# 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**

**November 10, 2022** 

**To:** Members of the Subcommittee on Government Operations

Fr: Subcommittee Staff

Re: Hearing on "The Holiday Rush: Is the Postal Service Ready?"

On <u>Wednesday</u>, <u>November 16</u>, <u>2022</u>, <u>at 2:00 p.m. ET in room 2154 of the Rayburn House Office Building and on the Zoom video platform</u>, the Subcommittee on Government Operations will hold a hybrid hearing to examine the United States Postal Service's performance during previous holiday seasons, preparation for this upcoming holiday season, and how changes to the Postal Service will affect its ability to deliver efficiently during future holiday seasons.

### 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." 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."

The Postal Service delivers mail to more than 163 million delivery points daily 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. The Postal Service delivers 46% of the world's mail and operates a delivery fleet of 232,368 vehicles.<sup>3</sup>

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

<sup>&</sup>lt;sup>1</sup> Pub. L. No. 91-375 (1970).

<sup>&</sup>lt;sup>2</sup> 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).

<sup>&</sup>lt;sup>3</sup> United States Postal Service, *Postal Facts* (online at https://facts.usps.com/people/) (accessed Oct. 25, 2022).

delivery service performance during the coronavirus pandemic. According to 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." Service performance has partially recovered since then, although it remains below the level prior to PMG DeJoy's tenure.

During the past four years, on-time delivery performance for both packages and mail dropped during the first quarter of the fiscal year (October-December). Increases in mail volume and inclement weather events caused this drop in on-time delivery rates. In 2021, between Thanksgiving and New Year's Eve (a portion of the first quarter of fiscal year 2022), the Postal Service processed 13.2 billion pieces of mail, packages, and cards. The Postal Service processed 12.6% more mail during the first fiscal quarter of 2022 than in the fourth quarter of 2021. This increase in volume places additional strain on the Postal Service's workforce and logistics network.

Building on the Subcommittee's previous hearings in Chicago, Baltimore, and Philadelphia, this hearing will examine how the Postal Service has worked to improve its operations during its peak season, which runs from November through most of January. This hearing will also explore the Postal Service's preparations for this and future peak seasons.

#### II. WITNESSES

### Ms. Tammy Whitcomb Hull

Inspector General U.S. Postal Service

#### Mr. Edmund A Carley

National President United Postmasters and Managers of America

#### Mr. Paul V. Hogrogian

<sup>&</sup>lt;sup>4</sup> 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).

<sup>&</sup>lt;sup>5</sup> Postal Regulatory Commission, *Quarterly Service Performance Reports* (online at www.prc.gov/dockets/quarterly-performance) (accessed Aug. 31, 2022).

<sup>&</sup>lt;sup>6</sup> United States Postal Service, Office of the Inspector General, *Service Performance* (online at www.uspsoig.gov/service-performance) (accessed Oct. 26, 2022).

<sup>&</sup>lt;sup>7</sup> United States Postal Service, USPS Accepted More Than 13.2 Billion Mailpieces and Packages This Holiday Season with an Average Delivery Time of Less Than 3 Days (online at https://about.usps.com/newsroom/national-releases/2022/0106-usps-accepted-more-than-13-2-billion-mailpieces-and-packages-this-holiday-season.htm) (accessed Oct. 26, 2022).

<sup>&</sup>lt;sup>8</sup> United States Postal Service, *Revenue, Pieces & Weight (RPW) Quarter IV FY 2021* (online at https://about.usps.com/what/financials/revenue-pieces-weight-reports/fy2021-q4.pdf) (accessed Nov. 2, 2022); United States Postal Service, *Revenue, Pieces & Weight (RPW) Quarter I FY 2022* (online at https://about.usps.com/what/financials/revenue-pieces-weight-reports/fy2022-q1.pdf) (accessed Nov. 2, 2022).

National President National Postal Mail Handlers Union

## **Michael Plunkett**

President and CEO Association for Postal Commerce

## Additional Witnesses May Be Announced

Staff contacts: Wendy Ginsberg, Annaliese Yukawa, Brian Maney, Aidan Miller, and Asher Moss at (202) 225-5051.