

What comes after the election could be wrenching for the USPS

By Devin Leonard

Vote-by-Mail Is the Easy Part

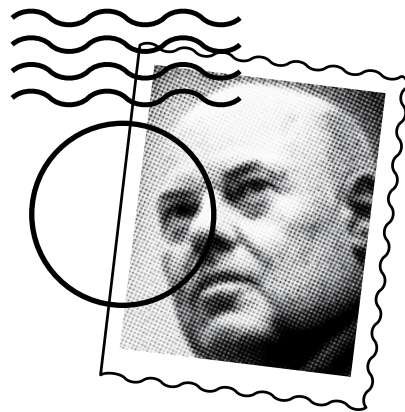
If there's one thing Kenny Montgomery thought he could always count on, it was the arrival of the U.S. mail. He'd delivered it himself during heat waves and blizzards in Rochester, N.Y. He trudged through the city with a mail sack over his shoulder during the 1991 ice storm that closed businesses and government offices and left residents cowering in their homes without power. They might not have been able to turn on the lights, but they got their mail.

Last month, however, on the morning of Aug. 1, Montgomery, president of the local branch of the National Association of Letter Carriers (NALC), saw his faith shaken. Almost 120 of his members reported to the city's eight post offices, he says, and found that trucks had brought them packages from processing plants but not a single piece of what he classifies as mail. No letters, no bills, no postcards, greeting cards, magazines, catalogs, or fundraising appeals. "This is my 33rd year of service," he says. "There are light days, and there are heavy days, but I have never experienced a day where no mail shows up."

That's when Montgomery began to fear for the future of the 245-year-old U.S. Postal Service. If this was the service Americans could now expect, why wouldn't they turn to FedEx Corp., United Parcel Service Inc., or some other private operation that brings things to their doors? "If this continues, we're going to lose the confidence of our customers," he says. "It snowballs from there."

Montgomery says he knows who's to blame: U.S. Postmaster General Louis DeJoy, a former logistics company executive and financial supporter of President Trump, who took over the agency on June 15. DeJoy has said he wants to transform the Postal Service, which is facing an \$11 billion loss this year. Widespread incidents of delayed mail have given rise to theories that DeJoy wants to disrupt the fall election on behalf of the president, who has called the USPS "a joke" and questioned its ability to handle an anticipated surge in voting by mail this fall. So has the Postal Service's decommissioning of 671 mail-sorting

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machines across the country and the recent removal of 700 collection boxes. "They were caught red-handed doing this, and the whole country is in an uproar," U.S. Representative Jamie Raskin, a Democrat from Maryland, said on Aug. 20 at a hearing held by the Congressional Progressive Caucus, a group of liberal Democrats.

Two days later, Democratic Speaker of the House Nancy Pelosi called her chamber back from summer recess to pass a bill to roll back changes that have taken place during DeJoy's brief tenure. It also contains a \$25 billion cash infusion to cover the USPS's Covid-related losses, a standing House request since the spring. There's little chance the Republican-controlled Senate will take up the bill, and even if it did, Trump would likely veto it. In yet another attempt to call into question the Postal Service's competence, he's argued that without these funds there's no chance the USPS can handle the expected mountain of postal ballots. "If we don't make a deal, that means they don't get the money. That means they can't have

DEJOY: TOM WILLIAMS/REUTERS

universal mail-in voting," he told Fox Business on Aug. 13.

This much is certain: The USPS can handle the election. The agency delivers 433 million pieces of mail a day, almost half the world's volume. The total amount of election mail expected this year will amount to less than 2% of its total flow from mid-September to Election Day. "It's literally a drop in the bucket," says Paul Steidler, a senior fellow at the Lexington Institute, a conservative think tank, who studies postal issues.

The removal of mailboxes and sorters isn't as ominous as it might appear, either. It's normal procedure for the USPS and a direct response to the collapse of mail volume. Total volume has fallen 33%, to 142 billion pieces annually, since it peaked in 2006. Volume for the service's most profitable product, first-class mail, has fallen 44%, and the pandemic has only steepened the decline. Meanwhile, with stores closed and so many people at home, package delivery rose 50% from April through June. The Postal Service is struggling to keep up with Christmas-level loads at a time when Covid-19 has sidelined many of its workers.

In short, it might not be the most fortuitous time to make major alterations to the USPS. But that's not stopping DeJoy. For all the allegations that have been made about him, the truth is simpler. He's a guy from the business world who's trying to impose the kind of disruptive changes on a federal agency that might be applauded in the private sector but are guaranteed to provoke a backlash in Washington.

Although the Postal Service is required by law to break even, it's hardly a business. It was created to help democratize the country by binding it together. Because of this, you can send a letter from anywhere in the country to Alaska for 55¢. As has been noted many times, it might be the greatest bargain on Earth—and one that no private company would offer.

In the name of saving the USPS, DeJoy is mulling changes that not only would affect delivery but could also undermine the service's mission. Even in the best of times his moves might have eroded public confidence in the agency. Coming now, at a time of intense politicization, with the integrity

of the election at stake, they could lead to something worse.

As a business executive committed to showing a federal bureaucracy a thing or two about efficiency, DeJoy isn't unlike former airline executive Richard Anderson, who put Amtrak on a path to profitability but resigned in April after a little more than two years of battling members of Congress and rail enthusiasts. Or perhaps a better example is Marvin Runyon, aka "Carvin' Marvin," a onetime auto industry executive whose tumultuous six-year stint as postmaster general was marked by staff departures, mail screw-ups, and a federal investigation of his involvement in talks to put Coca-Cola machines in post offices when his family held shares in the company.

DeJoy's ambitions dwarf what those men had in mind. During an appearance on Aug. 21 before the Senate Homeland Security and Governmental Affairs Committee, he confirmed a report in the *Washington Post* that after the election he'll pursue what promises to be a wrenching transformation of the USPS involving slimmer discounts for non-profit mailers, higher package rates, and increased delivery prices for distant places such as Alaska, Hawaii, and Puerto Rico. "We're considering dramatic changes to improve the service to the American people, yes," he said.

Specifically, DeJoy said he was eyeing the Alaska Bypass, a USPS program that uses bush pilots to fly not only mail but also food to areas of the state not accessible by roads. The Alaska Bypass is one of those extraordinary things the USPS does in the name of connecting the country. DeJoy complained that it cost \$500 million a year. The number seemed steep: A spokesman for Alaska Senator Dan Sullivan, a Republican, says the program's cost last year was actually \$123 million. Either way, DeJoy's comments raised questions about the postmaster general's commitment to parts of the country that are more expensive to serve.

For now, however, DeJoy is focused on a single initiative: getting Postal Service trucks to run on time. "FedEx and UPS, everybody runs their trucks on time, right?" DeJoy testified. "That's what glues the whole network

together." Perhaps, but FedEx and UPS deliver 16 million and 22 million items a day, respectively, a sliver of the Postal Service's volume, and have no similar public service responsibilities.

DeJoy's critics have frequently said he lacks experience with the USPS and is therefore unqualified, but that's untrue. Born in Brooklyn, N.Y., he grew up around the logistics business. His father ran a small trucking company on Long Island. DeJoy seemed destined for a different career, getting an accounting degree from Stetson University in Florida and working for a time as a certified public accountant. He returned to New York, though, in 1983, after his father was injured in an assault by two business rivals. DeJoy took over the family business, which became known as New Breed Logistics, and moved it in the early 1990s to High Point, N.C.

The turning point for New Breed came when it won a contract to provide logistics support for USPS mail-processing centers, refurbishing and transporting mail-sorting equipment. DeJoy parlayed the deal into business with clients such as Boeing, Walt Disney, and Verizon Communications. "If you have a Verizon phone, I shipped it to you," he told an audience several years ago at Elon University in North Carolina, where he's a board member.

DeJoy assiduously avoids publicity. (He declined to be interviewed for this story.) "He's a pure numbers and operations guy," says former North Carolina Governor Pat McCrory, a friend of DeJoy's. "He doesn't like BS. He doesn't give BS, and he doesn't take it." DeJoy's waspishness was evident when he testified before the House and Senate in August, mocking his questioners for failing to do more to help the USPS.

In 2014, DeJoy negotiated a deal to sell New Breed, which by then had 6,800 employees, for \$615 million to XPO Logistics Inc., a company that provides trucking support for the USPS during the holiday season peak. DeJoy stuck around for a year to run XPO's North American supply chain business, then joined the board before stepping down two years ago. He still holds more than \$25 million worth of stock in XPO, a holding he says the USPS's ethics department vetted. →

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← DeJoy also got involved in politics. Along with his wife, Aldona Wos, he's given a total of \$2.6 million to Republican politicians and causes. He also hosted fundraisers for George W. Bush in 2006 and Trump in 2017. "I certainly don't see myself running for public office," DeJoy told a local business journal in a rare interview four years ago. "That's just not my thing, although I love politics. I love supporting candidates."

This pastime wasn't without its rewards. Wos, a physician, served as U.S. ambassador to Estonia under Bush, and Trump has nominated her to be the U.S. ambassador to Canada. DeJoy was selected for a position first held by Benjamin Franklin.

In one sense, DeJoy is a throwback to another era at the agency. For much of its history, the postmaster general was picked by the president. Usually the job went to a political operative who then handed out postal jobs to party loyalists. The shining example would be Franklin Roosevelt's postmaster general, James Farley, who ran the Democratic National Committee while simultaneously approving stamp designs.

Because of mediocre management by patronage hires, the nation's mail delivery operation almost unraveled in the 1960s. That prompted President Richard Nixon to sign the Postal Reorganization Act of 1970, creating the newly christened USPS, an independent agency whose chief executive officer would be selected by a bipartisan board of nine presidentially appointed governors. No more than five could belong to the same party. For the next 50 years, there would be no postmasters general with close ties to the White House.

Under Trump, that changed. The president appointed a Republican-dominated board willing to name one of his top fundraisers to run the agency. The move was bound to create suspicion. Who would be running the agency—DeJoy or his friend in the White House?

The new postmaster general sounded excited, in his own particular way, on his first day on the job, June 15. "As you will soon discover, I am direct and decisive," he said in a video to his new employees, sounding like a CEO who'd just completed a hostile takeover. "I don't mince words, and when I see problems,

● A USPS DELIVERY BAR CODE SORTER



I work to solve them." As he would later testify before the

House and Senate, he immersed himself in postal issues, becoming fixated with trying to find operational efficiencies. They'd have to be significant ones. As his predecessor, Megan Brennan, told Congress last year, the Postal Service's financial woes had caused it to default on \$48 billion of mandated health-care prepayments for future retirees since 2012.

DeJoy tried to operate quietly, as he'd done at New Breed. But that's not easy at the USPS, which has more than 630,000 employees, many of them represented by various unions. In July internal USPS memos surfaced warning of major delivery disruptions to come. One of them, described as a "mandatory stand-up talk" meant to be given by managers to the rank and file, said late delivery runs from distribution centers to branch offices would no longer be allowed. "One aspect of these changes that may be difficult for employees is that—temporarily—you may see mail left behind or mail on the workroom floors or docks," it said. In other words, trucks might now depart without all the mail in the building. That contradicted what union leaders say was the USPS's longtime practice.

Another memo, titled "PMG's [Postmaster General's] Expectation and Plans," said overtime was being eliminated. "The USPS will no longer use excessive cost to get the basic job done. If the plants run late, they will keep the mail for the next day," it said.

DeJoy's critics point out that overtime spending was up because of high rates of absenteeism. "In a pandemic, overtime is not a nice thing to have," says U.S. Representative Gerry Connolly, a Virginia Democrat and member of the House

Committee on Oversight and Government Reform. "It's essential to getting the job done. Forty thousand postal workers have come down with Covid-19 or been quarantined. Forty thousand! That means there are worker shortages all around the country."

Connolly and other committee members sought answers from DeJoy about the memos and

were told in a letter from USPS General Counsel Thomas Marshall that because neither had originated from the Postal Service's headquarters, they "should not be treated as official statements of Postal Service policy." The stand-up talk was produced by the leadership of the agency's southern area between Florida and Texas, Marshall wrote, whereas the musings about DeJoy's expectations were prepared by a "midlevel manager." Even so, DeJoy had clearly conveyed a philosophy, and it was guiding managers.

In Rochester, the NALC's Montgomery started getting calls from customers who wanted to know the whereabouts of their late packages. He says he toured the local plant and saw mail carts overflowing with parcels. Rob Stahl, an electrical technician at the facility and president of the local American Postal Workers Union chapter, says that's been the case since area managers implemented DeJoy's new plan. "They came down and said that the trucks leave on time no matter what," Stahl says. "Sometimes they leave empty."

Paul Hogrogian, president of the 44,000-member National Postal Mail Handlers Union, says he discussed this problem with DeJoy in late July and the postmaster general was unworried: "He's insisted, 'We have to make the trucks run on time. We'll get the mail to the platform eventually. Temporarily, there may be some unintended consequences, but we'll get it to work.'"

Publicly, the postmaster general said little, which was probably ill-advised. He was, after all, someone who'd donated \$1.2 million to the Trump Victory fund, which is devoted to reelecting a

president who was discouraging people from voting by mail.

On July 29 there were outraged cries from Democratic leaders when Marshall sent letters to 48 states and the District of Columbia warning that "certain deadlines for requesting and casting mail-in ballots are incongruous with the Postal Service's delivery standard." In a state such as Montana, he noted, voters can request ballots from election officials as late as the day before the election. Marshall advised states to urge residents to ask for them early.

He also recommended that states send blank ballots to voters via first-class mail, which arrives in two to five days, rather than via the cheaper option of marketing mail, which takes as long as 10 days. As with other moves under DeJoy, it might have been interpreted differently in a different time; Marshall had sent out a similar warning in May, before DeJoy took over, and no one seemed to take offense. "I mean, it's so normal," says Paul Vogel, a former USPS chief marketing officer who oversaw vote-by-mail operations from 2010 to 2013. "Especially if there are states that don't [vote by mail] traditionally." Nevertheless, a half-dozen states cited the new letters, along with the vanishing mailboxes, in lawsuits accusing DeJoy of scheming to suppress the mail-in vote.

At a USPS board meeting on Aug. 7, DeJoy vowed that the Postal Service would do whatever it took to safeguard voting by mail. He dismissed allegations that he was taking orders from Trump. He remained circumspect, however, about the changes he was making, speaking only vaguely about how he was trying to get the USPS to stick to its schedule and avoid unnecessary overtime. As for delays, he said they were "isolated operational incidents."

DeJoy's assurances did little to quell the furor. Nor did his attempt to assuage his critics by halting the removal of sorting machines and

mailboxes until after the election. Protesters congregated outside his homes in Greensboro, N.C., and Washington, beating drums and calling for him to be removed. Ronnie Stutts, president of the 115,000-member National Rural Letter Carriers Association, visited the postmaster general at USPS headquarters around this time. "He was almost in tears," Stutts recalls, adding that DeJoy said, "I've had to hire a bodyguard to escort my daughter to and from school. She's really upset with me. She's asking me, 'Why are you doing this, Daddy? Why would you do this?'"

Most Americans didn't get their first look at DeJoy until late August during his appearances before Senate and House committees. As much as he tried to be polite, he often came across like someone who's rarely had to explain himself and was offended by the very idea of being interrogated by people who'd never run a business. Asked by one congressman why he didn't just leave all the sorting machines in place until after the election, DeJoy replied, "In Washington it makes plenty of sense. To me it makes none."

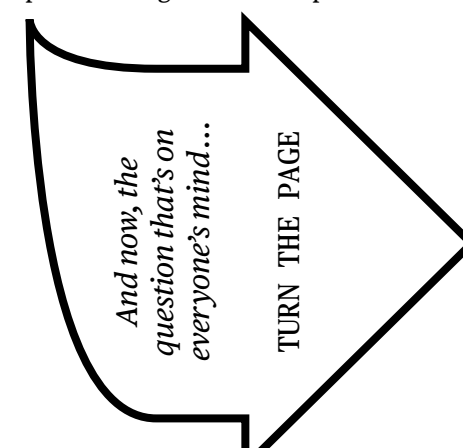
DeJoy tried to portray what he'd done in his short stint at the USPS positively, saying on-time trucking dispatching had risen from 89.4% to 97%, which he predicted would lead to annual savings of \$1 billion. Democrats, on the other hand, produced internal USPS documents showing that since DeJoy had taken over, on-time delivery of all classes of mail had plummeted, in some cases by 7% or 8%. DeJoy said he had a mitigation strategy, but it wasn't working as quickly as he'd expected. "I'm trying to figure that out," he said.

At any rate, the postmaster general told the House oversight committee, he couldn't be blamed for everything that went wrong at the USPS. "I'm not the COO," he said. "I'm the CEO of the organization." Republicans were understanding, but Democrats proclaimed astonishment. "You're supposed to be a logistics expert, right?" asked Democratic U.S. Representative Jimmy Gomez of California. "I think it's time for you to resign, not because necessarily there is this grand political conspiracy, but just the incompetence that we've seen when it comes to the Postal Service."

DeJoy seems to understand that he'll never transform the USPS as long as it's engulfed in controversy. He testified to the House committee that, yes, he'd had contact with some of his friends in the Trump campaign. But it was to ask them to do something about the president's unceasing attacks on vote-by-mail. "I've put the word out to different people that this is not helpful," DeJoy said.

In late August the USPS released a report showing that on-time delivery for most mail categories had started to recover. DeJoy has been filming a public service address with union leaders, some of whom fear the service's reputation is being damaged by the controversy. "We're doing a video showing the American public that voting by mail is safe and that the Postal Service is ready, willing, and able to process ballots," says Hogrogian, of the National Postal Mail Handlers Union. "I think a joint message is good. There's been enough negative press generated by the White House that we can't handle it."

If the attacks on mail-in voting discourage a large number of people from casting ballots, effectively disenfranchising them, the implications go beyond the vote count. What could make people more cynical about an institution that has been a democratizing force for 245 years? This jadedness could lead to Americans no longer supporting its mission—and once that happens, why not charge more for a letter to Alaska? Or why deliver mail at all in sparsely populated parts of Montana and North Dakota, where sometimes postal workers can carry every letter from their route in their shirt pockets? When the time for that logic arrives, the postmaster general has a plan. **E**



FROM LEFT: USPS; ANTHONY BEHAR/SIPA USA/WAF PHOTO



● COLLECTION BOXES OUTSIDE A BRONX, N.Y., POST OFFICE