



# Bulletin

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## Could 'Postal Reform' Include Privatization?

As reported in this month's *Postal Highlights* newsletter, the Trump Administration is recommending privatization of the U.S. Postal Service. It is likely the report the President's Postal Service Taskforce will issue August 10 will suggest steps toward that goal, based on the Administration's comprehensive report to reform the federal government, called *Delivering Government Solutions in the 21<sup>st</sup> Century*.

The proposal is obviously significant in that it shows the Administration's thinking about postal reform, but legislative action would be needed to make changes of the scope the White House is recommending.

Summarizing the USPS-related recommendations, the report calls for restructuring the USPS to "return it to a sustainable business model or prepare it for future conversion from a Government agency into a privately held corporation. Like many European nations, the United States could privatize its postal operator while maintaining strong regulatory oversight to ensure fair competition and reasonable prices for customers. A private Postal Service with independence from congressional mandates could more flexibly manage the decline of First-Class mail while continuing to provide needed services to American communities."

According to the report, putting the Postal Service in private hands would lower its cost structure, enable it to adapt to changes in customer needs, and ensure it can make business decisions without political interference. Another plus is that it would have access to private capital markets for capital improvements. "The private operation would be incentivized to innovate and improve services to Americans in every community," the reform document stated.

The White House acknowledges transforming the USPS to private ownership would be challenging. It notes that other posts around the globe have successfully privatized when profitable at the time of the transition. "To reach profitability, most international postal operations have gone through significant restructuring, including shrinking their physical and personnel footprints. In some cases, foreign governments have had to absorb legacy retirement liabilities in order to prepare a postal operator for sale," the Administration stated.

### 'Universal Service Obligation'

The President's Taskforce will make recommendations for reform consistent with the reorganization proposal. The taskforce is charged with examining:

1. The expansion and pricing of the package delivery market and the USPS's role in competitive markets;
2. The decline in mail volume and its implications for USPS self-financing and the USPS's monopoly over letter delivery and mailboxes;
3. The definition of the "universal service obligation" in light of changes in technology, e-commerce, marketing practices, and customer needs;
4. The USPS's role in the U.S. economy and in rural areas, communities, and small towns;
5. The state of the USPS's business model, workforce, operations, costs, and pricing."

### Multiple Resources Give Members the Latest Intel on the USPS and Mailing

Stay abreast of the latest news and information about the U.S. Postal Service and mailing issues at the **Postal Focus Mid-Summer Webinar** on July 26, 4 p.m. -5 p.m. (EDT).

Join Steve Colella, Idealliance MTAC Representative and Idealliance Postal Operations & Technologies Council Co-Chair; Tom Glassman, MTAC Representative and Chair of the Idealliance Postal Education Working Group; and Paula Stoskopf, Postal Operations & Technologies Council Co-Chair, for a member-exclusive webinar. [Click here](#) to register.

Other ways Idealliance keeps members informed, up-to-date—and engaged:

- Join a **Working Group** – Idealliance has nine active groups working cooperatively with the USPS on a range of initiatives and advancing your mail supply chain.
- Monthly Idealliance **Postal Highlights** newsletter for up-to-the minute news.
- Quarterly **MTAC Executive Summary**, a one-stop source for all the developments at MTAC two-day meetings, distributed no more than five days after an MTAC meeting.
- The 24/7 Idealliance **Mail & Postal Forum**—an easy-to-use listserv exclusively for members to ask a question or request information.

If you don't have access to one or more of these resources or want more information on participating, contact Donna Komlo at [dkomlo@idealliance.org](mailto:dkomlo@idealliance.org) or (703) 837-1060.