Congress of the United States Washington, DC 20515

November 22, 2024

The Honorable Michael M. Kubayanda Chairman Postal Regulatory Commission 901 New York Ave NW Washington, DC 20001

Re: United States Postal Service (USPS) Delivering for America (DFA) Plan

Dear Chairman Kubayanda,

On October 4th, 2024, the USPS officially requested an advisory opinion from the Postal Regulatory Commission (PRC) concerning elements of its DFA Plan. While the PRC must carefully review all the information provided to it, we are writing to urge the PRC to take into careful consideration the negative implications these changes will pose for rural communities across America as it formulates its advisory opinion.

As you very well know, the USPS unveiled its DFA Plan in March 2021 with the goal of achieving financial sustainability and service excellence. While we fully support these objectives and understand that the USPS, like so many other organizations, must modernize to keep up with changing times, certain aspects of the DFA Plan - including widespread facility consolidations and further degradation of delivery service standards - if enacted, will sacrifice reliable service to cut costs.¹

One of the keystone reforms under the USPS' DFA plan has been the restructuring of the nation's processing and delivery network, which would include downgrading countless existing Processing and Distribution Centers (P&DC) to Local Processing Centers (LPC) and consolidating the bulk of their operations to newly proposed Regional Processing and Distribution Centers (RPDC). Despite the USPS' repeated assurances, we struggle to see how on-time delivery rates, which are already below the USPS' goals², will improve when mail may be outsourced hundreds of miles beyond a state's borders and tossed into a single large facility with the mail and parcels of neighboring states.

Furthermore, these plans appear to have failed to account for the individual and unique challenges that come with varying regions, including hazardous weather, infrastructure constraints, exceptional driving distances, etc. In some areas, particularly across the Intermountain West, major transportation corridors are frequently shut down for long periods due to these hazardous conditions. These occurrences, which could very easily sever connections between rural communities and the modernized processing network, will not bode well for residents who must rely upon the USPS for the delivery of bills, medication, and other essential goods and services.

¹ https://www.washingtonpost.com/business/2024/08/22/usps-mail-slowdown-election/

² <u>https://www.uspsoig.gov/focus-areas/service-performance</u>

Unfortunately, these operational concerns are not merely hypotheticals as significant issues have previously been encountered at piloted locations. According to a March 2024 Office of Inspector General (OIG) report that studied the activation of the Richmond RP&DC, the USPS was faced with millions in unexpected labor and transportation costs and an overall decrease in service performance for the Richmond region.³ Similar deficiencies were also observed at the Atlanta RP&DC in Palmetto, GA, which experienced on-time delivery rates plummeting to lows of 66% for outbound and 36% for inbound first-class mail.⁴ An OIG report from August 2024 analyzing the rollout of the Atlanta RP&DC found several instances in which the USPS did not build on lessons learned from the launch of the Richmond RP&DC and that the challenges caused an "immediate and significant decline in service performance in the Atlanta region.⁵" The USPS acknowledges in its request for an advisory opinion that there could very well be future service impacts in regions where significant modernization efforts are implemented, but that these "hard steps" need to ultimately be taken.⁶ This is simply unacceptable, and we remain gravely concerned about how things will play out in our more rural states.

The impact of these changes on election mail must also be considered. With the increase in absentee voting, the USPS plays a pivotal role in the administration of elections across the country. It is of the utmost importance to ensure every American's vote is tabulated to preserve the integrity of our elections. While we were pleased to see that, according to the August 2024 OIG Report on Election Mail Readiness for the 2024 General Election, for the period from December 1, 2023, to April 30, 2024, the USPS processed Political and Election Mail with on-time processing scores ranging from 97.01 to 98.17%, the report raised multiple concerns associated with the handling of election mail tying back to the DFA Plan.⁷ One such example of this was that the OIG inspectors, during their site visit, did not observe segregation of North Carolina ballots, which were to be processed at the Richmond RP&DC and later sent back to an election office in North Carolina. This sort of disorganization could very easily result in miscounted ballots and the disenfranchisement of voters.

State election directors from numerous states have also presented concerns stemming from a "disruptive consolidation of postal facilities across the country" about whether ballots would be delivered on time.⁸ Moreover, in just one example, reporting from one of Utah's primary elections revealed that hundreds of primary electors claimed their votes were not properly counted. The shifting of mail processing for the impacted region to Las Vegas, NV, was cited as a cause for improper counting amid an extraordinarily close election.⁹ While the USPS committed to holding off on the implementation of these changes until after the 2024 election, it must be noted that numerous impromptu elections at the state and local levels will continue to take place after these changes are resumed.

³ https://www.uspsoig.gov/sites/default/files/reports/2024-04/23-161-r24.pdf

⁴ <u>https://federalnewsnetwork.com/agency-oversight/2024/04/dejoy-says-usps-will-fix-deteriorating-service-in-regions-facing-network-shakeup/</u>

⁵ https://www.uspsoig.gov/sites/default/files/reports/2024-08/24-074-r24.pdf

⁶ https://prc.arkcase.com/api/prc-dockets/filing/downloadFile?fileId=209306&inline=true

⁷ https://www.uspsoig.gov/sites/default/files/reports/2024-08/24-016-r24.pdf

⁸ https://apnews.com/article/election-2024-mail-ballots-a8ee9b88418e1f6b2835e91827d721bf

⁹ https://www.npr.org/transcripts/nx-s1-5111883

Another major component of the DFA plan to which the USPS seeks an advisory opinion is the implementation of its Regional Transportation Optimization (RTO) strategy and the alteration of its delivery service standards. From the information provided, these changes seek to increase delivery times by an additional day for communities over 50 miles away from the RP&DCs through the elimination of end-of-day collections. Though the USPS said these changes will have a net positive impact and that First Class Mail (FCM) will remain within the existing 1-5 day delivery window, a large portion of FCM, particularly for areas outside the 50-mile radius, will ultimately receive a slower delivery service standard at a time when the USPS has been failing to meet its own service goals.¹⁰ The USPS acknowledges in its filing to the PRC that it fully recognizes that a portion of end-to-end volume across products will experience a service standard downgrade but that the predicted benefits outweigh these impacts. Given that the majority of communities outside of the 50-mile radius are rural, this will disproportionately affect rural Americans, who arguably rely on the USPS the most for timely delivery.

Ultimately, and as previously mentioned, we believe some of the changes the USPS has sought to achieve are overlooking our rural communities as part of a broader agency cost-cutting measure. This notion could not be made clearer than in a previous Washington Post article in which the Postmaster General stated: "At the end of the day, I think some portion of the mail showing up 12 hours later, I think it's a price that had to be paid for letting this place be neglected." We disagree that the impacted communities and constituents of our states who rely upon the mail for essential items should be penalized for bureaucratic mismanagement.

Congress, state officials, industry stakeholders, postal employees, and Americans across impacted regions have expressed apprehension about what these changes will mean going forward and the effect they will have on the timely delivery of essential goods and services.¹¹ While we understand the PRC's position is advisory in nature, we urge you to strongly consider the unique circumstances and needs of our rural communities as you draft your opinion.

Sincerely,

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¹⁰ https://www.savethepostoffice.com/postal-service-slows-down-the-mail-again/

¹¹ https://www.govexec.com/management/2024/10/usps-makes-its-pitch-again-slow-delivery-some-mail/400102/

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