

## THE ESSENCE OF POSTAL REFORM

*The following is a perspective by postal commentator Gene Del Polito. The views expressed are solely the author's and do not necessarily represent the official views or policies of the Association.*

Consider me a "scarred veteran" of postal reform. It's been a ten year obsession, particularly after the advent of the Internet left very clear handwriting on the wall regarding the future of what we call today First-Class Mail. While there have been others who have recognized the need for reform, discerning the essential framework for reform has been a work in progress. Various parties, including PostCom, have offered alternative perspectives. Many have had good points; all have suffered shortcomings.

People have spoken of their "must haves" to consider reform a success. These must-haves have included the abolition of the P.L. 108-18 escrow of CSRS-related savings, transferring back to the Treasury responsibility for paying the non-postal portion of a postal retiree's benefits, and "pricing flexibility." Heaven only knows that for me it's been the need to redirect the incentives that underlay the postal system, including the implementation of what's been called variously "bottom-up costing." In reality, "reform" is a bit of all these things. As important as each of these elements are, however, no one in and of itself represents what might be termed the "essence" of reform, i.e., the thing without which no meaningful, long-term, postal reform would be possible.

Is there such a thing? I think there is.

To me, the one essential ingredient without which true postal reform simply will not happen is the provision of flexibility to allow the Postal Service to eliminate whatever unnecessary redundancies circumstances may create. For instance, increased worksharing, outsourcing, or any of another number of devices could make the provision of certain services unnecessarily redundant. Increased destination entry, for example, could reduce the USPS' need for certain mail processing and transportation functions. Unfortunately, there currently is no mechanism that permits the Postal Service to eliminate such costly redundancies without a great deal of political weeping and gnashing of teeth. Don't believe me? Then just try to actually close a major mail processing facility and see what happens.

Am I saying that the Postal Service should be "trusted" with such responsibility without provision of oversight and review? Absolutely not. No one of right mind would cede to a monopoly unbridled freedom to do things that could suffer bureaucratic abuse. On the other hand, if the Postal Service is not to be given such unilateral freedom, then some mechanism and framework through which this kind of cost-reducing redundancy elimination can take place must be created. But who should do that?

In the best of all possible worlds, it should be Congress. To date, however, Congress has shown little desire to take on tasks that may have a political downside. I think it's also safe to say that the Postal Service has no intention of offering proposals of its own that are shy of an outright grant of unlimited authority. That, then, leaves the Administration, and this is the very kind of proposal that should be coming from the Executive Branch, since such decisions will be partly managerial and partly policy in nature. So, if the Administration were to take on such a challenge, where might it begin?

It can begin by defining the manner and process by which the Postal Service would undertake moving a proposal from conception to implementation. For instance, if the USPS were to seek to close a local postal retail services facility, some procedure should be in place by which the Postal Service could explain in detail the nature of any perceived redundancy, the impact elimination of the redundancy would have on the provision of local postal services, the impact such a move would have on the USPS' ability to satisfy its universal service mandate, alternative methods for maintaining or improving the provision of services needed by the community, and the process for engaging policy makers and the public in such decisions.

This task may seem daunting. I'm sure it is, but it's not impossible. Of one thing, however, I am sure. Without the provision of such a mechanism, all the talk about improving postal cost-efficiency and productivity, containing postal costs, and realigning networks to better serve needs will be nothing more than the usual Washington clap-trap that often gets passed off as informed policy discussion and debate.