



April 19, 2021

Mr. Leo Raymond  
Managing Director  
Mailers Hub  
108 Brafferton Blvd.  
Stafford, VA 22554-1514

Dear Mr. Raymond:

This is in response to the April 15, 2021 letter that you and several of your industry peers sent to ask that I suspend the implementation of the Postal Service's recently announced strategic plan, "Delivering for America." I disagree with virtually all of the assertions in the letter, as they fundamentally mischaracterize history, our interactions with you, and the Plan. Nevertheless, my hope is that we can work constructively together to move forward with the difficult but achievable work that is necessary to address the Postal Service's many challenges and to chart a bright path for our future together.

The Delivering for America Plan is anchored in a positive vision for the Postal Service that is predicated on ensuring that this vital part of our nation's infrastructure can achieve the two foundational principles that Congress established for it: providing universal mail and package delivery for the American people, and operating in a self-sustaining manner, rather than hoping for and then relying on large annual subsidies from Congress. Through the Plan, the Postal Service will significantly enhance service reliability while providing the nation with six-day mail delivery and expanded seven-day package delivery. It will also create a precise, resilient, and efficient delivery network that ensures that we achieve 95 percent service reliability across all of our products. The Plan also ensures that instead of losing billions of dollars each year, as the Postal Service has for the past 14 years, we will achieve break-even financial performance over the next 10 years.

The Plan does something that for too long the Postal Service and its stakeholders have collectively failed to do: It faces hard truths through a balanced and comprehensive approach to problem-solving. For well over a decade, all parties have tolerated an unsustainable status quo, in which the Postal Service loses billions of dollars a year, lacks the means to adequately invest in its infrastructure, fails to achieve its service performance targets or operate with precision, and defaults on its legal obligations.

As a result of this neglect, the Postal Service today operates with an outmoded network that lacks resiliency and the ability to adapt to changing circumstances, and is incapable of providing the American people with consistent, predictable service. As our service performance this past peak season dramatically demonstrated, our system was woefully unprepared to respond to the extreme conditions of the pandemic. While I have apologized on behalf of the Postal Service for our service failures, we must acknowledge that the root causes did not happen overnight, but instead are the product of the sustained and cumulative failure on the part of all postal stakeholders to engage and address our long-standing and well-known problems. It is time that we all stop accepting the current situation and get to the business of actually fixing things.

In that regard, the Postal Service leadership team and many others within our organization have been working tirelessly to do just that. This includes the Postal Service Board of Governors, which throughout the process of the Plan's development, played an active role in representing the public's interest as we sought to preserve our ability to fulfill our universal service mission while transforming our business and operations. Further, prior to the Plan being issued (and contrary to the letter's assertions), the Postal Service received input from members of Congress and the mailing industry, and numerous other stakeholders, including some of the signers of the letter. That input included the review of a large inventory of ideas, approaches, and initiatives to solve the problems of the Postal Service that had been collaboratively developed and advanced

by industry and other stakeholders over the past 15 years, but that frankly accomplished very little despite everyone's best intentions. And our discussions with stakeholders have continued since the Plan was issued.

As the chairman of our Board of Governors and I stated in the plan's opening letter, "We look forward to productive discussions with our stakeholders about our goals for the future of the organization and the most effective strategies to pursue them. We will listen and learn and adapt the plan to take account of stakeholder advice and guidance, carefully considering advice from the Postal Regulatory Commission, findings from the Office of Inspector General, and feedback from our customers." That is the very definition of consultation.

Indeed, we welcome further engagement with Congress, the mailing industry, and all other interested parties on the Plan's initiatives and its compelling vision for the future of the organization. We made clear when the Plan was issued that the Postal Service saw its publication as the *start* of a multi-year process to change and improve the Postal Service. Through this sustained dialogue with our stakeholders, and through the legal and regulatory procedures that we will follow as we implement the proposed initiatives, there will be ample opportunities for engagement and adaptation regarding the Plan.

With regard to your suggestion that further consultation, hearings, and input on a plan, which we welcome, are somehow a reason to "suspend" its implementation, I disagree. Deflection, deferral, and delay have resulted in the situation that we find ourselves in today, and will only result in the continued perpetuation and exacerbation of the Postal Service's unsustainable status quo. Bluntly put, the problems facing the Postal Service are not going away and kicking them further down the road is not the solution. It is time that we face our problems and deal with them. While this task is difficult and requires that the Postal Service and all our stakeholders recognize and accept the need to make hard choices, it is also necessary.

The Postal Service saw the creation of a plan as its obligation to address its long-standing challenges head-on, while being faithful to its core principles—universal service and self-sufficiency. This is what the Plan does. The Plan does not accept the premise that the current core principles underlying the Postal Service are no longer viable, such that the only path forward is to return to the past and to propose large annual appropriations to fund the postal system's losses, as such annual subsidies are unnecessary and are unlikely to be forthcoming. The Plan also recognizes that the solutions to the myriad challenges facing the Postal Service cannot easily be solved solely through legislation and cannot be wished away by imagining an alternate reality that does not acknowledge the way Americans use our services today has fundamentally changed. Rather, the Plan pursues a balanced and comprehensive approach that addresses the full range of financial and service challenges facing the Postal Service, and that recognizes the actual reality reflected in mail and package volume trends.

The Plan also embraces the imperative to enhance the Postal Service's effective and efficient delivery of package products. Claims that the Postal Service should not focus on packages ignore the fact that universal package delivery is a core component of our mission, one that has increased in importance, as made starkly evident during the pandemic. Hence, our Plan seeks to dramatically improve the package services that we provide for the American people, including for small businesses. Claims that we should not focus on our package business are short-sighted; enhancing our package products not only directly advances our mission, but also provides vital revenue to support the maintenance of our universal service network, which benefits all of our customers, including those who send mail.

Regarding mail, the Plan recognizes that it will continue to be a vital part of our mission and sets forth a vision of the Postal Service which fully commits to providing reliable and consistent mail service, six days a week. While some mail will be subject to slightly longer service standards, the truth is that we have not been able to meet the current standards for many years, and we have no reasonable prospect of ever meeting them. With the service standard change, most First-Class Mail will still be delivered within three days, and, overall, the Postal Service will be able to operate at much higher levels of reliability and efficiency. In addition, the Postal Service has and will continue to pursue efforts to attract and retain mail volumes, and we look forward to continued engagement with the mailing industry on those matters.



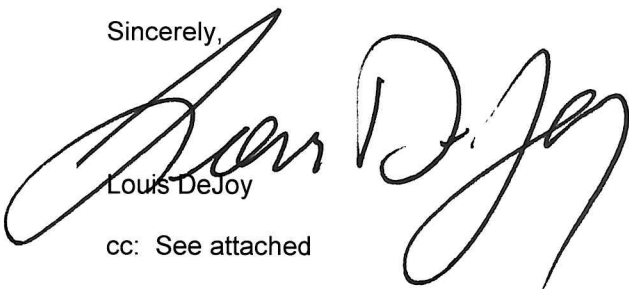
Ultimately, we cannot put our head in the sand and ignore the fact that mail volume has been declining for many years due to secular trends that the Postal Service cannot stop, and that cannot be avoided, no matter what we do. Indeed, we have been working with you for 15 years to stem the downward trend of mail volumes to no avail, despite our collective efforts. While I certainly believe that we can enhance our mail products, we cannot in good faith design a strategic plan that pretends that substantial growth in mail volume is our panacea. Moreover, we also must face the fact that limiting increases in postage rates for mail only to levels of consumer inflation does not enable the Postal Service to be financially sustainable, as the Postal Regulatory Commission has recognized. In this regard, the Plan simply proposes to use the additional pricing authority that the Commission has provided to the Postal Service following four years of exhaustive study. As I have committed to you, we will employ this new authority judiciously, and based on careful consideration of customer impacts. And, to the extent that we can achieve additional revenue from packages, and cost savings from our service and operational initiatives, that could reduce the need to raise prices for mail.

Finally, we reject the assertion in your letter that the Plan is silent on employee costs. It is true that the Plan envisions a Postal Service that remains an employer of choice, capable of attracting and retaining a high-quality, engaged, and stable workforce that embodies the goal of providing service excellence for our customers. To accomplish this goal, the Postal Service must provide fair and reasonable wages and benefits. At the same time, the Plan does address labor costs in an appropriate manner. The Plan will reduce labor costs by increasing operational precision and efficiency, thereby ensuring that the Postal Service is not paying unnecessary overtime or other labor expenses that are not needed to deliver the mail and packages. Through organizational restructuring, the Plan will also reduce the number of administrative employees. The Plan also calls for reducing the Postal Service's level of employee turnover – a source of considerable expense. Further, we will continue to pursue collective bargaining strategies as we have in the past to ensure that we control our labor costs consistent with the comparability standards mandated by law.

In conclusion, the Plan we have presented to the American public represents the result of an extensive and wide-ranging effort that leveraged the expertise of everyone within Postal leadership, and that considered input from interested stakeholders. Our focus was on preserving this vital institution and creating a future in which we can achieve financial sustainability and service excellence for the American people. Of course, the Plan's success hinges on the Postal Service's ability to act on its objectives with urgency, and on the willingness of all its stakeholders to see beyond their individual self-interests and to do what is right for an institution that rightly belongs to the American people.

I trust that we have a shared interest in assuring that we have a vibrant and sustainable Postal Service for decades to come, and I look forward to working together to achieve that result for the benefit of all Americans and American businesses.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Louis DeJoy". The signature is written over the printed name "Louis DeJoy" and extends to the right, crossing the "cc:" line.

Louis DeJoy

cc: See attached

Hamilton Davison  
President and Executive Director  
American Catalog Mailers Association

Michael Plunkett  
President and Chief Executive Officer  
Association for Postal Commerce (Postcom)

Christopher Oswald  
Senior Vice President, Government Relations  
ANA – Association of National Advertisers

Michael Plunkett  
President  
Delivery Technology Advocacy Council (DTAC)

George White  
President  
Greeting Card Association

Robert Galaher  
Executive Director  
National Association of Presort Mailers

Arthur B. Sackler  
Executive Director  
National Postal Policy Council

Jim Cochrane  
Chief Executive Officer  
Parcel Shippers Association

Donna Hanbery  
Executive Director  
Saturation Mailers Coalition

The Honorable Michael Kubayanda  
Chairman, Postal Regulatory Commission

Tammy L. Whitcomb  
Inspector General, U.S. Postal Service

George Rader  
Vice President  
Association for Mail Electronic Enhancement

Rita D. Cohen  
Senior Vice President, Legislative and Regulatory Policy  
MPA – The Association of Magazine Media

Xenia “Senny” Boone, Esq.  
Senior Vice President  
SVP ANA Nonprofit Federation

Maynard Benjamin  
President  
Envelope Manufacturers Association

Kate Muth  
Executive Director  
International Mailers’ Advisory Group

Todd Haycock  
President  
Major Mailers Association

Tonda Rush  
General Counsel  
National Newspaper Association

Paul Boyle  
Senior Vice President / Public Policy  
News Media Alliance