



STATEMENT OF

POSTMASTER GENERAL AND CHIEF EXECUTIVE OFFICER

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before the

House Committee on Appropriations

Subcommittee on Financial Services & General Government

“United States Postal Service’s Role in 2024 Election Mail Readiness”

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Good morning, Chairman Joyce, Ranking Member Hoyer, and Members of the Subcommittee, I appreciate the invitation to testify. This is an important opportunity to clarify our role in delivery of Election Mail and offer strong reassurances on our readiness to do so. I am keenly aware that we are five and a half weeks away from a nationwide election and the heightened attention placed on all aspects of the nation's voting system. In addition to this subcommittee, my team and I have been briefing local and state election officials, our oversight committees and individual Members of Congress, and members of the media. Interest in our readiness is periodic for several of these groups, but a year-round focus for the Postal Service and our Election and Government Mail Services (EGMS) team that I made a permanent element of our organization in 2021. From our perspective, primary and general elections that use the mail system occur at the federal, state or local level virtually year-round, not just during November of even years.

Our Specific Role

I want to begin by reminding the Subcommittee of the very specific role we play, starting with what we do NOT do. We do not conduct elections or determine their timing or deadlines. We do not determine federal, state, or local election laws or practices, or the extent to which they incorporate the mail. We do not determine when election officials mail ballots out to voters or when voters return ballots back to Boards of Elections via the mail, nor do we determine the laws regarding that timing. We do not determine how and whether election laws rely on our postmark, nor whether the state legislatures take into account how the mail system works when they design their election laws. We do not design ballots or ballot envelopes.

Instead, the Postal Service collects, processes, transports, and delivers the nation's Election Mail when public policy makers or election officials choose to use the mail as a part of their election system or when voters choose to use our services to participate in an election. We employ robust and proven processes to ensure proper handling and delivery of Election Mail, including ballots. We will continue our outreach to election officials and their mail service providers and share our recommendations regarding the best practices for how to successfully use the mail system. We will also continue to educate them on how the mail system works, and the additional measures that we employ year-round, and in the weeks immediately preceding the general election, that are specific to Election Mail.

We are a national service and as such need to have consistent policies nationwide to ensure that our operations run smoothly, and that our 650,000 employees understand what is expected of them.

At the same time, there are 50 states and over 8,000 election jurisdictions who are far from uniform in their election laws and practices, and that often don't consider how the mail system works. This can result in a mismatch of timeframes, deadlines, return ballot suggestions, and election laws. And as noted, many of these laws and practices were not established with the Postal Service's operations in mind. For example, some jurisdictions allow voters to request a mail-in ballot very close to Election Day. Depending on when that ballot is mailed to the voter, it may be physically impossible for that voter to receive the

ballot mail, complete their ballot, and return their ballot by mail in time to meet the jurisdiction's deadline, even with our extraordinary measures, and despite our best efforts.

As another example, the Postal Service does not under our normal practices postmark every piece of mail pursuant to our routine processing procedures. This is because the primary purpose of postmarking is to cancel the postage to ensure that it cannot be reused, and as such, some categories of postage are pre-canceled before they enter our mailstream and therefore do not require a postmark. That said, in recognition of the importance that the election laws in some states place on postmarks, it has been the long-standing policy of the Postal Service which remains in place today to try to ensure that every return ballot mailed by voters receives a postmark, regardless of whether the return ballot is mailed with postage pre-paid by election officials or with a stamp affixed by the voter.

We do not have influence over state and local election laws and do not advocate to change them, even as they pertain to use of the mail. What we can do is focus on what is in our control, which has resulted in us undertaking extra steps to address some of these disconnects (such as our extraordinary measures and our effort to postmark every return ballot), but these steps are not foolproof.

The Postal Service is Prepared for the Election

Let me be clear: the Postal Service is ready to deliver the nation's mail-in ballots.

As you are all aware, for a variety of reasons, there is heightened sensitivity and scrutiny across the entire Election Mail ecosystem right now. We recognize that election officials are under an extreme amount of pressure and will remain so for at least the next month and a half. We also recognize that the American public will become increasingly alarmed if there is ongoing, although misguided, dialogue that questions the reliability of the Postal Service in the performance of our mail delivery role in the upcoming elections. That is why we have been actively communicating with election officials and stakeholders across the country for months about the measures, both routine and extraordinary, that we have taken and will take to ensure dependable and predictable mail delivery this election season.

While we have encountered episodic service challenges in certain locations due to a variety of factors, service performance for Election Mail remains excellent. As shown on our public Service Performance Dashboard, Election Mail sent via First-Class Mail during Fiscal Year 2024 is being delivered on-time 94.29 percent of the time, with 96.71 percent delivered within a day of our standard. On average, it is being delivered in just 1.3 days. Election Mail sent via Marketing Mail is being delivered on-time 97.67 percent of the time, with 99.27 percent delivered within a day of our standard. On average, it is being delivered in just 2.1 days over the same period. Overall, First-Class Mail is currently being delivered in 2.8 days and Election Mail routinely outperforms our regular service performance.

We periodically hear accusations that the large volume of Election Mail might strain our ability to handle it all. This is simply not accurate, and capacity is not a problem. While election and ballot mail volume does intensify in the months leading up to the general election, and it is certainly important mail, it is not a

significant volume event considering the scale of our operations and the volume that runs through our network every day. In fact, ballots represented only 0.1 percent of our total mail volume in 2020, a year with historic vote-by-mail participation. We are more than capable of processing and delivering Election Mail volume, even if every voting age person requested a ballot by mail and cast their vote by mail without even putting a dent in our network capacity.

A Legacy of Delivering

Our track record in transporting and delivering Election Mail, including ballot mail, is stellar, as we have done so with great success since 1864. At no point in history was this done at such a scale as during the 2020 general election. Despite dealing with the considerable disruptions related to the COVID-19 pandemic, the Postal Service delivered at least 135 million ballots to or from voters in the general election. We delivered 99.9 percent of ballots from voters to election officials within seven days, and we delivered 97.9 percent of such ballots within three days. Overall, on average, we delivered ballots to voters in 2.1 days. Most importantly, on average, we delivered ballots from voters to election officials in just 1.6 days.

We again delivered on our role in the 2022 midterm elections, during which we delivered more than 54 million ballots. We delivered 99.93 percent of ballots from voters to election officials within seven days, and 98.96 percent of such ballots were delivered within three days. On average, we delivered ballot mail from election officials to voters, and vice versa, in less than two days.

It is important to note that these results are all consistent with the general recommendation we provide voters throughout the election cycle – namely that for domestic, nonmilitary voters who choose to use the mail to return a completed ballot, as a common-sense measure, they should mail their completed ballot before Election Day, and at least one week before the deadline by which their completed ballot must be received by their local election official under the laws of their state.

The public would benefit if this Subcommittee, Congress, the media, and election officials would work to reassure the public that if they decide to use the mail to cast their ballots, the Postal Service will do our part to help them succeed. The analysis shows that the Postal Service has provided dependable and timely service, and that citizens and state and local election officials can have confidence in our established systems. We are good at what we do, but the mail system works in a consistent and specific manner, and we cannot alter time or physical distance despite many of the heroic and extraordinary actions we take that will be discussed later. The earlier that ballots are mailed, both to the voters and by the voters in the ballot return, the better.

Outreach to Election Officials

We educate election officials and voters on how they can effectively use the mail. We communicate repeatedly and year-round to election officials to make them aware of our best practices for using the mail system. That is the reason why we recommend that voters who choose to use the mail to return a

completed ballot should mail their completed ballot before Election Day, and at least one week before the deadline by which their completed ballot must be received by their local election official under the laws of their state, as a common-sense practice. But our influence ends there.

In 2024, our EGMS team has participated in 47 outreach events, including meetings and briefings with national election organizations, industry stakeholders, state election conferences, and Congressional briefings. Our Managers of Customer Relations, who serve as the primary points of contact for local election officials, have conducted extensive direct outreach to local election officials. This includes almost 10,000 presentations and virtual meetings, writing almost 2,600 outreach letters, placing over 1,200 phone calls, and responding to hundreds of reported Election Mail issues.

Official Election Mail Kit

One of the centerpieces of the Postal Service's election preparations is the production and release of Kit 600, our official Election Mail kit, to help election officials with the planning and preparation of election-related mail. The kit is part of our continued commitment to provide these officials with the tools necessary to use the mail as a secure, efficient, and effective way to help facilitate the election process. The 2024 kit was released in January of this year and includes exhaustive information about all aspects of how to utilize the mail, from choosing the class of mail to use for various types of mailings to the use of barcodes for tracking and visibility. It also educates election officials on topics such as preparing mail for citizens living or serving in the military overseas.

Mailpiece Design Analysts

Another example of the year-round resources available is the support that our mail piece design analysts (MDAs) provide to state and local election officials. MDAs are specially trained postal employees who can answer questions about mail piece design, give advice on evaluating pieces of mail for automation discounts, provide technical assistance on envelope standards, and help construct mailing plans. While these specialists work with a broad swath of customers, their expertise is invaluable regarding Election Mail. The envelopes used for sending balloting materials, as well as any envelopes or postcards enclosed for return mail should include certain identification markings approved by the Postal Service, including the Official Election Mail logo and the Intelligent Mail barcode. Mailpiece design is a significant part of the successful use of the mail, to ensure that the mail moves through our processing machines as intended and will be recognized by our employees as Election Mail, which is particularly important for ballot mail.

Examples of Internal Education, Training, and Management Efforts

In addition to our external communications with election officials, we have policies and procedures around Election Mail, some in place year-round and others that take place closer to Election Day. We engage in a regular, extensive cadence of internal communication efforts aimed at educating and reminding our employees of our processes and procedures specifically related to Election Mail. These include:

- Our Learn & Grow and Education Series which includes training on all of our policies and procedures.
- Our weekly Election Mail education series that began in February for processing employees and delivery and retail employees.
- Our enhanced All-Clear Processes, Yard Check Certifications, and transitioning to a new electronic Election and Political Mail All Clear log, which makes it easier to track compliance.
- Holding regular stand-up talks to keep employees up to date on our policies and procedures.
- Establishing escalation procedures for our employees to follow whenever delayed Election and Political Mail is identified.
- Conducting several National Election Mail Taskforce, Ballot Ambassador and Ballot Monitor trainings.
- Weekly communication on Regional calls, and meetings between Regional Election Mail Coordinators and Divisions each week.
- Updating the EGMS website to reflect any new policies or actions.
- Since September 14, there has been intensified management and executive visibility, with Headquarter support completing audits in the field each week.
- Required training for management employees on general election operational preparedness.
- Implementing initiatives to ensure that employees working with our Postal Automated Redirection System (PARS), which intercepts "undeliverable as addressed" mail, adhere to standard work instructions. This helps maintain current conditions and prevents ballots from being mistakenly returned to election officials. We are conducting daily sweeps of PARS volume for Election Mail.

While many seem to be under the impression that our efforts around Election Mail are primarily confined to a short window around the general election, the truth is that we use longstanding, proven processes and procedures all year long in support of our role in delivering Election and Political Mail for our customers.

As early as January of this year, we instructed employees to begin using daily "all clears" to ensure that all Election Mail is accounted for in the system and that mail scheduled to go out is processed accordingly. We also provided audit checklists and tracking logs for employees across the organization in our retail, delivery, and processing facilities. In preparation for election season, management employees conducted thousands of performance reviews of individual Post Offices and processing facilities, each taking several hours to complete.

In our processing operations, we advance Election Mail ahead of other mail in processing to the extent feasible. We also transitioned to a more intensified "All Clear" process to ensure that our mail sorting facilities are swept for Election Mail regularly and we have increased management oversight.

Maintenance officials also review our cancellation machinery to ensure that all postmarks are legible.

You can rest assured that at all levels of the Postal Service we have dedicated leaders who are managing our operations, and dedicated employees who are fully committed to our success in delivering the nation's Election Mail. We are up for the challenge.

Extraordinary Measures

While work is done by dedicated postal employees year-round, beginning October 21, we will once again deploy extraordinary measures beyond our normal course of operations to accelerate the delivery of mail pieces that we can identify as containing ballots across our national network. These measures include:

- **Additional Retail Operations:** Post Offices may establish a dedicated line for ballot postmarks and drive-through ballot drop options, staffed through Election Day.
- **Extra Transportation:** Our delivery and transportation operations will make additional deliveries and collections to ensure timely delivery of ballots. Early collections will be run on November 2, 4, and 5, with special delivery runs to Boards of Elections on those days, and on later days for states that accept ballot mail after Election Day.
- **Special Pickups:** Our Postmasters will arrange after-hours special pickups and handoffs with Boards of Elections and utilize the Priority Express Mail network for completed ballots entered close to Election Day. We have a process to redirect misprinted or misaddressed ballots.
- **Carrier Mailbox Checks:** Beginning on October 21, letter carriers will check every delivery point for outgoing mail, regardless of whether they have incoming or destinating mail. These checks shall entail:
 - On mounted routes, visually checking mail receptacle that has the flag up for outgoing mail;
 - While serving CBUs, visually checking the outgoing slot;
 - On park and loops or dismounts, visually checking the mail receptacle box for outgoing mail.
- **Sunday Collections:** While we do not typically collect mail from our blue collection boxes on Sundays, all dedicated collection routes will be completed on Sunday, November 3. This is to ensure that any ballot mail deposited by our customers after the posted pickup cutoff time the previous day will be retrieved and processed.
- **Processing Plants:** We will process collection mail volumes on Sunday, November 3. In addition, we will activate special sort plans by November 1 to capture and expedite ballots in an effort to deliver all ballot mail by the deadlines established by state election officials.

A point that should be stressed about extraordinary measures is that these are designed to rescue ballots that are otherwise likely, or definitely, entered in our system too late to make certain deadlines established by election officials. They are by definition extraordinary, and a deviation from normal mail flow and processing, meaning the ballot mail may not run through our plants and processing machines as mail normally would. As such, these mail pieces may not be measured for service performance or receive

destination scans or automated postmarking that they might otherwise receive in the normal course of operations. These measures are heroic efforts intended to beat the clock and are designed to be used only when the risk of deviating from our standard processes is necessary to compensate for the ballot being mailed so close to a state's ballot receipt deadline.

Intensified Executive Focus

Beginning last week, our regular election mail procedures described at a high level above, our extraordinary measures execution, our employee and external communications, and our Operations trouble spotting, are the subject of an intensified focus from the entire organization. This focus will begin with the carrier on the street and the clerk at the Post Office window all the way to the executive level, including me. I lead an executive level task force that meets twice a week with all groups responsible for coordinating with national, state, and local election entities, which includes executive leadership from our Operations, Customer Service, EGMS, Communications, Government Relations, Corporate Affairs, and Law Department teams.

As mentioned above, we created a permanent Election and Government Mail Services structure. This full-time team is trained to educate postal employees and election officials on policies and procedures for the proper handling of Election Mail, and to monitor related activity to resolve issues as they arise. They work with state and local election officials year-round to prepare for elections. To augment this election mail-specific group's efforts, and as noted above, the Managers of Customer Relations are the points of contact for election officials – and the eyes and ears and points of communication in each of the 50 Postal Districts.

In July, we reinstated the National Election Mail Taskforce with our union leadership and management associations. As part of this effort, beginning on October 1, we will deploy ballot monitors and ambassadors in Processing Operations and Retail & Delivery units to reinforce and amplify our policies and procedures on the ground.

Also in July, as a part of my Election Mail initiative, I established a Performance Excellence Team. The team, which is comprised of regional election coordinators, works in conjunction with Postal Headquarters and plant staff to ensure the timely processing of Election Mail via frequent messaging and onsite reviews. This team will work tirelessly to ensure smooth processing and delivery of Election Mail and jump into action locally and at Headquarters should any delays arise.

The Performance Excellence Team serves as a dedicated field resource to assist with plants in each region by addressing questions or concerns that local plant and district strike teams may have to ensure we provide timely delivery of all Election and Political Mail. This Integrated Operating Plan (IOP) Gemba team conducts process audits, distributes findings for plant response and action, and schedules follow up audits. Additionally, the team distributes a weekly newsletter on my behalf to Plant Managers regarding important Election Mail information.

In addition to the efforts to reinforce our policies and procedures outlined above, Postal Inspectors and other Postal Inspection Service personnel physically observe Election Mail processing and delivery operations. They review the physical security of Election Mail and the workplace, and they report their findings to Postal Inspection Service and Postal Service leadership so that corrective action may be taken for any concerns that are identified. Postal Inspectors also provide Postal Service managers and employees with guidance and recommendations to ensure election-related mail is handled securely and properly processed and delivered.

Further, personnel from our Postal Service Office of the Inspector General are conducting audits related to our Election Mail performance at post offices, delivery units, and plants across the nation. While they will certainly issue a report after the general election about how we did, they have also agreed to provide us with information concerning any Election Mail issues that they discover on a weekly basis so that we can correct or mitigate them immediately, rather than waiting to learn about them until after the election is concluded.

We have processes and procedures in place to safely and securely move Election Mail, and we have layers of internal oversight to ensure consistent implementation and to successfully deliver the nation's Election Mail.

Addressing Public Concerns

I want to touch on some topics that have driven much of the public discourse about our capability to deliver ballot mail in the upcoming election. First, I am aware of the report released by our Office of the Inspector General (OIG) at the end of July discussing our Election Mail readiness. As the OIG reported, for the period from December 1, 2023, to April 30, 2024, the Postal Service processed Political and Election Mail with on-time processing scores ranging from 97.01 to 98.17 percent. They made recommendations that aligned with our ongoing efforts that I mentioned above, namely that we further train our 650,000 employees and monitor compliance and performance across our over 31,000 facilities. As described above in some detail, we are committed to and in the process of doing just that.

There have also been questions raised about the potential for ballots to not be counted due to the lack of a postmark. As explained above, the Postal Service does not postmark every piece of mail under our routine processing procedures. This is because the primary purpose of postmarking is to ensure that postage is cancelled so that it cannot be reused, and as such, some categories of postage are pre-canceled before they enter our mailstream and do not require a postmark. That said, in recognition of the importance that the election laws in some states place on postmarks, it has been the long-standing policy of the Postal Service, which continues today, to try to ensure that return ballots mailed by voters receive a postmark, regardless of whether the return ballot is mailed with postage pre-paid by election officials (such as Business Reply Mail) or with a stamp affixed by the voter.

The Postal Service has instructed employees throughout the country about our ballot postmarking processes and procedures. Although we instruct our employees throughout the country to adhere to our ballot postmarking policy, we cannot rule out the possibility that situations will occur where the policy is mistakenly not observed, and circumstances could arise that prevent ballots from receiving a legible postmark.

That is why we advise voters to be aware of the postmarking requirement in their jurisdiction. Voters can ensure that a postmark is applied to their return ballot by visiting any of our more than 30,000 Postal Service retail offices and requesting a postmark from a retail associate when dropping off their ballot.

It is also a good common-sense measure for voters who choose to use the mail to return a completed ballot to mail their completed ballot well before Election Day, and at least one week before the deadline by which their completed ballot must be received by their local election official under the laws of their state.

I also want to address the recent letter from the National Association of Secretaries of State (NASS), National Association of State Election Directors (NASED), and other election officials. We responded to the concerns expressed in a letter that we distributed widely, assuring all stakeholders that we are fully committed to effective implementation of our longstanding processes and procedures designed to ensure that all ballot mail is delivered in a timely and secure manner. I also spoke directly with the leadership teams of both NASS and NASED to address their concerns head on. As I have made clear to them and to anyone else who will listen, we are not avoiding any discussions on our capability to handle Election Mail and feel confident in our performance and our ability to deliver the nation's Election Mail.

One of the requests made in the letter was that we implement our planned extraordinary measures earlier in the election cycle. As I noted in my response, the extraordinary measures are designed to effectively balance the risk inherent in deviating from routine, automated processes in an operation of our size and scale and expediting ballot mail that is entered into the postal system by election officials and voters so close to Election Day that the mail may not otherwise arrive by a state's deadline. The measures are not intended to compensate for general operational deficiencies, to the extent that such deficiencies exist, and in fact if they were implemented too early that would likely be counterproductive. Therefore, we have determined that implementing extraordinary measures two weeks before the election provides ample time for their intended purpose.

National Outreach Efforts

In addition to our public responses to the OIG, NASS, and NASED, we have a long list of public engagements with stakeholders at all levels. We recently provided a joint briefing on our plans and practices to ensure a successful election season to our House and Senate oversight committee majority and majority staffs, jointly to the Republican National Committee and the Democratic National Committee, to election officials individually and collectively on multiple occasions, and to the media at two Election

Mail webinars held in the past month. In addition to speaking with leadership of NASS and NASED, I also met with Executive Leadership at Election Assistance Commission (EAC).

Election Mail Security

Regarding concerns that some have raised about mail security, allow me to assure you that the law enforcement arm of the Postal Service, the U.S. Postal Inspection Service, is fully committed to ensuring the safe, secure, and timely delivery of Election Mail, the integrity of Election Mail, and the protection of election officials from threatening and dangerous mail. This includes rigorous security protocols, continuous monitoring, and prompt response to any potential threats or incidents.

All 16 Postal Inspection Service field divisions have designated Election Security Coordinators who coordinate the response to election security concerns involving the mail. They also coordinate Election Mail Inspections within their divisions. During these inspections, Postal Inspection Service personnel physically observe Election Mail processing and delivery operations and review the physical security of the mail and the workplace, reporting their findings to Postal Inspection Service and Postal Service leadership so that corrective action may be taken for any concerns that are identified.

The Postal Inspection Service serves as a member of the Department of Justice (DOJ) Election Threat Task Force and works closely with federal, state, and local law enforcement partners to respond to and investigate reports of suspicious, threatening, and dangerous mail. The Postal Inspectors who serve this role have specialized training and equipment to respond to and investigate these types of incidents. Anyone can report Election Mail-related security or criminal incidents to the Postal Inspection Service's 24-hour National Law Enforcement Communications Center at 877-876-2455, or at their website at [uspis.gov/report](https://www.uspis.gov/report). Any person that attempts to tamper with the nation's Election Mail will be met with swift consequences.

Network Modernization

While the purpose of this hearing is to provide you with more information about the Postal Service's readiness for the general election, I know that several members of this subcommittee have raised questions about our ongoing network modernization initiatives and our recently announced intent to file a request for an Advisory Opinion from the Postal Regulatory Commission (PRC). Before I address these matters, let me first state that these initiatives will not adversely impact our performance in delivering the nation's Election Mail, and furthermore we have suspended all of our significant activities in connection with our network modernization efforts until after the General Election.

In that regard, our request for an advisory opinion from the Postal Regulatory Commission will cover two operational initiatives. The first is Regional Transportation Optimization (RTO), which evolved from the Local Transportation Optimization (LTO) pilot, and which relates to the transportation of collection mail from Post Offices to processing facilities. We will not implement RTO or LTO at any new locations

between October 1 and Election Day. There may be new RTO/LTO campuses rolled out as part of our ongoing pilot this calendar year, but only following the general election.

In addition, starting October 21 and extending through November 5, for the handful of sites with already ongoing LTO pilot programs, we will deploy extra transportation and other resources to connect Election Mail to its intended destination or the next stage in our processing network as needed. It should be emphasized that this extra transportation is not a reinstatement of the transportation structure that existed prior to implementation of the LTO pilot. Instead, these activities will be implemented to expedite the delivery of ballot mail and to ensure that all ballots mailed from LTO sites will be postmarked on the day they are entered into the mailstream. The activities consist of targeted utilization of extra resources, including, but not limited to, transportation to centralized hub locations from spoke Post Offices to facilitate postmarking and transportation of ballots to Boards of Elections or processing plants as applicable, and are designed to avoid unintended impacts on ballot mail during the initial rollout of the initiative. These measures will compensate for any potential impacts to ballots specific to LTO.

The second operational initiative we will include in the request for an Advisory Opinion relates to our Regional Processing & Delivery Center/Local Processing Center processing network modernization. As I previewed with this subcommittee during our May roundtable, we have paused the movement of originating mail processing operations being performed at Processing and Distribution Centers (P&DC) or other processing facilities as part of the Mail Processing Facility Reviews (MPFRs). Specifically, we had proposed in those reviews to move certain originating mail functions to a Regional Processing and Distribution Center (RPDC). We are not moving any mail processing operations associated with the MPFRs until January 2025 at the earliest, which will steer clear of the timing of the general election as well as our peak holiday season. Further, because of the cost savings that we anticipate we will be able to achieve through the initiatives that are included in our advisory opinion request, we have determined that we will be able to absorb the costs that we sought to eliminate through some of our MPFRs, and we have therefore already announced at a number of locations that we will not be moving forward with some of the mail moves we were considering.

In addition to the two operational changes, the request for an Advisory Opinion will also describe proposed changes to our service standards. These refinements are necessary because current standards do not consider the regional transportation operations necessary to transport mail and packages from collection to the processing network. As our current standards are based on 3-Digit to 3-Digit ZIP Codes pairs, there are examples where a mailpiece that originates at a Post Office that is hundreds of miles from the processing facility that will move it forward into our broader network has the same standard as a mail piece that originates 20 miles from that facility. A transition to 5-Digit to 5-Digit ZIP Code service standards would allow the Postal Service to more logically and accurately reflect our operations, and such standards will be more understandable to our customers. The change also enables significant cost

savings which as noted above facilitates our ability to absorb some costs associated with certain turnaround mail that was the subject of the MPFRs.

The proposed changes will lead to a net positive impact for First-Class Mail, as well as for end-to-end USPS Marketing Mail, Periodicals, and Package Services, from a service standard perspective. Most volume will retain the same service standard as under the current service standards or see service standard improvements. The relative upgrades and downgrades demonstrate the Postal Service's efforts to maintain high quality service while also implementing operational changes necessary to achieve the critical—and significant—cost savings that are necessary for financial sustainability. However, I would stress again that these changes will not be implemented until after the general election and that they will not adversely impact our Election Mail performance.

The Need to Move Forward

The fact of the matter is that despite our recent significant successes, the Postal Service is still in a financially precarious position, due to various factors, including high inflation in recent years. To counteract our continued losses, it is imperative that we continue implementing DFA initiatives to drive efficiency and growth and create a rational network that meets our cost and service objectives.

Single-piece letter mail has been declining for decades at this point, from an annual volume of 57 billion pieces 15 years ago to only around 11 billion pieces today, representing an 80 percent decline. We have a mail system of collection, transportation, processing, and delivery that was established to handle ever-expanding letter mail volume, and low package volume, and that never evolved as the mail mix and overall volumes reversed. We must redesign our network, facilities and equipment for the volume and services that the American people require now and tomorrow, not what they required 20 years ago. And as mail volume has declined sharply, our pricing model did not evolve, and stakeholder resistance to any change persisted and intensified, while our financially self-financed organization lost the will and resources to do what we knew was necessary to adjust. We are now modernizing our network, primarily our processing facilities and transportation at this stage. The majority of our rollouts have gone well, with a few locations – Richmond, Atlanta and Houston – experiencing challenges of execution that are now behind us.

As previously mentioned, the single-piece letter mail volume that provided the financial backbone of the Postal Service for most of its existence continues to decline precipitously. I believe it should be beyond dispute that we need to move forward with great urgency to repair the damage done by years of neglect and to restore the Postal Service to a position of operational and financial staying power and relevance to the current marketplace. Pausing all investments and evolution and preventing our necessary change would be counterproductive at best and catastrophic at worst and would inhibit or prevent our ability to survive and thrive.

Since the enactment of the Delivering for America plan, we have made significant progress in growing revenue and reducing costs:

- Revenue has grown by \$6.1 billion (Fiscal Year 2020 compared to Fiscal Year 2023) due to innovative new products that meet the needs of our customers (including USPS Ground Advantage) and judicious price increases.
- Workhours have decreased by 45 million hours equivalent to \$2.3 billion (Fiscal Year 2022 - Fiscal Year 2024 YTD), after many years of increases.
- Transportation costs have decreased by approximately \$1.4 billion (Fiscal Year 2023 – Fiscal Year 2024 YTD), the first decline since 2015, enabled by our ability to shift from air transportation to ground transportation.

Without the accomplishment of the basic strategies and initiatives of the DFA Plan, the Postal Service would gradually slide towards irrelevancy and insolvency with deteriorating infrastructure and service performance until a crisis point is reached. At that point, either we would have to implement drastic cuts in service and personnel to make the Postal Service financially viable, or Congress would have to make the decision to either bail out the Postal Service at great cost to the taxpayer, scrap the current structure and make the organization dependent on the appropriations process, or allow us to disappear into obscurity.

In the long run, there are no viable alternatives available to the DFA Plan that would comply with the current laws and business model that Congress has established. However, as detailed above, we have taken extensive measures to ensure that our performance during the 2024 general election is not negatively impacted by our long-term modernization initiatives.

Conclusion

I would like to conclude my testimony by emphasizing again that the Postal Service is ready to deliver ballot mail for the American public. We will provide a secure, efficient and effective way for citizens to cast their votes, just as we have for years. We have a robust and tested process for proper handling and timely delivery of Election Mail that is more than capable of handling any demand during the upcoming election. We will ensure that all necessary resources are available so that we can successfully fulfill our role in delivering the mail when election officials and voters choose to use our services as part of their election process. None of the modernizing or network rationalizing actions we have taken, or are in the process of taking, will impact our successful delivery of Election Mail, and any in any event any changes that could have a potential or perceived impact are being paused or delayed until after the election or until 2025.

Thank you, Chairman Joyce, Ranking Member Hoyer, and Members of the Subcommittee, for the opportunity to submit this testimony.