
**Hearing before the
Committee on Homeland Security and Governmental Affairs
United States Senate**



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Oversight of the United States Postal Service

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Good morning, Chairman Peters, Ranking Member Paul, and members of the Committee. Thank you for inviting me to discuss our work.

The Postal Service issued its *Delivering for America* plan three years ago and is now accelerating network changes across the country. The OIG is committed to keeping pace with these changes and providing robust oversight and transparency.

We've completed several audits related to the plan, and more are in progress. We're finding that, as the Postal Service implements these changes, significant operational issues are arising that affect service to customers and take time to resolve. Our work is showing that better local coordination and execution could likely prevent some of this disruption.

Last September, we issued an audit examining the initial Sorting and Delivery Centers or S&DCs in Florida, Georgia, Texas, Massachusetts, and New York.¹ Overall, we found the facilities operated successfully, but there were opportunities for improvement. The Postal Service did not communicate sufficiently with high-volume customers, often providing information at the last minute. In addition, some facilities opened before renovations were complete, so employees had to work around construction projects. Transportation changes also delayed delivery to P.O. Box customers, leading to complaints.

The Postal Service launched its first Regional Processing and Distribution Center or RP&DC last July at an existing plant in Richmond, Virginia. Our recent audit of the repurposed facility found significant problems.² Prior to making changes, the Postal Service had not addressed staffing and other issues raised in our 2021 and 2022 audits of the facility. Transportation planning for the new facility was also insufficient, leading to a 700 percent increase in extra trips. In addition, on-the-ground operations did not always match the new integrated plan for the Richmond plant and its supporting facilities. This was partly due to inadequate coordination with local management and ongoing changes after the launch. Local management said they did not fully understand the new mail flow within the facility and were not solicited for input.

¹ United States Postal Service Office of Inspector General (USPS OIG), *Review of USPS Sorting and Delivery Centers Opened in Quarters 1 and 2 of FY 2023*, Report No. 23-062-R23, September 12, 2023, <https://www.uspsoig.gov/reports/audit-reports/review-usps-sorting-and-delivery-centers-fy23-q1-and-q2>.

² USPS OIG, *Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA*, Report No. 23-161-R24, March 28, 2024, <https://www.uspsoig.gov/reports/audit-reports/effectiveness-new-regional-processing-and-distribution-center-richmond-va>.

The Postal Service also did not hold public input meetings for the Richmond changes. We examined whether the Postal Service was required to provide public notice and found its policy was unclear. The Postal Service said its decision not to provide public notice complied with its longstanding interpretation of the law, but this interpretation was not documented in its policy.

Three months after the opening of the RP&DC, the Postal Service made an additional change within the region covered by the Richmond facility. For the first time, it implemented its Local Transportation Optimization initiative.³ Under this initiative, at some post offices, collection mail received throughout the day is held overnight to reduce the number of trips and associated costs. In the Richmond region, 86 percent of the affected ZIP Codes were in rural areas, potentially leaving these rural customers with slower service.

Following implementation, First-Class Mail on-time service performance in the Richmond region dropped about 21 percentage points to 65 percent. Unfortunately, we could not isolate how much of the service decline resulted from the initiative compared to other events such as peak season. As the Postal Service expands this transportation initiative to other locations, we will monitor it and other network changes. We have audits underway of the rollout of new RP&DCs in Georgia and Oregon and additional S&DCs, and we will evaluate implementation challenges that could both reduce service and increase the risk that the Postal Service may not achieve its expected savings.

We also continue to focus on service performance more broadly and recently reviewed clusters of facilities in Missouri, Minnesota, North Dakota, California, and Washington, D.C. to evaluate service issues and recommend solutions.⁴ Additionally, following media reports of undelivered packages, we visited a South Houston facility in January and found 384,000 pieces of delayed mail, mostly packages. The Postal Service had moved operations from another plant, but staffing, equipment, and logistics were not aligned with the new workload. Our recent report details these issues.⁵

³ USPS OIG, *Impacts Associated with Local Transportation Optimization in Richmond, Virginia*, Report No. 23-161-1-R24, April 12, 2024.

⁴ USPS OIG, *Kansas City Delayed Mail*, Report No. 23-085-R23, August 31, 2023, <https://www.uspsoig.gov/reports/audit-reports/kansas-city-delayed-mail>; USPS OIG, *Minnesota – North Dakota District Delivery Operations Review*, <https://www.uspsoig.gov/reports/audit-reports/minnesota-north-dakota-district-delivery-operations-review>; USPS OIG, *California 5 District: Delivery Operations*, <https://www.uspsoig.gov/reports/audit-reports/california-5-district-delivery-operations>; USPS OIG, *Washington, D.C. District: Delivery Operations*, <https://www.uspsoig.gov/reports/audit-reports/washington-dc-district-delivery-operations>. For other field work, see <https://www.uspsoig.gov/reports/field-operations-reviews>.

⁵ USPS OIG, *Mail Conditions at South Houston Local Processing Center*, Report No. 24-050-1-R24, April 10, 2024, <https://www.uspsoig.gov/reports/audit-reports/mail-conditions-south-houston-local-processing-center>.

Another critical focus area for us this year is the Postal Service's readiness for the November election, particularly as network changes are made. We plan to release our election mail readiness audit in late summer and will conduct a separate audit of Postal Service ballot processing during the November election. As we did in 2020, OIG auditors and investigators will make hundreds of visits to delivery units and plants across the country to observe operations and flag problems.⁶ We want to help ensure the Postal Service continues to deliver for voters.

Thank you for the opportunity to share our work. I am happy to answer questions.

⁶ USPS OIG, *Service Performance of Election and Political Mail During the November 2020 General Election*, Report No. 20-318-R21, March 5, 2021, <https://www.uspsoidg.gov/reports/audit-reports/service-performance-election-and-political-mail-during-november-2020-general>.