



December 1, 2022

The Honorable Sam Graves
House of Representatives
Washington, DC 20515-2506

The Honorable Emanuel Cleaver, II
House of Representatives
Washington, DC 20515-2505

Dear Congressman Graves and Congressman Cleaver:

This responds to your October 11 letter to Postmaster General Louis DeJoy, regarding mail delivery service in the Kansas City region.

I understand your interest in ensuring your constituents can rely on timely, accurate, and efficient delivery of their mail. You can be assured that it is the goal of the U.S. Postal Service to provide high-quality, reliable service.

Please see the answers to your specific questions below:

1. Has the USPS received internal or external reports of significant failures to uphold its six-day mail delivery, as required by law?

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. We have worked continually to improve and stabilize service performance, which is defined as the time it takes to deliver a piece of mail or a package from its acceptance in our system through its delivery. While temporary personnel shortages may occasionally affect delivery and hamper our ability to provide 6-day delivery in some areas of the country, as of November 3, 92.4 percent of First-Class Mail was delivered on time, and the average delivery time for a mailpiece or package across the network was 2.5 days.

2. What is the USPS' plan to achieve reliable six-day delivery of the mail in all regions of the country?

Please see the previous response.

a. Specifically, how does the USPS plan to address the Kansas City region's unreliable mail delivery?

Unfortunately, the Kansas City region, like many other areas of the country, has had trouble hiring the appropriate number of personnel. In Missouri, the unemployment rate is 2.4 percent, and 2.6 percent in the Kansas City region, where employee availability issues have led to inconsistent service. To address these challenges, local and district management are aggressively working to hire an additional 80 career carriers and 43 substitute carriers. Hiring efforts are ongoing with weekly job fairs, both in person and virtually, supported by media campaigns. A total of 38 such events have been held since June 1.

We encourage your constituents who may be interested in working for the Postal Service to apply online at: <https://about.usps.com/careers/>.

b. If/when the USPS has a change in delivery service, how does the USPS plan to notify constituents?

Postal policy requires that customers are notified of significant changes in service promptly; however, when service is affected by employee availability, as has been the case in many parts of the country, it is not possible to provide advance notification.

3. If there are barriers to achieving this required level of service, what are they?

As noted previously, employee availability has been the main factor affecting delivery in the Kansas City region and other parts of the country.

4. Does the USPS plan to reinvest its new profits into services that support letter carriers' critical work to deliver six-day mail?

As you are aware, the enactment of the Postal Service Reform Act of 2022 (PSRA) was a key component towards restoring the financial stability of the U.S. Postal Service as it significantly impacted our obligations for retiree health benefits. The PSRA repealed the prefunding for retiree health benefits required by the Postal Accountability and Enhancement Act (PAEA) of 2006, and it cancelled the past due payments. This resulted in a one-time, non-cash accounting to our balance sheet of \$59.6 billion for the cancellation of future pre-funding, and \$57 billion for the cancellation of past due payments. It is important to note that referring to this accounting measure as a profit may be confusing, as the PSRA did not provide any cash appropriations or distributions to the Postal Service. During the same quarter in which the Postal Service reported this one-time accounting change, it also announced an adjusted loss of \$459 million for the quarter, compared to an adjusted loss of \$41 million for the same quarter last year.

While the enactment of the PSRA is a critical component of the Delivering for America plan for restoring the Postal Service to financial stability, the one-time, non-cash impact of the statute's elimination of our retiree health benefits prefunding obligations last quarter is not reflective of our true financial condition. Much work remains in implementing the Delivering for America Plan, and our financial condition therefore remains precarious. Absent full enactment of the Plan, we project continued future financial losses, and degrading liquidity.

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Our liquidity remains insufficient to pay all obligations, to make capital investments necessary to ensure the provision of universal services to the American people, and to prepare for unexpected contingencies in the medium or long-term. Furthermore, rising costs associated with inflationary pressures continue to present significant challenges.

Thank you for the opportunity to address your concerns. Please let me know if I can be of assistance in other postal matters.

Sincerely,

A handwritten signature in blue ink that reads "James D. Reedy". The signature is written in a cursive, flowing style.

James D. Reedy
Government Relations Representative