e-Government and the Postal Service —
A Conduit to Help Government
Meet Citizens’ Needs

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Executive Summary

Electronic government (e-government) is the use of the Internet and other digital technologies by government agencies to provide services to citizens, businesses, and other parts of government. It has developed over the past 20 years in response to the changing needs of an increasingly digital society. Federal, state, and local agencies have turned to e-government for innovative ways to increase access to information and services, improve government operations, cut costs, and promote civic engagement. At the same time, government agencies are experiencing budget constraints and reductions. Agencies have expensive and many parallel field office network structures across the United States that are, despite efforts, still inaccessible to many citizens.

In earlier papers the U.S. Postal Service Office of Inspector General discussed the idea of a universal digital platform for postal services, e-commerce, citizen data storage, digital cash being added to money order services, and other offerings. This paper focuses on e-government opportunities for the Postal Service. Through interviews with officials from multiple agencies and our own research, we determined that the specific e-government services these agencies need to better serve citizens, and that the Postal Service could address, fall under five basic categories:

- **Communications management** – The Postal Service could combine existing applications such as the Electronic Postmark® with secure electronic messaging and digital-physical hybrid services to support government communications and transactions.

- **Online and in-person identification** – The Postal Service, through its vast retail network, could facilitate the transition of government transactions online by offering digital and in-person identification services.

- **Front office services for direct citizen contact** – Agencies that require front office personal contact could utilize the Postal Service’s national retail network for applications, status changes, and in-person witness certifications.

- **Electronic payments** – The retail network could serve as an enrollment and cash redemption/reload channel for agencies that issue prepaid cards. The Postal Service could also provide postal money orders and its own prepaid cards on behalf of other agencies, which citizens could use for secure refunds, loan and grant proceeds, and benefit or entitlement payments.
Broadband access – The Postal Service could support national efforts to expand broadband availability by providing convenient access points via Post Offices in underserved communities, as well as aerial access that expands the broadband umbrella.

In each category, the Postal Service could assist agencies in increasing efficiency and improving the quality and convenience of services. The Postal Service could also help agencies to minimize fraud and abuse through its identity authentication services and law enforcement capabilities. In addition, a Postal Service physical-digital platform could provide a crucial bridge to enable users to access government services through whatever channel best meets their needs. The platform would also add a layer of resiliency to essential public functions during emergencies.

Today, there are still lingering gaps in security, access, and ease of use that have hindered full, public adoption of existing e-government services, as well as the development of new services. First, there is a lack of appropriate identity authentication for sensitive online government transactions. Some transactions still require human interaction — for example, transactions that are complex or require a witness, identification, or sworn attestation. Second, some people lack access to the Internet or are uncomfortable with accessing government services online. Finally, existing e-government services are often fragmented across multiple agencies or websites, making it difficult for users to easily access and navigate the services they need. To address these gaps, the federal government has launched a number of initiatives — such as the E-Government Act of 2002 and the 2012 Digital Government Strategy. The goals of these initiatives are to provide better customer service, improve security, and promote interagency collaboration.

The goals set forth by the federal government represent opportunities for the Postal Service to help citizens better receive government services. They also can set the course for the Postal Service to fulfill its longstanding role in a new era. The Postal Service could establish a one-stop, shared, multi-channel service platform to help all levels of government address accessibility, ease of use, and security gaps. At the same time, the Postal Service could also help address massive duplicative costs across agencies — which is particularly important given the current budget environment. The Postal Service network offers a highly accessible link when human interaction is needed.

The Postal Service’s role in providing e-government services is based on its founding mission, core competencies and assets, and opportunities allowed by law. First, providing e-government services aligns well with the Postal Service’s traditional mission of “binding the nation together” through secure and private communications — a mission that continues in the digital age. Second, the Postal Service has core competencies and assets that are ideally suited for multi-channel delivery of e-government services, including a digital infrastructure, traditional mail operations, and in-person contact through its Post Office network and delivery carriers. Third, it is important to note that the Postal Service needs no change in law to supply non-
traditional services to government agencies or provide interagency service agreements at the federal level.

Finally, we offer some suggestions that could support the successful implementation of e-government services via the Postal Service:

- Consider establishing a dedicated unit within the Postal Service to guide e-government initiatives.

- Seek partnerships and promote cooperative plans with government agencies at the federal, state, and local levels.

- Identify appropriate funding mechanisms, which could include service fees, private partnerships, shared agency funding, and others. This funding would represent only a small fraction of agencies’ current costs, with the potential for immediate savings.

- Examine the services that foreign posts have successfully established to support their governments. For some posts, the revenue from these added services has been significant and is growing.

The provision of e-government services is actionable today, unlike other Postal Service opportunities that have been suggested previously. Moreover, e-government services would leverage the unique resources and capabilities of the Postal Service to support the nation as it has done since its founding. The Postal Service is already becoming the identity authentication leader in the federal government. As the most public face of government to everyday citizens, the Postal Service can continue to help the government meet the ever-evolving needs of those citizens in ways that are better, cheaper, faster, and beneficial to all Americans.
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Introduction

The migration of government communications and transactions to electronic channels — known as electronic government (e-government) — started in the late 1990s, in response to the changing needs of an increasingly digital society. A number of laws and regulations emerged at all levels of government to foster the adoption of Internet technologies to digitize and streamline paper-based processes and services.


Despite the significant progress achieved in implementing the electronic delivery of public services, many shortcomings remain. Serious barriers including security and privacy issues, a lack of cross-government collaboration, and a digital divide — millions of people without access to high-speed Internet — still prevent the full, efficient digitization of many public services. While the recent proliferation of cloud computing, smartphones, wireless devices, and online applications created new opportunities for government to innovate, it has also made the digital landscape even more complex. New cyber risks and types of fraud associated with the increasing online exchange of sensitive information require government to operate more safely and securely, while the lack of financial resources compels agencies to “innovate more with less.”

The Postal Service has traditionally played a vital role in ensuring the secure, reliable, and universal physical delivery of government communications and transactions to all individuals and businesses in the United States. As the federal government continues to transform its service delivery in the digital age, the Postal Service could utilize its unique resources and capabilities to enhance the development of e-government services. This would help government, at all levels, leverage online channels to further improve the quality and customization of services to citizens, achieve greater efficiency and

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coordination between agencies, and extend public participation in government — “anytime, anywhere, and on any device.”

This paper discusses opportunities for the Postal Service to support the nation’s expansion into the e-government domain and presents a way forward in the development of a suite of digital and hybrid solutions.

**e-Government: Definition, Shortcomings, and Trends**

**Definition**

Simply defined, e-government is the use of the Internet and other digital technologies to enhance the access to and delivery of government information and services. e-Government can also improve government operations, cuts costs, and promote citizen engagement in government. The recipients of e-government services are citizens, businesses, government agencies, or a combination of one or more of these groups. A government agency could provide online benefit applications to citizens, an Internet portal for information on loans or regulations to businesses, and centralized databases to other agencies — all of these instances demonstrate types of e-government services.

E-Government involves multiple stages of development, ranging from establishing a simple web presence with the purpose of providing government information, to the complete integration of government functions online and the digitization of public services. Figure 1 describes the main stages of e-government development and provides examples of services in each stage.

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2 Ibid.
Current Shortcomings of e-Government

Despite the progress achieved to date, all levels of government must address several key barriers that prevent or hinder user adoption and the full development of e-government. These barriers include:

Lack of universal and adequate standards for online identification and authentication – Today, users may have to provide their personal information many different times, in many different ways, and with many different passwords. Current digital identity processes are often insufficient for government services that require verification of the link between a digital identity and a real person, business, or entity. These current approaches are in most cases based on username and password, which are inadequate to provide the appropriate level of privacy and security necessary to move government services online safely. Nevertheless, government adoption of new, universal standards is inhibited by two major factors: the potential high cost of implementing an in-person verification system and the difficulty of ensuring the right balance between the rigor of authentication and convenience.

Digital divide – Many citizens have limited or no access to the Internet, or lack the technological resources or capabilities to participate in e-government. An April 2012 report from the Pew Research Center found that one in five American adults does not use the Internet. In particular, some of the people who are least likely to use the Internet are often physically or socially vulnerable individuals, who may be more likely to need government services.

Lack of trust due to security and privacy concerns – Some users believe that electronic channels for transmitting sensitive data are less private and secure than traditional channels. Several recent examples of data security lapses — such as the recent attacks on Yahoo, LinkedIn, Google, AOL, and the federal Thrift Savings Plan’s password systems — illustrate the potential danger to consumers of online fraud and theft. In other cases, users may perceive government as “Big Brother” — gathering and integrating information on citizens, and invading their privacy.

Lack of coordination in the provision of e-Government services – Many agencies currently have a decentralized approach to the provision of e-government services. They operate independently of one another, delivering services and information in silos, often duplicating processes and infrastructures. This lack of intra-government collaboration and process integration is economically unproductive and causes internal inefficiency for agencies, while negatively impacting the quality of service for citizens.

Fragmented user access to e-Government services – A recent government report found that there are almost 1,500 “.gov” domains in the United States, with more than 11,000 websites across 56 agencies. Despite efforts of the federal government to provide a unified information access point through the www.USA.gov website — the U.S. government's official web portal — users still need to access services by visiting multiple websites, each of which might require separate identification, authentication, or payment systems. Such a fragmented and decentralized approach prevents users from being able to quickly and conveniently access the information and services they need. For example, users may be required to submit the same documents across multiple agencies, or even within different segments of the same agency.

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Need for more customized service access channels – Government services often are not optimized for smartphones or tablets. With 46 percent of American adults owning a smartphone, and with the increasing use of tablet devices, it is essential that the government allow users to conveniently access content and perform transactions through multiple devices. It is important to note that for some users, their only access to the internet is via a smartphone or tablet.

Future Trends

In May 2012, the White House released its Digital Government Strategy. Recognizing emerging technology trends in areas such as data sharing platforms, mobile messaging, and cloud computing, the White House laid out a roadmap for 21st century digital government. The document sets guidelines for federal agencies to follow in order to address current shortcomings, as well as to take advantage of emerging technologies to further innovate and enhance the quality and efficiency of public services.

Figure 2: The 2012 White House Digital Government Strategy

The Digital Government Strategy is built upon four overarching principles:

A shared platform approach – To deliver better services at a lower cost, federal agencies are required to share resources — reducing duplication and leveraging existing infrastructures and capabilities (“do once, use many times”). The objective is to transform government into a platform based on common cross-agency standards, upon which both agencies and private sector organizations can build services and applications.

12 Ibid., p. 7.
Security and privacy for online transactions – For e-government services to evolve, more rigorous authentication of an individual’s or organization’s identity is required, along with appropriate measures to protect their privacy and security. From this perspective, federal agencies will have to work together and with the private sector to develop new common standards and solutions in the field of identity authentication and personal credential management.

An information-centric approach – The information maintained by the federal government is an asset with significant potential value to the public, and to the government itself. Therefore, federal agencies should make government data easily accessible, shareable, searchable, and usable both across agencies and to external users (citizens, businesses, organizations, and local governments).

A customer-centric approach – Americans would like to be able to interact with their government anytime, anywhere, and on any device. As a result, federal agencies will have to implement a multi-channel access strategy to enable greater customization on the basis of users’ needs and preferences.

The Role for the U.S. Postal Service in e-Government

The goals set forth in the Digital Government Strategy represent opportunities for the Postal Service to assist other agencies in better serving citizens, and to fulfill its role in a new era. By leveraging its physical and digital assets, the Postal Service can establish a shared platform to help all levels of government provide customer-centric solutions that address accessibility, security, and usability gaps while also cutting duplicative costs across agencies.

Figure 3: The Postal Service Physical-Digital Platform
A Physical-Digital Enabling Platform for Government Services

The Postal Service can play a role as a shared point of service for government to interact with citizens, businesses, and other agencies. Through its physical and digital platforms, the Postal Service could support a portfolio of services and applications to help improve the security, efficiency, and convenience of government communications and transactions. The Postal Service could act as an integrated physical and digital “gateway” to e-government services by offering both government agencies and consumers the convenience and cost savings associated with a digital channel, along with a large physical footprint for face-to-face services as needed. This multi-channel capability would help the government enhance access to its services by creating a bridge to allow citizens and businesses to traverse between the digital and physical spheres.

- **Physical Component** – There are service gaps where consumers do not readily have access to agencies’ physical locations but are unable or are unwilling to go online to complete essential transactions. The Postal Service, the most trusted federal agency, can utilize its ubiquitous physical network of facilities, staff, and its information technology infrastructure to fill this gap through the efficient multi-channel delivery of government services.

- **Digital Component** – Through a digital postal platform and address management databases, the Postal Service could support a broad array of digital services. These could range from electronic and hybrid communications, to digital identity management, electronic payments, front office services, and broadband access to help agencies either expand their portfolio of online services to the public, or achieve greater efficiencies.

Why the U.S. Postal Service?

Since its inception, the Postal Service has provided secure and private communications as well as partnered with the public and private sectors to foster the flow of information, commercial growth, and governmental outreach necessary for developing our nation. In a digital era, the Postal Service can continue its mission to “bind the nation

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14 Services such as license renewals, issuance of certificates and government benefit cards, identity verification, document notarization, or cash payments and disbursements would be accessible through a Post Office, a letter carrier equipped with a portable device, or an electronic kiosk placed in a postal retail facility.
16 National Postal Museum, *1792 Postal Act*, [http://www.postalmuseum.si.edu/exhibits/2a1h_1792act.html](http://www.postalmuseum.si.edu/exhibits/2a1h_1792act.html).
together” by assisting the government in the provision of services in a relevant and cost-effective manner, because it has

- A mission and role, recognized by legal precedent, that can evolve with technology;
- Competencies and assets that are ideally suited for e-government services; and
- Laws that allow the Postal Service to offer non-traditional postal services to the government.

**Figure 4: Why the U.S. Postal Service?**

Source: OIG

**Alignment with Postal Service mission and role**

Historically, there is a strong precedent for the Postal Service to unite communities and serve as a government touchpoint, especially in isolated and rural areas. With a national presence that reaches every household and business in America, the Postal Service became the government entity with the most prevalent contact with citizens. In many small towns and rural areas, the Post Office building became the physical outpost of other federal agencies, as these agencies used the postal network to help fulfill their own missions. Many communities today, especially small rural towns and villages, still utilize Post Offices in a similar manner.

The provision of government services, by physical or electronic means, would be consistent with the Postal Service’s historical mission applied in a digital era. The Postal Service in fact has often been allowed to pioneer or employ new technologies to uphold

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17 “The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. . . .” 39 U.S.C. § 101.
its mandate and meet citizens’ emerging needs. Legal precedents suggest that the Constitution does not require nor envisage Congress restricting the Postal Service to the use of specific technologies to fulfill its mission, but rather keeping pace with progress and the evolving needs of society.\(^{18}\)

**Competencies and assets**

Because of its competencies and assets, the Postal Service is ideally suited to partner with government organizations. It can rely on a unique and unrivaled mix of resources:

- A history as a highly trusted intermediary ensuring security and privacy to communications and transactions that has allowed the Postal Service to function as an agent on government's behalf to engage in essential activities such as processing passport applications for the U.S. Department of State.

- A position of legal standing for important communications as well as law enforcement capabilities that could provide physical mail-like services such as privacy of identity, security for transactions, and confidentiality of content in the digital age.

- Universal access including mail carriers that physically reach almost every address in the country 6 days a week, the largest retail network in the United States, one of the top 100 most visited websites in the nation,\(^{19}\) and an address management database that covers every home and business in the country.

- Critical redundancy and resiliency in times of national emergency and responding to natural disasters such as Hurricane Katrina. The deployment of an integrated multi-channel communication platform could position the Postal Service as the backbone of the government emergency alert infrastructure.

**Opportunities allowed under current law**

According to the *Postal Reorganization Act of 1970* (PRA), the Postal Service is authorized to furnish property and services to executive agencies “under such terms and conditions, including reimbursability, as the Postal Service and the head of the agency concerned shall deem appropriate.”\(^{20}\) Although the 2006 *Postal Accountability and Enhancement Act* (PAEA) generally prevents the Postal Service from offering new nonpostal services, these limitations do not apply to activities such as the offering of

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\(^{18}\) The Supreme Court has supported the Postal Service’s evolving role. In an 1877 case involving telegraph companies, the court upheld the notion that the Postal Service can evolve with technological change. It stated that, “The powers conferred upon Congress to regulate commerce … and to establish post offices and post roads are not confined to the instrumentalities of commerce, or of the postal service known or in use when the Constitution was adopted, but keep pace with the progress of the country and adapt themselves to the new developments of time and circumstances.” Pensacola Tel. Co. v. W. Union Tel. Co., 96 U.S. 1, 3-49, 24 L.Ed. 708 (1877).


non-traditional products and services to the federal government. 21 Under its own regulations, the Postal Service can enter into service agreements with executive agencies of the federal government if the objective is that of improving the quality and lowering the cost of government services to the general public.22 Moreover, the Postal Service can set reasonable fees, in accordance with the time and cost for providing the service for another agency, to compensate for work performed as well as general overhead costs.23 It is under these provisions that the Postal Service currently provides services for several federal agencies.

The Postal Service Could Offer a Wide Range of e-Government Products and Services

The current budget challenges faced by many agencies highlight the need for innovative ways to transform and deliver services. Although online alternatives would cut costs, a comprehensive one-stop, multi-channel service solution for government does not seem to be currently available. We interviewed officials and reviewed reports from several agencies to identify potential service needs.24 We determined that the needs of these agencies fell under five basic categories: communications management, online identification, front office services, electronic payments, and broadband access.

In each category, the Postal Service could assist agencies in reducing costs, minimizing fraud and abuse, and better serving citizens. By leveraging its digital infrastructure, address databases, retail and delivery networks, and its trusted intermediary role, the Postal Service could offer other agencies a large portfolio of physical and digital e-government solutions. Figure 5 shows some examples of specific products or services that the Postal Service could offer under each of the five categories. For more information about some of these services, please see Appendix B.

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22 Postal regulations also state that the Postal Service can work with agencies whenever the overall costs to the Government can be reduced. 39 C.F.R. § 259.1(a); see also Postal Service Administrative Support Manual (ASM) 13 § 421.11.

23 39 C.F.R. § 259.1(b); see also ASM 13 § 421.12 (stating postal policy is “to charge compensatory fees for services performed in behalf of agencies when these services involve significant or ongoing cost[s]”).

24 We interviewed officials or reviewed documentation from multiple agencies, including the Treasury Inspector General for Tax Administration, the General Services Administration, the Federal Communications Commission, the Department of the Treasury, the Small Business Administration, and the Department of Defense.
Communications Management

Under the pressure to cut mailing costs and adapt to customers’ changing preferences, government agencies are complementing or replacing their paper-based communications with digital messaging systems. However, the current online communications environment remains highly fragmented and often lacks the level of safety and confidentiality appropriate for the transmission and storage of sensitive government messages. While private sector companies have developed widely used e-mail services, their business models can sometimes sacrifice consumer privacy in the interest of ad-based revenue generation. Although a number of agencies have developed tools for online communications, no single agency currently provides a comprehensive and securely authenticated solution necessary to support a full suite of government communications and transactions.

With a suite of existing and potential products and services — including secure electronic messaging, Electronic Postmark®, digital-to-physical and physical-to-digital mail, and electronic archiving of records — the Postal Service could enhance agency communications in many ways.

25 For example, some e-mail services providers scan e-mails and track Internet searches to develop preference-based advertising. Many of the passwords can easily be guessed, leaving end-users vulnerable to identity theft and companies vulnerable to fraud.
Online Identification

Many complex or sensitive government transactions cannot be completed online due to the lack of adequate verification standards that are rigorous yet convenient for users. Examples may include requesting a Social Security card or an Individual Taxpayer Identification Number. Today’s digital identities are largely unfit for use with many government services. For example, usernames and passwords, which are the most common forms of digital identity, are relatively easy to hack and are therefore inadequate for many governmental interactions. In addition, each government agency may have a different way of verifying that a particular person owns an online identity. This forces users to authenticate their identities with each government entity, which can expose even more users’ identities to theft and fraud risks.

The Postal Service could facilitate the transition of government transactions online by offering digital and in-person identification services. The postal digital identity could serve as the foundation for safely moving online a number of highly complex and sensitive transactions.

Front Office Services

The Postal Service’s extensive network of retail facilities and carriers could serve as a physical access channel to government services for users who are not willing or unable to use the Internet, or where a face-to-face transaction is needed. Some examples would be identity verification for issuance of government benefit cards, electronic identity smart cards, document notarization, or payments and disbursements. An employee could verify credentials, scan forms and other documentation, apply a digital signature, and transmit the information to the involved agencies through a secured electronic channel. Moreover, because of its nationwide reach, the Postal Service could lease window space to allow other agencies direct access to citizens who were formerly out of reach for in-person transactions.

By acting as a shared service point for multiple agencies, the Postal Service could help the government save money by reducing duplicative activities across various agencies, and provide a more customer-centric, one-stop shop for government services.

Electronic Payments

Federal, state, and local government entities delivering social benefits to citizens are engaging in electronic payment programs to reduce mailing and processing costs. For

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27 In 2010, 8.1 million U.S. adults were the victims of identity theft or fraud, with total costs of $37 billion. Javelin Strategy and Research, *2011 Identity Fraud Survey Report*, February 2011.
28 The Postal Service has recently been approved as a member of the Federal Cloud Credential Exchange (FCCX) Tiger Team. The FCCX is an inter-agency team whose goal is to collaborate with the private sector to create a single government-wide secure online identification system. The system will allow government websites to accept users’ identity based on attributes (for example, address, SSN, or citizen status) collected and verified by a trusted third-party.
example, as of March 1, 2013, all federal benefit and non-tax payments will be paid electronically. Nevertheless, many benefit recipients do not qualify for or cannot afford a bank account. To meet the needs of these unbanked citizens, some agencies are offering prepaid cards — which do not require users to have a bank account or a credit history to be used — to allow them to receive their benefits electronically.

The Postal Service could provide prepaid card services to government entities to help them offer unbanked households an alternative to physical checks. The request for a prepaid card could be submitted at any Post Office or through a letter carrier. The postal representative would verify the applicant’s identity on behalf of the partnering agency to limit the risk of fraud or identity theft. Cardholders could use the ubiquitous postal retail network to reload the card, redeem it for cash, or initiate a money transfer transaction. The postal prepaid card could also link to a mobile application to allow users to manage benefits through their smartphones.

**Broadband Access**

Despite the increasing adoption of high-speed Internet, millions of Americans do not have access to broadband today, mostly in rural and remote areas. By utilizing its vast physical network and roots in every community in America, the Postal Service could play an instrumental role in bringing broadband to every citizen and business. For example, the Postal Service could lease facility space to Internet and mobile service providers for the installation of network connection equipment. In addition, the Postal Service could provide a community service by designating Post Offices in underserved areas as access points or broadband hotspots, offering wireless access to the public. Finally, the Postal Service could also help identify coverage gaps in the modern communication infrastructure. For example, the Postal Service could collect data to evaluate and improve mobile Internet quality and reach by equipping postal vehicles with detection sensors to report dead spots and signal interference.

**Agencies Could Benefit from a Postal Service e-Government Offering**

Through our interviews with agency officials and our own research, we identified the following examples of agencies that could benefit from the Postal Service’s e-government product and service offerings.

- Internal Revenue Service (IRS) – IRS has issued more than $5 billion in undetected, potentially fraudulent tax returns, and could issue as much as

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$21 billion in potentially fraudulent returns over the next 5 years. This is partially due to weaknesses in IRS’s internal controls for assigning tax identification numbers to some individuals — including a lack of in-person identity verification or review of required documents. With its large physical network and existing authentication services, the Postal Service could verify filers’ identities, helping to ensure that tax refunds go only to legitimate filers. In addition, IRS holds questionable returns during processing while it works to verify filers’ identities. In-person authentication by Postal Service employees could play a key role in this process as well. Moreover, the Postal Service could leverage its address management system to verify individuals’ mailing addresses to help IRS reduce multiple fraudulent returns linked to the same physical addresses. In recent years, some single addresses have been associated with hundreds of potentially fraudulent returns, resulting in millions of dollars in fraud.

- **Federal Communications Commission (FCC)** – As part of its National Broadband Plan, FCC manages a number of funding sources to promote consumer access to Internet services. In July 2012, it launched the Connect America Fund, a public-private funding initiative aimed at supporting the expansion of high-speed Internet services to 19 million underserved rural residents by 2020. With 36,000 retail facilities nationwide, including rural areas with limited broadband coverage, the Postal Service could support this plan by providing wireless broadband access at Post Offices and surrounding areas — serving as the backbone of a system that closes the digital divide in many communities.

- **The Department of the Treasury (Treasury)** – Treasury promotes the use of electronic payments of social benefits, largely through a prepaid card program. The program is aimed specifically at citizens without bank accounts so that they, too, can receive their benefits electronically. The Postal Service retail network could provide an additional information and enrollment channel, supporting Treasury in reaching out to non-digital citizens and residents of remote areas. For example, the requests for Treasury’s prepaid card could be submitted at any Postal Service retail outlet, where personnel would verify the identity of the applicants, helping limit the risk of fraud or identity theft. The request could then be sent to Treasury for further processing, or a Post Office could issue the card. As an alternative to the Treasury-issued card, a prepaid card issued by the Postal Service itself could also receive social benefits directly. The owner of a postal prepaid card could activate this option simply by submitting the request to Treasury through a Post Office. In both cases, cardholders could use the postal

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34 The Postal Service currently completes verification activities for the Department of State for passport applications.

retail network to reload the card, redeem it for cash, or initiate a money transfer transaction.36

- Small Business Administration (SBA) – SBA operates more than 900 Small Business Development Centers to provide assistance and information to current and aspiring business owners on how to start, run, and improve a small business37 — the engines of our nation’s economic growth. Although the Small Business Development Centers allow SBA to serve many citizens across the country, the Postal Service’s unmatched nationwide reach could enhance SBA’s ability to support small businesses. With a physical presence in nearly every community, postal facilities could be a one-stop access point for connecting with the information, resources, and tools to start and grow a business. Interested citizens could use kiosks to look up information on applicable laws and regulations, submit federal loan applications, have their identities authenticated, attach electronic signatures, and file all required paperwork in digital or physical form. SBA could potentially lease excess window space in postal retail locations throughout the country to have their agents available to assist citizens in a cost effective manner.

- Department of Defense (DOD) – In Summer 2012, DOD began a program to digitize incoming mail so that Pentagon staff could access and manage their mail in a physical or digital format. The DOD program currently allows for the processing of up to 500,000 pages of scanned mail per month for about 25,000 recipients.38 However, the system only scans incoming mail; while outgoing physical mail is not digitized. The Postal Service could offer hybrid mail services with legal standing and force of law to complete the physical-digital cycle for DOD and other agencies.39

- Social Security Administration (SSA) – Citizens depend on SSA for retirement benefits, Social Security numbers and cards, disability benefits, and other essential services. With over 1,200 field offices spread across the United States, SSA has attempted to provide for convenient face-to-face access for serving citizens.40 In addition, the SSA web site allows for online application to many benefit programs. However, as discussed above, some of the individuals most in need of government programs — people physically or socioeconomically vulnerable — may be those least likely or able to use the Internet to access government services or information. These individuals might also have unique challenges traveling to an SSA field office for assistance or accessing online

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39 The Postal Service has both internal and external law enforcement arms — the Office of Inspector General and the Postal Inspection Service, respectively — to investigate issues of fraud, tampering, or other legal violations involving the mail. It could apply its existing capabilities to postal activities in the digital sphere.
tools. The Postal Service’s widespread presence in every community could enhance SSA’s ability to reach every citizen. Moreover, through services like digital identity verification and prepaid cards, the Postal Service could help SSA in reducing fraud and abuse in its benefits programs.

- Federal Emergency Management Agency (FEMA) – The Postal Service could assist FEMA and other federal, state, and local agencies in the face of natural disasters and man-made emergencies by providing multi-channel messaging (both digital and physical components) which offers critical redundancy and resiliency. Postal Service expertise in address management and its delivery network could be leveraged to strengthen relief efforts by tracking the evacuation and relocation of populations, combating claimant fraud, and showing the impact on hosting communities. A prime example is the assistance provided to citizens relocating to Baton Rouge during the aftermath of Katrina. No other firm or governmental agency has the network capabilities or reach to accomplish this necessary service for the nation.\(^{41}\)

**Implementation Considerations**

For the Postal Service to develop an e-government service portfolio, it will need to create an implementation plan that could consider the elements shown in Figure 6 on the following page:

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Figure 6: Implementation Considerations for a Potential e-Government Platform

- **Create a dedicated unit** – To ensure organizational focus and resource allocation, the Postal Service could create a specific business unit or team dedicated to e-government. Selecting a vice president with experience in e-government technologies and outreach will provide the skills and capabilities necessary for the successful design and implementation of the Postal Service’s e-government strategy. Equally important, this unit should deploy new solutions in a phased, pilot approach. Learning from mistakes can reduce costs and build a solid foundation for a successful nationwide rollout.

- **Coordinate with other agencies** – The Postal Service could form an interagency task force with agencies like the General Services Administration (GSA) and OMB to identify potential areas of collaboration and common action plans. Consultations with federal, state, and local governments would help the Postal Service better design and prioritize their service offering to cater to the rules, processes, and needs of these stakeholders.

- **Identify appropriate funding mechanisms** – Because of the Postal Service’s current financial liquidity issues, the funding to start up appropriate e-government
services is an important topic. The Postal Service could consider one or more of the following options:

- **Service fees** – The Postal Service could charge agencies a predetermined fee for each transaction that is conducted using the Postal Service infrastructure or resources. Some existing federal e-government services are based on this funding model, and rely on a usage-based fee structure (for example, fees based on the number of transactions).\(^{42}\)

- **User fees** – Federal, state, and local governments currently charge a user fee on selected, value-added services, including many online government services. For this category of services, and in situations where government funds are not available, the Postal Service could charge end users, instead of agencies, a small transaction fee. A growing number of foreign postal operators practice this model.

- **Rental fees** – The Postal Service could receive rental fees from agencies in return for their use of postal facilities and resources, including the rental of windows to provide space for face-to-face transactions.

- **Partnerships** – Partnering with private sector providers could allow the Postal Service to reduce initial investment, as well as mitigate development risks. Revenue from ongoing operations could then be shared by the private sector provider and the Postal Service.

- **Interagency shared funding** – Participating agencies could join with the Postal Service in contributing funds toward running e-government services. In existing e-government initiatives that use this funding model, a managing partner agency (assigned by OMB) receives funding for in-kind services — such as staff time — from partner agencies also participating in the initiative. Annual contribution amounts are set through collaborative, interagency governance structures and are subject to approval by OMB.\(^{43}\)

- **Appropriations funding** – Some of the Postal Service’s e-government initiatives might also benefit from funds that the federal government allocates to ensure the availability of many basic electronic communications services to all Americans. Specifically, FCC’s multi-billion dollar Universal Service Fund advances broadband adoption,\(^{44}\) and the

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$12 million E-Government Fund expands the ability of the federal government to conduct activities electronically.\textsuperscript{45}

- **Develop a digital platform** – The development of a viable digital platform is the underpinning of a comprehensive Postal Service e-government strategy and solution deployment. An open and flexible platform should be designed to easily interface with third-party systems.\textsuperscript{46}

- **Equip Post Office facilities to offer new services** – In order to implement new services in a cost-effective manner, the Postal Service may need to adapt its traditional window service operations. Training employees on new skills and procedures as well as streamlining processes would drive cost efficiencies. Another option would be to lease excess window space in postal facilities to partnering agencies.

- **Leverage private-sector partnerships** – Engaging the private sector would harness the agility, technical competence, and resources necessary for the successful deployment of e-government solutions.

**Many International Posts Successfully Offer e-Government Services**

For many international postal operators, e-government is an established component of their products and services portfolio. In most industrialized countries, posts play a crucial role in facilitating the interaction between all levels of government and citizens, in both the physical and digital spheres.

The postal operators’ traditional trusted intermediary function, the geographical density of their retail networks, and their growing technological capabilities are assets that governments rely on to provide more efficient, secure, and easily accessible services. In addition to supporting their citizens, some international postal operators view e-government services as a strategic opportunity to generate new revenue, support their post office networks, and extend their natural intermediary role to the digital sphere. In some countries the partnership between the government and the postal operator is more tactical and service-specific, while in others it is part of a broader e-government strategy in which postal operators are an integral component.

The array of e-government services offered by international posts is broad and can range from digital and hybrid communications management to electronic payments, identity authentication and verification services, front office functions, and broadband access. For some of these postal operators, such as Italy, Ireland, and Australia,


government services represent a substantial and increasing share of the revenue generated by their retail network.\footnote{In 2011, government services accounted for about 16 percent of Poste Italiane’s total revenues, approximately 16 percent of Australia Post’s retail revenues, and more than 50 percent of An Post’s (Ireland) retail revenue. See report by Triangle Management Services Ltd., \textit{Post Offices and Local Government Services – An International Literature Review}, 2011, \url{http://www.consumerfocus.org.uk/scotland/files/2011/08/POs-Government-Services-International-Comparisons-Final-Triangle-Report.pdf}, pp. 16, 29, 44, and 52.}

Poste Italiane has a well-established partnership with all levels of government. Its strategy is to position itself as a multi-channel access point to public services, both through its physical infrastructure and its PosteGov online platform. For example, Poste Italiane is part of the Italian government’s “Friends Network” project — a central government-led initiative to provide easy access to government information and services though the postal retail network.

In Australia and Ireland, the post office network has traditionally played a significant role in providing access to central and local government services, especially in rural and remote areas. Recently, both Australia Post and An Post have been working on complementing their offerings with e-government solutions in the area of digital ID and e-communication services.

In Switzerland and Canada, the use of the postal retail network as a physical access point for government services has been relatively limited. Swiss Post and Canada Post, however, positioned themselves as digital government service providers. Swiss Post is currently involved in a government initiative aimed at developing an electronic identity verification solution. In Canada, municipal authority bills can be paid electronically via Canada Post eMailbox services.

In Saudi Arabia, Saudi Post is actively partnering with government on the implementation of a national e-government strategy. For example, Saudi Post has recently developed a national addressing and postal code system using digital Geographic Information Systems (GIS) data, which became the mandatory addressing standard in the country.

Additional information about the postal e-government services provided in these countries is presented in Appendix C.

\section*{Conclusion}

The evolution of e-government promises to fundamentally reshape government services for the benefit of citizens and businesses everywhere. It presents the Postal Service with an opportunity to leverage its digital and physical networks, historical mission, and other assets to enhance the services provided by other agencies. As the government continues to shift to a more customer-centric focus in its services, the Postal Service’s role as the most trusted federal agency and its ability to reach every household and business in America will grow increasingly important. No other agency has the experience of touching so many citizens every day in so many different locations. In
addition, the difficult budget environment heightens the need for consolidation of services and identifying other ways to reduce costs. We encourage the Postal Service to continue its outreach to other federal agencies as it works to develop a postal digital platform, to better identify which elements of the platform might best serve each agency and its key customers and stakeholders. Pursuing the most actionable opportunities first will provide quick wins to demonstrate that the Postal Service is uniquely positioned to partner with other agencies in enhancing existing services and delivering new customer-centric services in the most efficient, effective, and considerate manner.
Appendices
Appendix A  Key Developments in Federal e-Government

Over the past two decades e-government initiatives largely focused on improving services for citizens, strengthening agency operations, and reducing duplication of functions. The table below depicts some of the key e-government developments in the United States, as well as the major goals of these initiatives.

<table>
<thead>
<tr>
<th>Development</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Government Paperwork Elimination Act (1998)</strong></td>
<td>Required agencies to allow for optional electronic submission of information and maintenance of records, when practicable. It also states that electronic records and their related electronic signatures are not to be denied legal effect, validity, or enforceability merely because they are in electronic form.</td>
</tr>
<tr>
<td>“Quicksilver” Initiatives (started 2001)</td>
<td>More than 20 initiatives, including electronic tax filing, information on business regulations, electronic rulemaking, information on grants, and other services.</td>
</tr>
<tr>
<td><strong>E-Government Act of 2002</strong></td>
<td>Officially defined e-government. Provided guidance on how to make government information and services available online. Established an Office of Electronic Government within the Office of Management and Budget, headed by a federal Chief Information Officer. Also established the E-Government Fund to support key projects.</td>
</tr>
<tr>
<td>Open Government Directive (2009)</td>
<td>Required each agency to make more information available online, improve the quality of their information, and foster a culture of open government.</td>
</tr>
<tr>
<td>Digital Government Strategy (2012)</td>
<td>Calls for agencies to develop measurable goals for delivering digital services; new solutions in identity, authentication, and credential management; more information and services available through mobile and web-based technologies.</td>
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</tbody>
</table>

**Major Goals**

- Facilitate citizen participation.
- Promote transparency and accountability.
- Enhance access to information.
- Strengthen interagency operations.
- Improve services to citizens, businesses, and agencies.
- Reduce duplication of functions.
- Design services for mobile use.
- Enable better use of government data.
Appendix B  Additional Details on Select Postal Service e-Government Offerings

The table below provides details about some of the e-government products and services that could be offered by the Postal Service to other agencies. All products and services would assist agencies in reducing costs, mitigating the risk of fraud and abuse, and better serving citizens.

<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Description</th>
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<tbody>
<tr>
<td>Secure Electronic Messaging</td>
<td>To secure and certify electronic communications to and from the government, the Postal Service could develop a digital messaging system, accessible only to authenticated users to ensure the confidentiality, integrity, authenticity and non-repudiation of digitally transmitted records. This system would link a user’s e-mail and physical address. For each e-message sent through the secure e-messaging system, the Postal Service would verify the identity of the sender. As the identity of the recipient would be tied to a physical address, the same message could be delivered by the Postal Service as a physical mail piece.</td>
</tr>
<tr>
<td>Electronic Postmark (EPM)®</td>
<td>The EPM, a technology already owned by the Postal Service, associates a time and date stamp with a digital record. Because the EPM has legal standing under a variety of federal and state government laws, in specific cases, an e-postmarked document has the same validity and enforceability as a paper document. This technology also provides traceable proof of sending and receipt, as well as evidence of tampering or modification during transmission. The EPM could be used to sign and notarize electronic documents.</td>
</tr>
<tr>
<td>Hybrid Mail</td>
<td>The Postal Service could convert digital documents to physical and vice versa (reverse hybrid) for senders and receivers. The Postal Service, which already partners with private providers to offer this service to its commercial customers, could develop a hybrid mail application tailored to government needs and security standards.</td>
</tr>
<tr>
<td>Certified Electronic Archiving (e-Archiving)</td>
<td>The Postal Service, by leveraging the potential capabilities of its electronic and hybrid mail services, could provide certified digital storage services to support federal, state, and local agencies in their efforts to eliminate expensive paper archives and improve electronic record management. The Postal Service e-archiving solution could include the scanning, digitizing, and filing of documents and data in secure electronic storage spaces only accessible to authenticated users. Each digital file could be notarized with legally enforceable digital signatures or employ EPM to provide legal validity like that of the original hard copies.</td>
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<tr>
<td>Product/Service</td>
<td>Description</td>
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<tr>
<td>Digital Identity</td>
<td>By leveraging both its addressing management databases and its nationwide network of physical locations and postal carriers, the Postal Service would be able to verify a variety of identity physical attributes. The verification process would include document validation through in-person proofing, collection of individuals' biometric data (for example, fingerprints or retinal scans), or physical address verification. Through these strong forms of in-person identity verification, the Postal Service could help reduce online services sign-up hassle, eliminate paper processing, help protect users’ privacy, limit the risk of identity fraud, and expand the possibilities for new online services. In addition to verifying physical attributes of identities issued by other organizations, the Postal Service itself could act as an identity provider. The postal digital identity could serve as the foundation for a number of different online access tools. In addition to securely accessing e-government services, it could serve as the core identifier on a postal smart card, which could provide additional services like government benefits disbursements or making health records sharable across providers. The Postal Service could also expand into Mobile-ID solutions, which are electronic ID for mobile and smartphones. Like a smart card, the Mobile-ID would contain digital identification attributes to allow individuals to identify themselves and sign documents digitally. The digital identity would be stored on a subscriber identity module (SIM) card used in mobile phones. As government embraces mobile phone technologies, agencies could allow individuals to use smartphones as identification tokens instead of smart cards.</td>
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<tr>
<td>Prepaid Cards</td>
<td>The Postal Service could help provide prepaid card services to government entities and offer unbanked households prepaid card and e-money transfer services. As these payment tools do not require users to have a bank account or a credit history, they could be a viable alternative to physical checks. The request for a prepaid card could be submitted at any Post Office or through a letter carrier. The postal representative would verify the applicant’s identity on behalf of the partnering agency to limit the risk of fraud or identity theft. Cardholders could use the ubiquitous postal retail network to reload the card, redeem it for cash, or initiate a money transfer transaction. The postal prepaid card could also link to a mobile application to allow users to manage benefits through their smartphones.</td>
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</table>
### Appendix C  e-Government Services Provided by Selected International Postal Operators

<table>
<thead>
<tr>
<th>Service Categories</th>
<th>Australia</th>
<th>Italy</th>
<th>Ireland</th>
<th>Switzerland</th>
<th>Canada</th>
<th>Saudi Arabia</th>
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</thead>
<tbody>
<tr>
<td>Communications Management</td>
<td>Digital Mail</td>
<td>Digital Mail</td>
<td>Digital Mail</td>
<td>Digital Mail</td>
<td>Digital Mail</td>
<td>Digital Mail</td>
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<td></td>
<td>Hybrid Mail</td>
<td>Hybrid Mail</td>
<td>Certified e-Mail</td>
<td>Hybrid Mail</td>
<td>Hybrid Mail</td>
<td>Certified e-Mail</td>
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<td></td>
<td></td>
<td></td>
<td>Electronic Document Management and Data Capture of Tax Records</td>
<td>e-Archiving</td>
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<tr>
<td>Online Identification</td>
<td>Digital Identity Authentication</td>
<td>e-Signature</td>
<td>Digital Identity Authentication</td>
<td>Digital Identity Authentication</td>
<td>Online Address Validation</td>
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<tr>
<td>Front Office Services</td>
<td>Renewal and Issuance of Licenses, Passports, and Certificates</td>
<td>Renewal and Issuance of Licenses, Passports, and Certificates</td>
<td>Renewal and Issuance of Licenses, Passports, and Certificates</td>
<td>Renewal and Issuance of Licenses, Passports, and Certificates</td>
<td>Renewal and Issuance of Licenses, Passports, and Certificates</td>
<td>License Renewals and Registrations</td>
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<tr>
<td></td>
<td>Submission of Applications and Registrations</td>
<td>Submission of Applications and Registrations</td>
<td>Submission of Applications and Registrations</td>
<td>Submission of Applications and Registrations</td>
<td>Submission of Applications and Registrations</td>
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<tr>
<td></td>
<td>Document Notarization, Scan and Send</td>
<td>Document Notarization, Scan and Send</td>
<td>Social Benefits Disbursement</td>
<td>Social Benefits Disbursement</td>
<td>Social Benefits Disbursement</td>
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<tr>
<td></td>
<td>In-Person Verification</td>
<td>In-Person Verification</td>
<td>State Savings Products Call Center Services</td>
<td>State Savings Products Call Center Services</td>
<td>In-Person Verification</td>
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<tr>
<td>Electronic Payments</td>
<td>e-Payments</td>
<td>e-Payments, e-Delivery of Benefits</td>
<td>e-Payments, e-Delivery of Benefits</td>
<td>e-Payments</td>
<td>e-Payments</td>
<td>e-Payments</td>
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</table>

Note: The services listed above are offered to or on behalf of other government entities. This table is not exhaustive, and additional services may be available to individuals and business customers.