

# Charting the future: Don't put the cart before the horse



**Fredric V.  
Rolando**

**T**he United States Postal Service is one of the most highly regarded institutions in the country. With an 88 percent favorability rating, it is the federal government's most popular agency, according to the Pew Research Center. Given this broad support, there is not a lot of partisan division over the Postal Service. Yet it has been difficult to get Congress to pay attention to the crisis it created for USPS more than 12 years ago when it imposed the unique and crushing mandate to pre-fund future retiree health benefits decades in advance (see story, page 8). That may be about to change.

At the end of April, the Committee on Oversight and Reform in the House of Representatives was scheduled to hold its first hearing on the Postal Service since the new Congress took office. Earlier in the month, the Senate Committee on Homeland Security and Governmental Affairs held two hearings—one on the White House task force report on the Postal Service (which I critiqued last month in this space) and the other on two nominations to serve on the U.S. Postal Service Board of Governors. This is good news. Congressional action to address the financial mess caused by the pre-funding mandate is long overdue. And the long-term health of the Postal Service requires a fully staffed Board of Governors with diverse skills and backgrounds.

**We welcome this early attention in the new Congress,** but we are concerned about reports that the Department of the Treasury (which shepherded the task force report) and some leaders in Congress are pushing the Postal Service and its short-handed Board of Governors to produce a 10-year business plan before Congress takes up postal reform legislation. This would be a terrible mistake, effectively putting the cart before the horse.

There is no way the Postal Service's current executive management and its Board of Governors (with its seven vacancies) can make sensible and rational decisions about the future of the Postal Service at this time. In fact, it would be foolish to do so, for two reasons. First, to develop a solid strategic plan, postal leadership needs to have clarity about the Postal Service's future legislative and regulatory framework. Second, taking on this vitally important task without a full Board of Governors would be malpractice. Let's explore both these problems.

The Postal Service has been in crisis mode for years—thanks to the pre-funding mandate. It has been forced to make a series of short-term tactical decisions aimed at near-term survival instead of thinking and acting strategically about its future. It's been forced to starve itself of needed investments and to adopt many self-defeating service cuts. Congress has known for at least 10 years that the pre-funding policy is unsustainable, and that postal reform legislation is vitally needed. The Postal Service and its stakeholders have been begging for this legislative action, but to no avail. Meanwhile, because of vacancies on the Postal Regulatory Commission (PRC), the so-called 10-year review of the postage rate-setting process may end up being a 13-year review. How can the Postal Service make a rational business plan if it does not know its legislative or regulatory boundaries? It can't.

Nor should the Postal Service's executive team take on this monumentally important strategic planning exercise without a fully staffed and fully functioning Board of Governors. Doing this with just two members of the Board would be like starting a baseball game with just a catcher and a right fielder. A team cannot win with seven missing players.

Before Congress or the White House demand a strategic business plan, they must nominate and confirm seven more board members with the kinds of skills and backgrounds needed to effectively run a \$70 billion corporation. That means members with expertise in information technology, marketing and product development as well as other specialties.

**We need Congress to pay attention to the Postal Service.** But even more importantly, we need it to approach its oversight responsibilities with humility and carefulness. We must get this right this time; not just the needed policy changes, but the sequence of these changes as well. First, we must stabilize the Postal Service's finances by relieving the pre-funding burden. Then we must get regulatory clarity from the PRC on the rate-setting system. While the PRC completes its work, Congress must ensure that there is entrepreneurial talent and business savvy on the Postal Service's board. Then, and only then, should the Postal Service develop a 10-year business plan, ideally in consultation with its unions and major customers.

The Postal Service truly is a national treasure. As a letter carrier, I could not be prouder to be part of this amazing organization. The American people love the Postal Service, too. Congress and all the major postal stakeholders owe it to our fellow citizens to get postal reform right this time. With your help, NALC will be ready to work in good faith with both parties in both houses of Congress to make sure that we do.

A handwritten signature in black ink, appearing to read 'Fredric V. Rolando'.