

Postal Task Force Releases Report

December 4, 2018

Washington – The U.S. Department of the Treasury today released the Task Force report on the United States Postal System. The report, *United States Postal System: A Sustainable Path Forward* , provides a series of recommendations to overhaul the United States Postal Service's (USPS) business model in order to return it to sustainability without shifting additional costs to taxpayers.

“The USPS is on an unsustainable financial path which poses significant financial risk to American taxpayers,” said Treasury Secretary Steven T. Mnuchin. “President Trump tasked us with conducting a thorough evaluation of the USPS, and today’s report contains achievable recommendations that fulfill the President’s goal of placing the USPS on a path to sustainability, while protecting taxpayers from undue financial burdens and providing them with necessary mail services.”

Between fiscal year (FY) 2007 and FY 2018, the USPS experienced net losses totaling \$69 billion. The USPS is forecast to lose tens of billions of dollars over the next decade. The USPS’s business model—including its governance, product pricing, cost allocation, and labor practices—must be updated in light of its current operating realities.

On April 12, 2018, President Trump issued the [Executive Order on the Task Force on the United States Postal System](#). The Executive Order established a Task Force on the United States Postal System, chaired by the Secretary of the Treasury and including the Director of the Office of Management and Budget and the Director of the Office of Personnel Management. The Task Force was directed to evaluate the operations and finances of the USPS and to develop recommendations for administrative and legislative reforms that will enable the USPS to create a sustainable business model.

The Task Force’s recommendations include, but are not limited to:

- Improving governance by strengthening the Board of Governors and developing enforcement mechanisms to ensure financial commitments and reforms are met;

- Clearly defining the Universal Service Obligation by specifying what are “essential postal services,” or types of mail and packages for which a strong social or macroeconomic rationale exists for government protection;
- Developing a new pricing model that removes price caps and charges market-based prices for both mail and package items that are not deemed “essential postal services”;
- Modernizing the USPS’s cost standards and cost allocation methodology;
- Pursuing cost-cutting strategies that will enable it to meet the changing realities of its business model;
- Reforming USPS employee compensation in a manner consistent with proposed reforms to the broader federal workforce;
- Restructuring retiree health benefit liabilities with a new actuarial calculation that is based on employees at or near retirement age;
- Exploring new services that will allow the USPS to exact value from its existing assets and business lines, but that present no balance sheet risk.

The Task Force’s full analysis and complete list of recommendations can be found in the full report.

[View the Task Force report on the United States Postal System](#) .

####