



April 22, 2024

Dear Members of the Georgia Delegation:

Thank you for your attention to the service challenges at our Atlanta Regional Processing and Distribution Center (RPDC) and your letters, inquiries, and questions in both your individual capacities and as a delegation representing Georgia. Given the importance of this issue and the broad and overlapping interest, Postmaster General Louis DeJoy has asked that I write to you to provide the most complete and up-to-date information possible. In lieu of answering each inquiry in turn, today I want to provide comprehensive answers to your questions and provide this information to you as a delegation so that all can benefit from a uniform set of facts.

As many of you know, the Postal Service is in the middle of a major new investment in our Georgia operations. These efforts are aimed squarely at bringing mail and package service into the 21st Century, but implementing major changes—even positive ones—is difficult. We acknowledge and apologize for the recent service performance downturn, but please know that the Postal Service is making the necessary adjustments to our plan so that it can deliver the high performance it is capable of for our customers. Even with these difficulties, however, we are confident that these investments are the right thing for our Atlanta-area customers and will pay off far into the future.

In answer to your questions, I will outline the objectives and starting point of our Atlanta-area effort, detail the work and improvements we are undertaking, describe the challenges we have faced and how we have responded, and finally, describe how we are communicating to and engaging with the community.

Objective: Fixing a Broken Network

Since the beginning of 2022, the Postal Service has been endeavoring on a historic reform effort. Our Delivering for America (DFA) Plan is a 10-year, \$40 billion strategic plan to revitalize the Postal Service. It will modernize an inefficient, outdated and ill-conceived network that was incapable of efficiently delivering products and services and replace it with one that is financially sustaining and delivers for the American people.

As part of the larger DFA plan, our objective in Georgia is to address significant operational shortcomings there so that we can improve service while achieving greater efficiency. Once complete, the changes will result in an impressive market reach for Georgia's businesses, improved and reliable service for all Postal customers, a logical flow of mail and packages in an integrated fashion, reduced transportation and handoffs between mail processing facilities thereby reducing opportunity for errors and delays, electric vehicle deployment and new delivery vehicles in general, and significantly improved workplaces for our employees.

Major changes to the way we operate in Atlanta are needed to achieve these goals. In truth, Atlanta was chosen for this effort because its processing network was particularly inefficient and illogical, and now, its shortcomings are even more evident. To understand this context, it is important to recognize the conditions we are modernizing in this large and important market:

- Atlanta's service has historically underperformed when compared to the rest of our network. For instance, since fiscal year 2016, the region's performance for our market dominant products has consistently scored in the bottom 50th percentile nationally, with the majority of years in the bottom 25th percentile. Worse still, this performance had been trending down over time.
- Atlanta-area facilities were poorly designed and then poorly maintained, with more than \$100 million dollars of outstanding deferred maintenance. Historically, Atlanta's network had evolved without any comprehensive or logical plan. The primary processing plants each had a different set of functions. Annexes to those plants were established, often quickly and in sub-optimal locations, to handle an immediate short-term need and then left in place, for years and even decades. If a facility was overloaded the procedure was simply to shift volume to any available less-constrained plant in the immediate area, region, or even further afield. Package sorting was being done manually. As this system became more chaotic over time, managers would attempt to solve problems by throwing labor hours into the system. And finally, to try to hold all of this together, layer upon layer of extra transportation was added to the system as an inefficient band-aid to try to get mail and packages to the next processing step, wherever that might be.
- The processing of originating (outbound) and destinating (inbound) volume occurred across a haphazard and illogically arrayed 12 sites. Each of the 12 sites, however, performed a different set of functions, so by design, mail and packages had to be shifted between them. This required excessive but underutilized transportation trips that senselessly looped around the Atlanta region and increased expenses, imposed environmental costs, and introduced more opportunity for error and delay. For example, on a typical day the old network design necessitated as many as 600 truck trips between processing and logistics facilities in Georgia. These trucks were only 35 percent full on average, and often were only going to and from plants that were just a few miles apart from each other. It is important to realize those 600 two-thirds empty trips were in addition to and separate from other trips transporting mail and packages to and from delivery units, and trips to and from the rest of the nation.

Rationalizing the Atlanta-area Postal Network – Work and Improvements

Given poor performance and illogical design, a comprehensive and logical reform plan for Atlanta is essential. The centerpiece of our effort is the establishment of the Atlanta RPDC, which will serve as the modern hub for the high-capacity processing of the area's mail and packages. The older existing facilities are being rationalized into a coherent network and, in the process, will receive long-overdue upgrades in technology and capital improvements so that these facilities can be put to use in new roles in the network.

In February 2024, the Atlanta RPDC and its supporting facilities were activated. This activation has been the most complex to date for DFA, and the scale of change is massive and comes with unique challenges. The region serves over 550 Post Offices and 750 ZIP Codes,

is the focal point of our network for damaged and lost mail recovery operations and experiences a high volume of customer pick-ups and live animal shipments. Our modernization efforts as part of Atlanta's transformation include:

- The Atlanta RPDC was located, designed, and built specifically to perform its needed role. We made a significant capital investment in automation, equipment, conveyors, and a state-of-the-art, commercially competitive package sorter that can process more than one million packages per day. This is a game-changer for Atlanta, and an investment that will power the region for the years to come. We are continuing to invest in installing additional machines at other plants in the region to further bolster processing capacity.
- Among the existing sites that will support the RPDC, there will be five key processing facilities and eight Sorting and Delivery Centers (S&DCs). For context, in 2022 the Athens S&DC was the first activated S&DC in the country, and along with the other activated S&DCs has successfully supported downstream sortation and delivery. Among the eight S&DCs, transfer hub functionality was activated at four sites, further supporting the fluidity of volume across the region.
- Commensurate with the changes at the processing facilities, the transportation and local routes and schedules were changed and updated. In addition to addressing the transportation tangle that was described earlier, these new routes allow us to in-source work to Postal employees when appropriate, and adds flexibility in hiring and training by utilizing non-CDL vehicles and drivers.

The February 2024 activation was the culmination of significant planning and a deliberate roll-out intended to mitigate the associated risks. The RPDC's design and the work on its equipment sets and commercially competitive package sorter commenced more than a year ago. Originating package processing at the RPDC began in November 2023, which helped lead to a successful 2023 peak holiday season. Additionally, routing freight to and from the Atlanta RPDC began prior to peak season. In January 2024, we insourced a terminal handling operation, again without disruption to our customers.

Challenges and Their Solutions

A modern, efficient logistics operation is complex, and driving transformation at the scale underway in Atlanta is difficult. Given the complexity of reforms such as these, changes and fine tuning of any plan are expected, but with that said, the service performance in the Atlanta area during the transition has been unacceptable. During this transition, we have closely tracked performance, and we are identifying changes that need to be made and quickly implementing solutions so that the Atlanta RPDC can operate up to the standards it was designed to achieve. We are very aware of some local customers' rightful concerns regarding their mail and package delivery, and as we work through this process, we regret any inconvenience or delay that they are experiencing. More pointedly, we are addressing specific factors that are contributing to the observed delays.

Regrettably, as with most large-scale rollouts of new technology and processes, the inauguration of the Atlanta RPDC has experienced adjustment pains. For example, the late February influx of employees and volume proved more problematic than planned. Due to the collective bargaining contract with the American Postal Workers Union, employees in that union can only be moved on four specific dates during the year. Therefore, while we could undertake certain pre-activation and migration strategies, several critical activities had to occur specifically on the February 24 activation date. Notably, 1,000 employees were repositioned to the RPDC on a single day and, simultaneously, package processing and the new operating plan commenced, along with an

update of the transportation routes to match the new volume and operating profiles. While we believed that our planning was sufficient, the magnitude of these changes proved difficult for our employees, who took longer than anticipated to adopt the new operating plan and tempo.

Since the February activation, we have faced a variety of challenges. These include:

- **Workforce Challenges:** We have had persistent issues with very disappointing employee availability and expectations. While we understand that changes and new ways of doing business can be difficult, we depend on our employees to be present and able to work to the standards of their particular task. We continue to actively manage this issue.
- **Supervisory Competency:** Related to the workforce challenges, managing the transition has highlighted a long-standing management competency gap. Too many of our managers and supervisors provided poor or insufficient supervision and accountability. While this issue is improving as managers and supervisors become more familiar with the new processes, we are addressing it by more active training, guidance and other means of reinforcement.
- **Staging Space and Sequencing at RPDC:** Truckload traffic in and out of the facility grew congested as deviations in arrival and departure times accumulated creating periods of significant backlog in trailer loading and unloading cycle.
- **Execution at Subsidiary Facilities:** Outside of the RPDC, there have been challenges at local processing plants that send and receive product to the RPDC, with inbound and outbound volume not being processed timely. This is a symptom of the long-standing operational issues that had again been masked by the historic inefficient staffing within the region.
- **Contractor Failures:** In the midst of the RPDC rollout, there was an unexpected bankruptcy of a contractor that operated the Surface Transfer Center. Atlanta is a key logistics gateway to the Southeast, with the Surface Transfer Center handling nearly 500 trips per day. The product handled by this vendor needed to be rapidly in-sourced, in weeks rather than months, which has created added challenges that had not been accounted for in the initial plan.

In addition to these specific identified issues, we are also undertaking additional steps to manage the transition, and these will continue until performance stabilizes and improves to its expected parameters. These include:

- Ongoing operational meetings that are held 7 days a week, twice daily, to drive improvements in the region for our customers.
- Revising transportation schedules for better alignment from the RPDC to the other local processing plants.
- Increasing local trips as necessary to improve service.
- Assigning and dedicating additional executive staff and experienced operational leaders.
- Adding additional processing capacity in other local processing centers.
- Shifting cross-country volume away from the RPDC, as appropriate, until service stabilizes.

Again, in any necessary but disruptive business change, unexpected challenges are part of the process. We regret and apologize, however, that the challenges in the Atlanta-area grew to the point that they have impacted our customers, but we are actively and vigorously implementing solutions. The Postal Service is confident that once these challenges are addressed and the new operating plans and network begin to function as designed, the improvements in service and efficiency will be self-evident.

Engaging with Customers

While the preceding describes the context and activities of our network changes and its challenges, another important issue is how we are providing information to our customers. Importantly for the Postal Service, we rely on two-way communication with our customers—both to provide them with information, and to use their questions and complaints as vital inputs to help us manage our service. Specifically, the Postal Service relies on multiple methods to collect and answer customer complaints and questions. These methods include:

- Customers can contact us online at <https://www.usps.com/help/contact-us.htm>. This site provides a variety of tips and answers to common questions, it provides a portal to register complaints, and it provides further points of contact with links to technical assistance.
- For customers who lack internet access or prefer an off-line conduit, we offer our Customer Care Call Center at 1-800-ASK-USPS (1-800-275-8777), which offers the same suite of services as the online help page. For our customers who are deaf, hard of hearing, deaf-blind, or have speech impairments, we offer information through the FCC's TRS program.
- For those customers who believe the response from the preceding resources has been inadequate, our USPS Consumer Advocate offers a further venue. Customers can initiate a case by writing Office of the Consumer Advocate, 475 L'Enfant Plaza SW, Washington, D.C. 20260.

Beyond resolving an individual's issues or concerns, employing these resources allows us to more quickly and thoroughly recognize issues that need attention or respond to emerging trends. The data from our various conduits provide an overall, trackable picture of customer satisfaction or concerns and, when combined with the billions of daily data points from our processing operations, they are collectively an essential tool in managing our network.

To communicate with customers about our performance and the current state of operations, we provide a wide array of reporting and real-time updates. Specifically:

- Inaugurated in May 2023, anyone can access our current data on service performance by visiting <https://about.usps.com/what/performance/service-performance/external-service-measurement.htm>, to find the current metrics on specific ZIP Codes and providing District-level information for our market-dominant products.
- For individual customers interested in packages, we offer tracking and status update information at <https://tools.usps.com/go/TrackConfirmAction>, where they can see all of the available information.
- For individual customers interested in mail products, we offer a special service to track and anticipate mail currently being processed and destined for delivery with a daily update via email, the online dashboard, or the USPS Mobile app. Information about this service can be found at <https://www.usps.com/manage/informed-delivery.htm>.

- For customers who need real-time updates on the status of the network we offer service alerts for consumers, small businesses and business mailers about postal facility service disruptions caused by weather-related and other natural disasters, special events, or other changes impacting service. These can be found at <https://about.usps.com/newsroom/service-alerts/>.
- For business customers and major mailers, we offer a further set of services, available at <https://postalpro.usps.com/>

It is important to note that these resources are offered universally. Information about performance or service alerts are publicly available, and any individual can sign up for services reporting on his or her individual mail.

In closing, again we sincerely express our apologies to our customers who may have experienced a deviation from our normal dependable service and appreciate their patience but do know that these changes are necessary and will result in improved service. We are tracking service performance, and we are taking the reported delays seriously and making every effort to understand, isolate and respond to operational challenges as we work through the described growing pains.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Pastre", with a long horizontal flourish extending to the right.

Peter Pastre