

Press Release

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**POSTAL REGULATORY COMMISSION CHAIRMAN TESTIFIES
BEFORE THE SUBCOMMITTEE ON FEDERAL WORKFORCE,
POSTAL SERVICE AND THE DISTRICT OF COLUMBIA**

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Washington, DC – Chairman Dan Blair testified on the Postal Regulatory Commission’s strategy for implementing the Postal Accountability and Enhancement Act (PAEA) at today’s House postal subcommittee hearing. The Act significantly strengthens the authority of the renamed Postal Regulatory Commission (PRC) and requires the Commission to develop a more modern postal ratemaking system.

Blair said, “To ensure transparency and accountability under the new ratemaking system, the Act assigns continued oversight responsibilities to the Commission.” The Act equips the PRC with the authority to use new enforcement tools, including subpoena power, authority to direct the U.S. Postal System (USPS) to adjust rates and take other remedial actions, and the imposition of fines in cases of deliberate noncompliance with applicable postal laws.

The PRC is moving forward on engaging the postal community in this effort, Blair explained. He noted that the Commission published an Advance Notice of Proposed Rulemaking on January 30,

2007, soliciting public comments on how the Commission can best fulfill its responsibilities and achieve the objectives of the Act. To date, 32 parties have submitted comments. In addition, the Commission cosponsored a summit with the USPS, attended by over 200 individuals, and is now consulting with the Departments of Treasury and State, the Federal Trade Commission, the U.S. Customs and Border Protection, the postal Inspector General, and the Government Accountability Office, as part of its outreach efforts.

“Creating a new regulatory framework for a more modern rate setting process is only one of the many actions required under the PAEA,” Blair testified. He noted that the Act directs the Postal Service, in consultation with the Commission, to establish service standards for market-dominant products and assigns regulatory oversight to the Commission. Blair said, “I look forward to full consultation, as envisioned by the Act, with the Postal Service later this spring and summer.”

The Commission is also completing pending business under the previous law, including a reconsideration of its recommended decision on Standard Rate Flats mail. Blair underscored the challenges facing the Commission especially in light of the Postal Service’s opportunity to file one last omnibus rate request under the old law.

“There is no question that this final rate case would divert Postal Service and Commission resources that, in my view, would be better devoted to developing the new system of regulatory oversight,” Blair said, but added, “The Commission is committed to timely performance of all its statutory obligations and to do so in a reasoned and balanced manner.”

The Postal Regulatory Commission is an independent federal agency comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Blair, the other four Commissioners are Mark Acton, Ruth Goldway, Tony Hammond, and Dawn Tisdale.