

United States Postal Service®

INDUSTRYALERT

July 30, 2020

U.S. Postal Service Statement on Washington Post CARES Act Lending Authority Article

Pursuant to the terms that will apply to borrowing under the CARES Act, the Postal Service will provide the Department of the Treasury with certain information regarding our costs, revenues, and overall financial position. This includes providing Treasury, under strict terms of confidentiality, with those contracts that generate the most revenue for the Postal Service. Providing this information is merely an acknowledgment of the fact that Treasury has been designated by Congress as the lender for the Postal Service, and it therefore has a legitimate interest under certain circumstances in understanding those factors that affect our current and projected financial position. Other conditions, such as the requirement that borrowed funds only be used for operating expenses, and not for capital expenses, were expressly mandated by Congress in the language of the CARES Act.

Contrary to insinuations made in the Washington Post article, nothing in these terms confers upon Treasury any role whatsoever in Postal Service pricing, management, or strategy. In that regard, decisions regarding Postal Service pricing are reserved by statute to the bipartisan Governors of the Postal Service, who unanimously approved the CARES Act terms in a nonpartisan fashion. Similarly, the bipartisan group of Governors who were in office at the time likewise unanimously approved the selection of Louis DeJoy as Postmaster General in a nonpartisan fashion.

The Governors and Postmaster General DeJoy have an unwavering commitment to represent the public interest. They will work together to make decisions about all aspects of the Postal Service based not on any partisanship, but upon the exercise of their best judgment and business acumen to ensure that the Postal Service will be financially sustainable and can continue to be able to provide prompt, reliable, reasonably-priced, and efficient universal service to all American consumers and businesses as a part of the nation's critical infrastructure.

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