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House of Representatives

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Opening Statement

Chairman Gerald E. Connolly

Hearing on “Waiting on the Mail: Postal Service Standard Drops in Chicago and the Surrounding Areas” Friday, October 15, 2021

The Postal Service serves every household and business across this nation every day—or at least it is supposed to. It employs 630,000 individuals who live in every single congressional district. According to Pew Research, 91% of Americans have a favorable view of the Postal Service—making it the most popular federal agency.

During the coronavirus pandemic, the Postal Service’s value to this nation has proven greater than ever. A June 2020 Harris Poll found that the Postal Service ranked as the “single most essential company to Americans during the pandemic,” outranking companies that manufacture PPE and sanitizers.

According to a recent inspector general report, however, the Postal Service is not meeting the needs of every customer. In fact, the Postal Service Office of Inspector General found that the Postal Service only met service performance targets for three of 33 products in Fiscal Year 2020.

Why are service performance targets important? The Inspector General said that missing delivery goals, “could result in late fees and even a drop in credit ratings for consumers, as well as a disruption in cash flow for businesses.” They added that late deliveries may drive mailers away from using the Postal Service—to more nimble electronic options. And, the IG added, “Once a consumer moves their bill payment online, they may be unlikely to go back to using the mail.”

Simply put, missing service standards hurts those who rely on the Postal Service, and is ultimately a death sentence for the struggling agency.

Despite the importance of meeting service standards, in the first three quarters of fiscal year 2021, three-to-five-day mail has been delivered on time only 61% of the time. In the first three quarters of fiscal year 2021, magazines were delivered on time only 64% of the time. And while service standards have improved in recent months, those improvements are likely attributable to a drastic decrease in service standard targets that the Postal Service implemented for this fiscal year—and not improvements in the speed of mail delivery.

We are here in Chicago today because this area is among the hardest hit by substandard delivery. And because Chicago is a city with a storied postal history that began in 1831 with the appointment of Chicago’s first postmaster. By 1864, Chicago began at-home mail delivery with the innovation of letter carriers. By the turn of the 20th century, Chicago’s big businesses like Sears and Montgomery Ward relied on the post office to deliver their catalogs and advertisements—paving the way for today’s \$1.6 trillion postal industry that currently employs more than 7.3 million people.

In 1966, massive mail delays in Chicago prompted congressional investigations, which in 1971, culminated in the law creating the U.S. Postal Service as an independent establishment of the executive branch of government. Today’s hearing continues a robust and important tradition of Postal Service oversight by Congress.

If you look at the screen, you will see why we are in Chicago today.

We need to know why in Chicago on-time delivery rates dropped 7.8% for two-day mail and 11.9% for three-to-five-day mail during the third quarter of 2021 when compared to last year's delivery rates. And this calculation does not factor in the Postal Service's reduced delivery standards.

In the slide on the screen, you can see that COVID-19 was declared a public health emergency in late January 2020, but service standards did not start to plummet until around July 2020—a few months into the tenure of Postmaster General Louis DeJoy.

As the slide also shows, these massive drops in service standards in Chicago are substantial and place the city well below the national on-time average—but they are not the worst in the nation. Baltimore has the largest reduction in service standards in the country: in quarter two of fiscal year 2021, two-day mail delivery in Baltimore was on time only slightly more than half the time, and three-to-five-day delivery was on time only 32.4% of the time.

We expect and demand more from our Postal Service. To do that, however, we need to provide it the resources and staffing it requires to meet customer needs.

Instead, we are witnessing service standard degradation and price hikes. Postmaster General DeJoy continues to make consequential and damaging operational changes at the Postal Service that affect postal delivery nationwide—and he repeatedly has done so without conducting the data analyses or customer engagement required to ensure he is not causing irreparable damage.

I have written four letters just this year to Postmaster General DeJoy and the Board of Governors, expressing grave concerns about his management decisions, fleet contracts, and conflicts of interest.

I am particularly concerned about his 10-year plan, which reduces service standards and increases prices. The Postal Regulatory Commission's advisory opinion of Mr. DeJoy's proposal to reduce delivery standards stated that, "it is not clear that the tradeoff between financial viability and maintaining high-quality service standards is reasonable."

DeJoy's actions have crippled the ability of Chicago's post offices and mail deliverers to meet customer needs.

According to the Postal Service Office of Inspector General, four of Chicago's busiest post offices seem unable to even to grasp the scope of their problems.

If you look on the screen, you will see a table from a recent OIG report showing that four Chicago area post offices undercounted delayed mail in their facilities by 59,752 pieces—a 95% undercount.

And on the next slide, you can see that these post offices underreported non-delivered mail by 18,456 pieces—a 98% rate of underreporting.

These are letters and packages from family members to celebrate holidays and birthdays. These are bill payments that generate late fees for those who are trying to pay on time. These are paychecks people rely on to keep food on the table. We cannot allow this to continue to happen.

Today we have witnesses who can help us define the root problems at these Chicago area postal facilities. And we have witnesses who need to be part of designing and implementing solutions. The issues plaguing Chicago, however, should not be viewed as anomalies. These service delays are occurring throughout the nation.

I pledge to work with my colleagues from Chicago, and from around the country, to hold Postal Service leadership to account. We need to see written plans that are responsive to the analysis and recommendations of the Postal Service Inspector General. And we need to strive to reach delivery rates that meet the demands of the Postal Service's customers—reviving the Postal Service instead of driving it into a death spiral.

