



United States Senate Committee on
**Homeland Security &
Governmental Affairs**

U.S. Senator Gary Peters | Ranking Member

USPS Oversight Update

A HSGAC Minority Staff Report

USPS OVERSIGHT UPDATE

December 18, 2020

Senate Committee on Homeland Security and Governmental Affairs

Senator Gary Peters, Ranking Member

This update continues Ranking Member Peters' ongoing oversight of the United States Postal Service (USPS). This is Senator Peters' sixth update and report. While USPS has made needed improvements since Senator Peters first began his inquiry, this update assesses ongoing concerns at the Postal Service, including the strategic plan for changes to USPS finances and operations currently being formulated by U.S. Postmaster General Louis DeJoy and the U.S. Postal Service Board of Governors (the Board).

In August 2020, Senator Peters launched an investigation into operational changes to mail delivery directed by Postmaster General DeJoy in July 2020, one month after Mr. DeJoy took office. Senator Peters released a series of reports (available [here](#), [here](#), [here](#), [here](#), and [here](#)) detailing the extent of delivery delays and the harmful impacts Postmaster General DeJoy's directives had on veterans, seniors, and others who depend on the mail for prescription medication, package deliveries for small businesses, and other critical needs.¹ An October 20, 2020 report from the nonpartisan USPS Office of Inspector General confirmed that the July 2020 changes initiated by Mr. DeJoy and other senior Postal Service executives resulted in widespread delays.²

In response to congressional oversight and litigation, the Postal Service took steps to roll back some of these changes and Postmaster General DeJoy announced he would suspend certain changes until after the 2020 general election. However, the Postmaster General and the Board are currently working on a strategic plan that will likely include dramatic changes to USPS operations. Postal Service leadership has not yet provided the public with details about this plan or their planning process, including whether they will study the service impact of each proposal and how they will ensure meaningful stakeholder and public input, including public hearings required by law for any change that would affect nationwide service.³ Postal Service leadership has also failed to disclose whether they will reinstate prior changes that could affect mail delivery. Given DeJoy and the Board's actions in 2020, including their failure to assess how changes would impact mail delivery and delays, questions remain and must be addressed regarding how their approach could impact mail delivery in the coming months and years.

¹ U.S. Senate Committee on Homeland Security & Governmental Affairs, Minority Staff Report, *Failure to Deliver: Harm Caused by U.S. Postmaster General DeJoy's Changes to Postal Service Mail Delivery* (Sept. 16, 2020); United States Senate Committee on Homeland Security & Governmental Affairs, Minority Staff Report, *Interim Report on the Threat of Postmaster General DeJoy's Postal Service Delays* (Aug. 21, 2020).

² U.S. Postal Service Office of Inspector General, *Operational Changes to Mail Delivery* (20-292-R21) (Oct. 19, 2020) (<https://www.uspsoidg.gov/document/operational-changes-mail-delivery>). The OIG noted that while USPS has identified initiatives in the past to reduce work hours and contain costs, "prior year initiatives were not executed with the same velocity and consistency as the July 2020 initiatives."

³ 39 U.S.C. § 3661.

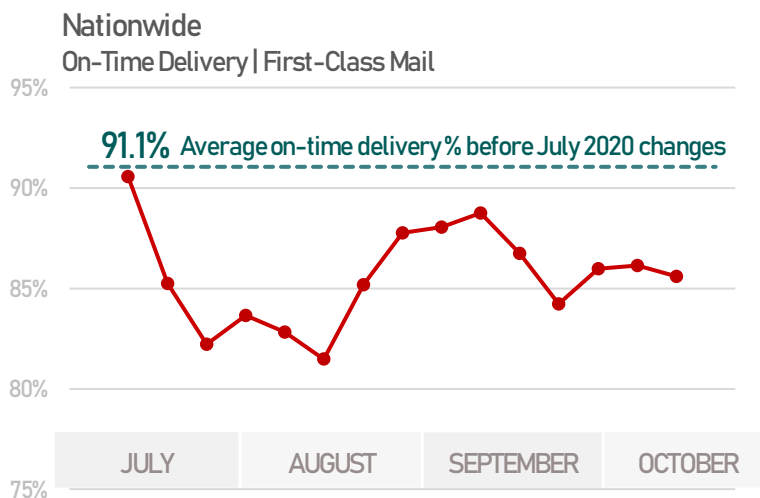
I. USPS Operational Changes & Investigation

A. Postal Service Changes Damaged Mail Delivery

In July 2020, Postmaster General DeJoy implemented and oversaw operational changes that resulted in increased mail delays and compromised mail service across the country. These changes to Postal Service operations included prohibiting late and extra delivery trips, a pilot program limiting overtime and delivery hours at post offices, and 57 other initiatives that postal executives designed to reduce work hours and cut costs.⁴

In August 2020, Senator Peters launched an investigation into these changes, secured a hearing with the Postmaster General, and released reports showing that on-time mail delivery, or service performance, declined precipitously nationwide in the wake of these changes.⁵ Senator Peters' investigation also found that Postmaster General DeJoy and USPS management failed to consider how these changes would impact mail service.

Senator Peters' reports analyzing USPS service performance data found that prior to the July 2020 directives, the Postal Service consistently delivered about 91% of First-Class Mail within the applicable timeframes.⁶ Nationwide on-time delivery plummeted starting in mid-July, and fell to 81.5% during the week of August 8–14, the lowest level seen all year. While on-time delivery



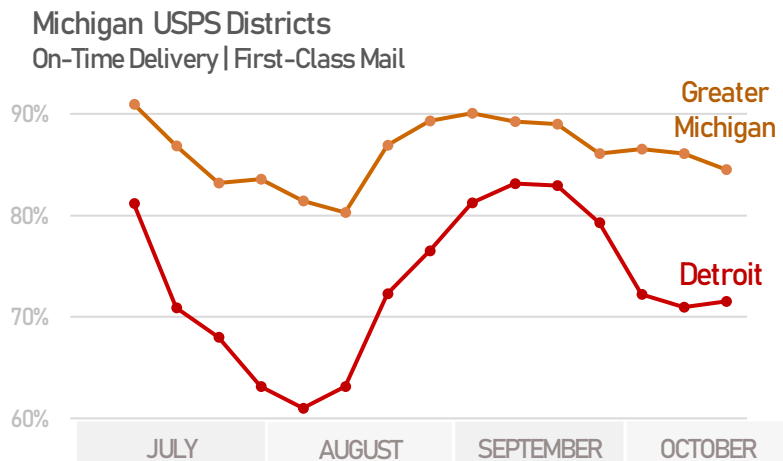
⁴ U.S. Senate Committee on Homeland Security & Governmental Affairs, Minority Staff Report, *Failure to Deliver: Harm Caused by U.S. Postmaster General DeJoy's Changes to Postal Service Mail Delivery* (Sept. 16, 2020); U.S. Postal Service Office of Inspector General, *Operational Changes to Mail Delivery* (20-292-R21) (Oct. 19, 2020) (<https://www.uspsoig.gov/document/operational-changes-mail-delivery>).

⁵ *Id.*; Senate Committee on Homeland Security and Governmental Affairs, *Examining the Finances and Operations of the United States Postal Service During COVID-19 and Upcoming Elections*, 116th Cong. (Aug. 21, 2020).

⁶ During the 8-week period from May 16 – July 10, nationwide on-time delivery rates for First-Class Mail ranged from a low of 90.4% to a high of 92.3%. The average on-time delivery score during this 8-week period was 91.1%.

improved after Postmaster General DeJoy halted certain changes on August 18 and in the wake of court orders, service remained inconsistent in some Districts.

In Michigan, on-time delivery in the Detroit District fell dramatically in July, reaching a low-point of only 61.0% in early August. In the Greater Michigan District, the decline was less severe, with on-time delivery falling to 80.3%. The Detroit District struggled to recover, and was one of the worst-performing Districts in the nation the week of October 10–16, when only 71.6% of First-Class Mail was delivered on time. This uneven recovery highlights the consequences of the Postal Service leadership’s actions in July 2020.



B. Postal Service Leaders Did Not Consider Impacts Of Changes On Customers

An October 20, 2020 report by the USPS Office of Inspector General confirmed Peters’ earlier findings that Postmaster General DeJoy and Postal Service executives implemented a series of initiatives in July 2020 that resulted in widespread delays. Many of these initiatives were focused on reducing work hours and thereby reducing costs. According to the Inspector General’s report, USPS set a goal of cutting 64 million work hours by the end of FY21.⁷ This goal represents a greater cut than the work hours reduced by the Postal Service’s most unpopular service reductions in recent years, including mass facility closures.⁸

The report also confirmed that USPS “did not complete a study or analysis of the impact the changes would make on mail service prior to implementation.”⁹ In addition, Mr. DeJoy did not seek an advisory opinion from the Postal Regulatory Commission, which the Postal Service is

⁷ U.S. Postal Service Office of Inspector General, *Operational Changes to Mail Delivery* (20-292-R21) (Oct. 19, 2020) (<https://www.uspsoig.gov/document/operational-changes-mail-delivery>).

⁸ Postal Regulatory Commission, *Advisory Opinion on Mail Processing Network Rationalization Service Changes* (Docket No. N2012-1) (Sept. 28, 2012) (https://www.prc.gov/docs/85/85269/Advisory_Opinion_%20PDF%20_09282012.pdf).

⁹ U.S. Postal Service Office of Inspector General, *supra* note 7.

required to do when it “determines that there should be a change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis.”¹⁰

On August 18, 2020, in the face of mounting pressure from Congress and the public, Postmaster General DeJoy announced he would suspend certain changes “until after the election is concluded.” He specified that no mail processing equipment or collection boxes would be removed, no processing facilities would be closed, post office hours would not be reduced, and overtime would continue to be approved as needed.¹¹ In several subsequent lawsuits brought by state attorneys general representing over a dozen states, federal judges across several jurisdictions ordered USPS to pause additional changes, including the prohibition on late and extra trips. The judges’ orders also enforced extraordinary measures during the election season to ensure ballots were delivered promptly.¹² Due to these measures and the efforts of postal workers, the Postal Service delivered election mail expeditiously, with very few delays or problems reported.¹³

Despite this accomplishment, Postmaster General DeJoy’s and the Board’s earlier actions in July 2020, including their failure to conduct any analysis of how operational changes would impact customers, raise questions about future changes being planned by Postal Service leadership and how these changes could affect on-time mail delivery for people across the country.

II. Steps Toward Future Operational Changes

On August 18, 2020, Postmaster General DeJoy announced he would pause specific changes until the conclusion of the election.¹⁴ Nationwide USPS extraordinary measures for election season ended on November 24.¹⁵

¹⁰ 39 U.S.C. 3661.

¹¹ U.S. Postal Service: Postmaster General Louis DeJoy Statement (Aug. 18, 2020) (<https://about.usps.com/newsroom/national-releases/2020/0818-postmaster-general-louis-dejoy-statement.htm>).

¹² Decision and Order (Sept. 21, 2020), *Jones et al. v. United States Postal Service et al.*, S.D.N.Y. (No. 1:20-cv-06516), ECF No. 49; Order granting Plaintiff’s Motion for Preliminary Injunction (Sept. 17, 2020), *State of Washington et al. v. Trump et al.*, E.D. Wash. (No. 1:20-cv-03127), ECF No. 81; Order Granting in Part Plaintiff’s Motion for a Preliminary Injunction (Sept. 28, 2020), *Pennsylvania et al. v. DeJoy et al.*, E.D. Pa. (No. 2:20-cv-04096), ECF No. 63; Order granting Plaintiffs’ Motion for Preliminary Injunction (Sept. 27, 2020), *New York et al. v. Trump et al.*, D.D.C. (No. 1:20-cv-02340), ECF No. 51.; Order granting Plaintiffs’ Motion for Preliminary Injunction (Sept. 28, 2020), *Vote Forward et al. v. DeJoy et al.*, D.D.C. (No. 1:20-cv-02405), ECF No. 31.

¹³ See American Postal Workers Union, President Mark Dimondstein Statement (Nov. 6, 2020) (<https://www.postaltimes.com/postalnews/apwu-postal-workers-proud-role-in-our-democracy/>); Vice, *There is (still) no good evidence the USPS screwed this one up* (Nov. 5, 2020) (<https://www.vice.com/en/article/4advdj/there-is-still-no-good-evidence-the-usps-screwed-this-one-up>). The U.S. Postal Service Office of Inspector General also conducted a nationwide audit of election mail processing and performance at facilities across the country (*see* Office of Inspector General, *Election and Political Mail* (<https://www.uspsoig.gov/election-and-political-mail>)).

¹⁴ Postmaster General Louis DeJoy Statement, *supra* note 11.

¹⁵ U.S. Postal Service, Memo to Officers, PCEs, Pay Band Managers, and EAS Employees: *Extraordinary Measures Memorandum* (Oct. 20, 2020).

In recent weeks, USPS has taken steps suggesting that it may soon begin to reinstitute changes Postmaster General DeJoy suspended in August. In Questions for the Record after the August 21 hearing, Senator Peters asked Mr. DeJoy if he plans to reinstitute these initiatives and if he would put processes in place to further evaluate them. DeJoy stated, “It has not yet been determined when the processes may start again. We are also currently subject to multiple preliminary injunction orders imposed by multiple federal district courts.”¹⁶ Since November 27, USPS has appealed six court orders that had enjoined it from implementing the July 2020 operational changes.¹⁷

In addition, USPS’s FY21 financial plan, published on November 13, discusses “aggressive work hour reductions” in the coming months,¹⁸ a goal which the Inspector General found was also a driving force behind the 2020 changes.¹⁹ DeJoy also discussed potential workforce reductions in response to Questions for the Record: “during the upcoming year, we will continue to make changes to our organizational structure and staffing to meet the needs of the business and mail volume. Those changes may require future reductions in force.”²⁰

III. Strategic Plan Could Bring More Dramatic Changes

Most significantly, Postmaster General DeJoy and the Board of Governors are planning dramatic changes to the Postal Service that may have a long-term negative impact on mail delivery. On November 13, 2020, DeJoy announced he and the Board of Governors “intend to propose a strategic plan within the next several months” that will detail their approach for the future of the Postal Service.²¹

Strategic plans serve as blueprints for USPS finances and operations, and are required by law at least every five years, although USPS published its most recent strategic plan in January 2020,

¹⁶ Postmaster General Louis DeJoy, Responses to Post-Hearing Questions for the Record from Ranking Member Gary C. Peters, Senate Homeland Security and Governmental Affairs Committee hearing, “Examining the Finances and Operations of the United States Postal Service” (received December 17, 2020).

¹⁷ Notice of Appeal (Nov. 27, 2020), *Pennsylvania et al. v. DeJoy et al.*, E.D. Pa. (No. 2:20-cv-04096), ECF No. 90; Notice of Appeal (Nov. 27, 2020), *New York et al. v. Trump et al.*, D.D.C. (No. 1:20-cv-02340), ECF No. 76; Notice of Appeal (Nov. 27, 2020), *Vote Forward et al. v. DeJoy et al.*, D.D.C. (No. 1:20-cv-02405), ECF No. 126; Notice of Appeal (Dec. 1, 2020) *State of Washington et al. v. Trump et al.*, E.D. Wash. (No. 1:20-cv-03127), ECF No. 118; Notice of Appeal (Dec. 7, 2020) *Richardson et al. v. Trump et al.*, D.D.C. (No. 1:20-cv-02262), ECF No. 155; Notice of Appeal (Dec. 9, 2020) *NAACP v. USPS, et al.*, D.D.C. (No. 1:20-cv-02295), ECF No. 128.

¹⁸ U.S. Postal Service, *Fiscal Year 2021 Integrated Financial Plan* (Nov. 24, 2020) (<https://www.prc.gov/docs/115/115156/FY2021%20IFP%20FINAL.pdf>).

¹⁹ U.S. Postal Service Office of Inspector General, *supra* note 7.

²⁰ Postmaster General Louis DeJoy, Responses to Post-Hearing Questions for the Record, *supra* note 16.

²¹ Postmaster General Louis DeJoy, U.S. Postal Service, Remarks from Nov. 13, 2020 open session meeting of the Board of Governors (Nov. 13, 2020) (<https://about.usps.com/newsroom/national-releases/2020/1113-pmg-remarks-from-open-session-meeting-with-bog.htm>); Senate Committee on Homeland Security and Governmental Affairs, *Examining the Finances and Operations of the United States Postal Service During COVID-19 and Upcoming Elections*, 116th Cong. (Aug. 21, 2020).

for FY 2020–FY 2024. When developing this plan, the Postal Service is required to consider the views and suggestions of all entities potentially affected by the plan.²²

Information revealed so far about this plan suggests that Postal Service leadership are considering a broad overhaul of the Postal Service’s operations and potentially deep cuts to the services it provides.

USPS documents that became public in August 2020 showed that Mr. DeJoy has considered long term changes for this plan that could permanently alter the level of service provided to Americans. These include changing service standards; reducing nonprofit discounts; increasing package rates; leasing postal facility space for commercial purposes; increasing prices for Alaska, Hawaii, and Puerto Rico; and eliminating Alaska bypass mail. Permanently lowering service standards, or USPS requirements for how quickly mail must move, would dramatically decrease service and in the past has been accompanied by significant cuts to the Postal Service network. These proposals also raise concerns about increased costs for people who rely on the mail. They have the potential to severely impact rural and remote areas across the country and threaten universal service, which is a part of the Postal Service’s core mission.²³

During the Senate Committee on Homeland Security and Governmental Affairs’ August 21, 2020 hearing, Mr. DeJoy confirmed in his testimony that he was considering these “dramatic changes” and others as part of his plan for the Postal Service.²⁴ Postmaster General DeJoy further commented that he has “an ambitious plan” with “hundreds of initiatives” he and the Board are considering, in particular examining “all the unfunded mandates” that USPS carries out as a service. According to some reports, the Postmaster General is considering drastic and wholesale changes to the Postal Service that go to the heart of concerns raised by Members of Congress.²⁵

In Questions for the Record after the August 21 hearing, Senator Peters asked Postmaster General DeJoy about the strategic planning process, including whether USPS will “commit to fully analyzing the potential impact on service performance and mail delays at the local and nationwide levels before making any future decisions about USPS operations nationwide, or substantially nationwide.” On December 17, the Postmaster General replied that USPS will consult with stakeholders “regarding any decisions that are reached” and follow required legal processes, but did not answer the question regarding analysis of service impacts, did not address concerns about proposals being considered, and did not offer details about prior stakeholder and public consultation.²⁶

²² 39 U.S.C. 2802. See also U.S. Postal Service, *The U.S. Postal Service Five-Year Strategic Plan: FY2020-FY2024* (January 2020) (<https://about.usps.com/strategic-planning/future-postal-service/publications.htm>).

²³ *Postmaster general eyes aggressive changes at Postal Service after election*, Washington Post (Aug. 20, 2020) (<https://www.washingtonpost.com/business/2020/08/20/us-postal-service-louis-dejoy/>).

²⁴ Senate Committee on Homeland Security and Governmental Affairs, *Examining the Finances and Operations of the United States Postal Service During COVID-19 and Upcoming Elections*, 116th Cong. (Aug. 21, 2020).

²⁵ Washington Post, *supra* note 21.

²⁶ Postmaster General Louis DeJoy, Responses to Post-Hearing Questions for the Record, *supra* note 16.

On December 9, 2020, Senator Peters sent a letter to Mr. DeJoy and the Board requesting necessary information regarding the strategic plan timeline, the criteria being used to evaluate proposals, whether USPS will analyze the service impacts of these proposals, and whether Postmaster General DeJoy and the Board will consult with Congress and stakeholders to consider their views and suggestions early in the strategic planning process.²⁷ USPS has not yet responded in writing.

Conclusion

In 2020, Postmaster General DeJoy, the Board of Governors, and postal executives made damaging changes to the Postal Service without regard to how they would affect customers across the country. These actions caused delays across the country and undermined public confidence in Postal Service leadership. USPS executives did not study the service impacts of their 2020 changes or seek stakeholder and congressional input on those changes. The Postmaster General and the Board are planning additional dramatic changes to the Postal Service in the coming months. They must be transparent about these plans and Congress must hold them accountable to the public should they fail to do so.

²⁷ Letter from Ranking Member Gary C. Peters, to Postmaster General Louis DeJoy and Board of Governors, U.S. Postal Service (Sept. 9, 2020). (https://www.hsgac.senate.gov/imo/media/doc/201209_Letter_PetersUSPSStrategicPlan.pdf).