

The United States Postal Service: Changes in 2020 and Election Readiness

August 31, 2020

The United State Postal Service (USPS), consistently [polled](#) as America’s favorite federal agency, has faced financial strain over the past decade due to skyrocketing retiree healthcare costs and reduced revenue from first-class mail. When the COVID-19 pandemic struck, its financial future became bleaker still. Moreover, as Congress debated whether to inject the agency with emergency federal funds, the USPS’s new Postmaster General took dramatic actions to reduce costs while President Trump raised fears that the agency was not capable of handling vote-by-mail ballots before the November election. Many of these fears are overstated, but voters should nevertheless return completed absentee ballots at least a week before Election Day to avoid any last-minute postal delays.

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I. Introduction

“The United States Postal Service (USPS) is an essential service,” wrote Senator Steve Daines in an August 14 letter to the agency’s Postmaster General. Americans “rely upon USPS for the timely delivery of everything from vital prescriptions, bill payments, and other essential services,” he continued, emphasizing “timely deliveries during, and long after, the COVID-19 pandemic.”

In recent months, many Americans have expressed fear about the Postal Service. Reports of [crippling backlogs](#) of mail, [medicine deliveries](#) gone missing or long delayed, and viral [social media posts](#) showing USPS’s iconic blue boxes being carted off have all contributed to the uncertainty. And, with an expected rise in vote-by-mail during the 2020 election, some commentators [have claimed](#) that President Trump is trying to cripple the Postal Service to meddle in the election.

Amid these fears, Postmaster General Louis DeJoy—the chief executive in charge of the U.S. Postal Service—recently testified before Congress about several changes to the agency’s operations, including the reduction in [overtime pay](#) and the dismantlement of several hundred [high-speed mail sorters](#). He also responded to the worries sparked by President Trump’s [remarks](#) that such changes might compromise the use of vote-by-mail delivery right before the 2020 election. The future of the USPS, including both its long-term financial trajectory and imminent vote-by-mail competency, is not entirely clear. Nonetheless, voters around the country can help increase the likelihood that their ballots arrive on time by requesting an absentee ballot as early as possible and by mailing in their completed ballot by [October 27](#) at the latest, a week before Election Day.



*United States Postal Service vehicles lined up in Waltham, Massachusetts
Source: Flickr.com / Sam LaRussa*

II. Historical Context of USPS's Financial Woes

Today's battle over the USPS's future began long before DeJoy joined the agency, and many of his controversial changes reflect a growing schism between Democrats and Republicans over the institutional role of the Postal Service. During the Nixon administration, the [Postal Reorganization Act of 1970](#) created the modern structure of the USPS, abolishing the United States Post Office Department as a Cabinet-level agency and replacing it with an [independent and self-funded](#) public sector organization. Since then, the USPS has run itself like a corporation but with a number of public service obligations, including flat postage rates and daily mail delivery nationwide.

In its current formulation, the USPS is the American public's [favorite federal agency](#), with 74 percent of American respondents saying it is doing a "good" or "excellent" job in a 2019 Gallup poll. According to Gallup, USPS has consistently been ranked as the most popular agency every year, ahead of the Secret Service, NASA and 10 other government entities.

In recent years, however, the USPS's financial self-sufficiency has faltered, largely due to an increase in worker expenses and a decrease in revenue. First, in 2006, Congress passed the Postal Accountability and Enhancement Act (PAEA), which required the agency to create a \$72 billion fund to pay for its employees' post-retirement health care costs 75 years into the future—a burden not borne by any other federal agency or corporation, and which, analysts at the Institute for Policy Studies describe, "[imposed extraordinary costs](#)" on the USPS. Although the USPS previously paid retirees' health benefit costs [when they were due](#), the 2006 law massively increased its long-term expenses. This was particularly true in the ten-year window between 2006 and 2016, which was initially intended to "[jump start](#)" the newly-established Retirement Health Benefits Fund.

This period also coincided with the Great Recession and a reduction in mail demand, especially first-class mail that the USPS had relied on as a [cornerstone](#) of its business model. Although first-class mail volume peaked in 2001 at 104 billion pieces mailed, that number has [steadily fallen](#), with just 55 billion first-class deliveries occurring in 2019. According to [the USPS](#), between 2010 and 2019, overall mail volume declined by 16.6 percent—although package volume doubled from 3.1 billion to 6.2 billion and annual operating revenue increased overall by 6 percent. Nevertheless, the [U.S. Government Accountability Office](#) found last year that the agency's financial condition is "deteriorating and unsustainable." USPS has lost nearly \$70 billion over the past 11 fiscal years combined, accruing \$42.6 billion in missed payments for retiree health benefits since 2010, and its overall expenses are growing faster than its revenues.

Congressional Republicans and Democrats have recently fought over the fiscal future of the USPS, culminating in several [standoffs](#) over whether federal funds should be used to support the

Postal Service during the coronavirus pandemic and the upcoming 2020 election. In April, the USPS [warned Congress](#) that the impact of the global pandemic had further depleted the Postal Service's revenue, resulting in an expected \$13 billion revenue loss in 2020; without congressional action, the agency said it would “run out of cash” by September 2020. Since then, congressional Democrats have sought to include federal funding for the USPS in several [pandemic relief bills](#) and in [USPS-specific legislation](#). Meanwhile, the White House and Senate Republicans have mostly [rejected](#) the size of proposed funding—and some have suggested [defunding](#) or [privatizing](#) the agency instead.

III. Postal Service Changes in 2020

A. Postmaster General DeJoy's Arrival

The current postmaster general, Louis DeJoy, was selected by the USPS's Board of Governors, which [operates similarly](#) to a public corporation's board of directors, [overseeing](#) the agency's budget, managing long-term planning, and choosing the postmaster general. The current board is made up of six men, all appointed by President Trump and confirmed by the Senate, including four Republicans and two Democrats.

In December 2016, shortly before President Obama left office, the USPS's Board of Governors lost its last remaining presidentially appointed governor, whose [term had expired](#). This was the first time since the board's creation in 1970 that its board was entirely vacant. In October 2017, President Trump [nominated](#) Republican Robert M. Duncan and Democrat David Williams to the USPS Board of Governors. After both were confirmed by the Senate, Duncan became the chairman of the Board of Governors and Williams became the board's vice-president. From August 2018 through June 2020, President Trump nominated, and the Senate confirmed, five additional [USPS board members](#).

Signs of strife first appeared on April 30, 2020, when David Williams [resigned](#) from the board. [Days later](#), the board announced DeJoy as its unanimous selection for the new postmaster general. [According to Williams](#), “I resigned from the board of governors because I was convinced that its independent role had been marginalized and that representations regarding an independent postal service for the nation were no longer truthful.” Williams had also “[expressed concerns](#)” to the board over the likely nomination of Louis DeJoy. Nevertheless, [DeJoy](#) began his role as postmaster general on June 15.

B. Immediate Changes to USPS Operations

Shortly after DeJoy arrived, the USPS implemented several changes in an attempt to make the agency “financially solvent,” according to a [memo](#) describing DeJoy’s plans and expectations. Although the USPS previously [requested \\$75 billion](#) in emergency funds from Congress during the coronavirus pandemic, DeJoy largely focused on internal cost-saving measures. On his first day as postmaster general, DeJoy sent a [video message](#) to his employees where he described the agency as having an “expensive and inflexible business model” and that he wanted “to put this institution on a trajectory for success.”

Under DeJoy’s new leadership, the USPS made some immediate changes, ostensibly to cut costs. First, 23 USPS executives were [reassigned or displaced](#), including the two top executives who previously oversaw the agency’s day-to-day operations. This change included the [ousting](#) of several agency veterans without apparent replacements. And, according to [some analysts](#), the newly restructured organizational chart helped centralize power around the new postmaster general.

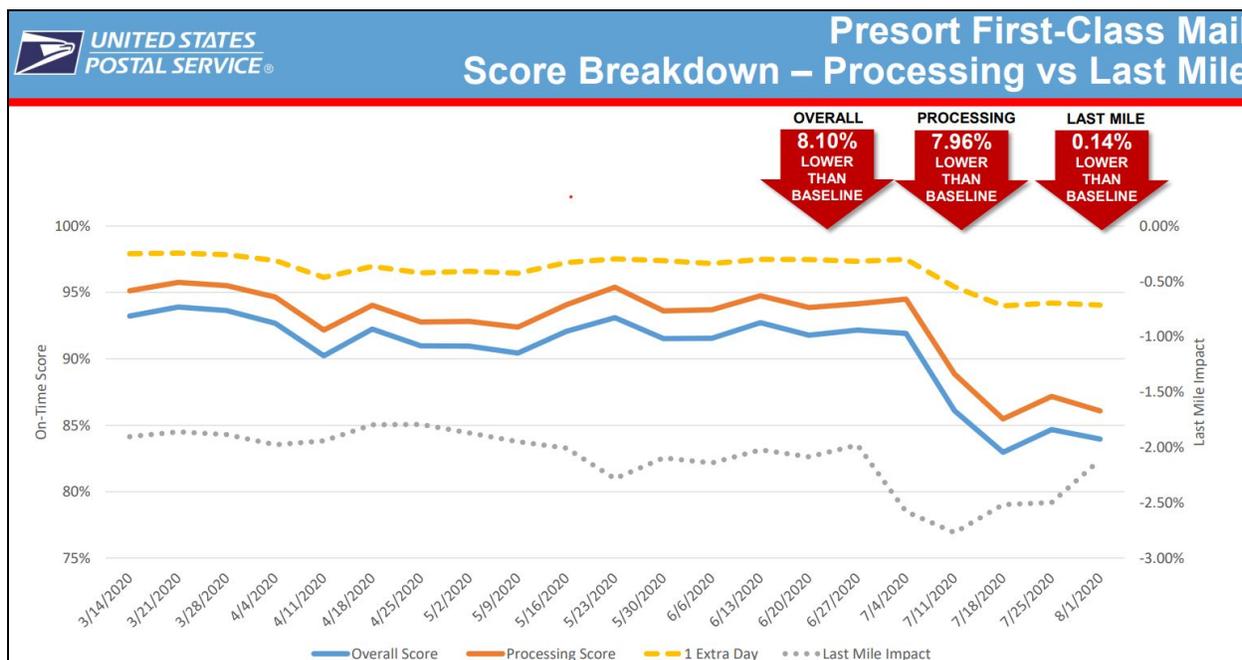
Second, in an effort to [eliminate overtime pay](#), USPS required that late delivery trips no longer be authorized. As a result, any mail that would ordinarily be delivered with overtime pay would now be held until the next day, causing delays. Leadership instructed letter carriers to start their routes on time and to return on time, rejecting a common practice of working after hours until all mail was delivered.

Third, the USPS dismantled and removed [671 high-speed mail sorters](#). These machines can label and sort [tens of thousands](#) of paper mail items every hour and historically have allowed mail carriers to spend much more time delivering mail rather than sorting and organizing it. Some mail-sorting equipment has been dismantled [every year](#) since the 2000s, particularly as overall paper mail use has declined and because machine removal creates more floor space for increased package processing. More recently, the USPS decommissioned 3 percent of machines in 2018 and 5 percent of machines in 2019. The 2020 changes, however, amount to a larger 13 percent reduction in mail-sorting equipment.

In addition, the USPS removed several dozen blue collection boxes in [Montana](#), as well as [Oregon](#) and possibly some [other states](#). One [viral social media](#) post showed stacks of dozens of blue boxes, claiming without evidence that the agency was taking them away as “part of their plan to steal the election.” Nevertheless, the agency has confirmed that these removals were part of “normal operational procedure” and claims of larger removal efforts nationwide appear to be [misleading](#). The USPS has 142,000 mailboxes nationwide, according to agency spokesperson [Kimberly Frum](#), and relocating some boxes due to “lack of use” to be “installed in growth areas” is a standard practice.

Since the mail sorting changes, the American Postal Workers Union filed a [grievance](#), arguing that decommissioning sorting machines could harm the processing of election mail in November. Despite [some additional claims](#) that these reductions targeted key battleground states, however, it appears that the removals [correlated with population](#), with California having the most decommissioned machines.

USPS leadership described the above changes as part of an “[operational pivot](#)” and assured employees that “operations will begin to run more efficiently and that delayed mail volumes will soon shrink significantly.” The agency, however, has continued to see nationwide delays and declines in overall performance. On August 12, [an internal presentation](#) prepared for the Postmaster General found a “significant drop in service standards across the board since the beginning of July” according to the House Committee on Oversight and Reform, which released the internal report. The agency’s [scoring system](#) showed that first-class mail performance had fallen 8.10 percent from its pre-July baseline, while marketing mail declined by 8.52 percent and periodicals fell by 9.57 percent.



*An internal USPS presentation showed a decline in service standards starting in July 2020.
Source: House Committee on Oversight and Reform*

According to a private [mail tracking analysis](#), this summer also had more mail delays than typical, albeit a modest increase from recent years. For example, between July 1 and August 15 this year, 31% of USPS mail was delivered late, an increase from the 26.5 percent rate from earlier in the year. Overall, 2020 data showed that 27 percent of tracked mail was late, an increase from 23 percent in 2019.

IV. The USPS and the 2020 Election

On May 29, prior to DeJoy's arrival at the agency, USPS General Counsel Thomas Marshall sent [a letter](#) to local and state election officials nationwide to address the high likelihood that more voters would vote by mail in November's elections due to the coronavirus. Marshall's letter advised that typically "all Election Mail (including ballots) mailed from individual voters to state or local election officials must be sent by First-Class Mail." Although first-class mail is typically delivered in 2-5 days, Marshall warned, "the Postal Service cannot guarantee a specific delivery date or alter standards to comport with individual state election laws." Therefore, the letter recommended that—throughout the country—voters should mail their ballots at least one week earlier than legally required dates in order to ensure that ballots arrive in time to be counted. The letter also recommends that states use USPS's Intelligent Mail barcodes to better track all election mail, which "can be used both by the Postal Service and by the mailer to track the delivery and return of ballots."

Two months later, after DeJoy took office, the USPS sent follow-up [letters](#) to 46 states and Washington, D.C., reiterating the risk that some ballots may arrive too late to be counted. According to the letters, some state deadlines for voters to request absentee ballots are [too close to Election Day](#) and "the Postal Service cannot adjust its delivery standards to accommodate the requirements of state election law." As such, the USPS recommended that "election officials use First-Class Mail to transmit blank ballots and allow 1 week for delivery to voters" and that, if state law requires ballots to be returned by Election Day, "voters should mail their ballots no later than Tuesday, October 27," which is a week before Election Day.

The only jurisdictions that did not receive these warnings are four states that have a history of conducting universal vote-by-mail elections: Colorado, Oregon, Utah and Washington. Most other states are expected to have [massive increases](#) in the use of vote-by-mail in November, which heightens the need for improved coordination between election officials and the USPS.

V. The President Trump, Public Outcry and Congressional Hearings

In May, House Democrats unveiled a proposed \$3 trillion [coronavirus stimulus package](#), which included \$25 billion in USPS funding and a separate \$3.6 billion to help states expand Early Voting and vote-by-mail during the upcoming elections. President Trump later [expressed disapproval](#) over these two provisions in August, arguing on [Fox Business](#) that the election funding would support "something that will turn out to be fraudulent" and that the USPS funding is needed so the Postal

Service “can take all of these millions and millions of ballots.” He went on to suggest that denying both provisions “means you can’t have universal mail-in voting because they’re not equipped to have it.”

This interview led to [accusations](#) that Trump was attempting to sabotage the USPS to undermine the election, or at least reduce the number of vote-by-mail ballots. In response, multiple Democratic leaders [raised the alarm](#) about Trump’s intentions, including Speaker of the House [Nancy Pelosi](#) and former President [Barack Obama](#). [Some commentators claimed](#) that Trump’s election comments were connected to DeJoy’s recent changes to the agency, arguing that the changes were aimed at disrupting the mail ahead of the election.

As a result, Pelosi called the House of Representatives back into session in August, earlier than expected, and the House [voted 257-150](#) (with 26 Republicans in support) to provide \$25 billion to the USPS and to reverse the operational changes made by the postmaster general. But the Republican-controlled Senate has not yet voted on similar legislation. The White House has [threatened to veto](#) the measure, and Senate Majority Leader Mitch McConnell [released a statement](#) that “the Senate will absolutely not pass stand-alone legislation for the Postal Service while American families continue to go without more relief.”

In the meantime, DeJoy [released a statement](#) on August 18 assuring Americans that the USPS “is ready today to handle whatever volume of election mail it receives this fall.” The statement also made the following promises:

- Regarding planned changes as part of the USPS’s operational initiatives, “[t]o avoid even the appearance of any impact on election mail, I am suspending these initiatives until after the election is concluded”;
- USPS retail hours will not change;
- Mail processing equipment and blue collection boxes will “remain where they are”;
- Mail processing facilities will not be closed;
- Overtime will continue to be approved, as needed;
- A leadership taskforce on election mail will be expanded and continue working with election officials; and
- On October 1, “we will engage standby resources in all areas of our operations, including transportation, to satisfy any unforeseen demand.”

Since then, DeJoy has [testified](#) before the House Oversight Committee and Senate Homeland Security and Governmental Affairs Committee. Although he acknowledged that recent operational changes [contributed to mail delays](#), DeJoy also denied responsibility for most of the changes and said that the USPS would not restore equipment that has already been removed. Nevertheless, he confirmed that any planned new changes have been halted until after Election Day. He also [offered](#)

[support](#) for congressional efforts to provide the USPS with emergency funding during the pandemic while advocating for the Postal Regulatory Commission to increase its price caps on USPS mail products to garner additional revenue.

VI. Conclusion

When Postmaster General DeJoy testified in Congress, the USPS released several statements expressing confidence in its ability to deliver election mail during the coming months. The agency's [Twitter account](#) noted that the USPS delivers approximately 433 million pieces of mail per day; thus, even if all Americans vote by mail this year, "330 million ballots over the course of the election would be [only 75%](#) of what we deliver in one single day." The account went on to reassure voters that even with the increased use of vote-by-mail, "we anticipate election mail will account for less than [2% of all mail volume](#) from mid-September until Election Day." The agency [maintains](#) that "delivering America's election mail is our number one priority between now and Election Day" but urges voters to "plan ahead" if choosing to vote by mail.

It is unclear if Congress will provide the USPS with any federal funding, or if [lawsuits by state attorneys general](#) will create any additional changes before November. At least [21 states](#) plan on filing lawsuits against the USPS, and [one such lawsuit](#) -- filed in federal court in Washington state by a coalition of fourteen states -- claims that the agency broke federal law by making operational changes without seeking approval from the Postal Regulatory Commission. On September 17, a federal judge [granted the coalition's request](#), outlining specific prohibitions on USPS operational changes for the time being.

Moreover, additional problems with the USPS remain, particularly in states with strict postmark requirements for mailed-in ballots. For example, during New York's June primary, there were [reports](#) of some USPS facilities mishandling completed ballot envelopes, failing to postmark some ballots that were subsequently disqualified. This error contributed to election officials [rejecting](#) 25% of all mail-in ballots cast in Brooklyn, an extraordinarily high rate of invalidation.

Nevertheless, [voting experts](#) still encourage voters to not forgo vote-by-mail in November, especially in states that have reduced in-person polling places and may have longer lines on Election Day. First, voters can decrease the likelihood of Postal Service delays affecting their vote by requesting absentee ballots as early as possible. With the exception of [a few states](#) that plan on mailing every voter a ballot directly, the vast majority of states require voters to officially request a mail-in ballot through a physical form or online webpage. State deadlines to request an absentee ballot vary widely, from October 9 at the earliest to November 2 and the latest, but voters in most states can already request

mail-in ballots today. As the USPS has maintained for months, voters should request a ballot no later than [October 27](#), a week before Election Day. But the sooner, the better.

Experts suggest that a significant factor in reducing ballot rejection rates is for voters to simply read all ballot instructions carefully, [avoid stray marks](#) or mis-sealing any envelopes, and try to match their signature to the one on record, such as the signature appearing on a driver's license. Many states [disqualify absentee ballots](#) for technical violations, and [only some states](#) will notify voters if their ballot is rejected or offer them an opportunity to fix the problem.

If voters are concerned about ballot backlogs, they can also return completed ballots long before Election Day. Even with delays, the earlier a ballot is mailed, the more likely it will arrive to election officials in time to be counted. The [majority of states](#) require absentee ballots to arrive or be postmarked by Election Day, but the USPS [maintains](#) that unexpected delays could still occur if voters wait too long.

If it is too late to use the mail, within a week of Election Day, voters may also consider using a [ballot drop box](#) if their county offers one, or they may be able to drop off their absentee ballot in person on Election Day. If voters are unable or unwilling to drop off their own ballot in person, [some states also allow](#) a family member or other designee to drop off ballots on someone's behalf.

Finally, if voters have other specific questions, they can contact [local election officials](#) or non-profit [voter protection hotlines](#) to help ensure the validity and safety of their vote on or before Election Day.