

STATEMENT OF SENATOR SCOTT BROWN

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Nominations for Postal Board of Governors

June 21, 2012

The Postal Service today is clearly at a crossroads. Every day that passes is another day that pushes the Postal Service closer to the brink of insolvency. Many have argued that this is simply a result of burdensome statutory obligations placed on the Postal Service at a time when the economic situation was much different than today. Others have pointed out that the Postal Service is simply being forced to face a new reality brought on by new technology and accelerated by the recession. Regardless which reason you favor, all can agree that some hard choices must be made to allow the Postal Service to continue to serve this country successfully in the future.

The fact remains that first class mail volume, the largest contributor to postal revenue, is on the decline and there is no rebound in sight. This has forced the Postal Service to find ways to right-size its delivery network and reduce capacity to meet current volume levels. This process must move forward in a responsible way that is sensitive to the needs of communities and small businesses and recognizes the valuable service of postal employees.

That said, the Postal Service can only do so much without some help from Congress. Lifting some of these legislative restrictions will give the Postal Service a substantial financial boost in the near term. That is why I, along with Senators Collins, Carper, and Lieberman worked hard to develop a comprehensive bipartisan reform bill and get it passed through the Senate this spring.

During the development of the bill, we talked to many different stakeholders and received valuable input from a number of important organizations with a long history of postal oversight, advocacy, and expertise. This included the Postal Service itself, the Postal Regulatory Commission, the Government Accountability Office, and all of the postal employee unions. Yet, from my recollection, we heard little from the Postal Board of Governors directly on most of the important issues being deliberated and discussed as part of the reform legislation.

This is concerning because of the important role that the Board of Governors plays in setting policy for the Postal Service and the oversight responsibilities it has in ensuring that those policies are implemented successfully.

It is clear from nominee interviews and questionnaires that there are many different viewpoints on the path forward for the Postal Service and the areas where statutory changes would help or hinder that process. Yet, the member's of this committee and our staffs heard very little from the board over the last year that would have indicated those divergent views or how they might inform the proposals in the final bill.

Considering that both of the nominees being considered today are being reconfirmed in their position on the board, these are legitimate issues to raise. Speaking as the Ranking Member of the Subcommittee of jurisdiction over the Postal Service, I expected that the Board of Governors would have a larger role to play in helping to develop legislative policy that will have a far reaching affect on how the Postal Service will operate and find its financial footing in the future.

We are obviously waiting on the House of Representatives to consider their own postal reform bill in the very near future. There is universal agreement that the time for action is now. It is imperative that Congress pass a bill this year in order to get the Postal Service on a path to financial solvency and future long-term success. This is obviously no easy task. When the Senate considered our bill on the floor, there was plenty of debate on the right combination of solutions. The Postal Service impacts many important stakeholders and thoughtful consideration is required across many viewpoints. I am confident, however, that our bill included a set of proposals that will finally put the Postal Service on a sustainable fiscal path that will support employees, communities, and businesses alike.

There is no doubt that declining mail volumes will continue to place significant fiscal strain on the Postal Service in the future. The Postal Service must continue to adapt its business model to ensure both its financial survival and maintain the level of service so many Americans and businesses rely on. The Board of Governors has an important role in that process and I hope our nominees will continue to take that responsibility seriously and work with Congress in a more meaningful way in the future, should their nominations proceed.

Regardless, I want to thank our nominees and their friends and family for their service and for being here today. Thank you Mr. Chairman.