you a little about myself.

After public schools in a small town East of Atlanta, I received bachelor and Ph.D. degrees in economics from the Universities of Georgia and Virginia respectively. Over the years I pursued a career as an academic, teaching full-time at Georgia State University and Texas A&M University, and part-time at the University of Georgia, the University of Virginia, George Washington University, and George Mason University. Also, at certain periods I have been associated with some of the nation's leading think tanks: the Brookings Institution, the American Enterprise Institute, and the Hoover Institution. I am the author, co-author, and/or editor of nine books and over 100 articles in professional journals.

My career in the federal government included senior-staff stints at the Department of Transportation (where I contributed to airline regulatory reform) and the Council of Economic Advisers (where I wrote the chapter on government regulation in the 1974 Economic Report of the President). For a time I served as an assistant director of the Council on Wage and Price Stability, where my team and I analyzed and made transparent the benefits and costs of proposed federal regulations. In the Regan Administration, I coauthored Executive Order 12291, which established the program of centralized regulatory review, and then implemented same. As chairman of the Federal Trade Commission I steered the organization back to its historic purposes of ensuring competitive markets and

protecting consumers, and I resisted efforts to have the agency's authority curtailed. As director of OMB I helped negotiate and then implement the Gramm-Rudman-Hollings law, which brought the deficit down markedly, and in a real way I helped manage the federal workforce. Finally, as you know, I served a term on the USPS Board of Governors, including three years as elected chairman, where, among other things, my colleagues and I initiated and implemented the "Forever Stamp" and were responsible for a workforce of half a million. Along the way, I testified before committees of Congress so many times I've lost count.

In 1994 and 1996 I ran for, but failed to secure, the Republican nomination for the U.S. Senate from Virginia. And in 1998 and 2000 I helped my spouse in her failing general election campaigns to represent Virginia's Eighth District in the U.S. House of Representatives.

My business career has included a private consulting practice, development and leadership of an economic consulting firm, and directorships at a number of companies. Presently I serve on the boards of Washington Mutual Investors (one of the largest equity mutual funds in the country), the Tax-Exempt Fund of Maryland, the Tax-Exempt Fund of Virginia, and Clean Energy Fuels Corporation (the largest retailer of natural gas for vehicles in North America). On each of these boards I serve as chairman of the audit committee and as the designated financial expert. In addition, I serve as a Senior Advisor at Husch Blackwell LLP, an international law firm, and as chairman of the executive committee of the International Tax and Investment Center.

Today I am here to ask you to confirm me for reappointment to the USPS Board of Governors. Dr. Demaris Miller, my wife of over half a century, has asked me several times: "Why are you doing this? You've been there, done that." The reason? It is a matter of unfinished business. You see, I care about the U.S. Postal Service – its customers, its vendors, its employees, and others who depend upon it. USPS is a great institution, with a great history. It's being pummeled from many quarters and must change its business model if it is to survive as anything other than a ward of the state. I spent endless hours attempting to make this happen, but did not succeed before my term ended in a full stop in 2011. I want to renew my efforts and, working with my colleagues, with you Members of Congress, with those in the Administration, and with other stakeholders, help bring this goal to fruition.

Mr. Chairman, Mr. Ranking Member, and Members of the Committee: this completes my statement. I shall be happy to address any questions you might have.