

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

The Effects of Privatizing the United States Postal Service

A graduate project submitted in partial fulfillment of the requirements
For the degree of Master of Public Administration in Public Sector Management and Leadership

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Abstract

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By

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The United States Postal Service (USPS) is a public agency that provides many services to the American public including mail delivery, post office boxes for the public, and other miscellaneous services including passport preparation, banking services, and stationary products. For several decades, the Postal Service has struggled with dire fiscal issues, creating tense bickering between political leaders on how to address them and whether to allow the Post Office to go bankrupt and allow the private sector to take over. Decisions made by the Postal Service and Congress to address fiscal issues, advancements in technology, retirement liabilities, and competition from the private sector have not helped, but all major decisions can be attributed to one entity and one entity only: Congress. Congressional legislation drafted to assist the USPS

has gone nowhere and bickering between political parties dominates any attempts to help the USPS with its fiscal issues. Republican and Democratic lawmakers continue to fight over whether the agency should be allowed to fail and be taken over by the private sector, or whether the agency should be saved at all costs (Democrats favor the latter). Unfunded pension liabilities, shrinking revenue, competition from private sector companies like UPS, FedEx, DHL, and the progression of the internet and email have all contributed to the agency's turmoil. Congress continues to kick the can down the road by providing the agency with federal loans to cover its financial shortcomings; however, any legislation to address long-term needs is ignored due to partisan politics

Introduction

The United States Postal Service (USPS) has been in existence for over two centuries and is one of the oldest government agencies in the United States. It offers mail delivery services to the public and a variety of other stationary and miscellaneous services. The Post Office is the only mail delivery service agency allowed to deliver to mail and post-office boxes; however, private delivery companies can still provide other delivery options that include hand to hand delivery and front door delivery. The USPS is also exempt from income taxes (local, state, and federal) and all local zoning laws; and it is also immune from civil suits that include slander, misrepresentation, libel, and injuries sustained because of postal deliveries or losses because of uninsured mail.

The United States Postal Service is in a massive financial crisis and in billions of dollars in debt. The agency operates at a loss year after year and struggles with its yearly financial obligations, one of which is its fiscal commitment to its employee retiree healthcare benefit fund. The Postal Service's fiscal issues have deteriorated over the last two decades. Between 2005 and 2011, USPS debt rose from \$0 to \$13 billion (Atkinson, 2013). By 2015, the USPS had nine consecutive years of losses (Christensen, Francis & Hatch, 2016). By 2018, USPS had debt and unfunded liabilities totaling \$143 billion (Boccia, Ditch, Gattuso, & Greszler, 2020).

Most of the mail delivered by the Post Office are business/personal letters, bills, and advertising flyers. As the internet became more popular in the 90's, so did the use of email. The Commission on the United States Postal Service described the state of the USPS as a "historic, structural shift away from letter mail that is likely caused by the increasing use of electronic substitutes" (Sidak, 2015). As internet technology advanced through the years, business

institutions relied more on electronic mail. Companies began to rely on email to complete and expedite documents and paperwork requiring signatures and quick turnarounds (Sidak, 2015). Public and private sector agencies who once relied heavily on the Post Office to mail work-related notices and letters, now relied on email for formal business interactions. The Post also must deal with competing private sector companies like United Parcel Service (UPS) and Federal Express, to name a few.

The USPS is headed by a Postmaster General and Board of Governors and is an independent entity in name only. The Postmaster General and the Board of Governors both answer to the Postal Regulatory Commission (PRC) and all entities answer to Congress (Christensen, Francis, & Hatch, 2016). Congress often prevents the USPS from reducing and/or raising prices and improving efficiency. The USPS cannot raise or lower the rates of mail, regardless of the distance or location of the destination. Congress also requires the USPS operate as a self-sustaining agency with no authority to make a profit (Christensen, Francis, & Hatch, 2016).

Background

The primary issue with the United States Postal Service is the fact that Americans, and everyone around the world for that matter, are now sending and receiving information differently than they did when the USPS was created. Managers of the USPS may not be handling and running the organization to properly deal with ever-changing demands from patrons and technological advancements. For several decades now, several high-ranking politicians and members of Congress have called for the privatization of the Postal Service. Sonecone, LLC, a private company that advises American businesses, foreign governments, and other non-profit organizations on security and economic issues, has been consistently recommending that the United States allow the Postal Service to go private. Also, Post-Master Generals Jack Potter, Patrick Donahue, and Bill Henderson have all recommended privatizing the Post Office (Jamison, 2015).

In 2011, Darrell Issa, Chairman of the House Committee on Oversight and Government Reform, presented a Postal Reform Bill to Congress for approval. This bill would have made drastic changes to the USPS, including cutting postal employee benefits, cancelling the no-layoff clause from the USPS union, ending Saturday delivery, eliminating thousands of jobs, making it much easier for Congress to close post offices, and reducing the Postal Regulatory Commission's power (Issa, 2012). Cliff Guffey, former president of the United Postal Workers Union, argued that Representative Issa's reform bill would destroy the Postal Service (APWU, 2013). The National Association of Letter Carriers (NALC) insisted that Mr. Issa's reform plan would drastically cut postal services to Americans and would cut over 100,000 post office jobs (Issa, 2012).

Labor Department statistics have shown that the United States Postal Service has had several decades of consistently low production gains compared to the production gains of private companies like the United Parcel Service and Federal Express, which ultimately led to higher costs, even with government subsidies (Shapiro, 2015). Shapiro argued that the USPS would have drastically reduced its overall costs by approximately \$20 billion per year by 2014 if it had increased its productivity levels to compete with private firms (2015).

Calls to privatize the United States Postal Service are mounting, and all recommendations to do so are based on demands to deal with massive financial losses and fierce competition from the private sector. A study on the privatization on the Sydney airport in Australia resulted in massive layoffs of airport employees and a large cost increase to patrons (Gilennie, Kwon, O'Donnell, & O'Keefe, 2011). Not one single Congressman or Senator can predict what impact privatizing the Post Office will have on the United States, but consideration must be taken as far as the effect privatization will have on the quality of service of the post office and the effect it will have on postal employees.

The purpose of this project is to examine the effect privatization will have on the United States Postal Service, specifically, its effect on service to the public, the impact on postal employees' job satisfaction, the impact the union and benefits to retired postal workers, and the impact on pricing to the American people. Also, a qualitative Delphi research study is recommended by the author to determine if there is a consensus on the potential effects of privatizing the United States Postal Service and not to determine whether the USPS should be privatized. More specifically, a Delphi study is recommended to seek the opinions from the

perspective of subject matter experts (active, USPS employees) on what the impact will be of privatizing the Postal Service.

The following chapters will include a review of literature and this project's research method. The literature review will explore and discuss the study's main topics: the USPS's fiscal issues; the changing marketplace and Congress; market dominant issues; competitive products issues; customer service; technology and the private sector; and politics. The following chapter will discuss this study's methodology including: the research method and design; population and sampling; data collection; variables and hypothesis; and a summary of the methodology section.

Literature Review

The purpose of this literature review is to analyze and discuss the reasons for the struggles of the United States Postal Service, specifically, the fiscal issues. A detailed evaluation will be conducted to determine how advances in technology, the private sector, and politics impacted the fiscal woes of the organization.

Fiscal Issues

The Post Office has had serious fiscal issues for several decades and there does not appear to be any relief in sight. The USPS simply does not have the ability to absorb any operating costs. In 2005, the USPS had zero debt, and by the year 2011, it had developed debt totaling \$13 billion (Boccia, Ditch, Gattuso, & Greszler, 2020). By 2015, the Post Office had established nine consecutive years of financial losses (Christensen, Francis & Hatch, 2016). In 2018, Congress had determined that the USPS' unfunded pension liabilities and debt totaled more than \$143 billion (Boccia, Ditch, Gattuso, & Greszler, 2020). This meant that the USPS's yearly debt and liability was now twice the size than the yearly revenue. First class mail, once the Post Office's most profitable service, has declined by 40% since its performance peak in 2001 (U.S.G.A.O., 2016). In 2018, the Postal Service's total liabilities were approximately \$27 billion, versus \$89 billion in total liabilities – a net deficiency of \$62 billion (Mnuchin, 2018). Mnuchin has estimated that the United States Postal Service will lose over \$10 billion over the next decade (2018).

Beginning in the early 1980's, the United States Postal Service began struggling with its ability to pay for its retirees' health benefit plans. In 2006, Congress made the decision that required the Post Office to cover all costs associated with the retiree health benefit fund

(Kamarck, 2015). The USPS had to continue struggling to achieve self-sufficiency status, while simultaneously attempting to meet its yearly obligation to fund the retiree health benefit fund (Christensen, Francis & Hatch, 2016). The retiree health benefit fund payments grew substantially each year while the Postal Service's revenue continued to shrink each year (Kamarck, 2015). The Post Office began to default on retiree health benefit fund payments beginning in 2011 (approximately \$5.5 billion), and it has continued to default on those payments each year since (Kamarck, 2015). Compared to the private sector, who has abandoned all traditional employee pension for modern and private 401(K) retirement plans, the Postal Service provides very generous pension and retirement healthcare plans (Sidak, 2015).

At the end of each fiscal year, the USPS ends up with a net loss, and there is no safety net in place to assist with additional funding to deal with any yearly fiscal losses. Instead, the Treasury Department provides funding to the Postal Service in the form of "federal loans" to help deal with any yearly deficits (Christensen, Francis & Hatch, 2016). The Postal Service is allowed to borrow up to a yearly maximum of \$3 billion to assist with any unfunded liabilities and debt with a loan debt balance not to go over \$15 billion (Christensen, Francis & Hatch, 2016). In 2012, the USPS reached the loan limit amount of \$15 billion and remained at max-debt status until 2015. In 2015, the Post Office paid down over \$4 billion in of its debt but quickly reached the loan debt maximum by the end of the next fiscal year (Christensen, Francis & Hatch, 2016). This debt does not include any of the payment defaults incurred by the Postal Service over the years for its retirees' health benefit fund. Any adjustments to the prices of parcel packages and stamps cannot be made to assist the Post Office with inflation adjustments or new debt cannot be made by any Post Office employees, or even by the Postmaster General. Any changes made to prices for stamps and/or delivery services must go through the office of the

Post Office Commission and ultimately through Congress for final approval (Sidak, 2015). The Task Force on the United States Postal System made the official recommendations to Congress to address the dire fiscal issues identified by the Task Force: 1) address the decline of first-class and other mail in the country; 2) address the USPS's revenues and costs; and 3) optimize the unique franchise and monopoly of the USPS (Mnuchin, 2018).

The Changing Marketplace and Congress

The United States Postal Service may be the country's oldest business; however, its primary source of income, delivering first class mail, has been steadily declining for several decades. The creation of the internet has affected everything from personal letters to Christmas cards and wedding invitations. People have now become accustomed to delivering their personal letters and invitations via electronic mail (email). The decline in personal, single piece letters has declined sharply across the country. This decline has gone from approximately 45.9 billion pieces of mail in 2005, to 22.6 billion pieces of mail in 2013 (Kamarck, 2015). While there are different statistics on declining first-class mail based on varying geographic U.S. regions, first-class mail has been declining at similar rates regardless of income, education, and age (Karmack, 2015). While statistics clearly show a massive drop-off in first-class mail, the number of package deliveries has increased dramatically during the same time and for the same reason, the internet (Karmarck, 2015). In recent years, electronic shopping days like "Cyber Monday" (the Monday after Thanksgiving) have become some of the biggest shopping days of the year. The number of digital shoppers has gone from approximately 172.3 million in 2010 to 201.7 million in 2015 and is expected to continue to rise at a rapid pace (Karmarck, 2015). The United States Postal Service has dramatically increased its parcel package delivery due to the increased

internet shopping by Americans; however, it continues to lose money every year with no relief in sight.

If the United States Postal Service were a purely private entity, the rapidly changing dynamics of the marketplace would not necessarily post an existential threat to its existence (Karmarck, 2015). But the USPS is not a private entity, it is a public entity with a “universal service obligation”: an obligation to deliver first-class mail to every American citizen regardless of where they live, all the time, and at a reasonable rate (Gattuso, 2020). The Post Office has an obligation to “provide prompt, reliable, and efficient services to patrons in all areas of the United States” and shall “render postal services to all communities” (Gattuso, 2020). Unlike a private sector delivery business, the USPS simply cannot make any changes to its policies and procedures to adjust to changes to the marketplace without approval from Congress. Congress has complete control of the United States Postal Service and continually restricts it from adjusting to the marketplace like restricting the USPS from eliminating the six-day delivery obligation (Boccia, Ditch, Gattuso, & Greszler, 2020). The United States Postal Service pays a steep price for its monopoly on mail delivery (which is estimated to be worth billions of dollars in revenue): its dependence on Congress (Boccia, Ditch, Gattuso, & Greszler, 2020). It simply does not have the freedom to adapt to the everchanging marketplace and the reality of its own economic issues.

Market Dominant Issues

There are certain “market dominant” issues that Congress must address for any kind of reform to be considered. These issues (market dominant) are related to the Postal Service’s monopoly on mail delivery (Kamarck, 2015). First, Congress must decide if it still wants the

Postal Service to be committed to universal service. Kamarck argues that most Americans would continue to support universal service based on the costs and the belief that it has been engrained in the American fabric and part of the American value system (2015). Boccia, Ditch, Gattuso and Greszler argue that universal service should only be part of the Postal Service mandate if the USPS can pay for all the expenses associated with it by profits generated from services provided (2020). Second, Congress must consider what “universal service” means in the information age. Kamarck suggests that the USPS eliminate Saturday delivery and first-class mail altogether (2015). Several Gallup polls have indicated that the public favors the reduction of mail delivery days as well as the reduction of the days that the Post Office is open to the public (Kamarck, 2015). In August of 2013, Congress denied official requests by the Postal Service to abolish Saturday delivery. This request by the Postal Service was immediately denounced by the postal unions with an aggressive “pro-Saturday” campaign by the unions (Kamarck, 2015). Boccia, Ditch, Gattuso and Greszler argue that alternative methods of delivery like allowing private delivery companies to use clustered mailboxes in larger geographic areas, the reduction of postal office hours, and better developed Postal Service real estate would save the USPS as much as \$1.5 billion on a yearly basis (2020). Third, Congress must determine if the Postal Service can be innovative enough to be more efficient in the pursuit of the “universal mandate”. Even with the abolishment of Saturday delivery and creating more efficient post office hours, the Postal Service would have to create even more ways to save money (Kamarck, 2015). Kamarck argues that the public sector management team of the United States Postal Service would have to play a pivotal role in the creation and adaption of the innovative strategies needed to slash costs and save money (2015). Boccia, Ditch, Gattuso and Greszler argue that

many of these strategies could have been implemented decades ago; however, politics, labor unions and Congress seem to get in the way of any significant progress (2020).

Competitive Products Issues

There are certain issues pertaining to “product competition” that Congress needs to address for the United States Postal Service to be able to “compete” with private sector companies. The first set of issues that need to be addressed are whether the Postal Service can develop new products and compete in the private marketplace; whether USPS managers are being distracted from “universal service” by trying to expand the USPS into other endeavors; and, whether USPS management is capable of being innovative enough to compete with private sector companies (Kamarck, 2015). In 2014, the Postal Service partnered with Amazon to test grocery delivery in the San Francisco area. This pilot program was quickly ridiculed and attacked for losing sight of the primary mission of the post office: mail delivery (Kamarck, 2015). Kamarck argues that managing a highly regulated public organization is different than managing in a competitive environment. Every action USPS managers want to take is subject to intense regulatory and Congressional oversight (2015). Second, if the Postal Service competes more with the private sector, it must be determined if there will be government subsidies associated with those endeavors and if there are ways for the Postal Service to compensate for that (Kamarck, 2015). The Postal Accountability and Enhancement Act of 2006 prohibits the Postal Service from using revenues from market-dominant products (Sidak, 2015). Because of the monopoly that the Postal Service has over its competition (no property taxes on post office property, mailbox exclusivity), will it have to forfeit those subsidies? Private sector expansion by the Postal Service will create “cross-subsidization” and will have to be explored by Congress.

Third, Congress will have to determine if they will allow the Postal Service to compete with the private sector. Kamarck argues that allowing the Postal Service to explore the private sector will require a cultural shift on the part of the public administrators who are accustomed to the public sector and the subsidies associated with it (2015). Boccia, Ditch, Gattuso and Greszler argue that for the United States Postal Service to compete in the private sector, it must be untethered from Congressional control and allowed to implement reforms to operate competitively (2020).

Customer Service

The United States Postal Service measures customer service satisfaction with the *Retail Customer Experience* (RCE) program. This program surveys residential and business customers and uses undercover shoppers to monitor mailing services throughout the country. The data collected by the RCE program is analyzed to improve customer service across the board. The USPS also has a way for customers to leave performance feedback on their website. In an age of heightened demand for overnight and expedited parcel delivery, there are not that many specific, detailed difference between the Postal Service and the big three postal delivery companies. All three private delivery companies offer overnight delivery just like the Postal Service. Customer service data indicates that the Postal Service and the private delivery companies share similar customer satisfaction reviews (Bruner and Bulkley, 2017). The chances of receiving a damaged or late parcel are no less or more likely to occur when comparing the private delivery companies with the Postal Service (Bruner and Bulkley, 2017). A study provided by Mr. G. Burgess and Mr. Jay Singh on parcel deliveries made by the USPS, UPS, FedEx, and DHL concluded that the number of damaged overnight (next-day delivery) packages by the Postal Service were comparable with the average of those for DHL, FedEx, and UPS. Overall customer service

related to parcels and overnight deliveries did not seem to show any significant changes between the Postal Service and the private delivery companies (Bruner and Bulkley, 2017).

Technology and the Private Sector

Mail has become synonymous with the Post Office. When people think of the Post Office, they think of a traditional letter or a package that is delivered by their local mail carrier. Most mail delivered by the Post Office is comprised of business/personal letters, bills, and advertising flyers. As computer technology advanced through the 1990's, so too did the internet and the use of electronic mail, also known as email (Atkinson, 2013). In 2003, the Commission on the United States Postal Service described the USPS's decline (which is expected to continue) as a "historic, structural shift away from letter mail that is likely caused by the increasing use of electronic substitutes" (Atkinson, 2013). As the internet and the use of email progressed through the years, more people and more businesses and organizations, both public and private, began to rely heavily on the use of email. Many companies and government entities adapted to the advancement in computers and began to use email to complete and expedite documents and paperwork requiring signatures and quick turnarounds. Organizations began conducting business and closing transactions in real time (Sidak, 2015). The private sector and public organizations began to rely on email for formal business interactions instead of waiting for formal delivery options.

Computers, the internet, and email have all contributed to the modern-day struggles of the United States Postal Service, but the private delivery companies have certainly contributed to the current situation at the Post Office. The United Parcel Service (UPS), Federal Express (FedEx), and Dalsey, Hillblom, and Lynn (DHL) are private sector delivery companies that offer

an alternative to the Postal Service. The Postal Service and all the private delivery companies offer similar delivery services; however, the USPS holds an advantage over the private companies in that they (the private companies) are not allowed to use mailboxes, nor are they allowed to use unpackaged letter delivery (Christensen, Francis & Hatch, 2016). The Postal Service is considered by many to have a monopoly on delivery, not only because of the mailboxes and letter delivery, but because of the sheer number of Post Offices and the “universal service mandate” (Karmarck, 2015).

There are many similarities between the USPS and the big three private delivery companies, and there are many differences between them. The one thing that sets the Post Office apart, however, is pricing. The Post Office can deliver standard mail without exterior packaging at a standard price, regardless of how far the mail will travel or whether the mail is delivered to a rural destination (Sidak, 2015). The “universal service” mandate ensures that the Postal Service follows through with deliveries anywhere in the Country, regardless of how far or how long the delivery will take (Karmarck, 2015). Stamps used by the USPS have a fixed price that is set by Congress, regardless of where the envelope is delivered or how far the envelope travels. For example, standard letter mail will cost the same whether it is delivered from New York, New York to Miami, Florida, or whether it is delivered from New York, New York to San Diego, California. Private delivery companies’ delivery rates for letters are based on the distance of the delivery. One other advantage held by the Post Office can make deliveries to the vast rural areas in the country because of the sheer number of post office locations (over 31,000). Another reason for lower prices is their inferior tracking system (Sidak, 2015). The tracking systems of private delivery companies get much better customer reviews due in part to the Post Office’s outdated computer and tracking systems (Sidak, 2015). Public and private organizations, both

large and small, rely on the Post Office for their day-to-day deliveries to keep their budgets in order; however, large-scale companies in need of a more detailed and real-time tracking systems prefer to use private delivery companies (Sidak, 2015). Many people believe that it is their patriotic duty as Americans to use the United States Postal Service for all their delivery needs, regardless of pricing and lack of technological advancement regarding their tracking and delivery systems (Karmarck, 2015).

Politics

The Postal Service is an independent government agency; however, the agency must answer to the Board of Governors and the Postmaster General; and is an independent government agency in name only (Christensen, Francis & Hatch, 2016). The Board of Governors and the Postmaster General must both report to the Postal Regulatory Commission (PRC) and all agencies ultimately report to Congress for approval prior to making any large-scale fiscal and all decisions that deal with price and the purchasing of property, etc. (Christensen, Francis & Hatch, 2016). Congress oversees both the PRC and the Postmaster General, and it has sole regulatory power over the Postal Service, including all decisions dealing with innovation, all real-estate dealings (post offices), improving efficiency, and raising and reducing product/service pricing. The cost to send a first-class letter from Miami, Florida to San Diego, California is the same as sending a letter from Los Angeles, California to Fresno, California. The Postal Service cannot raise or lower the price of first-class delivery services, regardless of the how far the mail will travel or where it is going within the United States; price differential only occurs due to the weight or size of the package being delivered. The USPS is unable to compete with the technology used by private delivery companies and struggles with an

outdated tracking system and computer software (Christensen, Francis & Hatch, 2016). The USPS is also required to provide service to all areas of the United States, regardless of how rural those areas may be. Congress mandates that the Postal Service must operate as a self-sustaining federal agency without the ability to profit or operate with a fiscal surplus. This obligation will not change no matter what fiscal entity with no authority to make a profit or have a surplus (Christensen, Francis & Hatch, 2016).

In 2006, the United States Congress voted that the United States Postal Service would have to make yearly payments to pay for any costs dealing with Postal worker retiree healthcare and all unfunded liabilities having to do with employee retirement plans (Christensen, Francis & Hatch, 2016). Soon after the new Congressional mandates went into effect, the debt associated with the yearly payments ballooned to several billions of dollars while the yearly USPS revenue continued to shrink year after year. It was during these years that the Postal Service began defaulting on retiree healthcare fund payments. And it also began to function at a net-loss each fiscal year (Christensen, Francis & Hatch). Congress ultimately intervened, setting up a loan program for the USPS to borrow money to cover all losses and assist with covering the retiree healthcare fund payments. The Postal Service would continue to default on its retiree healthcare fund payment on a yearly basis.

The idea to privatize the United States Postal Service has been argued by Congress for several decades now, and any discussion regarding all fiscal issues regarding the USPS have become a red versus blue hop topic. Political strife is typically at the forefront when it comes to party compromise or lack thereof as it relates to anything associated with legislation for the United States Postal Service. All attempts by legislators to help the Postal Service instantly

becomes a battle between Democrats and Republicans. Republicans want to allow the private sector to take over the Postal Service, while Democrats want to save it no matter the cost, citing American tradition and the Post Office's iconic status (Kamarck, 2015). Several politicians on both sides of the aisle have presented serious legislation only to get caught up in renewed bickering between the left and the right (Kamarck, 2015). In 2011, Congressman Darrell Issa and Senator John McCain introduced a bill to completely rebuild the Postal Service from the ground up. That bill failed miserably. Then in 2013, Congressman Issa introduced yet another bill that also failed. In 2014, Senators Tom Coburn and Tom Carper introduced another postal reform bill, and of course, it failed as well. In 2015, Senator Tom Carper drafted another bill titled, "The Improving Postal Operations, Service and Transparency Act (IPOST Act)" (Kamarck, 2015). Senator Carper was mindful of the partisan politics that threaten all USPS legislation and treaded lightly; however, the bill was shot down like its predecessors.

In 2020, a new political debate has emerged between the two parties in Congress. The Covid-19 Pandemic has created a whole new era of political bickering. Democratic members of Congress requested an increased in funding for the Postal Service to assist with a massive increase in new absentee mail-in voting ballots. Republicans in Congress are resisting any sincere efforts by Democrats to help the USPS with the huge uptick in ballots. This issue has turned into a red versus blue issue for the country (Kamarck, 2015). Democrats argue that without additional funding for the Post Office, it will quickly get overwhelmed and unable to deal with heightened mailing requirements. Conservatives argue that more money for the Post Office may lead to election fraud and widespread corruption (Kamarck, 2015).

In 2020, President Donald Trump re-ignited the Post Office argument between Democrats and Republicans in Congress. Boccia, Ditch, Gattuso, and Greszler argued that President Trump was correct in refusing to sign any bailouts for the Postal Service in 2020 because a massive Postal Service bailout would not solve the problems facing the USPS; instead, a bailout would only exacerbate the Postal Service's problems by allowing Congress to put off real reform yet again (2020). Boccia, Ditch, Gattuso and Greszler argue that Congress should free the Postal Service, and not bail it out (2020). The Postal Service must be untethered from political control and allowed to implement much needed reforms, to enable it to operate sustainably and competitively, and if that does not happen, any bailouts will only beget more bailouts – and still would not save the Postal Service (Boccia, Ditch, Gattuso and Greszler, 2020).

Methodology

The purpose of this analysis is to examine the possible effect that privatizing the United States Postal Service would have on the country, specifically, its effect on postal workers and their benefits, customer service, and pricing for the public.

Research Method and Design

A qualitative methodological approach will be used to conduct a study and gather information on the impact of privatizing the Postal Service. The author proposes a Delphi method to conduct research and conduct this study. The Delphi method emphasizes a structured, anonymous line of communication between participants who have developed expertise on an area of analyzation with a goal of arriving at a consensus in the areas of policy, practice, or organizational decision making (Brady, 2015). The qualitative Delphi method was developed based on the philosophy of Locke, Kant, and Hegel. These philosophers emphasized the importance of the opinions and perceptions of larger groups of people, alongside all other sources of empirical data, in considering what the reality is on a subject matter and/or how to approach decision making (Brady, 2015). Additionally, the Delphi method was designed for practical research, therefore, it could be used to inform practice, in accordance with the philosophical assumptions consistent with Dewey's pragmatism (Brady, 2015). Dewey's pragmatism has long been considered a practical bridge between theories and methods stemming from the interpretive paradigm concerned with subjective human experiences and contextual truths and the emphasis on generalizability and objectivity common in the postpositivist paradigm (Brady, 2015). Pragmatism is evident in the qualitative Delphi method in the following ways: (a) The Delphi method can be flexible and used with quantitative and/or

qualitative data sources; (b) The Delphi method can be affordable, as it incorporates less expensive ways of gathering data like questionnaires varying from more open ended questions to more structured questions that can be easily disseminated to participants utilizing either traditional mail delivery or electronic delivery; (c) The Delphi method is not concerned with having a generalizable sample but instead looks for input from a purposive sample of participants who have specific expertise on a certain topic; and, (d) Delphi studies lack the complexity of many other research designs that demand highly specialized knowledge, education, and expertise, which makes it an ideal fit for community-based research and decision making by community researchers and practitioners alike. Finally, research questions and aims in Delphi studies must have direct bearing on decision making, policy, and/or informing practice (Brady, 2015).

The researcher has developed three, non-experimental research questionnaires. These questionnaires utilize specific questions regarding the impact of privatizing the United States Postal Service, specifically, the effects on postal workers and their benefits (including retirement benefits), customer service, postal pricing, and whether the subjects believe the Postal Service should be privatized. The questionnaires will consist of five open-ended questions addressing those issues. Question one will inquire how each participant feels about what effect(s) privatizing the Postal Service will have on customer service. Question two will inquire how each participant feels about the effect(s) of privatizing the Postal Service will have on the overall job satisfaction of postal employees. Question three will inquire how each participant feels about the effect(s) of privatizing the Postal Service will have on employee benefits. Question four will inquire how each participant feels about the effects of privatizing the Postal Service will have on pricing. And question five will inquire if each participant believes that the federal government

should privatize the United States Postal Service. The second part of question number five will inquire why they so?

Population and Sampling

All participants who are selected for this study will be active United States Postal employees assigned to the main Postal Center in South Los Angeles. Twenty postal employees will be randomly selected for this Delphi study. An email will be sent out to the entire employee population at the South Los Angeles facility with an explanation of the study and an invitation to respond. The email will explain that the first twenty employees to respond will be selected to participate in the Delphi study and receive a \$25 Starbucks coffee gift card for participating in the study. Once the study population is identified, the first of three questionnaires will be delivered to each participant via electronic mail along with detailed instructions and a request to return the first questionnaire within one week. The second questionnaire will be emailed to each participant approximately three months after the first questionnaire (quarterly). The third and final questionnaire will be emailed to each participant approximately three months after the second questionnaire (quarterly). The second and third questionnaires will be expected to be returned a week after being sent out.

Data Collection

Data will be collected and analyzed once all twenty members of the population respond with their answers to the five questions of the study. Open-ended questions will allow the participants to write detailed responses to each question and allow their opinions and personal expertise on the subject matter dictate their answers. Each participant's responses will be reviewed and compared with his and her peers for analyzation. The researcher will review all

responses and comparisons to develop open-ended follow-up questions for the participants. These follow-up questions will be delivered via electronic mail approximately three months after the initial set up questions (quarterly). The second set of responses will be reviewed and compared with his and her peers for analyzation. The researcher will review the second set of responses and comparisons to develop a third set of open-ended follow-up questions for the participants. The third set of questions will be delivered via electronic mail approximately three months after the second set of questions. The third set of responses will be reviewed and compared with his and her peers for analyzation. The researcher will review all responses and comparisons to develop conclusions and complete his analysis.

Variables and Hypothesis

The author of this study has determined that there are independent and dependent variables that impact this study. The first of these independent variables is customer service. The research question that addresses customer service is, “If the Postal Service is privatized, what do you think will happen to the overall customer service?” The researcher hypothesizes that customer service will get worse based on customer service review comparisons between private delivery companies and the Post Office. The second of these independent variables is the job satisfaction of postal employees. The question that will address this variable is, “If the Postal Service is privatized, what do you think will happen to the job satisfaction of postal employees. The researcher hypothesizes that the job satisfaction of postal employees will decline due to the generous retirement benefits in place. The third independent variable is postal employee benefits. The question that will address this variable is, “If the Postal Service is privatized, what do you think will happen to the state of employee benefits, including retirement benefits?” The

researcher hypothesizes that postal employee benefits will decline based on public employee benefits, specifically retirement benefits, being more generous than that of the private sector. The fourth independent variable is pricing. The question that will address this variable is, “If the United States Postal Service is privatized, what will happen to the prices of their services?” The researcher hypothesizes that prices will go up due to the quasi-monopoly state of the Postal Service.

Summary

The purpose of this section is to summarize the purpose and specifics of the Delphi study and to gain insight on the potential impact that privatizing the United States Postal Service may have on the country, specifically, the effect on postal workers and their benefits, customer service, and pricing for the public. The researcher proposed a research study to develop an understanding on the impact of privatizing the US Postal Service from the perspective of twenty active postal employees as part of the Delphi study. The purpose of the Delphi study is to gain insight on the possible impact and effect that privatizing the United States Postal Service would have based on the personal opinions of twenty subject-matter experts. These twenty participants will be active, Postal Service Employees. The primary research questions that guide this study are:

- 1) If the United States Postal Service is privatized, what do you think will happen to its overall customer service?
- 2) If the United States Postal Service is privatized, what do you think will happen to the job satisfaction of postal employees?

- 3) If the United States Postal Service is privatized, what do you think will happen to the state of postal employee benefits, including retirement benefits?
- 4) If the United States Postal Service is privatized, will the price of their services go up, go down, remain the same?
- 5) Do you think the federal government should privatize the Postal Service? Why or why not?

Conclusion

In summary, this research project presented several scholarly insights on the fiscal dilemma facing the United States Postal Service in modern times. Based on the literature review alone, many scholarly authors support privatizing the Postal Service, while many support its status as a public organization. Their perspectives on the possible impact of privatizing the United States Postal Service have been carefully reviewed. The author of this research project was able to carefully review the different perspectives offered in the literature and conclude that political strife prevents the Postal Service from independently correcting its own path and creating more fiscally sound alternatives. To conclude this project, the author proposed a Delphi study and developed an open-ended questionnaire for the participants. This questionnaire was developed as a method of identifying the possible impact the privatization of the United States Postal Service would have on customers and employees, from the perspective of subject-matter experts, postal employees.

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Appendix A

The following questions were developed and used as part of the questionnaire of the research study:

Hello, attached you will find the questionnaire that you agreed to participate in. Please read each question carefully and respond. Please send back the que by next Friday. Thank You.

- 1) If the United States Postal Service is privatized, what do you think will happen to its overall customer service?
- 2) If the United States Postal Service is privatized, what do you think will happen to the job satisfaction of postal employees?
- 3) If the United States Postal Service is privatized, what do you think will happen to the state of postal employee benefits, including retirement benefits?
- 4) If the United States Postal Service is privatized, what will happen to the prices of their services?
- 5) Do you think the federal government should privatize the Postal Service? Why or why not?

After reviewing, comparing, and analyzing all responses from every participant, the researcher will send you another set of questions in about three months.