'I Am Against Retreat:' The Louis DeJoy Ethos and the Future of the Postal Service - Management

By Eric Katz



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Louis DeJoy wants you to know he doesn't have to do this.

"I have a very accomplished life," the postmaster general, whose net worth is at least tens of millions of dollars, said in an interview with *Government Executive*. "I don't have to work. I've got lots of things I could do."

Instead of pursuing any of those options, DeJoy opted to enter public service, accepting the U.S. Postal Service's board of governors' offer to lead the mailing agency in mid-2020. His tenure has been an unusual one, garnering more attention and controversy than any of his recent predecessors. Front-page headlines and national scandals do not typically befall the Postal Service or its chief executive, but DeJoy has rarely gone more than a few weeks without finding the spotlight.

Facing allegations ranging from sabotaging the 2020 election to conducting postal business that could benefit him personally, DeJoy has sought to tune it all out.

"There's nothing I'm going to do about this noise, right, you just can't stop it once it starts happening," he said. "Other than just keep moving forward, keep your eye on the ball."

In his telling, DeJoy inherited a "frozen organization" with an ill-defined mission. His <u>10-year plan</u> to allow USPS to break even involves slowing down delivery for some mail, raising prices dramatically relative to historical increases, consolidating facilities and reducing post office hours, but it also recommits to permanently bringing letters and packages to all 161 million addresses in the United States six days per week.

DeJoy asked himself "how the hell we're going to be here 10 years from now, and be self-sustaining?" To him, the answer was straightforward and noncontroversial: "You have to have a vision for the future. And then you have to have a strategy to get there, which is the plan. And then you got to execute on it, which is what we're doing right now."

Rough Start

It has not gone as smoothly as DeJoy expected. He has been sued by 21 states "for having ideas" (specifically, for slowing down delivery standards), faced persistent calls for his ouster from lawmakers and stakeholders and seen his motives questioned due to his business ties and longstanding loyalty to the Republican party. He saw a preview of the turbulence that has defined much of his tenure right out of the gate, when he sought to implement what he expected to be a common-sense fix to USPS running late and extra trucks to move the mail each day. Instead of boosting efficiency, the initiative created unprecedented mail delays that took months to recover from and sparked outcry that DeJoy was intentionally slowing down mail ahead of the biggest vote-by-mail election in U.S. history.

"The thing collapsed," said DeJoy, who has pointed to miscommunication in the chain of command and other issues for its failure. "It built up into the mess that it did. So, I reorganized the whole place."

Perhaps, more than anything, the episode summarized DeJoy's understanding of his role at the Postal Service. The status quo is not working, so decisive action is necessary. The agency is spending a lot of money running trucks behind schedule? Stop the late and extra routes. A policy did not get communicated properly and led to mail delays? Reorganize the entire management structure. Now, DeJoy has more direct reports and is involved in more minutiae of agency decision making. And he does not let his new team forget his prior failure.

"I will not have another 'run the trucks on time moment' from all of you," DeJoy regularly tells his executives.

No Competition

As DeJoy prepares for what comes next, he is not shying away from more decisions that could make people angry. All that he will guarantee is that USPS will deliver to every address six days per week and remain self-sustaining.

"Everything else is on the table," the postmaster general said.

He promised to boost efficiency and to design a network no longer aligned to the volume of the 1990s. In part, that will come from transporting mail and packages together, so postal trucks are always full. It will also result in fewer buildings with more letter carriers reporting to each one. It will not mean slowing down the mail even further, though he predicted that years down the road "nobody's gonna miss" the previous <u>faster delivery times</u>.

DeJoy took a similar attitude with his <u>rate increases</u>. Large-scale mailers and other stakeholders have said slower delivery at higher rates will further drive people and businesses away from the Postal Services, exacerbating the volume losses that have put the Postal Service in a financial bind. The postmaster general said those critics are in denial.

"I cannot compete with digital, I just can't compete with it," DeJoy said. "So I'm not going to try."

Again, the DeJoy ethos comes through: do not waste time worrying how things used to function, or how changes may ruffle feathers. Maintaining low prices to keep mail in the system for an extra year? "A distraction." You want faster correspondence? "Email, if you need it there in a minute."



Letter carrier Steve Guerra sorts mail at his station inside the Roxbury Post Office in Nubian Square before heading out to deliver mail and packages in Boston on Dec. 1, 2020. Postmaster General Louis DeJoy wants to modernize USPS facilities. Credit: Lane Turner/The Boston Globe via Getty Images

In the meantime, he said, he needs the extra revenue and cost savings to implement his reforms. DeJoy is planning to modernize USPS facilities, which he likened to "dungeons" and said are causing the agency to lose employees, and is in the midst of buying new package sorting machines and delivery vehicles. The Postal Service just ordered 50,000 new trucks to replace its aging fleet, a decision again <u>met with controversy</u> as it included just 10,000 electric vehicles. DeJoy has asked Congress to provide funding if it wants USPS to electrify faster. He is not worried about the future makeup of his fleet, as the current order will be under production until 2027.

Most postal vehicles were approaching 30 years old. None had air conditioning and some were catching on fire. So DeJoy bought new ones. A contract that had for years been caught up in a web of bureaucracy and slowed down by a lack of funding was awarded. Some got angry, but DeJoy took action.

"The people that say, 'Study things more," DeJoy said mockingly, "that's what they're asking us to do is to stop and not do anything."

Keep moving forward, keep your eye on the ball.

Digging In

Perhaps DeJoy's biggest accomplishment—and another area where he moved a process stuck in the mud for years—was also his least controversial: shepherding postal reform legislation into law. Lawmakers such as Reps. Carolyn Maloney, D-N.Y., and James Comer, R-Ky., and Sens. Gary Peters, D-Mich., and Rob Portman, R-Ohio, perhaps deserve the most credit, but DeJoy succeeded where at least two of his predecessors did not. Postal management and Congress have tried for more than a decade to erase much of the Postal Service's debt and free up the agency to pursue new lines of business, but the measure just became law this month.

DeJoy pointed to his plan to fix postal finances, as well as his familiarity and credibility with congressional Republicans, as instrumental in finally getting the legislation over the finish line. Once a pariah on Capitol Hill, DeJoy is now a collaborator. Democrats still find areas of disagreement—they have called for DeJoy to rip up his vehicle fleet contract, for example—but gone are the constant calls for his head. To DeJoy, that is a recognition that things are moving in the right direction, and he does not plan on slowing down.

"I am against retreat, I'm just totally against retreat," he said. "We have a good plan, we know what we're talking about. We're digging in."

DeJoy has brushed aside the criticisms of his initiatives, the doubting of his intentions, the probing of his conflicts of interest. He is steadfast that he wants only to fix USPS, to leave it more vibrant than when he took over its operations. He is <u>working to stabilize the workforce</u>, preserve "affordable" mail and squeeze every last bit of efficiency out of the legacy network. DeJoy said he feels bad that he has "brought a lot of heat" on the Postal Service, but is proud of what he has accomplished. And he does not expect temperatures to cool.

"Boy, I'd love to be Mr. Great Guy who didn't raise the prices and didn't change a thing yet, all of a sudden, had the place profitable," DeJoy said. "It doesn't get done that way. It doesn't get done without making change."

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