LOUIS DEJOY
POSTMASTER GENERAL, CEO

UNITED STATES POSTAL SERVICE

May 9, 2024

The Honorable Gary Peters
Chairman
Homeland Security and Government Affairs Committee
United States Senate
Washington, DC 20510

Dear Chairman Peters:

Thank you for the opportunity to speak yesterday about the efforts we are undertaking here to fix the Postal Service network, and the areas of concern about which you are hearing from fellow Senators. I know we share the mutual goal to ultimately provide high-quality service for the American people in a financially sustainable manner. I am also in receipt of your letter dated May 8 and signed by a number of your colleagues.

Mail Processing Facility Reviews: The Senate signatories of your letter and other letters I have received are almost entirely concerned about the mail processing facility reviews (MPFRs) we are undertaking at nearly 60 (out of 427) processing plants. These reviews are primarily considering whether to move originating volume to fewer regional plants to create consistency, precision, and efficiency. I attach a list of these sites, and it specifies the status of the study, its outcome if a final determination has been made, and the level of investment and cost savings.

In all cases on the list where we are moving a small subset of our operations, we are also making modernizing investments to vastly improve employee amenities and the automation equipment that helps our employees do their jobs, and as a result we are substantially enhancing our processing capability. In some cases, the movement of these operations is freeing up space so that a Sorting and Delivery Center can be co-located at the facility, which could end up adding to our employee complement at the site. These reviews will also achieve vitally necessary cost savings, most of which would be achieved from reduced transportation.

Please note that contrary to some misplaced assertions, the MPFR study is a process of transparency, where we have undertaken analysis, notified the public and interested stakeholders, and provided opportunity for public input – all of which we have considered before making our decisions. With only one or two exceptions, the MPFRs have not yet been implemented and the future plans to do so have not yet commenced.

You have been hearing from fellow Senators about changes being made at processing plants in their home states, which your colleagues feel have the potential to adversely impact service in their states and especially locally.

We do not see these planned actions as at all consequential to service; rather, they are important elements of achieving a network that can provide greater service reliability in a cost-effective manner. The career workforce will not see layoffs, new equipment will be installed, the facilities will not close, deferred maintenance will be performed, and working conditions will be substantially improved. I acknowledge that we have not been able to convince Congress of this, even though these efforts will both improve the facilities *and* facilitate the significant cost reductions that we absolutely must achieve to have any hope of financial sustainability.

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That said, I suspect that these misconceptions are based on the past when we did close these types of facilities as part of a decidedly different strategy, and conflated with some current service issues we are experiencing. I also know that there is legacy desire among some segment of our workforce at the local level to maintain the status quo, which I understand but frankly am disappointed by. Through continued training and education, we will work to try to change hearts and minds and to sell the virtues of our plan for service excellence and financial health.

Your Senate colleagues have also expressed concern about cases where originating volume (known as turnaround mail) is moved to be processed out of state or at a geographically more distant location. In all cases this is a distinct minority of volume (usually less than 15 percent). These actions will enable us to more efficiently handle most of the mail that is not turnaround mail, while still ensuring that we provide timely delivery for turnaround mail within established service standards. In your case, you have expressed concern about the Iron Mountain, Michigan MPFR, where we have determined that originating volume should be processed in Green Bay, Wisconsin. Again, that change has not taken place, nor is implementation planned yet.

Further to our conversation yesterday, I agree to pause the movement of processing operations associated with the Mail Processing Facility Reviews. In response to the concerns you and your colleagues have expressed, I will commit to pause any implementation of these moves at least until after January 1, 2025. Even then, we will not advance these efforts without advising you of our plans to do so, and then only at a moderated pace of implementation. I will also continue to consider whether we should seek an advisory opinion from the PRC as a discretionary matter on our part, consistent with the process provided by 39 U.S.C. section 3661, taking into account the relevant legal requirements.

I trust that this pause in implementation activity will be of interest to the signatories of your May 8 letter. I want to stipulate as part of the pause however that the positive investments in the facilities on the attached list will also not commence, just as the annual cost savings associated with these mail moves will not be achieved while we pause. We estimate the expected annual cost savings to be $133-177 million, and the positive investments to be more than $430 million.

Chairman Peters, the dialogue we had yesterday was productive and it is my hope that this commitment to pause MPFR activity will work to restore confidence in the desired positive outcomes our modernization actions are meant to achieve from both a service excellence and cost savings perspective, and at a pace of network change that is acceptable.

I am continuing to evaluate any additional changes we have underway and will advise you of our approach to satisfy any of your concerns regarding their engagement or any filing that might be warranted with the PRC. I need more time to evaluate and hope you understand the complexity of our challenge.

In the meantime, we will continue to work hard to restore service in those areas impacted.

Sincerely,

Louis DeJoy

Enclosure

MPFR Status Tracking + Final Decision Data

Study Name	State	GR Liaison Group	Facility Change	Status	Notice of Intent	Date of Public Meeting	Initial Findings	Public Comment Closing Date	Final Decision	Investment	Annual Savings
Abilene	TX	West	Abilene, TX P&DC to North Texas P&DC	Decision to Proceed	1/10/24	2/21/24	2/14/24	3/7/24	4/16/24	$6M-8M	$1.4M-$1.8M
Augusta	GA	East	Augusta, GA P&DC to Atlanta, GA RPDC	Decision to Proceed	7/12/23	8/9/23	8/1/23	8/24/23	8/25/23	$9M	$2.0M-$2.7M
Bemidji	MN	Midwest	Bemidji, MN P&DC to Fargo, ND P&DC	Notice of Intent	1/10/24	TBD	–	–	–	–	–
Bismarck	ND	Midwest	Bismarck, ND P&DC to Fargo, ND P&DC	Decision to Proceed	11/8/23	12/7/23	11/29/23	12/22/23	3/26/24	$3.5M	$410K-$550K
Brockton	MA	East	Brockton, MA P&DC to Providence, RI P&DC	Decision to Proceed	1/10/24	3/6/24	2/28/24	3/21/24	4/16/24	$8M-$10M	$1.8M-$2.4M
Buffalo	NY	East	Buffalo, NY P&DC to Rochester, NY P&DC	Decision Not to Proceed	11/22/23	2/27/24	1/30/24	3/13/24	3/29/24	N/A	N/A
Burlington	VT	East	Burlington P&DC in Essex Junction, VT to Hartford, CT P&DC	Decision to Proceed	1/10/24	3/12/24	3/4/24	3/27/24	4/23/24	$7M- $9M	$750K-$1M
Casper	WY	West	Casper, WY P&DC to Billings, MT P&DC	Decision to Proceed	1/10/24	2/21/24	2/14/24	3/7/24	4/16/24	$6M- $8M	$2.4M-$3.2M
Champaign	IL	Midwest	Champaign, IL P&DC to South Suburban P&DC in Bedford Park, IL and Chicago South RPDC in Forest Park, IL	Decision to Proceed	1/10/24	3/12/24	3/4/24	3/27/24	4/23/24	$15M-$20M	$2.7M-$3.5M
Charleston	WV	Midwest	Charleston P&DC in South Charleston, WV to Pittsburgh, PA P&DC and Pennwood Place P&DC in Warrendale, PA	Decision to Proceed	11/22/23	2/14/24	1/30/24	2/29/24	4/2/24	$20M-$30M	$6.6M-$8.8M
Charleston	SC	East	Charleston P&DC in North Charleston, SC to Columbia, SC P&DC	Decision to Proceed	1/10/24	3/11/24	3/4/24	3/26/24	4/30/24	$15.2M	$4.5M- $5.9M
Chattanooga	TN	Midwest	Chattanooga, TN P&DC to Nashville, TN P&DC and Music City, TN Annex	Decision to Proceed	10/25/23	11/28/23	11/21/23	12/23/23	3/19/24	$8M	$3.3M-$4.3M
Cheyenne	WY	West	Cheyenne, WY P&DC to Denver, CO P&DC	Decision to Proceed	11/8/23	12/12/23	11/29/23	12/27/23	3/26/24	$3.5M	$2.5M-$3.3M
Columbia	MO	Midwest	Columbia, MO P&DC to St Louis, MO P&DC	Decision to Proceed	10/18/23	11/16/23	11/7/23	12/1/23	3/6/24	$4M	$1.7M-$2.3M
Corpus Christi	TX	West	Corpus Christi, TX P&DC to San Antonio, TX P&DC	Decision to Proceed	1/10/24	2/14/24	2/6/24	3/1/24	4/9/24	$4-$6M	$3.0M-$3.9M
Dakota Central (Huron)	SD	Midwest	Dakota Central P&DC in Huron, SD to Fargo, ND P&DC	Decision to Proceed	11/8/23	12/6/23	11/29/23	12/23/23	3/26/24	$3M	$650K-$860K
Eastern Maine (Hampden)	ME	East	Eastern Maine P&DC in Hampden, ME to Southern Maine P&DC in Scarborough, ME	Decision to Proceed	11/22/23	2/29/24	1/30/24	3/15/24	4/9/24	$15-$25M	$610K-$810K
EL Paso	TX	West	El Paso, TX P&DC to Albuquerque, NM P&DC	Decision to Proceed	10/25/23	11/28/23	11/21/23	12/13/23	3/19/24	$9M	$2.9M-$3.8M
Eugene	OR	West	Eugene, OR P&DC to Portland, OR RPDC	Decision to Proceed	7/12/23	8/8/23	8/1/23	8/23/23	8/25/23	*	$4.0M-$5.4M
Fort Myers	FL	East	Fort Myers, FL P&DC to Tampa P&DC and Ybor City P&DC in Tampa, FL	Decision to Proceed	11/22/23	2/6/24	1/30/24	2/21/24	4/9/24	$20M-$30M	$2.4M-$3.2M
Fort Wayne	IN	Midwest	Ft Wayne, IN P&DC to Indianapolis, IN RPDC	Decision to Proceed	10/25/23	11/29/23	11/21/23	12/14/23	3/19/24	$5M	$2.6M-$3.5M
Fresno	CA	West	Fresno, CA P&DC to Sacramento P&DC in West Sacramento, CA	Decision to Proceed	1/10/24	2/14/24	2/6/24	2/29/24	4/9/24	$12M-$15M	$1.4M-$1.9M
Grand Forks	ND	Midwest	Grand Forks, ND P&DC to Fargo, ND P&DC	Decision to Proceed	11/8/23	12/6/23	11/29/23	12/21/23	3/26/24	$1.5M	$330K-$440K
Grand Junction	CO	West	Grand Junction, CO P&DC to Denver, CO P&DC	Decision to Proceed	1/10/24	2/22/24	2/14/24	3/8/24	4/16/24	$6M-$8M	$2.2M-$3.0M
Greenville	SC	East	Greenville, SC P&DC to Charlotte, SC RPDC	Decision to Proceed	9/27/23	11/1/23	10/25/23	11/16/23	12/1/23	*	$8.5M-$11.3M

*Investment total not available

** Decision to proceed reversed

MPFR Status Tracking + Final Decision Data

Gulfport	MS	West	Gulfport, MS P&DC to Jackson, MS P&DC	Decision to Proceed	1/10/24	3/6/24	2/28/24	3/21/24	4/23/24	$2M-$3M	$1.9M-$2.6M
Iron Mountain	MI	Midwest	Iron Mountain P&DC in Kingsford, MI to Green Bay, WI P&DC	Decision to Proceed	1/10/24	4/1/24	2/1/24	4/16/24	5/7/24	$3M-$5M	$1.1M-$1.5M
Johnstown	PA	Midwest	Johnstown, PA P&DC to Pittsburgh, PA P&DC	Decision to Proceed	1/10/24	2/8/24	2/1/24	2/23/24	4/2/24	$4M-$6M	$1.4M-$1.8M
Knoxville	TN	Midwest	Knoxville, TN P&DC to Louisville, KY P&DC	Decision to Proceed	10/25/23	11/30/23	11/21/23	12/15/23	4/2/24	*	$3.1M-$4.1M
Lehigh Valley	PA	Midwest	Lehigh Valley, PA P&DC to Harrisburg, PA P&DC	Decision to Proceed	10/18/23	11/30/23	11/7/23	12/15/23	3/6/24	$11M	$5.3M-$7.0M
Lubbock	TX	West	Lubbock, TX P&DC to Amarillo, TX P&DC	Decision to Proceed	1/10/24	2/23/24	1/30/24	3/9/24	4/9/24	$3M-$5M	$2.6M-$3.5M
Macon	GA	East	Macon, GA P&DC to Atlanta, GA RPDC	Decision to Proceed	7/12/23	8/8/23	8/1/23	8/23/23	8/25/23	*	$3.9M-$5.2M
Manchester	NH	East	Manchester, NH P&DC to Boston, MA P&DC	Decision to Proceed	1/10/24	2/8/24	2/1/24	2/23/24	4/2/24	$16M-$18M	$1.2M-$1.5M
McAllen	TX	West	McAllen, TX P&DC to San Antonio, TX P&DC	Decision to Proceed	1/10/24	3/26/24	3/15/24	4/10/24	5/7/24	$11M-$13M	$2.7M-$3.5M
Medford	OR	West	Medford, OR P&DC to Portland, OR RPDC	Decision to Proceed	7/12/23	8/9/23	8/1/23	8/24/23	8/25/23	*	$4.8M-$6.4M
Midland	TX	West	Midland, TX P&DC to Amarillo,TX P&DC	Decision to Proceed	1/10/24	2/22/24	2/14/24	3/8/24	4/16/24	$13M-$15M	$1.9M-$2.5M
Minneapolis	MN	Midwest	Minneapolis, MN P&DC to St. Paul, MN P&DC	Decision to Proceed	9/27/23	11/1/23	10/25/23	11/16/23	12/1/23	*	$3.4M-$4.4M
Missoula	MT	West	Missoula, MT P&DC to Spokane, WA P&DC	Decision to Proceed	1/10/24	3/15/24	3/6/24	3/30/24	4/30/24	$12.2M	$1.3M-$1.7M
North Platte	NE	Midwest	North Platte, NE P&DC to Denver, CO P&DC	Decision to Proceed	1/10/24	3/28/24	3/15/24	4/12/24	5/7/24	$4M-$6M	$1.5M-$1.9M
NW Arkansas (Fayetteville)	AR	West	NW Arkansas P&DC in Fayetteville, AR to to Oklahoma City, OK P&DC	Decision to Proceed	11/22/23	12/6/23	11/29/23	12/21/23	3/26/24	$3.3M	$2.5M-$3.2M
Peoria	IL	Midwest	Peoria, IL P&DC to South Suburban P&DC in Bedford Park, IL	Decision to Proceed	1/10/24	2/21/24	2/14/24	3/7/24	4/16/24	$8M-$10M	$1.7M-$2.2M
Provo	UT	West	Provo, UT P&DC to Salt Lake City, UT ASF	Decision to Proceed	9/27/23	11/2/23	10/25/23	11/17/23	12/1/23	*	$1.0M-$1.3M
Quad Cities (Milan)	IL	Midwest	Quad Cities P&DC in Milan, IL to Des Moines, IA P&DC	Decision to Proceed	1/10/24	2/21/24	1/30/24	2/21/24	4/2/24	$5M-$10M	$970K- $1.3M
Raleigh	NC	East	Raleigh, NC P&DC to Greensboro, NC P&DC and RPDC	Decision to Proceed	1/10/24	2/13/24	2/6/24	2/28/24	4/9/24	$25M-$27M	$5.2M-$7.0M
Reno	NV	West	Reno, NV P&DC to Sacramento P&DC in West Sacramento, CA	Decision to Proceed	1/10/24	2/13/24	2/6/24	2/28/24	4/23/24	$12M-$14M	$3.1M-$4.2M
Santa Barbara	CA	West	Santa Barbara, CA P&DC to Santa Clarita, CA P&DC	Decision to Proceed	1/10/24	3/26/24	3/12/24	4/10/24	5/7/24	$14M-$18M	$2.7M-$3.8M
Sioux Falls	SD	Midwest	Sioux Falls, SD P&DC to Omaha, NE P&DC	Decision to Proceed	1/10/24	3/13/24	3/6/24	3/28/24	4/30/24	$12.75M	$2.0M-$2.6M
South Jersey (Bellmawr)	NJ	East	South Jersey P&DC in Bellmawr, NJ to Philadelphia, PA P&DC	Decision to Proceed	1/10/24	3/7/24	2/28/24	3/21/24	4/23/24	$20M-$25M	$4.0M-$5.4M
South Suburban (Bedford Park)	IL	Midwest	South Suburban P&DC in Bedford Park, IL P&DC to Chicago South RPDC	Not Implemented**	9/27/23	11/1/23	10/25/23	11/16/23	11/16/23	N/A	N/A
Springfield	IL	Midwest	Springfield, IL P&DC to St. Louis, MO P&DC	Decision to Proceed	1/10/24	3/26/24	3/15/24	4/10/24	5/7/24	$5M-$8M	$700K-$930K
Tacoma	WA	West	Tacoma, WA P&DC to Seattle, WA P&DC	Decision to Proceed	10/25/23	11/28/23	11/21/23	12/13/23	3/19/24	$5M	$1.1M-$1.5M
Tallahassee	FL	East	Tallahassee, FL P&DC to Jacksonville, FL NDC	Decision to Proceed	10/18/23	11/14/23	11/7/23	11/29/23	3/6/24	$5M	$4.9M-$6.5M
Trenton	NJ	East	Trenton, NJ P&DC to Philadelphia, PA P&DC	Decision to Proceed	9/27/23	11/2/23	10/25/23	11/17/23	12/1/23	*	$3.7M-$4.8M
Tulsa	OK	West	Tulsa, OK P&DC to Oklahoma City, OK P&DC	Decision to Proceed	1/10/24	3/7/24	2/28/24	3/22/24	4/30/24	$22.5M	$3.6M-$4.7M

*Investment total not available

** Decision to proceed reversed

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Waterloo	IA	Midwest	Waterloo, IA P&DC to Des Moines, IA P&DC	Decision to Proceed	1/10/24	3/26/24	3/15/24	4/10/24	5/7/24	$6M-$8M	$860K-$1.1M
Wenatchee	WA	West	Wenatchee, WA P&DC to Spokane, WA P&DC	Decision to Proceed	10/25/23	11/29/23	11/21/23	12/14/23	3/19/24	$2M-$3M	$270K-$360K
White River Junction	VT	East	White River Junction, VT P&DC to Hartford, CT P&DC	Decision to Proceed	1/10/24	3/26/24	3/15/24	4/10/24	5/7/24	$4M-$6M	$710K-$940K
Wilmington	DE	East	Wilmington, DE P&DC to Philadelphia, PA P&DC	Decision to Proceed	10/18/23	11/29/23	11/21/23	12/14/23	3/6/24	$9M	$3.1M-$4.2M
Yakima	WA	West	Yakima, WA P&DC to Spokane, WA P&DC	Decision to Proceed	1/10/24	2/28/24	2/14/24	3/14/24	4/16/24	$4M-$6M	$80K-$110K

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