

EXECUTIVE ORDER

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TASK FORCE ON THE UNITED STATES POSTAL SYSTEM

By the authority vested in me as President by the Constitution and the laws of the United States of America, I hereby order the following:

Section 1. Policy. (a) The United States Postal Service (USPS) accounts for almost half of global mail volume and is regularly cited as the Federal agency with the highest public approval rating. However, a number of factors, including the steep decline in First-Class Mail volume, coupled with legal mandates that compel the USPS to incur substantial and inflexible costs, have resulted in a structural deficit where revenues are no longer sufficient to fund the pension liabilities and retiree health obligations owed to current employees. The USPS is on an unsustainable financial path and must be restructured to prevent a taxpayer-funded bailout. This finding is supported by the following considerations, among others:

- (i) the USPS has incurred \$65 billion of cumulative losses since the 2007-2009 recession;
- (ii) the USPS has been unable to make payments required by law for its retiree health benefit obligations, which totaled more than \$38 billion at the end of fiscal year 2017; and
- (iii) the Government Accountability Office has had the USPS on its high-risk list since 2009 because of a serious financial situation that puts the USPS mission of providing prompt, reliable, and efficient universal mail services at risk.

(b) It shall be the policy of my Administration that the United States postal system operate under a sustainable business model to provide necessary mail services to citizens and businesses, and to compete fairly in commercial markets.

Sec. 2. Establishment. (a) There is hereby established a Task Force on the United States Postal Service (Task Force), to be chaired by the Secretary of the Treasury, as Secretary and as Chairman of the Federal Financing Bank, or his designee, to evaluate the operations and finances of the USPS. In addition to the Chair of the Task Force (Chair), the Task Force shall be composed of the following department and agency heads, or their designees:

- (i) the Director of the Office of Management and Budget;
- (ii) the Director of the Office of Personnel Management; and
- (iii) any other department and agency head the Chair may designate.

(b) The Task Force shall consult with the Postmaster General and the Chairman of the Postal Regulatory Commission.

(c) The Task Force shall also engage:

- (i) the Attorney General, on issues relating to government monopolies operating in the commercial marketplace;
- (ii) the Secretary of Labor, on issues related to workers compensation programs; and
- (iii) State, local, and tribal officials as determined by the Chair of the Task Force with input from the Task Force members.

(d) The Task Force shall meet as required by the Chair and, unless extended by the Chair, shall be dissolved once it

has accomplished the objectives set forth in sections 3 and 4, as determined by the Chair, and completed the report described in section 5 of this order.

Sec. 3. Evaluation. The Task Force shall conduct a thorough evaluation of the operations and finances of the USPS, including:

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

Sec. 4. Recommendations for Reform. The Task Force shall develop recommendations for administrative and legislative reforms to the United States postal system.

(a) Such recommendations shall promote our Nation's commerce and communication without shifting additional costs to taxpayers. The recommendations shall be developed in a manner that is consistent with the proposed plan to reorganize the executive branch as required by Executive Order 13781 of March 13, 2017.

(b) Such recommendations shall also consider the views of the USPS workforce; commercial, non-profit, and residential users of the USPS services; and competitors in the marketplace.

Sec. 5. Report. The Task Force, acting through the Chair and the Director of the Office of Management and Budget, shall submit a report to the President, in coordination with the Directors of the Domestic Policy and National Economic Councils, not later than 120 days after the date of this order. In its report, the Task Force shall summarize its findings and recommendations under sections 3 and 4 of this order.

Sec. 6. Administration. The Federal Financing Bank shall provide administrative support and funding for the Task Force.

Sec. 7. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof; or
- (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

## **PRESIDENT DONALD J. TRUMP'S TASK FORCE ON THE UNITED STATES POSTAL SYSTEM WILL CRAFT NEEDED REFORMS**

*"I was not elected to continue a failed system. I was elected to change it. All of us in government service were elected to solve the problems that have plagued our nation." – President Donald J. Trump*

### **TOWARD A RESPONSIBLE POSTAL SERVICE: President Trump's Task Force on the United States Postal System will build recommendations to reform the United States Postal Service and return it to a responsible business model.**

- The Task Force on the United States Postal System will target reforms towards reestablishing a sustainable business model for United States Postal Service (USPS) by:
  - Evaluating the operations and finances of USPS including:
    - The expansion and pricing of the package delivery and USPS's role in competitive markets.
    - The decline in mail volume and its implications for USPS's self-financing and monopoly over letter delivery and mailboxes.
    - The definition of the 'universal service obligation' in light of changes in technology, e-commerce, marketing practices, and customer needs.
    - USPS's role in the U.S. economy and in rural areas, communities, and small towns.
    - The state of USPS's business model, workforce, operations, costs, and pricing.
  - Providing administrative and legislative recommendations for reform.
  - Submitting a report to the President summarizing its findings and recommendations.

### **A WHOLE OF GOVERNMENT APPROACH: President Trump's Task Force on the United States Postal System will leverage stakeholder knowledge from a wide swath of federal, local, and state government.**

- The Task Force will be comprised of multiple agency heads including:
  - The Secretary of the Treasury as Chair;
  - The Director of the Office of Management and Budget;
  - The Director of the Office of Personnel Management; and
  - Any other agency head the Chair may designate.
- The Task Force will consult with the Postmaster General and the Chairman of the Postal Regulatory Commission.
- The Task Force will also engage:
  - The Attorney General, on issues relating to government monopolies operating in the commercial marketplace;
  - The Secretary of Labor, on issues related to workers compensation programs; as well as
  - State, local, tribal officials as determined by the Chair of the Task Force with input from the Task Force members.

### **UNSUSTAINABLE FINANCIAL PATH: The United States Postal Service is on an unsustainable financial path and must be reformed.**

- The USPS has incurred continual losses since the recession:
  - USPS has logged \$65 billion in cumulative losses since the 2007-2009 recession.
  - For FY 2017, USPS reported a net loss of \$2.7 billion.
  - From 2013 to 2016, USPS averaged a net loss of \$5.3 billion per year.

- Even holiday seasons are no longer profitable. USPS generated a net loss of \$540 million during the 2017 holiday season.
- USPS has been unable to meet financial commitments to its workforce and the federal government.
  - USPS has been unable to make payments required by law for its retiree health benefit obligations, which total more than \$38 billion at the end of fiscal year 2017.
  - The Government Accountability Office has included USPS on its high-risk list since 2009 due to financial instability that puts its mission of providing efficient and reliable mail services at risk.
- Declining mail volumes and high debt loads continue to exacerbate USPS's financial situation.
  - Total mail volumes, which account for approximately 70 percent of USPS revenues, have declined from 212.2 billion pieces of mail in 2007 to 149.5 billion in 2017, which represents a 29.5 percent decrease.
  - According the Government Accountability Office, as of 2016, USPS was facing \$121 billion in total debt and unfunded liabilities. That is equal to 169 percent of USPS's revenues.