

Opening Statement of Senator Akaka
"The Road Ahead: Implementing Postal Reform"
Senate Homeland Security and Governmental Affairs Committee
Subcommittee on Federal Financial Management, Government Information,
Federal Services, and International Security
April 19, 2007

Thank you Mr. Chairman. I am pleased to be here this afternoon to discuss the implementation of the Postal Accountability and Enhancement Act, or the PAEA, which was passed late last year. I thank all of our panelists for joining us today, and look forward to hearing their views on where we are with the reforms and what work still lies ahead.

I first want to commend my colleagues, especially Senator Carper and Senator Collins, who worked tirelessly to craft a bill that will hopefully not only preserve the postal service, but also improve it. I am pleased to see that the Postal Service has been taken off of GAO's high risk list in large part due to passage of the PAEA.

One area that I am particularly interested to hear about is the effort to implement the new accounting standards called for by the PAEA. While the Postal Service has made strides in the area of financial transparency, including quarterly reporting of data, and making that data more accessible, the Postal Service will now be held to similar disclosure standards as private companies are under the Sarbanes-Oxley Act.

Another issue is the creation of new regulations that will give the Postal Service increased flexibility in responding to costs by allowing them greater latitude in setting new rates. It is my hope that the Postal Regulatory Commission will be able to write strong regulations in a timely manner. I also hope that if a final rate change case under the old system is put into motion this year, that the Commission can still work to develop these regulations as soon as possible.

I have also been made aware issues regarding the use of contractors for delivering mail. While the postal service has long used contractors for extremely rural routes, and for limited highway routes, we have seen an increase in the use of contractors for more urban routes. I believe there is a place for contractors in the Postal Service, but the practice should never be abused or unnecessarily expanded. Mr. Potter, I hope that you can share with us what the Postal Service is doing in this area.

Chairman Carper, I thank you again for calling this hearing, and hope that it will be the first of many to ensure that postal reform is being implemented successfully. I look forward to continuing to work with you on this.