

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

Virtual Signature Event

The Honorable Louis DeJoy

The Honorable Louis DeJoy
75th Postmaster General of the United States

Moderator:
David M. Rubenstein
President, The Economic Club of Washington, D.C.

Thursday, Sept. 24, 2020

DAVID RUBENSTEIN: So, let me first now go to our special guest, the Postmaster General, Louis DeJoy. Mr. DeJoy, thank you very much for giving us your time today.

LOUIS DEJOY: Thank you, David for having me. And I want to thank The Economic Club of Washington for paying attention to me at this time.

MR. RUBENSTEIN: So, thank you for attending. And just briefly, for those who may not know your background, you are the 75th Postmaster General. The first one is behind you, I can see, Benjamin Franklin. He was the inventor of the Post Office, the Postal Service. And you have been – you're a native of New York. You went to college in Florida, Stetson. And then you went back to your family's business. And you built it up, you moved it to Greensboro, North Carolina. You build it into one of the larger logistics companies in the United States. Ultimately merged with another company. And you've been very involved in philanthropic activities at my alma mater, Duke University, among other places. So, thank you for giving us your time today.

So, let me ask you at the outset, when you agreed to become Postmaster General, did you realize you were going to get this much attention? Because it's not normally the most famous, you know, position in Washington, D.C. And I doubt that many people can name your immediate predecessors. You're very well-known. Did you expect you would get this much attention?

MR. DEJOY: So, David, if I may, I think when I accepted the role, we need to remember the situation that Postal Service was in at the time. It was right at the height of the beginning of the pandemic, and we were having significant, you know, financial consequences at the time. So, I was kind of urgently asked to join. And I thought most of the attention would be around, you know, the issues of running out of cash in September of 2020, loss going from \$7.8 billion to \$20 billion in the projection, and having no help in sight. That's where I thought the attention would be – would be spent. Instead, we had a lot of media and political attention on things that were very much removed from that. And that was the – that was the unexpected – [laughs] – sense of attention.

MR. RUBENSTEIN: OK. Any second thoughts about having taken the job? You had a very comfortable life in Greensboro, North Carolina. You were very active in philanthropy and your wife was an ambassador. What would – or was being nominated to be an ambassador to Canada. Any second thoughts about taking this job?

MR. DEJOY: No. Not at all. I mean, this is a fantastic organization with very committed people. And I think we have a very promising future, if we get a few things aligned and moved forward with them. And I think I have a certain type of expertise and availability also, and willingness to engage in this type of activity. So, I'm happy. I'm excited. I think the team – I've had a warm welcome from the team here at the Postal Service. And we are working hard to move forward to get through the election and get on with our ambitions to be an exciting player in the marketplace.

MR. RUBENSTEIN: So, as I may have told you, I have a special interest in the Postal Service, because my father worked in the Postal Service his entire career, retired when he was 55. And I had a summer job once at the Postal Service. My job in college when I was at Duke, in between, I think, freshman and sophomore years, I was a mail carrier, which was actually one of the best jobs I ever had. And I enjoyed it. So, I have a special interest in the Postal Service. I never got invited back for the second year, and I don't know whether you can figure out whether I didn't do a good job in the first year, if you could dig out the reports. I thought I did a good job, but they didn't probably think so, because I wasn't invited back.

MR. DEJOY: We have high standards. We have high standards for carriers. And it is a tough job.

MR. RUBENSTEIN: It's not easy. And you know, it was not easy. They gave me a little can of mace for when dogs come after you. And so, on the first day on the job a dog was coming after me, so I got out the mace can, and I sprayed it. And then unfortunately three houses later the owner of the dog came up and said: Did you spray my dog? And I said, yes. And she said, well, couldn't you see he's blind and he has no teeth? I said, I didn't know. I'm sorry. So anyway, that was the last time I used the mace, and maybe that's why I didn't get offered the job for the second summer.

In any event –

MR. DEJOY: I think we saw – I saw where we have about 450,000 dog bites a year.

MR. RUBENSTEIN: Oh, really?

MR. DEJOY: Yeah. It's a big problem for our carriers.

MR. RUBENSTEIN: OK. Well, maybe I was – maybe I just picked the wrong dog. I don't know.

OK, so I'm going to ask you a number of questions which you've been asked ad nauseum, I'm sure. But for our audience, I'd like to kind of go through them again. So, when you took the job, did you – were you asked by anybody at the White House or the president to slow the mail down? Did anybody say, slow it down?

MR. DEJOY: No, no, no, and a million times no. I've had very little conversation with the administration. The Postal Service is an independent organization. I report to a board of governors – a bipartisan board of governors. And that's where we – where my plans for what we do at the Postal Service get approved, those beyond my authority. So today we've had no real input – I've had no input from the White House on anything. Nor would they have any authority to direct me to do anything. And while they may have some great ideas, I don't know. I haven't heard any yet concerning us. But all of these would be vetted through our normal leadership process, and the board of governors. And that's how we run this organization.

MR. RUBENSTEIN: OK. So, nobody said, slow the mail down. And nobody called you later on and said: Hey, you're doing a good job of slowing the mail down. They didn't call you about that.

MR. DEJOY: No awards for slowing the mail down from the White House, no.

MR. RUBENSTEIN: OK. So, some of the actions you've taken – let me go through some of them and ask you why you did some of them. So, for example, it is said that you eliminated overtime for postal workers. I guess to save money. And was that right?

MR. DEJOY: No. No. David, we – that's a little bit of misinformation. We ran 13 percent overtime before I came here and we're running 13 percent overtime now. And you know, part of – part of the reason we're running overtime is because of the pandemic. We have a lot of absenteeism in certain hot spots. And we need to – so that's how we supplement our labor requirements. But in the long run that is a problem for the Postal Service. And after we get through the election and the pandemic that is something I'm very much going to be focused on. We incur, you know, \$4 or \$5 billion overtime a year. It also brings instability into our workforce. So that's one of the things I'm really looking at doing, trying to bring stability into the organization. It's good for everybody.

MR. RUBENSTEIN: OK. Another thing that you did is you had some mail sorting machines, and you kind of took them away from, like, the Postal Service somehow. Why did you get rid of those mail sorting machines?

MR. DEJOY: Again, no, no, no, and a million times no. I didn't do that either. You got to remember the circumstances – as I – I don't know if I mentioned this in the show or when we were talking prior. The circumstances when I came into the organization where we had just briefed Congress, we were looking to lose \$20 billion, run out of cash in September, and have no answer to that. We had no finance. Our loan – our CARES Act loan was on the sidelines. We couldn't get to a negotiated deal. That's what I focused on in the beginning.

These sortation machines, those are processes that have been around for a long time. They ran at about 35-40 percent utilization. There were experts in the field with – that understand our capacity to process mail and so forth. These machines are costly – costly to keep up with that type of utilization. And those decisions were made, you know, at the field level, and have been ongoing. I heard about sortation machines when I read it in the newspaper.

MR. RUBENSTEIN: OK. What about the collection boxes? We're all familiar with these blue collection boxes that seem to be in a lot of people's neighborhoods. And it is said that you've gotten rid of a lot of those collection boxes. Is that true? And why did you do that?

MR. DEJOY: We have – [laughs] – no, it's not true. We have about 140,000 collection boxes throughout the nation. And that has been – you know, our address – our address base has grown significantly. So, it gives us larger geographic areas to cover. The mail volume has dropped significantly over the last 10 years. So, some of these collection boxes have very few pieces of mail. It's been an ongoing process over the last 10 years. We remove about 3,000 collection

boxes a year. There's a process that's, you know, within the organization, spread throughout the areas, as to which ones get moved. And that was another one I read in the paper.

Now, there's plenty of places – when we make these changes, we also evaluate other access. And you can access another blue box, which would be close by. You can go to one of our 32,000 Post Offices spread throughout the – which is basically in every American community. Or you can give it to our mail carrier who shows up at your house six days a week. So, this is part of the inputs that we make when we take these boxes away.

MR. RUBENSTEIN: All right. One of the other charges that has been made is that you told workers: If the mail isn't ready to be delivered, leave and go out on your route without all the mail. In other words, you told people to – don't wait for all the mail to be given to them. Just get out on the route and start delivering whatever you have. Is that fair or true, or?

MR. DEJOY: No, no, no. The big change – so let's talk about the two big changes that I made. One was to run our trucks on time. We run about 48-to-50,000 trucks a day. And they were running late. And they were running based on judgement. And this is the – this is the essence of – the key attribute in running our network. And if our trucks don't run on time, downstream processes, which are mail carriers, don't run on time, and our plants don't, you know, produce – our upstream processes – our plants don't produce to a schedule. And it creates chaos and additional cost. I worked with a team to get those trucks, you know, to run on time with the mail in them. That was the direction. It was a good plan. We could have had had better execution. We're recovering from that right now.

The other big change I made I was reorganizing the Postal Service. Fifty-five thousand administrative personnel throughout seven regions in the nation. And when I leave here, to me that's going to be – and I believe we'll see this manifest itself as one of the most impactful changes that I will make, because it's creating better lines of control and authority and responsibility and clarity. And those were the two changes that I made. The rest are pieced together stories.

MR. RUBENSTEIN: OK. So, there was a federal judge in Washington state that has, I guess, issued an injunction, saying all these things that are being done, don't do them for a while. And the question is, are you going to appeal that decision?

MR. DEJOY: So, we're in – we're in negotiations right now. So, I didn't look at my email from late last night until this morning, because I knew I was going to be on this show, and I didn't want to get upset or anything. But many of the things that the judges have decided that we already announced we were doing, you know, a month and a half ago when I put the stop to some of these things that were normal processes for us. We are in negotiations with them. And hopefully we will come to a – come to a conclusion without having to appeal them.

And, you know, the American public needs to know we are prepared and committed to deliver election mail, and that these rulings are really not necessary. But at the end of the day, we abide by the law. And the decisions will be made between us and the Justice Department whether we appeal them or not, if we don't get a satisfactory result.

MR. RUBENSTEIN: The decision to appeal or not, is that a Postal Service decision? A Justice Department decision? Or the White House decision? Who's in charge of making that decision?

MR. DEJOY: Not the White House. The White House is not – [laughs] – is not involved. The Justice Department is the – will be the entity that – the organization that leads us through this in making a decision till we move forward, in conjunction with our legal department, which is, you know, working very closely with them.

MR. RUBENSTEIN: One of the other decisions was made by a New York judge last week as well, Judge Marrero, I think it was. And he said you have to make certain that first – that all election mail is considered first-class mail. So, is that a problem for you? Are you going to appeal that decision?

MR. DEJOY: So, I mean, that is a typical process. He's making a decision on something that we already do. You know, first-class is a – is a definition of a class of mail and has a certain, you know, treatment to that class of mail. We're talking about the physical handling of ballots. And in many cases, we treat ballots with a higher priority than first-class mail. And we will be advancing – we will maintain the processes that we had always in the past, which is if we see a ballot, we want to get it through the system and get it delivered quickly.

MR. RUBENSTEIN: OK. You recently had a call with the, I guess, 50 secretaries of state in the country, from each of the states, relating to a postcard, I guess, you had sent out to people about mail. And you said in that call, as it's reported in the press, that maybe that you should have consulted them. What was all that about?

MR. DEJOY: Yeah. So, I think what I said is we got the – so, here's what it's about, OK? The Postal Service is probably the most – it is the most stable part of our mail-in vote process over the last several years, right? Our processes have been the same. Delivery times and so forth have been the same, and our message has been the same. It's basically: Vote early. It's like, you don't send your Mother's Day card on Mother's Day, right, if you want her to get it before Mother's Day. And votes are – I don't know if my mother's watching – but votes are more important, and I suggest that you take a little more care than you would a Mother's Day card.

We went – but states – there's 50 states, all with different requirements. And they're evolving requirements. Some states still have made their decisions yet. So, we sent out at the beginning of the year, recognizing there was going to be more mail-in votes this year, to educate the public and work with the state electoral boards. We've had – we have election committees here from our board – our board has an election committee, to my management team, to our union leadership is involved with election committees, right down to our districts and our people in the – throughout the whole nation.

And the purpose of that is to educate the public on our physical distribution processes and the timing of voting. We have a website. We have commercials we put out, videos, meetings. We made, like, 10,000 contacts throughout the – throughout the country at different electoral personnel. This was a general – the postcard we sent out was a general statement to the public to

basically request your ballot early if you're going to vote by mail and vote early. It was a high-level message. In some cases, it wasn't high enough, and it conflicted with a couple of the states. And that's where they – where we got some of the complaints. I want to say, though, we had a great deal of appreciation from many states in our efforts to educate the public on voting by mail.

MR. RUBENSTEIN: And you talk about – didn't you say your mother was watching?

MR. DEJOY: No, I don't know if she was, but if she was – I wanted her to know that her Mother's Day card is important, but not as important as your ballot.

MR. RUBENSTEIN: So, your mother is alive?

MR. DEJOY: She is. She is.

MR. RUBENSTEIN: And does she tell you – does she ever say: Louis, why did you take this job? Does she ever say that to you?

MR. DEJOY: She says: Why is everybody picking on you? [Laughs.]

MR. RUBENSTEIN: So, let me go back to the first-class mail situation. So, if somebody wants to mail their ballot in, the best thing to do is to mail it as soon as possible, is that right?

MR. DEJOY: I would say yes. As much time as you can give us to handle it, the better. And it just makes common sense. Get your vote, make your decision – get your ballot, make your decisions, and get it in – get it in early.

MR. RUBENSTEIN: OK. So, some people would say that the Postal Service loses lots of money, and maybe it could be more efficient. I think one of your missions is to make it more efficient. But should the Postal Service make money, or should it break even, or does it matter if it loses money?

MR. DEJOY: It matters. It kind of violates the law if we don't cover our cost. There is a – you know, we are legislated to be self-sustaining. And it just kind of amazes me how that's never in the discussion. And we've lost \$10 billion a year, and plan to – you know, without change we plan to – that's what will happen for the next 10 years.

With regard to efficiency, there's two ways I look at that. One is, we're required – our universal service obligation is to deliver to every house, every address in America, 161 million addresses, six days a week. That is an inefficient thing. A private sector business would not be able to do that. We deliver mail on mules in the Grand Canyon and on small airplanes up in Alaska each day. So, it is really a – but that's a mission. That's our mission. And I'm a defender of that and believe in that. And I think that long-term that's our strength. So those types of inefficiencies exist just in the nature of what we do.

And then there's our operational inefficiencies, which are – which I'm working on with the team. And we have goals that we'll get to right after the election. And I believe we can get

at them. And they're not small. I mean, they're real dollars and it will help us towards sustainability.

MR. RUBENSTEIN: Now, some people say, why don't we just privatize the Postal Service, take it away from the government completely, and let the private sector figure out how to make something like that work. Do you have a view on whether that's a good or bad idea?

MR. DEJOY: I think it's a bad idea. I don't think – first of all, I don't think it would work, to the – it's not something the American public would want to see. Second of all, we would have – who would get the mule run down the Grand Canyon, you know, for 55 cents? In a private business, it wouldn't – that wouldn't happen. And the last thing is, we would require legislation for that. And we know how that goes. So that's not anything that's on my agenda, nor do I think it would work.

MR. RUBENSTEIN: Now, some people have said that the Postal Service is losing money for two reasons, in addition to some of the things you mentioned – the mule going down the Grand Canyon and that kind of thing. But one is that because of email people aren't sending as much first-class mail as they used to, and first-class mail is, relatively speaking, more profitable. Is that a fair or unfair statement?

MR. DEJOY: I think some of it is an accurate statement that first-class mail is down and that we have an industry that has evolved that competes with us, and that's electronic communication and digital marketing, and social media, and so forth. Whether first-class mail is less profitable or not, this is the way I look at it, David: We have a network. And this network costs us \$80 billion a year to deliver our service. And we charge \$70 billion for it. And that's the difference – the \$10 billion there.

And how we get at that involves both legislation, freedom from the PRC's¹ 10-year model. We're waiting for decisions on that. And us driving up in operational efficiencies, getting costs out, and new revenue growth, which we have plans for. So, it's a bunch of different things that drive together. Where, in fact, we make or lose money is still under discussion here under my tenure.

MR. RUBENSTEIN: OK. Some people say – in fact, I think the president of the United States has said – that a lot of companies, like Amazon, they are using the service and they are not fully paying the full freight of what it costs. So, Amazon is using all these for e-commerce, and Amazon and other e-commerce companies. Is it fair to say that you're not charging them enough? Is that a big problem?

MR. DEJOY: I don't – I mean, I think there – when we get – you know, if you look at the Postal Service trying to cover its costs, and that's a break-even goal, and reinvesting into our infrastructure, they're – we're short. And price is one of the – one of the tools in our toolbox, you know, to get there. With regards to Amazon's pricing, I think that the team has – I think everything's in the realm of respectable pricing, within the realm of being a good deal for

¹ The Postal Regulatory Commission is an independent agency with regulatory oversight of the Postal Service.

everybody right now, right, because we're \$10 billion short. But it's not – it's not four-times the price, or anything like that.

MR. RUBENSTEIN: All right. On the \$10 billion, do you think you'll get the money from Congress to make certain you have enough money to deliver the election mail, and to make certain you break even for the year? Or are you negotiating with Congress for that additional amount of money, or you're likely to get it anyway?

MR. DEJOY: That's a mouthful in that question. So, first of all, everyone needs to understand that we have enough money to get through the election. We have plenty of money for the election. We have plenty of resources for the election. And we will handle the election. The whole organization's committed to that. With regard to Congress, everybody should know, who doesn't know, we really don't get any money from Congress. Now, we – there's lots of different bills floating around that want – you know, promise to give us money. They're not even close to getting a pass.

And look, we take pride in the whole self-sustaining objective here at the organization. So, we don't want – we're not looking for handouts. We want to – we're on a self-improvement mission here right now. There is – I have asked the Congress and the Treasury to fund us for our COVID losses. They were – you know, with volume being down, we still delivered everywhere. And those costs should be covered. It's in the range of \$7-10 billion that I've asked for. But other than that, we're kind of on our – you know, kind of on our own, unless there's a major legislation that comes about, which I don't – I don't see.

And if they just gave us money, we'd be back in two years whatever the amount is, right, unless we have some fundamental change to our business model. We have a broken business model and we need to change that.

MR. RUBENSTEIN: So, Congress doesn't give you money, but does Congress lend you money from time to time, that you borrow money? How do you meet your deficit every year unless you borrow money from somebody?

MR. DEJOY: We don't pay our bills, in some cases, right? We have – have, you know, the deferment of some of our retirement payments. And we do borrow – we do borrow from a Treasury-oriented banking system. We have about \$15 billion. We did get to a deal with – when I came, the deal with Treasury for \$10 billion under the CARES Act was kind of dead. And I called Treasury, and we worked to – I worked with the Treasury secretary to get it back on the table. And we came to reasonable accommodations for us to borrow money.

MR. RUBENSTEIN: Let's talk about COVID. Many companies have been working remotely during COVID. I guess the Postal Service can't really work remotely because you got to deliver the mail. So how do you manage the Postal Service remotely, like many other companies, or have you just not been doing anything remotely?

MR. DEJOY: So, you know, within our administrative offices we have many that are working remotely from the administrative side. You know, we have basically two stories here on the

pandemic. One is the story of – you know, the tragedy that the whole nation has experienced. We've had about 10,000 of our coworkers contract the disease. We have about 2,000 out right now with it. And we've lost 91 of our coworkers. And it's really been, you know, a tragedy, like it is for the rest of the nation.

The other side of the story is extremely impressive, and most of it done before I – all of it, really, done before I got here. And this is one of the great things about the Postal Service, how it can gear up and focus on national emergencies, our efforts in terms of getting PPE out to – you know, to the workers, our procedures, putting in procedures, and so forth to take care of the workers. Great work with our union leadership to give us work rule relief, so we can move forward. The union leadership was very involved with us in looking at safety in our plants, and to our carriers. And this all came together very, very quickly. And we can say we delivered, you know, to 161 million homes, 99.8 percent before the pandemic, you know, getting there. And it only dropped a couple of – it's like 99.5. So we still fulfilled our mission, you know, throughout the – you know, throughout the nation on that. So pretty impressive.

MR. RUBENSTEIN: So, another crisis you've been dealing with has been the fires on the West Coast. So how have you been able to deliver the mail if you have been able to? How are the postal workers' health affected by the air, and so forth? How are you dealing with that?

MR. DEJOY: So, again, very similar type of impressive – the most impressive thing, to me, in the organization is our ability to respond to these national emergencies where, you know, people not only are – you know, the community's dislodged from their homes, and have these issues, but we live in those communities. Our workers live – our employees live in those communities. Yet, they still have to, you know, go out. And it's actually like the first symbol of restoring normal behavior, is when the mail starts showing up again. And it's really something special to see.

I went down to Lake Charles last week. We had the big – you know, the hurricane hit Lake Charles, and it was bad. You could see how bad – how torn up that city was. And I went to one of our delivery units. And it was just most of these workers didn't have lights, they may not have water in their homes, but they were coming and working hard to – you know, to deliver their – mail to their communities. And from a safety and administrative standpoint, the – I mean, we have – we have air quality tests, masks, different types of equipment we give people to go out. So, we maintain the safety of our employees and we work with our union leadership to make sure that everybody agrees that we are – it's safe to proceed, and then we do the heroic work that we do, in these cases.

MR. RUBENSTEIN: OK. So, when I was growing up, I believe I have it right, the mail was delivered twice a day. It's hard to believe that, but I think that's true. And on Saturdays as well, as it still is. Do you think the mail needs to be delivered on Saturdays as well? Some people have suggested cutting out Saturday delivery as a way of saving money. Do you have a view on that?

MR. DEJOY: I do. I think that – I think that six day a week delivery is legislated. I think it's a hard thing to get changed. And I also think it's the strength of – the strength of the organization.

It's something I'm taking a gamble on, that we can – that we can use to connect to the American public in a better way, to entice them use us more. And you got to remember, we also have – we have 32,000 post offices in every community. We get about a billion visits a year to these – to these destination locations.

And if we can – a combination of the continued contact with the American public from our carriers, it's our – you know, it's one of the major reasons why we're the most trusted organization in the nation, and then, you know, potentially expanding some of our connection in the communities with our post offices, that's a big initiative of mine. Part of my reorganization was to separate and have a – establish a whole delivery – retail and delivery part of the organization, headed by a very experienced new chief retail and delivery officer here, Kristin Seaver, longtime employee. And she also has a digital background, an IT background. And we're very, very much excited about the things we're going to do in that area to help us grow.

MR. RUBENSTEIN: Well, how many total employees does the Postal Service actually have?

MR. DEJOY: Six hundred and forty thousand. One hundred thousand vets.

MR. RUBENSTEIN: Six hundred and forty thousand. And is it – the composition is – what percentage are men, and what percentage are women? What percentage are White, what percentage are African American? Do you know?

MR. DEJOY: So, we have about 500,000 unionized employees. We have, as I said, 100,000 vets. We're about 40 percent minority in the organization. And I would guess that we reflect the male/female statistics of the – of the – you know, population. It's really an unbelievable reflection of the American public. And we're a big impact, you know, to the American economy.

MR. RUBENSTEIN: So, if I wanted to send a letter overnight to some place in the United States I have, I guess, three big choices – UPS, FedEx, and the Postal Service. Why should I pick the Postal Service? Let's suppose I'm not familiar with any of them and I just want to get a letter overnight delivered to somebody. Why should I pick the Postal Service?

MR. DEJOY: So, in general we're cheaper. We deliver on time. And I'll say – I'll give my plug – that it's good for America. Because we need to be sustainable. And so, I'm asking for everyone's business out there.

MR. RUBENSTEIN: OK. So, let me talk a moment about your own background. You grew up in New York. And you ultimately went to college, I think, in Florida, but you moved back to New York. Your father had a small, as I understand, trucking business of some type, is that right?

MR. DEJOY: Yes, sir.

MR. RUBENSTEIN: And how did you take a small trucking business, which I think had less than a dozen employees – maybe less than 20 employees – and build it into one of the larger

logistics companies in the United States? How did you do that? What was your skill set to do that?

MR. DEJOY: My skill set was in public accounting. I was a CPA and auditor. I had seen many different – you know, I had audited many different companies. And that gave me a background to look at how to integrate different operational aspects of many, many different industries.

When you're in a logistics business, you know, we handled everything from Mickey Mouse, to mail bags, aircraft parts, to cellphones. So that type of, you know, experience in the auditing world helped me. One of the big pushes was I didn't like trucking. [Laughs.] So, I needed to move on into something else.

And at that point, that was the beginning – when I really got my running legs, it was the beginning of the introduction of technology – you know, information processing technology – into business. And I looked to do broader – to try and differentiate ourselves – broader turnkey type projects, using technology and engineering. And I was a good salesman. And I convinced people at that particular point to move forward, you know, with my organization, one step at a time. And we had – once we started to have our model out there, it gained very wide acceptance. And we became very selective in the type of business that we do.

MR. RUBENSTEIN: Now, you ultimately moved the country to North Carolina about 20-plus years ago. How come you don't have a North Carolina accent? You still have a New York accent.

MR. DEJOY: [Laughs.] Well, I chose to use my New York accent today for you, David. [Laughs.]

MR. RUBENSTEIN: OK. But you moved your company there. And what was – for people that don't know, what does a logistics company do? What is the actual service that you're providing people when you're a logistics company? What is that?

MR. DEJOY: So, you know, I always looked at our – and there's many different things that different logistics companies do. We manage transportation and we set up big centers and had – you know, our leading – our leading service strength was in technology. And we were often rated one of the top providers of complex logistics solutions for organizations, you know, in the world. And these were companies like Boeing, Verizon, Disney. And we ran call centers. We ran planning. We planned inventory. We took orders, processed them to very much specific schedules, and shipped them to consumers. And a lot of IT interaction between us, our shipper – our clients, our main clients, and their clients. And that's really what we do. We probably moved about \$60 billion of goods, one piece at a time, each year.

MR. RUBENSTEIN: So, you ultimately merged your company with another logistics company. And you stayed there for a while. And then you left it. And then in recent years you've been involved in philanthropic and other matters. Is that right?

MR. DEJOY: Yes, sir. Yep. I have.

MR. RUBENSTEIN: OK. So, tell me, back to the Postal Service. Today, what is the single biggest challenge that you face? I assume it's not relating to the election issue, which we've discussed. But the single biggest challenge the Postal Service faces is what, in your view?

MR. DEJOY: So, I think we need to change how we approach the marketplace. And we're very mission-driven here. We have a great mission-oriented culture. And now we're trying to move into have it be a winning culture. We have a winning culture. We need to operate with more precision. We need to introduce new products into the marketplace to help spur our revenue growth. And we need to – we need to advance ourselves in all aspects of what a normal business would be. So, I look at it more as the opportunities we have as opposed to the challenges.

The challenges everyone knows. First-class mail volume is going down. So how do we – how do we stop that? How do we reverse that from happening and move forward, or how do we supplement that? We have ideas that are going on around here now. We have ideas that are going on around here now. We have – we have high costs in many areas. How do we get – how do we resolve the high cost issues. We have plans for that. And then, you know, we have a broken business model. We need the PRC. The PRC's in the 14th year of a 10-year analysis. We need them to make a decision. They've already agreed that the model's broken. We need them to make a decision and we need some legislation. All of those are the answer to the Postal Service and we're going to push forward and get them done.

MR. RUBENSTEIN: Now, in the private sector there are a lot of new technologies – artificial intelligence technologies, all kinds of new data collection and dissemination matters that have been used in the private sector to make things more efficient. Are there one, or two, or three technologies you think over the next five years or so that the Postal Service could adapt or adopt that would ultimately make the Postal Service more efficient?

MR. DEJOY: So, we have a lot of information technology. We have some automation in our plants. I don't – I mean, I see us seeing that to evolve. But when we look at – we have to align the technology where our strength is. And that our strength is that human interaction each day at the 161 million addresses, and our retail centers throughout every community. And how do we – how do we enhance that connection with the American people, who are eventually destination customers, through technology? How do we enhance our communication there with them, our interaction with them, so we stay connected? That's really where our focus is going to be on technology as we move forward.

MR. RUBENSTEIN: OK. Now, back for a moment to the issue of the mail-in ballots and so forth. President Trump has said he's worried about maybe fraud and so forth relating to those mail-in ballots. I think you have said that you disagree with the president on that – at least, your view is that you think the mail-in ballots will be delivered, and there's not fraud. So, is that correct? Am I correctly summarizing your position?

MR. DEJOY: So, I want to – the Postal Service will do its job to deliver the ballots, OK? And when we – when the president goes into that the Postal Service doesn't – is not equipped to do it,

which he's incorrect with that. We're equipped to do it, and we're going to deliver ballots. The rest of the discussion – [laughs] – I don't comment on.

MR. RUBENSTEIN: All right. So, what has been the biggest surprise to you about Washington, D.C.? You've lived your career in New York and in North Carolina. Now you're in Washington. Has it been a more difficult environment than you thought? What's the biggest surprise on the upside and the biggest surprise on the downside to this job?

MR. DEJOY: So, you know, I had been in and out of Washington. I wasn't not around various things that went on in Washington, but very little time here. I would say when I comment on it, I have to go to why I'm here, right? And the surprise really is, in a good way, how well I've been embraced by the team here, and how well they've engaged the ideas that we've collectively come up together with, and moved very, very fast. We think within 45 days some of the impacts that we've had, while being publicized as negative, organizationally we are prepared to move forward and gain – you know, achieve some of the objectives we had. And that's very rewarding and a pleasant surprise when you think about coming into the bureaucracy, so to speak, of Washington, D.C. On the downside, there's a lot of misinformation that gets promoted for a lot of different reasons I don't care to get into. But it is filled with misinformation.

MR. RUBENSTEIN: OK. So, you have been appointed by the Postal Service board of governors, of which you also are a member. You're a member of the board of governors.

MR. DEJOY: I am. I am.

MR. RUBENSTEIN: So, your term goes for a number of years, as I understand it. So, if President Trump is reelected, I presume you would want to stay. But if President Biden – or, Vice President Biden is elected president, you have the right, I guess, under the contract you have, to stay. Would you be interested in staying as well, or you don't really want to do that then?

MR. DEJOY: I have developed a really, really good bond with the team here. They are engaging the objectives. And I want to see them – I want to see them through. I think we have a path and we have a plan to have a successful Postal Service. We need to bring Congress along, and we need to bring the PRC along, and a few other things. But we have a plan. And I would like to see that through, no matter who's president.

MR. RUBENSTEIN: OK. And so today what would you like people to most know about the Postal Service? Let's suppose somebody's watching and they just can only remember a paragraph or two paragraphs about the Postal Service. What is the message you would like them to take away from this discussion about the Postal Service?

MR. DEJOY: I think the biggest number-one thing to understand, which I think most of the public does, is that 630,000 women and men who work here are unbelievably committed to fulfilling their mission, you know, to the American people. It's really – it's heartwarming. And I'm very proud to be thrown in this seat and be the leader of this organization, because the commitment is, you know, second to none in missions that I've seen. I also – so, that said.

I also, on the other side, I think the American public should know that we do not get funded by the government. We don't get taxpayer dollars. We are providing a service, and the mandate from the Congress is that we provide that service in a way, and we charge in a manner that covers our costs. And there's often misleading things about service, and funding, and so forth. So those are two things. You have a very committed organization that is going to grow and prosper. We're committed to expanding our connection with the American public. And we don't receive taxpayer dollars, and we're proud of that. And we just need to operate it a little better, maybe get a couple of breaks, you know, from the regulators and the legislators.

MR. RUBENSTEIN: Well, you've been under a lot of pressure, for sure. Obviously, you've gotten a lot of attention. Do you have time for any rest and relaxation? Can you go out and just, you know, play golf, or do anything? Or you don't have time for that anymore?

MR. DEJOY: No. I don't – you know, it's been, you know, pressure, we – David, we've had pressure in our careers. And it's a different type of pressure. So, I don't feel a pressure. I'm invigorated by the work. I worked very hard before to build my company. The five-year retirement was fun but, you know, I'm having fun now. I thrive on moving organizations and trying to – when you think about the role here, it's very similar to what I did as a third-party provider in the private sector – it was integrate large organizations to advance their service mission for the lowest cost we can do. So, I'm feeling good, and I'm going to continue to charge forward.

MR. RUBENSTEIN: OK. A final question. Do you get any inspiration from Benjamin Franklin, whose portrait is behind you? Does he ever whisper any ideas about how to make the Postal Service more efficient? I think when he was running it, he actually delegated it to his wife to run, as I understand it. But do you have any inspiration from Benjamin Franklin?

MR. DEJOY: Not yet. I just think that it's very – I'm very proud and humbled to be in the seat that he occupies. I read his book. I know you did an interview with Walter Isaacson on his book. I watched it. And now it's just – you know, it's a public service. I'm a patriot. I enjoy that aspect of it. And when you look back, you know, who is one of the founding fathers that were involved with this? It's Benjamin Franklin. And, you know, I'm awed by the fact that I'm sitting here.

MR. RUBENSTEIN: Thank you very much, Mr. Postmaster General. Thank you for explaining the issues I tried to raise with you. And I appreciate all your time and effort. And good luck to you. Thank you.

MR. DEJOY: Thank you, David, for having me. This was fun. Appreciate it.

MR. RUBENSTEIN: Thank you very much. Appreciate it.

MR. DEJOY: OK.



**The Honorable Louis DeJoy
75th Postmaster General of the United States**

Louis DeJoy is the 75th Postmaster General of the United States and the Chief Executive Officer of the world's largest postal organization.

Appointed by the Governors of the Postal Service, DeJoy began his tenure as Postmaster General in June 2020. Prior to joining the Postal Service, he spent more than 35 years growing and managing a successful nationwide logistics company.

As chairman and CEO of New Breed Logistics, DeJoy spent decades in collaboration with the U.S. Postal Service, Boeing, Verizon, Disney, United Technologies and other public and private companies to provide supply chain logistics, program management and transportation support. New Breed Logistics was a contractor to the U.S. Postal Service for more than 25 years, supplying logistics support for multiple processing facilities. The company received Quality Supplier Awards from the Postal Service on four separate occasions.

In 2014, New Breed merged with XPO Logistics, with DeJoy serving as CEO of XPO Logistics' supply chain business in the Americas before his retirement in December 2015. He then joined the company's board of directors where he served until 2018.

As Postmaster General, DeJoy has committed to creating a long-term, viable operating model for the Postal Service that will ensure the organization can fulfill its public service mission while remaining self-sustaining.

DeJoy is a member of the Board of Trustees at Elon University in North Carolina and the Fund for American Studies in Washington, DC. He received his Bachelor of Business Administration from Stetson University.