

Recommendations Adopted by the Commission Report of the Business Model Subcommittee

The Business Model Subcommittee submits the following recommendations to the Commission:

1. **Basic structure.** *The Subcommittee recommends that the Postal Service continue to operate as an independent establishment within the executive branch with a unique mandate to operate as a self-sustaining commercial enterprise.*
2. **Mission.** *The Subcommittee recommends that the 1970 Act be amended to clarify that the mission of the Postal Service is to provide high-quality, essential postal services to all persons and communities by the most cost-effective and efficient means possible at affordable and, where appropriate, uniform rates. In doing so, the activities of the Postal Service should be limited to: 1) accepting, collecting, sorting, transporting, and delivering letters, newspapers, magazines, advertising mail, and parcels; and 2) providing other governmental services when in the public interest and where the Postal Service is able to recover the appropriately allocated costs of providing such services.*
3. **Monopoly.** *The Subcommittee recommends that the Postal Service maintain its current mail monopoly, and also retain its sole access to customer mailboxes. However, the Subcommittee also recommends that the 1970 Act be amended to: 1) authorize the Postal Regulatory Board to clarify and periodically review the scope of the mail monopoly; and 2) clarify that the Postal Service does not have the authority to alter the scope of the mail monopoly or to determine the extent of access to customer mailboxes.*
4. **Financial transparency.** *The Subcommittee recommends that the new Board of Directors voluntarily comply with applicable Securities and Exchange Commission reporting requirements. In addition, the Subcommittee recommends that the Postal Service periodically report on the allocation of costs among mail products and services in accordance with form, content, and timing requirements determined by the Postal Regulatory Board.*
5. **Processing Facilities.** *The Subcommittee recommends the creation of a Postal Network Optimization Commission (P-NOC), modeled in part after the Defense Base Closure and Realignment Commission, that would make recommendations relating to the consolidation and rationalization of the Postal Service mail processing and distribution infrastructure. The Commission recommends that the P-NOC be comprised of eight members appointed by the President with advice and consent of the Senate. Recommendations of the P-NOC, once submitted to Congress by the President, should become final, unless Congress disapproves them in their entirety within 45 days.*

6. ***Post Offices.*** *The Subcommittee strongly supports efforts already underway by the Postal Service to expand access to retail postal services at venues other than post offices, such as banks, grocery stores and other convenient locations. When the Postal Service determines that a “low activity” post office is no longer necessary for the fulfillment of its universal service obligation, the Subcommittee believes that the Postal Service should make every effort to maximize the proceeds from the sale of that facility. If the Postal Service determines that there is no adequate market demand for the purchase of a “low activity” post office, the Subcommittee encourages the Postal Service to work with state and local governments, as well as not-for profit organizations, to determine the means of disposition most beneficial to the local community. Such disposition could include transfer to a state or local government or not-for-profit organization, with or without reimbursement, as best serves the public interest. The Subcommittee also recommends that existing statutes limiting the Postal Service’s flexibility with regard to the closing and disposition of post offices be repealed and that similar provisions in annual appropriation acts be avoided.*

7. ***Real Estate Asset Management.*** *The Subcommittee encourages the Board of Directors to include policy goals and objectives relating to the active management of Postal Service real estate in future strategic plans. As a first step, the Subcommittee recommends that the Board of Directors obtain an independent appraisal of the current market values of its major real estate holdings. Further, the Subcommittee strongly encourages the Postal Service to use its current statutory flexibility to dispose of real estate assets to strengthen the Postal Service’s long-term financial position and provide benefits to the public in the form of moderated rate increases and improved products and services.*