



NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

National Headquarters
1727 KING STREET, SUITE 400
ALEXANDRIA, VA 22314-2753
(703) 836-9660

Statement of
Chuck Mulidore
Executive Vice President
National Association of Postal Supervisors

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Chairman Comer, Ranking Member Raskin and members of the committee, thank you for extending the National Association of Postal Supervisors (NAPS) the privilege to share with the committee the views of the approximately 47,000 postal supervisors, managers and postmasters NAPS represents. I am Chuck Mulidore, the Executive Vice President of NAPS.

As you may know, NAPS members serve as frontline guardians in securing and enhancing our national mail system by managing its processing, delivery, retail, administrative and support functions. NAPS members are proud of the 250-year history of the United States mail system and pledge to fight for its viability into the foreseeable future.

NAPS knows the committee is aware that postal supervisors, managers and postmasters are essential to this nation's most-trusted federal agency and, therefore, NAPS is appreciative of the committee's statutory, diligent, comprehensive and necessary postal oversight.

NAPS values the chairman and ranking member's appreciation that the Postal Service is not an autonomous profit-driven corporate entity; rather, it is a national treasure, established in the U.S. Constitution for the benefit of our citizens. Its modern incarnation remains an independent establishment within the executive branch of our government, and a vital part of the nation's essential infrastructure. The Postal Service's most important stakeholder is the American public – your constituents. As such, legislative oversight and the regulatory oversight exercised by Congress and the Postal Regulatory Commission (PRC) are crucial. Moreover, in 1996, Congress felt it necessary for and added a layer of oversight through the Postal Inspector General, a position independent of postal management, hired by and reporting directly to the presidentially nominated Postal Board of Governors.

Notwithstanding this oversight and legislative authority, a considerable portion of the Postal Service's financial challenges are rooted in several decades-old harmful congressional and White House decisions that have destabilized the agency, both operationally and financially. For example, three decades ago, Congress imposed on the Postal Service retirement and health insurance charges intended to offset ongoing federal budget deficits. Inasmuch as Postal Service operations were funded by postage, not through annual appropriations, numerous past congresses raided the Postal Service as a cash cow to reduce the federal budget deficit. Ironically, this was after Congress, in 1989, moved the Postal Service "off-budget." This hard-fought action was intended to protect it from congressional budget tampering.

About 20 years ago, it was discovered that the Postal Service was overpaying into the Civil Service Retirement and Disability Trust Fund by about \$3 billion per year. Instead of refunding the Postal Service its overpayments and waiving future contributions, Congress forced the Postal Service to divert future overpayments into an "escrow fund," with the fund's disposition to be decided later by Congress. Subsequently, Congress enacted legislation to shift the military retirement credit of postal employees from the U.S. Treasury to the Postal Service. This budget sleight-of-hand pilfered the escrow and then some, totaling about \$27 billion.

And then, in 2006, Congress passed the Postal Accountability and Enhancement Act. One of the statute's provisions forced the Postal Service to prefund future retirement liabilities – an obligation carried by no other entity, public or private. The prospective assessment totaled \$5.5 billion to \$5.8 billion per year from 2007-2016. Fortunately, the 2022 Postal Reform Act relieved the Postal Service of this punitive obligation. Indeed, when evaluating the Postal Service's current financial condition, an honest and responsible examination will consider the punitive and unfair way in which the Postal Service has been treated in the past.

The Postal Service has also been forced to refute untrue allegations about its conduct in delivering and processing absentee ballots. NAPS believes Americans are grateful for the work that the U.S. Postal Service employees perform in furthering American democracy. In the three most recent federal elections – conducted in 2020, 2022 and 2024 – there has been no credible evidence of any fraud involving Americans who chose to exercise their right to vote by mail. Indeed, in the 2024 election, the Postal Service processed over 99.2 million election ballots and transmitted those ballots from the voter to the election authority on the average of just one day.

Notwithstanding the exemplary USPS performance in recent elections, NAPS is deeply concerned with postal performance associated with implementation of the Delivering for America (DFA) initiative. Postal leadership endeavors to make this the hallmark of the modern Postal Service, but the performance data resulting from the DFA's roll-out plan has been a blemish on the agency. With the increased transparency resulting from the Postal Reform Act of 2022, the diligent work of the Postal Inspector General, the regulatory surveillance of the PRC, and the legislative oversight of the House and Senate committees of jurisdiction, the American public and their elected leaders can objectively evaluate the DFA thus far.

One of the more recent and worrisome aspects of the DFA initiative is the Postal Service's post-Thanksgiving concession that it will fail to meet its fiscal year 2024 performance standards with the DFA, and, therefore, proposes to downgrade its target for fiscal year 2025. On Friday, November 29, the agency announced a significant reduction in its performance targets for single-piece First Class Mail.

In 2024, the Postal Service's strived to meet a performance target of 93% on-time for two-day delivery and 90.3% for three-to-five-day delivery. The day after Thanksgiving, the agency advised its regulator that it was lowering its target for 2025 to 87% for two-day delivery and 80% for three-to-

five-day delivery. To fully understand the magnitude of this operational gap, you need to recall that, in 2021, the Postal Service, with much fanfare, declared that it would meet a 95% on-time performance standard as it moved air transit mail to ground carriage if it was permitted to extend the delivery window by one day. As the committee knows, the Postal Service never met that target and the DFA has widened the distance between the target and actual performance. It would be instructive to know what specific factors led the Postal Board of Governors to approve the new performance targets.

As NAPS has previously testified before this committee, the Postal Service moved much too fast in implementing the plan, without the constructive input of its frontline managers who would be tasked with implementing the plan. Moreover, we continue to be distressed by the impact the DFA has had and will continue to have on rural mail service. Eliminating afternoon mail collection from postal units more than 50 miles from one of the USPS' Regional Processing and Distribution Centers would further degrade rural service by delaying mail transit from the point of mail acceptance to delivery for rural postal customers. In fact, at a September 26 hearing conducted by House Appropriations Financial Services and General Government Subcommittee Chair David Joyce, the Postmaster General admitted that the local incarnation of this regional transportation initiative – Local Transportation Optimization – blew up on the launch pad in Wisconsin.

NAPS hopes the current PRC review of the USPS' request for an advisory opinion on the DFA will have an informative, constructive and positive impact on the Postal Service's decision-making as the agency deliberates over the future of the DFA. For its part, NAPS "intervened" in the docket and submitted a series of on-the-record questions relating to the plan's fidelity to Title 39's requirement that the USPS prioritize prompt universal mail service and concerns about rural service degradation. In addition, we asked about employee and transportation availability assumptions and to what extent the Postal Service assessed customer expectations prior to implementation.

Last week, the PRC conducted its long-awaited public hearing associated with the USPS' request for an advisory opinion on the DFA. It was illuminating that under PRC questioning, the Postal Service sought to defend a potentially flawed DFA design. Specifically, the operational design used to build the specifics of certain aspects of the DFA failed to incorporate its USPS transportation and processing networks into a unified postal system. As a result, the evaluations of transportation and processing were conducted in their own silos.

Moreover, USPS responses to PRC questioning reflected that the DFA design did not consider numerous random variables that could affect mail delivery, transportation and processing. Indeed, integrating random variables into its operational modeling might have created the mechanisms to prevent the operational breakdowns that took place in such areas as Virginia, Georgia and Texas.

Mr. Chairman, Ranking Member Raskin and committee members, it is NAPS' hope that the Postal Service responsibly and comprehensively considers the advice of the PRC, this committee and its supervisors, managers and postmasters before taking further steps in moving forward with the DFA. Thus far, the record speaks for itself.

As we progress to the next congressional term, NAPS looks forward to our continuing dialogue with the chairman and members of the committee to ensure the viability and vitality of a universal, national mail system.

Thank you.