

NOMINATION OF DAWN A. TISDALE

HEARING

BEFORE THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

ON THE

NOMINATION OF DAWN A. TISDALE, OF TEXAS, TO BE COMMISSIONER,
U.S. POSTAL RATE COMMISSION

APRIL 29, 2004

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NOMINATION OF DAWN A. TISDALE

THURSDAY, APRIL 29, 2004

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:00 a.m., in room SD-342, Dirksen Senate Office Building, Hon. Susan M. Collins, Chairman of the Committee, presiding.

Present: Senators Collins, Akaka, and Lautenberg.

OPENING STATEMENT OF SENATOR COLLINS

Chairman COLLINS. The Committee will come to order.

Good morning. Today the Committee on Governmental Affairs is holding a hearing to consider the nomination of Dawn Tisdale to be a Commissioner on the Postal Rate Commission. The Commission reviews the Postal Service's requests for new domestic mail rates, fees, and mail classifications and makes recommendations to the Postal Board of Governors. The Commission may also propose changes in mail classification to the Postal Service, investigate complaints concerning postal rates, fees, mail classifications or services that involve issues of nationwide significance, and hear appeals from postal customers concerning decisions to close or consolidate retail post offices. In short, the Commission is instrumental in helping the Postal Service meet its financial and operational challenges.

The good news for Mr. Tisdale is that he would join the Postal Rate Commission at a time when the very direction of the Postal Service is being debated and reconsidered. The bad news is that he will be called upon to help bail out a ship that is taking on water fast.

The Postal Service is the linchpin of a \$900 billion mailing industry that employs 9 million Americans in fields as diverse as direct mailing, printing, catalogue production, paper manufacturing, and financial services.

David Walker, the General Accounting Office's Comptroller General, has expressed concern about the Postal Service's more than \$90 billion in unfunded liabilities and other obligations. He has also pointed to the need for fundamental reforms to minimize the risk of a significant taxpayer bail-out or dramatic rate increases.

Earlier this month the Committee concluded a series of eight hearings taking an in-depth look at the 35 legislative and administrative recommendations of the President's Commission on the U.S. Postal Service. In its final report issued last July, the Commission described the need for a vigilant, broadly empowered and inde-

pendent Postal Regulatory Board. Among other things, the Commission recommended that the current rate-setting process, often described as lengthy and litigious, be replaced with a more streamlined process, that the regulators should have the authority to clarify and refine both the scope of mail monopoly and the universal obligation, recommendations that I would note I disagree with, and that members of the regulatory board should be chosen solely on the basis of their technical qualifications and professional experience.

It has been more than 30 years since the Postal Reorganization Act was passed. The time has come to reassess how the Postal Service should adapt to its customers, competitors, and technology and best fulfill its mission in the 21st Century. The need to preserve a strong and universal Postal Service is clear, particularly in States with large rural areas, such as my home State of Maine. Within days, Senator Tom Carper and I plan to introduce a postal reform bill that will incorporate many of the Commission's recommendations.

Mr. Tisdale, you have several years of valuable experience with the Postal Service. I look forward to hearing your thoughts this morning on what you believe to be the appropriate role of the Postal Service's regulator.

Before I call on Congresswoman Johnson to introduce our nominee, I would like to turn to my distinguished colleague, who has a great interest in postal issues and contributes so much to our Committee. Senator Akaka.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Thank you very much, Madam Chairman. I again want to say it is so good working with you as always; I have enjoyed serving with you.

I also want to add my welcome to Congresswoman Johnson. I am so happy that you are here to introduce our Commissioner. And welcome to Dawn Tisdale, who the President has nominated to serve as a Commissioner of the U.S. Postal Rate Commission.

As Senator Collins noted, your nomination comes to this Committee at the culmination of a series of hearings on the recommendations of the Commission on the U.S. Postal Service. And, as Senator Collins said, there is a bill being crafted and I certainly want to add my support to that bill.

We heard from many people at the hearings, all of whom are interested in the continued stability and viability of the Postal Service. Achieving that goal will require the dedication of individuals such as yourself who will be called on to make tough decisions. Judging by your biographical information you submitted to the Committee, your career with the Postal Service provides you with the experience to do just that.

One of the recommendations made by the Postal Commission and one that I expect will be in a postal reform bill will be to significantly strengthen the Postal Rate Commission. I am hopeful that if confirmed, and I am sure you will be, you will draw on your experience as a postmaster, postal supervisor, and letter carrier, especially when the Postal Rate Commission reviews product and operational matters.

Another recommendation of the Postal Commission which also should be a part of the postal reform is to create a greater financial transparency within the Postal Service. As a retired postal manager, you understand the importance of timely financial information and I hope you concur that the flexibility being sought by the Postal Service to set rates demands that the Postal Rate Commission has access to on-time and current financial data.

Mr. Tisdale, I believe you will bring a perspective to the regulatory board which is not represented, so that is important to all of us.

Madam Chairman, I want to thank you again, and I look forward to our discussion with this nominee.

Chairman COLLINS. Thank you very much, Senator.

It now gives me great pleasure to call upon our colleague from the House side, Representative Johnson, to introduce the nominee. Thank you for taking the time to be here this morning.

**STATEMENT OF HON. EDDIE BERNICE JOHNSON, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Ms. JOHNSON. Thank you very much, Madam Chair. It is an honor and a pleasure to be with you today and I bring the warmest greetings to you and the Members of the Committee on Governmental Affairs from the House of Representatives and my constituents in the 30th Congressional District of Texas.

It is my great honor and great pleasure to introduce Dawn Tisdale to the Senate Committee. This morning you are considering his nomination for the U.S. Postal Rate Commission and I am certainly appreciative.

In my comments I would like to commend President Bush for nominating Mr. Tisdale to be a commissioner and I would like to acknowledge Senator Daschle's recommendation to him for this outstanding nominee. The Senator recognizes that the nominee certainly has the knowledge and experience to take on one of the most challenging positions in the Executive Branch. And I applaud you, Senator Collins and Senator Akaka and all the Members of the Committee, for the wisdom and grace that you have shown considering Mr. Tisdale's nomination.

He not only has the qualifications to serve on the Postal Rate Commission. He also possesses the qualities needed in a commissioner. He is a retired postmaster. He was postmaster from 1989 to 2000 in Smithville, Texas and he faithfully served. And prior to his tenure as postmaster he served as manager of employee relations in Waco, Texas, my hometown. And it might sound a little parochial to say this but he has a great reputation wherever he has served. He started as a postal delivery person and worked up the ranks and he spent a total of 35 years with the Postal Service.

So I have a great deal of admiration for him because I have observed him over the years. He is a family man. He is a church man. He is a community man. He has a very quiet demeanor but he does not miss much that comes by.

So I thank you so very much for the opportunity to be here this morning and I hope that he will be confirmed. Thank you.

Chairman COLLINS. Thank you very much, Congresswoman. I know that you have a very busy schedule today so if you would like

to be excused at this point, that would certainly be fine with us. We do appreciate your strong endorsement of the nominee and your taking the time to introduce him this morning. Thank you.

Mr. Tisdale has filed responses to a biographical and financial questionnaire, answered the prehearing questions submitted by the Committee, and has had his financial statements reviewed by the Office of Government Ethics. Without objection, this information will be made part of the hearing record, with the exception of the financial data, which are on file and available for public inspection in the Committee's offices.

Our Committee rules require that all witnesses at nomination hearings give their testimony under oath, so Mr. Tisdale, I would ask that you stand and raise your right hand so that I can administer the oath.

[Oath administered.]

Chairman COLLINS. Mr. Tisdale, I understand that you have a statement that you would like to deliver at this time and I would ask that you proceed.

**TESTIMONY OF DAWN A. TISDALE,¹ OF TEXAS, TO BE
COMMISSIONER, U.S. POSTAL RATE COMMISSION**

Mr. TISDALE. Thank you. First of all, I would like to thank you, Senator Collins and Senator Akaka, for allowing me this opportunity to come before you. I would further like to thank the President for his nomination and Senator Daschle for his support of my recommendation and the nomination. And, most of all, I would like to thank the Hon. Eddie Bernice Johnson for being there from the very beginning and for always supporting this particular nomination.

Just briefly I would like to recap some of my postal career. I was in the Navy from 1962 to 1966. Following that, within a couple of months of getting out of the Navy, I was called to work for the Postal Service and I began work as a letter carrier in Austin, Texas. I worked there as a letter carrier for about 14 years, got involved in the union and eventually became vice president of Local 181 of the National Association of Letter Carriers in Austin, Texas. During that time I was also a part of two of the negotiating groups for local labor contracts with the union.

Following that, I went into management and worked in delivery growth. In delivery growth we were interested at that point in convincing people that we should go to centralized delivery points, rather than to door-to-door delivery and that is a hard sell for a lot of people, but we managed to do it and did it successfully.

I followed that up by working at one of the stations in Austin, the largest station there at the time, as a supervisor and actually reaped some of the benefits of some of the negotiations that I had gone through while I worked with delivery growth.

I followed that by working with employee involvement as the Postal Service began to change the way it related to its employees and during that time we worked on showing labor and manage-

¹The biographical information and prehearing questions appear in the Appendix on pages 11 and 15 respectively.

ment how to better deal with each other, how to do joint problem-solving, how to prioritize the problems that they jointly faced.

I followed that by working in labor relations for a long time and moving on to alternative dispute resolutions.

After that I worked in Waco as manager of employment and training and when that sectional center was closed I moved to the job as postmaster in Smithville. I stayed there from 1989 to 2000. In between those years I came back and worked in labor relations again in Austin and also spent some time working as a manager of distribution operations in the plant because I wanted to learn that operation, also.

I retired in 2000 from Smithville as postmaster and enjoyed a very long and varied career with the Postal Service.

Again I would like to thank you for the opportunity to answer your questions and at this time I would entertain whatever questions you have.

Chairman COLLINS. Thank you for your statement. I will start my questioning this morning with the standard questions that we ask all nominees who come before our Committee.

First, is there anything that you are aware of in your background which might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. TISDALE. Nothing at all.

Chairman COLLINS. Second, do you know of anything personal or otherwise that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. TISDALE. Nothing at all.

Chairman COLLINS. And third, do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Mr. TISDALE. Yes.

Chairman COLLINS. We will now have a round of questions, limited to 6 minutes each.

Mr. Tisdale, your experience gives you an insider's perspective of the Postal Service that is of great interest to me as we seek to deal with many of the issues raised by the Presidential Commission. I noticed in your resume that you were the postmaster of Smithville, Texas and I was curious how big Smithville, Texas is?

Mr. TISDALE. Smithville has about 3,900 people inside the city limits. There are about 10,000 in the area.

Chairman COLLINS. It sounded like a smaller community to me, typical of the many rural communities that dot the State of Maine.

As you know, one of the issues that the Presidential Commission felt strongly about is that the Postal Service needs to "constructively address the fact that many of our Nation's post offices are no longer necessary to the fulfillment of the universal service obligation."

I think all of us recognize that there are times when consolidation can take place but I also know that those post offices are often essential to elderly people and also play a role as being the center of the community in a lot of small towns.

The Commission suggested that existing laws limiting the Postal Service's ability to close post offices should be repealed. Given your

many years of experience, including as a postmaster in a small community, could you comment on whether you believe the current process for closing or consolidating post offices works well? And how do we balance the need to provide universal service with the goal of making the Postal Service more efficient?

Mr. TISDALE. I think that first of all I would say we probably need to study that issue a little more. But having been in a small town and watched the people in the communities around Smithville and how they respond to the Postal Service, I have to agree that the post offices in those small communities are very vital. They not only serve as a focal point for the community but they give the community an identity. To have that post office there and their own zip code just means a lot to those people.

I think during the time that I was in Smithville there were two offices between Smithville and the next larger town over, which was La Grange, that were closed and I remember the people coming in and complaining about those offices being closed. Even though after about a year or so they adjusted to it, they really did not want those offices closed.

The same services were available and it was within a short drive for them, 10 miles or so, and I realize in the city we may drive 5 or 10 miles without thinking about it, but when you are in a rural community and, as you said, if it is an elderly person or a person with some type of handicap, then going 10 miles to the post office presents a real problem. But the people did adjust and they seemed to accept it after a period of time. But I do believe that before we close any small office we need to go to that community and talk to the people there and certainly get their input and that should be a consideration before that happens.

Chairman COLLINS. Virtually every witness who has come before this Committee has testified that the current rate-making process before the Commission is far too lengthy and litigious. The Commission has recommended a far more streamlined process that would give the Postal Service the ability to establish its rates within a cap and then have an after-the-fact review that would be available if a complaint was filed.

There are some who believe that the current process, while too long and while too litigious, works well to surface all of the issues and ensure that the best information is available. Do you have any thoughts on the rate-making process? And do you have an opinion in particular about the issue of having an after-the-fact review of rates?

Mr. TISDALE. I think an after-the-fact review of the rate-setting process would be very bad. The Postal Service goes through a lot of trouble making sure that people are aware of rates and changing the rates, both in stamp machines and other places, and to have an after-the-fact review that goes back and possibly changes the rates again I think would really be bad for the agency.

I think that to speed up the process, the current process, some of the time limits might be reset so that it does not take quite as long, but some of the other issues I would reserve a comment on until I was actually there and had a chance to look at that a little closer.

Chairman COLLINS. Thank you. Senator Akaka.

Senator AKAKA. Thank you very much, Madam Chairman.

Mr. Tisdale, I was very impressed by the introduction of the congresswoman, which was personal and warm about her admiration for you. I was also impressed by the experience you have had in the Postal Service. I guess anybody who is in it from being a letter carrier is from the bottom up here. You have had that experience, and you have served the people of Texas very well as a letter carrier, postal supervisor, and postmaster. So you can tell by the comments we have made that we are looking at your experience to help the Postal Service.

I appreciated the detailed explanation of your long career with the Postal Service. I am saying this because my brother was in the Postal Service for more than 40 years and he started as a letter carrier. So I have feelings about the Postal Service.

But given your experience with alternative dispute resolution, which is called ADR, how would you incorporate more ADR into the employee grievance process?

Mr. TISDALE. I do not believe that all of the unions that work with the Postal Service are currently using alternative dispute resolution and I think the best thing to do at this point—I know NALC is heavily involved and I believe the mail handlers are involved but I do not think the APWU is involved. I would certainly want to encourage them to become involved and to use the alternative dispute resolution. I think the success that the NALC has shown in that process should be held up as a model for APWU and maybe they would see the light.

Senator AKAKA. As a retired postmaster you have had opportunities to be involved with the closing of post offices. As Senator Collins noted, these facilities may be the only contact many citizens have with the Federal Government. In your comments to her, you discuss post office closings and the need to involve citizens. How would you do this?

Mr. TISDALE. I would go to the community and set up a meeting with the community and talk to them about it, allow them to come in and express their feelings concerning the closing and the availability of the facilities.

Senator AKAKA. I was especially pleased that the President's Commission rejected privatizing the Postal Service. Would you share with us your views on privatizing the U.S. Postal Service?

Mr. TISDALE. I think the U.S. Postal Service does a fantastic job and the Postal Service goes to places and delivers mail to people that are not reached by private enterprise at this point. If you look at some of the places that people like UPS do not go for reasons of—well, I guess the reasons are their own but the Postal Service does, then it is clearly a good reason for not privatizing it. I think private enterprise would cut out a number of services that the Postal Service offers as a service to the general public and I think that access to the services would be severely limited under private enterprise.

Senator AKAKA. Madam Chairman, let me ask my final question.

Mr. Tisdale, do you believe that the PRC should have a stronger role in establishing performance standards for postal products and services and for monitoring the Postal Service's results in meeting these standards?

Mr. TISDALE. I think the Postal Service already has in place internal monitoring processes and that those should be the Postal Service's concern. I think as an oversight committee, the PRC should take a look at it from time to time but basically I think the agency itself needs to monitor that.

Senator AKAKA. Thank you very much, Madam Chairman.

Chairman COLLINS. Thank you, Senator. Senator Lautenberg.

OPENING STATEMENT OF SENATOR LAUTENBERG

Senator LAUTENBERG. Thank you, Madam Chairman.

This is an important post that has to be filled and I think we have a really good candidate and I congratulate you, Mr. Tisdale, because I would say that in these days of partisanship that if your cause is sponsored by Congresswoman Johnson and Senator Tom Daschle and can still be nominated by President Bush, you have to be pretty good. I would say that covers a fair number of bases.

So we are pleased to see you here. I like your experience. I think that having been postmaster in such a small town, where I am sure you knew most, if not all, of the people who you served, I think that is a particularly good way to view things because it attaches faces and feelings and concerns when you are in that small town situation. You get to kind of feel the flesh and it is a very important thing, I suppose, to the experience that one typically sees in a larger city where people become relatively faceless. So I think that is going to be a very good background for you to call upon as you try to resolve some of the difficult decisions that you are going to be making with the Postal Regulatory Board, assuming that that gets to be the case.

How firmly do you support this enormous expansion of powers to a three-person board? Do you think that is a good idea, to be able to really understand what the problems are not just of the addressee but the employee and the enormous role that the post office has to bringing our country together? It precedes any of the now-sophisticated communication networks. People judge a lot about government when they see how the mail department, how the postman himself works.

So what do you think about this expansion of powers into this Postal Regulatory Board?

Mr. TISDALE. I think the expansion of the authorities, it is probably a good thing in many areas. I tend to question whether or not three people unattached to the agency could really have the type of oversight that they would need or the real understanding of the agency that they would need in order to have that expanded authority.

I would hope that in the interim the Postal Rate Commission as it presently exists would be given some of that expanded authority and that a smooth transition would be able to be had.

Senator LAUTENBERG. How about rate-setting? Should the Board of Governors continue to have a role in postage rate-setting? What kind of changes would you think would be appropriate for the rate-setting process?

Mr. TISDALE. For the rate-setting process I think the most immediate role would probably be to shorten the process, to maybe shorten some of the time limits that are involved at present. While

I do not think it is a good idea to have an after-the-fact review of the rates, I do think it is a good idea to have the Postal Service have more autonomy in setting rates.

Senator LAUTENBERG. Madam Chairman, I think we have an excellent candidate. I hope that we will be able to present a clear picture of all of the responsibilities that are going to evolve with the Postal Regulatory Board and would tell you, Mr. Tisdale, that it would be a huge job. This is not going to be a walk in the park, as you probably know. Maybe even a walk on the toughest route that you have ever walked. Thank you very much.

Mr. TISDALE. I would just comment that I have been involved in change in the Postal Service on a number of issues and I do understand the agency and the dynamics within the agency when you are talking about changing something that has gone on for years.

Senator LAUTENBERG. Thank you.

Chairman COLLINS. Thank you.

Mr. Tisdale, I want to thank you for appearing before the Committee today. I certainly agree with my colleagues that you are certainly worthy of confirmation and I am pleased to support your nomination for this very important position at a time of tremendous transition for the Postal Service.

Without objection, the record will be kept open until 5 p.m. today for the submission of any additional written questions or statements for the record.

Thank you very much for appearing today and this hearing is now adjourned.

[Whereupon, at 10:35 a.m., the Committee was adjourned.]

APPENDIX

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION

1. **Name:** (Include any former names used.)
Dawn Alva Tisdale (Don).
2. **Position to which nominated:**
Commissioner of the Postal Rate Commission.
3. **Date of nomination:**
February 11, 2004
4. **Address:** (List current place of residence and office addresses.)
5. **Date and place of birth:**
November 3, 1944, Austin, Texas
6. **Marital status:** (Include maiden name of wife or husband's name.)
Married to the former Vanessa L. Palfrey
7. **Names and ages of children:**
Holland Karl Tisdale-42, Edgar Allen Tisdale-40, Jason Scott Tisdale-37, Candice Dawn Tisdale-31, Christiana June Tisdale-19.
8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
L.C. Anderson High School, Austin, Texas 1958-1959
Booker T. Washington High School, Plainview, Texas 1959-1961 Graduated 1961
University of Texas, Austin, Texas 1961-1962
Austin Community College, Austin, Texas 1973-1976
St. Edwards University, Austin, Texas 1981
9. **Employment record:** List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.)
1966-2000 U.S. Postal Service, Postmaster, 400 Main St, Smithville Texas.
2000-2001 Microchip Computers, Retail Sales Manager, 9600 Gray Blvd., Austin, Texas.
2002-2002 Austin Independent School District, Substitute Teacher, 1111 W. 5th St, Austin Texas.
2002-2003 Sears.Com, Online Care Associate, 1300 Louis Henna Blvd., Round Rock, Texas.
2001-Present, Brookfield Uniforms, Sales Representative, 1715 Linn St., N. Kansas City, Mo.
2002-Present Arslan Uniforms, Sales Representative, 4119 Spring Grove Ave., Cincinnati, Ohio.
10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with federal, State, or local governments, other than those listed above.
N/A
11. **Business relationships:** List all positions currently or formerly held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.
Refinement Community Living Centers, Partner.

12. **Memberships:** List all memberships and offices currently or formerly held in professional, business, fraternal, scholarly, civic, public, charitable and other organizations.
 Literacy Volunteers of America, Chairperson, Board of Directors.
 Court Appointed Special Advocates (CASA) President, Board of Directors.
 National Association of Postmasters of The United States (NAPUS), Member.
 National League of Postmasters of The United States, Member.
 Smithville Noon Lions Club, Member
 National Association of Postal Supervisors (NAPS), Member.
 National Association of Letter Carriers (NALC), Vice-President Local 181.
13. **Political affiliations and activities:**
- (a) List all offices with a political party which you have held or any public office for which you have been a candidate.
 N/A
- (b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.
 N/A
- (c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 5 years.
 N/A
14. **Honors and awards:** List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.
 Superior Accomplishment Award, USPS.
 Black Male Role Model, The Villager Newspaper, Austin, Texas.
15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.
 N/A
16. **Speeches:** Provide the Committee with four copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.
 N/A
17. **Selection:**
- (a) Do you know why you were chosen for this nomination by the President?
 Recommended by Congresswoman Eddie Bernice Johnson and Senator Tom Daschle.
- (b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

35 years of experience with the US Postal Service in positions of increasing responsibility from Letter Carrier to Postmaster. 20 years of Postal management experience in both urban and rural environments. 15 years experience with Employee Involvement and alternative conflict resolution processes.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

Yes
2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

No
3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

No
4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

No
5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

Yes

C. POTENTIAL CONFLICTS OF INTEREST

1. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

N/A
2. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy other than while in a federal government capacity.

N/A
3. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

Yes

D. LEGAL MATTERS

- 1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

N/A

- 2. To your knowledge, have you ever been investigated, arrested, charged or convicted (including pleas of guilty or nolo contendere) by any federal, State, or other law enforcement authority for violation of any federal, State, county or municipal law, other than a minor traffic offense? If so, provide details.

N/A

- 3. Have you or any business of which you are or were an officer, director or owner ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

Yes. Case # 3589. Dawn A. Tisdale v Bessie Dunner. Caldwell County, Texas.

- 4. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

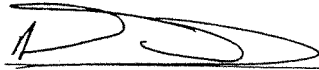
N/A

E. FINANCIAL DATA

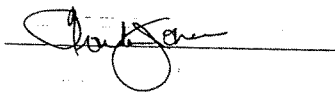
All information requested under this heading must be provided for yourself, your spouse, and your dependents. (This information will not be published in the record of the hearing on your nomination, but it will be retained in the Committee's files and will be available for public inspection.)

AFFIDAVIT

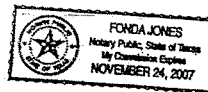
Dawn A. Tisdale being duly sworn, hereby states that he/she has read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of his/her knowledge, current, accurate, and complete.



Subscribed and sworn before me this 18th day of FEBRUARY, 2004



Notary Public



**U.S. Senate Committee on Governmental Affairs
Pre-Hearing Questionnaire for the Nomination
Of Dawn A. Tisdale to be
Commissioner, Postal Rate Commission**

I. Nomination Process and Conflicts of Interest

1. Why do you believe the President nominated you to serve as Commissioner, Postal Rate Commission (PRC)?

I was recommended by Congresswoman Eddie Bernice Johnson and Senator Tom Daschle. I also believe that he finds my experience unique to the PRC, especially where it relates to the implementation of change and new ideas in the Postal Service.

2. Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

None.

3. What specific background and experience affirmatively qualifies you to be a Commissioner of the PRC?

35 years of Postal experience representing many sectors of the USPS. This includes delivery, plant operations, labor, management, regional offices, urban office, suburban offices, and small rural offices. I also have 20 years of experience working with new processes and overcoming resistance to change within the Postal Service.

4. Have you made any commitments with respect to the policies and principles you will attempt to implement as Commissioner? If so, what are they and to whom have the commitments been made?

None.

II. Role and Responsibilities of Commissioner

5. How do you view the role of Commissioner of the PRC?

A commissioner should be able to listen to all evidence presented. Then, with the help of staff, evaluate the evidence and make a sound recommendation. A Commissioner should be an investigator of and an agent for change.

6. What qualifications and experiences would you bring to the role of Commissioner?

10 years experience in an alternate dispute resolution process has taught me to listen carefully to all sides of an issue. To be open to alternative resolutions and not to disregard anyone's point of view. My 20 years of experience with labor and management, implementing new ideas should be helpful.

7. What challenges currently face the PRC and how would you, as Commissioner, address these challenges?

The biggest challenge will be to strike a balance between the public's need for universal service at a reasonable price and the Postal Service's need to follow the break even mandate. This in the face of competition from the private sector. I would address these challenges by making sure that concerns of business, agency, unions and the public are fairly addressed. I would be open to new ideas that could improve efficiency.

8. What do you think should be the PRC's top priorities?

When addressing rates, classification, problems or procedures, the PRC should ensure that all sides are heard and all issues addressed. The PRC should also be willing to accept new responsibilities and help the Postal Service meet the challenges it now faces.

9. How do you plan to coordinate and communicate with PRC staff to accomplish your priorities?

I plan to establish lines of communication with all staff. Through meetings and consultation with staff, all issues will be addressed. Recommendations will be based on available evidence as well as staff opinions

10. What contributions do you hope to make during your tenure at the PRC?

I would like to contribute a sense of fairness along with insight based on my 35 years of experience with the USPS.

III. Policy Issues

Postal Ratemaking

11. The Postmaster General and several Board Members have expressed concern that the current ratemaking process is too restrictive and limits the Postal Service's ability to quickly adjust postal rates in a highly competitive and changing marketplace. Others believe that the current system moves relatively quickly when compared to other agency proceedings and argue that the rate process should continue to allow for full discussion of the basis for the Postal Service's request and a complete airing of the opposing concerns. Do you believe changes are needed in this area and, if so, what types of changes? How can the

PRC and the Postal Service work effectively with postal stakeholders, including mailers and employee organizations, to improve the postal ratemaking process?

I believe that changes are needed. Especially to the time line. However, I would be reluctant to say what types until I have had a change to experience the present system. I would need more information before addressing how the Postal Service and the PRC should work to improve the Postal ratemaking process.

12. Congress is considering proposals to change the postal ratemaking process from the current cost-of-service model to other models such as a price-cap system. What are your views on the advantages or disadvantages of moving to a price-cap system to set postal rates?

I am not, at present, familiar with the price-cap system. I am open to new ideas and would be willing to listen to any presentation regarding that or any other system to set postal rates.

13. Some parties have criticized the quality and timeliness of data used by the Postal Service to support proposed rate increases. Do you believe the quality and timeliness of this data are adequate or do they need to be improved? Are changes in the current ratemaking process needed to incorporate more timely information? What do you believe should be the role of the PRC in ensuring that the quality and timeliness of the Service's data is adequate?

I think that all information regarding rate increases should be as timely as possible. If changes are needed, I will address that after having more experience with the current ratemaking process. I think that if the quality or timeliness of the Service's data is inadequate, the Service should be made aware and given a chance to correct the problems. I know of no reason more timely information cannot be supplied during the current ratemaking process.

14. Some mailers have proposed changing the basis for setting rates for postal products and services from the current subclass-based costing method (Under the current regulatory framework, rates are designed to cover attributable costs, plus a markup of a share of the non-attributable, institutional costs) to a "bottoms-up" approach that would be based on the costs of resources consumed through services provided at various points of access to the postal network. Do you think a "bottoms-up" costing approach would be better than the current costing method—why or why not?

I believe a "bottoms-up" costing approach would need more study. The "bottoms-up" approach may not capture enough revenue to allow the Postal Service to meet its break even mandate. The current costing approach takes into account all of the factors that historically contribute to mailing costs.

15. The APWU has raised concerns about whether the Postal Service's work-sharing

discounts are adequately covering the expected cost savings. Since work-sharing discounts are such an integral part of the rate-setting structure, should Congress provide statutory guidance in this area? How would you address these concerns?

I don't think that statutory guidance from Congress is needed on this issue. The PRC and the Postal Service should be able to jointly look at this issue and determine whether or not the work-sharing discounts do adequately cover expected cost savings. The results should be shared with APWU.

Postal Reform

16. What are your views on whether changes are needed to the role of the PRC as part of postal reform to strengthen its regulatory oversight responsibilities?

I think that the PRC's role, as part of Postal reform should be redefined in some areas. A role in defining benefits (cost of living increases, health care, and in some cases, salaries and bonuses) would help.

17. Do you think that universal postal service needs to be more precisely defined, and if so, what contribution could the PRC make to defining universal service?

No, I don't think that universal postal service needs to be more precisely defined.

18. Under recent legislative reform proposals, traditional rate cases would be eliminated, baseline rates for non-competitive postal services would be set in an expeditious administrative process based on clear guidelines using a specified rate adjustment factor, and rate changes would be subject to after-the-fact review by an independent postal regulator. Would you be in favor of this reform proposal, why or why not?

I would not. An after the fact rate review could be debilitating. Readjusting rates is costly and time consuming. If the Postal Service is given more autonomy in changing rates, the PRC can then concentrate its efforts in other areas (i.e. salaries and benefits).

19. What key statutory or regulatory mechanisms are needed in the postal rate-setting process to protect postal customers against undue discrimination and to ensure due process?

The rate setting process as it now stands, allows postal customers to be heard before the Commission under Title 5 (The Administrative Procedure Act). The interests of the public are also presented by the Commission's Consumer Advocate under Title 39 USC. These measures protect customers against undue discrimination and ensure due process.

20. The Presidential Commission on the Postal Service suggested that the Postal

Service should not have the authority to define and change the scope of its monopoly over the delivery of letter mail and access to mailboxes. Should the authority for making changes to the postal monopoly be given to the PRC, why or why not? If you believe the PRC should have this authority, what principles should guide its decisions?

This authority should remain with the Postal Service. That way the Postal Service can continue to maintain the "sanctity of the mails."

21. Some postal stakeholders have suggested that the PRC should have a stronger role in establishing performance standards for postal products and services and for monitoring the Postal Service's results in meeting these standards. What are your views in this area?

The Postal Service has internal systems that measure performance standards. Meeting those standards is an integral part of what the Postal Service is all about. I do not believe that having another agency set and monitor standards of performance for the Postal Service is practical at this time.

22. Many postal stakeholders have raised concerns about the adequacy of the Service's financial transparency. How can the Postal Service improve the transparency and accountability of its financial and operational performance? Are there legislative changes that Congress should consider to enhance the Service's transparency and accountability and if so, what changes may be needed? What should be the regulator's responsibilities in this area?

I'm not sure what adequate financial transparency would entail as it relates to the Postal Service. I would need more time to study this problem. I do not think that legislative changes are needed. A regulator would be responsible for insuring adequate transparency while, at the same time, guarding against the release of financial information that may be prejudicial to the Postal Service.

23. One area of debate has focused on whether it is appropriate for the Postal Service to offer certain new products and services. What are your views about whether it is appropriate for the Postal Service to offer products and services that compete with private sector companies? What role, if any, do you believe that the PRC should play in ensuring "fair competition?"

I believe that the Postal Service should be allowed to offer certain (those that are connected to their core products) products and services that compete with private sector companies. The PRC should insure that any new products or services do relate to the Postal Service's core business needs.

24. In July of 2003, The President's Commission on the U.S. Postal Service issued a report detailing 35 legislative and administrative recommendations for the reform of the Postal Service. Included in its report was a recommendation that, "... the

new Postal Regulatory Board (the former Postal Rate Commission) should be authorized to determine comparable total compensation for all Postal Service employees. In determining comparable total compensation, the Postal Regulatory Board should be authorized to determine the appropriate sector of the private-sector workforce to be used as the basis of comparison. The comparability determination of the Postal Regulatory Board should be enforced as a cap on the total compensation of new employees.” Do you agree with this recommendation-why or why not?

The Postal Regulatory Board should not determine total comparability as a cap on total compensation for new employees. That should be a product of negotiations between the Postal Service and the unions that represent their employees.

Post Office Closings and Relocation

25. A major issue frequently raised by the public relates to the Postal Service’s decisions on locating, relocating, or closing post offices. Some are concerned that the Postal Service does not adequately involve affected communities in the decisionmaking process. In your opinion, does the existing process for closing and relocating post offices adequately protect the interests of postal customers and the affected communities or does the process for closing and relocating post offices need to be improved? If so, how, and are legislative changes needed?

The current process for closing or relocating post offices needs to be improved. The review function by the PRC allows for customer interests to be protected. I believe that the PRC should have broader authority in determining the closing or relocating of post offices. Legislative changes may be needed to bring this about.

IV. Relations with Congress

26. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you are confirmed?
- Yes.
27. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?
- Yes.

V. Assistance

27. Are these answers your own? Have you consulted with the PRC or any interested parties? If so, please indicate which entities.

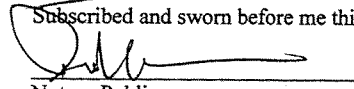
These answers are my own. I consulted with the PRC General Counsel on one question. No other interested parties were consulted.

AFFIDAVIT

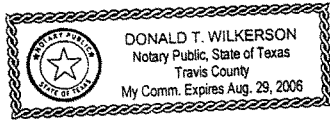
I, Dawn A-Tisdale, being duly sworn, hereby state that I have read and signed the foregoing Statement on Pre-hearing Questions and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.



Subscribed and sworn before me this 12 day of MARCH, 2004.



Notary Public





February 23, 2004

The Honorable Susan M. Collins
Chair
Committee on Governmental Affairs
United States Senate
Washington, DC 20510-6250

Dear Madam Chair:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Dawn A. Tisdale, who has been nominated by President Bush for the position of Commissioner of the Postal Rate Commission.

We have reviewed the report and have also obtained advice from the Postal Rate Commission concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated February 18, 2004, from Mr. Tisdale to the Commission's ethics official, outlining the steps which Mr. Tisdale will take to avoid conflicts of interest.

Based thereon, we believe that Mr. Tisdale is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

A handwritten signature in cursive script that reads 'Marilyn L. Glynn'.

Marilyn L. Glynn
Acting Director

Enclosures