

Service Performance During the Fiscal Year 2026 Peak Mailing Season

AUDIT REPORT

Report Number 25-148-R26 | May 1, 2026



Table of Contents

Cover

Highlights	1
Background	1
What We Did	1
What We Found	1
Recommendations and Management’s Comments.....	1

Transmittal Letter	2
---------------------------------	---

Results	3
----------------------	---

Introduction/Objective.....	3
-----------------------------	---

Background	3
------------------	---

Findings Summary	6
------------------------	---

Finding #1: Improved Service Performance Within All Mail Products.....	7
--	---

Postal Service Response.....	8
------------------------------	---

OIG Evaluation.....	8
---------------------	---

Finding #2: Effective Implementation of Processing and Distribution Initiatives.....	9
--	---

Postal Service Response	10
-------------------------------	----

OIG Evaluation.....	10
---------------------	----

Finding #3: Marked Improvements Within Transportation Initiatives	11
---	----

Postal Service Response.....	13
------------------------------	----

OIG Evaluation.....	13
---------------------	----

Finding #4: Effective Implementation of Retail and Delivery Initiatives.....	14
--	----

Postal Service Response	15
-------------------------------	----

OIG Evaluation.....	15
---------------------	----

Looking Forward.....	15
----------------------	----

Appendices	16
-------------------------	----

Appendix A: Additional Information.....	17
---	----

Scope and Methodology	17
-----------------------------	----

Prior Audit Coverage	18
----------------------------	----

Appendix B: Management’s Comments	19
---	----

Contact Information	21
----------------------------------	----

Highlights

Background

Each year, the U.S. Postal Service experiences significant pressure on its operations during the holidays – its peak mailing season. During this period, the surge in mail and package volume strains the Postal Service’s processing, transportation, and delivery networks. After the peak mailing season ends, a post-peak period begins – driven by high volumes of package returns. To manage these demands, the Postal Service develops a comprehensive preparedness plan with seasonal initiatives and implements year-round strategies with permanent operational changes. When managed successfully, the peak mailing season is a prime opportunity for the Postal Service to attract customers, boost loyalty, and drive revenue.

What We Did

Our objective was to evaluate the Postal Service’s performance during the fiscal year (FY) 2026 peak and post-peak mailing seasons, the implementation of its peak mailing season preparedness plan, and operational changes to the network potentially impacting performance. For this audit, we conducted site visits to 10 facilities to evaluate peak season performance, and interviewed headquarters’ management to identify challenges and successes in implementing the peak mailing season initiatives and operational changes to the network.

What We Found

In general, the Postal Service successfully managed the FY 2026 peak and post-peak mailing seasons. Effective implementation of strategic initiatives, coupled with decreased mail volume and a service standard change, helped to improve service performance across all mail products when compared to the FY 2025 peak and post-peak mailing seasons. Key improvements included deployment of package processing equipment, increased staffing, and preventing and recovering packages that lacked proper scans or were missent. Lastly, while the Postal Service effectively reduced extra and canceled trips within highway transportation, it experienced challenges with estimating capacity limits within air transportation.

Recommendations and Management’s Comments

No recommendations were made regarding the Postal Service’s FY 2026 peak and post-peak mailing seasons preparedness and performance. Regarding the Postal Service’s air transportation challenges, the U.S. Postal Service Office of Inspector General is conducting a broader audit on the *Effectiveness of Mail Transported by Air*, and recommendations will be forthcoming. See [Appendix B](#) for management’s comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

May 1, 2026

MEMORANDUM FOR: ISAAC CRONKITE
CHIEF PROCESSING AND DISTRIBUTION OFFICER and EXECUTIVE
VICE PRESIDENT

ELVIN MERCADO
CHIEF RETAIL AND DELIVERY OFFICER and
EXECUTIVE VICE PRESIDENT

PETER ROUTSOLIAS
CHIEF LOGISTICS OFFICER and
EXECUTIVE VICE PRESIDENT

JOSHUA COLIN PhD
CHIEF PERFORMANCE OFFICER and
EXECUTIVE VICE PRESIDENT

Mary B. Lloyd

FROM: Mary Lloyd
Deputy Assistant Inspector General
for Operations, Performance, and Services

SUBJECT: Audit Report – Service Performance During the Fiscal Year 2026 Peak
Mailing Season (Report Number: 25-148-R26)

This report presents the results of our audit of Service Performance During the FY 2026 Peak Mailing Season.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact Brandi Adder, Director, Strategic Initiatives and Performance, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the Service Performance During the Fiscal Year (FY) 2026 Peak Mailing Season (Project Number 25-148). Our objective was to evaluate the U.S. Postal Service’s performance during the FY 2026 peak and post-peak mailing seasons, the implementation of its peak mailing season preparedness plan, and operational changes to the network potentially impacting performance. See [Appendix A](#) for additional information about this audit.

Background

Each year, the Postal Service experiences significant pressure on its operations during the holidays – their peak mailing season. During this period, the surge in mail and package volume places substantial strain on the Postal Service’s processing, transportation, and delivery networks. After the peak mailing season ends, the Postal Service enters a post-peak period driven by the high volumes of package returns. To manage the increased volume, the Postal Service

“Each year, the Postal Service experiences significant pressure on its operations during the holidays – their peak mailing season. During this period, the surge in mail and package volume places substantial strain on the Postal Service’s processing, transportation, and delivery networks.”

develops a comprehensive preparedness plan that includes seasonal initiatives and implements year-round strategies with permanent operational changes. These efforts are designed to provide adequate staffing, resources, and capacity across the network to meet demand.

Some of those operational and network changes were implemented in accordance with the Postal Service’s Delivering for America (DFA) 10-year strategic plan. During the past four years, the Postal Service has debuted new facilities to ensure the organization has the space needed to not only process additional holiday volume but to better serve customers year-round. For example, prior to the FY 2026 peak mailing season, the Postal Service had activated nine regional processing and distribution centers (RPDC), which are large, centralized hubs designed to consolidate, sort, and distribute mail and packages nationwide. Another DFA goal was to realign their transportation by shifting volume from costly air networks to more efficient and more reliable surface routes – resulting in fewer empty trucks, reduced costs, and faster delivery times.

Peak Season Mail Volume

During the FY 2026 peak mailing season,¹ the Postal Service experienced a decline in mail volume – roughly [REDACTED] million pieces – compared to the FY 2025 peak mailing season.² Specifically, market-dominant products³ volume decreased by nearly 553 million pieces (or about 4.6 percent) during the FY 2026 peak mailing season compared to same period last year, or SPLY (see [Figure 1](#)), while competitive products⁴ volume decreased by about [REDACTED] million pieces (or about [REDACTED] percent) (see [Figure 2](#)).

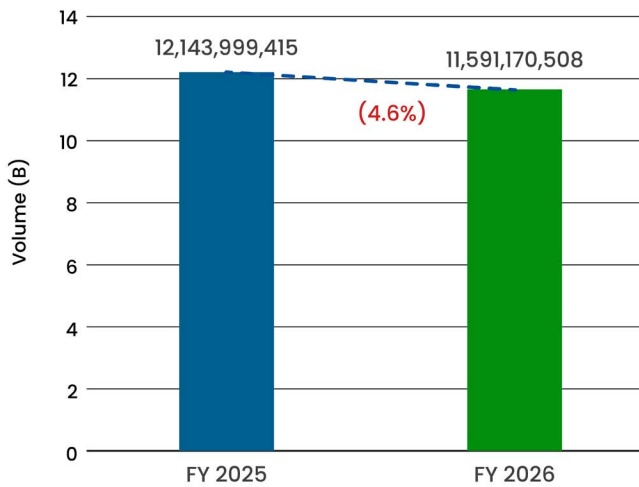
¹ This report defines the peak mailing season as occurring from November 1, 2025, through December 26, 2025. However, we acknowledge that groups within the Postal Service may use different dates for their operations to measure performance.

² The FY 2025 peak mailing season is referred to throughout this report as the same period last year, or SPLY.

³ Market-dominant products include First-Class Composite Mail (Pre-sort and Single Piece), Marketing Mail, and Periodicals.

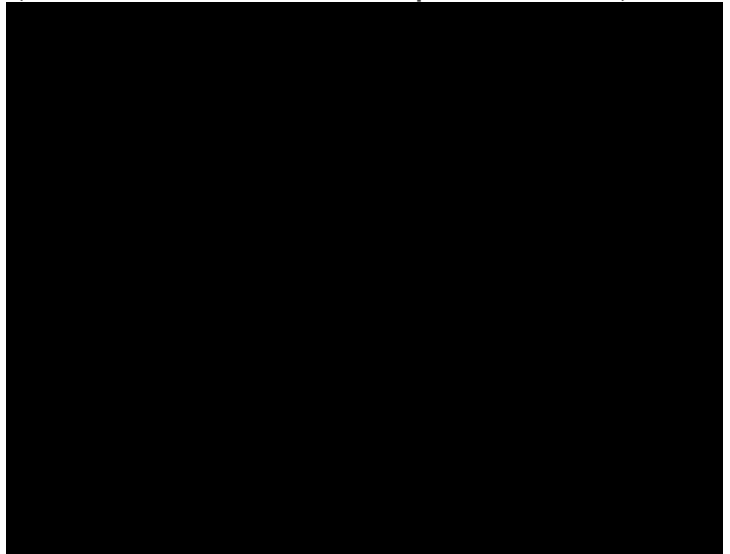
⁴ Competitive products include Ground Advantage, Parcel Select, and Priority Mail (Priority Mail includes Air and Surface).

Figure 1. Market-Dominant Mail Volume (FY 2026 Peak Season Compared to SPLY)



Source: OIG analysis of Postal Service's Informed Visibility (IV) data.

Figure 2. Competitive Mail Volume (FY 2026 Peak Season Compared to SPLY)



Source: OIG analysis of IV data.

Post-Peak Season Mail Volume

During the FY 2026 post-peak mailing season,⁵ volume remained relatively consistent. Market-dominant product volume decreased by almost 54 million pieces (or about 0.9 percent) compared to SPLY, while competitive product volume increased by █ million pieces (or about █ percent) (see Table 1).

Table 1. Market-Dominant and Competitive Mail Volume (FY 2026 Post-Peak Season Compared to SPLY)

Mail Category	FY 2026 Post-Peak Volume	FY 2025 Post-Peak Volume	Difference	Percent Difference
Market-Dominant	5,714,295,210	5,768,684,041	(54,388,831)	(0.9)
Competitive	█	█	█	█

Source: OIG analysis of IV data.

Seasonal Initiatives and Operational Changes

In prior audit reports (see Prior Audit Coverage in Appendix A), we highlighted how Postal Service management developed a year-round strategy to prepare for the peak mailing season by implementing permanent operational changes. These strategies, coupled with peak mailing season initiatives, were intended to lessen the strain that the volume increase places on the network. Like previous peak seasons, the Postal Service developed initiatives for the FY 2026 peak mailing season.⁶ These initiatives focused on improving processing, transportation, and retail and delivery operations.

“Like previous peak seasons, the Postal Service developed initiatives for the FY 2026 peak mailing season. These initiatives focused on improving processing, transportation, and retail and delivery operations.”

⁵ This report defines the post-peak mailing season as occurring from December 27, 2025, through January 16, 2026.

⁶ Initiatives were provided by Postal Service Headquarters Management on December 30, 2025.

Processing and Distribution Initiatives

- Deploy package processing equipment
- Reduce manual package processing
- Hire 8,500 pre-career employees
- Leverage space vacated by outdated equipment
- Offload⁷ mail as necessary

Transportation Initiatives

- Reduce Highway Contract Route (HCR)⁸ trips leveraging Freight Auction⁹
- Minimize extra, canceled, and omitted trips
- Improve on-time performance
- Achieve at least 70 percent trailer utilization (with a minimum of 65 percent)
- Improve air capacity estimates and reduce costs

Retail and Delivery Initiatives

- Hire 1,192 Holiday City Carrier Assistants (HCCA)
- Improve service performance on first-leg¹⁰ and third-leg¹¹
- Enhance package delivery from 6 a.m. to 9 a.m. and 6 p.m. to 9 p.m. (“6–9 Key Play”)
- Plan for backup sites (Plan B)¹²
- Monitor backlog¹³ prevention and recovery

- Complete retail peak season checklist¹⁴
- Improve customer experience and satisfaction

In addition, for the FY 2026 peak and post-peak mailing seasons (from November 15, 2025, through January 16, 2026), the Postal Service proactively applied an additional day to the service standard for Ground Advantage, Priority Mail, and Priority Mail Express. This delivery day adjustment was included in the expected delivery day as customers dropped off their mail and packages, ensuring service commitments were transparent.

“For the FY 2026 peak and post-peak mailing seasons, the Postal Service proactively applied an additional day to the service standard for Ground Advantage, Priority Mail, and Priority Mail Express.”

This audit evaluated the Postal Service’s FY 2026 peak and post-peak seasons preparedness initiatives listed above. In addition, we conducted site observations and interviews to assess peak season performance at 10 facilities across the Eastern, Central, and Western Processing Regions (see [Appendix A](#) for additional details).

7 Offloading refers to the movement of mail from one transportation method to another, or from one facility to another.

8 HCRs are contracted surface transportation that provide service between postal facilities, mailer plants, and similar facilities. HCRs operate on a predetermined schedule and frequency and have an agreed upon fixed price trip rate.

9 Freight Auction contracts solicit bids to transport mail on an as needed basis. These routes are on-demand services that operate infrequently, are generally more expensive than dedicated scheduled services, and involve multiple cost segments.

10 First-leg is from collection to origin processing.

11 Third-leg is from destination processing to final delivery.

12 Designated facilities identified as needing additional resources or operational support during peak season.

13 Preventing and recovering packages that lack proper scans or have been missent.

14 A monthly checklist to help retail locations stay on track and maintain readiness heading into the peak season.

Findings Summary

Overall, the Postal Service successfully managed the FY 2026 peak and post-peak mailing seasons. It also improved service performance for all mail products compared to SPLY, with faster delivery times and fewer customer complaints.

Key strategies that led to this success included more efficient mail processing driven by new machines, better use of facility space, increased staffing throughout the year, and ongoing

network modernization. Transportation initiatives included reducing extra and canceled trips and improving trailer utilization, although optimizing air transportation remained a challenge.

Retail and delivery operations also met their goals, enhancing customer experience, and reducing customer inquiries. Altogether, these results reflect strong planning, proactive district-level management, and improved operational coordination, ensuring reliable service throughout the peak and post-peak mailing seasons.

Finding #1: Improved Service Performance Within All Mail Products

The Postal Service improved service performance for all mail products compared to SPLY. Although only Ground Advantage¹⁵ achieved its target during the peak mailing season, all other products showed notable improvement, increasing by up to 9.9 percent (see Table 2). In addition, all six mail products improved service performance scores for the post-peak mailing season compared to SPLY. Although only three of six mail products met their targets, service performance across all products

improved significantly, by up to █ percent (see Table 3). Similar to past peak seasons, the Postal Service temporarily extended service standards by one day for Ground Advantage, Priority Mail, and Priority Mail Express products during the peak and post-peak seasons – from November 15, 2025, through January 16, 2026. This adjustment was intended to set clear delivery expectations for customers during the high-volume period.

Table 2. Peak Season Service Performance Scores (FY 2026 Peak Season Compared to SPLY)

Mail Product	Target Score	FY 2026 Average Score	FY 2025 Average Score	FY 2026 to FY 2025	
				Difference	Percent Difference
First-Class	89.00	84.90	77.26	7.63	9.9%
Periodicals	84.00	75.83	74.41	1.42	1.9%
Marketing	94.50	93.15	93.11	0.04	0.0%
Ground Advantage	█	█	█	█	█
Parcel Select	█	█	█	█	█
Priority	█	█	█	█	█

Source: OIG analysis of IV data.

Table 3. Post-Peak Season Service Performance Scores (FY 2026 Post-Peak Season Compared to SPLY)

Mail Product	Target Score	FY 2026 Average Score	FY 2025 Average Score	FY 2026 to FY 2025	
				Difference	Percent Difference
First-Class	89.00	88.09	77.26	10.83	14.0%
Periodicals	84.00	79.44	78.96	0.48	0.6%
Marketing	94.50	94.59	91.36	3.24	3.5%
Ground Advantage	█	█	█	█	█
Parcel Select	█	█	█	█	█
Priority	█	█	█	█	█

Source: OIG analysis of IV data.

¹⁵ Ground Advantage was marketed as an enhanced ground solution providing a simple, reliable, and more affordable way to ship packages in two-to-five business days across the continental United States.

Management attributed this improvement to more efficient mail processing throughout the network, an increased deployment of processing equipment, enhanced monitoring and support from executive leadership, and frequent communication between operations leaders and customers to address challenges. Additionally, lower mail volume compared to the previous peak mailing season contributed to better performance. Further, district managers oversaw their respective operations, enabling field management to focus on specific operational needs, and directly addressed issues such as delayed mail by using tools and initiatives, such as 6-9 Key Play.

“Lower mail volume compared to the previous peak mailing season contributed to better performance.”

We also attribute improvements, in part, to the Postal Service implementing service standard changes to support DFA network changes prior to the FY 2026 peak mailing season. Specifically, on April 1,

2025, the Postal Service added one day to the service standard for Ground Advantage, Single-Piece First-Class Mail, and Periodicals originating in a five-digit ZIP Code that were more than 50 miles from the nearest RPDC. Additionally, Sundays and holidays were no longer counted in service performance measurement for mail and packages accepted on a day prior to Sunday or a holiday.

Because the holiday season showed improved service performance compared to SPLY, we are not making a recommendation related to service performance. However, we encourage the Postal Service to continue to build upon these successes, and to build consistency across its network, so it can achieve target scores and win a larger share of the nation's shipping business.

Postal Service Response

Management agreed with the finding. See [Appendix B](#) for management's comments in their entirety.

OIG Evaluation

The OIG considers management's comments responsive to the finding.

Finding #2: Effective Implementation of Processing and Distribution Initiatives

The Postal Service effectively implemented its processing initiatives throughout processing facilities for the FY 2026 peak mailing season. The Postal Service deployed package processing machines, increased staff at processing facilities, leveraged available space, and strategically offloaded mail.

Equipment

The Postal Service's equipment initiative for the peak mailing season focused on strategically deploying new processing machines and reducing manual package handling. Both initiatives were successfully implemented. According to the Postal Service's annual deployment schedule, a total of 71 machines were installed in 2025 across 55 processing facilities, comprising 13 different types of machines. Specifically, 47 machines were installed prior to the peak mailing season, with an additional 24 machines installed during the peak mailing season. During our site visits, we confirmed that the newly deployed machines enabled prompt processing of higher volumes of packages. For example, local management at the Jersey City RPDC stated new machines allowed them to process over one million packages per day.

“The Postal Service’s equipment initiative for the peak mailing season focused on strategically deploying new processing machines and reducing manual package handling.”

Staffing

The Postal Service's staffing initiative for the peak mailing season aimed to increase staffing at facilities by hiring 8,500 pre-career employees.¹⁶ Using a

“phased in” approach, management within the Chief Processing and Distribution Office authorized additional staffing in select units (e.g., new facilities or facilities where high volume of mail was expected) up to hiring limits starting in September 2025. Using this approach, and no longer relying on a large-scale peak season hiring surge, the Postal Service hired 9,269 pre-career employees through December 2025 (see Table 4). This approach also enabled training of employees ahead of peak season to help increase efficiency and productivity.

Table 4. FY 2026 Peak Season Phased Hiring Approach for Processing Employees

Pre-Career Category	Employees Hired
Postal Support Employee Mail Processing Clerk	2,734
Mail Handler Assistant	6,535
Total	9,269

Source: OIG summary of Postal Service hiring data.

“Management indicated that the vacant space would be utilized for installing new processing machines or for staging and dispatching mail. During our site visits, we observed the successful implementation of this initiative.”

Space

The Postal Service's space initiative for the peak mailing season included a strategy to optimize space within processing facilities by removing outdated equipment. Management indicated that the vacant

¹⁶ A pre-career employee (formerly known as a non-career employee) is a temporary or part-time staff member hired to support the regular workforce. Temporary positions may include Mail Handler Assistants (MHA) and Postal Support Employees (PSE).

space would be utilized for installing new processing machines or for staging and dispatching mail. During our site visits, we observed the successful implementation of this initiative. Facilities were able to fully maximize available floor space for mail processing, storage of empty containers, and mail staging and dispatching. For instance, at the North Texas Processing and Distribution Center (P&DC), the facility removed processing machines and converted the space for mail staging lanes.

Network Modernization

The Postal Service strategically offloaded mail as part of its network modernization initiative. The Postal Service based their offload plan on mail volume, resources, and equipment at specific processing facilities. We found that offloads occurred during the peak mailing season because of increased mail volume or weather-related impacts in certain locations. During our site visits, we found that four out of five facilities successfully implemented this initiative. For example, management at the Columbus P&DC offloaded their large packages to the Cleveland Annex to avoid processing delays. Additionally, the Jersey City RPDC offloaded mail to local processing facilities to help ensure locations

operated at full capacity. This strategic balancing of workloads enabled facilities to efficiently manage their processing volumes.

The effective implementation of processing initiatives occurred due to consistent year-round planning and communication between headquarters and processing facility management. Additionally, early hiring and equipment installation ensured that staff were in place prior to the peak mailing season, lessening the learning curve and facilitating smooth operations on the machines. As a result, the Postal Service improved operational efficiency. Specifically, the deployment of package processing machines reduced manual operations by 26.8 million packages (34.9 percent) compared to SPLY. Also, the Postal Service experienced a nationwide reduction in delayed mail by 43 percent compared to SPLY. Therefore, we are not making any recommendations.

Postal Service Response

Management agreed with the finding.

OIG Evaluation

The OIG considers management's comments responsive to the finding.

Finding #3: Marked Improvements Within Transportation Initiatives

The Postal Service generally met its highway transportation initiatives but continued to face challenges in estimating air transportation (see Table 5). Specifically, while the Postal Service effectively reduced extra and canceled trips

within highway transportation and increased trailer utilization, it also relied on transporting Ground Advantage by air to meet agreed-upon capacity limits, avoid extra fees, and maintain service standards.

Table 5. Transportation Initiatives for Peak Mailing Season

Initiative	Initiative Description	Results
Total HCR and Freight Auction Trips	Reduce HCR trips and leverage Freight Auction	Met
Extra, Canceled, and Omitted Trips	Reduce HCR and Freight Auction extra, canceled, and omitted trips.	Generally Met
On-Time Performance	Reduce HCR and Freight Auction late trips.	Generally Met
Trailer Utilization	Achieve 70 percent trailer utilization (with a minimum of 65 percent).	Generally Met
Air Capacity	Improve air capacity estimates.	Generally Met
Transportation Cost	Reduce transportation costs.	Met

Source: OIG analysis of Postal Service data.

Highway Transportation Trips

The Postal Service reduced the number of HCR trips from about 1.74 million to 1.40 million (or about 19 percent) and increased the Freight Auction trips from about 206,000 trips to about 325,000 (or about 58 percent) during the FY 2026 peak and post-peak mailing seasons compared to SPLY. In addition, the Postal Service also reduced the number of HCR extra, canceled, omitted, and late trips by up to 44 percent during the FY 2026 peak mailing season compared to SPLY.

For Freight Auction, while extra and canceled trips were reduced by 55 and 16 percent respectively, omitted and late trips increased by 127 and 35 percent respectively during the same period (see Table 6).¹⁷ The Postal Service experienced an increase in omitted and late trips mainly due to a national supplier closing. This trend continued into the post-peak mailing season.

Table 6. Peak Mailing Season Highway Transportation Trips (FY 2026 Compared to SPLY)

Contract Type	Trip Type	FY 2025	FY 2026	Change	Percent Change
HCR	Extra	49,531	45,010	(4,521)	(9%)
	Canceled	40,338	22,709	(17,629)	(44%)
	Omitted	11,431	7,062	(4,369)	(38%)
	Late	254,057	176,748	(77,309)	(30%)
Freight Auction	Extra	101,263	45,795	(55,468)	(55%)
	Canceled	18,693	15,727	(2,966)	(16%)
	Omitted	2,882	6,528	3,646	127%
	Late	62,610	84,644	22,034	35%

Source: OIG analysis of Surface Visibility (SV) data.

¹⁷ Table 6 includes data for the weeks starting on November 1, 2025, to December 20, 2025, for FY 2026; and weeks starting on November 2, 2024, to December 21, 2024, for FY 2025.

Trailer Utilization

The Postal Service improved nationwide trailer utilization by four percentage points during the FY 2026 peak and post-peak mailing seasons compared to SPLY. In addition, the Postal Service met the minimum trailer utilization of 65 percent during the FY 2026 peak mailing season and only fell short by one percentage point during the FY 2026 post-peak mailing season (see Table 7).¹⁸

Air Capacity

The Postal Service’s actual air capacity during the FY 2026 peak and post-peak mailing seasons was [REDACTED] million cubic feet (cu. ft.), which was [REDACTED] million cu. ft. (about 3 percent) below its planned air capacity (see Table 8).¹⁹ This was an improvement of about five percentage points compared to SPLY. We attribute this improvement, in part, to the Postal Service transporting Ground Advantage and more First-Class Mail via air rather than surface.

Table 7. HCR and Freight Auction Trailer Utilization (FY 2026 Peak and Post-Peak Compared to SPLY)

Mailing Season	Average Utilization		Percent Improvement
	FY 2025	FY 2026	
Peak	62%	66%	4%
Post-Peak	60%	64%	4%

Source: OIG analysis of SV data.

Table 8. Planned vs Actual Air Capacity for FY 2026 Peak and Post-Peak Mailing Seasons

Mailing Season	Planned Volume	Actual Volume	Difference	Percent Difference
Peak	[REDACTED]	[REDACTED]	[REDACTED]	(3%)
Post-Peak	[REDACTED]	[REDACTED]	[REDACTED]	(3%)
Total	[REDACTED]	[REDACTED]	[REDACTED]	(3%)

Source: OIG analysis of Postal Service data.

Specifically, of the total actual weight transported via air, about 53 percent²⁰ consisted of Ground Advantage and First-Class Mail. According to management, the Postal Service transported Ground Advantage from Regional Transportation Optimization²¹ locations to ensure it met service standards. Additionally, management stated they transported Ground Advantage and more First-Class Mail via air transportation to compensate for the decrease in Priority Mail volume, reach the agreed-upon air capacity limit with the air carrier, and avoid additional costs.

Overall, the improvements seen in transportation initiatives occurred due to year-round planning and implementing mitigation actions to minimize delays and costs. Additionally, Postal Service management monitored the network by performing trend analysis and monitored highway transportation weekly to eliminate extra trips, reduce canceled and omitted trips, and improve trailer utilization. In addition, the Postal Service adjusted air estimates based on lessons learned from prior peak and post-peak operations and implemented contingency plans in those markets with limited air capacity. Further, management held

¹⁸ Table 7 includes data for the period of November and December 2025, for FY 2026 peak; November and December 2024, for FY 2025 peak; weeks starting on January 3 to January 10, 2026, for FY 2026 post-peak; and weeks starting on January 4 to January 11, 2025, for FY 2025 post-peak.

¹⁹ Table 8 includes data for the period of November 1, 2025, to December 26, 2025, for peak; and December 27, 2025, to January 16, 2026, for post-peak.

²⁰ Based on weight, not volume.

²¹ An initiative aimed at redesigning and optimizing transportation between delivery units and processing facilities at the local and regional levels. This initiative is designed to reduce the number of trips and mail collections at USPS facilities located more than 50 miles from select processing facilities.

daily meetings to improve coordination across functions and accelerate responsiveness to operational conditions.

As a result, the overall transportation expenses during November and December 2025 were reduced. The Postal Service spent about \$1.5 billion on air and highway transportation, which was \$33 million (or about 2 percent) under its planned expenses (see Table 9).

Table 9. Planned vs Actual Transportation Expenses for November and December 2025

Expense Type	Planned	Actual	Difference	Percent Difference
Air	\$463,928,216	\$373,801,078	(\$90,127,139)	(19%)
Highway	\$1,077,893,094	\$1,134,828,681	\$56,935,587	5%
Total	\$1,541,821,310	\$1,508,629,759	(\$33,191,551)	(2%)

Source: OIG analysis of Postal Service data.

Despite improving highway transportation and lowering costs, the Postal Service still experienced challenges with estimating air capacity. Since we are assessing air mail efficiency in an ongoing audit,²² no recommendation is provided for this finding.

Postal Service Response

Management agreed with the finding.

OIG Evaluation

The OIG considers management’s comments responsive to the finding.

²² Effectiveness of Mail Transported by Air, Project Number 26-033, announced in February 2026.

Finding #4: Effective Implementation of Retail and Delivery Initiatives

The Postal Service effectively implemented retail and delivery peak mailing season initiatives (see Table 10). Additionally, management used multiple performance reporting tools²³ to enhance success.

Table 10. Retail and Delivery Initiatives for Peak Mailing Season

Initiative	Initiative Description	Results
Staffing	Hire 1,192 HCCAs.	Met
Service Performance	Improve upon the time it takes to deliver a mailpiece or package from its acceptance through its delivery with focus on Leg 1 (acceptance to processing) and Leg 3 (final processing to delivery).	Met
6-9 Key Play	Enhance package delivery through the 6 a.m. – 9 a.m. Key Play for offices facing backlog and the 6 p.m. – 9 p.m. Key Play for S&DCs and other opportunity sites.	Met
Plan B Sites	Designate sites for backup resources, while monitoring backlog prevention and recovery.	Met
Backlog	Prevent and recover packages that lack proper scans or have been missent.	Met
Peak Mailing Season Checklist	Complete a monthly checklist to help retail locations stay on track and maintain readiness heading into the peak mailing season.	Met
Retail Customer Experience	Improve customer experience metrics such as wait time in line and satisfaction scores.	Met

Source: Initiatives provided by Postal Service management.

Staffing

Retail and delivery operations initially planned to hire 1,192 HCCAs for the FY 2026 peak mailing season. While only 711 were hired – about 40 percent below the target (see Table 11) – Postal Service management stated that they increased the workforce prior to the peak mailing season to reduce reliance on temporary hires. This switch in focus to a year-round hiring strategy falls in line with the initiative’s intent and its intended outcome.

Table 11. Delivery HCCAs Hired by Area

Area	FY 2026 Hiring Target	FY 2026 Hiring Actual	Difference	Percent Difference
Atlantic	396	235	161	40%
Southern	181	140	41	23%
Central	448	233	215	48%
Western Pacific	167	103	64	38%
Total:	1,192	711	481	40%

Source: OIG analysis of Postal Service data.

Service Performance

According to the Postal Service, packages were delivered within 2.5 days on average, compared to 2.8 days during SPLY. The Postal Service attributed this improvement to proper planning and district

management’s proactive approach in meeting service performance standards without direct oversight from headquarters. Additionally, there was less mail volume this peak mailing season compared to SPLY.

²³ Examples of tools include: Triangulation Report, Scanning Integrity, All Scanning Dashboard, Backlog Report and 6-9 Delivery Report.

As previously mentioned, we would also attribute this, in part, to Sundays and holidays no longer being counted in service performance measurement for mail and packages accepted on a day prior to Sunday or a holiday.

Other Delivery Initiatives

According to headquarters management, district managers demonstrated effective leadership and operational efficiency when deciding when and where to implement the 6-9 Key Play initiative as well as the effective use of the 13 Plan B sites. In addition, management used tools like the backlog report for strategic decisions, managing delays and addressing volume surges or bottlenecks during the peak mailing season. Further, 99.9 percent of retail management completed the Peak Mailing Season Checklist, which contributed to the Postal Service’s readiness for the peak mailing season.

Retail Customer Experience

Postal Service management aimed to execute a customer experience strategy in retail units that would meet the increased demands during the peak mailing season. During the FY 2026 peak mailing season, the Postal Service received 29 percent fewer C360²⁴ customer inquiries related to delivery and retail compared to SPLY and resolved those inquiries quicker. Overall, the initiatives contributed to improvements across all customer experience scores during the 2025 holiday season. Specifically, the Retail Customer Experience (RCE) increased by one percentage point, the average customer’s wait time in line (WTIL) scores increased by over two percentage points, and point-of-sale overall satisfaction (POS) scores improved by over 4 percent (see Table 12).

These achievements demonstrate effective planning, strong district-level ownership, and strategic use of performance tools, ensuring dependable service during the peak mailing season. Therefore, we are not making a recommendation.

Table 12. Customer Experience Scores

Category	December 2025	December 2024
RCE	92.55%	91.50%
WTIL	80.02%	77.79%
POS	90.56%	86.35%

Source: OIG analysis of Postal Service data.

Postal Service Response

Management agreed with the finding.

OIG Evaluation

The OIG considers management’s comments responsive to the finding.

Looking Forward

The Postal Service’s peak season success hinges on advanced, year-round planning, infrastructure modernization, and strategic workforce management. While the Postal Service effectively implemented most of its strategic initiatives and improved service performance significantly compared to SPLY, it fell short in a few areas. Specifically, even with decreased mail volume and a service standard change, the Postal Service still did not meet service performance targets. It also did not meet trailer utilization goals, and continued to face challenges in estimating air transportation.

As mentioned in the report, the peak mailing season plays a key part in the Postal Service’s ability to attract customers, boost loyalty, and drive revenue. Consistency in meeting service performance targets and operational goals would likely contribute to a more stable financial position. To maintain momentum from this past peak mailing season, the Postal Service should re-evaluate its peak season initiatives, and pivot its focus on efforts that will allow it to achieve targets in the FY 2027 peak season.

²⁴ Customer inquiries can be complaints, or questions related to Postal Service offerings.

Appendices

Appendix A: Additional Information	17
Scope and Methodology.....	17
Prior Audit Coverage.....	18
Appendix B: Management's Comments	19

Appendix A: Additional Information

Scope and Methodology

Our audit objective was to evaluate the Postal Service’s performance during the FY 2026 peak and post-peak mailing seasons, the implementation of its peak mailing season preparedness plan, and operational changes to the network potentially impacting performance.

To accomplish our objective, we:

- Obtained and reviewed policies, procedures and initiatives related to the FY 2026 peak and post-peak mailing seasons.
- Conducted site visits during the peak mailing season to evaluate peak season performance at the following facilities (see Table 13):

Table 13. Facilities Visited

Processing Region	Facility	State
Eastern	Jersey City RPDC	New Jersey
	Kilmer S&DC	New Jersey
	Woodbridge Post Office (PO)	New Jersey
Central	Johnson City LPC/S&DC	Tennessee
	Elizabethton PO	Tennessee
	Columbus P&DC	Ohio
	Louisville P&DC	Kentucky
Western	North Texas P&DC	Texas
	Grand Prairie PO	Texas
	Lewisville PO	Texas

Source: OIG judgmental selection.

- Interviewed Postal Service Headquarters’ officials to identify challenges and successes in implementing the peak mailing season initiatives and operational changes to the network.
- Analyzed and compared the FY 2025 and FY 2026 peak and post-peak service performance and volume data.
- Obtained and reviewed air and highway transportation data from FY 2025 and FY 2026.

- Obtained and reviewed hiring data during the FY 2026 peak mailing season.
- Obtained and reviewed C360 data from FY 2025 and FY 2026.
- Obtained and reviewed Retail Customer Experience data for peak mailing season FY 2026.

We conducted this performance audit from September 2025 through May 2026 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on April 8, 2026, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of FY 2026 peak and post-peak mailing seasons internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following components were significant to our audit objective:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

We developed audit work to ensure that we assessed these controls related to peak mailing season

performance. Based on the work performed, we did not identify internal control deficiencies related to peak mailing season performance that were significant within the context of our objectives.

We assessed the reliability of Informed Visibility, Workforce, Management Operating Data System,

Surface Visibility, and Financial data by interviewing knowledgeable Postal Service officials, testing for completeness, reviewing related documentation, and comparing it to other related data sources. We determined that the data was sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Service Performance During the Fiscal Year 2025 Peak Mailing Season</i>	To evaluate the U.S. Postal Service's performance during the FY 2025 peak and post-peak seasons, the implementation of its peak season preparedness plan, and operational changes to the network potentially impacting performance.	25-036-R25	July 21, 2025	\$8.8 Million
<i>Fiscal Year 2025 Peak Season Preparedness</i>	To evaluate the U.S. Postal Service's preparedness for the FY 2025 peak mailing season.	24-132-R25	November 21, 2024	None
<i>Service Performance During the Fiscal Year 2024 Peak Mailing Season</i>	To evaluate the Postal Service's performance during the FY 2024 peak season and the implementation of its peak season preparedness plan.	24-050-R24	August 26, 2024	None
<i>Fiscal Year 2024 Peak Mailing Season Preparedness</i>	To evaluate the U.S. Postal Service's preparedness for the FY 2024 peak mailing season.	23-121-R24	November 15, 2023	None
<i>Service Performance During the Fiscal Year 2023 Peak Mailing Season</i>	To evaluate the U.S. Postal Service's performance during the FY 2023 peak mailing season and the implementation of its peak season preparedness plan.	23-025-R23	July 13, 2023	None
<i>Fiscal Year 2023 Peak Season Preparedness</i>	To evaluate the U.S. Postal Service's preparedness for the FY 2023 peak mailing season.	22-163-R23	November 14, 2022	None
<i>Service Performance During the Fiscal Year 2022 Peak Mailing Season</i>	To evaluate the U.S. Postal Service's performance during the FY 2022 peak mailing season and implementation of its peak season preparedness plan.	22-039-R22	June 23, 2022	None
<i>Fiscal Year 2022 Peak Mailing Season Preparedness</i>	To evaluate the U.S. Postal Service's preparedness for the FY 2022 peak mailing season.	21-206-R22	November 19, 2021	None

Appendix B: Management's Comments



April 24, 2026

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: *Service Performance During the Fiscal Year 2026 Peak Mailing Season (25-148-DRAFT)*

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and conclusions contained in the draft audit report, *Service Performance During the Fiscal Year 2026 Peak Mailing Season*.

Finding #1 – Improved Service Performance Within All Mail Products

Management **agrees** with this finding.

We appreciate the fact that the OIG points out the following: "*The Postal Service improved service performance for all mail products compared to SPLY.*"

Finding #2 – Effective Implementation of Processing and Distribution Initiatives

Management **agrees** with this finding.

Finding #3: Marked Improvements Within Transportation Initiatives

Management **agrees** with this finding.

Finding #4: Effective Implementation of Retail and Delivery Initiatives

Management **agrees** with this finding.

Overall, we appreciate the OIG reviewing our Service Performance During FY2026 Peak Season and recognizing that we had a very successful peak season as outlined in the four findings within the audit.

E-SIGNED by ISAAC.S CRONKHITE
on 2026-04-23 14:03:32 EDT

Isaac Cronkhite
Chief Processing & Distribution Officer

E-SIGNED by ELVIN MERCADO
on 2026-04-23 13:22:42 EDT

Elvin Mercado
Chief Retail & Delivery Officer

E-SIGNED by PETER ROUTSOLIAS
on 2026-04-23 13:23:10 EDT

Pete Routsolias
Chief Logistics Officer

cc: Corporate Audit & Response Management

OFFICE OF INSPECTOR GENERAL

UNITED STATES



This document contains sensitive information that has been redacted for public release. These redactions were coordinated with USPS and agreed to by the OIG.

Contact us via our [Hotline](#) and [FOIA](#) forms. Follow us on social networks. Stay informed.

1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsoig.gov or call (703) 248-2100