

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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March 12, 2021

Mr. Louis DeJoy
Postmaster General
United States Postal Service
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260

Dear Postmaster General DeJoy:

Enclosed are post-hearing questions that have been directed to you and submitted to the official record for the hearing that was held on Wednesday, February 24, 2021, titled "Legislative Proposals to Put the Postal Service on Sustainable Financial Footing."

To ensure a complete hearing record, please return your written response to the Subcommittee on or before Friday, March 26, 2021, including each question in full as well as the name of the Member. Your response should be addressed to the Committee office at 2157 Rayburn House Office Building, Washington, D.C. 20515. Please also send an electronic version of your response by email to Amy Stratton, Deputy Clerk, at Amy.Stratton@mail.house.gov.

Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Elisa LaNier, Chief Clerk, at (202) 225-5051.

Sincerely,



Carolyn B. Maloney
Chairwoman
Committee on Oversight and Reform

cc: The Honorable James R. Comer, Ranking Member
Committee on Oversight and Reform

Questions for Mr. Louis DeJoy
Postmaster General, United States Postal Service

Questions from Chairman Gerald E. Connolly, Subcommittee on Government Operations

February 24, 2021, Hearing: “Legislative Proposals to Put the Postal Service on Sustainable Financial Footing”

1. In the midst of the COVID-19 pandemic, the Postal Service has continued to discuss reducing postal services from six days per week to five. I have introduced H. Res. 114 to have Congress urge the Postal Service not to reduce delivery days, which would slow down delivery and increase the cost of postal services. How can you ensure that a reduction in postal delivery days per week would not result in longer delivery times and greater need for overtime pay to compensate for the shorter delivery week?

2. You were in front of the Postal Service’s congressional committee of jurisdiction one week ago and never mentioned your intention to initiate significant operational changes on March 3rd. In two recent inspector general reports, you were criticized for “incomplete” communications with Congress. Specifically, one of the reports concluded the following:

Although information provided by the Postal Service was generally accurate, the responses to Congress and the public on the extent and impacts of operational changes were incomplete. The Postal Service did not:

- Fully respond to questions and document requests made by members of Congress in July 2020.
- Share information on many of the specific initiatives implemented, including the additional cost-reduction actions that were initiated during the last several months, beyond those the Postmaster General initiated directly or was specifically asked about by members of Congress.
- Indicate that some of the initiatives that started prior to the arrival of the Postmaster General were being accelerated to more quickly achieve projected savings.
- Broadly communicate the planned changes with mailing industry customers or coordinate on potential service impacts.¹

Did you inform Congress about these operational changes before announcing their implementation?

¹ Office of Inspector General, United States Postal Service, *Operational Changes to Mail Delivery* (Oct. 19, 2020) (online at www.uspsoig.gov/sites/default/files/document-library-files/2020/20-292-R21.pdf).

3. Please provide a list of all the stakeholders you engaged when developing these operational changes, the dates on which you met them, and which individuals were in these engagements.
4. Did you provide the Board of Governors or the Postal Regulatory Commission with the details of these operational changes prior to announcing their implementation?
5. I recently had a constituent reach out to me, concerned over the lapses in postal service. This constituent said:

We ship our coffee to customers by Priority 2-day mail using USPS boxes. Our mail order business has grown exponentially since COVID and has been the lifeline that has kept Beanetics afloat. In December, more than 30% of our priority shipments were late by over a month. It has improved to about 20% being late, with late arrivals showing up 5-8 days after shipment instead of the expected 2 days. The boxes sent to customers in the local region seem to have the highest percentage of delays. Given that our customers are attracted to our product because it is freshly roasted, and they shop anticipating a 2- to 3-day delivery timeframe, we have received many complaints and are concerned that some of our customers will migrate away from us.

What is the USPS doing to improve package service performance, and how can small businesses like this one seek assistance from the USPS in resolving consistently delayed and missing packages?

6. How will you ensure that any hike in rates will not result in reducing the customer base and harming the Postal Service's long-term financial viability, when mailers seek alternatives to using the Postal Service?
7. How does the recent \$482 million Postal Service contract for a modern delivery vehicle fleet ensure that the fleet is electric or hybrid?
8. As of receipt of these questions for the record, how many Postal Service employees have been vaccinated for COVID-19?
9. Are there states or jurisdictions that are unwilling to prioritize vaccines for frontline Postal Service employees? If so, which ones?
10. Will you remain committed to sharing regular updates to Congress on the number of COVID-related infections and employee absences related to COVID?
11. Mr. DeJoy, in your November 2, 2020, and December 3, 2020 periodic transaction reports filed with the Office of Government Ethics, you disclosed numerous sales of interests in XPO Logistics. Who did you sell these interests to,

and what were the terms of the sales? Where these stocks transferred for cash or through a note such as an I.O.U?

12. Mr. DeJoy, did you roll over the proceeds of the sales of your XPO interests into diversified mutual funds, as required by your receipt of a Certificate of Divestiture?
13. Mr. DeJoy, an increasing number of Americans are receiving their medications by mail. In recent months, the United States Postal Service has faced criticism for delays affecting customers receiving their medications on time. Your periodic transaction reports filed with the Office of Government Ethics in July and September 2020, shows purchases, some of which are fairly large, of stocks and stock options of pharmaceutical companies such as Merck, Gilead, Abbvie, Bristol Myers Squibb, Eli Lilly, Pfizer, and GlaxosmithKline. While many of these holdings are individually under the de minimis exemption level, many exceed the threshold when your interest in any one company is aggregated with your interest in other companies affected directly by a particular matter in which you participate. Would you agree that given that a number of your new holdings are in the same industrial sector in which the Postal Service operates could create the potential for conflicts of interest, or at the very least the appearance of a conflict of interest? Why did you decide to purchase these new holdings after becoming Postmaster General?
14. Have you at any time ever either given someone money or any thing of value in an assumption that it would be used for a political contribution in their name, either in advance of their making a contribution or as a reimbursement after they made a contribution?

**Questions for Mr. Louis DeJoy
Postmaster General, United States Postal Service**

Questions from Representative Katie Porter

February 24, 2021, Hearing: “Legislative Proposals to Put the Postal Service on Sustainable
Financial Footing”

1. The Washington Post recently reported that the Postmaster General intends to introduce a new strategic plan for the Postal Service in the near future, a fact that the Postmaster General confirmed in his recent comments to the Board of Governors. What underlying analysis has the Postal Service conducted to assess the impacts of your proposed Strategic Plan? Will you commit to providing to this Committee any analysis or assessments of the Strategic Plan? If not, why?
2. Please provide for the Committee documents related to the development of the soon to be published strategic plan for the United States Postal Service, including:
 - Any contracts with consulting firms or other entities outside of the United States Postal Service who contributed to this report either in the form of research, data, recommendations, writing, or other forms of work;
 - The divisions of staff who contributed to the report, including any individuals embedded in the United States Postal Service from outside entities who took part in researching, writing, advising, or compiling the report;
 - Any outside entities who provided input in the development of the report, including but not limited to consultants, academics, political figures, elected officials, union leaders and members, and postal employees; and
 - Any strategic analysis that was conducted of the report that details how the implementation of the recommendations in the report will or will not save money for the Postal Service and will or will not alter services provided by the Postal Service in any way.
3. Prior to publishing the report, will you provide it to the Board of Governors for their feedback and incorporate said feedback into the report? If not, please detail your reasoning for choosing not to do so.
4. Were any Congressional leaders given the opportunity to provide substantive feedback on the specific details of this plan before it was approved by management and the Board? If so, who and how were these members selected? If not, why did you not provide opportunities for Congressional feedback?
5. Will you commit to releasing your strategic plan and giving the public time for feedback before it is implemented, similar to the procedure for notice and

rulemaking required under the Administrative Procedure Act? If not, please explain why.

**Questions for Mr. Louis DeJoy
Postmaster General, United States Postal Service**

Questions from Representatives Jackie Speier and Jimmy Gomez

February 24, 2021, Hearing: “Legislative Proposals to Put the Postal Service on Sustainable
Financial Footing”

1. The USPS announcement states that the vehicles under this contract will be designed to be upgraded as better technology becomes available. How much would those upgrades cost per vehicle?
2. Did you consider the social cost of carbon in comparing fuel costs to electric charging infrastructure costs?
3. Can you explain how a ‘total cost of ownership’ comparison between gas-powered and EVs resulted in a 10% EV fleet recommendation?
4. If 10% of the fleet being electric makes 'total cost of ownership' sense, can you explain why it is not 100%?
5. Can you please provide detailed information on the bidding process for the new vehicle contract, including a list of companies who submitted bids, what criteria was used to evaluate the bids, and whether a company’s ability to manufacture electric vehicles was considered in the selection process?
6. OshKosh Defense makes a Joint Light Tactical Vehicle (JLTV), but we are unaware of their electric vehicles prototype. Please provide specs on this vehicle.
7. How did OshKosh demonstrate the feasibility of retrofitting electric technology?
8. Will OshKosh be able to domestically source the parts for electric vehicles, especially the batteries?
9. How did OshKosh demonstrate that it has the software engineering capabilities to produce electric vehicles?
10. Our understanding is that most postal routes are less than 20–30 miles and make them a natural choice for even EVs with modest ranges. Can you explain how gasoline fueling is preferable to electric charging given the short-range requirements for postal routes?
11. What will the USPS response be when Congress conditions additional USPS funds on fleet electrification?

Questions for Postmaster General Louis DeJoy
United States Postal Service

February 24, 2021

Hearing with Postmaster General and Stakeholders on Legislative Proposals to Help Postal Service

Questions from Rep. Jake LaTurner

- 1) Do you support the so-called Postal Banking initiatives discussed in today's hearing? If no, please elaborate your concerns.
- 2) Would the Postal Service be required to hold significant capital to back up its operations, like banks do? Or is it just assumed that the US Government will assume all the risk?
- 3) Would deposits enjoy FDIC insurance? If so, would the FDIC supervise the Postal Service?
- 4) How would consumers be protected? Would the same consumer protection rules that apply to banks apply to the Post Office? What would be the role of the CFPB? Who would oversee this?
- 5) How would the Postal Service carry deposits on its balance sheet? Would it lend against them? Invest them? Given deposits are treated as an obligation—a debt to consumers—would consumer success cause the Postal Service's debts to balloon?
- 6) What happens to consumer deposits if the Postal Service is ever put through a bankruptcy proceeding to wipe away its legacy obligations?