



InfoXchange 2024

**Thomas (Tom) G. Day
Vice Chairman**



Ground Rules for today's discussion

***Ex Parte* rules prevent me from discussing any issues before the Commission or likely to come before the Commission in the near future.**

Ex parte communications policy is no longer applicable once a matter is “no longer before the Commission.” This generally occurs upon the Commission’s issuance of the final order or decision in a docketed matter. See 39 C.F.R. § 3008.3(d)(1).

This presentation represents my views, not necessarily the views of the Commission



A thought to begin with

“We are fixing the Postal Service.
We can’t stop now.”

Louis DeJoy
Washington Post
July 8, 2024



A second thought

“Delivering for America (DFA) plan is the only comprehensive strategy in existence that can save the Postal Service... not just to survive but thrive.”

Louis DeJoy



Agenda for session

- **Introduction – my background and experience**
- **Basic functions of the Postal Regulatory Commission**
- **What is the Postal Regulatory Commission engaged with now**
- **What are the critical issues with USPS now**
- **Questions & Answers**



Tom Day – Background & Experience

- **US Army Officer - 1978 to 1983**
- **Began in US Postal Service March 1984 as a Management Associate**
- **Management positions in all aspect of USPS Operations**
- **USPS VP Engineering; Sr. VP Government Relations; Sr. VP Intelligent Mail; Chief Sustainability Officer; Retired from USPS May 2019**
- **International Post Corporation – May 2019 to August 2021 CFO/CCO**
- **BS Engineering – US Military Academy West Point**
- **MS Management – Stanford University Graduate School of Business**



What is the role of the Postal Regulatory Commission (PRC)

- **Transparency & accountability in USPS Operations**
- **Objective, accurate & timely regulatory analysis and decisions**
- **Oversee USPS compliance with laws and regulations**
- **Establish ratemaking system in alignment with Postal Service quality and efficiency**
- **Monitor and contribute to strong postal policy within jurisdiction**

What is the Postal Regulatory Commission –<https://parcelpath.com>



What is the PRC engaged with now?

- **Reviewing the Rate Making Process – awaiting response period to close**
- **Reviewing the Service Measurement Process**
- **Awaiting USPS to determine what, if any, Advisory Opinion they will submit to PRC regarding DFA**
- **Updating information we provide to ensure transparency of USPS actions and performance**



Back to the 1st and 2nd thoughts

“Delivering for America (DFA) plan is the only comprehensive strategy”

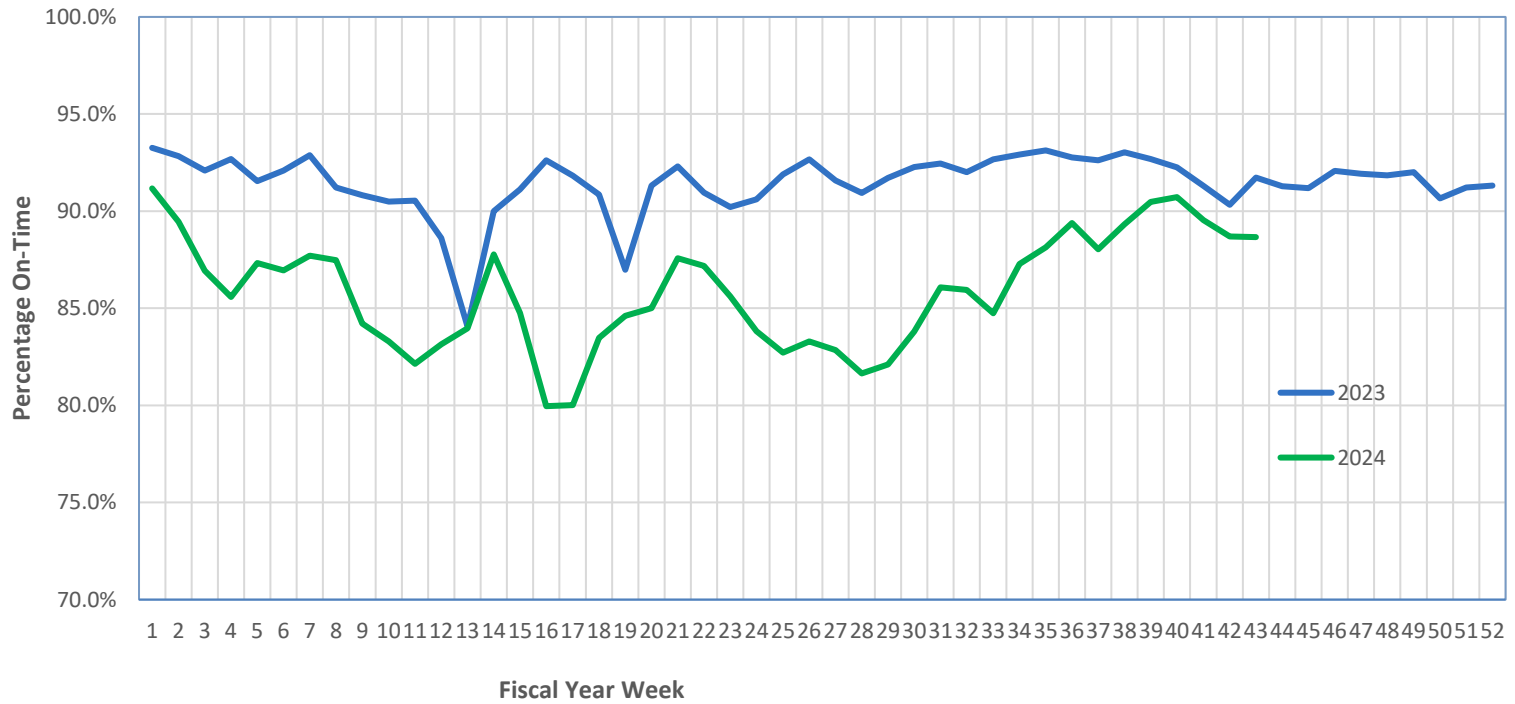
“We are fixing the Postal Service. We can’t stop now.”

Does the Service and Financial Performance indicate that these two beliefs are correct?



Service Performance

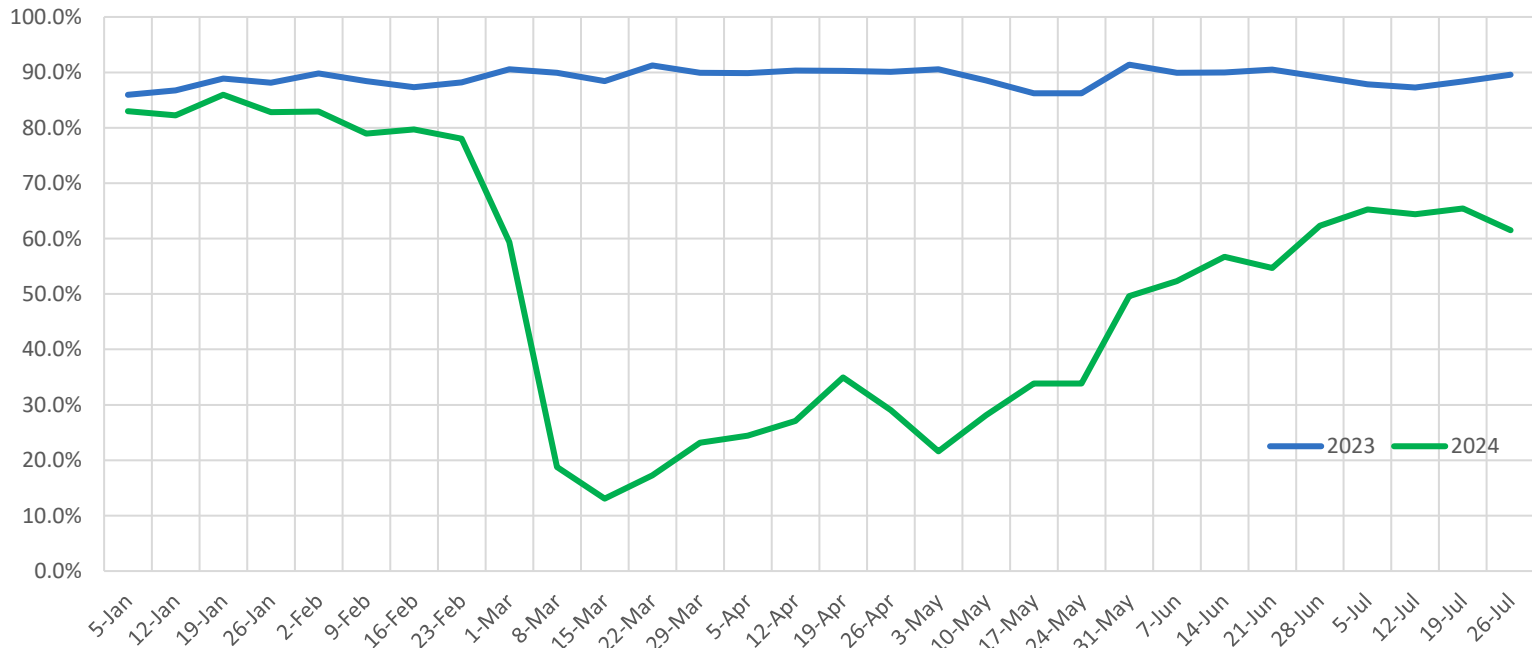
First Class Mail
Nationwide On-Time Performance





Atlanta District – Service Performance

Atlanta District - Local 2-Day Mail
First Class Letters and Postcards





DFA Financial Prediction/Performance

- **\$11.5B loss in first 2 years**
 - **Breakeven in the 3rd year**
 - **Final 7 Years a \$11.7B profit**
 - **Cumulative \$200M profit for DFA Plan**
- DFA PLAN**
- **3rd year a \$6.5B loss, 4th year to date looking worse**



DFA Financial Performance

USPS Inspector General Report – June 2024

“The DFA Plan and its projections no longer provide a reasonable basis for comparisons to the future years’ results, and we could not link current progress on initiatives back to the DFA Plan projections.”



A personal observation regarding Service & Financial Performance

Service and Productivity are NOT Binary. It is my experience that when USPS focuses upon timely and reliable Service, it will in turn achieve efficiency of Operations. The closer you get to Continuous Flow and away from Batch Processing, the more efficient it will be. Efficiency of Operations also result in Cost Control.



What should be the next step with DFA?

- **DFA service is at significantly lower levels than the previous network design**
- **Financial Performance is at a loss, in years that were to be break-even or profits**
- **There is no sign that USPS can achieve a Self-Funded financial performance**

“We can’t stop now”????



Questions & Answers

With Ex Parte in mind

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CHICAGO
2024

Architect Reach and Data Quality Roadmap H
AUGUST 12TH - 15TH
Bill Cole