

Hon Michael Wood

Minister of Transport
Minister for Workplace Relations and Safety



11 November 2021

John Sanders
fyi-request-17171-87ddb230@requests.fyi.org.nz

Dear John

I refer to your request, which was transferred to my office from Te Manatū Waka Ministry of Transport (the Ministry) on 14 October 2021, pursuant to the Official Information Act 1982, seeking information regarding:

“The United States Postal Service (USPS) suspended from 1 Oct 21 most mail services from the US to New Zealand.

Has Minister Wood received any advice or documentation related to the issue above?”

I have not received any documentation related to this issue. I was verbally updated on this matter based on communication between the Ministry and my office. The Ministry views the withdrawal of the United States Postal Service as concerning but not unexpected. The key themes in the advice provided by the Ministry to my office are outlined for you below.

COVID-19 has created supply chain complications that are being felt globally. The Government established the Maintaining International Air Connectivity (MIAC) scheme to support aviation connections by providing a regular and predictable schedule of flights. The United States has the second largest supported number of flights under the MIAC. There are also a number of indirect routes through which United States mail could come into New Zealand from – via Australia, for example.

The scheme’s objectives are not to replicate the level of capacity that existed prior to COVID-19, but rather to maintain a minimum level of connectivity to enable the flow of imports and exports. So, there is still a level of disruption both in terms of freight volumes and price. The Ministry has observed increasing freight rates both inside and outside the MIAC scheme. Additionally, there are significantly reduced carriers flying to the United States following the onset of COVID-19. It is also possible that demand has increased due to Christmas getting closer and increased online shopping under lockdown.

This combination of reduced availability and increased cost, and potentially increased demand, may have influenced USPS’s decision to cease offering services to New Zealand. The Ministry also noted that 26 other countries have had USPS withdraw, which highlights the state of global supply chains.

The Ministry expects freight prices to remain heightened both inside and outside the MIAC scheme for the foreseeable future, until borders open and international aviation starts to return to New Zealand. It is not clear to the Ministry how long the USPS suspension will be in place.

The Ministry alongside other government agencies will continue to monitor the situation and adjust policies in this area as required.

You have the right under section 28(3) of the Official Information Act to make a complaint about my response to your request to the Ombudsman, who can be contacted at: info@ombudsman.parliament.nz.

Yours sincerely

A handwritten signature in blue ink that reads "M. Wood". The signature is written in a cursive, flowing style.

Hon Michael Wood
Minister of Transport