Postmaster General and CEO Louis DeJoyâ€™s Remarks During Nov. 14, 2023, Postal Service Board of Governors Meeting

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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, 2023.

“Thank you, Mr. Chairman, and thank you to everyone for your attendance and interest in the United States Postal Service.

First, I too would like to recognize Governor Moak and Governor Zollars for their support of the United States Postal Service and for their wisdom and collaboration with our leadership team.

Your involvement in the development of the Delivering for America Plan and your guidance through the beginning of its implementation during tumultuous times has been a tremendous service to the nation. On behalf of the 650,000 men and women of the Postal Service, I thank you.

As our CFO Joe Corbett will explain later in our financial presentation, the Postal Service finished the fiscal year 2023 with a $6.5 billion dollar net loss. When looking back to our DFA projections published in March of 2021, we forecasted that we would break even this year.

Our efforts to grow revenue and reduce labor and transportation costs were simply not enough to overcome our costs to stabilize our organization, the historical inflationary environment we encountered, and our inability to obtain the CSRS reform we sought, none of which were accounted for in our forecasts.

While we are not happy with this result, we cannot lose sight of the downward trajectory the Postal Service faced in the fall of 2020 after years of neglect and willful indifference by its stakeholders and custodians prior, and of the substantial progress we have made in correcting our condition and our trajectory.

The Delivering for America Plan was developed in a crisis environment and during a pandemic, with dwindling cash, and mounting year after year losses that approached $100 billion dollars.

Along with many other aspirational initiatives, a newly organized leadership team and a

newly constituted board of Governors, sought to correct for a projected $160 billion loss over the ensuing ten years. The remarkable and unfortunate fact was that there was no other plan in sight, even though this condition had existed for almost 15 years.

To reconcile this year's results to our plan, the financial forecasts of the Postal Service at the time we developed the plan projected that we would lose approximately $15 billion in FY 2023 if we did not accomplish the cost reduction and revenue producing actions identified in our DFA initiatives.

While timing and execution are factors, a close look at our DFA breakeven forecast identifies specifically that the allocation methodology for our CSRS liability would be re-evaluated and we would be relieved of the cost of our unfair CSRS obligation which totaled $3 billion in this year's financials.

In addition, this year's loss includes $2.6 billion in inflation above what we projected and what we were able to recover, as our pricing adjustments are not proportional to our costs and are garnered after we have already been impacted by the inflation. Therefore, if not for these two specific factors, breakeven results for 2023 were within reach.

In fact, for the 3 years since the release of the DFA Plan, we have taken what was projected to be between $34 and $39 billion in losses and reduced them by half to $18.8 billion despite incurring $7.2 billion in CSRS costs expected to be eliminated and nearly $ 8 billion in inflation above our planned inflation and corresponding revenue authority.

This is in addition to the approximately $50 billion in cost reductions attained by the passing of the Postal Service Reform Act, which was both an important initiative and accomplishment of the DFA Plan.

Since the release of the DFA plan, we have reduced the projected losses through 2030 of over $160 billion identified at the plan's outset, to less than $60 billion, despite our financial and administrative environment.

Unfortunately, the impacts of these issues remain a factor in next year's budget as despite substantial planned reductions in our cost of operations and growth in our package revenues, we will not reach breakeven results in 2024.

However, 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 organization, delivering postal services to the American people for many years to come.

Executing on all the initiatives of the plan is in stark contrast to doing nothing. Today, the DFA strategies remain the only solution to yesterday's problem and the only path

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forward to creating a postal service with long term viability in service, product and culture.

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