

Top Republican fundraiser and Trump ally named postmaster general, giving president new influence over Postal Service

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A top donor to President Trump and the Republican National Committee will be named the new head of the Postal Service, putting a top ally of the president in charge of an agency where Trump has long pressed for major changes in how it handles its business.

The Postal Service's board of governors confirmed late Wednesday that Louis DeJoy, a North Carolina businessman who is currently in charge of fundraising for the Republican National Convention in Charlotte, will serve as the new postmaster general.

The action will install a stalwart Trump ally to lead the Postal Service, which he has railed against for years, and probably move him closer than ever before to forcing the service to renegotiate its terms with companies and its own union workforce. Trump's Treasury Department and the Postal Service are in the midst of a negotiation over a \$10 billion line of credit approved as part of [coronavirus](#) legislation in March.

The confirmation came after The Washington Post asked for comment on the decision.

Trump has indicated he wants the Postal Service to dramatically raise fees for delivering packages for customers such as Amazon in exchange for tapping the line of credit. Trump has long argued that Amazon doesn't pay the Postal Service enough, a charge the agency has fiercely contested. (Amazon's chief executive, Jeff Bezos, owns The Post.)

"Louis DeJoy understands the critical public service role of the United States Postal Service, and the urgent need to strengthen it for future generations," Robert M. Duncan, chairman of the board of governors, said in a statement.

"Postal workers are the heart and soul of this institution, and I will be honored to work alongside them and their unions," DeJoy, who will start June 15, said in a statement.

The White House declined to comment.

Rep. Gerald E. Connolly (D-Va.), chairman of the House subcommittee that oversees the Postal Service, denounced the move as a reward by Trump to a "partisan donor."

"The Postal Service is in crisis and needs real leadership and someone with knowledge of the issues," Connolly said. "This crony doesn't cut it."

After criticizing the agency for years, Trump has been consolidating his influence lately. Three Republicans and one Democrat sit on the board of governors after the vice chairman, David Williams, a Democrat, resigned last week.

The departure came after Williams told confidants he was upset that the Treasury Department was meddling in what has long been an apolitical agency and felt that his fellow board members had capitulated to Treasury Secretary Steven Mnuchin's conditions for the \$10 billion line of credit, according to four people familiar with Williams's thinking.

Williams did not respond to a request for comment.

Democrats have urged the Postal Service to hold firm with Treasury over the terms of the loan, betting they could win more money for the agency in another round of legislation and threatening the Trump administration with taking the risk of disrupting mail service.

But in recent days, the Postal Service's board has appeared open to some of the Trump administration's terms, according to the four people, who spoke on the condition of anonymity to disclose private conversations. The precise terms could not be learned.

"[Williams's] main frustration is that he felt the Treasury Department was interfering in an apolitical board and an apolitical agency," said one person who spoke with him.

A Treasury Department spokesman declined to comment.

DeJoy will be the first postmaster general in two decades who did not rise through the agency's ranks. He would have to navigate a financially fraught agency while also working with its powerful labor unions, among the last public-sector unions left with significant clout in contract negotiations with the government.

In part because of the coronavirus pandemic, the Postal Service is projecting a \$13 billion revenue shortfall by the end of the fiscal year in September.

Trump has for years seized on the rates the Postal Service charges companies like Amazon to deliver packages. The business of package delivery has proved increasingly vital to the service's finances as first class mail has deteriorated, and Trump has contended the agency charges Amazon and other companies too little.

The Postal Service has rejected those accusations, arguing it is charging competitive rates in an environment where it squares off against UPS, FedEx and even Amazon's growing delivery service.

Megan Brennan, the current postmaster general, who announced her retirement late last year, had clashed with the Trump administration over its efforts to take more control over postal finances and operations. Trump had urged her early in his tenure to increase fees for Amazon and other companies.

The announcement of Brennan's successor comes at a tumultuous period for the Postal Service, whose already shaky financial footing has grown weaker during the coronavirus pandemic.

Trump, responding to a report in *The Post* in April, threatened to block the \$10 billion Postal Service loan unless officials dramatically raised shipping prices on online retailers.

"The Postal Service is a joke," Trump said publicly last month in the Oval Office. He called for the agency to quadruple its shipping prices. Many analysts warn that if the Postal Service did that, it would put itself at a massive disadvantage in the marketplace.

DeJoy, a North Carolina native, has played a prominent role in Republican politics, particularly since Trump won the presidency in 2016. He has given more than \$2 million to the Trump campaign or Republican causes since 2016, according to the Federal Election Commission, including a \$210,600 contribution to the Trump Victory Fund on Feb. 19. He has given more than \$650,000 to the Trump Victory Fund and more than \$1 million to the RNC.

DeJoy was tapped as the finance chairman for the RNC convention in August and has worked in recent months with Katie Walsh, a top Republican operative, to orchestrate the event.

An RNC spokesman declined to comment.

DeJoy's wife, Aldona Wos, is vice chairman of the president's Commission on White House Fellowships and is Trump's nominee for ambassador to Canada. She previously served as ambassador to Estonia in the George W. Bush administration.

DeJoy has donated more than \$157,000 to Republican candidates, committees and super PACs since the start of the year, according to the Center for Responsive Politics.

Duncan, the current chairman of the Postal Service's board of governors, served as RNC chairman from 2007 to 2009. He was confirmed in 2018 after being appointed by Trump.

DeJoy is the owner of a real estate and consulting firm in North Carolina after having served as chairman and CEO of New Breed Logistics, according to his family's foundation page. New Breed was sold to XPO Logistics. He is a longtime donor to Republican causes, according to FEC records.

Under the \$2 trillion coronavirus stimulus relief passed in March, the Treasury Department was authorized to lend \$10 billion to the Postal Service, which says it may not be able to make payroll and continue mail service uninterrupted past September.

Mnuchin rejected a bipartisan Senate proposal to give the Postal Service a bailout amid the negotiations over that legislation.

Brennan, with the consent of the board of governors, went to Congress to ask for a direct bailout of more than \$89 billion to stave off pandemic losses and other long-running accumulated debts.

Top Treasury officials were furious at the request, according to a person with knowledge of their frustration.

The coronavirus pandemic has rapidly exacerbated years of revenue losses for the agency as it struggles to adapt to a digital age amid a decline in first-class mail.

Postal officials have said mail volume is down by a third during the pandemic and continuing to decrease as businesses scale back solicitations and advertisements. Package volume is up, but not enough to cover the other losses, the officials say.

Michelle Ye Hee Lee contributed to this report.

https://www.washingtonpost.com/politics/top-republican-fundraiser-and-trump-ally-to-be-named-postmaster-general-giving-president-new-influence-over-postal-service-officials-say/2020/05/06/25cde93c-8fd4-11ea-8df0-ee33c3f5b0d6_story.html