



Statement of Paul V. Hogrogian, National President
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House Oversight and Government Reform
Subcommittee on Government Operations
“Oversight of the U.S. Postal Service:
The Financial Future Under Postmaster General Steiner”

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My name is Paul Hogrogian and I am the National President of the National Postal Mail Handlers Union, the exclusive collective bargaining agent for over 55,000 Mail Handlers employed by the United States Postal Service (USPS), working mainly in processing and distribution plants across the country. We work in all of the nation's large postal plants, throughout the 50 States and Puerto Rico, where mail handlers are responsible for loading and unloading trucks, transporting mail within the facility, preparing, sorting, and containerizing the mail for distribution and delivery, and operating a host of machinery and automated equipment. Mail Handlers are an essential part of the mail processing and distribution network utilized by the Postal Service to move more than 165 billion pieces of mail each year.

The Postal Service is currently in the middle of a comprehensive redesign of its network. USPS is establishing Regional Processing and Distribution Centers (RPDCs) in approximately sixty metropolitan areas across the country. These RPDCs would consolidate all originating letters, flats, and parcels, and all destinating parcels from all mail processing facilities within a metropolitan area into one mega-processing center.

Additionally, USPS is implementing a pilot program that would create Regional Transfer Hubs (RTH) to which originating sites would send mail to respective regional hubs. This would allow other originating distribution centers to greatly reduce the number of separations they process. There currently are 15 RTH operational with plans for several more.

The goal of these changes is to increase efficiencies for postal customers. USPS has struggled with decreased mail and parcel volume, delivery standards, and finances for well over ten years. Finances shared during the last USPS Board of Governors meeting showed a loss of \$1.3 billion as well as a loss of 2.94 billion pieces of mail volume. While service in the first quarter of fiscal year 2026 for the most part improved in comparison to FY2025, delivery performance failed to meet USPS' self-imposed targets.

As the Postal Service continues to struggle financially and operationally, members of Congress, including those in this very committee, have proposed privatizing processing jobs – Mail Handler jobs – as a means of cost reduction. The Postal Service has previously subcontracted Mail Handler work in several facilities. Beginning in 2023, the Postal Service has returned virtually all of this subcontracted work to postal facilities throughout the country. This decision recognizes the value of the work done by Mail Handlers. It also recognizes that, as a result of collaboration between the Union and the Postal Service, it is not only more efficient but often less expensive to have the mail processing work done by Postal Service employees in Postal Service facilities.

The NPMHU understands financial changes also need to be made in order to promote fiscal stability to the Postal Service. USPS is a unique federal agency as it is independent and does not use congressional appropriations for funding, relying solely on the sale of goods and services for revenue. While other federal agencies rely on annual appropriations

to cover the cost of employee retirement benefits programs, the Postal Service is entirely responsible for this funding. However, USPS does not control how these costs could be lowered.

The Civil Service Retirement System (CSRS) is the older of the retirement programs and only applies to postal and federal employees hired before 1984, and only covers a minority of postal employees. USPS pays for a disproportionate amount for CSRS employees who worked for both the Department of the Post Office, as it existed before 1971, and the current USPS. The methodology for calculating USPS CSRS expenses misconstrues employees' salary and USPS is required to cover the full cost of CSRS benefits – which does not apply to other federal agencies. The USPS Office of Inspector General, the USPS, the NPMHU and other stakeholders have all called for action from the Executive Office to update allocation methodologies for CSRS payments which, according to the Postal Service, could provide \$14 billion in savings over ten years.

The Postal Service is also handcuffed by how it can invest its retirement funds, as they are managed by the Office of Personnel Management and the Treasury Department. Currently, these funds are required to be invested in Treasury securities, which generate low rates of return. The OIG has repeatedly reported that if USPS were already allowed diversified investments of 60 percent stocks and 40 percent bonds would have generated billions in previous fiscal years. Appropriately investing retirement funds would lower the Postal Service's retirement costs. Congress should advocate changing the accounting practices to calculate CSRS liabilities. This can be done through executive order and does not need congressional action. By offering relief to these financial burdens, the Postal Service can focus on revenue going toward operations and improving the network.

In addition to these questions of financial stability and service performance, the Mail Handlers have fielded questions from members of Congress regarding the upcoming 2026 election and the Postal Services capabilities for vote by mail and absentee voting. Absentee voting was seen as early as the War of 1812 for members of the military to participate in democracy, and was more popularized during the Civil War. Voters in Oregon began exclusively voting by mail for state and local elections in 1981, and by 1996 were voting by mail for federal elections. Currently, eight states and the District of Columbia require universal vote by mail, while ten states offer permanent absentee voting.

The United States Postal Service continues to prove that voting by mail is safe and effective for eligible voters to participate in the democratic process. In 2024, over 99 million ballots were processed by the Postal Service. 99.8 percent of ballots were delivered to election officials within a week, and 97.73 percent were delivered within three days. For every federal election, the Postal Service participates in extraordinary measures with the unions, management associations, and local election boards to ensure ballots get to and from voters in a timely matter while following local election laws. Mail Handlers and the rest of the postal workforce are more than ready to deliver for the 2026 elections.

Thank you for holding this hearing today, Chairman Sessions and Ranking Member Mfume. As the Postal Service is older than the country itself, it is important that Congress and all stakeholders work to uphold USPS's constitutional obligation to serve every American household and business – connecting our nation.