

# MYTHS VS. FACTS

## THE U.S. POSTAL SERVICE

**Myth:** *The Postmaster General is purposefully slowing down the mail by removing overtime, post boxes, and processing machines.*

### Facts:

- The new Postmaster General (PMG) Louis DeJoy has put in place changes to improve the operational efficiency of the postal service.
- **USPS has been on an unsustainable financial path that long predates PMG DeJoy and the COVID-19 pandemic.** Since the rise of the internet, mail volume has decreased every year and losses at USPS have piled up: a total of \$69 billion between 2007 and 2018.
- Controlling costs is a key way USPS can keep 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 USPS 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 from 2014 through 2018, despite declines in mail volume. Mail processing delays also increased by 43% during that same time period. **In 2018 alone, USPS's overtime costs increased to nearly \$1.1 billion from the planned amount of \$732 million, a 49% unplanned increase.**
- To address this issue, PMG DeJoy implemented new pilot initiatives to make USPS run on schedule and increase efficiency when sorting and delivering the mail.
- 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 and, over time, retired old letter processing machines that are not needed because of the drop in mail volume.**

**Myth:** *Congress has a constitutional duty to fund USPS.*

### Facts:

- Article 1, Section 8 of the U.S. Constitution empowers Congress “To establish Post Offices and Post Roads.” Congress established the Post Office with the Post Office Act of 1792, making USPS a permanent fixture of the federal government.
- The Postal Reorganization Act of 1970 transformed the USPS into an independent agency of the executive branch, and **the agency has been almost exclusively self-funded through stamp and postage sales since 1971.**
- USPS may receive small appropriations of taxpayer dollars for “public service costs” up to \$460 million, but USPS has not requested or received this reimbursement since 1982. They may also receive an approximate appropriation of \$29 million for “revenue forgone,” but for many years, that funding has

not actually been appropriated. If USPS had received these payments, it would make up less than 7% of USPS revenue.

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

**Facts:**

- As witnessed in Washington's primary election in early August 2020, Washington state and local county election offices continue to be fully capable of conducting a safe and secure election by mail.
- USPS is educating states on how to make vote-by-mail successful given realistic timelines associated with delivering the mail.
- Some state election boards have deadlines and requirements that do not consider the reality of USPS operations and logistics constraints, which could 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 time for USPS to deliver them to the voter and for the voter to send it back.**
- 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.

**Myth:** *USPS won't be able to handle the volume of election mail.*

**Facts:**

- USPS 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.
- In 2019, USPS 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 (approximately 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.**
- USPS 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. During the period of the pandemic from March 2020 to present, mail volume has declined 22%. Given the USPS's standing legal requirement to continue service to each and every household in America, **they will benefit from increased mail volume which amounts to more badly needed revenue.**

**Myth:** *The USPS will be insolvent before the election.*

**Facts:**

- **USPS is financially troubled but has stated that it will be solvent and operational through at least August 2021.** 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, USPS has made \$1.3 billion more in revenue than the same period last year. This includes the \$178 million it has earned from Census and stimulus mail. Election mail will bring in even more revenue for USPS.
- **USPS now has access to the \$10 billion loan provided for in the CARES Act.** On July 29, USPS and the Department of Treasury reached mutually agreeable terms and conditions for the loan. However, USPS has not yet seen the need tap into this lending authority to fund its operations yet.

**Myth:** *The Delivering for America Act will help USPS.*

**Facts:**

- This legislation pours billions of taxpayer dollars into an organization with a broken business model and will do nothing to allow USPS to fix what everyone acknowledges is no longer working.
- **The bill will prohibit USPS from implementing or approving any changes to operations or service from those in effect on January 1, 2020 – prior to the pandemic.** At a time of uncertainty USPS should have more flexibility dealing with the pandemic – not less.
- This broad overreach of congressional influence into the day-to-day operations of USPS 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 control of USPS.
  - Potentially necessary post office branch hour reduction due to pandemic-related employee availability.
  - Any attempts to make USPS more efficient to cut down on operational costs as it experiences historically low volumes of mail.
- **Earlier this Congress, the House passed the *USPS Fairness Act*,** which would eliminate the requirement for USPS to pre-fund employee retirement health benefits decades in advance. Rep. Newhouse is a cosponsor of this legislation and proudly voted in support of the bill.