

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051
MINORITY (202) 225-5074

<https://oversight.house.gov>

MEMORANDUM

September 1, 2022

To: Members of the Subcommittee on Government Operations

Fr: Subcommittee Staff

Re: Hearing on “Delivering for Pennsylvania: Examining Postal Service Delivery and Operations from the Cradle of Liberty”

On **Wednesday, September 7, 2022, at 11:00 a.m. ET**, the Subcommittee will hold a hybrid hearing on the U.S. Postal Service’s mail delivery performance, worker safety, efforts to reduce mail theft, and other issues of significance. The hearing will convene in **the 1810 Liacouras Walk building at Temple University; Philadelphia, Pennsylvania; and remotely on the Zoom video platform**.

I. BACKGROUND

In 1970, Congress passed the Postal Reorganization Act, which created the Postal Service “as an independent establishment of the executive branch of the Government of the United States.”¹ Under federal law, the Postal Service is “a self-supporting, independent federal agency and the only delivery service that reaches every address in the United States.”²

The Postal Service provides mail delivery to more than 163 million delivery points each day and operates more than 31,000 post offices nationwide. Today, the Postal Service employs 516,636 career employees and 136,531 non-career employees. It is the foundation for a more than \$1.6 trillion mailing industry that employs more than 7.3 million people nationwide.³ The Postal Service delivers 46% of the world’s mail and operates a delivery fleet of 232,368 vehicles.⁴

¹ Pub. L. No. 91-375 (1970).

² United States Postal Service, *Fiscal Year 2020 Annual Report to Congress* (Dec. 11, 2020) (online at <https://about.usps.com/what/financials/annual-reports/fy2020.pdf>); United States Postal Service, *Fiscal Year 2021 Annual Report to Congress* (Dec. 29, 2021) (online at <https://about.usps.com/what/financials/annual-reports/fy2021.pdf>).

³ United States Postal Service, *Postal Facts* (online at <https://facts.usps.com/people/>) (accessed Aug. 1, 2022).

⁴ *Id.*

Since Postmaster General (PMG) Louis DeJoy’s tenure began in June 2020, the Postal Service has undergone significant operational and organizational changes, leading to reduced delivery service performance since the coronavirus pandemic. According to an audit from the U.S. Postal Service Office of Inspector General, the Postal Service’s on-time delivery rate (also known as “service performance”) began “significantly declining between July and December 2020 to a low of 67.43% of on time deliveries nationwide at the end of December.”⁵ Service performance has partially recovered since then yet remains a couple of percentage points below the level prior to PMG DeJoy’s tenure.⁶

In April 2022, President Biden signed into law the Postal Service Reform Act (PSRA), removing the Postal Service’s 75-year pre-funding requirement for health benefits. The PSRA—championed by the full Committee Chairwoman Carolyn B. Maloney, Chairman Gerald E. Connolly, and full Committee Ranking Member James Comer, among others—catalyzed the Postal Service to end the third quarter of fiscal year 2022 with a net income of \$59.7 billion, compared to a \$3 billion net loss for the same period last year.⁷ This windfall eliminated the losses accumulated from 2006-2016 by eliminating a requirement that the Postal Service pre-fund its retiree healthcare benefits that was enacted in 2006, placing the Postal Service on firmer financial ground in the short term. Among its other provisions, the PSRA requires new Postal Service retirees, who have been paying into Medicare their entire careers, to enroll in Medicare. This “Medicare integration” provision should save approximately \$22.6 billion over ten years, restoring long-term financial viability to the Postal Service.

II. HEARING PURPOSE

Building on the Subcommittee’s previous field hearings in both Chicago and Baltimore, this hearing will review Postal Service performance in Pennsylvania over the past year. In addition, this hearing will examine recent increases in postal mail theft and crime nationwide, as well as postal employee safety, with a focus on incidents in Pennsylvania.⁸

III. WITNESSES

Mr. Ivan Butts
President
National Association of Postal Supervisors

⁵ United States Postal Service, Office of Inspector General, *Audit Report: Service Performance—First-Class Single Piece Letter Mail* (Sept. 3, 2021) (21-047-R21) (online at www.uspsoig.gov/sites/default/files/document-library-files/2021/21-047-R21.pdf).

⁶ Postal Regulatory Commission, *Quarterly Service Performance Reports* (online at www.prc.gov/dockets/quarterly-performance) (accessed Aug. 31, 2022).

⁷ *Id.*

⁸ United States Postal Service, Office of Inspector General, *U.S. Postal Inspection Service Pandemic Response to Mail Fraud and Mail Theft* (May 20, 2021) (online at www.uspsoig.gov/document/us-postal-inspection-service-pandemic-response-mail-fraud-and-mail-theft).

Mr. Gary Vaccarella
DE-PA2 District Manager
U.S. Postal Service

Ms. Melinda Perez
Assistant Inspector General for Audit
U.S. Postal Service Office of Inspector General

Mr. Frank Albergo
National President
Postal Police Officers Association

Staff Contacts: Wendy Ginsberg, Annaliese Yukawa, and Brian Maney at (202) 225-5051.