Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM 2157 Rayburn House Office Building Washington, DC 20515–6143 Majority (202) 225-5051 Minority (202) 225-5054 https://oversight.house.gov

Opening Statement of Chairman Gerald E. Connolly Subcommittee on Government Operations Hearing on "The Holiday Rush: Is the Postal Service Ready?" November 16, 2022

Last year, we held a hearing in Chicago to investigate its deteriorating mail delivery performance. This February, we visited Baltimore – the city with the worst on-time delivery rating in the nation. Two months ago, we met in Philadelphia, a city beset with poor postal performance and unsafe conditions for postal workers. Today, we're back in DC. We're here right before the Postal Service's pivotal holiday rush, for our fourth hearing examining Postal delivery in just 13 months.

During peak season, a rush of packages and letters places additional strain on the Postal Service's workforce and logistics network, resulting in consistent drops in on-time delivery for nearly all mail.

Today's hearing will thoughtfully and thoroughly examine the Postal Service's preparation for peak season. We will hear from Postal Service officials, Postal Service workers, managers, mailers, and the Inspector General about what slows down mail delivery and what steps the Postal Service has taken and could take to mitigate delays.

In fact, today the Postal Service Office of the Inspector General released a <u>report</u> entitled "Fiscal Year 2023 Peak Season Preparedness," which examines the Postal Service's peak season preparations. We look forward to hearing insights from Inspector General Hull.

Families, businesses, and communities rely on the mail year-round, and, in particular, during peak season. Our Subcommittee aims to ensure that the Postal Service is taking all steps possible to deliver this holiday season.

In 2020, at the height of the COVID-19 pandemic, the Postal Service had its worst peak season in recent years, with its nationwide on-time delivery performance sinking to lows of 67.4% in December for First Class Single Piece Letters.

Fortunately, nationwide on-time delivery performance significantly improved during the 2021 peak season. While we certainly recognize this progress, some of this improvement is the result of the Postal Service's own changes to delivery standards, making it easier for them to meet on-time targets.

Cost effective, reliable service is vital to the Postal Service's long-term survival. Late or lost deliveries can humbug the holiday spirit in the short term and may drive mailers away from the Postal Service in the long run.

The Postal Service is preparing for this year's peak season by hiring seasonal employees, leasing additional facilities, and taking other measures.

Unfortunately, early recent reports indicate that the Postal Service is struggling to hire temporary workers because of a tight labor market and insufficient wages and benefits—especially in communities with a high cost of living. Failure to meet these targets puts additional strain on front-line employees, mail handlers, managers, and those along the mail supply chain. Injuries can increase, delivery can slow.

In April, Congress passed the Postal Service Reform Act, which I co-authored. This once-in-a-generation legislation puts the Postal Service on the path to financial solvency. In fact, just last week the Postal Service reported that the bill added \$57 billion to the Postal Service's fiscal year 2022 net income. It's our job in Congress to make certain the Postal Service uses its new authorities and seizes opportunities to grow its product line and customer base. Congress remains poised to ensure the Postal Service executes its new responsibilities appropriately.

Congress also needs to make certain that the Postal Service is accessible to everyone. We must ensure that rate increases for shipping mail and packages do not make the Postal Service a service for the privileged. That is why I introduced the Ensuring Accurate Postal Rates Act. This bill would require the Postal Regulatory Commission to reconsider if the Postal Service needs increased ratemaking authority when accounting for the positive financial effects of the Postal Reform Act. I look forward to future action on that bill.

The Postal Service has a statutory obligation to deliver the mail to 163 million households across our country every day. Peak holiday season should be the time for the Postal Service to showcase its ability to deliver for this nation. **Today we will ensure that the Postal Service is ready to meet the moment.**

###

Contact: Nelly Decker, Communications Director, (202) 226-5181