

The U.S. Postal Service must make a choice soon: It can either evolve or go extinct. Our country's leaders can guide it toward the future, adapting its unique assets to the needs of a changing nation. Or, they can refuse to let it adapt, slowly shrinking it until it can no longer function as a universal delivery system.

The contrast between those two visions for the future of the Postal Service is stark. On the one side are the NALC and others committed to helping the USPS evolve to meet the challenges of the future. This group includes the forward-thinking entrepreneurs who are revolutionizing communications with the Internet—and who created the e-mail and bill-pay technology that are challenging first-class mail. They agree with the NALC and others in the postal community that the Service can transform itself into a growing enterprise again.

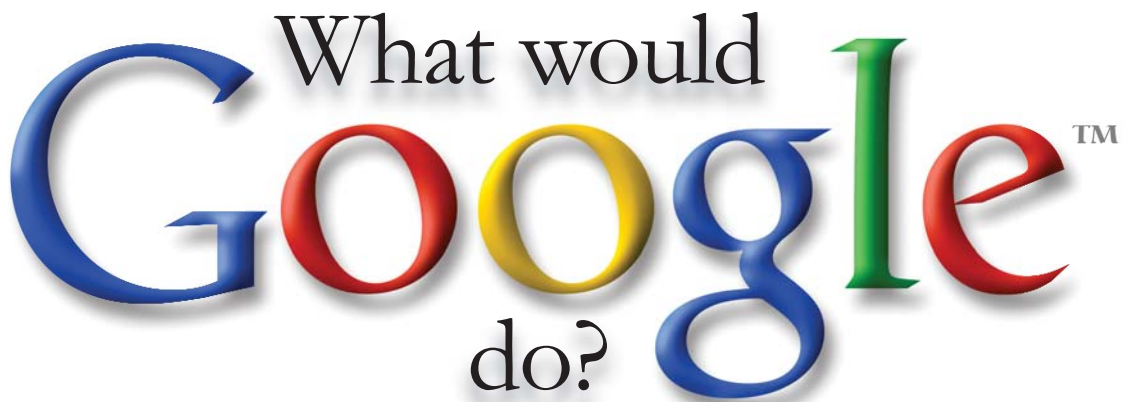
"We, the letter carriers, are the Postal Service's unique network, and we know firsthand that there is no limit to what the Service could become," NALC President Fredric Rolando said. "But we can't do it alone; we need our leaders—in USPS management and in Congress—to

start thinking like responsible stewards instead of undertakers."

Among the latter are some of our politicians in Washington, who have already closed their minds to the idea of a future for the Postal Service and who are determined to slash it, piece by piece, until there is little left. Their extremist ideology abhors everything government does—even when, as with the USPS, it performs well as it carries out duties spelled out in the Constitution.

A recent conference that gathered Internet leaders and others to discuss the future of the Postal Service put a spotlight on the NALC's forward-thinking vision. We listened in and compared their optimism with the attitude of some members of Congress who lack this vision. The choice between the two is crucial—and hundreds of thousands of jobs; a unique, trusted network of contact with every American household and business; and our fragile economy depend on it.

What follows is a comparison of the two visions—the positive ideas from Internet leaders and NALC members versus the draconian downsizing some members of Congress favor.



Searching for the Postal Service's future

Google Search

I'm Feeling Lucky



# A

t the conference on the future of the Postal Service held in June in the Washington, DC, area, the postal community went straight to the

brains behind the Internet to learn how to handle the challenge of electronic mail diversion.

Vint Cerf, vice president and “Chief Internet Evangelist” for Google and a founding father of the Internet, told postal workers and clients that the Service’s universal physical delivery network is something the Internet can never replace and therefore still has great value.

“I am convinced that until we get to the 24th century, we are going to need the Postal Service as somebody to provide delivery services,” Cerf said.

The conference was hosted by Jeff Jarvis, author of *What Would Google Do?*, a book that explains how the Internet giant has rewritten the rules of business.

“If it can be digital, it will be digital,” Jarvis said at the conference. The trick is integrating the digital world into the Postal Service’s products when appropriate and taking advantage of opportunities to fulfill a service that the digital sector can’t.

Like Google, the Postal Service runs a huge network that makes daily business possible. After building its search and other capabilities, Google turned to advertising as a big source of revenue. Increasingly, the Postal Service is following that model, relying on its role as an effective way to move advertising. So it was no surprise that many at the conference brainstormed ideas for new postal revenue that revolve around advertising and commerce.

One speaker, digital communications entrepreneur Larry Weber, pointed to the Postal Service’s address database as a valuable asset that could be exploited, especially by advertisers. Advertisers would relish access to the most complete and accurate list of addresses available—especially if they read a recent academic study published in the *Journal of Marketing* that found that mail is the most effective means of direct advertising, beating telephone calls or e-mail. Customers, the study found, view mail as less intrusive than the other methods.

Weber pointed out that one way the Postal Service could capitalize on its address database is through social media. His idea is that consumers could get information about new shopping opportunities or services directly from other consumers through the change-of-address system. “By far, the most

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Google Vice President Vint Cerf

Photo courtesy of Veni Markovski

important way people are making purchasing decisions is by recommendation,” he said. “The important thing with this social network is that, when I move, in my new place I want to know where my friends go, what they do.

“I don’t think it would be complex,” Weber added. “It would be protected, secure. You change your address, and now you can get a lot of offers.”

Every idea presented at the conference seemed to lead to even more. Imagine, for instance, an e-mail address maintained by the Postal Service that is permanently linked to a physical address, belonging to the occupant. It could be used in conjunction with mailed advertising as part of a coordinated ad campaign, where on the same day that a consumer received a direct-mail piece to try a new restaurant, the consumer would receive an e-mail for that restaurant, too.

Imagine using this link-up among the Internet and homes and businesses to transform social media into “community media.” Neighbors and people with common interests or needs in a local community could join together and find businesses and community assets nearby, and local businesses could in turn find them easily. The chaos of an Internet with little grounding in the physical

world could be remedied as it is to real people living and working in real buildings with real addresses.



## Rolando's vision

*The following is an excerpt from the speech on the future of the Postal Service delivered by President Rolando on Nov. 20, 2009, to a Rutgers University Center for Research in Regulated Industries workshop on "The Future of the Postal Service."*

“Let's imagine what the Postal Service might look like in November 2020.

It's the 10th anniversary of PAEA II, the postal reform law that amended the Postal Accountability and Enhancement Act of 2006.

Thanks to the new law's Vote by Mail provisions, letter carriers all over America are

delivering voter-information packets on the hundreds of ballot initiatives before the voters, along with Vote by Mail ballots that have boosted voter participation rates to above 75 percent.

The Postal Service's Last Mile Express subsidiary, a joint venture between the USPS, Costco and Google, has expanded beyond its Saturday guaranteed delivery product to offer a Wednesday night service for mid-week residential delivery. It has broken into the Fortune 500 while the Postal Service's expanded Parcel Select service has generated billions of dollars in carbon credits for FedEx and UPS under the landmark climate change legislation also passed in 2010.

The USPS' National Green Bank, or NGB, authorized by PAEA II to give life to the national infrastructure bank proposed by President Obama, has grown to more than 20 million accounts with \$100 billion invested in green bonds issued by the National Infrastructure Board to finance home and office energy retrofitting programs, high-speed rail and other clean energy projects, including a project to replace the entire postal vehicle fleet with electric and natural gas-powered vehicles. The NGB is also providing low-cost remittance services to tens of thousands of American residents each day.

Letter carriers are fulfilling orders for shipping materials and office supplies from the more than 18 million small home-based businesses on their routes, working in partnerships with companies like Office Depot and Staples.

More than 10 million Americans have signed up for a USPS Twitter monitoring service, receiving messages from carriers who briefly check in on their elderly relatives once a week.

Sound far-fetched? Certainly, the timing of PAEA II is doubtful...but the rest of it need not be.

The Postal Service has continuously evolved over the last 200-plus years to meet the emerging needs of the country. Its growth has always depended on adding new functions while fulfilling the old functions as long as they are needed. In this way, our past can be an inspiration for what comes next.

A confirmed e-mail address linked to a real business or home could shore up another weak spot in the Internet—trust. The anonymity of the Internet has sparked perhaps millions of scams. A coordinated system using mail service could help consumers confirm that businesses, or other individuals conducting person-to-person business through websites, such as eBay, are legitimate. The Postal Service could certify that mail with a given return address actually came from that address, or it could provide physical location information that improves trust. The ability to easily and quickly certify legitimacy in a sea of “phishing” scams and fakery would be highly valuable to a business.

Cerf noted that the government and regulated industries often communicate with the public to satisfy legal obligations, such as notifying the public of a proposed change to a utility service or fee. The Postal Service could establish itself as the trusted, official source of digital communications for legally required communications.

Following the conference, Rolando pointed out that if Internet leaders can see a positive future for the institution that is suffering from competition from e-mail, Congress and the American people should take notice. “When you see these Internet and electronic communications leaders imagining a thriving future for the Service, I think that's a positive sign for our future,” he said.

### The postal platform

The conference speakers didn't limit themselves to individual ideas and products. They also felt that the Postal Service could borrow a fundamental way of doing business from Internet entrepreneurs—by creating a platform.

By initiating a postal platform with basic tools, then inviting independent thinkers to apply their own ideas, much like a computer operating system enables the writing of new software, or smartphones allow for the creation of apps, the Postal Service would be open to innovative entrepreneurs who can see ideas where others can't. At the postal conference, Boston University Professor Marshall van Alstyne called the platform idea a “sandbox” for USPS customers to play in.

"Don't just have a product strategy," van Alstyne said. "You need a platform strategy to survive in the digital world."

Open-ended partnerships with companies such as telecommunications providers, banks and advertisers could produce a wealth of new applications that fulfill their needs through the Postal Service. Would advertisers like to coordinate e-mail and direct-mail campaigns targeting specific consumers based on data collected on the Internet? Or conduct "permission-based" campaigns in which consumers opt in to receive coupons by e-mail and products or product samples by mail? Or totally integrate their Internet sales and shipping systems for maximum efficiency? Or offer a system for virtual payment over the Internet with the real payment securely sent by mail? The possibilities are endless.

Letting customers find ways for businesses to serve them opens up a whole new avenue of developing business, but it would require a major shift in attitude on the part of the top-down, singularly task-oriented Postal Service.

"Building a future requires bravery," Rolando said. "And that's what it would take from the Postal Service: The bravery to stop thinking about what customers can't do and start finding ways to make their imaginations come to life."

Rolando is confident that the Postal Service can make the leap. "The Postal Service experienced a ground-shaking change that required a shift in its culture when it became an independent, financially self-sufficient agency 40

years ago," he said. "It can adapt to a new age again."

## It's the network

Other ideas for a postal future come from the network of carriers, vehicles and retail locations that go to, or are located in, every nook and cranny of the nation. One came from Michael Ravnitzky, chief counsel to Postal Regulatory Commission Chairman Ruth Goldway. Ravnitzky suggested in an opinion article in *The New York Times* that postal vehicles could form a huge network for many kinds of data collection.

"The Service's thousands of delivery vehicles have only one purpose now: to transport mail," he wrote. "But what if they were fitted with sensors to collect and transmit information about weather or air pollutants? The trucks would go from being bulky tools of Industrial Age communication to being on the cutting edge of 21st-century information-gathering and forecasting.

"After all, the delivery fleet already goes to almost every home and business in America nearly every day, and it travels fixed routes along a majority of the country's roads to get there. Data collection wouldn't require much additional staff or resources; all it would take would be a small, cheap and unobtrusive sensor package mounted on each truck."

The National Weather Service is already testing the use of bus-mounted sensors that transmit the data. Today's technology makes sensors small and

net for ideas that would continue the Postal Service's tradition of adapting to change.

"We can't downsize ourselves to health," Rolando said at Rutgers. "We must have a strategy on the revenue side of the equation as well. Finding new uses of the mail and new uses of our network is crucial to a viable future." (See "Rolando's vision," at left.)

In response to a request in *The Postal Record* for ideas, hundreds of carriers sent letters with one, two or a dozen.

"No idea is too crazy or unworkable to send us," Rolando said. "In this era of amazing technology, some of the most imaginative ideas may lead to something

# THE LAST MILE PROJECT

unobtrusive. Imagine the possibilities: sensors to monitor weather, radiation, cell phone signal coverage, pollen levels, gas leaks, or even cameras to snap “Street View” photos for Google Maps.

Rolando is leading the charge for radically rethinking the way the Postal Service uses its one-of-a-kind national network. “Mr. Ravnitzky’s ideas about sensors on postal vehicles are just the kind of thinking we need from the postal community,” Rolando said. “More people need to see that technology isn’t going to defeat the Postal Service; it’s going to take it to entirely new places.”

Working with the postal community here in the U.S. and throughout the world, NALC continues to build knowledge and innovation that will lead the USPS into the future. Next month, NALC and the Canadian Union of Postal Workers will co-host a conference of postal unions from around the world to share ideas in conjunction with the UNI Global Union’s World Postal Conference.

### Avoiding the death spiral

With all the options for making the most of the Postal Service’s unique assets, including optimistic ideas from some of the most forward-thinking, visionary business leaders of our day, you’d think politicians would be open to positive ways to build the Service up—especially those who claim to admire business and entrepreneurship.

Yet the best that many political figures, from congressional leaders to presidential candidates, can think to do is give up and go home.

Take Tim Pawlenty. The former governor of Minnesota, who is running for the Republican nomination for president, has his own way of looking to Google for inspiration. He calls it the “Google test.” Anything you can find using Google that is offered by a private business, he says, shouldn’t be a government function. He includes the Postal Service, citing its private shipping competitors.

Ignoring all the other obvious flaws in Pawlenty’s logic, it’s clear that Pawlenty doesn’t understand what the Postal Service really does. As President Rolando wrote in a recent letter to Pawlenty, “Contrary to what you said in your speech, left to their own devices, companies would not provide universal mail delivery at affordable, uniform rates (44 cents for a basic letter).”

Getting rid of the Postal Service wouldn’t save the federal government a dime either, since it is an independent agency that takes no taxpayer funding. In fact, since the pre-funding of retiree health care benefits counts as income for the government, the Postal Service actually makes annual federal budget deficits appear smaller.

Then there are the ideas coming from members of Congress like Rep. Darrell Issa (R-CA), chairman of the House Oversight and Government Reform Committee, and Rep. Dennis Ross (R-FL), chairman of the subcommittee that oversees the Postal Service. In June, they introduced what they call a comprehensive postal reform bill in the House of Representatives.

But instead of focusing on restoring financial health and growth to the USPS, their bill, H.R. 2309, proposes radical changes that would recklessly

promising. We have received a great deal of solid, exciting ideas for new business—some common-sense and some strokes of genius.”

A carrier from Missouri suggested charging a premium for putting a mailer’s piece, such as an advertisement or fundraising letter, on the top of the stack in each mailbox.

A carrier in New Jersey wrote that the Postal Service should sell ads on LLVs and give postal patrons check-off cards indicating their desire to receive ads

about different interests to develop USPS advertiser mailing lists.

Create partnerships to help small businesses get started, such as eBay sellers, using USPS services, suggested a carrier in California. A letter carrier in Ohio wanted the Postal Service to offer an “E-mail to Real Mail” service to bridge the gap between technology and those without Internet access and combine the convenience of e-mail with the effectiveness of postal mail for sending things like invitations, greeting cards or announcements.

A carrier in Baltimore wrote that USPS should sell secure, lockable mailboxes to protect from theft, especially when identify theft is a threat, and offer mailbox installation service. Another Baltimore letter carrier suggested providing financial services or a notary public in each post office.

A TE in New Jersey, after just a few months on the job, wrote that he had already seen “opportunities hanging on the vine waiting to be picked.” He urged the Postal Service to centralize and mar-



downsize the U.S. Postal Service in a way that would seriously damage the \$1.3 trillion mailing industry and the entire U.S. economy.

“We are very disappointed in the Issa-Ross bill,” Rolando said. “We hoped for a more common-sense, practical and non-ideological approach to an institution that has historically engendered strong bipartisan support. Instead, we got a draconian downsizing plan and a misguided and unjustifiable attack on hard-working postal employees who provide the most affordable and highest-quality mail service in the world.”

Rather than taking sensible action to avert a financial crisis that would result from the failure of the Postal Service to make the next unaffordable \$5.5 billion pre-funding payment for future retiree health benefits (due in September), the bill seeks to take advantage of the pending cash crisis to force a massive downsizing and to launch a frontal assault on the pay, benefits and collective-bargaining rights of postal employees.

The bill would allow the Postal Service to eliminate Saturday delivery and repeal the right of postal employees to bargain over health and life insurance benefits, a right won more than 40 years ago. It also would inject political issues into the process for resolving collective-bargaining impasses and unfairly restructure interest arbitrations by giving pro-management factors top priority in the law.

“It seems the war on collective bargaining that we have seen in the states has come to Washington,” Rolando said.

Under the Issa-Ross plan, tens if not hundreds of thousands of good middle-class jobs, many of them filled

for decades by military veterans, would needlessly be destroyed.

The core of the bill is the creation of two unelected groups authorized to take extreme steps to cut costs and reduce services, one to generate lists of post offices and facilities to be closed and one to serve as financial overseers with the power to alter or nullify collective-bargaining agreements and to make other operational decisions to reduce expenses.

Instead of saving the Postal Service, Issa and Ross want to cut service, lay off workers, slash employee benefits and reduce management flexibility while adding yet another layer of bureaucracy. In other words, it's the first step toward dismantling the Postal Service altogether.

“Eliminating Saturday delivery, and the other extreme measures in this bill, would begin a death spiral for the Postal Service,” Rolando said.

Competitors would rush to fill the Saturday hole, and customers would follow, many finding their weekday shipping needs elsewhere, too. The revenue lost would overwhelm any savings. With business lost and no flexibility to do anything but cut, the Service would simply eliminate more service, such as another day of delivery. And the cycle would continue, a death spiral ultimately leading to the end of the Postal Service.

That's the choice the stakeholders in the Postal Service have: To build a new and vital Postal Service, with new products and responsibilities, or to cut it apart and sell off the pieces. You don't need to look into a crystal ball to see which future is better for businesses, for letter carriers and for all Americans. ✉

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NALC President Fredric Rolando

ket its address data, stressing to advertisers that it is the single most reliable and complete source of addresses available.

Set up partnerships with libraries to deliver borrowed materials to and from library patrons, wrote a letter carrier in Seattle.

A letter carrier in New Jersey sent two dozen exciting ideas for services that letter carriers could perform for a fee, from reading meters and RF tags that monitor household appliance maintenance to watching for damage or maintenance

problems in neighborhoods for government or private businesses (for example, a tree service looking for downed trees to dispose of) to checking in on elderly or disabled loved ones and sending regular updates on them for a fee, similar to the Carrier Alert system.

Throw in existing ideas that just need wider implementation, such as voting by mail or the Every Door Direct Mail service for delivering pieces by region without specific addresses, and you have a thick stack of exciting possibilities—

some simple, some futuristic—for new business for the Postal Service. ✉

The Last Mile Project is a way for NALC members to share your ideas on how to exploit the Postal Service's incomparable communications and transportation network. Send your suggestions to LAST MILE PROJECT, c/o NALC, 100 Indiana Ave. NW, Washington, DC 20001-2144. Your idea could be the one that sparks the next postal revolution.