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Postmaster General and CEO Louis DeJoy's Remarks During May 9, 2023, 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 9, 2023.*

"Thank you, Mr. Chairman.

As the Chairman has identified, the women and men of the United States Postal Service have accomplished a great deal since the release of the Delivering for America Plan.

Our leadership team continues to push forward to implement the strategies defined in the Delivering for America Plan that will transform the Postal Service into a vibrant and self-sustaining service organization delivering postal services to the American people for many years to come.

We recently released our 2-year progress report which identified the many meaningful accomplishments:

- Our service performance has increased steadily week after week with 98% of the American people receiving their mail and packages within 3 days. In fact, the velocity through our network has so improved that approximately 50% of First-Class Mail gets delivered a day early.
- Our improvements to service have occurred because of, and while making, many significant changes to our operating conditions and strategies, most significantly:
 - a. We have stabilized our work force by converting over 125,000 employees to full time status, thus increasing employee availability and reducing overtime requirements.
 - b. We have properly equipped our facilities by more than doubling our package processing capability, thus improving our throughput for both mail and packages, enabling us to have two very successful peak seasons.
 - c. We have moved substantial volumes of mail and packages from air transport to ground transport favorably impacting our service and cost in many ways and shaping our service strategy for the future.

Today-

- i. 92% of First-Class Mail is on the ground.
- ii. 85% of First-Class Packages are on the ground.

- d. We have filled our supervisor ranks and are providing them with new programs and strategies to successfully interact with our workforce and grow in their careers.
- e. And we have improved our operations management processes across the organization with increased tools, visibility, collaboration, and an aggressive attitude towards performance excellence—everywhere.

From an operations standpoint, it is a different Postal Service from two short years ago. Throughout the organization there is a new can-do attitude—growing in optimism and operational aptitude. Our people are ready to take on the many challenges and opportunities that are in front of us.

In addition to our operational initiatives, since the release of the Delivering for America Plan:

- We worked with the last Congress, and others, to pass the Postal Reform Act, reversing the unfair requirements of the Postal Service legislated in 2006 by a previous congress.
- We have served the nation during the pandemic with the distribution and delivery of 700 million Covid test kits across the nation, demonstrating our value to the nation in times of crisis.
- Our initiatives to growing revenue are underway as we are rolling out new and improved products with USPS Connect, Ground Advantage and soon to come enhancements to our Priority Mail and regionally targeted services.
- We have engaged our customers with new technology, new contracting methodologies, and an improved level of engagement from our sales teams. We expect this energy towards improvement to drive our sales growth initiatives far into the future.
- We have increased capital spending on modernizing our operations for the future with new technology, facilities, equipment and vehicles. This includes the fulfilling the long overdue need of acquiring new delivery vehicles.

Enabled by our evolving operating strategy, improved financial condition and some congressional funding, we have developed a mission centered strategy for 66,000 of these new vehicles to be electric.

This initiative, combined with our planned reduction in transportation and in the improvements in our operating efficiencies, will make us a leader in carbon footprint reduction over the next 10 years.

- While not where we want to be, we have reduced projected losses from over \$160 billion to approximately \$70 billion in our 10-year planning horizon.
- Not meeting our short-term financial goals as specified in the DFA is not taken lightly. We will be taking more aggressive actions to get back on track to overcome matters unforeseen in our DFA forecast. These unforeseen matters include:
 - a. Our inability to obtain CSRS reform which was planned in our original forecast.
 - b. Inflationary costs incurred that far exceeded our forecast.
 - c. And the time and cost it took to bring our service to the nation to the stable position it is in today.

Going forward we have ambitious plans to improve our service in those areas, particularly rural areas, which are not receiving the improved service experience we have delivered to the rest of the nation.

We will continue to advance improvement to our network, with major redesign to our processing facility configurations and functionality.

We have goals to significantly reduce our ground transportation cost both nationally and locally.

We will redesign our delivery network, rolling out new sort and delivery centers across the country.

And we will achieve new business growth by offering great solutions and affordable service in the competitive marketplace.

We expect the next two years to be more exciting and consequential than the first—they need to be—and we will work diligently to fulfill the goals identified in the Delivering for America Plan.

I would like to thank my leadership team for their steadfast commitment to our strategies and for their hard work. I am proud of their performance and my association with them.

I also would like to thank our Governors for their continued support of our strategy and their work to understand the magnitude of the complications involved in unwinding the many years of damage inflicted on this organization and establishing sound practices for the future.

And finally, and most importantly, I thank the women and men of the United States Postal Service for their commitment to the nation.”

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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 nearly 165 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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