



October 13, 2020

The Honorable Angus S. King, Jr.  
United States Senate  
Washington, DC 20510-1905

Dear Senator King:

This responds to your September 3 letter to Postmaster General Louis DeJoy, cosigned by several of your colleagues, regarding U.S. Postal Service operations and small businesses.

Thank you for sharing your concerns. As Postmaster General DeJoy described in his Senate and House testimony on August 21 and August 24, respectively, there have been only two recent initiatives that he specifically directed. The first is an organizational restructuring in an effort to better align functions based on business operations and to provide clarity and focus on the core aspects of our service, namely, collecting, processing, moving, and delivering for the American public. The second initiative is a general directive to more closely adhere to established operational plans, and in particular, to more closely follow the transportation schedule for trucks departing from and arriving at our facilities. By ensuring that mail and parcels arrive and depart on time and on schedule, we can more efficiently provide timely and effective service. This effort does not mean leaving mail behind; rather, it means adhering to our existing operating plan so that we can achieve our mission in a sustainable fashion. This closer adherence to established schedules exposed other inefficiencies in our processes that were being masked by extra or late transportation. This resulted in a temporary service decline, which should not have happened, and we are correcting the issues. Nevertheless, our most recent service performance data, when considered collectively, indicates trending improvement while ensuring trucks run on time and adhere to the existing transportation schedule. Moreover, we recently issued guidance explaining that late and extra trips are not banned (and never were), and that managers are authorized to use their best business judgment to meet our service commitments.

As Postmaster General DeJoy also explained, the two recent initiatives are being unfortunately conflated with other, longstanding Postal Service processes. For instance, the Postal Service continually evaluates mail and parcel volumes and adjusts the equipment sets in its processing facilities to allow for efficient processing. This is a normal and routine logistics exercise. Similarly, for our blue collection boxes, the Postal Service routinely surveys the number of mail pieces a particular box is receiving and uses this information to better deploy the collection boxes to serve our customers.

Given the confusion and misinformation surrounding our longstanding efficiency efforts related to the removal of equipment sets and the redeployment of collection boxes, Postmaster General DeJoy announced on August 18 that he was suspending these practices until after the election to avoid even the appearance of any impact on Election Mail. Specifically, he announced that retail hours at Post Offices will not change, that mail processing equipment and blue collection boxes will remain where they are, and that no mail processing facilities will be closed. He further made

it clear that that overtime has, and will continue to be, approved as needed, despite unfounded reports to the contrary.

It is also worth noting that many of our recent operational challenges are due to the COVID-19 global pandemic, which has had broad reaching impacts on all aspects of our operations. Specifically, the Postal Service has experienced limitations with the supply of commercial air transport to carry our volume, decreased employee availability as postal workers deal with the effects of the pandemic on their lives and communities, and significant changes in mail and parcel volumes. Nevertheless, we are seeing immediate improvements as we have acted swiftly to rectify these issues.

The important position that the Postal Service occupies in the fabric of the nation is apparent, now more than ever. Please be assured that we are focused on our mission of binding the nation together and providing the American public with prompt, reliable, and efficient services. Moreover, we understand the extent to which our small business customers depend upon us for high-quality service, and we remain committed to fulfilling their expectations.

Please find our responses to your specific questions below:

- 1. Did you conduct any formal analysis pertaining specifically to small businesses before making the recent changes to Postal Service operations, as outlined in our August 17, 2020 letter? If so, please provide the analysis. If not, please explain why.**

As noted above, there have only been two recent initiatives, a management reorganization and an effort to better adhere to our transportation schedule. We did not conduct a formal analysis specific to small businesses related to these initiatives as we did not anticipate a negative impact on service. However, independent of these initiatives, and in recognition of the importance of the small business community to our nation and to the long-term success of the Postal Service, we have undertaken two efforts to better understand the needs of our small business partners: 1) assessing our small business strategy, and 2) initiating small and medium-sized business support and enablement activities. These initiatives will help the Postal Service study the needs of the small business market and determine how to more effectively serve this market.

With regard to our small business strategy, in the fall of 2019, we chartered preliminary research and established initial workgroups to begin to assess the state of needs, and to begin to formulate a strategy and prioritize key workstreams intended to identify gaps, make adjustments, assess effectiveness, and refine a broader strategic position.

We initiated a field pilot in February 2020 to focus on key elements of the strategy and to determine if we could provide business value for the small businesses in the pilot market. In addition, we initiated several workstreams to build a comprehensive strategy and business case to implement throughout the organization to enable capabilities identified as crucial to effectively serving the small business market. These included both short- and long-term support for small business opportunities.

As it pertains to our small and medium-sized business support and enablement activities, the Postal Service has committed to a number of efforts to support our customers and learn from their perspectives. Beginning in March, we initiated COVID-19 response

activities, such as launching an outreach campaign to over 364,000 small businesses to provide information about our services, resources, and support available to them during the pandemic. As part of this outreach, we surveyed participants about their needs and challenges, and created a small business section of our webpage to provide information and to direct help support.

We have also facilitated more than 1,200 virtual meetings with small business customers as part of our Virtual Grow Your Business outreach. Postal Service managers across the country have assisted small business customers and have listened to their needs and concerns as it relates to running their businesses during the pandemic.

In addition to these activities, the Postal Service has filed two new programs with the Postal Regulatory Commission: the USPS Loyalty Program and the Every Door Direct Mail (EDDM) Retail Discount Program. The former provides immediate discounting and longer-term growth support for micro/small business shipping needs, and the latter provides a 10 percent discount for retail-entered EDDM to help micro/small businesses communicate to their customers, among other things, how the pandemic has affected service to their customers.

The Postal Service has been actively engaged, not only through our longstanding presence and relationship with small businesses across the nation, but with renewed focus to include, studying, working with, and learning from our small business customers. We have also been working to improve and enable the capabilities that help support, serve, and grow micro, small, and medium-sized businesses nationwide.

**2. Did you consult with the Small Business Administration or any other stakeholders representing small businesses prior to these recent changes? If so, please list and describe any such discussions. If you did not engage in such discussions, please explain why.**

We did not consult with the Small Business Administration (SBA) before reorganizing upper-level management to align reporting according to business function or when giving a general directive to more closely adhere to established operational plans and to more closely follow the transportation schedule for trucks departing from and arriving at our facilities. As noted above, there was no anticipated negative impact on service, so such consultation was not necessary. It is important to note that over the past several years, the Postal Service has continued to work with a breadth of small business-oriented agencies including the SBA, the U.S. Department of Agriculture, the U.S. Department of Commerce, the U.S. Department of Interior, the Service Corps of Retired Executives, and several other government agencies, local Chambers of Commerce, and nonprofit organizations that help small businesses achieve success. The Postal Service continually participates in National Small Business Week with the SBA, which takes place every year the first week of May. Moreover, we actively seek and nurture relationships where we can provide mutual benefit to small businesses.

**3. What steps, if any, is the Postal Service currently taking to track and analyze the impact of recent changes on small businesses, including the impact on delivery times and small businesses' utilization of services provided by the Postal Service? Please provide the information you have gathered thus far and if you are not tracking this information, please explain why.**

Small business enablement and growth is crucial, not only to the nation, but to the bottom line of the Postal Service. The activities noted above were in process long before the recent operational initiatives referenced in your letter as evidence of our recognition of the importance of this business segment and our desire to serve and support it well. Furthermore, the Postal Service is working actively and making significant progress to return our service levels to pre-pandemic performance and to meet our operational goals and commitments for all of our customers. Like every company in the nation, we face similar challenges due to the impacts of COVID-19, including day-to-day employee availability in heavily-impacted locations. We are seeking new ways to serve all of our customers well, while keeping both our customers and our employees safe. We will continue to drive improvements to our operational performance, and enable crucial capabilities to serve and support the small business community and the nation.

4. **In your August 18, 2020 statement, you stated that you were "suspending these initiatives until after the election is concluded." However, this statement did not clarify which specific initiatives you intended to suspend. Please provide a list of any changes you have instituted at the Postal Service during your tenure, the status of each change, and whether each change will be suspended until after the election.**

As we have stated, Postmaster General DeJoy has decided to pause our longstanding operational efforts, including the removal of equipment sets and blue collection boxes, until after the election to assuage the public's concern and remove even the appearance of any impact of these practices on Election Mail. I would like to reiterate that in addition to mail processing equipment and collection boxes remaining where they are, retail hours at Post Offices will not change, mail processing facilities will not be closed, and overtime will continue to be approved as needed. We recently issued clarifying guidelines that were shared with the Senate Homeland Security and Governmental Affairs Committee staff, which contained further information regarding the August 18 announcement. This included that while we are still trying to adhere to our operating schedule to improve performance, late and extra trips are not (and never were) banned, and that managers are authorized to use their best business judgment to meet our service commitments.

With regard to the Postmaster General's two initiatives involving an organizational restructuring and a general directive to more closely follow the transportation schedule for trucks departing and arriving at our facilities, these efforts will continue.

Please be assured that the Postal Service's mission to efficiently and effectively deliver to every address in the country will continue to be our highest priority. Moreover, we remain committed to our vital role as an invaluable partner to small and medium-sized businesses across the nation.

If I can be of assistance in other postal matters, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Scott R. Slusher". The signature is fluid and cursive, with the first name "Scott" and last name "Slusher" clearly legible.

Scott R. Slusher  
Manager, Government Liaison