



May 20, 2020

CHARLES TURLEY
ASSISTANT INSPECTOR GENERAL
RISK ANALYSIS RESEARCH CENTER

SUBJECT: Postal Partnerships: The Complex Role of Middlemen and Discounts in the USPS
Package Business (RARC-WP-18-010)

This letter provides a supplemental management response to the white paper issued by the Office of Inspector General (OIG) in July 2018, entitled Postal Partnerships: The Complex Role of Middleman Discounts in the USPS Package Business.

Subsequent to the issuance of the report, OIG and management discussed OIG's recommendations through the audit resolution procedures specified in Section 244 of the Administrative Support Manual (ASM). All of OIG's recommendations have been addressed through that process, and therefore there are no open recommendations.

In addition, OIG and management also discussed the legal position the Postal Service took in our management response about the appropriate dissemination of the white paper, and OIG's response in the report regarding that topic. As the Postal Service noted in subsequent written and oral communications regarding this topic, our position did not seek in any way to undermine the independence of the OIG, or suggest any limitations on OIG's ability to fulfill its mission, including with respect to reviewing how the Postal Service manages our competitive products. Rather, our response simply communicated to OIG our legal position regarding the parameters that we believe should govern the dissemination of research white papers produced by the OIG, and particularly those white papers that directly address the most commercially sensitive aspects of our business. In this regard, we consider that a broad dissemination to parties other than the Governors and management of OIG's analysis, conclusions, and recommendations regarding postal strategy, particularly within the competitive marketplace, would have a significant chilling effect on the deliberative process concerning our strategic decision-making and could negatively impact our competitive position.

The Postal Service reiterates that we take our legal positions in good faith and on a principled basis with full understanding and respect for the independence of the OIG. Based on our discussions subsequent to the issuance of the report, we believe that OIG does not hold a contrary view.

Thank you for the opportunity to submit this supplemental response.

A handwritten signature in blue ink that reads "Thomas J. Marshall".

Thomas J. Marshall

cc: Natalie Bonanno
Lisa Martin
Keith Weidner
Corporate Audit and Response Management