

Opening Statement of Ann C. Fisher
Nominee, Commissioner, Postal Regulatory Commission
July 25, 2024

Chairman Peters, Ranking Member Paul, and members of the Committee, I am honored to appear before you today as a nominee for a second term at the Postal Regulatory Commission. I am also grateful to President Biden and Leader McConnell for nominating me.

Though my family was not able to join me today, I want to thank my husband, Dave, and my daughters, Dagny and Regan, for their endless support and love. I would also like to thank my parents, Paul and Cathryn Rehfluss of Yankton SD, who led the way for me as long-time civil servants: my dad as a counselor for the South Dakota Department of Labor and my mom as a registered nurse for the South Dakota Department of Social Services.

This May marked my 31st year of federal employment — all but 2 of those years involving work on postal issues. My career began in the U.S. Senate, working for Senator Larry Pressler of South Dakota. I also had the privilege of working for Senators Thad Cochran of Mississippi and Susan Collins of Maine. It was during my final four years in the Senate that I served as Deputy Staff Director to Chairman Collins on the Homeland Security and Governmental Affairs Committee. Together, after countless postal reform hearings and endless bill negotiations, we were able to celebrate passage of the Postal Accountability and Enhancement Act of 2006.

In 2007, I moved over to the Postal Regulatory Commission to serve as chief of staff to then- Chairman Dan Blair. I later became the Commission's public affairs and government relations director, and in 2019 I was appointed by President Trump to serve as a commissioner.

Throughout my career, I have always found tremendous value in meeting with postal employees and various stakeholders within their own environment. This past year, I met with plant managers at postal processing and distribution centers in Sioux Falls, South Dakota and Fargo, North Dakota. I visited with postmasters at post offices in Sioux Falls, Harrisburg and Brookings, SD; Topeka, Kansas and Kansas City, Missouri. In Topeka, I also toured a new style of facility called a local distribution center, or LDC.

At each of my stops, the postal employees I met were all very proud and hard-working people — several with decades of experience at the Postal Service under their belt. Most were familiar with the Postal Service's high-profile Delivering for America plan and happy to share the benefits of this plan with me. I sensed their hope that the 10-year DFA plan would deliver what has been promised — long-sought financial stability for the Postal Service coupled with service excellence.

The facts are that since 2007 the Postal Service has suffered a history of financial net losses while losing 48 percent of its mail volume. Incredibly, despite the Postal Service Reform Act's removal of the Service's \$57 billion liability for past due retiree health benefits, the Postal Service is still left with a net deficit of \$23.1 billion in FY 2023 due to ongoing financial issues.

Together with my fellow commissioners, I work to foster a vital and efficient universal mail system. During my interview with committee staff in advance of today's hearing, I was asked how the Commission might help the Postal Service become financially stable. I responded that the Commission has the ability to provide the Postal Service with additional rate setting authority, but that alone is not enough to return the Service to a state of financial viability. Indeed, there are legitimate questions as to the effects of the much-accelerated pace at which the Postal Service is increasing rates, given how much mail volume has, and is being, lost.

A key aspect of the Postal Service's financial viability is cost containment and management. While the Commission has no direct role in Postal Service operations, it can provide transparency and analysis to ensure the Postal Service is doing its due diligence and being held accountable. Currently at the Commission we have opened dockets aimed at providing transparency into the DFA plan, inefficiencies in the processing of flat-shaped mail, and service performance measurement. Ultimately, though, the question of whether financial sustainability can be achieved while maintaining high levels of service will depend on sufficient demand for postal products. This is something that posts around the world are facing right now. It is my hope that the Commission's current review of the Postal Service's price elasticity of demand will allow for a better understanding of the issue.

While my statement has focused on postal finances, the Commission also actively monitors, reports on, and makes recommendations regarding Postal Service performance. In certain parts of the country, DFA-related adjustments have caused historic service performance lows. I expect to hear on this issue from members of the committee this morning, and welcome any questions you may have for me.

Again, I thank President Biden for nominating me and I would be honored to continue my role as one member of a team of commissioners dedicated to ensuring the transparency and accountability of the U.S. Postal Service.