

American Mail Alliance Statement Relating to the Report of the President's Task Force on the Postal System

Now that the President's Task Force on the United States Postal System has issued its report, the question naturally arises: Where do we go from here? As the report makes clear, there is a need for a comprehensive examination of the role of the Postal Service in the U.S. economy. The report also emphasizes that "standalone proposals...will be insufficient."

On this we agree. The mailing industry is united in its desire to see the Postal Service succeed, in both the short term and the long term. We have actively worked on the Hill, submitted extensive analysis in the Commission's ongoing ten-year review, and provided input to the Task Force on the key components of necessary reforms. A piecemeal approach will not provide a sustainable path forward for the USPS.

Many of us believe some of the proposals in the report are misguided, unworkable or politically unlikely. Many others are either incomplete or in need of further examination. Additionally, some of the recommendations categorized as requiring only administrative action, e.g. splitting services into commercial and essential buckets, appear to require legislative change. This makes it doubly important that a coordinated set of reforms must be implemented together rather than pushing through unrelated parts.

More concerning is the possibility that the isolated recommendation to eliminate the price cap on some services will prompt the Postal Regulatory Commission to seek to use the task force report to justify deregulating the ratemaking system. The Task Force conclusion that mail is largely price-inelastic is based on what it acknowledges is a period of modest price increases. The PRC's proposed changes in the ten-year review are not modest in any way. Moving forward with such a radical proposal would in fact lead to massive decreases in volume and permanent changes in the mail stream.

For the PRC to continue on its proposed path likely would undermine one of the Task Force's central concerns: "any potential solutions considered should not disadvantage those living in rural or remote locations." A PRC decision in the ten-year review that unilaterally raises rates dramatically – 40% or more – would undoubtedly disadvantage those living in rural areas, where there are no alternatives to the USPS for home delivery.

Now that the Task Force report is public, it is time for Congress to use its contents to guide reasoned discussion on the future and sustainability of the postal system. Ongoing efforts to correct the calculation of the Postal Service's retirement liabilities, as recommended by the Task Force, are welcome and indicate a readiness for solutions. The new Congress has an opportunity to consider the report's findings and use those insights to enact legislation that will create a viable path forward.

While individual members of this coalition will have specific areas of focus, it is our collective recommendation that the PRC should not issue any proposal until Congress is able to hold hearings and all constituencies have an opportunity to weigh in on the Task Force report. It is our great hope that we use this rare opportunity for collaborative, achievable, comprehensive, and sustainable postal reform to ensure that the US postal system can continue to serve our citizens well into the future.

Signed,

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