

# STATEMENT OF

## DELAWARE-PENNSYLVANIA-2 DISTRICT MANAGER

## GARY J. VARCCARELLA

before the

House Committee on Oversight and Reform

**Subcommittee on Government Operations** 

Field Hearing: "Delivering for Pennsylvania: Examining Postal Service Delivery and Operations from the Cradle of Liberty"

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## Introduction

Good morning Chairman Connolly, Ranking Member Hice, members of the subcommittee, and members of the Pennsylvania delegation. Thank you for the opportunity to discuss our commitment to service excellence, our preparedness for the upcoming 2022 election cycle, and our initiatives to protect the safety and security of the mail system and those who work in it. We recognize that your constituents depend on the Postal Service for timely and reliable mail service. Our organization is laser-focused on our mission to provide timely and universal service.

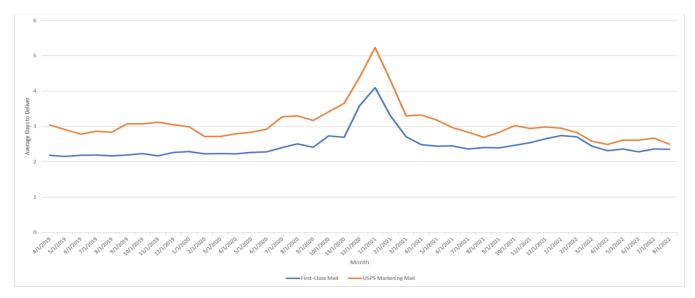
My name is Gary Vaccarella and I currently serve as the District Manager for the Delaware-Pennyslvania-2 District. I began my postal career as a clerk in 1985 at the Ft. Pierce Florida Post Office. I previously served as the District Manager of the Western New York District, Postmaster of Baltimore, Maryland and Orlando, Florida, and various other leadership positions throughout the organization.

Pennsylvania is served by two postal districts. The Pennsylvania-1 (PA-1) District covers the western portion of the state. The Delaware-Pennsylvania-2 (DE-PA-2) District covers the eastern portion of the state and the state of Delaware. Together, through the hard work and dedication of 29,000 employees, these two districts reach over 5 million delivery points. This is no small feat, but our employees are committed to providing excellent service for our customers no matter the challenge.

I would also like to thank Congress for enacting the Postal Service Reform Act of 2022 (PSRA). As outlined in our Delivering for America 10-year strategic plan, enactment of the PSRA is a key component of restoring the Postal Service to financial stability. While the Subcommittee is aware that the legislation repealed the requirement that the Postal Service annually prepay future retiree health benefits and canceled all past due prefunding obligations—as emphasized in our most recent 10-Q financial filing—the one-time, non-cash \$59.6 billion impact is not reflective of our true financial condition. This accounting adjustment was not an infusion of cash, and we still have a long road and a lot of hard work ahead in our 10-year transformation to ensure the long-term financial sustainability of the Postal Service.

#### Service Performance in Pennsylvania Improved Steadily Over the Past Year and Remains Steady

The Postal Service's service performance in Pennsylvania is strong. Both Pennsylvania districts are consistently ranking among the highest performing districts in the country, with recent service scores reliably exceeding 90 percent for mail and package products. In fact, to further illustrate our reliability, the following chart shows that the current average days to deliver mail in Pennsylvania when compared to pre-pandemic averages has remained steady for First-Class Mail and has improved for Marketing Mail. This trend is also reflective of national averages.



## Average Days to Deliver Mail Trend – Pennsylvania

Despite past challenges in some areas of Pennsylvania, customers can reliably expect the Postal Service to deliver mail and packages in a timely manner at least six-days a week. In addition, you can be assured that when service challenges do occur, we implement a series of actions that result in positive service performance developments for our customers. While continuous improvement is always a goal, I am confident that service will remain steady or improve in both the near-term and long-term.

The importance of the Postal Service has never been clearer. Our employees served on the front lines during the pandemic delivering packages, prescription drugs, and essential mailings to those who needed them. Most recently, the Postal Service successfully delivered COVID-19 test kits to millions of Americans. In Pennsylvania, we delivered 6.5 million test kits to Keystone residents, with most tests being delivered within a day of being shipped. Test kits were processed through our Philadelphia, Pittsburgh, and Harrisburg plants, highlighting the importance of an efficient processing and delivery network. We cannot be deterred in our mission to deliver.

## Past Challenges Explained

Like other employers, the COVID-19 pandemic had significant effects on our operations, including in Pennsylvania. The primary factors contributing to past service performance challenges in some areas of Pennsylvania were a result of employee complement and availability.

As in other parts of the country, Pennsylvania experienced staffing shortages related to the COVID-19 pandemic. The lack of employee availability, especially in 2020, 2021, and early 2022, led to inconsistent delivery and service at times. The Families First Coronavirus Response Act and Emergency Family Medical Leave Act of 2020 provided postal employees with up to 80 hours of Emergency Paid Sick Leave (EPSL), as well as expanded FMLA benefits to allow employees to take up to 12 weeks of leave for qualifying reasons from April 1, 2020, through December 31, 2020. The Postal Service fully supported use of these benefits, and Pennsylvania employees used 219,348 hours of related leave, which equates to 27,419 lost workdays.

Later, the American Rescue Plan Act of 2021 provided postal employees with up to 600 hours Emergency Federal Employee Leave (EFEL) in response to the ongoing pandemic. The law was enacted with the understandable consequence that employee availability would be affected, particularly for federal agencies. At the time the benefit expired, Pennsylvania employees used 16,500 hours, which equates to 2,063 lost workdays.

Additionally, under federal law and our collective bargaining agreements, positions held by those on leave are reserved for the eventual return of absent employees, and limits on the size of our workforce mean that the necessary work must be absorbed by the remaining employees. Periods of high employee absences impact operations as managers and supervisors work to balance available employee workhours with operational demands. However, we have seen an improvement in attendance since the expiration of the EFEL benefit, though availability has remained fluid with the evolution of COVID-19 variants.

#### Management Actions Driving Continuous Improvement in Pennsylvania

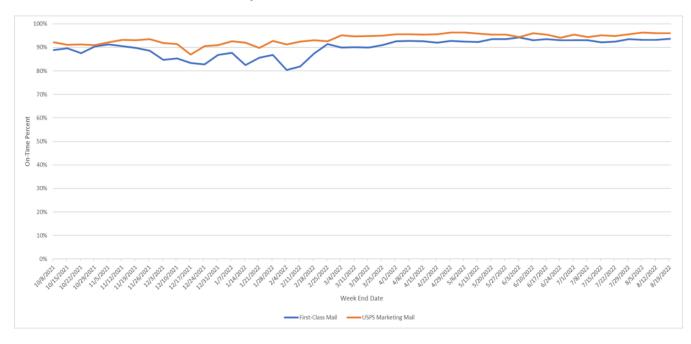
To address employee availability issues, which caused service disruptions in some areas of the state, postal leadership is taking proactive steps to hire more carriers, loaning delivery employees from other areas to understaffed units whenever possible, and monitoring daily staffing levels. Furthermore, robust data and analytical reports alert us to possible issues that may impact service, allowing local and district management to address service issues promptly and efficiently before they mature.

The DE-PA-2 District has hired 1,649 City Carrier Assistants (CCAs) and 457 Rural Carrier Associates (RCAs) in the past 12 months in Pennsylvania. The PA-1 District hired 1,313 CCAs and 906 RCAs in the past 12 months. These are non-career representatives of our workforce who perform the same duties as career carriers. These positions are often a gateway to career positions.

To hire more employees, district officials are holding multiple job fairs, using social media and traditional platforms to advertise openings, and encouraging current employees to spread the word about job opportunities. The Postal Service offers competitive pay and benefits, and acceptance of a CCA, RCA, or Postal Support Employee (clerk) position is a gateway to a career position.

Furthermore, we established a plan to ensure that, in the event any portion of a route could not be delivered on a particular day, it receives delivery on the following workday. District management officials communicated the importance of plan adherence to delivery management in the field, and they continue to monitor compliance.

As demonstrated by the chart below, our improvement actions have resulted in steady and reliable service excellence in Pennsylvania. Service performance for First-Class Mail and Marketing products consistently exceed 90 percent, with current First-Class Mail service performance reaching 95.95 percent and 93.65 for Marketing Mail.



## Service Performance Trends – Pennsylvania

#### **Election Mail Preparedness**

The Postal Service understands that our customers depend on us for high quality, reliable service, especially during election season. The Postal Service is responsible for processing, transporting, and delivering the nation's Election Mail. We provide a secure, efficient, and effective way for citizens to participate in elections when public policy makers choose to utilize the mail as part of their election system, and as in previous years, we are committed to the secure and timely delivery of Election Mail during the 2022 election cycle.

We have a robust and tested process for proper handling and timely delivery of Election Mail and we are working tirelessly to ensure our operational preparedness for the November General Election. We will rely on our longstanding policies and procedures, which have proven successful in facilitating the timely delivery of Election Mail and will reinforce key messages throughout our workforce leading up to Election Day.

## A Track Record of Election Mail Success

The Postal Service successfully managed and delivered unprecedented ballot mail volumes for the American public during the 2020 election cycle, and we are proud of our performance as a delivery organization in that election and subsequent elections. Our successful performance proved that we have the capacity to handle high vote-by-mail turnout.

In 2020, we delivered at least 135 million ballots to or from voters in the general election with 99.89 percent of ballots in measurement delivered within seven days, consistent with the guidance we provided voters throughout the election cycle, and 97.9 percent of ballots from voters to election officials delivered within three days. Overall, on average, in 2020, we delivered ballots to voters in 2.1 days. More importantly, on average, we delivered ballots from voters to election officials in just 1.6 days.

In 2021, we delivered more than 63 million ballots with 99.95 percent in measurement delivered within seven days, and 99.31 percent of ballots delivered within three days. The average time for a ballot to reach voters was 2.2 days, and the average time for ballots from voters to election officials took 1.4 days.

Similarly in the 2022 primaries, we have delivered over 46 million ballots to and from voters so far. On average, 99.94 percent of ballots have been delivered in measurement from voters to election officials within seven days and 99.51 percent of ballots from voters to election officials within three days. Furthermore, average delivery time has been 1.79 days from election officials to voters and one day to deliver completed ballots from voters to election officials.

#### Postal Service Outreach to Pennsylvania Election Officials

Every federal election cycle, the Postal Service makes efforts across the nation to inform local and state election officials about mailing procedures, our operational standards, and our recommended best practices for utilizing the mail. The Postal Service has continued this proactive outreach with local election officials and chief state election officials, like Secretaries of State, in 2022. These outreach efforts are led by 50 Managers of Customer Relations (MCRs) who serve as the primary points of contact for election officials and address concerns and resolve issues reported to the Postal Service.

Our Election Preparedness Meetings with State and Local Election Officials are already underway. We held the Pennsylvania primary outreach in April 2022 with over 84 State Election Executives and Local Election Administrators in attendance. The general election outreach is scheduled for Tuesday, September 20, 2022. In these meetings, we gain clarity on the States' election rules, offer recommendations related to Election Mail, and describe operational best practices that election officials should consider if they choose to use the mail as a part of their elections.

#### **Employee, Mail, and Facility Security**

Mail security and the safety of our employees are our top priorities, and we share community concerns about recent increases in mail theft from collection boxes and robberies of letter carriers in Pennsylvania and other areas of the country. As you know, the U.S. Postal Inspection Service is the federal law enforcement and security arm of the Postal Service. Its mission is to support and protect the U.S. Postal Service and its employees, infrastructure, and customers; enforce the laws that defend the nation's mail system from illegal or dangerous use; and ensure public trust in the mail.

The Postal Inspection Service is made up of three categories of employees: (1) U.S. Postal Inspectors; (2) Professional, Technical and Administrative (PTA) employees; and (3) Postal Police Officers (PPOs). U.S. Postal Inspectors are federal agents charged with investigating any crimes with a Postal Service nexus across the country, including mail theft and robberies. PTA employees provide investigative and administrative support for Postal Inspectors and their work in investigations and security. PPOs are the uniformed branch stationed in twenty cities and were first created in 1970 to deter internal and external crime at our Processing and Distribution Center in Philadelphia. Since that time, PPOs have been stationed at facilities with large numbers of employees,

contractors, and customers; and that offer various services or contain large amounts of mail. The PPOs play a vital role in protecting the people, mail, and facilities on those properties.

While we are aware of legislative proposals to expand PPO jurisdiction, because of that important role, if the jurisdiction of the PPOs was legislatively modified, the Inspection Service would likely not deploy them in a different manner than they are used today. PPOs are assigned to certain facilities because the Inspection Service has determined that these facilities require the presence of uniformed, trained, and armed officers. At those facilities, PPOs enforce order and act as a deterrent to criminals or employees who may wish to harm the people inside or compromise the U.S. Mail. Removing those officers from Postal Service property, where concentration of mail and employees exist, would not only put postal facilities at risk, but also the employees and customers who use those facilities every day. Because of the enormity of our operations - 163.1 million delivery points on approximately 233,000 letter carrier routes and 140,000 blue collection boxes - the potential is vanishingly small for one of the 581 PPOs to happen upon the theft of mail or a robbery in progress while on patrol. This off-chance of a patrolling PPO witnessing a postal crime actively in progress should be contrasted with the very real increase in risk to postal infrastructure, personnel, and customers that would occur at unguarded, high-risk facilities. Allowing PPOs to patrol the streets would not decrease mail theft or robberies, or improve letter carrier safety. It is the role of the Postal Inspectors to investigate these crimes. PPOs serve a vital role in the security of the nation's mail system, and that function should not be compromised through a modification of authority that would detract from the protection of the greatest amount of USPS employees, customers, and property.

## Combating Mail Theft and Robberies

Postal Inspectors are working to bring offenders to justice for stealing mail and for acts of violence and intimidation against USPS employees. Last year, Postal Inspectors made 1,511 arrests nationwide for mail theft alone. Fiscal-Year-To-Date nationwide arrests total 1,142. Unfortunately, we are also witnessing a recent increase in robberies of letter carriers for keys to steal mail, predominantly in major metropolitan areas like Philadelphia. This increase is likely attributable to a variety of factors, including the COVID-19 pandemic and its detrimental impact on people's lives, mental health, and financial stability. Additionally, the increase in parcels delivered by both USPS and private companies has created more opportunities for thefts. This upward trend is consistent with the general increase in all types of crime across the nation. While it is important to remember that violence against USPS employees is still very rare given the scale of USPS operations, one violent or threatening encounter is too many.

The increase in theft and associated robberies includes a shift in how mail thieves operate. While many instances of mail theft have traditionally been relatively unsophisticated and perpetrated by lone actors, recent trends demonstrate more organized criminal groups are seeking to steal identities and financial instruments from the mail. The growth of the dark web and encrypted messaging services have allowed criminals to traffic in financial instruments and personally identifiable information that can be taken from the mail in a much more organized and sophisticated manner. The Postal Inspection Service has dedicated resources to investigating illegal conduct on these platforms and will continue to monitor and protect against new threats as they change and evolve.

The Postal Inspection Service employs a multi-layered approach to combat mail theft and robberies. Postal Inspectors also work with Federal, state, and local law enforcement as a force multiplier in our efforts to ensure America's confidence in the U.S. Mail and for a safe and secure workplace for Postal Service employees. When it is suspected mail theft is being committed by a Postal Service employee, the Postal Inspection Service works closely with the U.S. Postal Service Office of Inspector General (USPS OIG) to identify and bring the guilty parties to justice. By utilizing the diverse roles of its employees and by working closely with its partners, the Postal Inspection Service can fulfil its mission to protect the mail and keep employees safe.

## Improving Collection Box Security

The Inspection Service works with USPS Engineering on security improvements for blue collection boxes nationwide. Many boxes that look relatively unchanged have received significant security enhancements inside of

the boxes. Criminals have been known to "fish" for mail out of the collection boxes using a line with a sticky substance. To defeat these attempts, many collection boxes have been retrofitted with a rake device that cuts the line as the criminal attempts to pull the line and mail back through it. Other criminals have used various tools to pry open the boxes – in these instances the Postal Service has reinforced the inside of the box to make it difficult to open the box with brute force. In some instances, traditional collection boxes have been replaced with a higher security model that uses a skinny slot for customers to slide their letter into the collection box.

We have also worked on the locking mechanisms for the boxes. In addition to key and lock enhancements, we are working on electronic coupling with the physical key/lock. We are currently piloting this program at select locations.

#### Prioritizing Crime Prevention

Stopping crime before it happens continues to be a priority. Postal Service employees are instructed to report collection boxes, apartment panels, and neighborhood cluster boxes that may be in disrepair or show signs of tampering.

Postal Inspectors also educate their law enforcement partners about mail theft, how to recognize signs of mail theft, how to properly report it, and how we can partner with them to investigate the matter. The Inspection Service also has robust communication and education campaigns with the public. Its website at USPIS.GOV and its social media channels give tips on how to protect your mail. Inspectors also conduct in-person presentations at HOA meetings, Senior Centers, and businesses. They also provide various tips on how people can protect themselves, their mail, and their personal information.

#### Conclusion:

I want to ensure the customers of Pennsylvania that the Postal Service continues to deliver the mail safely and efficiently. Despite pockets of challenges related to employee availability, the Postal Service cannot be deterred in our mission. As demonstrated by our work during the height of the pandemic and the 2020 election, the Postal Service remains an essential service for the American people.

Overall, service performance in Pennsylvania has improved since the height of the pandemic, and our national and state service scores for First-Class Mail, Marketing Mail, and our competitive products remain strong and above 90 percent. In addition, current average days to deliver mail in Pennsylvania when compared to prepandemic averages has remained steady for First-Class Mail and improved for Marketing Mail.

The Postal Service also stands ready to ensure a successful 2022 election cycle for those using the nation's mail system to vote. We are working tirelessly to ensure our operational preparedness for the November General Election and will rely on our longstanding policies and procedures, which have proven successful in facilitating the timely delivery of Election Mail. We have also already begun our robust and proactive outreach initiatives to state and local election officials to strongly encourage best practices for election official and voter use of the mail system.

The Inspection Service is faithfully executing their mission to protect the nation's mail. They are using all the tools available to investigate criminals who tamper with the mail. Moreover, the Inspection Service looks forward to continuing the local, state, and federal partnerships that help ensure the safety of the mail.

I want to again thank the Chair, Ranking Member, members of the subcommittee, and members of the Pennsylvania delegation for holding this hearing. The supporting witnesses and I look forward to your questions.