



*United States Senate Committee on*

# **Homeland Security & Governmental Affairs**

*U.S. Senator Gary Peters | Ranking Member*

## **Failure to Deliver**

**Harm Caused by U.S. Postmaster  
General DeJoy's Changes to Postal  
Service Mail Delivery**

*A HSGAC Minority Staff Report*

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## EXECUTIVE SUMMARY

In July 2020, U.S. Postmaster General Louis DeJoy, who had been serving as Postmaster General for less than one month, directed widespread changes to United States Postal Service (USPS) operations. Changes under Postmaster General DeJoy's leadership included the elimination of extra and late mail transportation trips, the reduction of equipment at mail processing plants, the start of a pilot program for mail sorting and delivery policies at hundreds of post offices, and reported reductions of overtime. Within weeks, these changes significantly slowed mail delivery across the entire country and, as Senator Peters wrote to Postmaster General DeJoy and detailed in an interim report, "compromised service for veterans, small businesses, rural communities, seniors, and millions of Americans who rely on the mail for medicines, essential goods, voting, correspondence, and for their livelihoods."<sup>1</sup>

On August 6, 2020, U.S. Senator Gary Peters, Ranking Member of the Senate Committee on Homeland Security and Governmental Affairs, launched an investigation into the Postal Service delays resulting from operational changes directed by Postmaster General DeJoy. As part of his investigation, Senator Peters invited the public to provide information about their recent experiences. He received over 7,700 submissions from Postal Service employees, constituents, and individuals across the country sharing concerns about the impacts of these changes. Senator Peters also repeatedly requested information from the Postal Service regarding these changes, and called on Postmaster General DeJoy to address conflicting prior statements and remaining unanswered questions when he testified before the Senate Homeland Security and Governmental Affairs Committee on August 21, 2020.

At the direction of Ranking Member Peters, this report evaluates the extent of the harm caused by Postmaster General DeJoy's directives, the reliability of claims made about who ordered these changes and how and why they were made, and the extent of service delays as a result of these changes. This report also assesses the Postal Service's procedures for moving election mail and its responses to public concerns about readiness for high volumes of election mail in 2020.

This report finds that on-time mail delivery dropped abruptly throughout the U.S., following Postmaster General DeJoy's July 2020 directives. By the second week of August 2020, on-time delivery of First-Class mail nationwide had fallen nearly 10 percentage points compared to the first week of July 2020, prior to Postmaster General DeJoy's changes – a drop that represents approximately **85 million more late deliveries** in that single week than would have otherwise occurred.<sup>2</sup> Widespread delays have continued over the two months since the changes began. Although service has shown some improvement by the beginning of September 2020, on-time delivery rates remain below the levels of the weeks prior to the beginning of Postmaster General DeJoy's tenure.

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<sup>1</sup> Letter from Ranking Member Gary C. Peters, to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (July 17, 2020); Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (July 30, 2020); United States Senate Committee on Homeland Security & Governmental Affairs, Ranking Member Peters Minority Report, *Interim Report on the Threat of Postmaster General DeJoy's Postal Service Delays* (Aug. 21, 2020).

<sup>2</sup> Estimate based on USPS First-Class mail volume data (4.15 billion pieces of First-Class mail in July 2020). "USPS Financial Dashboard for the month of July 2020," (copy on file with Committee) and staff analysis of USPS Weekly Service Performance data (copy on file with Committee).

In addition, this report finds that Postmaster General DeJoy failed to consider the likely service impacts of the transportation changes he ordered in July 2020. Postmaster General DeJoy did not conduct any analysis of the service disruptions and delays his directives could cause. He moved to abruptly and dramatically cut late and extra trips from processing centers, without addressing underlying factors, despite available information on likely negative impacts. As a result, this report finds that delays were more severe. While he has since admitted to ordering the July 2020 mail transportation changes, Postmaster General DeJoy initially refused to acknowledge his role, has denied playing a role in other changes reported by postal workers and constituents, and has continued to minimize the magnitude of the service problems and the impacts these changes have had on millions of Americans across the country.<sup>3</sup>

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<sup>3</sup> Letter from David E. Williams, Chief Operating Officer and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters et al. (Aug. 6, 2020); Letter from Thomas J. Marshall, General Counsel and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters (July 22, 2020).

## FINDINGS OF FACT

- 1. Changes directed by Postmaster General DeJoy slowed mail service across the country.** On-time mail delivery fell abruptly following Postmaster General DeJoy's July 2020 directives ordering operational changes to mail service and delivery. By the second week of August 2020, on-time delivery of First-Class mail nationwide had fallen nearly 10 percentage points compared to the week preceding the changes. This means approximately **85 million more deliveries were late in a single week**, compared to what the late deliveries would have been that week under on-time delivery rates before the changes.
- 2. Some parts of the country saw on-time delivery drop by 15-20 percentage points in the weeks following Postmaster General DeJoy's July 2020 changes.** Every one of the Postal Service's 67 Districts across the country saw a decline in on-time delivery of First-Class mail during the weeks following Postmaster General DeJoy's July 2020 directives. In Central Pennsylvania, Northern Ohio, the Ohio Valley, Detroit, and Honolulu, on-time delivery of First Class mail fell by 15-20 percentage points over the four-week period starting on July 11, 2020, compared to the four-week period preceding Postmaster DeJoy's start at USPS. **In the Detroit District, on-time delivery fell from 84.8 percent to 65.7 percent during this period, a 19.1 percentage point drop.**
- 3. Postmaster General DeJoy was not transparent about the operational changes he directed and has downplayed their damaging effects on seniors, veterans, small businesses, and others across the country.** Within one month of beginning his tenure as Postmaster General on June 15, 2020, Louis DeJoy directed significant changes to Postal Service operations but initially declined to acknowledge his role in these changes. He has since failed to fully acknowledge severe and widespread delays even after they were apparent for weeks, and the impact of these delays, including on delivery of needed medicine, or for shipping, payments, and other vital services for small businesses and the public.
- 4. Postmaster General DeJoy failed to consider the likely service impacts of the transportation changes he ordered in July.** Mr. DeJoy moved to dramatically cut late and extra trips from processing centers, but did not assess or even request any analysis of the service disruptions and delays his directives could cause. From July 5 – 19, 2020, the Postal Service cut the number of weekly extra trips from approximately 15,000 to under 5,000, and cut weekly late trips from over 30,000 to under 8,000. These actions disregarded the likely negative impacts of displacing the mail carried on those trips, as well as the findings of a previously released Inspector General report that extra and late trips are used to mitigate delays in the network and that USPS should address the underlying causes of delays.
- 5. Nearly two months after Postmaster General DeJoy mandated operational changes, on-time delivery has still not fully rebounded.** While there has been improvement following the steep drop in July, as of September 4, 2020, nationwide on-time delivery of First-Class mail remains below the levels during the weeks prior to Postmaster DeJoy's arrival. During the week of August 29 – September 4, 2020, on-time delivery began declining again in many parts of the country.

**6. Accounts from USPS workers contradict Postmaster General DeJoy’s statements about the status of certain operational changes, including limitations on overtime – and the Postal Service has still not answered questions about these conflicting reports.**

Postmaster General DeJoy has repeatedly denied making changes to USPS overtime policies. However, information and accounts from employees across the country contradict these claims. The Postal Service has not provided any explanation for these discrepancies.

**7. The Postal Service has robust procedures to swiftly move election mail, but it remains to be seen whether these procedures will be followed.** The Postal Service has provided its election mail procedures in documents to the Committee and made public commitments to follow these procedures as well as unwritten practices – including moving election mail by the First-Class service standard. However, the Postal Service has not consistently followed its election mail procedures during the 2020 election cycle, and further significant delays and backups would jeopardize its ability to do so. The Postal Service has responded to congressional pressure by putting a greater focus on election mail, but additional oversight will be necessary to determine whether USPS will meet its stated objectives.

## RECOMMENDATIONS

1. **The Postmaster General should cease and reverse actions that are causing mail delays.** The Postmaster General failed to analyze the impact of his actions on mail delivery for Americans. Postmaster General DeJoy should halt all changes and practices that continue to cause mail delays for Americans. If the Postmaster General does not halt such changes, the Board of Governors must use its authority to do so.
  
2. **Congress should pass the *Delivering for America Act*, which Senator Peters has introduced to prevent the Postmaster General from making any further changes that could harm service during the COVID-19 pandemic.** Americans count on reliable service from the Postal Service, particularly during this public health crisis. Making any big changes at the Postal Service during this time is not only risky, it puts Americans' lives at risk. The *Delivering for America Act* would prohibit the Postmaster General and USPS leadership from implementing any changes that would disrupt operations and services during the COVID-19 public health emergency, including:
  - Any change that would prevent the Postal Service from meeting its service standards or cause a decline in service performance.
  - Any change that would have the effect of delaying mail, allowing for the non-delivery of mail to a delivery route, or increasing the volume of undelivered mail.
  - Any closure, consolidation, or reduction of hours of a post office or facility.
  - Any prohibition on payment of overtime to Postal Service officers or employees.
  - Any removal, decommissioning, or other stoppage of mail sorting machines, other than for routine maintenance.
  
3. **The Postal Service should follow policies and practices for swiftly delivering election mail, including treating all election mail as First-Class mail.** Postmaster General DeJoy must follow through on his promises to follow all election mail procedures. The Postmaster General and Board must ensure the Postal Service continues to strictly follow its practice of treating election mail as First-Class mail, delivering it using the highest service standard. The Postal Service must also carry out proper procedures to ensure mail is swiftly processed and not lost. This requires that leadership first eliminate any changes that are causing backups and delays.
  
4. **The Postal Service should consult with Congress and stakeholders before enacting any future changes.** Postmaster General DeJoy's changes, portrayed as a necessary approach to cost-cutting at the Postal Service, without regard to the chaos it has caused for Americans, raises significant concerns about his approach to the Postal Service's future. Before making operational changes in the future, the Postmaster General must conduct robust analysis, consult with stakeholders, follow all laws pertaining to Postal Regulatory Commission input and public consultation, and ensure there are no negative effects on mail service. Postmaster General DeJoy and the Board, who are currently formulating a 10-year plan for the Postal Service's operations and solvency, must not take the approach of cutting services to pad the bottom line. They must engage with stakeholders, Congress, and the American people about the future of the Postal Service, which belongs to the people.

## **BACKGROUND**

The U.S. Postal Service is an independent establishment of the executive branch, obligated to “provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people” and “render postal services to all communities.”<sup>4</sup> Founded in 1775 as the Post Office Department of the United States, it has served Americans for over 245 years. The Postal Service delivers to every household and business in the United States, approximately 160 million delivery points, six days a week.<sup>5</sup> It processes 48% of the world’s mail and is central to the \$1.6 trillion mailing industry, which employs over 7.3 million people in this country.<sup>6</sup> It consistently has the highest approval rating of any federal agency in nonpartisan opinion polls.<sup>7</sup> Over 630,000 postal employees serve their neighbors daily, delivering crucial goods and correspondence.<sup>8</sup>

### **Financial Challenges**

The Postal Service has faced significant financial challenges over the last decade, with losses driven by gradual shifts in the mail market, as well as unsustainable financial obligations imposed by Congress, particularly the unique requirement to prefund retiree health benefits. First-Class mail volume has declined by 3-5% annually in recent years,<sup>9</sup> while packages have grown substantially from 11% of USPS revenue to over 30%, as the Postal Service increasingly competes in the e-commerce market.<sup>10</sup> The Postal Accountability and Enhancement Act of 2006 imposed a burdensome mandate on the Postal Service to prefund future retiree health benefits for all current employees on an aggressive schedule over 10 years by depositing approximately \$5.4 billion annually in an on-budget fund.<sup>11</sup> The prefunding mandate, which has not been imposed on any other private sector company or agency, drove the Postal Service into mounting levels of debt and prevented it from making key investments. It remains a key driver of the Postal Service’s financial situation even though it began to default on these payments in 2012.<sup>12</sup>

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<sup>4</sup> 39 U.S.C. § 101.

<sup>5</sup> U.S. Postal Service, *FY2019 Annual Report to Congress* (Dec. 8, 2019).

<sup>6</sup> U.S. Postal Service, Postal Facts (<https://facts.usps.com/size-and-scope>) (accessed Sept. 13, 2020).

<sup>7</sup> *Postal Service Still Americans' Favorite Federal Agency*, Gallup (May 13, 2019) (<https://news.gallup.com/poll/257510/postal-service-americans-favorite-federal-agency.aspx>).

<sup>8</sup> U.S. Postal Service, *2019 Report on Form 10-K* (Nov. 14, 2019) (<https://about.usps.com/what/financials/10k-reports/fy2019.pdf>).

<sup>9</sup> U.S. Postal Service, *2019 Report on Form 10-K* (Nov. 14, 2019) (<https://about.usps.com/what/financials/10k-reports/fy2019.pdf>); U.S. Postal Service, *First-Class Mail Volume Since 1926 (Number of Pieces Mailed, to the Nearest Million)* (<https://about.usps.com/who-we-are/postal-history/first-class-mail-since-1926.htm>).

<sup>10</sup> U.S. Postal Regulatory Commission, *Fiscal Year 2017 Financial Analysis of United States Postal Service Financial Results and 10-K Statement* (Apr. 5, 2018) (<https://www.prc.gov/docs/104/104498/PRC%20FY2017%20FINANCIAL%20REPORT%20FINAL.pdf>).

<sup>11</sup> U.S. Postal Service Office of Inspector General, *Federal Budget Treatment of the Postal Service* (Aug. 27, 2009) (<https://www.uspsoig.gov/sites/default/files/document-library-files/2015/ESS-WP-09-001.pdf>).

<sup>12</sup> U.S. Postal Service, *2019 Report on Form 10-K* (Nov. 14, 2019) (<https://about.usps.com/what/financials/10k-reports/fy2019.pdf>).



### Impact of the COVID-19 Pandemic

The Coronavirus pandemic and resulting economic crisis accelerated Postal Service losses and dealt a serious financial blow to this critical agency, like many other organizations. The Postal Service is facing significant mail volume and revenue losses due to the pandemic, as well as additional costs including personal protective equipment (PPE), cleaning, and necessary sick leave. In April 2020, the Postal Service predicted it would lose over \$22 billion over the following 18 months and a total of \$54 billion over 10 years due to the pandemic and economic crisis, and requested \$75 billion in financial relief from Congress.<sup>13</sup> In June, the Postal Service revised these projections due to a temporary surge in package volumes, but still predicted over \$52 billion in medium-term revenue losses and costs connected to COVID-19 and over \$22 billion in revenue losses and costs through FY22 under an extended recovery.<sup>14</sup>

Postal Service employees have served as essential workers during the pandemic, providing critical mail to Americans every day. They have also suffered from illness and taken necessary sick and family leave. The Postal Service has struggled with significant national and international market and transportation disruptions during the pandemic, as well as high rates of employee illness and workforce shortages in some areas.<sup>15</sup> These challenges have in some cases created service disruptions, but the Postal Service has worked hard to maintain reliable service, prior to the steep decline in service performance caused by Postmaster General DeJoy.

### Selection of Postmaster General DeJoy

The Postmaster General is the head of the USPS, and is appointed by the Postal Service Board of Governors. On October 16, 2019, Megan Brennan – who had served as Postmaster General since February 2015 – announced that she would retire in early 2020.<sup>16</sup> After a lengthy search process, the Board of Governors selected Louis DeJoy to be the nation’s 75<sup>th</sup> Postmaster General, and he was sworn in on June 15, 2020.<sup>17</sup>

### Ethics/conflicts concerns

Shortly after the start of Postmaster General DeJoy’s tenure, questions emerged regarding potential conflicts of interest and allegations of politically-motivated decisions. In September

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<sup>13</sup> U.S. Postal Service, Briefing with Senate Committee on Homeland Security and Governmental Affairs and House Committee on Oversight and Reform Staff (Apr. 10, 2020). *See also* House Committee on Oversight and Reform: *Postmaster General Warns Committee of Dire Consequences Without Congressional Action* (Apr. 9, 2020).

<sup>14</sup> U.S. Postal Service, Briefing with Senate Committee on Homeland Security and Governmental Affairs and House Committee on Oversight and Reform Staff (June 18, 2020).

<sup>15</sup> Pandemic Response Accountability Committee, *Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts* (June 2020) ([https://www.oversight.gov/sites/default/files/oig-reports/Top%20Challenges%20Facing%20Federal%20Agencies%20-%20COVID-19%20Emergency%20Relief%20and%20Response%20Efforts\\_1.pdf](https://www.oversight.gov/sites/default/files/oig-reports/Top%20Challenges%20Facing%20Federal%20Agencies%20-%20COVID-19%20Emergency%20Relief%20and%20Response%20Efforts_1.pdf)).

<sup>16</sup> *United States Postal Service Announces Retirement of Postmaster General Megan J. Brennan*, PR Newswire (Oct. 16, 2019) (<https://www.prnewswire.com/news-releases/united-states-postal-service-announces-retirement-of-postmaster-general-megan-j-brennan-300939877.html>).

<sup>17</sup> U.S. Postal Service: Board of Governors Announces Selection of Louis DeJoy to Serve as Nation’s 75<sup>th</sup> Postmaster General (May 6, 2020).

2020, new allegations surfaced claiming DeJoy violated campaign finance laws by reimbursing his employees for donations made to Republican candidates.<sup>18</sup>

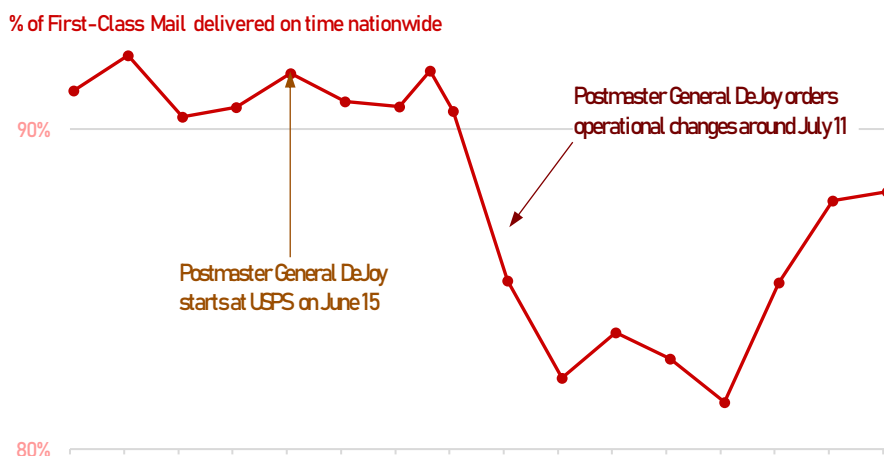
**I. SINCE BECOMING POSTMASTER GENERAL, DEJOY HAS FAILED TO BE TRANSPARENT ABOUT HIS ACTIONS AND THEIR IMPACTS ON MAIL SERVICE**

**A. The Postal Service has given misleading and incomplete responses to questions about recent operational changes**

*Reported Changes Prompted Concerns and Questions (mid-July)*

One month after Postmaster General DeJoy was sworn in as Postmaster General, multiple news outlets reported that he had directed several sweeping changes to Postal Service operations.<sup>19</sup> Reported changes included the elimination of extra mail transportation trips, the reduction of overtime, the start of a pilot program for mail sorting and delivery policies at hundreds of post offices, and the reduction of equipment at mail processing plants. As detailed below, these changes had an immediate and negative impact on mail delivery across the country. See Figure 1.

Figure 1



Two documents that appeared to be official Postal Service materials were released by news outlets on July 14, 2020.<sup>20</sup>

<sup>18</sup> *Postal chief DeJoy under fire over alleged campaign-finance violations*, AP News (Sept. 8, 2020) (<https://apnews.com/b05eb0c7f595de99adcffeed8f7f17f4>).

<sup>19</sup> Alliance of Nonprofit Mailers, *Leaked USPS PowerPoint indicates PMG DeJoy focus on getting operating costs under control* (July 14, 2020) (<https://www.nonprofitmailers.org/leaked-usps-powerpoint-indicates-pmg-dejoy-focus-on-getting-operating-costs-under-control>); *Internal USPS document tells employees to leave mail at distribution centers*, Washington Post (July 14, 2020) (<https://www.washingtonpost.com/context/internal-usps-document-tells-employees-to-leave-mail-at-distribution-centers/175dd1ae-e202-4777-877c-33442338d1cc>).

<sup>20</sup> *Id.*

- A “Mandatory Stand-Up Talk [for] All Employees” dated July 10, 2020 described immediate changes to transportation operations aimed at eliminating late and extra trips by mail trucks. See Figure 2.

Figure 2

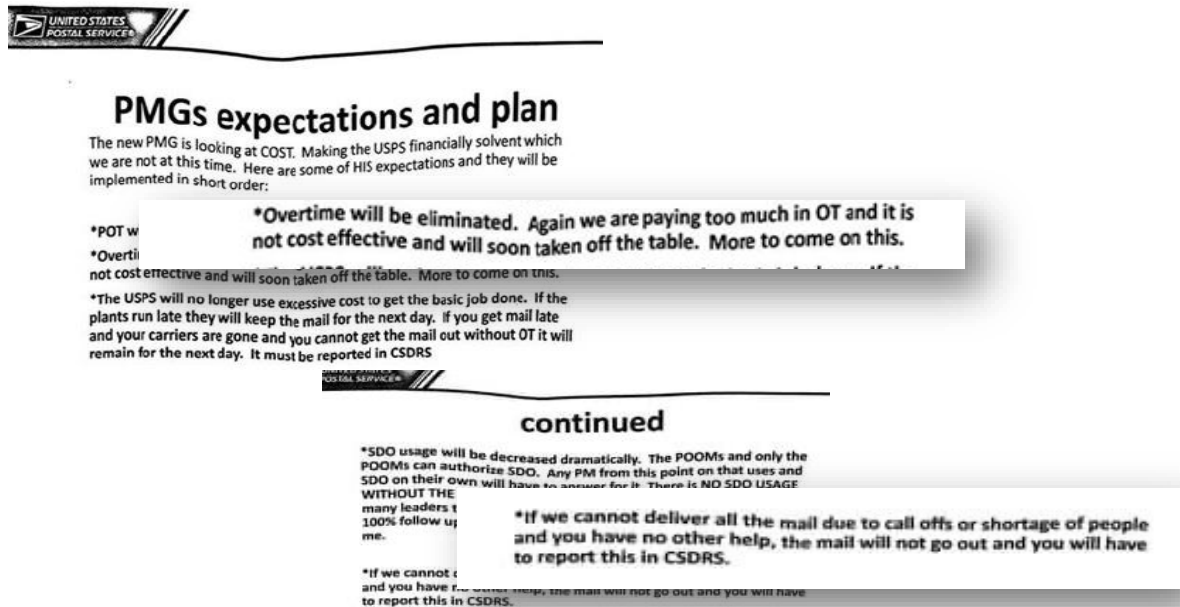
## Mandatory Stand-Up Talk: All Employees July 10, 2020

### Pivoting For Our Future

- The Postal Service has a long history of service to the nation, and we take pride in our ability to deliver mail and packages efficiently, timely, and safely.
- Right now, we are at a critical juncture in our organization and must make immediate, lasting, and impactful changes in our operations and in our culture.
- This operational pivot is long overdue and today, we are talking about the first step in a journey we must take together, for the health and stability of the Postal Service.
- Every single employee will receive this information, no matter what job they perform, so remember that YOU are an integral part of the success we will have – again, by working together.
- The initial step in our pivot is targeted on transportation and the soaring costs we incur, due to late trips and extra trips, which costs the organization somewhere around \$200 million in added expenses.
- The shifts are simple, but they will be challenging, as we seek to change our culture and move away from past practices previously used.
- Specific examples of transportation changes being implemented immediately (today):
  - ✓ All operations must be authorized or accepted
  - ✓ All trips will depart on time (Network, Plant and Delivery); late trips are no longer authorized or accepted
  - ✓ Extra trips are no longer authorized or accepted
  - ✓ There must be a carrier on the truck
  - ✓ All PVS/SHCR drivers must be on the truck
  - ✓ Function 4 must start
  - ✓ Carriers must begin on time
  - ✓ Carriers must make the trip
  - ✓ Carriers must be authorized to dispatch
  - ✓ The right mail must go on the right truck – every time
  - ✓ ALL EMPLOYEES have an essential role with trips departing on time.
- One aspect of these changes that may be difficult for employees is that – temporarily – we may see mail left behind or mail on the workroom floor or docks (in P&DCs), which is not typical.
- We will address root causes of these delays and adjust the very next day.
- Any mail left behind must be properly reported, and employees should ensure this action is taken with integrity and accuracy.
- As we adjust to the ongoing pivot, which will have a number of phases, we know that operations will begin to run more efficiently and that delayed mail volumes will soon sink significantly.
- More information will be shared as we fully and swiftly implement these strategies.
- You play a direct role in the success of the Postal Service, and your cooperation and teamwork are appreciated.
- This is a critical time for us, when decisive, quick, and meaningful action is needed.
- This operational pivot will ensure we can secure our future as a world-class service provider, improving our performance to fulfill our core mission of service to our customers.
- Thank you for your support and your teamwork.

- A presentation (undated) published on July 14, 2020 titled “**PMGs expectations and plan**” states that “overtime will be eliminated.” The presentation explains that if the mail cannot be delivered “due to call offs or shortages of people,” then “the mail will not go out.” See Figure 3.

Figure 3



Many postal workers, experts, and other stakeholders expressed concern that these changes – implemented during an ongoing pandemic – would cause significant delays and disrupt service for the millions of Americans who rely on the mail every day.<sup>21</sup>

*When asked about the reported changes, the Postal Service initially provided misleading and incomplete responses and only acknowledged Postmaster General DeJoy’s role after repeated inquiries by Senator Peters*

- **July 17, 2020** – Senator Peters wrote to Postmaster General DeJoy and asked him to explain the recently published documents indicating that USPS was undertaking operational changes. Senator Peters asked DeJoy to explain these documents and provide a list of every change being implementing nationwide, with a justification for each.<sup>22</sup>
- **July 22, 2020** – The USPS General Counsel, Thomas Marshall, responded to Senator Peters’ letter, stating “neither document originated from Postal Service Headquarters” and “the documents should not be treated as official statements of Postal Service policy,” but the letter

<sup>21</sup> See Id.

<sup>22</sup> Letter from Ranking Member Gary C. Peters, to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (July 17, 2020).

did not detail the nationwide initiative on extra and late trips, nor did it answer the request for a full explanation of nationwide changes.<sup>23</sup>

- **July 30, 2020** – Senator Peters wrote to Postmaster General DeJoy again seeking a full explanation of these changes.<sup>24</sup>
- **August 6, 2020** – USPS Chief Operating Officer, David E. Williams responded to Senator Peters’ letter and acknowledged that the Postal Service recently undertook new efforts to “eliminate late and extra trips” and “maximiz[e] the efficiency of our processing and sortation equipment.” This letter also recognized a pilot program launched on July 25, 2020, that made changes to letter carriers’ schedules. However, the letter did not explain the details of these initiatives or what, if any, analysis the Postal Service conducted of potential service impacts.<sup>25</sup>
- **August 18, 2020** – After first speaking with and formally requesting that Homeland Security and Governmental Affairs Committee Chairman Ron Johnson hold a hearing on these concerns, Ranking Member Peters secured a Senate oversight hearing with Postmaster General DeJoy to be held on August 21, 2020.<sup>26</sup> Just hours after this hearing was announced, Postmaster General DeJoy announced he would pause certain actions that had caused concern, including machine removals, but did not reverse all of the operational changes he initially ordered.<sup>27</sup>
- **August 21, 2020** – Postmaster General DeJoy testified at a hearing before the Senate Committee on Homeland Security and Governmental Affairs. He admitted that his changes, particularly elimination of extra mail trips, have resulted in delays but continued to downplay the extent and impact of those delays.<sup>28</sup>

## **B. Accounts from USPS workers contradict DeJoy’s Statements about Operational Changes**

While Postmaster General DeJoy eventually acknowledged that he directed some changes to Postal Service operations, he has continued to deny other changes, including limitations on overtime, and has argued that some changes were being undertaken pursuant to pre-existing

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<sup>23</sup> Letter from Thomas J. Marshall, General Counsel and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters (July 22, 2020).

<sup>24</sup> Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (July 30, 2020).

<sup>25</sup> Letter from David E. Williams, Chief Operating Officer and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters et al. (Aug. 6, 2020).

<sup>26</sup> Letter from Ranking Member Gary C. Peters, to Chairman Ron Johnson, (Aug. 16, 2020).

<sup>27</sup> U.S. Postal Service: Postmaster General Louis DeJoy Statement (Aug. 18, 2020); See also Postmaster General DeJoy says he will stop postal service changes until after November election, USA Today (Aug. 18, 2020) (<https://www.usatoday.com/story/news/politics/elections/2020/08/18/election-usps-postmaster-general-says-hes-suspending-mail-changes/5602523002/>).

<sup>28</sup> 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).

policies. Recent accounts from USPS employees and management contradict many of Postmaster General DeJoy's assertions.

### Overtime

**Postmaster General DeJoy has repeatedly denied making changes to USPS overtime policies.** However, accounts from employees across the country contradict these claims, and the Postal Service has not provided any explanation for these discrepancies.



Postmaster General DeJoy has repeatedly denied making changes to USPS overtime policies. However, accounts from employees across the country contradict these claims, and the Postal Service has not provided any explanation for these discrepancies. For example, many postal workers described how a pilot program initiated by

Postmaster General DeJoy – the Expedited Street/Afternoon Sortation test – included new restrictions on postal workers' schedules.<sup>29</sup> Other postal workers report local managers communicating changes to overtime, after DeJoy became Postmaster General.

The below accounts from Postal Service employees are provided with permission from among the over 7,700 submissions individuals have shared with Senator Peters.<sup>30</sup>

- “I am a career carrier for the US Postal Service and have been for 3 years to date. When I was hired and trained, before I could touch a piece of mail it was instilled in me the carrier motto "Every Piece, Every Day" . . . On July 25, 2020 the Postal Service enacted new policies and procedures which requires carriers to leave mail behind and not give carriers the ample time to do their job comfortably and efficiently . . . **We are not allowed overtime anymore as carriers, under DeJoy's management he has instructed us to leave time sensitive First-Class mail behind in stations on docks and also mail is piling up at plants.** He has delayed critical medicines, checks, passports and also life threatening mail to ours customers. . . . I personally witnessed carriers searching through piles and piles of mail just to try and get the ballots to residents the day of the election.”

-Letter Carrier in **Atlanta, Georgia** (August 12, 2020)

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<sup>29</sup> The Expedited Street/Afternoon Sortation test, initiated on July 16 in 384 post offices, imposed new scheduling limits for sorting and delivering mail. The National Association of Letter Carriers (NALC) filed a national grievance against this policy, and as a result the test was terminated effective August 19, 2020. See National Association of Letter Carriers: *National-Level Grievance over Expedited Street/Afternoon Sortation (ESAS) Settled* (Sept. 1, 2020); National Association of Letter Carriers: *USPS announces new ESAS delivery initiative test* (July 21, 2020).

<sup>30</sup> Submissions from public to Senator Peters' USPS Investigation Online Portal (Aug. 6, 2020 – Aug. 20, 2020), and follow-up interviews with Committee staff.

- “Our office is quite small, relatively speaking, but **since the new PMG put in his "order" limiting mail distribution to end at a specific time, whether or not they are finished and limiting carriers to 10 hour shifts our office has fallen incredibly behind on deliveries.** . . . My route has many retirees and veterans who get their medicine through the mail (either with the VA or CVS) but there have been times where I've been told by management to bring back the mail because I can't work more than 10 hours a day... .It's not unusual to see outgoing mail sitting in boxes for days waiting to be picked up.

- Letter Carrier in **Hilo, Hawaii** (August 10, 2020)

- “I work for the Battle Creek Post Office . . . **We watched a video from the [P]ostmaster [G]eneral stating that he was going to take care of the “ingrained inefficiencies” that our business runs by. One of those is to cut overtime.** Cutting overtime would be a sensible solution if we were staffed correctly.”

-USPS Employee in **Battle Creek, Michigan** (August 11, 2020)

- “I have been a career postal employee for over 39 years. . . Over the years the USPS has failed to maintain adequate staffing . . . Due to these issues overtime is a necessary component in order to meet service standards. Prior to the [new] guidelines our facility was bringing five clerks in 2hrs early Saturday thru Friday to process mail due for delivery each day. 10 hours overtime each day prevented delay of the mail. The PMG guidelines prohibits any pre-tour overtime.”

-USPS Employee in **Gadsden, Alabama** (August 10, 2020)

In addition, documents prepared by regional Postal Service leadership indicate that efforts are underway to reduce work hours and limit overtime. A July 2020 presentation given in the Capital Metro Area outlines specific targets for “workhour reductions.”<sup>31</sup> An Ohio presentation released on July 14, 2020 states that “overtime will be eliminated.” The presentation goes on to explain that if the mail cannot be delivered “due to call offs or shortages of people,” then “the mail will not go out.”<sup>32</sup>

In response to questions from Senator Peters about the content of specific documents and presentations, the Postal Service recognized that the materials were prepared and distributed by regional Postal Service leaders, but stated that they “should not be treated as official statements of Postal Service policy.”<sup>33</sup> However, the Postal Service did not address whether regional documents reflecting changes were developed *in response to* directives or other communications from Postmaster General DeJoy.

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<sup>31</sup> United States Postal Service, “*Cap Metro Area: Focus – Improve – Reduce – Initiatives*” (July 2020) (Copy on file with Committee).

<sup>32</sup> Alliance of Nonprofit Mailers, *Leaked USPS PowerPoint indicates PMG DeJoy focus on getting operating costs under control* (July 14, 2020) (<https://www.nonprofitmailers.org/leaked-usps-powerpoint-indicates-pmg-dejoy-focus-on-getting-operating-costs-under-control>).

<sup>33</sup> Letter from Thomas J. Marshall, General Counsel and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters (July 22, 2020).

Despite being asked about documents and accounts that describe changes, Postmaster General DeJoy has not explained why postal workers across the country are receiving conflicting information about changes to work hours and overtime policies.

### Sorting machines

The removal of sorting machines at postal facilities has raised questions about Postmaster General DeJoy's role and the Postal Service's capacity to handle mail. Data published in Postal Service reports submitted annually to the Postal Regulatory Commission show USPS has removed machines in past years, but machine removals scheduled for 2020 were more significant than in prior years. The Postal Service decommissioned 125 Delivery Bar Code Sorters (3% of these machines) in 2018, and 186 in 2019 (5%), but planned to decommission 671 in 2020 (13%).<sup>34</sup> While he testified that removal of sorting machines was in place before his tenure and he was "unaware" of it prior to news reports, Postmaster General DeJoy is ultimately responsible for these removals. On August 18, he announced he would pause the removals until after the 2020 election, but at the August 21 hearing he stated he would not replace the machines that have been removed because "they are not needed."<sup>35</sup>

Despite multiple inquiries, the Postal Service has not provided further answers or documentation about the basis for removing machines or whether they are needed.<sup>36</sup> However, the Postal Service has cited multiple times in Committee briefings that their planned 2020 machine removals were based on the 25% rate of mail volume reductions.<sup>37</sup> This number refers to reductions in total delivered mail volume (excluding packages) since the pandemic – this



*Dismantled mail sorting machines in Grand Rapids, Michigan*

magnitude of mail loss has not been seen before the pandemic and recession. While volume loss for mail products averaged 3-5% in the months before the pandemic, volume declined 24% the week of March 29, 2020, and losses grew to between 32% and 27% until May 24, then improved

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<sup>34</sup> *Here's why the Postal Service wanted to remove hundreds of mail-sorting machines*, Washington Post (Aug. 20, 2020) (<https://www.washingtonpost.com/business/2020/08/20/postal-service-mail-sorters-removals>).

<sup>35</sup> 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).

<sup>36</sup> 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); Questions for the Record to Postmaster General Louis DeJoy, U.S. Postal Service; Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (Aug. 17, 2020); Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (Aug. 5, 2020).

<sup>37</sup> U.S. Postal Service, Briefing with Senate Committee on Homeland Security and Governmental Affairs and House Committee on Oversight and Reform Staff (Aug. 4 and 31, 2020).



slightly to average 19% in the weeks since then.<sup>38</sup> The Postal Service made the decision to remove machines based on volatile, pandemic-related volume losses. In addition, postal workers in some facilities state these machines are needed to handle peak volumes of mail. For example, at one plant where Deliver Bar Code Sorter machines have been removed, workers reported they had consistently used these machines at full capacity during holiday peak volume times. As one postal worker reported:

- “Since the new Postmaster General has taken over, **4 additional machines have been removed** and pieces of those have been used to lengthen other machines. On paper, this reduces the number of employees it takes to run letter sorting machines. However, **it increases the size of the runs and makes it more difficult to finish in the allotted time frame, resulting in mail being left behind on a daily basis.** As of Monday, August 10, they were 3 days behind. As of August 12, they are still 2 days behind. According to coworkers I know very well, mail is piling up in the East Paris carrier annex due to the carriers being required to end their day at a specific time . . . ”

-USPS Maintenance Worker in **Grand Rapids, Michigan** (August 10, 2020)

## **II. CHANGES DIRECTED BY POSTMASTER GENERAL DEJOY SLOWED DOWN MAIL SERVICE ACROSS THE COUNTRY**

### **A. The Postal Service Refused to Acknowledge Severe and Widespread Delays Even After they were Apparent for Weeks**

Postmaster General DeJoy has continued to downplay the negative impacts of the operational changes he ordered in July. For weeks after reports of mail delays emerged, the Postal Service refused to directly acknowledge that delays had increased.

On August 6, 2020, the Postal Service wrote: “Of course, we acknowledge that temporary service impacts can occur as we redouble our efforts to conform to the current operating plans, but any such impacts will be monitored and temporary as the root causes of any issues are addressed and corrected.”<sup>39</sup> This response came over three weeks after the operational changes were implemented – by that time, on-time delivery performance had already fallen significantly. *See Figure 4.*



<sup>38</sup> Volume declines are as compared to Same Period Last Year. U.S. Postal Service, Weekly volume and revenue data provided to the Committee on Homeland Security and Governmental Affairs (copy on file with Committee).

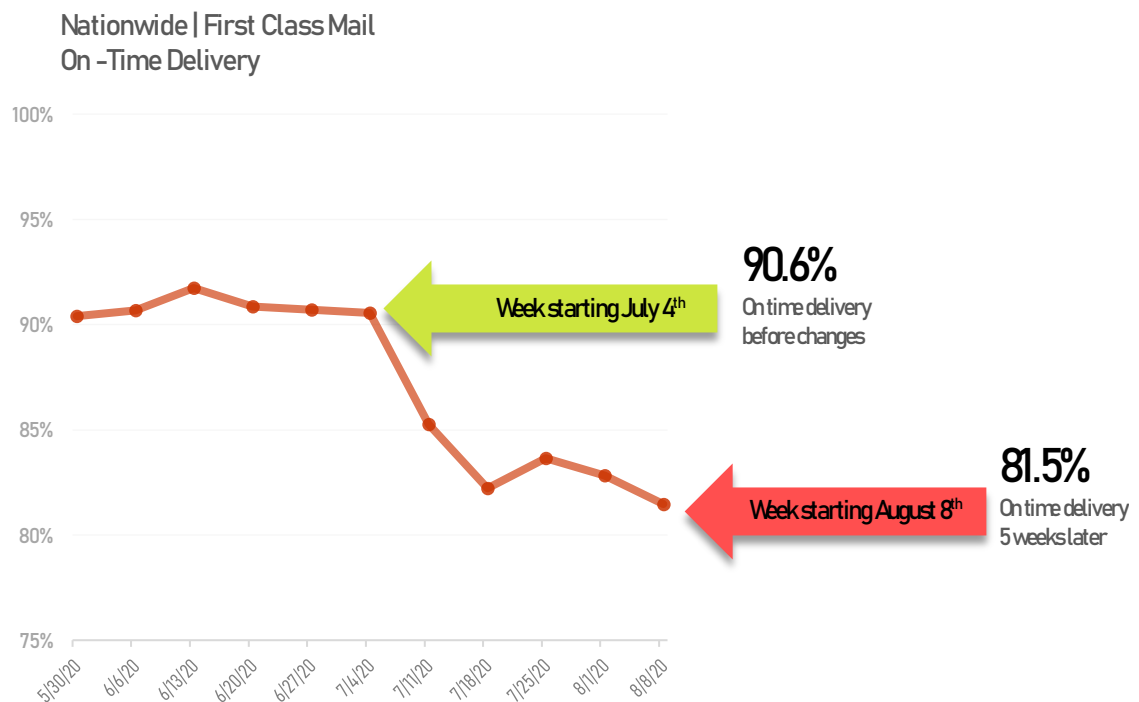
<sup>39</sup> Letter from David E. Williams, Chief Operating Officer and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters et al. (Aug. 6, 2020).

On-time mail delivery fell by nearly 10 percentage points nationwide in the weeks following DeJoy's July changes

During the week of August 8, 2020, on-time delivery of First-Class mail fell by 9.1 percentage points compared to the week before the Postal Service began implementing DeJoy's changes. From July 4 -10, the Postal Service delivered 90.6% of First-Class mail within the one-to-five-day timeframes specified in the USPS service standards.<sup>40</sup> Five weeks later, only 81.5% of First-Class mail met the service standards for on-time delivery.

This 9.1 percentage point drop represents approximately **85 million more late deliveries** during the week of August 8 -14 alone. Put another way, if the nationwide on-time delivery rate stayed where it was during the week prior to the changes, there would have been approximately 85 million fewer late deliveries during the week of August 8 -14.<sup>41</sup>

Figure 4



Source: Staff analysis of weekly service performance data provided by USPS

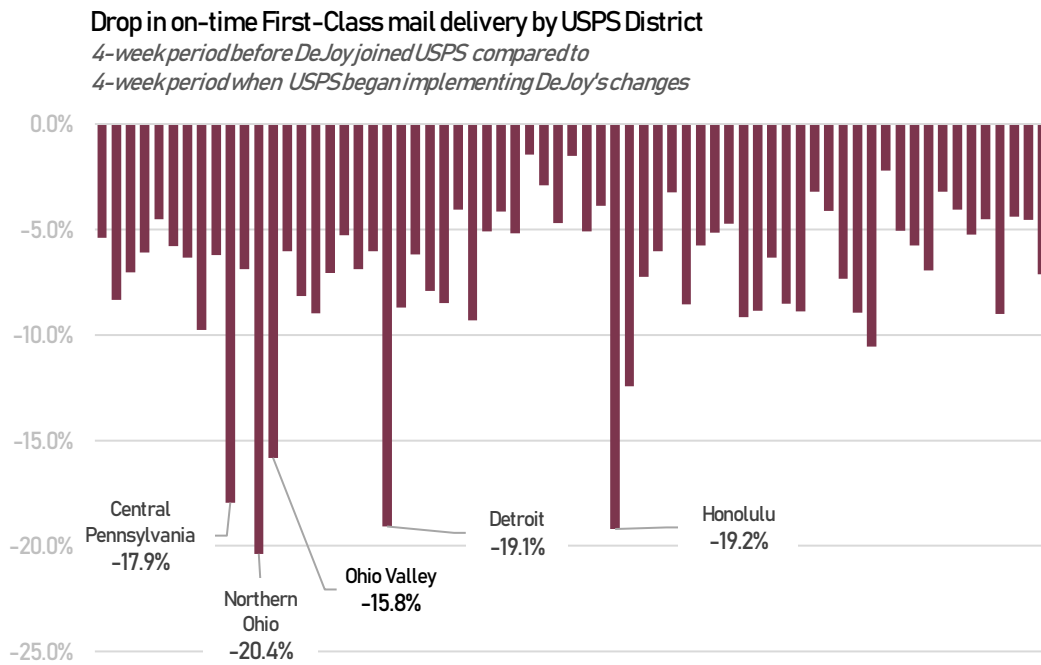
<sup>40</sup> Service standards for First-Class mail specify a delivery timeframe of one to five days, depending on the distance between the sender and the addressee. See also U.S. Postal Regulatory Commission, *Analysis of the Postal Service's FY 2019 Annual Performance Report and FY 2020 Performance Plan* (June 1, 2020) (<https://www.prc.gov/sites/default/files/reports/USPS%20Perf%20Rpt%20and%20Plan.pdf>).

<sup>41</sup> Estimate based on USPS First-Class mail volume data (4.15 billion pieces of First-Class mail in July 2020). "USPS Financial Dashboard for the month of July 2020," and staff analysis of USPS Weekly Service Performance data (copy on file with Committee).

Some parts of the country saw on-time delivery drop by 15-20 percentage points in the weeks following Postmaster General DeJoy's July 2020 directives

Every one of the Postal Service's 67 Districts across the country saw a marked decline in on-time delivery of First-Class mail during the weeks following Postmaster General DeJoy's July 2020 directives. In five Districts – Central Pennsylvania, Northern Ohio, Ohio Valley, Detroit, and Honolulu – on-time delivery of First-Class mail fell by 15-20 percentage points over the four-week period starting on July 11, compared to the four-week period preceding Postmaster DeJoy's start at USPS. See Figures 5 and 6.

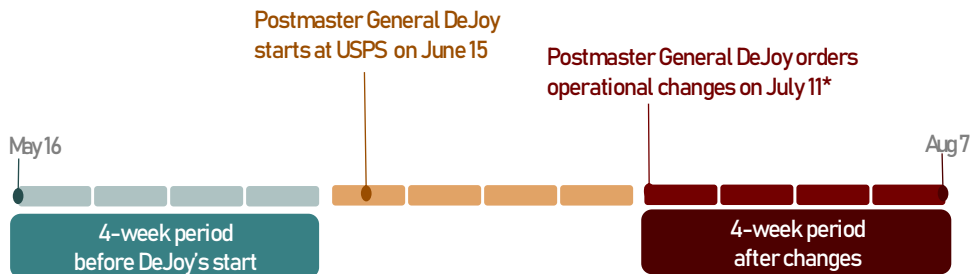
Figure 5



Source: Staff analysis of weekly service performance data provided by USPS

Figure 6

Timeline for Service Performance Comparison

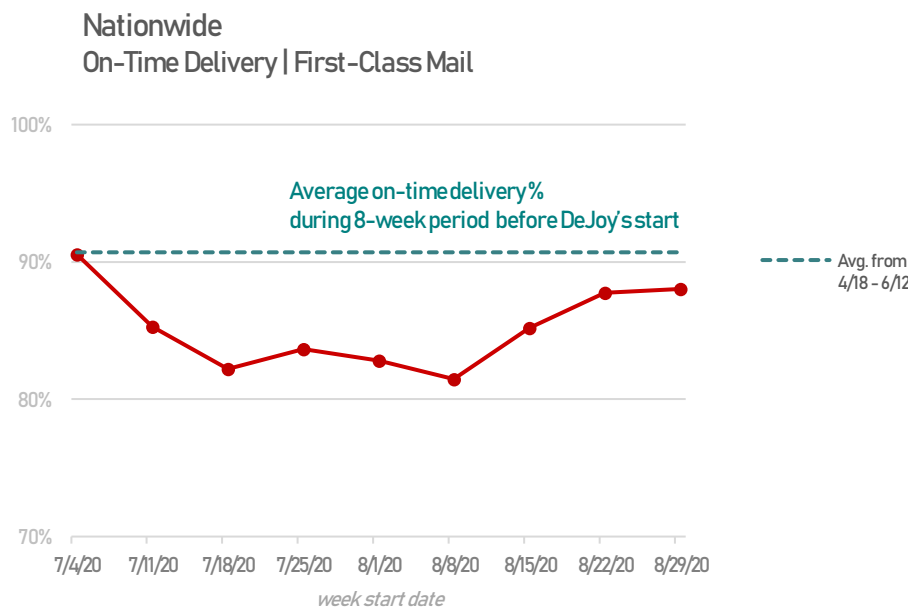


## B. Nearly two months after Postmaster General DeJoy ordered changes, service has still not recovered

Nearly two months after the operational changes were implemented, service has still not recovered to previous levels. On August 21, 2020, in testimony before the Senate Committee on Homeland Security and Governmental Affairs, Postmaster General DeJoy admitted that under his leadership the Postal Service “had some delays in the mail.”<sup>42</sup>

After nearly two months, service nationwide still remains below the levels before Postmaster General DeJoy’s arrival.<sup>43</sup> As shown in *Figure 7* below, during the eight weeks prior to the start of Mr. DeJoy’s tenure as Postmaster General, First-Class mail saw an average rate of 90.7% on-time delivery. While there has been improvement following the steep drop in July, recovery appears to have slowed. From August 29, 2020 to September 4, 2020,<sup>44</sup> on-time delivery nationwide was 88.0% — only a 0.2 percentage point improvement from the prior week, and still 2.7 percentage points below the average during the weeks prior to Postmaster General DeJoy’s arrival.<sup>45</sup> In other words, there were still approximately 25 million more late deliveries during the

Figure 7



<sup>42</sup> 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).

<sup>43</sup> Staff analysis of USPS Service Performance data through September 4, 2020.

<sup>44</sup> This is the most recent week for which the USPS has provided Service Performance data.

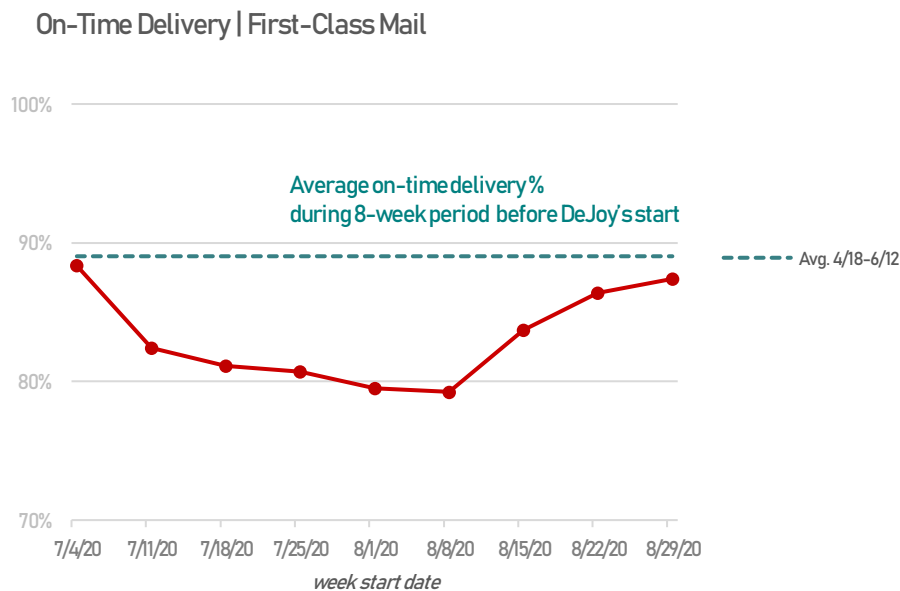
<sup>45</sup> Service performance data reflects on-time delivery rates during a given week. The rate used for comparison reflects the average over the eight weeks immediately preceding the week of Postmaster DeJoy’s arrival – the week of April 18 – 24, through the week of June 6 - 12.

week of August 29 -September 4 than there would have been if on-time delivery rates stayed where they were during the weeks before Postmaster General DeJoy arrived.<sup>46</sup>

Every one of the Postal Service’s seven geographical areas has seen similar trends. While service began to improve in mid-to-late August, service levels in each of the seven Areas remained below where they were during the weeks prior to the July changes.<sup>47</sup>

For example, as shown in *Figure 8*, on-time delivery in the Great Lakes Area averaged 89.0% across the 8 weeks prior to Postmaster DeJoy’s tenure. During the week of August 8-14 performance fell by 9.8 percentage points to 79.3% on-time delivery. During the most recent week for which data is available (August 29 – September 4), on-time delivery was 87.4% – still below where it was in the weeks before Postmaster DeJoy’s arrival. In addition, on August 18, 2020, only after mounting pressure and Ranking Member Peters’ announcement securing a hearing for Mr. DeJoy to testify before Congress, Postmaster General DeJoy announced he would pause certain actions. Even with this reversal, the Postmaster General declined to disclose full information about each of his directives and what actions he would take to reverse their impact on service, and stated that he would make this concession only through the election.<sup>48</sup> To date, USPS has failed to provide complete information on the universe of operational changes made, halted, and still in progress.

Figure 8



Source: Staff analysis of weekly service performance data provided by USPS

<sup>46</sup> Estimate based on USPS First-Class mail volume data (4.15 billion pieces of First-Class mail in July 2020). “USPS Financial Dashboard for the month of July 2020,” and staff analysis of USPS Weekly Service Performance data (copy on file with Committee).

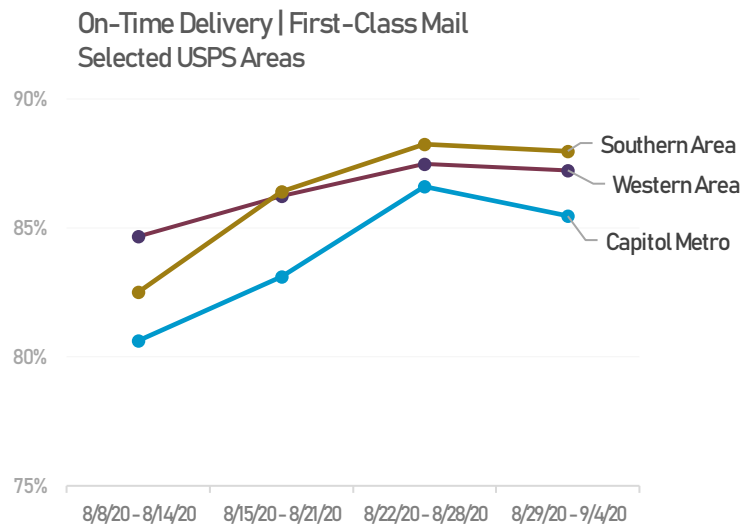
<sup>47</sup> See Appendix.

<sup>48</sup> U.S. Postal Service: Postmaster General Louis DeJoy Statement (Aug. 18, 2020); See also Postmaster General DeJoy says he will stop postal service changes until after November election, USA Today (Aug. 18, 2020) (<https://www.usatoday.com/story/news/politics/elections/2020/08/18/election-usps-postmaster-general-says-hes-suspending-mail-changes/5602523002/>).

### C. Delays are increasing again in many parts of the country

After improving somewhat during the second half of August, on-time delivery began declining again in many parts of the country. As shown in *Figure 9* below, three of the seven geographical Areas saw an overall drop in on-time delivery during the week of August 29 - September 4 compared to the previous week.

Figure 9



Source: Staff analysis of weekly service performance data provided by USPS

Even in the Areas that did not see an overall drop, several individual Districts experienced a recent increase in delays. During the week of August 29 - September 4, 30 of the 67 USPS Districts saw a decline in on-time delivery from the previous week.<sup>49</sup>

### D. Delays following Postmaster General DeJoy’s July 2020 changes exceed those that occurred at the outset of the COVID-19 pandemic

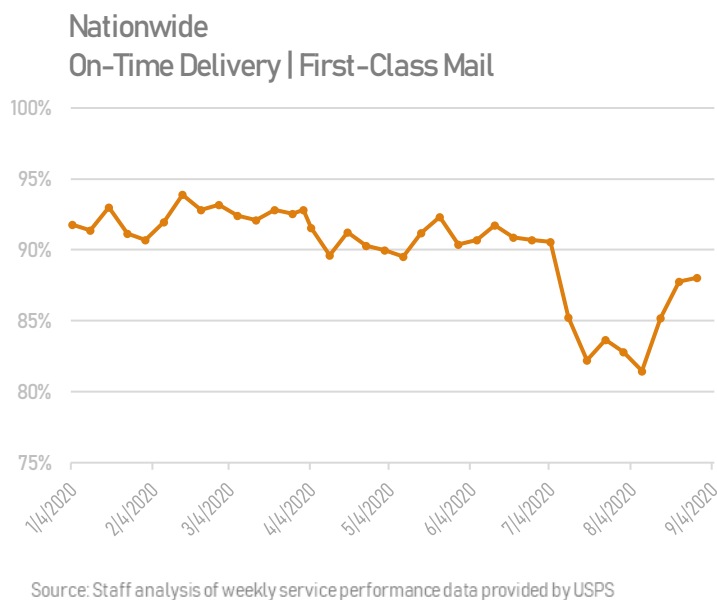
On several occasions, when asked about the spike in delays following Postmaster General DeJoy’s July 2020 changes, the Postal Service has cited the ongoing COVID-19 pandemic. For example, when Senator Peters questioned him about the delays at the August 21 hearing, Postmaster General DeJoy stated “certainly there was a slow-down in the mail when our production did not meet the schedule. But also, Senator, our employees are going – are

<sup>49</sup> On-time delivery rates for First-Class mail fell during the week of Aug. 29 - Sept. 4, compared to the week of Aug. 22 – Aug. 28 in the following USPS Districts: Baltimore, Capital, Greater South Carolina, Northern Virginia, Richmond, Appalachian, Kentuckiana, Ohio Valley, Philadelphia Metro, Western Pennsylvania, Chicago, Gateway, Greater Indiana, Albany, Triboro, Honolulu, Alabama, Arkansas, Dallas, Ft. Worth, Houston, Oklahoma, South Florida, Arizona, Colorado/Wyoming, Dakotas, Hawkeye, Mid-America, Northland, and Portland.

experiencing the COVID pandemic also, and we have a significant issue in employee availability in many, many parts of the country that are also leading to delays in delivery of mail.”<sup>50</sup>

While the pandemic has affected USPS operations across the country and continues to pose a challenge, the sharp drop in service performance following the July changes was clearly not caused by the pandemic. As shown in *Figure 10*, on-time delivery nationwide fluctuated during the months prior to Postmaster General DeJoy’s arrival, and dropped noticeably in April and May, as the pandemic peaked across the country. However, the drop in on-time delivery that coincides directly with Postmaster General DeJoy’s July changes is much steeper, sending service performance to the lowest levels since the beginning of the year.

*Figure 10*



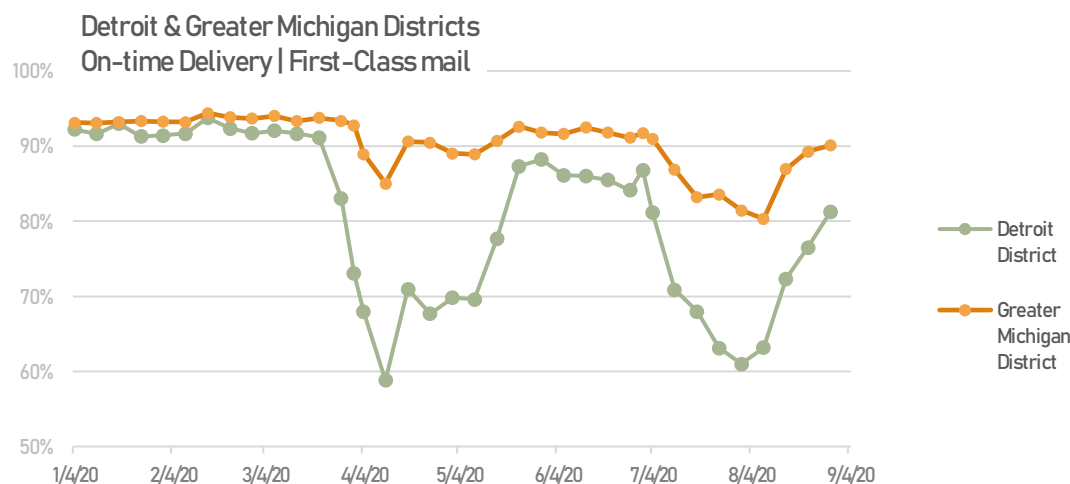
The COVID-19 pandemic caused severe disruptions to on-time delivery in many parts of the country. However, even in areas that were hardest-hit, the service declines following Postmaster General DeJoy’s changes exceeded or matched those during the peak of the outbreak in those states.

For example, COVID-19 cases in Michigan spiked in late March and early April, and there was a notable drop in on-time delivery during those months, especially in the Detroit area. *See Figure 11*. Then, as daily reported infection totals decreased and stabilized in Michigan over May and June, on-time delivery rates also returned to levels near what they were before the pandemic. However, service performance dropped abruptly following Postmaster General DeJoy’s July 2020 directives. In August – while Michigan was reporting average daily infection totals that were approximately half of what they were at the peak of the pandemic – on-time delivery across Michigan fell to levels similar to those seen during the initial surge in cases. In the Detroit

<sup>50</sup> 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).

District, on-time delivery fell to 61.0% in August, nearly reaching the previous low in April (58.8%). In the Greater Michigan District, on-time delivery dropped to 80.3% in August, falling below the lowest levels during the spring (85.0%).

Figure 11



Source: Staff analysis of weekly service performance data provided by USPS

### **III. DELAYS CAUSED BY OPERATIONAL CHANGES HARMED AMERICANS ACROSS THE COUNTRY**

#### **A. Impact of USPS Medication Delivery Delays**

##### *Millions of Americans Rely on Mail Order Pharmacies*

Millions of Americans rely on the Postal Service for prescriptions and medical supplies. Lifesaving drugs like insulin, chemotherapy agents, and heart medications are just some examples of the critical medications Americans entrust to the Postal Service for timely and regular deliveries. Mail delays and unpredictable deliveries of these medications and supplies have the potential to pose serious health risks and have additional adverse effects.

The Postal Service delivers 1.2 billion prescription drug shipments each year – amounting to four million shipments every day, six days a week.<sup>51</sup> In addition to prescription drugs, the Postal Service delivers other essential medical supplies like insulin needles, diabetic testing strips, and contact lenses. Benefits to using mail-order pharmacies can include potential cost-savings, lower error rates, increased medication adherence, and accessibility.<sup>52</sup>

<sup>51</sup> National Association of Letter Carriers: Statement by NALC President Fredric Rolando: The Postal Service is vital in this crisis (Mar. 27, 2020).

<sup>52</sup> Comments of the Pharmaceutical Care Management Association Before the Postal Regulatory Commission, Docket No. N2010-1 (Sept. 30, 2010).



The Department of Veterans Affairs (VA) established the first mail order pharmacy in 1946. Since then, the number of mail-order pharmacies has grown substantially.<sup>53</sup> The VA Consolidated Mail Outpatient Pharmacy fills approximately 80 percent of its prescriptions for all veterans via mail, processing 470,000 prescriptions daily.<sup>54</sup> The VA offers a refill and tracking tool so that veterans can track the delivery of their prescriptions.

In 2018, approximately 17 percent of Medicare Part D enrollees and 13 percent of large employer health plan enrollees used mail-order pharmacies for at least one prescription. Overall, Medicare Part D and large employer health plan enrollees account for 173 million mail-order prescriptions, or approximately 17 percent of prescriptions.<sup>55</sup>

Some of the most commonly filled prescriptions for these plans include maintenance medications for chronic conditions like high cholesterol, high blood pressure, and diabetes.<sup>56</sup> For example, patients who rely on insulin, inhalers, or other critical medications are not able to wait weeks to receive their prescription. Widespread postal delays have hindered patients' ability to access needed medications and "any prescription medication can only be as effective as a patient's ability to access it."<sup>57</sup>

### *The COVID-19 Pandemic has led to Increases in Mail Order Pharmacy Use*

The Postal Service's role in delivering medications to Americans has only grown – both in volume and importance – during the COVID-19 pandemic. Reports estimate that in late March 2020, mail-order prescriptions increased 21 percent from the year prior.<sup>58</sup> For many Americans living through the pandemic, including seniors, individuals with disabilities, and individuals with chronic conditions, mail medication deliveries serve as a lifeline. These individuals, who are often most at risk for COVID-19, rely heavily on mail-order pharmacies since an in-person visit to the pharmacy could place them at an increased risk of exposure to the virus. A recent Senate report found that four major mail-order pharmacies experienced increased delivery times by approximately 18-32 percent.<sup>59</sup>

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<sup>53</sup> *What is the Role of the Mail-Order Pharmacy?*, Pharmacy Times (Jan. 20, 2020) (<https://www.pharmacytimes.com/news/what-is-the-role-of-the-mail-order-pharmacy>).

<sup>54</sup> U.S. Department of Veterans Affairs, Pharmacy Benefits Management Services ([https://www.pbm.va.gov/PBM/CMOP/VA\\_Mail\\_Order\\_Pharmacy.asp](https://www.pbm.va.gov/PBM/CMOP/VA_Mail_Order_Pharmacy.asp)) (accessed Aug. 23, 2020).

<sup>55</sup> *Mail Delays Could Affect Mail-Order Prescriptions for Millions of Medicare Part D and Large Employer Plan Enrollees*, Kaiser Family Foundation (Aug. 20, 2020) (<https://www.kff.org/coronavirus-covid-19/issue-brief/mail-delays-could-affect-mail-order-prescriptions-for-millions-of-medicare-part-d-and-large-employer-plan-enrollees>).

<sup>56</sup> *Mail Delays Could Affect Mail-Order Prescriptions for Millions of Medicare Part D and Large Employer Plan Enrollees*, Kaiser Family Foundation (Aug. 20, 2020) (<https://www.kff.org/coronavirus-covid-19/issue-brief/mail-delays-could-affect-mail-order-prescriptions-for-millions-of-medicare-part-d-and-large-employer-plan-enrollees>).

<sup>57</sup> American College of Physicians: Internists Say Delivery of Mail-order Prescriptions is Critical (Aug. 17, 2020).

<sup>58</sup> *Mail-Order Drug Delivery Rises During Coronavirus Lockdowns*, Wall Street Journal (May 12, 2020) (<https://www.wsj.com/articles/mail-order-drug-delivery-rises-during-coronavirus-lockdowns-11589281203>).

<sup>59</sup> Sens. Elizabeth Warren and Bob Casey, *Rapidly Increasing Postal Service Delivery Delays for Mail-Order Prescription Drugs Pose Health Risks for Millions of Americans* (Sept. 2020).

*Mail Delays Resulting from Postmaster General DeJoy's Directives Have Harmed Many who Rely on the USPS to deliver their Medicine*

Mail delays, especially delays that result in packages sitting in excessive heat for long periods of time, can compromise medication quality and impact a drug's effectiveness.<sup>60</sup> Depending on the type of drug, extreme temperatures can have a detrimental effect on medication quality.

Biologics, for example, often require cold storage. According to one pharmacist, patients that suffer from chronic illnesses, like diabetes, could have life threatening consequences from taking damaged insulin. Similarly, diagnostic testing strips commonly used to measure blood sugar levels in diabetics are sensitive to humidity and if exposed to moisture, could yield a false reading.<sup>61</sup>

Senator Peters received hundreds of messages from individuals throughout the country sharing their personal experiences about the impact of USPS mail delays on the delivery of medications and medical supplies. The stories below, provided with permission, demonstrate the widespread harm that USPS mail delays have had on individual's lives.<sup>62</sup>

- **Karen from Auburn, Michigan** reported that she ordered her husband's glaucoma medicine at the end of June and received confirmation of shipment a couple days later. According to Karen, USPS tracking showed that the package went from Pontiac, to Detroit, to Saginaw, then back to Detroit, then back to Pontiac, with no further tracking information available. As a result, Karen requested an emergency refill of the medication. Though Karen finally received the initial shipment six weeks later, she reported that her pharmacist advised against using the medication because it had been exposed to significant heat, which likely compromised its effectiveness.

*Missed Medication Doses and Resulting Side Effects*

Widespread mail delays have forced a number of individuals to go without their medications or ration doses. In some cases, individuals experienced side effects as a result of the missed doses. For some, this is a minor inconvenience, but for others, it can result in increased health risks.

- **Danielle from Brush Prairie, Washington** is a former federal archaeologist, who is disabled and the mother of two autistic children. She said that she relies on medications to manage her symptoms and has regularly received mail-order prescriptions without issue. Insurance prohibits her from filling the controlled substance medication until she has a five-day supply

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<sup>60</sup> Claire Sykes, Time- and Temperature-Controlled Transport: Supply Chain Challenges and Solutions, Pharmacy and Therapeutics (Mar. 2018); Extreme Temperatures May Pose Risks To Some Mail-Order Meds, National Public Radio (Jan. 7, 2019) (<https://www.npr.org/sections/health-shots/2019/01/07/673806506/extreme-temperatures-may-pose-risks-to-some-mail-order-meds>); Mistakes in Storage May Alter Medication, New York Times (Aug. 15, 2011) (<https://www.nytimes.com/2011/08/16/health/16consumer.html>).

<sup>61</sup> *Mistakes in Storage May Alter Medication*, New York Times (Aug. 15, 2011) (<https://www.nytimes.com/2011/08/16/health/16consumer.html>).

<sup>62</sup> Submissions from public to Senator Peters' USPS Investigation Online Portal (Aug. 6, 2020 – Aug. 20, 2020), and follow-up interviews with Committee staff. *See also*, United States Senate Committee on Homeland Security & Governmental Affairs, Ranking Member Peters Minority Report, *Interim Report on the Threat of Postmaster General DeJoy's Postal Service Delays* (Aug. 21, 2020).

left. Danielle explained that she ordered this medication on July 22. USPS confirmed shipment on July 23 and delivery on July 24; however, Danielle never received the medication. With two pills left, she requested an emergency prescription from her insurance company, and it took three days for her doctor to process the refill. Danielle described that, as a result she suffered multiple stroke-like withdrawal symptoms including tachycardia, migraine syncope, and neurological pain, while waiting for her refill. Once her prescription was filled, she had to drive 25 minutes to a local pharmacy to pick it up. The prescription cost her \$45 out of pocket, in addition to the costs of gas, time, and a risk of exposure to COVID-19.

- **Sandy from Warren, Michigan** noted that her 80-year-old mother received mail order prescriptions for years without incident. In mid-July, the doctor ordered a bladder medication for her mother. According to Sandy, the prescription sat in a USPS facility located just a few miles from her mother's home for five days and was not delivered until late July, nine days after the initial order. As a result, Sandy said her mother went without this medication for five days and though it was not life threatening, her mother was in a significant amount of discomfort during that time period.
- **Joseph from Livonia, Michigan** reported that his insurance company recently required that he obtain his prescriptions through the mail. On July 27, Joseph received confirmation that his prescriptions had been shipped and were scheduled to arrive on July 29. Joseph indicated that he relies on this medication for his anxiety and ADHD and needs it to function. He did not receive the medication until one week later. While Joseph awaited his medication, he resorted to rationing his remaining pills and eventually had to miss doses altogether until his prescription arrived on August 3.
- **Mark from Gladwin, Michigan** relies on the mail for his blood pressure medication, which he receives every three months. Usually, the prescription takes a few days to arrive. When he ordered his prescription at the end of July, he did not receive it until August 11. Mark reported that the USPS tracking information revealed that the package bounced between the Detroit and Saginaw distribution centers after finally arriving in Detroit on August 8, when the medication sat for a period of time. As a result of this nearly two-week delay, Mark went without his medication for approximately 3-4 days. According to Mark, this is the longest he has ever had to wait for his medication.
- **Mary from Redford, Michigan** shared that her daughter has consistently received her medication through the mail in 3-4 days. According to Mary, on July 20, 2020, she was notified that her daughter's medication had been sent, but it took nine days to be delivered. While waiting for the medication, she spoke to a postal worker about getting her daughter's medication who said that "stuff was everywhere" and that they had "never seen it like this" so they would probably not be able to find it. When her daughter realized her medication wasn't coming on time, she tried to stretch what she had by taking one instead of two pills, and because of this had seizures and was transported to the hospital.

### Emergency Refills and Out of Pocket Expenses

These lengthy delays have forced individuals to make in-person visits to a pharmacy, request emergency refills of their medication, and sometimes incur out-of-pocket costs.

- **Sandra from Grosse Ile, Michigan** is required to use a specific mail-order pharmacy for her medications. Sandra reported that she received a notification that her medication shipped on August 5 and arrived at the Detroit Distribution Center on August 7; however, since August 11 the package has been listed as “in transit” and as of August 19, she had not yet received it. As a result, Sandra said that she went without her medication and eventually received an emergency prescription from her doctor, for which she paid \$4.90 out-of-pocket.
- **Judy from Shelby Township, Michigan** shared that her husband is a diabetic and relies on the mail to receive testing strips to assess his blood sugar levels. She recounted that when the shipment from his insurance company did not arrive, he put in an additional order, which was also delayed. After learning that nearby local stores did not carry the testing strips, he ordered some on Amazon and paid \$13 out of pocket. Judy said that her husband went two days without any testing strips and as a result, could not test his blood sugar levels during that time. Judy reported that the testing strips from the insurance company arrived one month later, in early August.
- **William from Modesto, California** is 81 years old and relies on the mail for his blood pressure medication, which he said usually arrives within 2-3 days. William noted that his most recent order, which was shipped on July 30, did not arrive until the week of August 17. Without any medication for four days, William contacted his doctor to obtain an emergency refill and incurred small co-pays.

### Mail Delays Have Adversely Affected Veterans

- **Richard from St. Charles, Michigan** is a veteran who receives his prescriptions through the mail. In early August, Richard reported that he placed an order for his prescription, which was sent on August 2. As of September 2, the prescription has not yet arrived. In need of his medication, Richard said that he paid \$35 for a 10-day emergency prescription. According to Richard, his insurance company also overnighted him a 90-day supply at no cost through DHL and USPS, which he received. In addition, his mail-order pharmacy sent another prescription on August 25 that finally arrived on September 8. Richard noted that recently he has gone 2-3 days in a row without receiving any mail.
- **Craig from Portage, Michigan** is a disabled veteran who served in the Army. He explained that he has relied on mail-order medications for fourteen years without any serious problems. Craig reported that his prescriptions usually takes about a week to arrive, but at most up to two weeks. In early July, Craig ordered his blood pressure medication from the VA; however, he did not receive the medication until August 1. As a result, Craig went without his blood pressure medication for almost a week and had to drive an hour to pick up an emergency prescription order from the VA Clinic.

## B. Impact on Small Businesses

American small businesses trust the Postal Service to carry and deliver their products across the country. Small businesses comprise 99.7 percent of all firms in the United States with paid employees.<sup>63</sup> These businesses overwhelmingly rely on USPS for their shipping and delivery needs – a 2019 report found that 70% of small businesses with fewer than 10 employees use USPS, and more than half of them do so more frequently than other carriers.<sup>64</sup> For many small businesses, USPS is the only feasible option for their shipping needs, either due to costs or access. One industry expert recently stated that without USPS, “small businesses would see shipping costs increase significantly, in some cases by more than double.”<sup>65</sup>

Businesses have increased their reliance on carriers such as USPS during the COVID-19 pandemic. Many businesses nationwide have shifted to online operations as their standard brick-and-mortar locations remain closed, leading to an increased dependence on shipping and delivery to continue business activity.<sup>66</sup> In light of this shift, e-commerce sales grew by over 30 percent between the first and second quarters of 2020, directly overlapping with the onset of the pandemic in the U.S.<sup>67</sup> When small businesses were unable to provide clients with goods and services in-person, many turned to USPS to stay afloat in the face of adversity.

Small business owners across the country expressed a variety of concerns stemming from USPS delays. Some noted the lost revenue and inventory resulting from negative reviews and dissatisfied customers frustrated by delays, as well as lost time spent investigating those delays. Some small businesses also raised concerns about their inability to track packages no longer being scanned by USPS. Other businesses that were able to track packages noticed that their packages were taking more erratic and lengthier routes before being delivered, often being held in processing centers for days at a time without explanation.

➤ **Shannon from Los Angeles, California** owns a small business that makes and sells crafts online. She said that she started noticing some issues with USPS mail at the onset of the pandemic, but the problems got much worse in July and August, when the delays of incoming and outgoing packages became much more noticeable. For her business, she orders her supplies online, makes her products with those supplies, and then ships them to clients, so when packages are delayed she cannot create or send her products efficiently. Shannon explained

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<sup>63</sup> U.S. Small Business Administration Office of Advocacy, *Frequently Asked Questions About Small Businesses* (Sept. 2019) (<https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/24153946/Frequently-Asked-Questions-Small-Business-2019-1.pdf>).

<sup>64</sup> U.S. Postal Service Office of Inspector General, *From Home Office to Post Office: Improving Microbusiness Engagement with the U.S. Postal Service* (RISC-WP-19-008) (Sept. 4, 2019) (<https://www.uspsoig.gov/sites/default/files/document-library-files/2019/RISC-WP-19-008.pdf>).

<sup>65</sup> *If we let the US Postal Service die, we'll be killing small businesses with it*, TechCrunch (Apr. 24, 2020) (<https://techcrunch.com/2020/04/24/if-we-let-the-us-postal-service-die-well-be-killing-small-businesses-with-it/>).

<sup>66</sup> *Small businesses turned to technology to survive the pandemic. But it may not be enough.*, Washington Post (June 22, 2020) (<https://www.washingtonpost.com/technology/2020/06/22/small-business-tech-pandemic/>).

<sup>67</sup> U.S. Department of Commerce, U.S. Census Bureau News, *Quarterly Retail E-Commerce Sales 2<sup>nd</sup> Quarter 2020* (Aug. 18, 2020) ([https://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf)); *See also Coronavirus pandemic turbocharges online sales, which were up more than 31% in just three months*, CNBC (Aug. 18, 2020) (<https://www.cnbc.com/2020/08/18/e-commerce-sales-grew-more-than-30percent-between-q1-and-q2.html>).

that during the beginning of the pandemic, her outgoing packages would take 7 to 10 days to be delivered, but starting in late July every package has been delayed, taking 14 days on average where they should be taking 3 to 5 days with First Class shipping. Over the same period, she has also had packages disappear for up to six weeks and then spontaneously be delivered to clients. Finally, USPS also lost an incoming package she had ordered containing \$60 worth of business supplies. Although her claim for the missing package was since approved, the reimbursement is still pending.

*Delays with USPS orders have caused unprecedented issues for even the most experienced of online sellers*

- **Rusty from Alpharetta, Georgia** has been selling items online for over two decades. Although he has rarely had problems in the past, according to Rusty, his USPS service took a turn for the worse in the middle of July. He first noticed it when he received an unusual amount of emails from buyers asking about the status of their items. He said he looked into reports from his Internet postage vendor for the first time and saw that there were numerous items still outstanding after 2 or 3 weeks, whereas previously the delivery norm was approximately 4 business days for most of the country. Rusty said he has been spending half of his time answering emails from buyers regarding complaints about delays—he used to only receive buyer messages inquiring about a package once every few days, but now he gets 8 to 10 per day. According to Rusty, he has had to make business changes due to the delays such as dropping expedited service, taking down advertising, extending the handling time for packages, and slowing down sales to be able to keep up with troubleshooting the issues stemming from USPS delays.
- **Donna from Tipton, Michigan** has been a seller online for over 10 years and she ships hundreds of packages a year via USPS. She stated that she had not had any major issues with package delivery until this summer. For example, according to Donna, she sent a package via Priority Mail on June 24 from Tipton, Michigan to Wyandotte, Michigan (a distance of approximately 60 miles) that was not delivered until nearly a month later on July 21. This customer left a negative review because of the delay, reflecting poorly on Donna’s business. She said that more than a dozen packages have taken a week longer than normal to be delivered over this summer. Some shipments are taking 2 to 2½ weeks that should take 2 to 3 days. She said as a small business owner, being able to rely on USPS to deliver packages on a timely basis is crucial.

*The delays in mail deliveries have made it difficult for some businesses to stay open and pay employees amid the pandemic*

- **Terrance from Bay City, Michigan** is the owner of a lawn maintenance business. He sends bills to his clients through the mail, but he said that the batch sent on August 1 was delayed by USPS, and on August 11 multiple customers called saying that they had still not received their bill. Due to delays in bills being delivered and delays in receiving payments once they have been mailed by customers, he described a sizable “accounts receivable” backlog and has concerns about being able to pay his employees.

*USPS delays affect both the professional and personal lives of small business owners*

- **Laurie from Grand Rapids, Michigan** owns an early childhood and preschool center. According to Laurie, she has noticed a significant slowdown in USPS mail since the beginning of August, especially compared to private carriers. Personally, she had a bill payment she mailed on August 1 that was due on August 8 not arrive until August 17, despite the fact that it had never been delayed before and she had never made a late payment. She is concerned about how such delays could affect her credit score and small business as well. On the business side, Laurie said that all of her incoming mail has been delayed, with packages that should take 7 to 10 days taking 2 to 4 weeks to be delivered now, such as one package of curriculum-based materials for children that was ordered in the second week of August and had not yet arrived as of early September.
- **Jennifer and her husband from Los Angeles, California** are both small business owners. Jennifer sells approximately 4 to 5 packages per week online. According to Jennifer, in early July, she noticed that domestic and international packages she had mailed First Class were being held in USPS locations, some for up to 3 weeks. She recounted that her packages were taking an average of 4 to 5 weeks to reach their destination. Because she had issued replacements for customers during the delays, some of them ended up getting two packages, and she was not refunded any insurance money because the packages eventually arrived and the insurance claims were also delayed. She said she eventually closed down her shop for 3 weeks to avoid ongoing issues due to USPS.
- Jennifer's husband owns a record store that was closed for most of the spring due to shutdowns, so he moved his business online to stay open during the pandemic. According to Jennifer, when Los Angeles permitted some retail shops to open, her husband returned in-person for two long weekends, but after this he voluntarily closed the shop due to the health risk and relied further on the online component of the business. Since then, he has had 27 packages go missing through his online shop, and even now there are packages that have still not arrived. In response to the USPS issues, he closed the online shop and reopened the in-person store earlier than he would have wanted because he could not trust USPS. Jennifer estimated the economic impact of potential lost sales at \$1,000 for her business and \$6,000 to \$7,000 for her husband's record store.

*Rural communities often rely exclusively on USPS for mail services, and small businesses in these areas have struggled since the recent changes with the lack of reliable service combined with the lack of a viable alternative for sending mail*

- **Nan from Point Arena, California** owns a small alternative medicine practice and mailing homeopathic remedies to clients makes up a significant part of her business. Nan said she experienced a sudden slowing of mail transit times starting in early to mid-July, resulted in significant delays in packages reaching her clients. Her business relies on the mail because it is the only local option in the remote rural area where she lives. Nan said that since July, her packages have been delayed two to three times the normal delivery length, costing her over \$650 between the delays and lost packages. Nan said she is dependent on USPS and her packages are time-sensitive. She does not believe her business will remain sustainable if the postal system's failure to deliver packages in a timely way continues.

### C. Financial Impact on Households

Many individuals and families rely on the mail to manage financial matters like paying bills and obtaining paychecks. Severe mail delays in July and August caused added financial strain to households across the country, many of whom were already facing hardships due to the pandemic.

#### Unexpected delays have led to late and overdraft fees

- **Lisa from Los Angeles, California** is the mother of two sons, and her husband passed away in July of this year. She explained that the boys receive Social Security assistance because their father passed and that this is their only income. She said these checks have been delayed, starting in the beginning of August, causing financial burdens and stress. Because the Postal Service is taking so long, with mail and bills coming 2-3 weeks late, she said she is also incurring late fees she has to pay. Lisa said that the fact that all of their mail is coming late “affects us economically and mentally.”
- **Linda from Big Bay, Michigan** is a retired teacher who stated that she never had problems with the Postal Service until July of this year. According to Linda, her husband mailed a credit card payment on July 21, and on August 13 it had not yet been received, so his card was declined and he had to pay a \$35 late fee. Additionally, Linda reported that she filled out and mailed in her ballot for Michigan’s August primary election as soon as she received it, but it was not received by the township until after the election, leading to it not being counted.

#### Some companies have refunded or waived fees caused by mail delays – but consumers still face negative impacts

- **Donald from Webster, New York** is a retired postal worker who served for 36 years. He explained that over the course of his career and retirement, he has chosen to be loyal to the Postal Service and pay bills by mail to support First Class mail – as opposed to using online options. Donald reported that, beginning in July, he had four credit card bills and his mortgage payment delivered late. Prior to this, he estimates he had one late payment in his life. He said that he was able to contact the credit card company and reverse the charges and interest, but is concerned that his credit rating dropped at least 100 points. He said this is especially damaging because he is retired and may need to borrow money in the future.
- **Charles from Redford, Michigan** reported that he stopped receiving mail around July 23, and did not get anything from USPS again until August 13. Since then, mail has come on some days and not come on others. He said he has experienced delays in the delivery of his bills, arriving after they are due, and has had to deal with the annoyance of calling the companies to get the late fees waived.



### Delays have led to financial strain

- **Lynn from Detroit, Michigan** is disabled and immunocompromised, so she has been isolating during the pandemic and relying more on the mail for her needs. According to Lynn, her packages started getting delayed in July and she had to submit complaints to track packages down. Lynn said that she pays her rent through the mail by having her bank mail a check to her landlord once her Supplemental Security Income direct deposit comes at the end of the month. She said her rent check always arrives by the due date of the 5th. For August rent, however, her check that was mailed on July 27 did not arrive until August 13. Lynn explained that because it had been so long, the bank considered it lost and she had to go out and get a physical money order, risking her health in the process.
- **Amy from Hancock, Michigan** lives in a rural area where she says mail generally takes 4-5 days to arrive. However, she recently experienced an extreme delay with her credit card delivery. According to Amy, it was mailed on July 25, and when it had not arrived as of August 12, the company cancelled it due to security concerns and shipped her a new one. In the meantime, she had no credit card to cover family expenses for approximately a week.

#### **D. Families have faced additional impacts due to unexpected mail delays**

- **Georgia from Lathrup Village, Michigan** is a retired senior whose husband just passed away. She said she started to notice USPS mail delays in June and July, with some mail delayed and some not arriving at all. The delays with USPS have affected her paperwork correspondence with the Social Security Administration (SSA), the Department of Health and Human Services, and insurance companies following her husband's passing. She said that they have always had good mail service, and "this took a toll, having this stuff dangling out there... All the paperwork stuff was insult to injury." She still has multiple documents that she mailed to SSA over two months ago that have not yet been received, including her original marriage license, which she would have liked back. She also reported a 6-day stretch in July where she got no mail at all, and then on the last night a large amount came at once. Georgia says she has luckily not experienced any financial impacts, but the delays have caused an added stress after her husband's passing.
- **Sheila from Milan, Michigan** said she sent a check with her daughter's college tuition in mid-to-late July that was delayed by about a month in the mail. During the delay the college told her she could not register until they received the check, but luckily it arrived the day after. She also said she was waiting on a check mailed to her home address during that time that took approximately a month until it was delivered, causing "a real issue."
- **David from Farmington, Michigan** was managing the affairs of his brother after he passed away, and he needed mail from each of his siblings to continue the process. According to David, two siblings from Michigan sent paperwork that arrived in a few days, but one from Washington sent mail that took 16 days to arrive, with First-Class delivery. After that, David started using Priority Express mail to correspond with the probate court in Alaska. It cost \$28 in postage to mail the petition.

#### IV. ONGOING CONCERNS ABOUT POSTMASTER GENERAL DEJOY'S LEADERSHIP AND APPROACH

##### A. Postmaster General DeJoy failed to consider the likely service impacts of the transportation changes he ordered in July

Postmaster General DeJoy did not consider likely service impacts before making operational changes, particularly in his decision to eliminate late and extra trips – which resulted in severe delays.

Postmaster General DeJoy failed to conduct any meaningful analysis about how his planned changes could affect customers. Since July 17, 2020, Senator Peters repeatedly requested any information and documentation Mr. DeJoy used in making his decisions, including any analysis of potential impacts on service, or on-time mail delivery.<sup>68</sup> During the August 21 hearing, Mr. DeJoy repeatedly denied having any analysis behind his decisions or their service impacts, other than a “transportation schedule” and “analysis that designed the truck schedule.”<sup>69</sup> These referred to one of Mr. DeJoy’s most significant initiatives, his “emphasis on eliminating extra and late trips.”<sup>70</sup> When the



*Sign in Oregon USPS facility. DeJoy’s changes to truck trips mean nearly empty trucks were dispatched for delivery, contributing to significant delays.*

Postal Service finally provided information about this initiative in a briefing to the Committee on August 31, it included one slide outlining the reasoning behind the decision to cut late and extra trips, but no further analysis.<sup>71</sup> At that briefing, the Postal Service (David Williams, Chief Logistics and Processing Operations Officer) confirmed that there was no additional analysis on potential service impacts: USPS was “expecting a service bump” simply because on-time “should mean better service” and USPS did not anticipate the significant drop in on-time mail delivery. The Postal Service confirmed at this briefing that this change specifically resulted in

<sup>68</sup> Letter from Ranking Member Gary C. Peters, to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (July 17, 2020); Letter from Ranking Member Gary C. Peters, to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (July 30, 2020); Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (Aug. 17, 2020).

<sup>69</sup> 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); Responses to Questions for the Record, Postmaster General Louis DeJoy, U.S. Postal Service.

<sup>70</sup> Letter from David E. Williams, Chief Operating Officer and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters et al. (Aug. 6, 2020).

<sup>71</sup> U.S. Postal Service, Briefing with Senate Committee on Homeland Security and Governmental Affairs and House Committee on Oversight and Reform Staff (Aug. 31, 2020). See also U.S. Postal Service, *Congressional Briefing: Transportation & Service Performance Updates* (Aug. 31, 2020) (<https://about.usps.com/newsroom/global/pdf/0831-congressional-service-briefing.pdf>).

significant service disruptions, which Mr. DeJoy had admitted but downplayed in his testimony before Congress.

Postmaster General DeJoy made hasty and significant changes to the transportation network, despite the fact the Postal Service could easily have foreseen negative impacts. Over the course of two weeks, from July 5 to July 19, USPS reduced the number of weekly extra trips from approximately 15,000 to under 5,000, and cut weekly late trips from over 30,000 to under 8,000.<sup>72</sup> While Mr. DeJoy characterized this decision as simply an effort to run trucks on time, abruptly eliminating these trips risked displacing the mail usually carried on them. The Postal Service collects data on the amount of mail in each truck, so it would have been possible to anticipate how much mail could be misplaced or delayed. At the briefing, Mr. Williams confirmed that the Postal Service did know how much mail was on those trips, but did not use this data to conduct additional forecasts.

Rather than taking action based on available information to address underlying causes of late and extra trips, Postmaster General DeJoy moved ahead with wholesale transportation changes. He cited a recent Postal Service Office of the Inspector General (OIG) report as his basis for working to eliminate late and extra trips.<sup>73</sup> This report did not recommend abrupt, wholesale stoppage of late and extra trips. Instead, the report emphasized that USPS uses such trips within “the surface and air networks to mitigate mail processing, delivery, and other delays” and made recommendations to evaluate the trips and address the underlying causes of the delays, such as inconsistent management oversight, a truck driver shortage, and misallocation of mail on high-cost air carriers. The OIG also found that 74% of late trips were due to contractor failure, delays in sorting or building mail containers, and congestion in operations sometimes due to a lack of available staff. Postal Service management agreed with the majority of these recommendations and began to implement them in May 2020.<sup>74</sup>

Mr. DeJoy’s main stated reason for this change was to cut costs. At the August 21 hearing, he stated, “the day I was sworn in I received a report from the OIG that spoke about the things that you were talking about – late deliveries, late dispatch, extra trips, and all the time and costs associated around this that approximated \$4 billion. We were facing – I had \$13 billion in cash and \$12.5 billion of payments to make in the next nine months, and no help in sight. So I needed to look at a positive impact on cost savings.”<sup>75</sup> However, although Mr. DeJoy cited \$4 billion in savings, the OIG report he referenced identifies only \$550 million spent in 2019 on “extra in transportation to mitigate delays that occurred in the network,” including \$266 million for extra

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<sup>72</sup> U.S. Postal Service, Briefing with Senate Committee on Homeland Security and Governmental Affairs and House Committee on Oversight and Reform Staff (Aug. 31, 2020).

<sup>73</sup> 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); U.S. Postal Service, Briefing with Senate Committee on Homeland Security and Governmental Affairs and House Committee on Oversight and Reform Staff (Aug. 31, 2020).

<sup>74</sup> U.S. Postal Service Office of Inspector General, *Transportation Network Optimization and Service Performance* (Report 20-144-R20) (June 5, 2020) (<https://www.uspsoidg.gov/sites/default/files/document-library-files/2020/20-144-R20.pdf>).

<sup>75</sup> 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).

trips, \$14 million for late trips, \$130 million in overtime, and \$140 million in air freight mitigation.<sup>76</sup> Postmaster General DeJoy’s changes appear to have been focused on cost-cutting based on an inflated estimate, and at a high cost to the American people in terms of delays.

### **B. DeJoy did not consult with key stakeholders before making significant changes – possibly in violation of the law**

The Postal Reorganization Act of 1970 (PRA) and the Postal Accountability and Enhancement Act of 2006 (PAEA) require that any changes the Postal Service intends to make that would affect nationwide service be submitted to the Postal Regulatory Commission for an advisory opinion, which includes a public hearing process. The laws require that:

[W]hen the Postal Service determines that there should be a change in the nature of postal services that will generally affect service on a nationwide or substantially nationwide basis, it shall submit a proposal, within a reasonable time prior to the effective date of such proposal, to the Postal Regulatory Commission requesting an advisory opinion on the change.”<sup>77</sup>

In a July 22 letter to Senator Peters, USPS General Counsel, Thomas Marshall stated that USPS was “aware of our legal obligations to request an advisory opinion before implementing a ‘change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis’ under 39 U.S.C. § 3661(b). None of the operational efforts discussed here constitute such a change.”

Multiple lawsuits have been filed recently that allege that Postmaster General DeJoy’s recent changes to mail service and delivery violate procedural obligations under federal law.<sup>78</sup> Specifically, the lawsuits allege that Postmaster General DeJoy’s July 2020 directive eliminating extra mail transportation trips, imposing reductions in overtime, changing mail sorting and delivery policies in certain post offices, and reducing equipment at mail processing plants, clearly had a nationwide impact on mail service and therefore falls within the requirements under the PRA and PAEA. The lawsuits also allege that Postmaster General DeJoy failed to follow the required processes before instituting these changes, thereby violating federal law.

In addition, the Postmaster General failed to consult key Postal Service stakeholders, particularly the business community, about his decisions prior to implementation. According to business groups, customers, and contracting partners of the Postal Service, Postmaster General DeJoy did not meet with them or consult them about the proposed changes. In the past, Postmasters General have discussed such changes with these key stakeholders prior to implementation to obtain valuable feedback.<sup>79</sup> Consultation with these stakeholders, as well as with unions, Congress, and

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<sup>76</sup> U.S. Postal Service Office of Inspector General, *Transportation Network Optimization and Service Performance* (Report 20-144-R20) (June 5, 2020) (<https://www.uspsoidg.gov/sites/default/files/document-library-files/2020/20-144-R20.pdf>).

<sup>77</sup> 39 U.S.C. § 3661.

<sup>78</sup> *NAACP v. USPS and Louis DeJoy* is pending in the District Court for the District of Columbia. The second lawsuit, *State of Washington v. Trump, USPS, and DeJoy*, is pending in the Eastern District of Washington State.

<sup>79</sup> HSGAC staff conversations with stakeholders.

the general public, can provide key insights and prevent mistakes. As a public entity, the Postal Service has an obligation to provide such transparency

### **C. More changes to come – little sign of increased transparency**

Postmaster General DeJoy has admitted that he is considering future changes to the Postal Service that could harm postal customers nationwide. Recent reports on internal Postal Service discussions<sup>80</sup> revealed that DeJoy has proposed changes including: changing service standards, which would permanently create slower standards for mail; reducing nonprofit discounts; increasing prices on competitive products including packages; leasing postal facility space for commercial purposes; changing pricing for Alaska, Hawaii, and Puerto Rico; and eliminating Alaska bypass mail. These changes would dramatically decrease service and increase costs for people who rely on the mail, disproportionately affecting rural areas and particular locations.

When asked about these proposals at the Homeland Security and Governmental Affairs Committee hearing on August 21, Postmaster General DeJoy admitted that he is “considering dramatic changes” to the Postal Service, including these changes.

### **D. Election Mail**

Delays and mail backups have sparked fears that the Postal Service may not be able to handle unprecedented high volumes of election mail in the 2020 general election. During the acute drop in on-time delivery in July, some Americans reported delays in their election mail. For example, as described above, one individual from Big Bay, Michigan, filled out and mailed in her ballot for the August primary election as soon as she received it, but found out it was not received by the township until after the election. In another instance, postal workers reported finding absentee ballots that had been postmarked before a primary election, but were found after the election in stacks of mail that had been delayed in a processing plant.<sup>81</sup> Any continued delays may threaten the Postal Service’s ability to swiftly deliver all election mail and carry out proper processing procedures.

The Postal Service has robust procedures in place to ensure election mail is delivered quickly. In response to Senator Peters’ questions about election mail operations,<sup>82</sup> the Postal Service provided documentation of these procedures, including employee instructions (service talks) and operations manuals distributed in 2020. These include instructions for delivering ballots even if the postage is unpaid or shortpaid, making sure all return ballots are postmarked by machine or

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<sup>80</sup> *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/>).

<sup>81</sup> HSGAC staff conversations with postal workers.

<sup>82</sup> 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); Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (Aug. 5, 2020); Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (Aug. 12, 2020).

by hand, running daily all-clears to certify that all election mail is moved out each day, and logging the movements of election mail.<sup>83</sup>

In testimony before Congress, the Postmaster General committed to following existing election mail practices and procedures, including the Postal Service's longstanding practice of processing all election mail under the fastest service standard, similar to First-Class mail.<sup>84</sup> At the August 21 Homeland Security and Governmental Affairs Committee hearing, Senator Peters asked Mr. DeJoy, "Will you continue the processes and procedures to allow election mail to move as expeditiously as possible, and treated like First-Class?" Mr. DeJoy answered, "Yes, sir. We will deploy the processes and procedures that advance any election mail, in some cases ahead of First-Class mail." He also committed to meeting the goal of "delivering at least 95 percent of election mail within one to three days this year, the same as the Postal Service did in 2018," meeting the First-Class service standard.<sup>85</sup>

However, Senator Peters and his colleagues have sought information about the Postal Service's ability to enforce these procedures, particularly if there are mail delays or diminished capacity.<sup>86</sup> Even prior to Mr. DeJoy's changes, the USPS OIG found that election mail processing procedures were not fully carried out and enforced in all facilities during the May and June primaries. The OIG recommended the Postal Service fully enforce these procedures and more clearly designate who is responsible for enforcement.<sup>87</sup> Delays or diminished processing capacity could exacerbate these problems, although the Postal Service is generally capable of handling high mail volumes. During "peak season" over the holidays in 2019, for example, the Postal Service processed approximately 2.5 billion pieces of First-Class and Marketing Mail per week, the same types of mail used for election mailings.<sup>88</sup> In the 2020 general election, about 209 million voters are eligible to vote by mail,<sup>89</sup> which would generate 518 million mailings over a

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<sup>83</sup> U.S. Postal Service, *Processing Operations Management Order: 2020 Political and Election Mail Policies and Procedures* (July 29, 2020); David E. Williams, Chief Operating Officer and Executive Vice President, U.S. Postal Service, *Postmarks on Ballots* (July 2, 2020); U.S. Postal Service, *Processing Operations Management Order: 2020 Election Mail Service Talk* (Feb. 2020)

<sup>84</sup> Although some states use Nonprofit Marketing Mail to send outgoing mail to voters, which carries a cheaper rate as well as a longer service standard of 3-10 days compared to 2-5 days for First-Class mail, the Postal Service has historically processed all election mail according to a higher standard that meets or exceeds that of First-Class mail. See U.S. Postal Service Office of Inspector General, *Service Performance of Election and Political Mail During the 2018 Midterm and Special Elections* (19XG010NO000-R20) (Nov. 4, 2019) (<https://www.uspsoig.gov/sites/default/files/document-library-files/2019/19XG010NO000.pdf>).

<sup>85</sup> 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).

<sup>86</sup> Letter from Ranking Member Gary C. Peters et al. to Louis DeJoy, Postmaster General and Chief Executive Officer, U.S. Postal Service (Aug. 5, 2020); Letter from Thomas J. Marshall, General Counsel and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters et al. (Aug. 14, 2020).

<sup>87</sup> U.S. Postal Service Office of Inspector General, *Processing Readiness of Election and Political Mail During the 2020 General Elections* (20-225-R2) (Aug. 31, 2020) (<https://www.uspsoig.gov/sites/default/files/document-library-files/2020/20-225-R20.pdf>).

<sup>88</sup> In Q1 2020 (Oct.-Dec. 31 2019), USPS processed 14.3 billion pieces of First-Class Mail, and 20.3 billion pieces of Marketing Mail (34.6 billion pieces of mail over a 14-week period, or approx. 2.5 billion pieces per week on average). See U.S. Postal Regulatory Commission, *Quarter I, 2020 Report on Form 10-Q* (Feb. 6, 2020) (<https://about.usps.com/what/financials/financial-conditions-results-reports/fy2020-q1.pdf>).

<sup>89</sup> *Where Americans Can Vote by Mail in the 2020 Elections*, New York Times (Aug. 14, 2020) (<https://www.nytimes.com/interactive/2020/08/11/us/politics/vote-by-mail-us-states.html>).

two-month period if every eligible voter uses this option to receive and send back a ballot. However, it is critical that the Postal Service fully utilize this capacity, ensure each location is ready to handle the volume, and enforce procedures to quickly move election mail.

The Postal Service has also struggled to closely coordinate with state and local election officials. While USPS employs 76 full-time Election Mail Coordinators who are tasked to assist local officials, a July 2020 Inspector General report identified gaps in this coordination and made recommendations to improve it.<sup>90</sup> This problem emerged again recently when USPS began to send a national mailing to all households with information about election mail. While the mailing contained broad advice including “give yourself and election officials ample time” and “contact your election board to confirm” local regulations, it also contained directions that do not apply in all states, including “request your mail-in ballot...at least 15 days before Election Day” which is inapplicable in states that mail all voters a ballot. The Postal Service reportedly did not consult with state and local officials prior to finalizing this mailing.<sup>91</sup> USPS could easily have edited the mailer to correct these misleading statements, while maintaining its plans for this informative national mailing.

After facing pressure from Congress to ensure election mail performance and improve coordination with states, the Postal Service Board of Governors created an Election Mail Committee, which is monitoring USPS’s election mail operations and coordinating with stakeholders to “ensure that [USPS’s] part of this election process is implemented in the most effective way possible.”<sup>92</sup> USPS also established a new website for the public with information about election mail: <http://usps.com/votinginfo>. While the Postal Service has made some commitments and taken action in response to congressional concerns, this Committee will continue to monitor whether USPS will eliminate delays, prepare each facility for election mail volumes, and enforce procedures to quickly deliver election mail.

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<sup>90</sup> Letter from Thomas J. Marshall, General Counsel and Executive Vice President, U.S. Postal Service, to Ranking Member Gary C. Peters et al. (Aug. 14, 2020); U.S. Postal Service Office of Inspector General, *Management Alert: Timeliness of Ballot Mail in the Milwaukee P&DC Service Area (20-235-R20)* (July 7, 2020) (<https://www.uspsoig.gov/sites/default/files/document-library-files/2020/20-235-R20.pdf>).

<sup>91</sup> *Federal judge blocks USPS from sending mailers containing incorrect voting information to Coloradans*, Denver Post (Sept. 12, 2020) (<https://www.denverpost.com/2020/09/12/jena-griswold-usps-lawsuit-election-misinformation>).

<sup>92</sup> U.S. Postal Service: *USPS Board of Governors Announces Bipartisan Election Mail Committee* (Aug. 21, 2020).

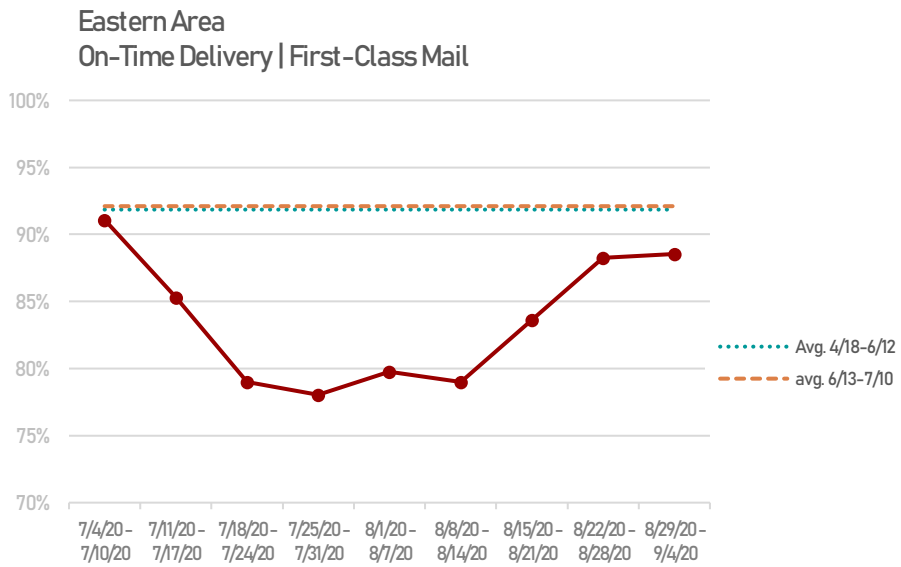
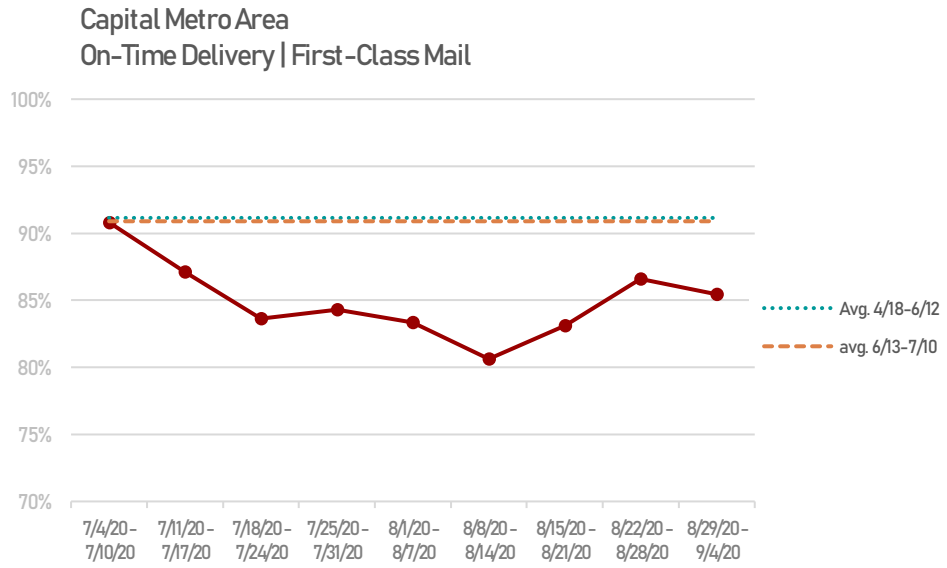
## CONCLUSION

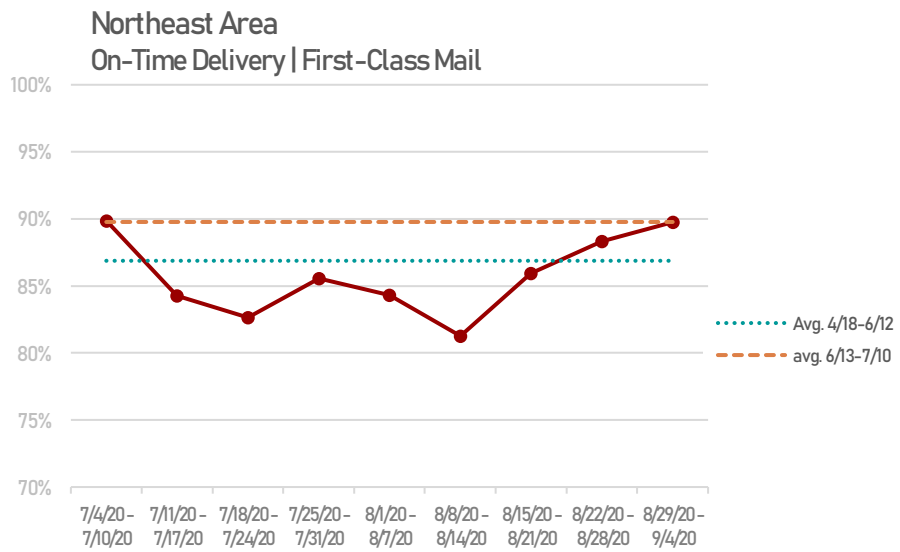
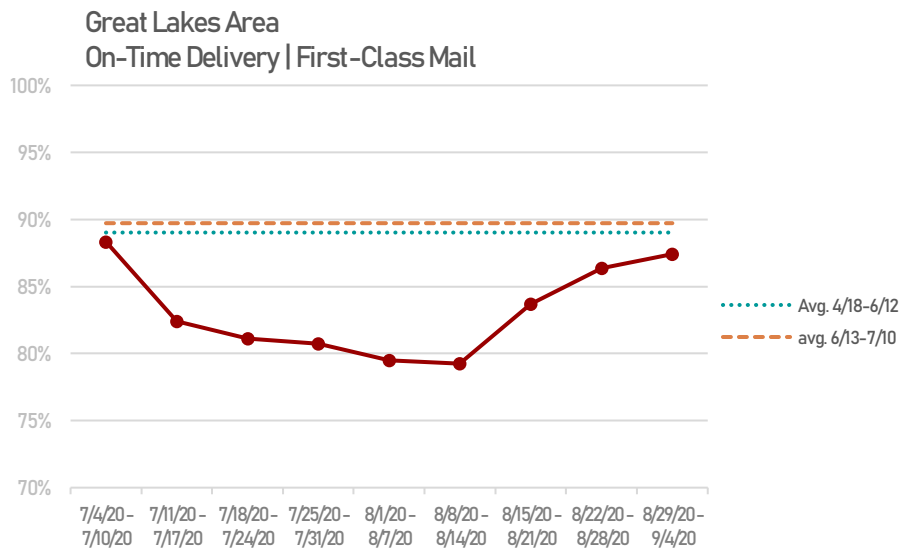
Postmaster General DeJoy directed operational changes at the Postal Service that slowed mail service across the country beginning in July 2020, delaying critical mail and causing real harm to Americans. On-time delivery dropped precipitously in every region across the nation, with tens of millions of pieces of mail delayed in a single week due to the Postmaster General's actions. The delays have continued for months, and service performance has still not fully recovered. Postmaster General DeJoy made these changes, including abruptly cutting extra and late trips, without regard to their potential negative impact on postal customers, and despite available evidence that the changes could cause delays. He was not transparent with the public, Congress, or key stakeholders about his decisions and has continued to downplay their damaging effects. Postmaster General DeJoy's actions have hurt Americans who rely on medication, seniors, veterans, small businesses, people living paycheck to paycheck, and many others across the country.

The Postal Service must cease and reverse any actions that are causing mail delays. Congress should continue to hold Postmaster General DeJoy accountable by passing the Delivering for America Act, to prevent any further changes that could harm service during the COVID-19 pandemic. The Postmaster General must recognize the harm he has done and most importantly, swiftly restore on-time delivery of medications, checks, bills, critical goods, and all mail. The Postal Service also must follow each of its policies and practices for swiftly delivering election mail, which requires eliminating delays and backups. Postmaster General DeJoy must be transparent about all actions he is taking, and ensure that he is capable of maintaining a Postal Service that serves the American people.

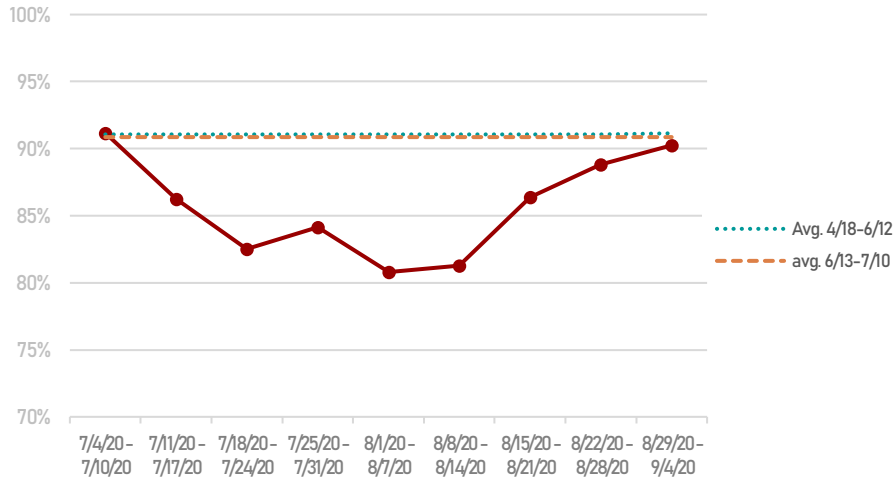


## APPENDIX

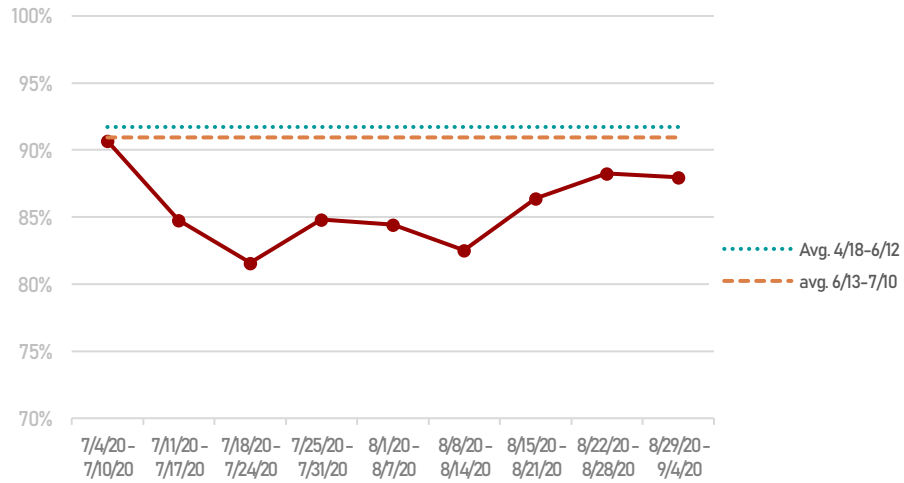




Pacific Area  
On-Time Delivery | First-Class Mail



Southern Area  
On-Time Delivery | First-Class Mail



Western Area  
On-Time Delivery | First-Class Mail

