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July 22, 2020

The Honorable Gary C. Peters
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510-6250

Dear Senator Peters:

This is in response to your letter of July 17, 2020, concerning two documents that were the subject of recent news articles, and about operational efforts being implemented by the U.S. Postal Service.

As information, please know that neither document referenced in your letter should be characterized as being "official Postal Service memoranda." Neither document originated from Postal Service Headquarters. The document entitled "PMG's Expectations and Plan" was prepared by a mid-level manager in one district, and the "stand-up talk" was prepared by Southern Area leadership and was distributed in the Southern Area. Therefore, the documents should not be treated as official statements of Postal Service policy.

The Postal Service is focused on our mission of binding the nation together and providing the American people with prompt, reliable, and efficient postal services. The importance of that basic and fundamental service has never been more evident than it is today. At the same time, our long-standing financial challenges are also obvious. The Postal Service must develop a viable operating model that ensures we can continue to fulfill our public service mission in a financially sustainable manner and remain a part of the country's critical infrastructure.

To address our financial challenges, management is developing a business plan to ensure that we will be financially stable and able to continue to provide reliable, affordable, safe and secure delivery of mail and packages to all Americans. This plan will be presented to and considered by the Board of Governors, and will include new and creative ways to fulfill our mission, and a focus on the strengths of the Postal Service to maximize our prospects for success. It will seek to take advantage of the tremendous opportunities available to us to strengthen the public service we provide, while also making changes needed to place the Postal Service in a financially healthy position. Once the Board has agreed to the plan, we would be happy to brief you or your staff on the details.

While we develop a broader business plan, Postal Service management is also taking immediate steps to increase operational efficiency by re-emphasizing existing operational plans to provide prompt and reliable service to meet our current service standards. By running operations on-time and on-schedule, we will be better positioned to continue to provide high-quality, reasonably-priced service to all people and businesses in the country.

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These management efforts are fully consistent with our legal responsibilities—both to efficiently provide service and to be self-supporting. In this regard, the Postal Service is obligated by statute to provide prompt, reliable, and efficient service to the American people, in a self-sustaining manner. See, e.g., 39 U.S.C. §§ 403(a), 403(b)(1), 404(b), 3622(b), 3661(a). Fulfilling this mandate established by Congress necessarily requires that Postal Service management continually review our operational practices and make adjustments as necessary to ensure that we operate in an efficient and effective manner. As with any such management efforts, any temporary service impacts will be monitored and the root causes of any issues will be addressed as necessary and corrected as appropriate.

Taking steps to enhance operational efficiency and reduce costs is particularly important in today's environment, considering the Postal Service's dire financial condition. Indeed, as we have repeatedly noted to Congress for many years, one essential aspect of restoring the Postal Service to financial stability, in the face of declining mail volumes, is through management efforts to improve efficiency.

These efforts are clearly within the legal authority of the Postmaster General, pursuant to the delegation of authority in 39 C.F.R. § 3.5, and such delegation is authorized by law pursuant to 39 U.S.C. § 402. In this regard, the operational efforts at issue do not constitute service standard changes that require the involvement of our Board of Governors. Nor was there any reason to delay implementation until after the Board considers the broader plan which is being developed to address the Postal Service's business model challenges.

Finally, please be assured that we are aware of our legal obligations to request an advisory opinion before implementing a "change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis" under 39 U.S.C. § 3661(b). None of the operational efforts discussed here constitute such a change. To the extent that Postal Service management develops proposals to make any such service changes within the scope of Section 3661(b), and our Board approves such proposals, we will make the appropriate requests to the Postal Regulatory Commission.

We appreciate your ongoing interest in the Postal Service, and look forward to working with you to ensure that we will be sustainable and that we will remain able to continue to fulfill our universal service obligation for all people and businesses in America. If I can be of assistance in other postal matters, please let me know.

Sincerely,



Thomas J. Marshall