

The Truth About the Postal Service
Committee on Oversight and Reform Republicans
Ranking Member James Comer
August 17, 2020

Topline Message:

Democrats and the media have continued to spread fear and misinformation on the state of the United States Postal Service (“USPS” or “Postal Service”) and its ability to deliver mail. In fact, the new Postmaster General, Louis DeJoy, is taking prudent steps to improve an unsustainable business model.

The following are facts to provide perspective on the reality of Postal Service operations and to debunk Democrats’ conspiracy theories.

Democrat’s Myth:

The Postmaster General (PMG) is purposefully slowing down the mail by removing overtime, post boxes, and processing machines.

The Facts:

- The new PMG, Louis DeJoy, has put in place changes to improve the operational efficiency of the postal service, which Democrats have vilified. At the same time, the Democrats continue to seek a taxpayer bailout of the Postal Service that would do nothing but pour billions of dollars into an organization with a broken business model. There is NOTHING in the Democrats’ bailout plan to fix what EVERYBODY acknowledges is no longer working.
- The Postal Service has been on an unsustainable financial path that long predates PMG DeJoy, a private sector businessman with extensive business background in supply chain and logistics issues. Since the rise of the internet, mail volume has decreased every year¹ and losses at the Postal Service have piled up: a total of \$69 billion between 2007 and 2018.²
- Controlling costs is a key way USPS can keep these losses down and maintain solvency. This includes keeping mail processing on schedule and cutting down on unnecessary overtime costs, vehicle trips and unnecessary machinery.
- Historically the Postal Service has struggled with rampant and uncontrolled overtime costs. The Postal OIG reported an increase of \$327 million in overtime costs in mail processing and \$576 million increase in overtime costs in delivery

¹ U.S. Postal Service, *First-Class Mail Volume Since 1926 (Number of Pieces Mailed, to the Nearest Million)* (Feb. 2020), <https://about.usps.com/who-we-are/postal-history/first-class-mail-since-1926.htm>.

² U.S. Gov’t Accountability Office, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas 99*, GAO-19-157SP (Mar. 2019), <https://www.gao.gov/assets/700/697245.pdf>.

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from 2014 through 2018 despite declines in mail volume.³ Mail processing delays also increased by 43% during that same time period.⁴ In 2018 alone, USPS's overtime costs increased to nearly \$1.1 billion from the planned amount of \$732 million, a 49% unplanned increase.⁵

- To address this issue, PMG DeJoy has implemented new pilot initiatives to make USPS run on schedule and increase efficiency when sorting and delivering the mail. Instead of encouraging the Postal Service to improve, the Democrats would rather use taxpayer dollars to reward an inefficient system with no strings attached.
- The steep decline in mail also means that USPS operations have to be leaner, which includes reevaluating if mail stops and machinery are not needed. During the Obama Administration, the USPS removed 12,000 mailboxes without any uproar from the Democrats. Additionally, USPS over time has retired old letter processing machines that are not needed because of the drop in mail volume.

Democrat's Myth:

The PMG is sabotaging the ability for vote-by-mail in this upcoming election.

The Facts:

- USPS is educating states on how to make vote-by-mail successful given realistic timelines associated with delivering the mail.
- Last week, Democrats tried to paint USPS General Counsel letters that were sent to state election boards as evidence of voter suppression and election sabotage. In fact, the opposite is true.
- Some state election boards have deadlines and requirements that do not consider the reality of USPS operations and logistics constraints, and therefore cause ballots to not be returned in time to be counted. For example, some states allow voters to request absentee ballots by mail a day before the election—clearly not enough

³ U.S. Postal Service Office of the Inspector General, *Audit Report: Assessment of the U.S. Postal Service's Service Performance and Costs* (Report Number NO-AR-19-008) (Sept. 2019), <https://www.uspsoig.gov/sites/default/files/document-library-files/2019/NO-AR-19-008.pdf>.

⁴ *Id.*

⁵ U.S. Postal Service Office of the Inspector General, *Audit Report: Mail Processing Overtime* (Report Number NO-AR-19-005) (Jun. 2019), https://www.uspsoig.gov/sites/default/files/document-library-files/2019/NO-AR-19-005_0.pdf.

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time for USPS to deliver them to the voter and for the voter to send it back. It's far more likely state election offices will be overwhelmed, not the Postal Service.

- The USPS took the prudent step to alert states if their requirements do not align with its established delivery times and what steps they can take to remedy the situation.
- The letters are also part of USPS outreach about election mail that was planned well before PMG DeJoy started in June. A nearly identical letter was posted on USPS.com in May of this year.⁶
- The states should heed these guidelines to avoid debacles like the one in New York last month. New York voters were able to request an absentee ballot using a mail application seven days before the election. Because of this tight deadline, about 30,000 ballots weren't mailed to voters until the day before the primary election.⁷

Democrat's Myth:

The Postal Service won't be able to handle the volume of election mail.

The Facts:

- The Postal Service is entirely capable of handling a relatively minor increase in mail volume ahead of the election and will in fact benefit from the associated revenue and relatively low costs of delivering more flat pieces of mail.
- For perspective, in 2019, the Postal Service handled an average of 471 million pieces of mail each day. As of June 2020, USPS has already processed more than 8 billion pieces of mail, including an estimated 450 million pieces of mail due to stimulus checks and census documents during the height of the pandemic.
- Assuming every single registered American voter, about 158 million citizens, decided to vote by mail, the total possible volume of requested and mailed in ballots of 316 million mailed ballots would not exceed a typical day of total USPS mail volume.

⁶ Letter from Thomas J. Marshall, General Counsel, U.S. Postal Service to State and Local Election Officials, *Re: Election Mail* (May, 29 2020), <https://about.usps.com/newsroom/national-releases/2020/2020-05-29-marshall-to-election-officials-re-election-mail.pdf>.

⁷ The Editorial Board, *Opinion: The Postal Service's Good Election Advice*, Wall Street Journal (Aug. 16, 2020), <https://www.wsj.com/articles/the-postal-services-good-election-advice-11597606836>.

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- The Postal Service has seen steady declines in overall mail volume from a peak of 213 billion pieces of delivered mail in 2006 to 143 billion in 2019, about 33%. During the period of the pandemic from March 2020 to present, mail volume has declined by 22%. Given the Postal Service's standing legal requirement to continue service to each and every household in America they will in fact benefit from increased mail volume which amounts to more badly needed revenue.

Democrat's Myth:

The Postal Service will be insolvent before the election.

The Facts:

- USPS is still financially troubled but stated that it will be solvent and operational at least through August 2021.⁸ USPS has \$14 billion cash on hand and, since April, has not requested any financial assistance to continue its operations.
- Due in large part to a surge in package volume during the pandemic, the Postal Service has made \$1.3 billion more in revenue than the same period last year (mid-March through mid-August). This includes the \$178 million it has earned from census and stimulus mail. Election mail will bring in even more revenue for the Postal Service.
- USPS now has access to the \$10 billion loan provided for in the CARES Act. On July 29th, USPS and the Department of Treasury reached mutually agreeable terms and conditions for the loan, however the USPS has not yet seen the need to tap into this lending authority to fund its operations yet.

Democrat's Myth:

PMG DeJoy gutted the senior management team during a "Friday Night Massacre."

The Facts:

- This is another example of the Democrats' overreaction and hysteria to a very typical and mundane exercise that every PMG has done.

⁸ SEC Filing, U.S. Postal Service, Quarterly Financial Report (Form 10-Q) (Aug. 6, 2020), <https://about.usps.com/what/financials/financial-conditions-results-reports/fy2020-q3.pdf>.

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- When you compare organizational charts, PMG DeJoy's changes were mainly to promote personnel already in senior management to new roles.⁹
- Nearly everyone that was in senior management before still has their job and these officials are experienced civil servants. This runs counter to the claims that PMG DeJoy is bringing in his own people to take over the Postal Service.¹⁰
- The previous Postmaster General made drastically more changes to USPS's organizational structure with much less fanfare. When previous PMG Brennan took over, she eliminated positions and changed reporting structures within management, yet Democrats did not sound the alarm on these actions or accuse her of an "assault" on the Postal Service.¹¹

Democrat's Myth:

Chairwoman Maloney's bill, the Delivering for America Act (H.R. 8015), will help the Postal Service.

The Facts:

- Under this bill, the Postal Service would be prohibited from implementing or approving any changes to operations or service from those in effect on January 1st, 2020, prior to the pandemic.
- This broad overreach of congressional influence into the day-to-day operations of the postal service would prevent the following:
 - Temporary closures of processing plants or post offices for cleaning if an employee tests positive for COVID-19;
 - Changes that happen due to unforeseen transportation delays out of the control of the Postal Service;
 - Potentially necessary post office branch hour reduction due to pandemic related employee availability; and

⁹ Nick Harper, *Stop Panicking about the Post Office*, Medium (Aug. 15, 2020), <https://medium.com/@nharpermn/stop-panicking-about-the-post-office-8bcd689b9601>.

¹⁰ Ross Marchand, *Opinion: The 'Friday Night Massacre' at the Postal Service That Never Happened*, Townhall (Aug. 11, 2020), <https://townhall.com/columnists/rossmarchand/2020/08/11/the-friday-night-massacre-at-the-postal-service-that-never-happened-n2574109>.

¹¹ Postal Daily News, *PMG Megan Brennan announces Executive Leadership Team , Organizational Structure*, Postalreporter.com (Feb. 15, 2015), <http://www.postal-reporter.com/blog/pmg-megan-brennan-announces-executive-leadership-team-organizational-structure/>.

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- Any attempts to make the Postal Service more efficient to cut down on operational costs as it experiences historically low volumes of mail.
- With this legislation Democrats are doubling down on the status quo of a failing institution and unnecessarily hamstringing USPS leadership from making any necessary operational reforms for the duration of the pandemic.
- At a time of uncertainty, USPS should have more flexibility with dealing with the pandemic rather than less.

Other Helpful Resources:

1. [WSJ editorial from Aug. 13](#)
2. [WSJ piece from Aug. 16](#)
3. [Byron York piece in the Washington Examiner](#)
4. [Medium piece](#)
5. [Lexington Institute piece](#)
6. [Nonprofit Mailers Facts v. Politics](#)