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STATEMENT OF CHAIRMAN DANNY K. DAVIS AT THE SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL SERVICE, AND THE DISTRICT OF COLUMBIA HEARING ON

“IMPLEMENTATION OF THE POSTAL ACCOUNTABILITY ENHANCEMENT ACT OF 2006”

Thursday, February 28, 2008

Ranking Member Marchant, members of the Subcommittee, and hearing witnesses, welcome to the Subcommittee’s hearing on the Implementation of the Postal Accountability Enhancement Act of 2006. Today’s hearing will examine the progress of the United States Postal Service (the Postal Service) and the Postal Regulatory Commission in the implementation of the Postal Accountability Enhancement Act of 2006.

The Postal Service performs a valuable national service. In 2007, it delivered over 212 billion pieces of mail to nearly 148 million delivery points. Over \$80 billion was spent in providing these and other postal services required as part of meeting the Postal Service’s universal mandate. To ensure the financial soundness of the Service and its primary function of mail delivery, the Congress passed the Postal Accountability and Enhancement Act of 2006 (the Act)—making it the first major piece of Postal Reform Legislation since the one that created the Postal Service in 1970.

The Act was a direct result of the postal community coming together and reaching agreement on work-sharing, rate-setting, pricing flexibility, diversity, and a number of other provisions to ensure that the Postal Service can compete in today's marketplace. It is only through an economically vibrant Postal Service, one that can respond rapidly and effectively to changing marketing conditions, that we can preserve the important American ideal of universal service.

To ensure compliance with the Act, the Subcommittee has conducted, and will continue to conduct aggressive postal oversight, and in particular, monitor the implementation of the Postal Accountability and Enhancement Act of 2006.

Today I look forward to hearing about the progress the Postal Service and the Postal Regulatory Commission have made in implementing the changes mandated in the Act. We have already seen evidence of progress. For example, the Postal Regulatory Commission developed and issued final regulations for a new ratemaking system on October 29, 2007, nearly eight months before the statutory deadline of June 20, 2008, set forth by the Act. And on February 11, 2008, the Postal Regulatory Commission filed for its first-ever rate adjustment for market-dominant products under the new regulations when they announced that the price of a First-Class stamp will increase by one cent, effective May 12, 2008.

Thank you and I look forward to hearing the testimony of today's witnesses.