



POSTAL NEWS

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Contact: David Walton
david.walton@usps.gov
usps.com/news

Postmaster General and CEO Louis DeJoy's Remarks During the Nov. 14, 2024, Postal Service Board of Governors Meeting

WASHINGTON — *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 Nov. 14, 2024.*

Thank you, Mr. Chairman, and thank you to those in attendance and listening today as we work together to transform this remarkable organization and deliver for the American public.

First, I would like to recognize Chairman Martinez and Governor Hajjar for their support of the United States Postal Service and for their expertise and collaboration with our leadership team.

Governor Hajjar, bringing your career experience of representing the working men and women of the United States Postal Service to the Board Room has contributed a valued perspective to our dialogue that will be greatly missed. Having experienced firsthand the many years of conflict and devastation put upon the organization has enabled you to both champion the major transformation we must make to survive yet temper the way we approach making it. Your leadership as both past Vice Chair and current Chair of the Governance Committee brought a perspective that will be missed.

Chairman Martinez, interesting enough we both do not know if this is your last meeting. If not, I will say this again next time.

You have served as Chairman for three years and have been not only a strong advocate for the changes we together put forth in the Delivering for America plan, but also have sat atop the organization with a wise and steady hand as we experienced the transformation accomplishments and setbacks. During your tenure, you have guided a purposeful management team and an evolving governance body with a thoughtful and collaborative approach. Your leadership has enabled stability in a challenging environment of change, concern and conflict.

Gentlemen, you both have served the nation well by your time and thoughtful contributions to the Postal Service. We applaud you. We know you will be cheering us on from the sidelines. Feel free to call in to board meetings and give us a shout out!

I would also like to thank our Chief Financial Officer Joe Corbett, who recently announced his retirement after 15 years of service with the Postal Service. Your leadership helped steer this organization during good times and bad. During my tenure, I have appreciated your effort to align, support and lead the major changes the Postal Service needed to pursue. Not an easy job to be the top financial executive at the United States Postal Service. On behalf of all the management team and the 640,000 men and women of our organization, I thank you for your committed service and wish you well.

Next, I would like to recognize the hard work and dedication of our employees and management team for their successful and extraordinary efforts to deliver our nation's election and political mail.

While still being calculated, preliminary results show that we delivered 98.56 percent of ballots from voters to Boards of Election within our service standards, with an average delivery time of less than a day. Over

99 percent of these ballots reached the Boards of Election within seven days, the time we recommend voters use should they choose to vote by mail.

To accomplish this, the Postal Service engaged in a robust operating, transportation, performance measurement and communication effort this election cycle. We more finely integrated the good work of the OIG, the Postal Inspection Service, our Union Ambassadors, and our new Performance Excellence Team — thereby providing a level of recognizance across our 31,000 facilities not endeavored before. We also engaged the whole organization, more specifically, our field Customer Relations Group who are on the ground in the states and counties, through cross-functional collaboration, data sharing, and system wide review processes to identify issues, timely communicate between ourselves with election officials, and take swift corrective action.

As we approached November 5, we deviated from our standard processes and deployed extraordinary measures to rescue ballots during the last days of the process.

We accomplished this year's election responsibilities while we experienced two major and back-to-back hurricanes in the Southeastern part of our nation. During these events, we engaged in controlled shutdown of our operations across a census of over 10 million delivery points, only to immediately engage the day after to attempt to reach every single one of them as conditions enabled us to get to. As always, we are the first sign of a return to normalcy in these stricken areas. We go to shelters, set up mobile units, relocate postal operations, manage mail flow, communicate internally and externally to millions of people and reassign thousands of carrier routes where our facilities are no longer operable. And our employees come to work to serve their communities, often at a time where they themselves are undergoing their own personal difficulties, as they live in these stricken neighborhoods.

I remain in awe of the talent and capability of this organization when it is strategically mobilized to accomplish a task.

During this same time, we also launched the next round of shipping COVID test kits to the American people. All these initiatives combined demonstrate the Postal Service's value not only in communications and commerce, but as part of the nation's critical infrastructure in supporting emergent and responsive logistical demands placed upon our government to serve our nation.

I thank each one of our 640,000 employees for their hard work and committed dedication. You have all done a great service to your country.

As we conclude our election and political mail efforts, we have transitioned into preparations for this peak holiday season. We are primed and ready to deliver exceptional service during the 2024 holiday rush thanks in large part to the investments and strategies identified in our Delivering for America plan.

Our expanded daily package processing capacity, stabilized workforce, improved operating precision, and well-planned transportation practices throughout most of the country will fulfill our goal to make a peak season day like any other day — just more.

Fewer short-term annexes, less seasonal employees and more precise operating and logistical strategies that will carry on through the coming year, reflect the major organizational improvements we have made since the issuance of the Delivering for America plan.

Just as with your vote, you can count on us to deliver holiday packages and mail though out the nation. We ask you to choose the Postal Service.

Looking over the past fiscal year, 2024 was a year of continued transformation, accomplishment and setback. We are trying to accomplish what was presumed not accomplishable — the fixing of the broken Postal Service business model. We march on.

I encourage everyone to review DFA 2.0 for additional accomplishments, as well as descriptions on some of our new initiatives, to put the Postal Service on a financially sustainable, competitive, and service excellence driven future.

As with the original DFA plan, our goals are to continue down the path of five basic aspirations as we engage each day with our long-term objectives. They are to improve our operating precision, reduce our cost of performance, improve our service reliability, grow our business and serve the nation, and create long term enjoyable career paths for our employees.

These are the characteristics of a successful and thriving organization that did not exist at the Postal Service prior to the efforts we have engaged since the issuance of the Delivering for America plan. While we have always had committed and talented people, they were not aligned to collaborate and deal with the changing mail economy. They were not encouraged to engage the fierce resistance to change that affronted them. They were not resourced and instructed to appropriately perform their work effectively and efficiently. And they were not inspired to think strategically and to compete for revenue against some of the finest corporations in the world.

Well, through strategy and hard work, investment and instruction, awareness and reflection, trials and tribulations, successful endeavors and failed ones, attainment of goals and falling short, we have embraced those successful characteristics. Our organization is evolving to more readily advance its agenda to serve the American people in its demanding mission and achieve its many goals.

I have complete confidence that in 2025 we will accomplish more meaningful progress as we accelerate our execution and refinement of Delivering for America strategies. The DFA is the only comprehensive plan that attempts to rescue the United States Postal Service in the last 25 years. The only plan that focuses on growth and viability. The only plan that fights the resistance to change and addresses the obvious conditions present and the possibilities in reach for our future. The only plan that makes the tradeoffs required to balance product, service, cost, infrastructure, employment, price and legislative action to achieve long-term viability under the laws that established the Postal Service and the subsequent laws and regulations that help to destroy us.

Growth and cost reduction is at the heart of the DFA plan. Simply put, the DFA plan is *not* about contraction or only cost reduction. That approach would not support our goal of long-term viability. It has been tried and has proven a failed strategy.

Our strategy has its difficulties. Growth and cost reduction through the engagement of modern efficiencies, new products and organization wide competencies is difficult. This is made more difficult in an operation that has experienced long and significant market and operational deterioration which requires a period of repair and stabilization, while investing in new processes strategies and ambitions. Our strategy is about concurrently making the change desired while serving the nation and building on a sequence of accomplishments, on recovering from setbacks, and on navigating obstacles. This is what we will continue to do.

One key initiative in the upcoming year, will be the implementation of our new service standards. We have submitted the request for an advisory opinion to our regulator, and we are confident that these new standards will better serve our customers and enable a more reliable, cost-effective, and integrated postal system.

Our current network has not been appropriately adjusted to account for volume and mail mix changes, including the substantial decline in Single-Piece First-Class Mail, which declined by more than 80 percent since 1997. It is outmoded, costly, inefficient, and underperforming, so change is needed.

The benefits of this change are numerous. We will transition from 3-digit to 3-digit ZIP Code standards to more precise 5-digit to 5-digit ZIP Code standards. This will make it easier for customers to understand exactly when their mail will arrive and improve the reliability and predictability of delivery. We will reform legacy business rules that are no longer tethered to today's volume and product mix and that force USPS to take costly, expensive, and inefficient actions, such as executing a trip in the morning

and another trip in the evening every day, to every office, no matter how far the office is from the mail processing plant.

This reform also allows us to adjust our operating practices to the current market realities and to implement more efficient transportation routes, thereby reducing costs, carbon emissions, and truck trips. Furthermore, an expanded daily reach for most classes of mail and packages when traveling through the network will result in faster delivery expectations for some mail pieces.

Overall, service standards for 55 percent of Single-Piece First-Class Mail, 83 percent of Presort First-Class Mail, and 75 percent of all First-Class Mail will remain the same.

As for upgrades, 14 percent of First-Class Mail, 17 percent of Presort First-Class Mail, and five percent of Single-Piece First-Class Mail will be advanced. For USPS Marketing Mail, eight percent of volume will receive a faster service standard, and 90 percent will remain unchanged.

Significantly, the proposed changes will maintain the existing 1-day to 5-day service standards for First-Class Mail and are designed to enable the Postal Service to make optimal use of its updated and developing ground network.

Furthermore, the streamlined processes for the integration of both mail and packages, will ensure efficiency and timeliness by enabling an integrated delivery network that avoids duplication and complexity. As is required by law.

Overall, these modifications are anticipated to yield significant cost reductions for the Postal Service, with an estimated saving of approximately \$3.6 to \$3.7 billion annually. This aligns with the organization's mandate to be financially self-sufficient, while continuing to deliver to every address across the nation. I will emphasize, this is not an initiative to slowdown the mail for rural America, close Post Offices, or pursue draconian cost cuts. This is a rationalized and methodical initiative to save the Postal Service for generations to come and I look forward to engaging with our stakeholders to educate all on the benefits of our proposal.

I want to close by reemphasizing the continued cultural change permeating throughout the organization that fosters growth and competition. Our management team is working harder and smarter; our employees are engaged and participating change; and our customers are interested in our new products and initiatives.

Our focus remains on implementing change. We will continue to advocate for our reforms.

I would like to thank our Governors for enabling and guiding the major initiatives of the Postal Service. I also want to thank our employees, management team, and our willing stakeholders as we continue to make the Postal Service a leader in commerce and public service. A worthy ambition.

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Please Note: The United States Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable and secure delivery of mail and packages to 169 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is implementing a 10-year transformation plan, [Delivering for America](#), to modernize the postal network, restore long-term financial sustainability, dramatically improve service across all mail and shipping categories, and maintain the organization as one of America's most valued and trusted brands.

The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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