

**Written Statement for Chairman, Postal Board of Governors Robert M. (Mike) Duncan
to the House Government Reform & Oversight Committee**

**“Protecting the Timely Delivery of Mail, Medicine, and Mail-in Ballots”
August 24, 2020**

Good morning. Thank you, Chairwoman Maloney, Ranking Member Comer, and members of the Committee for inviting me to speak today.

My hope is that today’s hearing will help policymakers and the American people better understand some of the challenges facing the United States Postal Service, and the steps that Postal management is taking to address these challenges while ensuring the timely delivery of the mail.

My name is Mike Duncan, and for the past two years I have served as Chairman of the Board of Governors for the United States Postal Service. It is a great honor to help oversee this critical and beloved American institution, and its more than 630,000 dedicated workers.

The Postal Service regularly ranks as one of the most popular and trusted government institutions in our nation, and for good reason. Every day, postal workers are performing an essential service, connecting American communities and serving as a vital economic driver and a part of our nation’s critical infrastructure.

Last fiscal year, the Postal Service delivered 143 billion pieces of mail to 160 million delivery addresses and operated more than 31,000 Post Offices. This included servicing more than 45 million rural addresses, where we are frequently the only delivery option.

I am a lifelong resident of rural Appalachia, so I know firsthand how important the Postal Service is to communities like mine. I view the Postal Service as a public service and believe strongly that it should remain a public institution.

The importance of the Postal Service has rarely been more evident than during the COVID-19 pandemic. Every day, I am in awe of the courageous and hard-working women and men in our Postal workforce, who have stepped up in the face of this national crisis. They are continuing to deliver life-saving medicines, benefit checks, Census materials, and other important mail and packages.

But while the work of the Postal Service necessarily continues, we still feel the impacts of this disease. I think every day of the brave workers who have died from the coronavirus and others who are suffering from its impacts. The Board joins Postal management in prioritizing the safety of our workforce, and ensuring they have access to needed personal protective equipment and other materials necessary for their own care and wellness.

My service with the Postal Board of Governors began in August 2018, when I was confirmed by the U.S. Senate along with then-Governor David Williams. At the time, the Board had been without any Senate-confirmed Governors for eighteen months. As a result, the Postal Service was operating under the management of a Temporary Emergency Committee of the Board of Governors made up of the Postmaster General and the Deputy Postmaster General.

My early months at the Board were spent working to get the Board itself back up and operating, restoring its committee structure, and ensuring there was the necessary oversight of the United States Postal Service.

The Board was active on several issues important to the Postal Service. Among other items, the Board studied the Postal Service's Negotiated Service Agreement process, and introduced a new set of protocols to better balance the Postal Service's competitiveness with the need to properly finance our services.

We worked on negotiations with the Universal Postal Union over ongoing problems with the pricing system for the international exchange of small packages. The resolution of these negotiations both eliminated an economic distortion that resulted from the way certain prices were set in the international arena, and enabled the Postal Service to better support infrastructure

development abroad that builds capacity for advanced electronic customs data transmission and improvements in postal security.

The Board and Postal management worked to properly implement the STOP Act, critical legislation that is helping to increase safety for Postal workers and customers, while addressing our nation's tragic opioid crisis.

The Board was also pleased when the Postal Service was able to make a significant repayment on our debt to the United States Treasury. At the time, we viewed this as an important first step in efforts to get the Postal Service back in the black.

In August 2019, the U.S. Senate confirmed Governor John Barger, Governor Ramon Martinez and Governor Ron Bloom, restoring a statutory quorum to the Board for the first time since 2014. As the governing body of the United States Postal Service, the Board focused on developing a long-term vision for the institution.

The Board of Governors recognizes the immense value that the Postal Service provides to Americans across the country, but at the same time, we recognize the immense challenges facing this institution.

Over the past twenty years, the Postal Service has faced a confluence of challenges – including economic, structural, regulatory, political and cultural forces – that have contributed to a perfect storm of pressure points surrounding a beloved institution. And while the Postal Service remains immensely popular, there has been little interest or political will to take the steps necessary to reform it for the long-term.

Last fall, Postmaster General Megan Brennan notified the Board of her impending retirement. And in response, the Board immediately recognized that we would be faced with the most important decision we would make as Governors – the selection of a new Postmaster General.

The Board accepted this responsibility with great seriousness and a commitment to find the best person for the job. The Board's Compensation and Governance Committee – chaired by Governor Barger and including Governor Martinez -- was tasked with leading the search.

The committee selected two highly-respected executive search firms – Chelsea Partners and Russell Reynolds Associates -- to assist with the search and provided us with access to its leading partners and experts.

Working with the experts at these firms, the committee sought input from key stakeholders, including their fellow Governors, senior staff at the Postal Service, and Postal employees. The Board then agreed on a detailed “Specification” for the Postmaster General position. Our goal was to identify an aspirational leader, capable of taking the Postal Service to new heights.

From there, the committee and experts commenced a thorough and comprehensive search process. This work was collaborative, with the executive search firms and the Board providing names of potential candidates, and Russell Reynolds then reviewing backgrounds and vetting candidates to see if they were worthy of consideration. Ultimately, they reviewed more than 212 qualified candidates, and conducted systematic interviews.

From these efforts:

- 53 people were actively vetted by the search firms and presented to the committee.
- 14 candidates were then invited to participate in First Round interviews with all of the Governors.
- 7 candidates were invited by the Board to a more extensive and technical Second Round interview.
- 4 candidates were identified as finalists – which led to more thorough background checks and vetting.

- The finalist candidate was unanimously selected to serve as U.S. Postmaster General, Mr. Louis DeJoy.

Prior to Mr. DeJoy's selection, in April 2020, the Board unanimously agreed to a mission statement for the United States Postal Service, and we believe that Mr. DeJoy was the best leader to serve that mission.

That mission was as follows:

- To serve the American people and, through the universal service obligation, bind our nation together by maintaining and operating our unique, vital and resilient infrastructure.
- To provide trusted, safe and secure communications and services between our Government and the American people, businesses and their customers, and the American people with each other.
- To serve all areas of our nation, making full use of evolving technologies.

To fulfill this mission, under our existing governing statutes, the Postal Service must remain financially viable. But unfortunately, the Postal Service has remained on a financial precipice for many years. The Postal Service has experienced more than a decade of financial losses, and this year again is closing in on another \$11 billion in losses. There must be dramatic changes if the Postal Service is to succeed.

Mr. DeJoy was selected to be that transformational leader, who can help strengthen the Postal Service for the long term. He is the fifth Postmaster General since 1971 to join the institution from the private sector, and we believe that private sector experience is an asset in identifying ways to improve the Postal Service.

Mr. DeJoy spent his career helping to improve and manage sophisticated logistics chains for Fortune 100 companies. He also brought a detailed knowledge of Postal operations, having served as a major contractor to the U.S. Postal Service for more than 25 years. In that role, he supplied logistics support for multiple Postal Service processing facilities. And he has an unwavering commitment to the Postal Service's public service mission.

In his just his first 70 days in the job, Postmaster General DeJoy has provided the Board with regular briefings on his reform initiatives and the Board has been supportive of these efforts. There are multiple reforms that the Postal Service needs from Congress and the Postal Regulatory Commission, but there are also ingrained inefficiencies in Postal operations that are within the institution's ability to improve, and that is where management has focused.

Throughout this process, the Board's focus has been on ensuring that the Postal Service operates more effectively and efficiently. Unfortunately, some have sought to argue that these long-needed reforms are intended to disrupt the ability of voters to use the mail for voting. Even the Postal Service's consistent and long-standing recommendations and outreach to local election officials have been maligned as threats. Nothing could be farther from the truth.

The Postal Service will be prepared to safely, efficiently and securely help Americans participate in the democratic process, as we have done in the past.

Postal management is taking all steps necessary to ensure we are ready for the November elections. The Postal Service has a team of election mail coordinators that will work within their designated localities to assist state and local elections officials, and share information about mailing logistics and services.

The Postal Service has pro-actively communicated with state and local officials, educating them about the Postal Service delivery process and appropriate timelines. We are urging these officials to take Postal logistics into account in their decision-making, and in their own communications to the public, and quite simply to be mindful of how the mail works.

In addition, as we have done in the past, the Postal Service is employing a logo and special tags for election mail that we have encouraged election officials to utilize. These will help to provide greater visibility for this important mail in our plants.

The Postal Service is also encouraging election officials to use Intelligent Mail barcodes for their Election Mail. This barcode improves a mailer's ability to track individual mail pieces, making it easier to track the delivery and return of ballots.

It should be clear that the Postal Service is doing everything in its power to help states and localities be ready for this election season, and to help ensure that those who decide to use the mail to vote will have their votes counted.

We are very proud of the role we play in the democratic process, and of the women and men in the United States Postal Service who will handle this responsibility with the utmost diligence.

Thank you, Chairwoman Maloney, Ranking Member Comer, and Members of the Committee for the opportunity to submit this testimony. I am happy to answer any questions that you may have.