



FOR IMMEDIATE RELEASE
May 5, 2022

POSTAL NEWS

Contact:
David Partenheimer
david.a.partenheimer@usps.gov
usps.com/news



Postmaster General and CEO Louis DeJoy's Remarks During May 5, 2022, Postal Service Board of Governors Meeting

WASHINGTON, DC — *The below remarks are as prepared for delivery by Postmaster General and CEO Louis DeJoy during the open session meeting of the Postal Service Board of Governors on May 5, 2022.*

"Thank you, Mr. Chairman. Good afternoon, everyone and thank you for joining us today.

I would like to thank the Chairman for his kind comments and his support as well as all our Governors for their guidance and public service. We are all participating in the transformation of the United States Postal Service.

I—and the management team—look forward to your continued consultation as we move forward with the many initiatives underway at the Postal Service.

I would also like to recognize Governor Barger and thank him for his service and his support in what may be his last Board meeting.

Governor Barger—your enthusiasm for the organization, support for our leadership team, and specifically your support for me during extraordinary times—has been an important ingredient to the many accomplishments we have made over the last 2 years.

You leave us – having made an impression on the organization—that will survive your tenure.

The Postal Service management team has been and continues to be very active in pursuing the goals and objectives of the Delivering for America Plan.

Of note is the passage of the Postal Reform Act—which freed the Postal Service from the unfair burdens placed upon us in the 2006 legislation.

I would like to thank Chairs Maloney and Peters, Ranking Members Comer and Portman, Leaders Schumer and McConnell, and Speaker Pelosi and Leader McCarthy for their collaboration and support in passing this bi-partisan legislation.

I would also like to thank all the people who worked in a collaborative and tireless manner—specifically our union leadership, our management associations, our customers, and our mailing industry associations.

Together, we have cleared the way to accomplish the many other initiatives needed to enable the Postal Service to thrive and improve its relevance to the American People.

And finally—I would like to recognize Peter Pastre and our Government Relations team, Tom Marshall and our Legal team and Jeff Adams and our Communications team for the many contributions they made by keeping the Postal voice and message front and center as we navigated towards accomplishment.

Job well done by all!

The Postal Service Reform Act includes language that requires the Postal Service to deliver to 161 million delivery points 6 days a week—forever. This was an important strategy in the Delivering for America Plan and what I believe is an important ingredient to our success.

All efforts are now focused on getting mail and packages—together—into our carrier's bags and vehicles in the most cost-effective way—as we deliver to every American household and business—six days a week—and some on Sunday.

When we succeed at improving our cost of operations, product portfolio and service reliability, we will become the preferred delivery provider in the nation—not only by having the most assured service and being the most affordable...but also by being the most environmentally friendly method of delivering to each American Household—after all—we are going there anyway—the law requires us to—and we have room in our bags.

Over the next several months the Postal Service will finalize its plans to reinvent and modernize its network of processing centers and delivery units to achieve these objectives.

There is so much great and collaborative work being done throughout the organization to increase our operational precision and cost of performance...and therefore the quality of our service to our customers...and the American people.

The increased energy, focus and aspirations I have seen from our team over the last year are remarkable, and I thank our leadership team for their transformational efforts.

We are ready for our long journey to make both the transactional and structural improvements required to finish what we set out to do...Deliver for America.

A couple of other important notes.

Later in this session you will hear Scott Bombaugh report on service.

I want to point out that Market Dominant Products are in striking distance of 95% on time delivery and that the actual average days to deliver on all market dominant mail is 2.7 days. This means the speed to deliver is on average as fast as it was pre-pandemic, pre-First Class standard changes—and pre-Louis DeJoy.

The Processing and Logistic team led by Isaac Cronkhite—as well as the Retail and Delivery team led by Dr. Josh Colin are laser focused—plant by plant—and delivery unit by delivery unit—to ensure that every piece we handle arrives at in your mailbox in a timely manner.

A massive effort is well underway—to improve on poor operating practices that have been embedded into our system—over the past many years.

Package delivery service scores are also improving as we begin to unwind the—plus one day—pandemic structure and move to reach our regular targets.

It will take both DAILY operational management improvements ...as well as multi-year structural endeavors—for us to reach our service goals, but we are on our way.

Concerning our sales, marketing and solutioning efforts—Steve Monteith and Shavon Keys are rolling out USPS connect across the country with a great deal of excitement.

We are being well received in local communities—and as we perfect this service offering, we are confident we will reach our revenue goals concerning the competitive shipping business— and we will we improve our position in same day—next day and two-day delivery market.

You may note that I said solutioning. In fact, we have put forth a new group led by Jakki Strako, that will work specifically with shippers on how to use the many existing and new features of the Postal Service—as we roll out new entry points, network improvements and advances in information and execution technology.

There are many ways to use the Postal Service to meet commercial shipping needs —and we aim to brag about it.

As everyone is aware, there is a lot of activity about the acquisition of our new vehicles.

I want to remind our attendees that we made a decision and at this point, only purchased 50,000 vehicles — not 200,000 vehicles, and we will have 10,019 electric vehicles on the road by 2026.

As I have previously said, we will continue to evaluate future orders of these vehicles with an ambition to enhance our electric delivery vehicle fleet—where appropriate.

We are confident we made the best decision for the Postal Service considering our delivery profile, unique service requirements, employee welfare, current infrastructure conditions and financial condition while, like the rest of the nation—we begin the long journey of carbon reduction in our transportation operations.

Concerning pricing—the nation as well as the Postal Service are experiencing significantly high rates of inflation in the cost of our operations.

While the impact of the Postal Reform Legislation is helpful—this is approximately a \$50 billion dollar offset against a projected \$160 billion dollar 10 year projected loss.

That said, there is a lot left to do...and while we are working diligently to improve our operating model and cost structure—we still have a long way to go.

Therefore, from my perspective, the mailing industry needs to be prepared for continued use of our authority to raise prices on market dominant products at an uncomfortable rate until such time as we have accomplished our objective of projecting a trajectory that shows us becoming self-sustaining—as required by law.

While our pricing decisions are ultimately made under the authority of the Board of Governors, in the near term, I will most likely be advocating for these increases.

I believe we have been severely damaged by at least 10 years of a defective pricing model—which cannot be satisfied by one or two annual price increases—especially in this inflationary environment.

At this time, I would like to recognize and thank all of the 650,000 women and men of the United States Postal Service for their commitment to our mission to serve our customers and the American People.

Let me close by saying that the team and I remain energized, and enthusiastic about the future of the Postal Service.

While there is no question that we have some heavy lifting ahead of us, we are extremely confident that we can, and will, transform the Postal Service, and that we will be an affordable, reliable, and green service provider for our customers and the country for many decades to come, while also being an employer of choice for our workforce.”

###

Please Note: For U.S. Postal Service media resources, including broadcast-quality video and audio and photo stills, visit the [USPS Newsroom](#). Follow us on [Twitter](#), [Instagram](#), [Pinterest](#) and [LinkedIn](#). Subscribe to the [USPS YouTube channel](#), like us on [Facebook](#) and enjoy our [Postal Posts blog](#). For more information about the Postal Service, visit [usps.com](#) and [facts.usps.com](#).