

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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June 13, 2018

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

We are writing in response to troubling reports that you are using the authority of your office to launch political attacks against Amazon and its founder, Jeffrey Bezos, and to pressure the Postal Service to raise its rates for Amazon in retaliation for perceived wrongs against you. We are also writing to correct multiple unsubstantiated claims you have made via Twitter relating to these matters.

Your Repeated Attacks Against Amazon

On May 18, 2018, the *Washington Post* reported that, in “multiple conversations occurring this year and last,” you “personally pushed U.S. Postmaster General Megan Brennan to double the rate the Postal Service charges Amazon.com and other firms to ship packages, according to three people familiar with their conversations, a dramatic move that probably would cost these companies billions of dollars.”¹

According to this report, the Postmaster General resisted your demands and provided you with information showing that “the Amazon relationship is beneficial for the Postal Service.” Nevertheless, the report explains that you “fumed publicly and privately about the giant commerce and services company and its founder Jeffrey P. Bezos, who is also the owner of The Washington Post.” According to this account, “administration officials say several of Trump’s attacks aimed at Amazon have come in response to articles in The Post that he didn’t like.”²

Despite the information provided to you by the Postmaster General, on March 31, 2018, you continued your attacks against Amazon, tweeting:

¹ *Trump Personally Pushed Postmaster General to Double Rates on Amazon, Other Firms*, Washington Post (May 18, 2018) (online at www.washingtonpost.com/business/economy/trump-personally-pushed-postmaster-general-to-double-rates-on-amazon-other-firms/2018/05/18/2b6438d2-5931-11e8-858f-12becb4d6067_story.html?utm_term=.cd8a602ab963).

² *Id.*

While we are on the subject, it is reported that the U.S. Post Office will lose \$1.50 on average for each package it delivers for Amazon. That amounts to Billions of Dollars. The Failing N.Y. Times reports that “the size of the company’s lobbying staff has ballooned,” and that ...

... does not include the Fake Washington Post, which is used as a “lobbyist” and should so REGISTER. If the P.O. “increased its parcel rates, Amazon’s shipping costs would rise by \$2.6 Billion.” This Post Office scam must stop. Amazon must pay real costs (and taxes) now!³

On April 3, 2018, you continued your attack, tweeting again:

I am right about Amazon costing the United States Post Office massive amounts of money for being their Delivery Boy. Amazon should pay these costs (plus) and not have them bourne [sic] by the American Taxpayer. Many billions of dollars. P.O. leaders don’t have a clue (or do they?!)⁴

Information Produced by Postal Service

The Oversight Committee has now obtained documents from the Postal Service demonstrating that your repeated claims about Amazon are inaccurate.

To investigate this matter, Chairman Mark Meadows and Ranking Member Gerald Connolly of the Subcommittee on Government Operations sent a letter to the Postmaster General on April 30, 2018, requesting copies of the Negotiated Service Agreements between the Postal Service and Amazon, United Parcel Service (UPS), and FedEx.⁵

The Postal Service produced these contracts to the Committee on May 11, 2018.⁶ In its letter to the Committee, the Postal Service explained that the contracts contain confidential

³ @realDonaldTrump, Twitter (Mar. 31, 2018 5:45 a.m.) (online at <https://twitter.com/realdonaldtrump/status/980063581592047617?lang=en>); @realDonaldTrump, Twitter (Mar. 31, 2018 5:52 a.m.) (online at <https://twitter.com/realdonaldtrump/status/980065419632566272>).

⁴ @realDonaldTrump, Twitter (Apr. 3, 2018 6:55 a.m.) (online at twitter.com/realdonaldtrump/status/981168344924536832?ref_src=twsrc%5Etfw&ref_url=https%3A%2F%2Fwww.theverge.com%2F2018%2F4%2F14%2F17233680%2Ftrump-amazon-bezos-postal-service-explained&tfw_site=verge).

⁵ Letter from Chairman Mark Meadows and Ranking Member Gerald E. Connolly, Subcommittee on Government Operations, House Committee on Oversight and Government Reform, to Postmaster General Megan J Brennan (Apr. 30, 2018) (online at <https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/2018-04-30.Meadows%20Connolly%20to%20Brennan-USPS%20re%20Service%20Agreement%20Document%20and%20Briefing%20Request.pdf>).

⁶ Letter from Thomas J. Marshall, General Counsel and Executive Vice President, U.S. Postal Service, to Chairman Mark Meadows and Ranking Member Gerald E. Connolly, Subcommittee on Government Operations, House Committee on Oversight and Government reform (May 11, 2018) (online at https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/2018%2005%2011%20Marshall%20to%20Mark%20Meadows_Gerald%20Connolly%20re%20Document%20Request.pdf).

business information and requested that we not release them publicly. However, we have conducted a thorough review and are able to provide the following information.

First, Amazon is not receiving any preferential treatment from the Postal Service. It is paying package delivery rates comparable to FedEx and UPS. Amazon is the largest shipper of packages by the Postal Service, and the Negotiated Service Agreement between the Postal Service and Amazon has been reviewed thoroughly by the Postal Regulatory Commission to ensure profitability.

Second, the Postal Service's package delivery services with Amazon and other retailers have been one of the few areas of growth in Postal Service revenues, experiencing double-digit increases in recent years and accounting for nearly 30% of its operating revenue in fiscal year 2017.⁷ As the Postal Service wrote in its letter to the Committee, "The growth of the Postal Service's competitive products business in recent years is a direct result of the successes the Postal Service has had in entering into such contracts."⁸

Third, the Postal Service's package delivery services not only help mitigate losses in other areas, but provide the American people with low-cost services for retail purchases. These contracts are constantly renegotiated, sometimes multiple times each year. According to the Postal Service's letter to the Committee, the contracts were updated most recently on April 23, 2017, for Amazon, on October 23, 2017, for UPS, and on February 12, 2018, for FedEx.

Conclusion

It is highly inappropriate to use the authority of your office to attack a political rival and seek to impair his business financially. It is even more inappropriate to launch such attacks using false claims that are not supported by the facts. The allegations you have made about Amazon and the Postal Service are inaccurate, and we ask that you correct the record.

Sincerely,



Elijah E. Cummings
Ranking Member



Gerald E. Connolly
Ranking Member
Subcommittee on Government Operations

⁷ United States Postal Service, *U.S. Postal Service Reports Fiscal Year 2017 Results* (Nov. 14, 2017) (online at www.about.usps.com/news/national-releases/2017/pr17_069.htm).

⁸ Letter from Thomas J. Marshall, General Counsel and Executive Vice President, U.S. Postal Service, to Chairman Mark Meadows and Ranking Member Gerald E. Connolly, Subcommittee on Government Operations, House Committee on Oversight and Government reform (May 11, 2018) (online at https://democrats-oversight.house.gov/sites/democrats.oversight.house.gov/files/2018%2005%2011%20Marshall%20to%20Mark%20Meadows_Gerald%20Connolly%20re%20Document%20Request.pdf).

President Donald J. Trump

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cc: The Honorable Trey Gowdy, Chairman

The Honorable Mark Meadows, Chairman
Subcommittee on Government Operations