

Opening Statement of Michael M. Kubayanda

Nominee, Postal Regulatory Commission

November 18, 2021

Good morning Chairman Peters, Ranking Member Portman, and members of the Committee. Thank you for inviting me to testify regarding my nomination to the Postal Regulatory Commission.

I have been honored to serve as a Commissioner since January 2019, and as Chairman since January 2021, a period in which the postal system has gone through significant changes.

The Postal Service has served its critical mission of binding the nation together during the pandemic. Postal workers kept Americans connected, allowed businesses to reach their customers, enabled citizens to safely receive supplies, and helped carry out elections. On the other hand, customers reported woeful performance in some areas, and the quantitative evidence confirmed this.

During this difficult period, the Commission has ably carried out its mission of providing transparency and accountability. The Commission produced its Annual Compliance Determinations on time during the pandemic, overseeing service and financial compliance by the Postal Service. We have also issued major rulemakings on a bipartisan basis, including the “10-year review” of the ratemaking system, and updates to the analytical principles that underlie Postal Service accounting and cost allocation. In

addition, we have increased the Commission's focus on customer experience (CX) by probing the Postal Service's performance against CX metrics adopted from the private sector.

Over the years, the Commission has mastered the annual compliance cycle established under 1970 and 2006 legislation. While these tools are proven, they may not be entirely adequate for our present situation and the speed of commerce today. For example, high profile service problems in last year's holiday season – November and December of 2020 – occurred in fiscal year 2021. They will be addressed in the FY 2021 annual compliance determination, which will be published in March 2022. That is 15 to 16 months after the problems occurred.

The Commission is capable of providing transparency through more relevant and timely analyses. Working with my colleagues, I am doing everything in my power, and within the Commission's authority, to make sure we provide them.

A Data-Centric, Customer-Centric, and Citizen-Centric Approach to Postal Regulation

Our traditional tools for providing accountability and transparency must be updated with a data-centric, customer-centric, and citizen-centric approach. This modernization is guided by bipartisan legislation approved by this Committee and the needs of the moment. It is also modeled on the success of other parts of the government such as the Postal Service's Office of Inspector General.

The Commission is currently implementing the OPEN Government Data Act, part of the Foundations for Evidence-Based Policymaking Act of 2018. Pursuant to this law, the Commission will soon hire its first Chief Data Officer and establish a Data Governance Board to make data available to the public in machine readable formats and manage data as a strategic asset to the nation. The Commission is also reorganizing its staff to launch a small data analytics group to examine the postal network, address bottlenecks, and conduct specialized studies of postal costs.

Pending internal approvals, the Commission is considering new data visualization approaches, such as a “beta” version of a service performance dashboard, on our website. Dashboards can provide more understandable and timely insights into service performance, and eventually, financial performance. The proposed “beta” service dashboard is the result of work performed in-house by our enterprising staff with no additional investment. The “beta” dashboard should be on our website before the end of this calendar year.

These are modest steps undertaken on a small scale due to the Commission’s lack of resources and essentially flat funding since 2006, but they are necessary steps in modernizing postal regulation.

To support this modernized approach, the Commission has expanded its technological capabilities. We have hired IT and cybersecurity experts with experience at larger agencies. We are also transitioning to cloud computing to support security, flexibility, long-term cost savings, and scalability. The Commission has applied to the Technology Modernization Fund to bolster these efforts.

Strategic use of data and technology updates the Commission's traditional mission of transparency and accountability. It allows the Commission to benefit from better informed inputs from a broader range of stakeholders and provides discipline and focus for the exercise of our core responsibilities.

Through this data-centric, customer-centric, and citizen-centric approach, I hope the Commission can contribute to a virtuous cycle, continue to make this corner of the government more responsive, and adapt postal regulation in order to improve services to American citizens and businesses. I hope to return to the Commission to help it execute on this approach.

Thank you for considering my nomination and I look forward to answering your questions.

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