

## **Pivoting Away from Paper: How the IRS Can Overhaul Customer Service and Transform its Business Practices**

**Statement by Randy Miskanic, Vice President, Secure Digital Solutions, United States Postal Service**

Good morning. My name is Randy Miskanic, and I am the Vice President of Secure Digital Solutions. This is a relatively new office within the United States Postal Service that the Postmaster General has tasked to “align our innovation strategy with consumer demand for secure digital communications and experiences.” We are accomplishing this mission by extending our trusted and secure brand through digital innovations and new offerings.

For the USPS, as you might imagine, the shift from paper to digital, in both the commercial and private sector, has been especially challenging and complex. For more than two centuries, the delivery of physical – paper - mail has been the core component of our business and our identity.

Our universal service obligation takes us to every community in the country. It is who we are – it is what our consumers know us for – our business model and our nationwide structure of post offices are built around it.

As many of you are aware the Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. With that in mind, for us, finding the right balance between our valuable, traditional paper-based services, and innovative, new digital products, both of which remain very much in demand, has required a focus on our consumers – what do they need? What do they want?

We started by recognizing that physical, paper mail is certainly not extinct – but it is a business currently in decline. The USPS delivered 158.4 billion pieces of mail in FY 2013. That was down from 159.8 billion in FY 2012. While Package and standard Mail volume did post some growth, First-Class Mail fell by 2.8 billion pieces.

At the same time, our consumers are looking for more of our services online – a comparison of December 2012 to December 2013, our busiest month because of the holiday shopping period, revealed a nearly 30% spike in consumers interfacing with USPS.com.

In an era of constrained fiscal resources for the Federal Government and a focus on expanding service, digital offers many benefits:

- Ease-of-use: optimized transactions and access to information as well as data analysis
- Interoperability: enable standardization of records to enable better sharing
- Environment: eliminates volume of paper that is used to maintain paper records
- Communication: electronic records are easier to widely disperse and share, improving quantity of information

As Pat Donahoe, the Postmaster General, recently observed, “Innovating digital integration is fundamental to improving the consumer experience — and combining the targeting power of online advertising with that mail experience will make mail far more valuable to the receiver and the sender .” How do we go about accomplishing that? By making the mail more functional!

The amount of technology that can be embedded in mail is growing rapidly. QR codes are the simplest example. Mail should be able to interact with smart phones and smart televisions. If you get an offer from your bank, you should be able to tap your phone and connect with a representative. If you get a menu from a local restaurant, you should be able to tap a device and get a reservation, or a carry out order. These kinds of technologies are being developed right now and they will be powerful. The Postal Service intends to embrace these technologies to dramatically improve the experience of physical mail.

And the future? We are transforming USPS.com from a transaction-based website into personalized services through the introduction of verified digital identities. A consumer will soon have the option to bind their digital identity to their address and thus receive more personalized on-line services.

The Secure Digital Solutions group, in conjunction with the rest of the Postal Service, is creating a suite of services to better serve our consumers. Because of our unique, trusted brand and reputation for security, we were recently selected by the White House to operate the Federal Cloud Credential Exchange or FCCX, for short. A key component of the National Strategy for Trusted Identities in Cyberspace, FCCX will enable citizens the option to use a digital identity that they may already have to login to federal agency applications. The FCCX Exchange service is scheduled to pilot this fiscal year, and a perfect example of USPS innovation. FCCX will help our customers begin to think

differently about the role of the U.S. Postal Service in the collective digital future of America and the world.

We recognize that new products are the lifeblood of the Postal Service. Ever cognizant of financial challenges, keenly aware of the value and on-going need for our physical, paper-based services, while recognizing the digital future, we are creating a balanced approach that leverages the best of paper and digital – and serves our clients with the same level of trust, security, and privacy they have come to expect.

For us, the reality here is that the solution is not “all digital” or “all paper.” The right approach is the balanced approach – one that enables consumers to leverage the means of communication that is most beneficial to them and to their individual needs.

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