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House Committee on Oversight and Reform

The Holiday Rush: Is the Postal Service Ready?

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Chairman Connolly and members of the Subcommittee, my name is Paul Hogrogian. I serve as the National President of the National Postal Mail Handlers Union (NPMHU), a position I have held since 2015. Previously I served on the Union's National Executive Board for ten years as Northeastern Regional Vice President, and as Local President for the New York metropolitan area for over twelve years. I started my career with the United States Postal Service in 1971 as a casual letter carrier in my hometown of Dumont, New Jersey. I later became a distribution clerk in Hackensack, New Jersey from 1971 to 1973 before becoming a Mail Handler in 1976 at the New Jersey Bulk Mail and Foreign Mail Center, now called the New Jersey Network Distribution Center, a position that I still hold today.

Thank you for the opportunity to discuss the performance of the Postal Service during what is known as peak season and the experience of Mail Handlers during this time.

The NPMHU serves as the exclusive bargaining representative for over 50,000 mail handlers employed by the U.S. Postal Service. Mail Handlers are an essential part of the mail processing and distribution network utilized by the Postal Service to move billion pieces of mail each year. Our members work in all of the nation's large postal plants, and are responsible for loading and unloading trucks, transporting mail within the facility (both manually and by using powered industrial equipment), preparing the mail for distribution and delivery, operating a host of machinery and automated equipment, and sorting and containerizing mail for subsequent delivery. Mail Handlers are generally the first and the last employees to handle the mail as it comes to, goes through, and leaves most postal plants.

The peak season is considered to take place from November to January of a calendar year, and is driven mostly by holidays and gift giving between family and friends. Over the past several years, the Postal Service and its Mail Handlers have seen a marked increase in parcel mail, caused by the growth of e-commerce where consumers could easily make purchases online to be delivered straight to their door. When comparing package processing from October 2020 through March 2021 to package processing from October 2021 to March 2022, the Postal Service saw a significant increase in volume and in revenue.

This increase in volume required an increase in hiring temporary, non-career employees as well as additional physical space for parcels and sorting machines for processing that mail. In fiscal year 2022, for example, which was the 2021 peak season, the Postal Service hired 51,000 additional temporary employees, 43,000 of whom worked in package processing; leased 46 package support annexes; and installed 89 package sorting machines in processing facilities.

These large increases in personnel and property can be attributed to the need to overcome staffing issues that arose during the 2020 peak season, mostly caused by the COVID-19 pandemic. The pandemic took a drastic toll on Mail Handlers and the rest of the postal workforce, requiring many to take leave either to care for themselves or loved ones due to illness, or to look after children whose schools were shuttered. On Monday, November 2, 2020, for example, there were over 3, 500 postal employees reported as infected with COVID-19, but only two months later, on Friday, January 15, 2021, it was reported that over 11,200 postal

employees were infected, almost 3,000 of whom were Mail Handlers. Even with the best efforts taken by the Postal Service to meet demands of peak season, it was difficult to overcome the personnel shortage caused by medical necessity.

The USPS Office of Inspector General compared peak season 2020 to peak season 2021 and found an increase in service performance for all major mail classes, including first-class packages. However, it also needs to be noted that in May 2021, the USPS Board of Governors decreased service performance targets from a 1-3 day target of delivery for first-class mail to a 1-5 day service standard for that same mail, citing the Postal Service's inability to meet first-class mail service standards since FY 2012 as the reason for these changes in service standards.

Further impacting service standards during the peak mailing season is language found in the Postal Service's ten-year plan, *Delivering for America*. While the plan, initially published in March 2021, supported parcel processing growth, it also called for a redesign of the network for processing and distribution. The plan specifically states that "data-driven analytics will inform the optimal configuration of sorting equipment, facility consolidations, and adjustments of processing operations." This data, however, has not been made public, and certainly has not been shared with the Mail Handlers Union. Mail Handlers are growing frustrated with the lack of transparency and information-sharing on these possible closures and consolidations.

Despite limitations on service standards and consolidation uncertainty, in surveys of the American public, the Postal Service remains one of the best, and the most trusted, federal agency. The Postal Service is enshrined in the Constitution, and Mail Handlers and the rest of the postal workforce take their mission to deliver to every household and business seriously and with great pride. Further ensuring its dependability, the Postal Service Reform Act of 2022, a bipartisan bill passed by Congress and signed into law earlier this year, improved the Postal Service's financial status and codified six-day delivery, while the Postal Service expanded Sunday package delivery to meet demand.

Additionally, since 2020, we have seen the peak season begin earlier each calendar year, as there is greater demand placed on political and election mail as eligible voters turn to vote-by-mail initiatives to take part in the democratic process. At least twenty-one States allow for ballots to be mailed to eligible voters 45 days or more before each election, and the Postal Service now begins to deliver millions of ballots to voters each year by the end of September. During the 2020 general elections, the USPS delivered: 135 million ballots (to and from election offices); 610 million pieces of election mail; and 4 billion pieces of political mail. The overwhelming majority of these ballots - 97.9% - were delivered within 3 days, and 99.7% were delivered within 5 days. I am proud of these statistics, and I am proud of the work Mail Handlers and other postal employees did to ensure a safe and fair election through our participation on the USPS National Joint Election Mail Task Force. The Mail Handlers Union, working with the other postal unions and management representatives, continued to work on this Election Mail Task Force during the 2022 November election, and I am sure statistics will soon reflect that the Postal Service once again delivered democracy.

The U.S. Postal Service remains one of the most affordable means of communication at 60 cents a stamp, yet it is the backbone of a \$1.6 trillion mail industry. Comparable nations have an average price of \$1.25 for first-class delivery and many European countries have a semi-privatized postal system. Private carriers in America do not have the same universal service obligation as the public Postal Service, and for those living outside of major cities the Postal Service clearly is the most reliable for processing and delivery of mail.

To answer directly the question posed by today's Subcommittee hearing: Yes, the Postal Service is ready for the holiday rush expected during 2022, as long as its Mail Handlers and the rest of our fellow postal employees have the necessary resources available to them. To this end, the Mail Handlers Union recently signed a Memorandum of Understanding with the Postal Service to provide for additional Mail Handler staffing by converting over 2,700 non-career Mail Handler Assistants to full-time regular career employees before the end of September 2022. Additionally, the Postal Service has hired 28,000 seasonal employees, leased 52 peak season annexes, and installed 249 package processing machines across the nation. We have the people, the equipment, and the space available to get the job done.

I thank the Chairman and the members of the Subcommittee for their time today to address these important issues. I further thank you for your committed work on postal accountability, ensuring that the American public can continue to rely on its Postal Service. The Mail Handlers Union looks forward to our continued work together to promote a sustainable Postal Service not just for its customers, but also for its essential and dedicated workforce.

I am ready to answer any questions that you may have.