EXHIBIT 7

Ron Johnson (<u>00:00:00</u>):

... put him in the crosshairs of another hyperbolic, false narrative, perpetrated to gain political advantage. I hope we can stick to the facts in this hearing today. One fact that needs to be highlighted to refute one part of the false narrative is that the Postmaster General is not appointed by President Trump. The bipartisan Postal Board of Governors engaged a professional search firm that identified Louis DeJoy as an outstanding candidate with the necessary background and skillset to tackle the enormous challenges facing the postal system. The bipartisan governors then unanimously, again let me repeat that, they unanimously approved his appointment as Postmaster General. Mr. DeJoy reports to the board, not the president.

Ron Johnson (00:00:43):

Another false narrative is that a failure to provide funding to the Postal Service will undermine the election. The Postal Service currently has \$15.1 billion in cash on hand, following a better than expected financial performance during the pandemic. Due to a surge in package delivery, rather than being down, the Postal Service's revenue is actually \$1.5 billion higher this year than during the same period last year. That said, the longterm financial reality of the postal system is bleak and has been bleak for years. The main reason is that first class mail volume has declined dramatically with the advent of the internet. Because the postal system is constrained by a host of legislative requirements, it does not have the flexibility a private sector entity would have to deal with the dramatic reduction in the demand for its products.

Ron Johnson (00:01:35):

In a perfect world, the postal system would have funded its longterm pension and retiree healthcare liabilities as they were encouraged. Because they didn't, those unfunded liabilities now total \$120 billion. Unfortunately, the 2006 Postal Reform Bill did not ensure longterm financial viability. And in its attempt to address the unfunded liability problem, it depleted the postal system of cash and arbitrarily turned longterm liabilities into short term liabilities on its balance sheet.

Ron Johnson (00:02:09):

Subsequent attempts at reform have largely proposed a taxpayer bailout. The cost of these proposals is generally understated based on CBO's ten year scoring requirement, which misleadingly characterizes a \$48.8 billion bailout as only costing \$10.7 billion over 10 years. These proposals all select the full range of structural reforms that will be required to ensure the longterm viability of the system. For years, GAO and Inspector General's reports have recommend reform [inaudible 00:02:39] have only been partially implemented. One of the most costly inefficiencies that have been repeatedly highlighted in these reports is the out of control use and payment of overtime. To his credit, this is the reform Postmaster DeJoy began implementing shortly after his appointment. According to an Inspector General report issued the day Postmaster DeJoy was sworn in, post offices spent \$4 billion in fiscal year 2019 in mail processing and delivery overtime and penalty overtime costs. Those overtime costs represent 45% of the postal system's \$8.8 billion loss for last year.

Ron Johnson (00:03:20):

This Postmaster DeJoy's commendable attempt to reduce those excess costs are now being cynically used to create this false political narrative. According to Democrats, the Postmaster's trying to sabotage the postal system to disenfranchise voters in the upcoming election. Notices that were sent before he was sworn in meant to inform election officials to factor in normal postal capabilities in setting their

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ballot deadlines are being used as evidence of this conspiracy theory and a willing media is, once again, happily playing along.

Ron Johnson (00:03:53):

On average, the postal system delivered 2.6 billion pieces of non-packaged mail per week in 2019. Because of COVID, the postal system's first-class weekly volume is down 17% this year to date. Even if every voter used mail-in balloting, that would be approximately 150 million pieces of mail or less than 6% of weekly volume. As long as election officials factor in normal postal delivery capabilities, and in light of the 17% decline in weekly volume, the postal system has more than enough excess capacity to handle mail-in balloting. So again, I want to thank Postmaster General DeJoy for his appearance today, for his service, and I look forward to your testimony. Senator Peters.

Senator Peters (00:04:37):

Well, thank you, Mr. Chairman. Mr. DeJoy, I certainly appreciate you joining us here today. And as you can imagine, we have a lot of questions for you. We are in the middle of a unprecedented pandemic. We're experiencing one of the nation's worst health and economic crises, and now we're facing a mail crisis. We're just months away from an election where we expect record numbers of Americans to vote by mail. For many communities in Michigan and across the country, the Postal Service has always been a lifeline, especially for the communities where private carriers simply don't deliver. Whether folks are receiving important medications, financial documents, critical home supplies, or simply trying to stay in touch with their loved ones, the Postal Service has always delivered.

Senator Peters (00:05:27):

But Mr. DeJoy, I don't think you have. You have not delivered in this brief tenure so far. For more than two centuries, Americans have been able to count on the Postal Service. But in less than two months as Postmaster General, you have undermined one of our nation's most trusted institutions and wreaked havoc on families, on veterans, seniors, rural communities, and on people all across our country. The operational changes you implemented without consulting with your customers or the public have caused significant delays, delays that have hurt people across the nation, delays that come at a time when people depend on reliable service now more than ever.

Senator Peters (00:06:14):

In July, I started hearing reports about how severely your changes were slowing down the mail. I asked you for answers. But it wasn't until I launched an investigation that you admitted that you had directed these changes yourself. And despite multiple requests, it took more than one month to respond directly and I'm still not satisfied with those explanations. You have brushed off these delays, calling them inevitable, a side effect of your vision for the Postal Service. But let me tell you about the people who are forced to bear the brunt of your decisions.

Senator Peters (00:06:51):

Beth from Ada, Michigan works for a company that produces educational materials for healthcare workers. Beth's company started seeing serious delivery problems and switched to overnight shipping, which has almost doubled their shipping costs. And between these delays and the pandemic, they have had to lay off multiple employees to help absorb these costs. Mary from Redford said her daughter has been getting her epilepsy medication through the mail, usually in three to four days. But because of changes you ordered, her latest refill shipped on July 20th and it took nine days, nine days to be

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delivered. When Mary's daughter realized the medication wasn't going to arrive on time, she tried to ration what few pills that she had left. And as a result, she suffered seizures and was transported to a hospital.

Senator Peters (00:07:47):

These are just a few of my constituents who have shared their stories as part of my investigation. I have received more than 7,500 reports of delays from people across Michigan and across the country in just two weeks. They have written to me about skipping doses of their medication and their small businesses losing customers or having to lay off employees, all because of changes that you directed.

Senator Peters (00:08:16):

Mr. Chairman, I move to enter into the hearing record an update on what my investigation is finding.

Ron Johnson (<u>00:08:23</u>):

Without objection.

Senator Peters (00:08:26):

Mr. DeJoy, your decisions have cost Americans their health, their time, their livelihoods, and their peace of mind. I believe you owe them an apology for the harm you have caused. And you owe all of us some very clear answers today. The country is anxious about whether the damage you have inflicted so far can be quickly reversed, and what other plans you have in store that could further disrupt reliability and timely delivery from the Postal Service. If you plan to continue pursuing these kinds of changes, I think my colleagues and many of our constituents will continue to question whether you are the right person to lead this indispensable institution. Thank you.

Ron Johnson (<u>00:09:11</u>):

It is the tradition of this committee to swear in witnesses. So Mr. DeJoy, if you'll raise your right hand. Do you swear the testimony you will get before this committee will be the truth, the whole truth and nothing but the truth so help you God?

Louis DeJoy (00:09:24):

I do.

Ron Johnson (00:09:25):

Thank you. Mr. Louis DeJoy has served as the Postmaster General since June 2020. Prior to his unanimous selection and appointment by the bipartisan Postal Service Board Of Governors, he spent more than 35 years developing and managing a successful nationwide logistics company as chairman and CEO of New Breed Logistics. Beginning of 2014, Mr. DeJoy served as the CEO of XPO Logistics supply chain business in the Americas. After his retirement in 2015, he joined the company's board of directors, where he served until 2018. Mr. DeJoy?

Louis DeJoy (<u>00:10:02</u>):

Good morning, Chairman, ranking member Peters, and members of the committee. Thank you, Chairman Johnson, for calling this hearing. I'm proud to be with you today on behalf of the 630,000 dedicated women and men of the United States Postal Service. On June 15th, I became America's 75th

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Postmaster General. I did so because I believe the Postal Service plays a tremendously positive role in the lives of the American public and the life of the nation. I also welcomed the opportunity to lead this organization because I believe there was an opportunity for the Postal Service to better serve the American public and also to operate in a financially sustainable manner.

Louis DeJoy (<u>00:10:46</u>):

Congress established the Postal Service to fulfill a public service mission to provide prompt, reliable, and universal Postal Services to the American public in an efficient and financially sustainable fashion. Our ability to fulfill that mandate in the coming years is at fundamental risk. Changes must be made to ensure our sustainability for the years and decades ahead. Our business model established by the Congress requires us to pay our bills through our own efforts. I view it as my personal obligation to put the organization in a position to fulfill that mandate. With action from the Congress and our regulator and significant effort by the Postal Service, we can achieve this goal.

Louis DeJoy (<u>00:11:34</u>):

This year, the Postal Service will likely report a loss of more than \$9 billion. Without change, our losses will only increase in the years to come. It is vital that Congress enacted reform legislation that addresses our unaffordable retirement payments. Most importantly, Congress must allow the Postal Service to integrate our retiree health benefits program with Medicare, which is a common sense practice followed by all businesses that still offer retiree health care. It also must rationalize our pension funding payments. Legislative actions have been discussed and debated for years, but no action has been taken. I urge the Congress to expeditiously enact these reforms. I also urge the Congress to enact legislation that will provide the Postal Service with financial relief to account for the impacts of the COVID-19 pandemic on our financial condition.

Louis DeJoy (00:12:33):

The Postal Regulatory Commission began a mandated review of our pricing system four years ago. It has been three years since the commission concluded that our current system is not working. We urgently require the PRC to do its job and establish a more rational regulatory system for our mail products. Had the Congress and PRC fulfilled their obligations to the American public concerning the Postal Service, I am certain that much of our \$80 billion in cumulative losses since 2007 could have been avoided and that our operational and financial performance would not now be in such jeopardy. The Postal Service must also do its part. We must adapt to the realities of our marketplace, generate more revenue, and control our costs. I believe we can chart a path for our business that accomplishes these goals.

Louis DeJoy (00:13:28):

In my 67 days as Postmaster General, I have also had the chance to observe the many hidden strengths of the organization and appreciate our critical mission of service to the American public. Despite our deep, longstanding financial problems, there is an incredible strong base to build upon and a tremendous desire of the public for the Postal Service to succeed.

Louis DeJoy (<u>00:13:53</u>):

As we head into the election season, I want to assure this committee and the American public that the Postal Service is fully capable and committed to delivering the nation's election mail securely and on time. This sacred duty is my number one priority between now and election day. Mr. Chairman, women and men of the Postal Service have demonstrated extraordinary commitment for our mission

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throughout the COVID-19 pandemic. In every community in America, we continue to work to keep our employees and customers safe as we fulfill our essential role delivering medications, benefit checks and financial statements the public depends upon. Since the beginning of the pandemic, there has been a public outpouring of support for postal employees as they perform their essential service throughout the nation. This is a well-deserved testament to their dedication. Mr. Chairman, ranking member Peters, I look to working with you and this committee and our stakeholders to restore the financial health of the United States Postal Service and to improve the way we serve the American public. This concludes my remarks. And I welcome any questions that you and the committee may have.

Ron Johnson (00:15:06):

Well, thank you for that opening statement, Mr. Postmaster General. I just want to kind of go through and give you a chance to respond to some of these false narratives. First of all, let's talk about that election notice was sent out by I believe the Postal Services General Council, one notice before you became Postmaster General, one notice I think after you assumed your duties. Talk about what that notice was about. And from my standpoint, how important it was that the Postal Service does inform election officials of what your basic capabilities are, so they can factor that into their deadlines.

Louis DeJoy (<u>00:15:44</u>):

Yes. Thank you for the opportunity to speak about this. First, I'd like to emphasize that there has been no changes in any policies with regard to election mail for the comfort of 2020 election. As you stated, this letter was sent out before my arrival, simply to help educate state election boards and eventually the American people. There was a plan put together to eventually make this a broader statement so the American people had awareness on how to successfully vote. This letter, very similar letter was sent out in the 2016 election by the former Deputy Postmaster General. We recognize that during this pandemic, when I arrived, there was great concern about the increase in volume. So we further emphasized the interaction. We had over 50,000 contacts before my arrival with state election boards to help them understand the mail processing procedures of the Postal Service. Since my arrival, we've established [inaudible 00:17:03] a task force. We have put up a website. We're putting up a website within a day, and we are diligently working to ensure the American public and to ensure a successful election.

Ron Johnson (00:17:19):

In my opening statement, I remarked that 150 million pieces of ballots would represent about 6% of weekly volume. I think in your written testimony, you said in terms of what's actually expected in terms of mail-in ballots, about 2%. Can you just talk about and assure the American public and this committee that the postal system has more than enough capacity to handle the number of ballots? It's really a matter of election officials understanding what delivery capabilities are.

Louis DeJoy (00:17:50):

Yeah. We deliver to 433 million pieces of mail a day. So 150 million ballots, 160 million ballots over a course of a week is a very, very small amount, adequate capacity. Plus mail volume is down, as you said, 13%, 14% this year. Plus, as identified earlier in the week, we will have additional resources on standby. I mean, if everyone complies with the mail process that we've been identifying, there will be absolutely no issue. There's slack in the system and additional processes that we will deploy in and around the election that will carry a good part of any deviations to get through. The Postal Service stands ready. Our board of directors stand ready with the expansion of the task force that I identified earlier in the week. Yesterday we made the decision to establish a board, a bipartisan board committee to stand over the

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postals, to interact with us as we move forward. We are very, very comfortable that we will achieve this mission, sir.

Ron Johnson (<u>00:19:14</u>):

Something else I think has been blown way out of proportion is the retirement of some of the blue boxes. Can you speak to how that is just a normal procedure that we have literally ... Because first class mail is down over the decades. The volume's almost been cut in half, I think. I don't have the numbers right off the top of my head, but anytime you have a business where your volume is declining that dramatically, you'll take out different capacities. So can you address the issue of the normal retirement, what the history of that has been of not only the blue boxes, but also some of your sorting machines?

Louis DeJoy (<u>00:19:50</u>):

Yeah. So thank you for the opportunity to speak about that. Today, there was about 140,000 collection boxes out in the United States. Over the last 10 years, it averages about 3,500 a year. So 35,000 of them have been removed. And it's a data driven method. I haven't reviewed it, but every year they look at utilization of postboxes. They look at where they place new postboxes. They look at where communities grow. So 35,000 over 10 years. And since my arrival, we removed 700 collection boxes, of which I had no idea that that was a process. When I found out about it, we [inaudible 00:20:45] amongst the leadership team looked at what the excitement it was creating. So I decided to stop it and we'll pick it up after the election. But this is a normal process that's been around, it's been around 50 years. And over the last 10 years we have pulled back about 35,000.

Louis DeJoy (<u>00:21:13</u>):

On the machines, the machines we are speaking about, again, mail volume is dropping. This is a process that I was unaware about. It's been around for a couple of years now. We evaluate our machine capacity. These machines run about 35% utilization. The mail volume is dropping very rapidly and especially during the COVID crisis. And package volume is growing. When I spoke with the team when this too got a lot of air play, we really are moving these machines out to make room to process packages. We have hundreds of these machines everywhere and still not any kind of drain on capacity. And I repeat, bought the collection boxes and this machine close down, I was made aware when everybody else was made aware. It was not a critical issue within the Postal Service. This has been going on in every election year and every year for that matter.

Ron Johnson (00:22:21):

So this isn't some devious plot on your part. One final question here, I'm just going to go a little over time. But I think it's important that you describe the operational changes you were making to try and start curbing in some of these excess costs, \$4 billion of overtime and overtime penalties, about making sure that the system adheres to its time deadlines and what effect that has on mail delivery.

Louis DeJoy (<u>00:22:46</u>):

Yes. Thank you. Thank you, sir. When I arrived, one of the position, I spent the first three weeks even before I joined here really studying the organization, trying to get an understanding of how decisions were made and what the network looked like and how the mail moved through the process. I spent hundreds and hundreds of hours before I arrived and then when I got here, working with the management team. And one of the first things, the first big change I embarked upon is how do I get the organization, the management team, the structure to align with what we ... In my analysis, I felt that we

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had 600,000 people reporting to one person and other executives doing [inaudible 00:23:46] types of ... Important, but not integrated into the operational activity.

Louis DeJoy (<u>00:23:49</u>):

So I worked with the management team, both collectively and individually to look at our functional lines. And together, we reorganized the organization to move forward on process improvements, improving service and garnering new business, new revenue and costs. So that was the one big change I worked on when I got here.

Louis DeJoy (<u>00:24:17</u>):

The other change, the day I was sworn in, I received a report from the OIG that spoke about the things that you were talking about. Late deliveries, late dispatch, extra trips, and all the time and costs associated around this that approximated \$4 billion. We were facing, this was before we had the note, I had \$13 billion in cash and \$12.5 billion of payments to make in the next nine months. And no help insight. We had no help in sight. So I needed to look at a positive impact on cost savings that improved the business.

Louis DeJoy (00:25:04):

The transportation schedule, we run about 35,000, 40,000 trips a day. And 12% of those trips were late. And we're running another 5,000 trips a day in extra trips. FedEx, UPS, everybody runs their trucks on time. That's what glues the whole network together, our collection process to our delivery process. And that was not my, Louis DeJoy's schedule, that was the Postal Service's schedule that was connected to all the delivery points, the 161 million delivery points that we deliver to each day. That had to be on time to get our carriers out on time to make the deliveries on time so they can get back during the day instead of the night. And that was the number one, the transportation network was the glue that keeps everything together.

Louis DeJoy (<u>00:25:52</u>):

And I worked with the team. We had many, many operating people involved with the team. We had all the area vice presidents involved with this change. And we have taken, I submitted in my report this chart here, which shows that we went from 88% on time to 97% on time delivery. All that mail that was sitting on docks got advanced and our late trips dropped from 3,500 a day to 600 a day. Within a week, we made that change. Unfortunately, some mail did not ... Our production processing within the plants was not fully aligned with this established schedule. So we had some delays in the mail. And our recovery process in this should have been a few days and it's mounted to be a few weeks.

Louis DeJoy (<u>00:26:54</u>):

But the change that I made was run to our schedule, run to our transportation schedule. I believe we'll get at least a billion dollars of savings out of that going forward. And this is the key connectivity to improving our service. Once we get all the mail on those trucks, that 97% to 98% of the mail that we move around the country will be getting to its destination point on time. That was not the case. It was significant, substantially less than that prior to my arrival. Those are the two changes, committee, that I have made since I've been here.

Ron Johnson (<u>00:27:29</u>):

HAPPENING NOW Postmaster General Louis DeJoy tes... (Completed 08/21/20) Transcript by <u>Rev.com</u> Well, thank you Mr. Postmaster General. I think you should be commended for this type of initiative, not condemned. Senator Peters.

Senator Peters (00:27:39):

Thank you, Mr. Chairman. And Mr. DeJoy, again, thank you for being here to today. I just want to start off before asking some questions, just making it very clear that the men and women who work at the Postal Service, who check in every day to do their jobs, do it with professionalism, with integrity, and a passion to move the mail as quickly and as efficiently as possible. But I think of the postal workers, the mail handlers, the letter carriers, they're doing a great job. They are clearly essential workers each and every day.

Senator Peters (00:28:11):

But as we've been going through this issue, and I've talked to many of those folks across my state, they have grown increasingly frustrated with some of the recent policies that have come in place, which they say is nothing that they've seen in the past and they believe that mail has been piling up in ways that it shouldn't, and it needs to be addressed. But these are management changes. These are policy changes. It's not the men and women who are on the front line doing this work every day.

Senator Peters (00:28:36):

So my question ... So Postmaster General DeJoy, you've already heard me in my opening comments talking about the fact that I've received over 7,500 complaints from folks all across Michigan, but really across the country. Folks have sent in their concerns to me. Earlier in my opening statement, I shared some stories of hardships from folks, both Beth and Mary, their challenges in Michigan. And I think I heard this in the last answer. You acknowledge that some of the changes that were put in place have delayed the mail, and with the delay in mail, people can sometimes be hurt. Is that true?

Louis DeJoy (<u>00:29:17</u>):

Senator, first of all, I do recognize the quality capability of the American postal worker. That's one of the reasons that I'm here is to help as well as with regard to the Postal Service's key role in serving the American public. Yes, sir, I do recognize that there's been two changes. The organizational change I don't believe has any impact on what we've done. The transportation's change, getting into compliance with our schedule has had-

Senator Peters (00:29:54):

Let me just jump in. I don't mean to cut you off, but I'll get into those issues because I want you to elaborate a little bit further, but there have been delays. You'll recognize that. It's clear what we're saying. Mail's been delayed and I've spent over a month asking you to provide some documentation in my oversight function here in this committee to how you made these decisions, what kind of analysis, what sort of data was put in place and how that information impacted some of the changes you have. Your staff has repeatedly not answered those questions. And so certainly that transparency I think is unacceptable. What I have uncovered though, from what little data is made public by the Postal Service, is on time mail delivery. I have my chart as well here, too, which is from the Eastern division. This is what you give to your business customers. And if you look at this line here, it's probably hard to see, but there is a red line of which you can see dipping dramatically. There's a flat line along the top of the chart. Then it drops. Around July 11th you start seeing the drop. July 18th it falls dramatically. So that's a pretty big drop in on time mail delivery that we are seeing. And I've asked three times since July 17th for records

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relating to these service changes and how what I'm hearing from our letter carriers and postal workers and what I'm seeing in the chart that you actually post on your website of significant drop of mail deliveries, and yet I don't get an answer.

Senator Peters (<u>00:31:22</u>):

Will you commit to giving me these documents, which have to be readily available to the Postal Service by this Sunday? Can we get those documents to get a sense of what went into these decisions and what you're seeing in terms of mail delivery?

Louis DeJoy (00:31:36):

I will meet with our staff and get what documents with regard to this change. But the change, Senator, was to adhere to the transportation schedule. That was the change. [crosstalk 00:31:51]

Senator Peters (<u>00:31:51</u>):

Obviously you have all that documented. I'd love to see the documents as to how that was done, the data supporting that. That was-

Louis DeJoy (00:31:58):

And if I can add this too, and certainly there was a slowdown in the mail when our production did not meet the schedule. But also, Senator, our employees are experiencing the COVID, the pandemic also. And we have a significant issue in employee availability in many, many parts of the country that are also leading to delays in delivery and mail.

Senator Peters (00:32:28):

Let me turn to your recent announcement that you made this week, that you are suspending some of the changes that you had made over the last month. I believe that statement is fairly vague and it raises some additional questions. So I want to just be clear. These will be yes or no, just so we know exactly what was intended by that. Are you suspending your policy eliminating extra trips? Yes or no?

Louis DeJoy (<u>00:32:52</u>):

No. First of all, the policy was not to eliminate extra trips. It was to mitigate extra trips.

Senator Peters (00:32:57):

Okay. So no to that. We're being told that you're limiting overtime and this could possibly add to backlogs. Are you limiting overtime or is that being suspended right now and people will work overtime if necessary to move the mail out efficiently every single day?

Louis DeJoy (00:33:13):

Senator, we never eliminated overtime. That's not-

Senator Peters (<u>00:33:17</u>):

It's been curtailed significantly is what I understand.

Louis DeJoy (<u>00:33:21</u>):

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It has not been curtailed by me or the leadership team.

Senator Peters (00:33:25):

Curtailed significantly. It's gone down. It's been limited. Will you commit to-

Louis DeJoy (00:33:28):

Senator, since I've been here, we spent \$700 million on overtime. Overtime runs at a 13% rate before I got here and it runs at a 13% rate now. I did not suspend it.

Senator Peters (00:33:40):

[inaudible 00:33:40] policy you can submit that to me, I'd appreciate it. Will you commit there will be no post office closures or suspensions before November 3rd?

Louis DeJoy (00:33:48):

I have confirmed post office closes was not a directive I gave. That was around before I got it. There's a process to that. When I found out about it and it had the reaction that we did, I've suspended that till after the election.

Senator Peters (<u>00:34:06</u>):

Well, we've heard about the sorters. You addressed that earlier. Will you be bringing back any mail sorting machines that have been removed since you've become Postmaster General? Any of those come back?

Louis DeJoy (00:34:16):

There's no intention to do that. They're not needed, sir.

Senator Peters (<u>00:34:19</u>): So you will not bring back any processors?

Louis DeJoy (00:34:21):

They're not needed, sir.

Senator Peters (00:34:23):

Okay. I've got a question about independence and transparency. Prior to implementing the changes that you put forth in the postal system, did you discuss those changes or their potential impact on the November election with the president or anyone at the White House? And remind you, you're under oath.

Louis DeJoy (00:34:42):

I have never spoken to the president about the Postal Service other than to congratulate me when I accepted the position.

Senator Peters (<u>00:34:49</u>):

Did you speak or discuss any of these changes with Secretary Mnuchin?

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Louis DeJoy (<u>00:34:54</u>):

During the discussion and negotiating the note, I told him I'm working on a plan, but I never discussed-

PART 1 OF 4 ENDS [00:35:04]

Mr. DeJoy (<u>00:35:03</u>):

No. I told them I'm working on a plan, but I never discussed the changes that I made. I just said, "I'm working on a plan to improve service and gain cost efficiencies." But no grave detail. That was about it.

Senator Peters (00:35:18):

Prior to implementing the changes, did you discuss these changes or their impact on the election with any Trump campaign officials?

Mr. DeJoy (<u>00:35:25</u>):

No, sir. So these changes in our total analysis here and going forward and remember I'm one new person in the organization. With the whole structure around me, an operating structure and executive team around that are involved in these decisions. Moving forward with trying to have any negative impact on the election is an outrageous claim.

Senator Peters (<u>00:35:53</u>):

Just one final one, Mr. Chairman, did you ever discuss any of this with Mark Meadows? Any of these changes which you've done?

Mr. DeJoy (00:36:00):

No.

Senator Peters (<u>00:36:00</u>): You've never had discussions since you-

Mr. DeJoy (<u>00:36:02</u>):

I haven't discussed anything with Mark Meadows. I haven't spoken to Mark Meadows up until maybe last week was the first time I spoke to him in a while.

Senator Peters (00:36:12):

So finally, you will give us your word today under oath that you have not taken any action whatsoever in your capacity as Postmaster General, for any political reason or at the suggestion of any administration officials?

Mr. DeJoy (<u>00:36:25</u>):

Sir, I will tell you my first election mail meeting, what I instructed the organization, the whole team around us and out in the field, that whatever efforts we will have, double them. I was greatly concerned about all the political noise that we were hearing. And I've had weekly reviews on this since before all the excitement came out. We are very committed. The board's committed, the postal workers

committed, the union leadership is committed to having a successful election. And the insinuation is quite frankly, outrageous.

Senator Peters (<u>00:37:06</u>):

Just one final thing, Mr. Chairman. Just as we get into the election, now, there has been concerned that I'm hearing from state and local governments about first class mail. Do you have your word that you're not going to mandate that states send out any ballots using either the more expensive first class mail? And will you continue the processes and procedures to allow election mail, to move as expeditiously as possible and treat it like first class?

Mr. DeJoy (<u>00:37:33</u>):

Yes, sir. We will deploy processes and procedures that advance any election mail, in some cases ahead of first class mail.

Senator Peters (00:37:43):

You won't charge local governments for the first class mail? They can continue the process that they've done in the past?

Mr. DeJoy (<u>00:37:50</u>):

I don't get to charge anybody. But no, we're not going to change any rights.

Senator Peters (<u>00:37:56</u>):

Thank you for the time. Thank you for the indulgence, Mr. Chairman, for the extra time. I appreciate it.

Speaker 1 (00:38:00):

Thanks Senator Peters. Now we did allow seven minute rounds, both Senator Peters, and I went over. We're going to adhere to the seven minutes to other members. The order of questioning will be Senator Portman, Carper, Lankford, Hassan, Scott, Rosen, And then [inaudible 00:38:16]. Senator Portman.

Senator Portman (00:38:19):

Thank you, chairman and thank you and to Senator Peters for holding the hearing. It's very important. It's timely, obviously all of us want to see our Postal Service work and work well. And let me just give a shout out to David Janice, who's our letter carrier and to all the letter carriers and all the postal workers, because I do think particularly during this pandemic, they're more appreciated than ever. And so the men and women who you lead, Mr. DeJoy, please pass along to them. Our thanks. I like having this hearing now because I think there's been a lot of misinformation out there and I like getting to the facts. One of the facts I've learned this morning is that you started 67 days ago. And much of what we've been talking about in the media, at least including the blue boxes and the sorting machines, that happened before you got there and it was part of a plan.

Senator Portman (00:39:11):

I knew the former Postmaster General, she came up through the ranks, was not a political person at all. And anyway, that's helpful to know that that's what's going on. It's also helpful to know that you were acquainted by the postal board of governors and that that's a bipartisan group. In fact, we confirm those people and it was a unanimous selection, and I guess it's based on your being a logistics expert. And just

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hearing you this morning, I can tell you got a passion for the logistics side of things. I also know that the longterm financial picture for the post office, Postal Service is not pretty. And by the way, that's been true for a long, long time. And that's not really something that a Postmaster General can do much about. It requires legislation. Senator Collins, Senator Feinstein have a bill as an example right now that provides for some reforms and some additional funding.

Senator Portman (00:40:06):

Everybody knows it's in trouble. Everybody knows we've got to deal with this issue. And so, although I'm going to ask you some tough questions and others will, really, a lot of this comes back on at Congress and not doing its job in terms of the longer term financial picture. But the immediate issue is to be sure that these elections work well. And I appreciate the fact that you said this morning, that that's going to be your top priority between now and the election. Every one of us on this panel, I hope, want to be sure that we have the ability to have an election that is a well run, where people have their votes counted and many are going to be using the Postal Service. Let me start, Mr. DeJoy, by just asking you a general question, do you support absentee voting and do you support voting by mail? Generally?

Mr. DeJoy (<u>00:40:51</u>):

I'm going to vote by mail. I voted by mail for a number of years. The Postal Service will deliver every ballot and process every ballot in time that it receives.

Senator Portman (00:41:06):

Well, I appreciate that. So, you do support voting by mail?

Mr. DeJoy (<u>00:41:11</u>):

I do. I think the American public should be able to vote by mail and the Postal Service will support it. So I guess that's yes.

Senator Portman (00:41:25):

Yeah. Well, look, I mean that the states are going to decide this, not the Congress are not the post office. And many states are going to do it. In Ohio, we've had absentee voting for a couple of decades now that's no fault meaning that you don't have to give a reason and it works quite well. I vote every year by absentee, because I don't know where the heck I'm going to be in Washington or in Ohio based on our schedule. So it's worked well. And we also are going to have in Ohio, a lot of other ways for people to vote, we're going to be sure that it's easy to vote in Ohio and it's hard to cheat in Ohio.

Senator Portman (00:41:59):

And I think that's the important thing. There's been a lot of news coverage about the Postal Service sending letters to 46 States, including Ohio and DC, to let them know they can't guarantee all ballots cast by mail will arrive on time. Is this due to a lack of funding, which is what many are saying, or is it due to state laws on voting and the time it takes to turn around receiving and delivering the ballots?

Mr. DeJoy (<u>00:42:23</u>):

Senator, this was not a change from anything that we have done in previous years. It was just more detailed and more emphasis put on it, partly because of the expected rise in vote by mail and also the pandemic. And what the team set out to do is make the election boards and then eventually American

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public ... what our processes were. And therefore to guarantee that if you'd follow these processes, there was no extra Herculean efforts on our part to get your ballot in, which therefore mitigated the risk of it potentially not getting there. So mailing-

Senator Portman (00:43:09):

I think that's important to note that this is something that has been a problem for years, including previous elections. You send out warnings and previous elections. And look, I think the post office has got to coordinate better with state election systems. I think state election systems has got to coordinate better with the post office. In Ohio as an example, the timeframe between when you can cast your ballot and winter does postmark and you can get a ballot as late as Saturday before the election. And to get that to the post office and back to you, and then date stamp before Monday is very hard to do logistically. I think that's one of the things that your letter pointed out was to these state systems, be sure to leave adequate time. Is that accurate?

Mr. DeJoy (<u>00:43:53</u>):

Yeah. So first, it was not my letter, it was a letter from our general counsel. But yeah, pointing out all the different variations that we could experience and how fast we could process it. But yes, there are times we get ballots were sent out the day before the election. It's almost impossible for the voter to vote, for the ballot to get to the voter, for the voted a vote and for it to get back in time for the election. So this was a very, very well thought out effort to safeguard the election, not to get in a way of it. Safeguard the processing of the ballots, not to get in the way of it.

Senator Portman (00:44:35):

What advice would you give voters? This is an opportunity for you to speak to the voters of Ohio and the country. Would you advise them to wait until the last minute, or would you advise them to leave at least a week?

Mr. DeJoy (<u>00:44:46</u>):

The general word around here is vote early.

Speaker 1 (00:44:50):

I think that's really important to tell people because, again, under Ohio's law and a lot of other laws, the timeframe is really close. If you request an absentee ballot, you got to be sure that it can be delivered in time. I am concerned about the delays that we have seen in Ohio and elsewhere. We have a number of veterans who've contacted us and said they weren't able to get their medication and there's some heartbreaking stories. One is a 70 year old surgeon Vietnam has COPD has trouble breathing.

Speaker 1 (00:45:19):

The inhaler refill was mailed through the Postal Service. Due to delays, he ran out of it while waiting for it to arrive. And then his insurance said, "You know what? We're not going to pay for another refill to be filled because it's already been shipped through the Postal Service." And he can't afford to pay for another emergency refill, personally. Let me ask you about that. Particularly the veterans medications that are shipped through the mail, are you focused on that issue and what can we do to correct that problem?

Mr. DeJoy (<u>00:45:46</u>):

Senator, first of all, we are working here feverishly to get the system running at stability and also to hire more workers to handle the delivery process. And we feel bad about what the dip in our service, the level has been. We serve 161 million people. We still deliver at 99.5% of the time. We have significant efforts to continue to improve on that process. And everybody is working at feverishly to get that right.

Senator Portman (00:46:47):

I hope you will. And let's ensure these medications are delivered in time and be sure that when the production doesn't the transportation schedule, as you said earlier, that there is some efforts made to align those two. Because it's a lifeline for people all over the country in our rural areas. And I thank you for your service and for the answers you give today.

Speaker 1 (00:47:09):

Thanks Senator Portman. Again, I want to just remind our committee members, please keep your questioning as well as a factor in the answer to try and keep it to seven minutes. Senator Carper? Is Senator Caper there? We'll move on to Senator Lankford.

Senator Lankford (00:47:32):

Mr. Chairman, I think Senator Carper is there. I think he's going to be able cue it all up right now.

Speaker 1 (<u>00:47:43</u>): Senator Carper. Can you unmute?

Senator Carper (<u>00:47:47</u>): I'm unmuted.

Speaker 1 (00:47:47):

Okay, there we go. We don't want to be on TV again.

Senator Carper (00:47:51):

Thanks so much for scheduling this hearing. I urge you to do this three weeks ago. You agreed to do it, and grateful that you have. Postmaster General, thank you for finally returning my call. I called you for like three weeks, trying to get you to return my call after you've taken office. Thank you for finally returning our call and talking with us that last week. You might be wondering Mr. DeJoy, why there's some questioned skepticism I've seen in my own office on constituent service. We get constituent service report every week. We've seen a steady, upbeat upgrading increase in concerns, complaints about Postal Service. And it's not just my office, it's Senate offices and house offices all over the country. And frankly, they coincided with the time that you took office. Even this morning, I just got a message from Joe Manchin, Senator from West Virginia, that early this week in Charleston distribution center, talking about how all this sorting equipment has been taken out. They serve five states from out of that place.

Senator Carper (<u>00:48:45</u>):

And it's not just a little [inaudible 00:48:48], it's all over the country. Maybe it's just a coincidence, I'm not so sure. But here's why we're skeptical. We've got a president who doesn't want to have vote by mail. We've got a president who'd like to suppress the vote. We've got a president who like to see the Postal Service not do well. I worked for almost 20 years on this committee to try to make sure we have a vibrant, active, meaningful Postal Service. You come from Greensboro, North Carolina, just South of where I grew up in Danville, Virginia. We had voter suppression in this country, almost from the get go. Even though our first Postmaster General, Benjamin Franklin said, "No, we're not going to do that. We're going to let everybody have freedom and rights to choose your own vote."

Senator Carper (00:49:34):

It hadn't been that way. Women didn't get to vote, blacks didn't get to vote. We still have voter suppression. The last congressional election they had in North Carolina, you know happened? Half the people voted for democratic candidate for Congress. Do you know how many Democrats were elected out of 13 seats? Three. We have seen poll taxes, we have seen literacy tests, all this stuff. And when I see what's going on with the president who wants to degrade the Postal Service, wants to get rid of vote by mail, we shouldn't be surprised that we're alarmed when we see the kind of deck degraded service that we're seeing across the country. It wasn't that long ago, we had an overnight mail service in metropolitan area. It wasn't that long ago we had from coast to coast, mail delivery within three days.

Senator Carper (00:50:15):

And we don't have that anymore. So if people seem skeptical, they have a right to be skeptical. I want to just say, after the public uproar that we've seen here in my state and other states about the delays and failure to deliver the mail, you've committed to freeze additional operational changes until after the election, good. But we're going to need more information than that, especially given the reports that came out last night, showing that you and your team are actually considering more extreme changes, than those we're seen today, including changes that will slow down the mail even further, post office and plant closing. Massive service reductions to Alaska, Hawaii, and Puerto Rico, making mail more expensive to the US citizens living there.

Senator Carper (00:51:02):

Price changes that would double the cost of voting by mail, dramatic price hikes on packages that will disproportionately impact small businesses in rural communities that rely on the Postal Service, while erasing your competitive advantage over FedEx and UPS. We need to be worried about this, and I am. I've asked a lot of yes or no questions. I'm going to ask you a couple today and I'd ask you to just give me a simple yes or no answer. You have an opportunity in your responses for the record to expand on those, but I'm going to ask you for yes or no answer. Yes or no, are you considering the dramatic service changes that I just outlined, which we've just learned about in the last 48 hours? Are you considering those dramatic service changes? Just yes or no.

Mr. DeJoy (<u>00:51:46</u>):

Senator, there's a dramatic-

Senator Carper (<u>00:51:48</u>): I'm asking for a yes or no answer.

Mr. DeJoy (<u>00:51:51</u>): HAPPENING NOW Postmaster General Louis DeJoy tes... (Completed 08/21/20) Transcript by <u>Rev.com</u> We're considering dramatic changes to improve the service to the American people. Yes.

Senator Carper (00:51:57):

Yes or no. You restored the mail collection or processing capacity that the Postal Service has lost in recent weeks during your tenure?

Mr. DeJoy (<u>00:52:06</u>):

Senator, as I said, I did not direct that. I stopped it. It's insignificant, it's not material to anything that we do. And we're sticking with where we're at right now.

Senator Carper (00:52:18):

Recently, the president was caught red handed. What he admitted to not wanting the Postal Service to have additional resources because the Postal Service would use these resources to enable election mail. When asked about providing necessary relief. The president stated, "If we don't make a deal." That is a deal with the Congress. "That means they don't get the money." Being the Postal Service. That means they don't get universal mail in voting. They just can't have it. No wonder we're somewhat skeptical [inaudible 00:52:47]. My understanding is you have had more than a passing acquaintance with this president. My understanding you've been a huge supporter financially of the president. My understanding the raising of money for that convention. No wonder we're a little bit skeptical about this.

Senator Carper (00:53:05):

When we have a president talking down to the Postal Service and talking down vote by mail. Another yes or no. And then you can expand on the record on is this. Yes or now. [crosstalk 00:53:16] Will you remain and make sure that you support the American people first? Services that support the American people, having fast, efficient, and affordable, affordable mail service, especially with regard to mail in ballots? Will you make a remain independent with this administration? Will you remain independent.

Mr. DeJoy (<u>00:53:36</u>):

Yes. We will remain independent.

Senator Carper (00:53:37):

Thank you very much. Mr. DeJoy, during our call earlier this week, you said that you supported additional cash assistance for the Postal Service, so do we. The Postal Service has \$15 billion, roughly cash on hand and when a new billion dollar line or \$10 billion line of credit that comes with some great troubling conditions dictated by the administration. The Postal Service has had massive declines in first class mail, we know that.

Senator Carper (00:54:02):

The average is a 15, 20% below last year's first class mail volume. Your Postal Service package volume is higher though. [inaudible 00:54:10] has sustained it through the pandemic. My guess is those lines would come down somewhat after the pandemic. All this is to say the Postal Service is \$15 billion in cash balance that could quickly disappear. And I believe the post office needs to refer to the board of governor's \$15 billion request from earlier this year to cover loss to COVID. Last yes or no question. Do

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you support the federal appropriation of the Postal Service to cover its COVID related losses? Yes or no. Do you support the federal appropriation to the Postal Service to cover its COVID related losses?

Mr. DeJoy (<u>00:54:46</u>):

Yes. COVID related losses, I do support.

Senator Portman (00:54:49):

Thank you very much. Mr. Postmaster General, my family's had a heavy military involvement throughout our lives. Last year had a veteran serving in the United States Senate. My mother's youngest brother died in a kamikaze attack in 1944 on his aircraft carrier in the Western Pacific. He gave his life for this country. My grandmother's a gold star mother. My father's a veteran. I'm a veteran. We have generation after generation of Americans who have been willing to risk their lives, lay down their lives, so we will have the right to vote. We got a lot of people who are sick and are afraid of going out and voting this year because they don't want to stand in line and come down with a virus that could take their life. This is a serious matter. I just want to urge you to work with us. Not to be a part from us, not return our calls. Work with us as we attack the needs to build the kind of Postal Service that we can all be proud of. Thanks very much.

Speaker 1 (00:55:42):

Senator Lankford?

Senator Lankford (00:55:44):

Chairman, thank you. Mr. DeJoy, thank you for your service. From what I've heard so far today, apparently the post office never had any issues, there was never any delays, there was never any mail that was late. There were never any financial problems, there was never any challenge to the mail and voting until 65 days ago when you arrived. And then apparently all chaos has broken out in the post office in the last two months.

Senator Lankford (00:56:08):

But before that, there seemed to be no complaint about the post office ever. So I do want to thank you for your service, I want to thank the men and women that are around the country that do a remarkable job every day. Those folks in the unions, those folks that are taking care of us and getting things out, getting medicine, taking care of first class mail, taking care of all those things. So I appreciate your service. I appreciate the fact that you have stepped up to be able to help lead an organization that desperately needs some help, that Congress has for two decades pounded on postmasters on why they are not doing reforms and why we haven't found more efficiencies.

Senator Lankford (00:56:46):

You've stepped into this role and have taken the looks like the work from the inspector general and spoke the work from the regulatory commission and have said, "Let's start implementing some of these things." And now Congress seems to be shifting from beating up on postmasters for not doing work to now beating up on you for actually doing the work. So I do want to say, thanks for stepping up and taking the risk to actually take this on. So I do want to run through several questions. Some of them have not been addressed yet. There was a series of stories that came out and a trending on social media

that you were locking up the postboxes in Burbank to prevent people from voting. Were you locking up the boxes in Burbank to keep people from voting?

Mr. DeJoy (<u>00:57:30</u>):

Senator, the stories that I have heard of my ability and the places I'm able to get to in the same day are just a remarkable. So no, I would have nothing to do with collection boxes.

Senator Lankford (00:57:49):

So you mentioned earlier that it's been 35,000 of the blue boxes that had been retired over the past 10 years. So apparently, any blue boxes that have been retired over the past 10 years are your responsibility over the last 65 days. You had mentioned before about some of the blue boxes being retired. Are they still going to be retired between now and the election or will they be retired in the future?

Mr. DeJoy (<u>00:58:13</u>):

My commitment to the committee and the leadership and the American people is we stopped. The day I put the statement out, we directed everybody to stop reducing postal hours, stop collect bringing back collection boxes, stop shutting down machines. And that was basically what we did. So from now until-

Senator Lankford (00:58:41):

You said until the election. Will that pick up after the election? Because one of the issues that you brought up before was about the sorting machines. Some of these sorting machines are older. Some of the sorting machines are not needed anymore. Will that just stop forever? What I'm trying to figure out is, are we still going to work on trying to build in efficiencies in the post office? This has been an issue for a long time to try to get us back into balance.

Mr. DeJoy (<u>00:59:06</u>):

Senator, the thank you for the opportunity. Right now, the law, the legislation is that we deliver to 161 million addresses six days a week. I'm committed to that. I believe that's a strength of the Postal Service and that we be self-sustaining. Those are the two pieces of legislation that I'm working towards. We are not self-sustained. We have a \$10 billion shortfall, and over the next 10 years we'll have a \$245 billion shortfall. So we need to, and our management team and our board, there is a path that we are planning, with the help of some legislation, with some cost impacts, with some new revenue strategies, and some pricing freedom from the PRC. We believe we have a plan to do that.

Mr. DeJoy (<u>01:00:07</u>):

But one thing that's not in the plan is not doing anything after the election. It is an ambitious plan, because we have \$10 billion to bridge. Now, the plan has not been finalized. We have hundreds of initiatives we look like. Take the Alaska bypass discussion, that's an item on a table. That's an unfunded mandate. It costs us like \$500 million a year. What I asked for was all the unfunded mandates. That's a way for us to get healthy, pay something for the unfunded mandates. If we just throw 25 billion at us this year, and we don't do anything, we'll be back in two years. Then maybe we should change the legislation and not make us be self-sustaining. But as a leadership team and a board, that's what our mission is, to be self sustaining and deliver at a high level of precision. And I'm committed to both. I'm

committed to both. I think both can be done with a little help from the Congress and from the postal regulatory board.

Senator Lankford (01:01:07):

Well, Congress has been unwilling to be able to act on this for a very long time. It's been over a decade Congress has discussed any kind of reforms in the post office, but it always seems to boil down to will that change distribution areas that may or may not be needed in a state that I live in, or will it change any other post office structure that I'm familiar with? And if it changes my area, then I want to be able to block it. And so it has been a great challenge. I've also heard from multiple folks saying the post office has now so severely cut that they can't meet the capacity to actually get ballots out. And folks in rural areas and folks in urban areas, will they be able to get ballots out? I've seen your letter, that was the same as the letter in 2016, the post office sent out saying, "Hey, be advised states, you need to send things out early."

Senator Lankford (01:01:52):

That's helpful. Thanks for actually doing that. And you shouldn't be criticized for that, you should be encouraged to be able to do that. But my question is, folks have challenged me and said, "There's not going to be enough capacity for elections." Will you have enough capacity again for Christmas and for Mother's Day? Because my understanding is Christmas and Mother's Day are the biggest capacity times for first class mail. Do you have capacity now for Christmas and Mother's Day?

Mr. DeJoy (<u>01:02:16</u>):

Thank you. Yes, we have capacity for Christmas and Mother's Day.

Senator Lankford (01:02:25):

I actually went back and looked last year, the week of December the 16th, the post office delivered two and a half billion pieces of first class mail, just that one week of December, the 16th of last year, that's a pretty remarkable feat to get two and a half billion pieces of first class mail delivered in one single week.

Senator Lankford (01:02:43):

So, you know right now you have enough capacity to be able to handle the elections without slowing it down?

Mr. DeJoy (<u>01:02:49</u>):

Yes, sir. And it's more than that, besides just the capacity, the intent, the extra activities that the whole organization is going to, between our postal union leaders, our board, the executive management team here, we are focused on besides just having the capacity to execute, to react to whatever conditions exist at that particular point in time. Up to and including the pandemic, which likely will still be having some impacts. So I think the American people can feel comfortable that the Postal Service will deliver on this election.

Senator Lankford (<u>01:03:33</u>):

Thank you.

Speaker 1 (<u>01:03:34</u>):

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Thanks Senator Lankford. Senator Hassan?

Senator Hassan (01:03:38):

Well, thank you Mr. Chair. Thank you, ranking member Peters for having this hearing and thank you, Mr. DeJoy for your willingness to appear before our committee today. My time is short this morning, and because I've been told you won't be staying for a second round of questions, I'd appreciate brief responses. Mr. DeJoy, I sent you a letter last week, detailing stories from granite staters about delays in their mail. And I will note, a huge spike in calls to my office since mid July, about the Postal Service and delays.

Senator Hassan (01:04:09):

For so many of our service members, veterans, people who experience disabilities and rural Americans, their local post office is their lifeline. And I'll note that the change in volume you are seeing doesn't change the need for timely delivery of the essential, necessary items that the American public relies on the post office for. For example, one Manchester couple fills prescriptions through their VA benefits, and they wrote, "There has been a noticeable slowdown in mail delivery. Mail delays have caused me to ration my medication. I start cutting back on my dosage to half pills or skipping alternate days to make them last. Some of my pills are crucial. My cardiac and diabetic meds need to be on a strict protocol." Will you ensure that any further changes that you make to postal operations do not delay access to medications and other necessities? Yes or no.

Mr. DeJoy (<u>01:05:05</u>):

Yes, Senator and I look forward to working with you on legislation to help this type of service, not reach into the future.

Senator Hassan (01:05:14):

Well, thank you. Now I want to move to elections again. I am glad for some of the statements and actions you have taken. We all know how important voting by mail is usually, and this year, even more so. Some States are starting to mail out general election ballots on September 4th, just two weeks from today. You and the Postal Service general counsel have written letters that we've talked about this morning about your plans to deal with election mail. You wrote last week that the Postal Service will, "Utilize additional resources and maximize our efforts during the 10 days prior to the election to ensure the processing and delivery of all election mail within our system." Do the letters that you and the general counsel have sent to Congress so far contain your full plan for ensuring the processing and delivery of all election mail our general election all plan for the additional resources and efforts you alluded to?

Mr. DeJoy (<u>01:06:15</u>):

The letter that's been sent to the states from our general counsel speaks about mail classifications, and how they process-

Senator Hassan (01:06:28):

Right. Mr. DeJoy, I'm just wondering, do you have a detailed plan about how you're going to ensure the kind of delivery that Americans count on for voting by mail? Do you have a more detailed plan than what's in your letter? Yes or no.

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Mr. DeJoy (<u>01:06:42</u>):

There are detailed processes that we are going through and there are going to be expanded plans to that. We just announced the expanded election committee within the operation. And our board has established one. But there are detailed plans that we go through in every election. And with regards to-

Senator Hassan (01:07:04):

Again, could you share those with Congress and could you share them by Sunday night so we can see what they are, please?

Mr. DeJoy (<u>01:07:10</u>):

I don't think I will have the complete plan by Sunday night. We're just putting these committees together, today's Friday. I have to check and we'll get back to you.

Senator Hassan (01:07:24):

I would appreciate them by Sunday night, if possible, by the end of next week, as I noted a September 4th at some of the ballots are going to start going out. Last year, the Postal Service inspector general interviewed managers and postal facilities across the country about handling elections. The inspector general found that facilities typically process political mail as first class mail, delivering more than 95% of election mail with one to three days for the 2018 midterms. Yes or no, will you commit to the goal of delivering at least 95% of election mail within one to three days this year? The same as the Postal Service did in 2018?

Mr. DeJoy (<u>01:08:01</u>):

Yes ma'am.

Senator Hassan (01:08:02):

Thank you. Now, I want to move on to the issue of the decommissioning of sorting machines. At the Manchester processing and distribution facility in my state, four sorting machines have been taken out of service.

Senator Hassan (01:08:16):

Three of them are just sitting there and I'm told that one of them has been dismantled and sold to a company in Pennsylvania for scrap metal. The Manchester facility only has one other machine that can do the work of a machine that has been sold for scrap. If that machine fails like it did yesterday, when I was talking to postal workers in my state, sorting stops and mail is delayed until the machine can be fixed. Although you've suspended the removal of sorting machines, the removed machines in Manchester have yet to be brought back in service or replaced. And you've said today that it isn't necessary to do that and there aren't any plans to do that. In fact, I understand that the director of maintenance operations, Kevin Couch sent an email on Tuesday directing local maintenance managers, not to reconnect machines. Yes or no. Is that true?

Mr. DeJoy (<u>01:09:08</u>):

I have no idea about that, ma'am. There are maintenance operations within the districts. This whole process was new to me last week. I'm sure there's logic behind what it is. I can find out about that, if we have to, yes.

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Senator Hassan (01:09:28):

So, you've already said though, today that it's not necessary. But look, when we have only one machine that can do a certain kind of sorting in our largest distribution center in the state of New Hampshire and it breaks and everything has to stop until it gets fixed again, that's not efficient, that delays delivery. And what I would like to get from you is a plan to make sure that you will commit to making sure that postal workers can deliver every piece of mail that comes into the distribution center on the same day it gets in there, which has been the practice in the past. By-

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Senator (01:10:03):

... which has been the practice in the past. By refusing to restart or replace these machines, you're really sabotaging the Postal Service's ability to sort mail efficiently, and you're undermining postal workers' commitment to that everyday delivery. So will you commit to having your team look into this and get back to me in writing about what the plan is to get at least some of these decommissioned machines back up and running?

Mr. DeJoy (<u>01:10:25</u>):

Yes. Well, the first I don't agree with the premise, but I will comply with your requests.

Senator (01:10:31):

Well, thank you. And it would be helpful to get a response by the end of the week. And finally, I will just, because I see that I am running out of time, I will ask a question for the record because there are growing concerns that postal workers are being retaliated against when they speak to their members of Congress or to the press about some of the shortages that they are seeing, or some of the delays they're seeing, some of the sabotage and undermining of timely delivery that they are seeing. And I want to make sure that postal workers who are speaking to protect the interests of the American public, that they serve with such diligence, are not retaliated against for doing so. Can I have your commitment today that they will not be retaliated against for doing so?

Mr. DeJoy (<u>01:11:19</u>):

Yes, ma'am.

Senator (<u>01:11:21</u>): Thank you. And thank you, Mr. Chair,

Chairman Johnson (<u>01:11:23</u>): Senator Scott.

Senator Scott (<u>01:11:25</u>):

Sure. Thank you. Chairman Johnson for holding this hearing today. Thank you Postmaster General DeJoy for being here. In Florida we've had a vote by mail for a long time and it's worked really well. And I think the Post Office in Florida has done a great job in making sure it's worked. I've had three elections and every one, they've worked hard to make it happen. Mr. DeJoy, can you just talk about why you're

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HAPPENING NOW Postmaster General Louis DeJoy tes... (Completed 08/21/20) Transcript by <u>Rev.com</u> uniquely qualified and what background you bring to being Postmaster General and why you were picked by the board of the Postal Service?

Mr. DeJoy (<u>01:12:09</u>):

Thank you, Senator. There's two things and you can look at the two actions, the big actions that I have taken. The board will have to speak for their evaluation of me, but I think one of the things they like is my experience with large program, large logistical transformation. I've done, back in the '90s, over \$3 billion transformation of the postal network regarding mail transport equipment. I've done big projects for Boeing. Big projects for Disney. Transformational projects for Verizon. So that particular type of experience, I think impressed them, and my commitment to public service, I think impressed them. My engagement in community and in the nation. And when you look at the steps that I've had, I didn't come in here with a team, I didn't bring in consultants. I worked with the existing management team to create a new organization that would look to move forward and give us self-help and drive improvements in our service, drive cost out of the system, and grow revenues.

Mr. DeJoy (<u>01:13:35</u>):

And that is something that I've done all my life. I built a big business from nothing, and there are some accusations that this is not a business, but when you have to deliver service and you have to be sustainable, the operating model needs to cover its costs. There is no other answer to that than that, and we need to take actions to do that.

Mr. DeJoy (<u>01:14:02</u>):

I have great experience at that. And part of, I think why they liked me was I have a plan, I have a plan for the success of the Postal Service. I believe this six day a week delivery is an important aspect of strengthening us now. Well, our pieces per delivery are down under three now from years ago, six or seven. Our goal is to get that back up. If you look down a chart and look at what our reach is on a daily basis, it is impressive. We need to drive our costs out of there, and this is well known, this is not just [inaudible 00:04:42]. We need to have a cost added the network, get more efficient within our network and get more pieces into our carrier's hands. And that's the success, along with legislative help, that will be the future success with it when the Postal Service as we face the new economy.

Senator Scott (<u>01:15:01</u>):

So Mr. DeJoy, in your business and your business life, did you have to perform for your customer? Did you have to be on time? And were you able to do that?

Mr. DeJoy (<u>01:15:13</u>):

So our contracts had 99.98% performance metrics on everything we did. Yes. I think that the attitude and the energy is, is here at the Postal and the desire is here at the Postal Service to do that. I just think that we haven't had the alignment and the expectation of that. And that's something that I bring to the table.

Senator Scott (<u>01:15:42</u>):

So are you personally committed to doing everything you can to make sure the mail is delivered on time and people get, whether it's their medicine or their ballot, that they'd get it as quickly as they can with realistic expectations?

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Mr. DeJoy (<u>01:15:57</u>):

Yes, sir. I am.

Senator Scott (<u>01:16:00</u>):

So how does it make you feel when you have people out here that make these unsubstantiated claims that you personally have a goal to slow down the mail so ballots don't get to election offices on time, that you want to suppress the vote, that you personally, or are interested in damaging the ability of the Post Office to do their job.

Mr. DeJoy (<u>01:16:27</u>):

Sir, that does not deter me at all. And I am unbelievably proud and humbled by the number of positive comments I get from employees, the management team and the people from around America on my initiatives. It is really a farce to believe that we can sit here and do nothing.

Senator Scott (01:16:52):

Yeah. D you feel like you need a massive federal bailout to be able to deliver the mail on election day?

Mr. DeJoy (<u>01:17:00</u>):

No, I do not need a massive, I don't need anything to deliver the mail on election night, but we do need legislative reform. We do need the freedom from the change in the PRC regulation. And we do need to be reimbursed for our costs. When you look at, during the COVID, during the pandemic, we still deliver to 99% of the American homes with no revenue, with no revenue. The American postal worker was out there, this organization continued to perform and it's why we've had such high ratings. While our revenues were down. Other organizations would have stopped going into some of these rural areas and so forth. We continue to do what was supposed to do and at a significant cost impact. And I'm wanting to try and get to a sustainable model. But in this case, I believe we deserve some compensation for it.

Senator Scott (<u>01:18:13</u>):

One thing I think a lot of us would like to be able to do if we're going to provide more funding to the Post Office that we I'd like to work with you and others to find out what are the things that we are to do to make the changes necessary, to make sure that you can do your job in the future. So I appreciate any information you could provide that would allow us to do that. And I just want to thank you for your commitment. I want to thank all the people that work at the Post Office. They work hard. But I appreciate your background, your commitment to excellence. And I hope you can do the same thing overtime at the Post Office. Thank you, Chairman Johnson.

Chairman Johnson (01:18:56):

Thanks, Senator Scott. To Senator Rosen.

Senator Rosen (01:18:57):

Thank you, Chairman Johnson for holding this meeting here today, and thank you, Mr. DeJoy for making yourself available. Before I ask some further questions, I want to ask the Postmaster General, I'd like to ask you this: we need transparency in the changes you've been making, and in everything that you've discussed here today, will you commit to providing this committee with any and all transcripts or

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HAPPENING NOW Postmaster General Louis DeJoy tes... (Completed 08/21/20) Transcript by <u>Rev.com</u> minutes of all closed, nonpublic, board of governor meetings from this year by this Sunday? Can you commit to that?

Mr. DeJoy (<u>01:19:31</u>):

No.

Senator Rosen (<u>01:19:33</u>): You will not commit to provide minutes?

Mr. DeJoy (<u>01:19:36</u>):

I don't have the authority to do some of those things. And that is something that I would need to discuss with counsel and the board's counsel. So I can't commit to that.

Senator Rosen (01:19:47):

We'll be discussing that with you, but let's move on, we have limited time. Before I go with the rest of my questions, I do want to thank the dedicated postal workers across this nation, particularly here in my state of Nevada. I spoke with many of them yesterday. Majority of them, veterans, veterans and their family, they have done years of dedicated service to this country, to this nation. And they are very concerned.

Senator Rosen (01:20:13):

To Mr. DeJoy, earlier this year, you've acknowledged you've made operational changes to the Postal Service. You removed mail sorting machines. You've had reduction elimination of overtime and late trips. In Las Vegas where we're expecting mail volume to ramp up soon, our postal workers, the ones I spoke with yesterday, are reporting the removal of a sorting machine from our general mail facility, which is actually right down the street from my house. As a former programmer and systems analyst, I have a real strong appreciation for the data.

Senator Rosen (01:20:44):

So I want to talk about the data that you use to create these policies and what you may or may not have analyzed before you've made these changes. During the pandemic, health officials, we've directed older Americans to stay at home for their own safety. That means for our seniors in Nevada and across the country, Postal Service is the only way they're going to receive their critical items, lifesaving prescription, household supplies, Social Security checks. For veterans, my colleagues have already mentioned this, it's that lifeline. 80% of veterans prescriptions are filled by the United States Postal Service. I have 225,000 veterans in Nevada, many of them relying on this for their timely delivery of life saving medication. And in small towns across Nevada, from Gabs who has a population of 269 people to Shores, it's a tribal community with 658 people. Some of my larger rural communities, that's all they get is the Postal Service. So please, could you answer yes or no, effort of time, before developing and implementing policy changes since assuming your role this year, did you conduct any specific analysis on how your changes would impact seniors? Yes or no, sir.

Mr. DeJoy (<u>01:22:04</u>):

Ma'am the policy changes that I-

Senator Rosen (<u>01:22:07</u>):

Yes or no, sir.

Mr. DeJoy (<u>01:22:10</u>):

The policy changes that I embarked upon when we're not the ones that you identify in your-

Senator Rosen (01:22:16):

So you didn't do any analysis to see how seniors would be impacted. Okay. Let's move on. Did you do an analysis to see how veterans might be impacted knowing that so many of our postal workers are veterans, we employ so many veterans, that they aren't getting their medication and that they rely on 80%. Did you do a specific analysis to see how veterans would be impacted?

Mr. DeJoy (<u>01:22:42</u>):

The only change that I made ma'am was that the trucks leave on time. Theoretically, everyone should have got their mail faster.

Senator Rosen (01:22:50):

So can you look me in the eye and all the Nevada veterans in the eye, all the Nevada seniors in the eye and tell us that you will not continue in the policies in the future that you know that will harm my seniors, my veterans, here in Nevada and all of our seniors and veterans across this nation. Can you look us in the eye and commit to being sure that they have on time delivery?

Mr. DeJoy (<u>01:23:15</u>):

Well, I'm working towards on time delivery, ma'am. Yes, I can commit to that.

Senator Rosen (01:23:20):

Thank you. And so did you do any analysis about the fees? If mail is late, the late fees that people would get when they paid their rent or their car payment or their utility bill, if the mail had slowed down and the impact that the charges and those fees would have on working families. Is there any analysis about the impact of late delivery by you on that, sir? Yes or no, please.

Mr. DeJoy (<u>01:23:44</u>):

The analysis that we did was that if we move the mail on schedule that all late deliveries would have been improved. That's the-

Senator Rosen (<u>01:23:54</u>):

Obviously, that isn't the case. So we need to continue.

Mr. DeJoy (<u>01:23:56</u>): For a variety of reasons.

Senator Rosen (01:24:01):

Did you our deployed service members, routinely cast their ballots by mail. Did you specifically analyze how your policy changes would impact our servicemen and women across this country and across the globe, how your changes would impact them, sir?

Mr. DeJoy (<u>01:24:17</u>):

Senator the analysis we did would show that we would improve service to every constituent.

Senator Rosen (<u>01:24:25</u>):

That's great. So can you provide me by this Sunday, if I understand you correctly, you have an analysis that will show that this should have improved it. Although we're finding out through thousands and thousands of contacts to our office, to our connections, that it has not been the case. So this is frankly unacceptable. And I would like to see the analysis that this was based on to our offices by this Sunday. Can you commit to that, sir?

Mr. DeJoy (<u>01:24:52</u>):

No. Ma'am.

Senator Rosen (<u>01:24:54</u>): Can you commit to providing it to us at all, sir?

Mr. DeJoy (<u>01:24:59</u>): I will get back to you on that.

Senator Rosen (01:25:01):

You cannot commit to providing the American people the analysis that you used to base your decisions on about their very important medications, their Social Security checks and all the other things. You won't commit to the American people to be transparent?

Mr. DeJoy (<u>01:25:18</u>):

Senator, I will go back and get the truck schedule, the analysis that designed a truck schedule that I directed the-

Senator Rosen (01:25:25):

Can you commit to transparency, sir? That's all I'm asking.

Mr. DeJoy (<u>01:25:28</u>):

We're very transparent.

Senator Rosen (01:25:28):

And that means that you would provide us your analysis. If you're transparent than ergo that means you will provide us the data that you used to base these important decisions that impact people's lives. I want you to look in the camera. There are millions of people watching who are impacted every day by what you do. And please understand that. And so I want you to commit to the American people to transparency and provide us with the data that has been used to create these decisions.

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Mr. DeJoy (<u>01:25:59</u>):

I do not accept the premise and I will provide you with the transportation schedule that I directed the organization to adhere to. Yes I will do that.

Senator Rosen (<u>01:26:10</u>):

Well, we appreciate that. I look forward to seeing that. I look forward to having a future discussions with you. Thank you. My time is up.

Chairman Johnson (01:26:18):

Is Senator Paul available?

Senator Paul (<u>01:26:20</u>): Yes, do you hear me?

Chairman Johnson (<u>01:26:22</u>): Senator Paul. Yep. We hear you.

Senator Paul (<u>01:26:24</u>):

All right. Thank you, Mr. DeJoy for your testimony and thank you for taking what it sounds like an often thankless job full of partisan rancor. And thanks for bringing your business acumen to something that, really probably from my opinion is almost an impossible problem short of legislative reform, and even with legislative reform I see it as almost an impossibility, how we'd actually balanced the annual operating losses where you weren't running a loss of your eight to \$9 billion a year as an enormous loss. And I've been of the opinion, basically, we shouldn't give you any more money unless it's attached to reform. That's the only leverage we have.

Senator Paul (<u>01:27:04</u>):

When the Post Office becomes desperate for money, we should attach things they don't want to necessarily do. Less employees. We started that a few years ago. We've got to do more of it. The mail keeps dropping, you got to have less employees. That's where your legacy costs are too. Over time, you'll catch up on that, but we've got to go to less employees over time. We also need to look at the easiest way to continue personalized service to each person individually at their house, would be to do it less frequently. And frankly, people who live 20 miles down a shell road, if you told them they were going to get twice a week versus six times a week, I think we'd actually live with this.

Senator Paul (01:27:43):

I grew up in a town of 13,000 people. I still live in a small town. I think people could live with that, but people should be told of the problem of continuing to run massive deficits, not just in the Post Office, but throughout government. And that really we shouldn't pass money out like it's candy. We should send it attached to specific reforms. Could you list some of the legal impediments you have, you're a businessman, if you came in as a venture capitalist and a venture capitalist group took over the Post Office and named you CEO, what would you do that you're unable to do because it's a government entity? Now, what are the governmental or legal restraints that prevent you from actually fixing the eight to \$9 billion annual loss the Post Office has?

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Mr. DeJoy (<u>01:28:28</u>):

Well, thank you Senator for the opportunity to address that. I'm a little bit more optimistic than you in terms of our ability to at least get to a close point of break even. Number one, the legislative reform that I would ask is what I said in my written testimony and opening remarks on integration of Medicaid and pension reform. I would like to be kind of liberated on pricing, it's a very, very competitive market out there now. I would like more pricing freedom. That would help us. I would like some of our unfunded mandates addressed with, and then within the organization, I would be able, without as much fanfare, to do a simple thing, like say adhere to our schedules. And if we adhere to our schedules, that will improve performance.

Mr. DeJoy (<u>01:29:36</u>):

In transition there would be an issue, and we're seeing that recover right now. And once we get and mail and packages moving at 97% with trucks that are moving at 97% on time, and with driving costs out of the system by doing that, that's what I would do in my own business. And in my own business, I would grab new business revenue generating ideas, which we have here that will drive billions of dollars of contributions to the cost to serve the American people. So we are in the beginning of having a plan. I'm an optimist about trying to pull this off.

Senator Paul (01:30:17):

I won't ask you your opinion on going from six days to five days, that's really the job of Congress, but that's estimated to save a billion, billion and a half. And I think at the very least you have to do it. That could be a one sentence bill that saves a billion and a half dollars over there and puts us on a better footing. I think you could go further and instead of assessing people more of a postal charge if they live 20 miles down a dirt road, simply just have less frequent delivery. And I think that alone would be tolerable. It's still that personal service, but it would be less frequent. And I think you can make up a large amount of your shortfall if you went actually below five days for some very rural areas.

Senator Paul (<u>01:30:54</u>):

It has been contested, or it's been said that some of your competitors, use the Post Office for the last mile delivery and that we don't charge them an adequate amount. They're sort of using the Post Office, the subsidized last mile delivery. Is that a problem? Do we charge your competitors enough when they get a package shipped to an area and then they use the Post Office for the last mile? Is that competitively bid? Do you think that's a problem? Should we do anything to fix that?

Mr. DeJoy (<u>01:31:25</u>):

Senator, if I may, when I first came here, when I first got this assignment, that was an obvious thing to me, cut back five days, four days, whatever. And as I've worked through the process and research and studied the organization, I think the six day delivery, the connection that the postal letter carrier has with the American people, that gives us this highly trusted brand and where the economy is going in the future, I think that is probably our biggest strength to capitalize on. We talk about one and a half billion dollars to take a day away. I'm sitting here on a transportation schedule change that could get us two or \$3 billion, and improve service and improve the connection to the American people. So there are lots of different-

Senator Paul (01:32:18):

I believe that when I see it, I don't doubt you, but I do doubt the government and the Post Office history. So what about the last mile delivery by your competitor? Are we getting a market rate from them?

Mr. DeJoy (<u>01:32:35</u>):

My general view, I've been here 60 days and I've looked at that. We make broad based deals across the whole country that deal with average rates. There are areas that we could push them up and we're studying that. I don't believe that it on the surface, it's reasonable business gaps that may exist is how I describe it.

Senator Paul (01:33:12):

All right. Well, thanks for trying to fix a sort of perhaps unfixable problem and hang in there and just the partisan barbs. Hopefully they will be portrayed for what they are, partisan barbs that really aren't trying to fix anything, but they're just doing electoral politics by way of attacking you. So I apologize for that from my colleagues across the aisle and wish you the best. Thanks.

Mr. DeJoy (<u>01:33:35</u>):

Thank you, sir.

Chairman Johnson (<u>01:33:37</u>): Thank you, Senator Paul. Senator Romney, are you there?

Senator Romney (<u>01:33:40</u>):

Yes, I am. Can you hear me, Mr. Chairman?

Chairman Johnson (<u>01:33:42</u>): Loud and clear, go ahead.

Senator Romney (01:33:44):

Thank you. Look, I want to begin by expressing my appreciation to the thousands upon thousands of letter carriers. And I also want to note as well that the postal workers have made our vote by mail system in Utah a reliable and a very successful system, I think for the entire nation.

Senator Romney (<u>01:34:02</u>):

Mr. DeJoy, assuming as I do that you've been truthful in your testimony today. I can imagine how frustrating it is to be accused of political motives in your management responsibility. At the same time, of course you can surely understand that there have been pretty good reasons for people to think that you or your colleagues are purposefully acting to suppress voting or that you're going to purposely prevent ballots from being counted and any surprise that such concerns has to be tempered by the fact that the President has made repeated claims that mail-in voting will be fraudulent or that he doesn't want to get more money to the Post Office because without more money, you can't have universal mail-in voting.

Senator Romney (<u>01:34:43</u>):

But putting that aside, let me note that a great deal has been made of the fact that you contributed to President Trump's campaign. I would note that you also generously contributed to my campaign. Some people would say that you've contributed to both sides. Let me turn and just let me note that like others today, I state the obvious, when I say that reliable, valid voting is essential to democracy here. And of course other places around the world.

Senator Romney (01:35:21):

And particularly with COVID still raging, the mail is essential to our voting system and therefore to democracy. Do you have a high degree of confidence that virtually all the ballots that will be mailed, let's say seven days before an election, would actually be able to be received and counted? If people vote within seven days of election, are they highly confident, are you highly confident that those ballots would then be received?

Mr. DeJoy (<u>01:35:49</u>):

Extremely, highly confident. We will scour every plant each night leading up to election day. Very, very confident.

Senator Romney (01:36:03):

I very much appreciate that. That is a commitment. I hope the American people, as they see news reports of this hearing and of others that are going to come to the House will underscore the fact that if they get their ballots in at least seven days before election, and probably even closer to the election on that, that the person who's running the Post Office is saying he is highly confident those ballots will be received by the various clerks in a timely way. That's key to us.

Senator Romney (01:36:36):

On a separate topic, you mentioned that there are delays in the system and that's of course to be expected. Are there greater delays in certain areas than others? So for instance, are delays greater in rural areas than they are in the rest of the country.

Mr. DeJoy (<u>01:36:54</u>):

Now, Senator, I think more urban areas where the Coronavirus, the intimidation of the Coronavirus, which scares our workers. Employee valuability average has dropped out across the nation about 4%. But when you can go into some of these hotspots, Philadelphia, Detroit, there as much as 20, 25%. And we have routes, we have like, Philadelphia has 750 routes. And we have days where we're short 200 carriers, and this can go on for a while. So that's not the only contribution, but when the American people see two, three days that they haven't seen that carrier, that's an issue. And I would say this, I think there's at least 20 of those in descending level of consequence around the country.

Senator Romney (<u>01:38:04</u>):

Yeah, thank you. I will just end by saying, like a number of my colleagues who've already expressed this point, I would very much look forward to seeing, and I'm not talking about by Sunday, I just mean at some point, seeing a plan developed by someone of your expertise and logistics for how we can get the Post Office to be more economically advantaged, but at the same time, maintain a level of service which is essential for a functioning economy. That's a real challenge, but as someone who's done what you've done throughout your career, I expect you to be up to the task. And like Senator Paul, I am anxious for

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there to be a recognition on the part of Congress that for us to demand certain service levels may require us to make legislative changes. So please feel welcome in our committee or in the House for letting us know what we need to do to make sure that you can do the job that we've asked you to do. Thank you, Mr. DeJoy. I appreciate your service.

Mr. DeJoy (<u>01:39:12</u>):

Thank you sir.

Chairman Johnson (<u>01:39:15</u>): Thanks Senator Romney. Senator Enzi.

Senator Enzi (01:39:23):

Really appreciate you, Chairman Johnson, for holding this hearing, and I especially appreciate the Postmaster General coming to this hearing knowing what kind of a target he will be. It's got to be difficult only being in office 60 days and being expected to solve all of the problems with the Postal Service. It's been in a crisis for many years. Senator Collins used to head this committee when it wasn't called Homeland Security, it was Government Affairs and she has worked on the Post Office all of that time, and has a pretty good bill that she's worked on with Senator Feinstein, that I hope people will take a look at.

Senator Enzi (01:40:09):

I'm not sure that anything can be done in a bipartisan way, particularly if one of the participants, Susan Collins, is up for election because that might help her in her campaign, but she's been dedicated to this, this isn't a new idea that she had. It's something that she's been working on and it has a lot of good ideas in it. I feel I really appreciate postal workers in Wyoming, particularly, they're doing an outstanding job in spite of all of the difficulties of the pandemic.

Senator Enzi (01:40:41):

My father-in-law was a postal worker and he was before the mail sorting machines. And he was pleased that he was able to memorize all the zip codes in the Sheridan area and handled the sorting. Of course now local mail isn't postmarked locally. I didn't realize that you personally deliver everything, that you personally fix the sorting machines. It was all news to me and detailed analysis, how much detailed analysis can you do in 60 days, particularly as I suspect that maybe people aren't wanting to share information with you. I hope that those postal workers out there that are dedicated will actually do something to help out on it.

Senator Enzi (01:41:34):

And of course, you've been accused of picking on veterans and picking on seniors. And I have to admit that I have felt picked on not by you, but by the Postal Service recently. And I was glad to hear your explanation that you're having some difficulty with people to deliver the mail in light of the pandemic. I don't think a lot of people understand that. I didn't understand that, but I know that we had a package that we were expecting that was being traced and we paid extra to have it traced. And we know it sat in the DC Post Office for 11 days before it was delivered to us. There've been days that our mail wasn't picked up. So I'm glad to know that the reason behind that and to find out, this is the big surprise, it wasn't you. I thought you caused all of that.

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Senator Enzi (01:42:27):

Mail sorting machines. In Wyoming, I don't think we sort any mail in Wyoming anymore. All those got moved to other centers and I thought it was being done pretty efficiently in Wyoming and what I also learned was that when you move as sorting center under the union requirements, if the people don't want to move, they don't have to move and they still get paid. That's not going to save any money. I've asked for the analysis on some of these changes that have drastically affected Wyoming, and which of course were not done under you. It was done under previous administrations. And I know that they want to save money, but they've got to do some analysis that will actually save money. You used to be able to put an envelope in a collection box for a local delivery and they got it the next day. Now you put it in my community for local delivery, it goes to Denver first, gets sorted, and comes back to Gillette. Sometimes postmarked in Denver.

Senator Enzi (01:43:33):

That's not good management. And as an accountant, I know that postmarks make a difference. So I'm concerned. I have a lot of concerns and I'm only pointing these out because I know that you only had 60 days to work on them and your plate was already full, but I'm trying to fill a little bit more. And I again appreciate that you're willing to take on this, I guess you'd have to call it an adventure, not a job, because it would be too tough as a job. But I know you've made some sacrifices to get to this, I hope that you will take a look at the urban areas. We've been picked on in the rural areas for a long time, but we have some really efficient people out here that are dealing with long distances and doing it very well. But when I go to my Post Office in DC, I find that there's only one person working at the counter. And if the person that comes up to the counter needs a box to mail it in, the boxes are not out where people can actually get them. So the person behind the counter has to leave and go get a box. And when they bring the box back, it still has to be sealed and addressed and they don't move them over to the side to see if they can wait on the next customer. Everybody waits at social distancing. I've been to the post-

PART 3 OF 4 ENDS [01:45:04]

Senator Enzi (01:45:03):

... Waits at social distancing. I've been to the post office before during my lunch hour, and found that the postal workers decided that was their lunch hour as well. No business lets their employees sit down and eat in front of customers during their lunch hour. Well, enough of my, I guess, trying to defend you here, but you need a defense.

Mr. DeJoy (<u>01:45:33</u>):

Senator, if I may, and thank you for the support. But if I may, the day I take the seat as with any organization, the day you become the CEO, you're responsible for everything that goes on around you. And I have big enough shoulders to deal with that. But more important about what you said in the beginning about legislation not moving, we, the organization needs to, and it's broad, we will move forward. We have to. Because without legislation, without any assistance, we will run out of money. And nine months, 12, we talk about a 633,000 person organization and nine months worth of cash and everybody thinks we're okay.

Mr. DeJoy (<u>01:46:23</u>):

That's outrageous thinking. And so we need to, we will, and that's kind of the difference now. We are moving, as I said in my opening remarks to the board of governors, we will do what we need to do to meet operating objectives and get to self sustaining manner. So thank you.

Senator Enzi (01:46:46):

I appreciate your willingness to be here. And I hope that you will take a look at the Collins Feinstein bill and give us some analysis on that. And I recognize that you have to rely on the postmasters across the United States of doing their job to manage their own business, so thank you for taking this job.

Senator Johnson (<u>01:47:07</u>):

Thank you, Senator Enzi. Senator Hawley.

Senator Hawley (<u>01:47:12</u>):

Thank you, Mr. Chairman. Thank you, Mr. DeJoy, for being here. Let me see if I can ask you a few questions to get started that will maybe help clear out some of this misinformation that we have heard repeated over and over again in the media and some of it echoed today. Just to be clear, will USPS have enough cash on hand to support operating expenses through the November election?

Mr. DeJoy (<u>01:47:38</u>):

Yes, sir.

Senator Hawley (01:47:40):

Has the postal service seen an increase actually a total operating revenues in the most recently reported quarter relative to last year?

Mr. DeJoy (<u>01:47:49</u>):

Yes, sir. Small, but yes.

Senator Hawley (<u>01:47:52</u>):

Has the postal service seen its overall cash on hand position increase since the start of the pandemic in March to a level of approximately 15 billion? Is that right?

Mr. DeJoy (<u>01:48:04</u>):

Somewhere between 14 and 15 billion. Yes.

Senator Hawley (<u>01:48:09</u>):

So if I've understood your testimony correctly today, what I've heard you say, and also what I've read in your written testimony, your testimony to us is that the postal service has the wherewithal, it has the resources, it has what it needs in order to deliver the mail safely and on time through the November election, just to be clear about that. Is that right?

Mr. DeJoy (<u>01:48:32</u>):

Yes, Senator. They're two separate things. They'll deliver on the election and cash to operate the business in the future are two separate things. But yes, we have plenty of cash to operate for the election.

Senator Hawley (<u>01:48:41</u>):

Just on that second point, since you bring it up. What's your estimate of the amount of additional assistance that you require as you look forward to the future past November and into the months and years to come?

Mr. DeJoy (<u>01:48:52</u>):

I think we have had, so (a) the biggest thing we need is legislative reform and the PRC to decide, but I estimated about \$10 billion. We estimate about \$10 billion cost on the COVID expense side. And what I would like to see is the note that we have negotiated with treasury be used to get longterm financing to buy new vehicles.

Senator Hawley (<u>01:49:23</u>):

Can I just ask you about that since you bring up the note from treasury? So the CARES Act authorized 10 billion in borrowing authority. I understand that you reached, USPS and the Treasury Department came to an agreement late last month in principle over what that would be, what that would look like. Can you give us a sense of when this 10 billion that was authorized, it's a loan, when this is likely to be made available to you? What you see as utility? Just give us an update on where that stands.

Mr. DeJoy (<u>01:49:54</u>):

So we have terms of agreement and what we would need to do is when we would request it, get a final document on it, but the terms have been agreed. I mean, the issue here with borrowing money is you need to know how you're going to pay it back. And at this particular point, we're evaluating that, but it is available to us pretty quickly.

Senator Hawley (01:50:20):

And what do you anticipate using it for in the near term, assuming that you do [inaudible 01:50:25]?

Mr. DeJoy (<u>01:50:26</u>):

There's pretty specific limitation. I cannot use it for capital, but I can use it to cover operating costs that are closely associated with COVID and we can identify that pretty easily.

Senator Hawley (01:50:40):

Now you said just a second ago, when you first introduced the topic of the loan, you said that you would like additional authority to perhaps use the loan toward vehicles or as collateral for vehicles. Can you say more about that?

Mr. DeJoy (<u>01:50:54</u>):

Yeah. So you probably know we have many 30 year old vehicles and that we're desperately in need of new vehicles. The loan is not for capital. I would like to see the term extended and used as a capital type equipment loan to buy vehicles and other types of modernization efforts that we have longer term than five years.

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Senator Hawley (01:51:21):

Very good. And so that is part of the additional legislative reforms or authorizations you seek. Am I understanding you correctly?

Mr. DeJoy (<u>01:51:29</u>):

Yes, sir.

Senator Hawley (<u>01:51:30</u>): [inaudible 00:06: 30]. Go ahead.

Mr. DeJoy (<u>01:51:31</u>):

It's already been passed in a committee a couple of years ago what we're looking for.

Senator Hawley (01:51:38):

Right. Understood. Let's come back to some of the reforms that you have recently implemented. To what degree were any of the changes that you implemented over the summer a response to the OIG's recent findings?

Mr. DeJoy (<u>01:51:53</u>):

I consider the OIG's recent findings as we were doing our own analytics. I thought they were for somebody new coming in, I thought they were a remarkable gift in terms of just laying out. There's two things with that. The system was out of balance, the system, the transportation system, 40,000 trucks a day were running. Once you get below 90%, you can't depend on anything. Right? And so that was, and then it was a cost gift. So both things when I came in here looking at where the organization was headed financially and what was the thing that I could balance, we could balance around, getting that transportation network aligned, which we will do, and saving a billion, billion and a half to \$2 billion, which we we can reach for was a Christmas present.

Mr. DeJoy (<u>01:53:03</u>):

I was elated.

Senator Hawley (01:53:05):

Very good. Let me just ask you here. I see my time has almost expired, but let me just ask you in conclusion. I mean, as you probably know, my home state of Missouri, we have a very significant percentage of our population in rural areas. It's the part of the state that I'm from where I grew up. It is absolutely vital to me that any postal service reform going forward continue to preserve the network of rural delivery service, that it preserves the existing delivery and post office box services that are available throughout rural Missouri.

Senator Hawley (<u>01:53:43</u>):

So can I just ask you, are you committed to protecting rural delivery and rural post offices and for people like the folks that represent Missouri and around the country?

Mr. DeJoy (<u>01:53:54</u>):

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So we have an unbelievable asset in our letter carriers reaching every American each day, and I commit to trying to strengthen that relationship across the country.

Senator Hawley (<u>01:54:07</u>):

Very good. Thank you very much. Thank you, Mr. DeJoy. Thank you, Mr. Chairman.

Senator Johnson (01:54:11):

Thank you, Senator Hawley. Before I go to Senator Sinema, based on one of the questions in your response from a Senator Hawley, you talked about the transportation system just being out of sync. In your written testimony, I just want to make sure that we're talking about the same thing here, you said your on time trips went from 35,000 per day to 39,000 per day, which means on schedule time of 89% improved to 97%. So is that what you're talking about? Your trucks actually leaving on time to get in their routes and has that been part of the disruption as well?

Senator Johnson (01:54:50):

If the letters aren't getting to those trucks in time, they may be left behind for next day's delivery? Can you just explain that and clarify that a little better?

Mr. DeJoy (<u>01:55:00</u>):

Yeah. So inside the plants, there's a production schedule for mail that would meet, that set up to meet a dispatch schedule for trucks that gets tied to a destination center for, let's just say, keep it simple, go right to the delivery units where carriers go out in the morning and carriers then can come back at night. This whole thing is an aligned schedule in theory on paper. And there's lots of imbalances that we're finding as we went through this process. But the big thing to try and get everything aligned around is that transportation schedule.

Mr. DeJoy (<u>01:55:38</u>):

And now we have taken that up and all that mail that was on that truck was also late mail. Right now, we have advanced the mail. Some of the mail that are coming off the processing lines, we found these imbalances and we did not as great a job as we should to in recovering for it, but we will. I'm seeing improvements right now. Once that comes together, now we'll be moving around the country at 97% on time. And I'm very, very excited and committed to trying to do that. And that again enables us to balance the front end and the delivery end of the system and saves us all that money that you saw in the audit report.

Mr. DeJoy (<u>01:56:22</u>):

And it's in billions, not millions.

Senator Johnson (01:56:27):

As a former manufacturer, I realize if you don't have a good process, you don't have a good product. So you came in and you identified some real process breakdowns in a very short period of time. You made a pretty dramatic improvement in terms of on-time dispatch level in terms of that transportation system. Now you obviously have COVID, which is affecting our entire economy, and obviously it affects the postal system as well. So basically, what I'm hearing out of your testimony is the delivery delays are primarily being caused by the issues related to COVID.

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Senator Johnson (01:56:57):

But the changes you made in terms of process, certainly in theory, if it hadn't already improved already is certainly going to set you up for improvement and cost reductions and cost savings in the future.

Mr. DeJoy (<u>01:57:11</u>):

Yeah. So a substantial portion of our delays are related to COVID. I won't go as far as to not say that we had maybe a four or 5% hit on our service level for delayed, all sorts of mail, marketing mail, everything, because it got stuck on a dock and we're drastically bringing that down. And once that is aligned, we should have a smooth running system at a much more high performance rate.

Senator Johnson (01:57:49):

I'm just talking through the change, but again, those changes are necessary to try to cost things and improve them in the future.

Mr. DeJoy (<u>01:57:55</u>):

This is very doable. FedEx and UPS do it.

Senator Johnson (01:57:58):

Okay. Great. Senator Sinema.

Senator Sinema (01:58:02):

Thank you, Chairman, for holding this important hearing. And I want to thank Postmaster General DeJoy for joining us today. The US Postal Service has always been a critical lifeline for communities across Arizona and the entire nation. And during this pandemic, it's even more true. Over the past week, my office has heard from over 18,000, Arizonans about the importance of the postal service. Arizonans want to ensure the postal service will continue to deliver prescription drugs, assist small businesses and support their right to vote.

Senator Sinema (<u>01:58:31</u>):

Arizona has led the way on safe and secure mail-in voting for years. The postal service must act to support our upcoming election, especially since we will see increases in vote by mail, due to the pandemic. But our hearing today shouldn't just be about election mail. My constituents have also shared stories about prescriptions that took so long to arrive, they worry whether the medication is spoiled. Others are concerned their small business will go under without reliable postal service or that rent checks and bill payments now take a week longer to reach their destination than just a few months ago.

Senator Sinema (<u>01:59:04</u>):

So Mr. DeJoy, I'm pleased that you hear your request from me and my colleagues to answer questions about the operational services the postal service is making. It's critical that you and your team demonstrate a commitment to protecting the ability of customers to get the service they rely on every day and successfully communicating with Congress, stakeholders and election officials is a big part of that effort. So for my first question, in Arizona, we expect 85 to 90% of the electorate to vote by mail this general election.

Senator Sinema (01:59:32):

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That's approximately 2.4 million ballots moving through the postal network in Arizona in the weeks before the election. Given that significant volume, unexpected challenges will certainly arise and adjustments will need to be made. I've been working closely with the Arizona secretary of state's office to ensure that they and other local election officials get questions answered regarding mail issues so that we can have fair elections. And I'm going to continue to share the full range of questions that my office receives with you and your team.

Senator Sinema (<u>01:59:59</u>):

And of course, their top concern is the timely delivery of ballots. So will local postal managers be authorized to make decisions and have postal employees make extra trips or late trips, work overtime in order to deliver ballots to ensure that plants and post offices don't fall behind in processing election mail.

Mr. DeJoy (<u>02:00:18</u>):

Yes, ma'am. Effective October 1st, we will have redundant resources and liberalization and aggressive efforts to make sure everything is moving and flowing [inaudible 02:00:30].

Senator Sinema (<u>02:00:33</u>):

I appreciate that. Could you tell me what steps your office is taking to communicate this policy to postal managers, election officials, stakeholders, even to the public in Arizona. So everyone feels confident that citizens have fair access to voting by mail?

Mr. DeJoy (<u>02:00:46</u>):

Yes ma'am. In general, I think we started back in February. We've reached out. We've had over 50,000 contacts with election officials around the country. As you know, we've sent a number of letters. We are making videos that will go online with the union leadership and myself to communicate out our commitment to this. And we continue to work with the state boards and our board. We decided to put together a bipartisan committee on the board to kind of oversee everything that we're going to be doing. So we are emphasizing and in fact, I think in September, we're going to send a letter to every American with what our process is going out to every American citizen.

Mr. DeJoy (<u>02:01:47</u>):

So I think I feel good. I appreciate the question and I feel good about what the whole organization from the board of directors down to letter carriers and plant personnel. We're very, very proud of what we're doing and we're going to deliver for the American people.

Senator Sinema (<u>02:02:09</u>):

Well, thank you for that. I appreciate it. Postal processing plants are the critical piece to ensure that every day mail arrives in a timely fashion and that all the votes are counted. And so we want to make sure those processing plant operations remain smooth and efficient. Earlier this week in your announcement, you said you would not close any postal processing facilities before the election. But I don't think you specifically ruled out consolidations of processing plants. So my question is, is the postal service planning to modify or reduce capacity at any postal processing facilities before the election?

Senator Sinema (<u>02:02:40</u>):

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And if so, what specific steps are you taking to ensure that the postal service can continue to meet service standards for both election and regular mail in the community served by those facilities?

Mr. DeJoy (<u>02:02:52</u>):

Senator, I promise you we're not making any changes until after the election.

Senator Sinema (<u>02:02:57</u>):

I appreciate that. That was a very concise and direct answer. I love it. As you know, I recently wrote to you regarding the Cherrybell processing plant in Tucson. It's very important to mail service in that community and throughout Arizona. If the postal service considers consolidations or closures or processing facilities in the future, would you require new area mail processing studies for any impacted facility or other similar analysis before moving forward with a consolidation or a closure?

Mr. DeJoy (<u>02:03:28</u>):

Thank you, Senator. There was a, and I'm not totally familiar with it, but there is a whole process, a pretty detailed process that we need to go through to before we close up a facility. We'll take that down. If that facility ever gets on that, I'll make sure we reach out to you in advance and let you know. But there is a whole public awareness process, a detailed analysis as to how the mail is going to be processed. It's not an easy thing to do, but we have it marked down and we'll keep you posted if that ever gets on our list of interested locations.

Senator Sinema (<u>02:04:11</u>):

I appreciate that. Just for your awareness, the original AMP for Cherrybell was done in 2011. And as you're probably aware, we've had very significant population growth throughout Arizona since then. So we want to make sure that decisions are made with up to date data. So I'll follow up with you soon about this topic because this is very important for Arizona, and it's very important for Southern Arizona in particular. Mr. Chairman ... Go ahead. Go ahead, Mr. DeJoy.

Mr. DeJoy (<u>02:04:37</u>):

Just said I look forward to speaking to you about it.

Senator Sinema (<u>02:04:39</u>):

Thank you. I know my time is almost done. The last thing I'll just say is when you next consider operational changes, I'd ask you to take into account the negative customer experiences that folks have shared with us, like spoiled medicine or missing rent checks. We've been getting more complaints about service getting worse since some of these most recent changes. We ask that you would take into account these negative customer experiences when making decisions in the future. And my team is happy to share some of those direct experiences with you.

Mr. DeJoy (02:05:18):

Thank you for your guidance, ma'am. Appreciate it.

Senator Sinema (<u>02:05:18</u>):

Thank you so much for being with us today. And Mr. Chairman, thank you for this opportunity and I yield back.

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Senator Johnson (02:05:23):

Well, thank you, Senator Sinema. Well, but let me just, again, thank you, Postmaster General, for appearing here on pretty short notice and subjecting yourself to this hearing process. Just to quick summarize a few things we heard today, obviously the postal system is every bit as affected by COVID as the rest of this nation. It's been economically devastating. So I think for anybody to assume that service would maintain this high level of standards when we're in the midst of a pandemic, I think, is quite unrealistic.

Senator Johnson (02:05:55):

As you've stated, I think the operational changes that you implemented are designed for longterm improvement, but they created some disruptions as well. So, but again, coming from a manufacturing background, I realize you have to have a good process, things have to run on time and you recognize that as well. So again, I'm highly supportive of those efforts. I think that he should be commended, not condemned. As I stated, there's no doubt there have been some unusual delays, COVID, some operational changes. But as I check with our constituent service folks, what they are also finding is the high volume of calls concerning postal complaints.

Senator Johnson (02:06:37):

The vast majority seemed very highly scripted, like this could be a very well organized effort, which doesn't surprise me in the slightest. There are fundraising emails from Senate candidates and the Democrat senatorial committee dating back as far as April complaining about this postal issue. So I have no doubt the Democrats are ginning these issues and these problems up into something that it's not. A very false narrative, as I said, designed to extract a political advantage. And Mr. Postmaster General, I'm just very sorry that you are on the targeting end of this political hit piece.

Senator Johnson (02:07:21):

I think it's very unfortunate. It's very tragic. This is, as somebody else pointed out, part of the problem while we've not had postal reform is how people take advantage of it. And again, the expectations, I appreciated Senator Enzi's very common sense statement of a number of different facts. You've only been on the job 60 days. You've got a great background. I truly appreciate your willingness to serve this role. As you heard from the committee, we truly appreciate the hard work of the men and women of the US Postal Service doing a good job delivering our mail, but we need reforms moving forward.

Senator Johnson (02:07:58):

So we might have an opportunity here. There may be another COVID relief package. It probably will include something for postal. So if there's going to be dollars allocated, what I'm certainly asking you for is the information, the data and the suggestions for true reforms. I think that's what's always been lacking as I've been in this position in terms of postal reform. It's always a taxpayer bail out absent of the types of reforms that we need to also make legislatively. So I really look for your guidance. I look for your data. That's another real shortcoming from my dealing with the US Postal Service here.

Senator Johnson (02:08:34):

We just don't get the data that I think we really need to enact effective legislation. I'd like to actually enact effective legislation. That's going to require a cooperation with you and the postal workers. So

again, thank you for your service. Thank you for stepping into this role. I apologize for the fact that you've become a target in a political hit job. It's very unfortunate. But with that ...

Speaker 2 (<u>02:08:59</u>): Mr. Chairman?

Senator Johnson (<u>02:09:01</u>): Yeah. Certainly.

Speaker 2 (<u>02:09:03</u>): Can you yield to me for a minute or two, please?

Senator Johnson (<u>02:09:05</u>): Absolutely.

Speaker 2 (02:09:06):

Yeah. Thanks so much. As you may recall, Mr. Chairman, one of our colleagues, the late Tom Colbert and I worked for years on major changes in the postal service, real reforms. And we've done that. We developed bipartisan consensus around that and we can do that again. Among the things that we've heard here today, your interest in Medicare integration. I think we ought to look at that. There's an acknowledgement that there need to be a major investments in the fleet, the postal fleet. The average age of the fleet of postal vehicles, 27-years-old.

Speaker 2 (02:09:42):

There are investments that need to be made for additional modern package processing equipment in our distribution centers across the country. And I think there's the ability to come up with a bipartisan consensus on how to help the postal service not just get through a pandemic, but be relevant and efficient and vibrant in the years to come. The secret to a vibrant democracy, the two seeds communicate and compromise. And with all due respect to our postmaster general, I'm pretty good at bipartisan [inaudible 02:10:14].

Speaker 2 (02:10:14):

I reached out to you when you were just initially selected by the postal board of governors. And then later on, I tried to reach you again and again for weeks, and couldn't even get a call back and I wasn't the only one. You got to be willing to communicate. You got to be willing to communicate. There's some people in the administration who will do a great job at it. Bob Lighthizer, a trade representative is one, Mnuchin, secretary of treasury is one. And I would urge you to emulate them. This is a shared responsibility. It's not on the post office.

Speaker 2 (02:10:46):

It's not on the men and women who work at the post office. It's not on the board of governors or on you as the postmaster. It's on us as well. This is a shared responsibility. Our country is counting on us and we're counting on our democracy. Last thing I'll mention, I'll go back to Ben Franklin, first postmaster general. Remember what he said to that billing at the end of the constitutional convention, when he

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said, what have you done here? What have you created? And he said, a public, if we can keep it. A republic, if we can keep it.

Speaker 2 (02:11:11):

And one of the keys to keeping it is frankly, a vibrant postal service and the ability for people to vote Democrat, Republican, or whatever, and people cast their votes and know they're going to be counted. That's critical. We've got a president sadly who wants to undermine the postal service, undermine people that vote by mail. That's just unacceptable. Hopefully, we can do better than that. And for myself, some of my colleagues to try to do just that. You can always do that. In order to form a more perfect union, we can be better. Thank you.

Senator Peters (02:11:44):

Mr. Chairman, if I could say a few comments too just briefly?

Senator Johnson (<u>02:11:47</u>): Senator Peters.

Senator Peters (02:11:48):

Thank you, Mr. Chairman. Postmaster DeJoy, I just want to take an opportunity to thank you as well for appearing before us so willingly, and certainly on very short notice. But I also want to be very clear about what I've been hearing and I think you've heard from my members and just to counter a little bit of what the chairman said. These are real concerns that I'm hearing. These are not manufactured. These are people who are coming forward, talking about delays, talking about medicine that's not available for them, talking about how I have this.

Senator Peters (02:12:19):

I shared a story with an individual who did because of the lack of medicine skipped doses and was actually hospitalized. Those are very real. And when I hear those kinds of stories, we stand up. That's my job. It's the job of every senator here to stand up for our constituents, for the people back home who are being hurt and make sure that their voice is heard. That's what this is about. It's about making sure people's voices are heard, and that is what this hearing's about. This is why we're standing up and making sure the postal service does what they have done with incredible integrity and professionalism for 245 years.

Senator Peters (02:12:56):

We want to make sure that that standard continues going forward. I fully appreciate that the COVID has created significant problems for the postal service, but I won't show my chart again. But if you look at the chart, the service was there through a lot of the pandemic. It's just been in the middle of July where you see it dropping off dramatically. COVID has been with us since March, but we've seen a dramatic drop since mid July, which is the time when I got all of those communications and my colleagues have been getting those communications.

Senator Peters (<u>02:13:25</u>):

They're not manufactured. These are real people.

Senator Johnson (02:13:28):

[inaudible 02:13:28].

Senator Peters (02:13:30):

So I just want to be clear about that. So Postmaster DeJoy, you answered some of our questions today and I thank you for that, but there's still many, many left that are unanswered. And I think we all look forward to seeing the documents that we have requested so we can do our oversight function delivered to us in a timely fashion. I appreciate your willingness to do that. I'm going to continue with my investigation of the recent delays and postal service practices that have been put in place. And I urge you and your staff to be fully forthcoming with any additional requests.

Senator Peters (02:14:04):

That kind of transparency is critically important in this job. I know you have a very hard job. And frankly, I think you've made it harder on yourself because of the lack of transparency that we have seen here these last few weeks. So in the coming weeks, Congress certainly must provide postal service with the resources and the oversight that you need to reliably deliver mail for the American people, but not just through this election. We have to make sure we get through the election. We've got to get through the pandemic and we want to make sure we put the postal service on sound financial funding to last for another 245 years and beyond.

Senator Peters (<u>02:14:37</u>):

So thank you again, Mr. Chairman.

Senator Johnson (02:14:40):

Thanks, Senator Peters. And again, I am in no way, shape or form denying that many of these complaints are absolutely genuine and we take these seriously and help our constituents. But there's also no doubt that a lot of this is being ginned up. Many of those complaints are highly scripted and is being done for political purpose. I mean, there's absolutely no doubt about that, but we have a new postmaster general who's been in the office less than 70 days. From my standpoint, I think the first thing he need to do was get up, start the job, roll up his shirt sleeves, and get to work and try and figure out what he needs to do to reform the process.

Senator Johnson (02:15:17):

So I'm looking forward to a totally transparent process here. I'm looking to separate the fact from the fiction. And my problem is there's a lot of fiction, a lot of false narrative being ginned up by Democrats and the left right now. So I want the data as well. Mr. Postmaster General, I'm sure you will work with us in the future and that's what I'm basically giving you the opportunity to do. There's possibility for a postal reform bill, even in this next COVID relief package, if there is one. So let's work in good faith. I thank you again for your service.

Senator Johnson (02:15:51):

Thank the men and women of the United States Postal Service for their service as well. The hearing record will remain open for 15 days until September 3rd at 5:00 PM for the submission of statements and questions for the record. This hearing is adjourned.

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Speaker 3 (<u>02:16:03</u>): Thank you.

PART 4 OF 4 ENDS [02:17:23]