

STATEMENT OF

EXECUTIVE MANAGER OF STRATEGIC INITIATIVES

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before the

House Committee on Oversight and Reform Subcommittee on Government Operations "The Holiday Rush: Is the Postal Service Ready?" November 16, 2022

Introduction

Good afternoon, Chair Connolly, Ranking Member Hice, and Members of the Subcommittee. My name is Gregory T. White, and I am the Postal Service's Executive Manager of Strategic Initiatives. In this role, I am responsible for assisting with the development and execution of the Delivering for America plan within the Office of the Postmaster General.

I appreciate the opportunity to discuss how the Postal Service has engaged in months of preparation and planning for the peak holiday season at all levels of the organization. Specifically, I will detail our robust hiring campaign, improvements to our processing capacity, facility acquisitions, optimization of our vehicle fleet, and implementation of new technology to expediate processing and delivery.

The Postal Service stands ready and able to deliver another successful peak holiday mailing season for the American public. The peak holiday mailing season is our time to shine, and the American public can expect us to deliver this holiday season.

Service Performance Remains Strong Across the Country

New delivery performance metrics for the fifth week of the Fiscal Year (FY) 2023 first quarter show consistent performance for all First-Class, Marketing, and Periodical mail categories. The average time for delivery of a mailpiece or package across the postal network was just 2.5 days.

FY2023 first quarter service performance scores covering October 1 through November 4 included:

- **First-Class Mail:** 92.3 percent of First-Class Mail delivered on time against the USPS service standard. This is an improvement of approximately 1 percentage point as compared to the same period last year.
- **Marketing Mail:** 94.2 percent of Marketing Mail delivered on time against the USPS service standard. This is an improvement of approximately 2 percentage points as compared to the same period last year.
- **Periodicals:** 86.9 percent of Periodicals delivered on time against the USPS service standard. This is an improvement of approximately 4 percentage points as compared to the same period last year.

One of the goals of Delivering for America, the Postal Service's 10-year plan for achieving financial sustainability and service excellence, is to meet or exceed 95 percent on-time service performance for all mail and shipping products once all elements of the plan are implemented.

Service performance remains steady throughout the country and the American public can count on the Postal Service to successfully deliver letters and packages in a timely manner.

The Postal Service Is Ready to Deliver for the Holidays

As service across the network holds steady through the busy fall mailing season, the Postal Service continues preparation for the holiday shipping and mailing season including investments and operational precision improvements made as part of the Delivering for America plan. Those robust and detailed preparations include, but are not limited to:

- Robust Hiring Efforts: We are actively hiring 20,000 seasonal employees. Thanks to a strong benefits package and investments in career growth opportunities for employees across the organization, the Postal Service has converted more than 100,000 employees from part-time to full-time career positions since the beginning of 2021 41,000 of those conversions since January of this year.
- Improving Processing Capacity: As part of the \$40 billion in DFA investments, we have added new package processing equipment. Paired with operational precision improvements, enables the Postal Service to expand its processing capacity to nearly 60 million packages every day this holiday season. We will have installed 249 new package processing machines across the nation since the launch of Delivering for America. Expedited package sortation will enable prompt and reliable mail delivery by ensuring an integrated and efficient flow of all products into and out of our processing facilities.
- **Expanding Facility Footprint**: The Postal Service signed multi-year leases on peak season annexes and processing facilities which added 8.5 million square feet to our footprint. These facilities are strategically located throughout the country to augment space shortages at existing postal facilities.
- **Optimizing the Vehicle Fleet:** The Postal Service's 222,682 fleet vehicles are ready to deliver the holidays. To handle holiday package volume, 1,900 additional trailers have been leased. Precision in our processing operation enables mail and packages to arrive at destinations in a quicker and more cost-effective manner.
- Implementing New Technology to Expedite Processing and Delivery: In the last 12 months, more than 6,000 computer tablets have been deployed on our workroom floors to better equip processing and delivery supervisors with tracking and moving mail and packages expeditiously.
- **Operational and Organizational Precision**: We are not the organization we were two years ago during the challenging 2020 peak season amidst a global pandemic. While headwinds remain, such as inflationary pressures on our fixed costs, we are now structured for precision of execution as was successfully demonstrated to the nation during our delivery of 680 million COVID test kits, in an average of 1.2 days to delivery. We are an organization better positioned to meet the country's evolving mailing and shipping needs in a financially self-sufficient manner.

Conclusion

The Postal Service is prepared to deliver a successful holiday season for the American public. Service performance remains steady throughout the country and our network has excess capacity to sort and deliver mail and packages. Finally, I also want to thank the dedicated men and women of the organization. A successful peak season is not possible without the hard work and commitment of our employees.

Thank you, Chair Connolly, Ranking Member Hice, and Members of the Subcommittee, for the opportunity to submit this testimony. I welcome your questions.