

FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS FOR 2025

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTEENTH CONGRESS SECOND SESSION

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FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS FOR 2025

THURSDAY, MAY 16, 2024.

FEDERAL COMMUNICATIONS COMMISSION

WITNESSES

JESSICA ROSENWORCEL, CHAIRWOMAN, FCC
BRENDAN CARR, COMMISSIONER, FCC

Mr. JOYCE. The Subcommittee on Financial Services and General Government will come to order. I would like to welcome Chairwoman Jessica Rosenworcel and Commissioner Brendan Carr. I appreciate both of you participating in today's hearing to give members of the subcommittee the opportunity to discuss the Federal Communications Commission's Fiscal Year 2025 budget request.

This budget request for the Commission is more than \$448 million. It is nearly 15 percent higher than the original Fiscal 2024 enacted level and a much larger increase than the Commission has historically requested. I was surprised to see the Commission failed to request the funding for the Secure and Trusted Communications Network Reimbursement Program known as Rip and Replace. As you know, Rip and Replace is an important priority, particular to ensure that our nation's communications infrastructure is safe from foreign interference.

Unfortunately, due to budget shortfalls and Rip and Replace, many small providers invested money to remove Huawei and ZTE equipment, but they don't have funds to replace it. The Commission has relied on a prior supplemental funding request instead of working proactively with Congress on a clear path forward to address the critical shortfall. Something similar could be said for the continuance of the Affordable Connectivity Program. The Commission is emphasizing, in fact, the program running out of funding, while this administration has spoken of the continuance of the program as a top priority, while relying on the expectation of emergency spending measures that fall outside of annual budget caps.

However, the \$6 billion emergency request for the program could only be a temporary fix. If the FCC is going to prioritize bringing affordable high-speed broadband to the country, then it needs to weigh the cost of doing so and ensure it is implemented in a targeted way to prevent unnecessary payments and waste. This program is ripe for congressional oversight and even the agency's Inspector General has sounded the alarm on whether the service is going to those who it is intended to help.

While the funding for the Commission is fully offset by fees, Congress has an important role in providing oversight for the Commis-

sion's work and that remains focused on its core mission. In light of the recent action by the Commission, congressional oversight is more important than ever. Last month, the Commission voted along party lines to revive the Obama era Net Neutrality policy. Contrary to the fear mongering we heard years ago, the internet is accessible, even more today than it was in 2017. The accessibility includes higher broadband speeds and increased competition, not to mention the continued expansion of telecommunications' infrastructure around the country.

It is my view that this action is unnecessarily reviving a politicized policy that has no statutory authority. Such actions are not what an independent agency like this one should be focused on. With that being said, I am encouraged by the steps the Commission has taken to expand the awareness and usage of the 988 suicide hotline and I look forward to continuing to work with the Commission to ensure emergency calls, including suicide intervention calls are accurately directed.

Now I turn to Ranking Member Hoyer for his opening remarks.

Mr. HOYER. Thank you very much, Mr. Chairman. Welcome, Chairman Carr, Chair Carr, and Mr. Carr, and Ms. Rosenworcel.

Tough thing. It is sort of like Steny, you never get it the first time.

When the Communications Act of 1934 established the Federal Communications Commission, it defined the agency's mission to ensure that the American people have available at reasonable cost and without discrimination rapid, efficient, national, and worldwide communications services. Communications technology, of course, has changed dramatically in the last 90 years. The FCC's work is even more important, increasingly important today than it was nine decades ago.

In the 21st century, access to economic opportunity clearly depends on the access to high-speed internet. Whether it is for education, work, or healthcare, the internet is no longer a luxury. It is a necessity. One could say that simply about the telephone for a long period of time and now our cell phones.

Nevertheless, an FCC report released in March found that as many as 24 million Americans still lack access to broadband. The FCC has done an excellent job tracking these gaps in interest in internet coverage within its new national broadband map. America's digital divide is still too big, but it would be much bigger were it not for the FCC. The FCC has done a terrific job in my opinion to expand affordable high speed broadband access throughout the country, especially in rural areas, although I would note, we found in big cities there were deserts where they had no access.

The FCC's Affordable Connectivity Program has been central to that effort.

As of last month, 23 million or 1 in every 6 households in America were enrolled the program saving \$30 to \$75 a month on their internet costs. That includes 21,036 households in Maryland's 5th District which I am proud to represent. I have heard directly from my constituents, Republicans' and Democrats' officials about how important the ACP's positive impact has been on the lives of their citizens.

Just a few weeks ago, one family down in St. Mary's County explained to me how they had struggled during the pandemic because they couldn't afford high-speed internet. Their high school student had to go to a friend's house just to attend class and keep up with their studies. Her parents had to drive to the local church parking lot just to get an internet connection to telework. That all changed last year when they were able to get their home connected thanks to the ACP. The family told me "We don't know what we would have done without the efforts of our government."

As House Majority leader last Congress, I was proud to help secure funding for the ACP in the bipartisan infrastructure law. That funding, however, has run out. It is crucial that my colleagues across the aisle and on our side take immediate action to extend this program. If they fail to do so, if we fail to do so, 23 million Americans will either see their internet costs go up or lose connection altogether.

Additionally, we ought to work with all of us together to fulfill the FCC's Fiscal Year 2025 request of \$448 million which, of course, is fully offset by fees. The FCC needs these resources to help close the digital divide and carry out other key duties from protecting consumers to promoting fair competition in the telecom industry.

I thank Chair Rosenworcel and Commissioner Carr for their testifying today. I look forward to hearing them. I look forward to hearing not only about the programs that we talked about, but such programs that you believe, both believe, are critically important to focus on.

Thank you very much, Mr. Chairman.

Mr. JOYCE. Thank you, Mr. Hoyer.

Chairman Rosenworcel, without objection, your full written testimony is entered in the record, as you summarize your testimony in five minutes. Thank you.

STATEMENT OF JESSICA ROSENWORCEL

Ms. ROSENWORCEL. Chairman Joyce, Ranking Member Hoyer, and members of the subcommittee, thank you for inviting me to appear before you today to review the FCC's Fiscal Year 2025 budget request. Communications technologies power one-sixth of the nation's economy and everyone needs access to them to have a fair shot at 21st century success. As a fee-funded agency, the FCC has worked hard to develop a budget of just over \$448 million. This will uphold the core values in our laws, consumer protection, universal service, national security, and public safety, while keeping pace with evolving technologies. Although this not my first hearing before this subcommittee, it is my first presentation of the budget as chairwoman and the first woman to permanently lead the agency in our nation's history. So let me highlight some of the work under my leadership.

First, the FCC built the Affordable Connectivity Program, the largest broadband affordability effort in our nation's history and it helps 23 million households today get online and stay online. Congress provided the funds for this program through the bipartisan infrastructure law rather than as part of the FCC's annual budget. However, funding to keep these households connected will be ex-

hausted this month. I strongly support efforts to continue to fund this program so more families can get connected to the broadband they need to fully participate in modern life.

Second, the agency's work to create the National Broadband Map, the most accurate broadband map we have ever created, will help us close the digital divide. For years, the FCC produced broadband maps that did not provide a clear picture of where the service is and is not all across the country. That changed with the passage of the Broadband Data Act and funding from Congress. As a result, our new national broadband map has been used to distribute billions for broadband deployment in the bipartisan infrastructure law. This is the map we need to keep updated so there is accountability for every federal dollar that is spent building this high-speed infrastructure. That is why our budget request includes a \$30 million increase to its base support.

Third, the FCC is doing more than ever before to keep our communications secure. For the first time in history, we have revoked the authorization to provide telecommunication services which will soon include broadband and not just voice service for Chinese communications providers. On top of this, we have implemented the Secure and Trusted Communications Networks Act and are working with carriers to remove insecure Huawei and ZTE equipment from their networks. Unfortunately, we face a \$3.08 billion shortfall to reimburse carriers for the full removal and disposal of this equipment. Unless we receive additional appropriations, we can only provide 40 cents on the dollar to those carriers that have this equipment right now. This threatens our national security and risks the shutdown of networks in rural areas.

Fourth, we are doubling down on our efforts to stop scam robocalls and robotexts using new technologies and new tools. Because this is a problem that requires coordination, we now have a Memorandum of Understanding with Attorneys General from 49 states who are working with us on this problem. Already we have made progress stopping auto warranty scams, student loan scams, and voice closing scams, but we need new authority from Congress to stop this junk and I would be happy to share more about that.

Fifth, we are doing our part to keep pace with the growing importance of space-based communications. And thanks to your approval of our reorganization, the Agency's Space Bureau is up and running. The FCC has adopted new rules to streamline our satellite policies and a new licensing scheme for commercial space launches. Plus, we have a new first in the world framework for the convergence of satellite and terrestrial communications. We call it the Single Network Future.

Sixth, we have implemented the Pirate Act to help licensed broadcasters using a budget that you provided.

And last, but not least, we want to do more to support wireless communications in the future, but in this regard we face a real challenge. Last year, Congress let the FCC's authority to auction spectrum expire. We need this authority back. For three decades, these auctions helped us distribute airways for wireless deployment and innovation. They also raised more than \$233 billion for the United States Treasury. We need Congress to restore this authority

because failure to do so will risk our leadership in 5G, 6G, and beyond.

I hope to work with you to develop the Fiscal Year 2025 bill and ensure that the FCC can accomplish its statutory objectives. And on a personal note, I want to thank you for rescheduling this hearing to accommodate my father's funeral. We may have differences of opinion, but I am grateful for your willingness first and foremost to acknowledge our shared humanity.

[The information follows:]

**STATEMENT OF
JESSICA ROSENWORCEL
CHAIRWOMAN
FEDERAL COMMUNICATIONS COMMISSION**

**BEFORE THE
SUBCOMMITTEE ON FINANCIAL
SERVICES AND GENERAL GOVERNMENT
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

MAY 16, 2024

Chairman Joyce, Ranking Member Hoyer and Members of the Financial Services and General Government Subcommittee, thank you for inviting me to appear before you today to review the Federal Communications Commission's Fiscal Year 2025 budget request.

I welcome this opportunity to discuss the Commission's funding needs and report on the agency's mission, workload, operations and achievements. The work of the Commission matters. Communications technologies power one-sixth of the nation's economy—and everyone needs access to these technologies to have a fair shot at 21st Century success. As a fee-funded agency, the Commission has worked hard to develop a reasonable budget that maximizes benefits to consumers, while remaining fair to industries responsible for our requested general Salaries and Expenses level of \$448,075,000. This amount will ensure that the Commission can meet its statutory mandates and uphold the core values of our laws—consumer protection, universal service, national security, and public safety—all while keeping pace with ever-changing and advancing technologies. I look forward to working with the Members of this Subcommittee to accomplish the goals and objectives that Congress has delegated to the Commission as an independent regulatory agency.

Although this is not my first hearing before this Subcommittee, it is my first presentation of the budget as Chairwoman, and the first woman to permanently lead the agency in our Nation's history. I'd like to highlight some of the Commission's critical work under my leadership. If our requested fee-funded budget level is not met, and additional funding for certain programs outside our budget is not provided, this critical work is at risk.

First, the Commission's Affordable Connectivity Program, the largest broadband affordability program in our nation's history, has helped 23 million households pay for high-speed internet service. Across the country, I have met with people who have been able to get online and stay online thanks to this program for work, school, healthcare, and more. As you all know, Congress provided the funds for this program through the Bipartisan Infrastructure Law, rather than as part of the FCC's annual budget that you consider. However, I would be remiss if I did not take the opportunity to note that that funding to keep these households connected will be exhausted this month. I strongly support Members of Congress's efforts to continue to fund the Affordable Connectivity Program into the future to help more families get and stay connected to the high-speed internet they need to participate in modern life, and I stand ready to assist in any way I can.

Second, the agency's work to create the National Broadband Map—the most accurate broadband map ever created—will help close the digital divide. For decades, the Commission produced broadband maps based on Census blocks. In practice, this meant that if there was high-speed internet service in a single location in a Census block, the agency assumed there was service throughout the area. Needless to say, this methodology overstated service nationwide. Following passage of the Broadband DATA Act, and thanks to the funds Congress provided —\$33 million in regular appropriations, along with \$65 million in special directed appropriations, for a total of \$98 million— the FCC published its first location-based broadband map to paint a more accurate picture of where broadband is and is not available across the United States. This new map identifies every household and small business in the country that should have access to high-speed internet service. For context, on how much more granular this is than what came before, in our current mapping effort the Commission identified over 115 million locations where fixed broadband could be installed compared to data from just 8.1 million Census blocks in our prior maps. At Congress's direction, this map supports the Bipartisan Infrastructure Law's \$42.5 billion investment in deploying high-speed broadband nationwide. However, to keep iterating and improving this map's accuracy and to continue to use this data to help efforts all over this country to bring broadband to everyone, everywhere, the Commission's budget request includes a \$30 million increase to its base to support the National Broadband Mapping program. Now that the previously appropriated funding for the National Broadband Map has been exhausted, the Commission needs to include the necessary resources for the Map in its budget going forward. Given the time, effort and money that went into starting it up in 2021, we need to make certain that we have the resources to continue to update and maintain our maps well into the future.

Third, the Commission is doing more than ever before to keep your communications more secure. Under my strategy of “deter, defend, develop”: deter bad actors, defend against untrusted vendors, and develop a market for trustworthy innovation, the Commission has taken a number of actions to protect our networks from national security threats. For the first time in history, we have revoked the authorization to provide telecommunications services which will soon include broadband, and not just voice service for four Chinese communications providers. In addition, the Commission adopted my proposal to regularly review foreign companies' authorizations to provide telecommunications services in the United States. On top of this, we have implemented the Secure and Trusted Communications Networks Reimbursement Program to remove Huawei and ZTE equipment in our communications networks. This is important for our domestic security and also sends a signal to the world that going forward we will not support insecure equipment in essential infrastructure. As you know, Congress provided \$1.9 billion to operate the Secure and Trusted Communications Networks Reimbursement Program through the Consolidated Appropriations Act of 2021. Unfortunately, this amount is not enough to secure our networks; we currently face a \$3.08 billion shortfall to fully reimburse participating carriers for removal, replacement and disposal of the problematic equipment. Unless we receive an additional appropriation, we can only provide forty cents on the dollar to those companies in reimbursement, which threatens our national security and risks the shutdown of rural networks.

Fourth, we are doubling down on our efforts to stop scam robocalls and robotexts. Robocalls and robotexts aren't just exasperating, they are a pathway for fraudsters to harm consumers. So, we have been attacking them from all angles—cutting off bad actors from our networks, requiring providers to block unwanted calls, and mandating technology to stop call spoofing. Some of our efforts are beginning to bear fruit. After we identified the companies

behind the auto warranty robocall scam, we told the rest of the industry to cut them off and auto warranty calls fell by over 90 percent. We used the same method to reduce student loan scam calls by 88 percent. And because this is a problem that requires coordination among law enforcement, we now have a memorandum of understanding with Attorneys General from 49 states. This partnership with states has already born fruit. In February, the Commission acted swiftly to make AI-generated voices in robocalls illegal, giving state AGs a new tool to go after voice cloning scams.

Fifth, we are doing our part to keep pace with rapid development of the satellite sector and the growing importance of space-based communications. The space industry has entered an era of unprecedented growth, which is fueling an increase in both the complexity and the number of applications for space services before the Commission. Thanks to your approval of our proposed reorganization, the agency's Space Bureau is up and running and has already completed its first year of hard work. In the past year, the Commission has adopted new rules to streamline our satellite policies and expedite the processing of space and earth station applications as well as a new licensing framework for commercial space launches. And the Commission has established a new framework for the coming convergence of satellite and terrestrial convergence—we call it Single Network Future.

Sixth, we implemented the PIRATE Act and enhanced our protections of licensed broadcasters from pirate radio. We did this with a \$5 million budget increase to our base appropriation to support this resource-intensive, on-the-ground work. In addition to tougher fines on those who violate the spectrum rights of broadcasters, the law requires the FCC to conduct periodic enforcement sweeps, and grants the Commission authority to take enforcement action against landlords and property owners that knowingly permit illegal pirate radio activity on their properties. In the past year, we proposed over \$8.8 million in fines against violators. Funding our budget request is necessary to continue this important work.

And last but not least, we are finding more ways to use spectrum to support wireless communications into the future. We are working to free up more spectrum to serve as a launching pad for new technologies. We have already identified the 7-16 GHz band as prime mid-band airwaves for 5G, 6G and beyond. That is why I proposed making 550 megahertz of spectrum in the 12.7-13.25 GHz band available for new commercial mobile use. And we're not stopping there, the FCC is already looking to what a 6G future could look like including its impact on the digital divide, machine learning, how it could make life easier and more efficient for consumers, and new ways to connect industries, technology, and communities. Those communities include Tribal communities, and as a result of our work in the 2.5 GHz band, today more than 80 percent of Federally-recognized Tribes have licensed spectrum. That is real change—and real opportunity.

But as we plan for the future, we also need to be mindful of the spectrum demands in the present. And one thing that absolutely needs to happen is the restoration of the FCC's spectrum auction authority. For three decades the FCC has had the authority to auction off airwaves to commercial actors to use to deploy, create, and innovate. But more than a year ago on March 9, 2022, that authority expired for the first time. As this Committee knows, if this is not corrected, it could have a tremendous impact. Over the past three decades, the FCC has held 100 spectrum auctions and, in the process, raised more than \$233 billion for the United States Treasury. Restoring this authority will provide the United States with the strongest foundation to compete in

a global economy, counter our adversaries' technology ambitions, and safeguard our national security.

So those are some of the things the FCC is doing to bring high-speed connectivity to everyone, everywhere that is secure, resilient, and ready for the future. I hope to work with you in the coming months as you develop the Fiscal Year 2025 bill to ensure that the Commission is properly funded to accomplish its core mission goals. Thank you for the opportunity to join you today to share these details about the Commission's ongoing work. I look forward to your questions.

Mr. JOYCE. Thank you, Chairwoman Rosenworcel.

Commissioner Carr, without objection, your full written testimony will be entered into the RECORD. With that in mind, we would ask that you summarize your opening statement in five minutes.

STATEMENT OF BRENDAN CARR

Mr. CARR. Thank you. Chairman Joyce, Ranking Member Hoyer, distinguished members of the subcommittee. Thank you for the invitation to testify. This is my first time appearing before House Appropriations and it is an honor to be here.

For years, I have had the privilege of working alongside the FCC's talented public servants and I have welcomed the chance to work with Chairwoman Rosenworcel to advance our shared priorities. We have worked together on telehealth initiatives, standing up 988 as a national crisis line, enhanced competition, and secured our networks. I also agree with a number of telecom requests in the administration's budget. I agree that Congress should restore the FCC's auction authority. By auctioning spectrum, the FCC not only enhances competition, but we raise billions of dollars for reducing the national debt.

I also agree that Congress should fully fund the Rip and Replace initiative.

Turning to the FCC's own budget request, I was unable to support it. First, I do not support the FCC's request for a 14.8 percent increase in its budget. This increase marks a significant departure from agency precedent as I detail in my testimony.

Second, I do not support expanding the FCC's head count. Indeed, if the FCC hired up to the 1600 FTEs it has requested, it would represent the largest percentage increase in agency employees since the 1996 Act.

Third, I don't support the FCC's request for a 5.1 percent increase for our spectrum auctions program. As detailed in my testimony, the Biden administration has stalled out on spectrum auctions and therefore, I don't see a reason for increasing the FCC's auction budget at this time.

More broadly, I am concerned that the FCC's budget reflects misplaced priorities. One example is the agency's pursuit of Title II regulations for the internet, a decision that two of President Obama's former Solicitors General stated will not survive court review. Indeed, they have said the FCC's pursuit of Title II represents a massive waste of Government resources and a lost opportunity to advance more pressing policy goals. I agree. The FCC should not spend any more resources enforcing those Title II rules at least until the courts have finished their review.

I also have questions about the strategic goals in the budget. Strategic goal two says the FCC will use its budget to promote diversity, equity, inclusion, as well as accessibility. It is not clear to me what the FCC means when it says that promoting DEI is its second-highest priority. The budget doesn't add much clarity. To promote DEI, it says the FCC will use funds to identify and eliminate historical, systemic, and structural barriers that perpetuate disadvantaged or underserved individuals. It envisions quarterly dialogue sessions, regular webinars in global education and aware-

ness. Nor does the FCC say how much it is spending on this initiative. In my view, the FCC should refocus its priorities around several core goals as I detail in my written testimony.

Finally, Congress has been considering the future of the ACP program. Congress created this pandemic-era initiative back in 2020 and funded it with over \$17 billion. I have encouraged the FCC to implement ACP by focusing on Americans without any internet service. That is why the FCC determined that a primary goal of ACP should be to close the digital divide by reducing the broadband affordability gap. And the FCC agreed to prioritize outreach applications that enroll those without a connection. For its part, the Biden administration highlights the fact that 23 million households are enrolled in ACP as a way of making the case for the program's success. But the issue requires a more thorough analysis. The FCC's own data shows that only 21.8 percent of ACP beneficiaries previously lacked internet and about 85 percent of ACP beneficiaries today say they would still have internet service without the program.

Given the data, I don't believe that Congress should simply add more money to ACP. Instead, it should focus on reforms. That means taking a fresh look at eligibility, targeting those that would otherwise lack service, rightsizing the effort, and significantly increasing program safeguards.

In closing, I want to thank you again for the opportunity to testify. I look forward to your questions.

[The information follows:]

TESTIMONY OF BRENDAN CARR
COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION
BEFORE THE
SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT
OF THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS

“Budget Hearing – Fiscal Year 2025 Request for the Federal Communications Commission”

May 16, 2024

Chairman Joyce, Ranking Member Hoyer, and distinguished Members of the Subcommittee, it is an honor to appear before you today. Since joining the FCC, I have had the privilege of testifying before a number of House and Senate Committees, but this is my first time appearing before the Appropriations Committee and this Subcommittee. So I want to thank you for the invitation to testify on the FCC’s budget request for Fiscal Year 2025.

Since this is my first time appearing before the Committee, I wanted to start with a brief introduction. I first joined the FCC as a staffer back in 2012, and I have had the privilege of serving in a number of different roles at the agency—from an attorney in the agency’s Office of General Counsel to a legal advisor to then-Commissioner Ajit Pai to General Counsel of the FCC before being nominated to serve as Commissioner in 2017. In my time at the agency, I have had the honor of working alongside some of the most talented public servants in government. And over the last three years, I have welcomed the opportunity to work with Chairwoman Rosenworcel to advance the public interest and many of our shared priorities.

We have worked together on telehealth initiatives that have helped expand affordable, high-quality care for low-income Americans and veterans. We have worked together on rules that stood up 988 as the universal telephone number for the 988 Suicide & Crisis Lifeline, which is a national network of more than 200 crisis centers that help thousands of people every day. We have worked together to enhance competition and protect consumers, including through our 2022 MTE decision that benefited Americans living in apartment buildings and condos. We have worked together to promote innovation, including by removing outdated regulations that would have prevented radio broadcasters from choosing to compete more effectively against their Big Tech competitors. And we have worked together to secure America’s communications networks from entities that pose a risk to U.S. national security, including by taking actions against Huawei, ZTE, Hytera, Hikvision, Dahua, China Mobile, China Telecom, and Kaspersky Lab. Indeed, the FCC will be voting next week on proposed rules that could potentially bar these and other untrustworthy actors from controlling the test labs and certification bodies that are central to the FCC’s equipment authorization program.

I also agree with a number of the asks included in the Administration’s budget requests. For starters, I agree that Congress should reauthorize the FCC’s spectrum auction authority. Given this Subcommittee’s focus on appropriations, it is worth noting that the FCC is

one of the few agencies that can generate revenue for the federal government. By auctioning off spectrum—the airwaves necessary to power 5G and other next-gen wireless services—the Commission has raised over \$233 billion over the course of 100 auctions. But the FCC’s general spectrum auction authority lapsed for the first time in the agency’s history back in March of 2023. America’s spectrum leadership is part and parcel of our geopolitical leadership. More spectrum also means more competition, it means lower prices for consumers, and it means bringing communities across the digital divide while creating new jobs and growing the economy. I have appreciated the work from bipartisan leaders on both the House and Senate Commerce Committees to restore the Commission’s auction authority, and I would encourage Congress to continue working towards a resolution that will affirm the FCC’s role as the nation’s expert agency on spectrum. Doing so would advance America’s 5G leadership and strengthen our national security.

I also agree that Congress should fully fund the nation’s “rip and replace” initiative. This program, formally known as the Secure and Trusted Communications Networks Reimbursement Program, reimburses small, rural Internet service providers for the costs they incur to remove, replace, and dispose of equipment and services provided by Huawei and ZTE. As a government, we have taken the smart step of ordering the removal of this insecure and high-risk equipment—gear that proliferated in rural networks near some of our military’s most sensitive facilities—and we have said that we would compensate covered providers for the costs of removing and replacing that gear. We need to make good on that promise. A \$3.08 billion funding shortfall now threatens the success of this initiative. So I would encourage Congress to look for ways to close that funding gap.

* * *

I want to turn now from the Biden Administration requests that are relevant to the FCC’s work to the agency’s own budget request for Fiscal Year 2025. Although all Commissioners are asked to vote on a budget proposal prepared by the FCC Chair, I have not been asked to participate in the development of the agency’s budget request. And after reviewing the FCC proposal, I was unable to support it. I voted against it. I would like to highlight a couple of concerns I have with the FCC’s budget request.

1. As a threshold matter, I do not support the FCC’s request for a 14.8% increase in budget authority. This request represents a significant departure from recent agency precedent. For instance, in 2017 for its FY2018 budget, the FCC requested a 5.2% *decrease* from the FCC’s FY2017 level. In the three years that followed, the FCC either requested further decreases or minimal year-over-year increases. The FCC’s most recent request paints an entirely different picture. After seeking progressively higher increases in budget authority for each of the past three years (FY2022 sought a 3.7% increase, FY2023 sought a 4.3% increase, and FY2024 sought a 5.3% increase), the FCC’s FY2025 request seeks a budget increase that is nearly three times larger than the increase the agency sought for FY2024. This FY2025 request for a 14.8% increase in budget authority is not in line with recent agency precedent. Nor does it reflect Congress’s focus on reining in government spending.

2. The FCC budget request would also significantly expand the FCC's headcount without, in my view, making the case for this increase. The FCC's FY2025 budget seeks 1,600 Full Time Equivalents or FTEs. If the FCC were to hire up to that number, it would represent the largest percentage increase in agency FTEs since Congress passed the Telecommunications Act of 1996—a legislative enactment that tasked the FCC with a significant increase in implementing proceedings. Such a large increase is out of step with modern agency precedent. Indeed, for FY2018, the FCC sought a 6.6% *decrease* in FTEs over the FY2017 level. And the FCC sought that same level of FTEs in FY2019, FY2020, and FY2021.

3. I also do not support the FCC's separate request for a 5.1% increase in budget authority for our Spectrum Auctions program. There is no question that the FCC has important work to do on the spectrum front, and I would like to see an increase in the FCC's output on wireless matters. But the past few years have been marked by a significant decrease in productivity on spectrum issues, not an increase. And the Biden Administration has made clear that it has no plans to reverse that trend line. Let me explain.

Last November, the Biden Administration released its much-anticipated National Spectrum Strategy. But the Biden Administration's plan commits to freeing up exactly zero megahertz of spectrum. Instead, it says that the Administration will simply continue to study various spectrum bands for years to come. This means that the Biden Administration has no plan for significant, near-term action on spectrum auctions. This not only sets America apart from our global allies and adversaries alike—which are now passing the U.S. by on spectrum—it marks a departure from our own recent record of action.

From 2017 through 2020, the FCC freed up roughly 6,000 MHz of spectrum for licensed use alone, plus thousands of additional megahertz of spectrum for unlicensed use. We held the first auction of mid-band spectrum in 2020 with 70 MHz worth of spectrum in the 3.5 GHz band. At 2.5 GHz, we transformed the rules governing nearly 200 MHz worth of this mid-band spectrum to support 5G builds and teed up over 100 MHz for auction. At 4.9 GHz, we modernized the regulation of a 50 MHz swath of spectrum. In the L Band, we authorized 30 MHz of spectrum for 5G and IoT. At 5.9 GHz, we opened up 45 megahertz for unlicensed. Plus, we pushed out an additional 1,200 MHz for unlicensed in the 6 GHz band. Finally, in the C Band, we cleared 280 MHz of sought-after mid-band spectrum that has quickly become the backbone of 5G in the United States today.

In other words, the FCC freed up more spectrum for commercial use in those years than the Biden Administration even plans to study. And it is not even close.

The FCC has demonstrated the capacity to deliver significant spectrum wins without the type of significant increase in budget authority that it now requests. I am confident that the agency can continue to do so. And reversing the Biden Administration's backsliding on spectrum would generate billions of dollars in revenue for the Treasury that could be used for deficit reduction.

* * *

More broadly, the FCC's budget request and many of its recent actions reflect Biden Administration decisions to elevate partisan politics above smart policy.

One example of the Biden Administration's misplaced priorities is its quixotic pursuit of regulating the Internet as a Title II utility service. This decision is nothing more than an unlawful agency power grab. Back in 2017, when we reversed the FCC's two-year experiment with government control of the Internet, Title II activists predicted that this would mark the end of the Internet as we know it. Did any of those apocalyptic predictions come to pass? Of course not. In fact, Internet speeds increased, prices decreased in real terms, and record-breaking Internet builds brought millions of Americans across the digital divide.¹

But last month, the FCC voted—over my dissent²—to put those heavy-handed regulations back in place. That effort is doomed to fail. And that is not just my opinion. Two of President Obama's former Solicitors General wrote a paper in which they concluded that the FCC's Title II decision “will not survive a Supreme Court encounter with the major questions doctrine.”³ For that reason, the former Solicitors General stated, the FCC's decision to head down this path will represent a “massive waste of resources for the government, industry, and the public, as well as the lost opportunity to pursue more pressing policy goals such as deploying robust broadband service to all Americans.”⁴

I agree with President Obama's lawyers. I do not know how many staff hours and agency resources the FCC has expended on Title II. But in my view, the FCC should not spend any more resources enforcing Title II regulations, at least until the litigation over this agency decision plays out.

Another example is the Biden Administration's demand that the FCC adopt “digital equity” rules for the Internet—a sweeping set of regulations that hand the Administrative State an unprecedented set of new controls over the provision of Internet service. The FCC did exactly that late last year, even though the FCC majority concluded that “there is little or no evidence” in the agency's record to even indicate that there has been any intentional discrimination in the broadband market. The FCC's “digital equity” rules and its Title II regulations are, in many ways, fraternal twins. Again, the FCC should not be expending any additional resources on these regulations until the appellate process has run its course.

¹ See Press Release, FCC Commissioner Brendan Carr, *New Data Confirm What Americans Already Know: The Internet Is Not Broken and President Biden's Plan For Government Control Won't “Fix It”* (Apr. 19, 2024), <https://docs.fcc.gov/public/attachments/DOC-401950A1.pdf>.

² See Dissenting Statement, FCC Commissioner Brendan Carr, *Safeguarding and Securing the Open Internet*, Declaratory Ruling, Order, Report and Order, and Order on Reconsideration, WC Docket Nos. 23-320, 17-108 (Apr. 25, 2024), <https://docs.fcc.gov/public/attachments/FCC-24-52A3.pdf>.

³ See Donald B. Verrilli, Jr. & Ian Heath Gershengorn, *Title II “Net Neutrality” Broadband Rules Would Breach Major Questions Doctrine*, at 2 (Sept. 20, 2023), <https://aboutblaw.com/bazq>.

⁴ *Id.* at 16, 17.

For still another, the FCC's own budget request reflects misplaced priorities. Take the strategic goals section of the agency's budget request. Under Strategic Goal 2, the FCC states that it will use its budget to "promote diversity, equity, inclusion" as well as accessibility. It is not clear to me what the FCC means when it states that promoting DEI is its second highest priority, particularly given the FCC's other strategic goals and our core statutory mission.

The FCC's description of this strategic goal certainly does not shed much light on the question. In furtherance of promoting DEI, the FCC's budget proposes to use funds to "identify" and "eliminate historical, systemic, and structural barriers that perpetuate disadvantaged or underserved individuals and communities." The particular activities envisioned in the FCC's budget include "quarterly dialogue sessions," "regular webinars," "global education and awareness," "outreach and conduct programs," and gaining a "deeper understanding" of how FCC rules "may promote or inhibit advances" in DEI.

Nor does the FCC's budget request quantify how much funding it has been or will be expending to promote DEI.

In my view, the FCC should refocus its priorities around several core goals. We should be focused on continuing to secure our communications networks. We should be focused on freeing up more spectrum for consumer use. We should be focused on modernizing our infrastructure rules. And we should be protecting consumers. In other words, the FCC should be ensuring that everyone in this country has a fair shot at affordable, next-generation connectivity. I have highlighted some of my specific ideas for how the FCC can do this in testimony before the House Energy and Commerce Committee last summer.⁵

* * *

In addition to reorienting the agency around those core policy objectives, I wanted to raise some specific ideas for consideration given this Subcommittee's focus on the responsible expenditure of government resources.

First, Congress has been actively considering the future of the Affordable Connectivity Program or ACP. This is a pandemic-era program that Congress created in December 2020 through the Consolidated Appropriations Act of 2021. At that time, the program was known as the Emergency Broadband Benefit Program, and Congress funded it through a \$3.2 billion appropriation to help qualifying households afford Internet service during the pandemic. Then, in late 2021, with passage of the Infrastructure Investment and Jobs Act or IIJA, Congress provided an additional \$14.2 billion for the program, now known as ACP, while making some minor revisions to it. ACP funding provides a discount of up to \$30 per month for Internet service for qualifying households and up to \$75 per month for qualifying households on Tribal lands. ACP funding also provides eligible households with a one-time discount of up to \$100 to purchase a tablet or other device.

⁵ See Testimony, FCC Commissioner Brendan Carr, *Oversight of the Federal Communications Commission* (June 21, 2023) <https://docs.fcc.gov/public/attachments/DOC-398705A1.pdf>.

When I voted with my FCC colleagues to adopt rules implementing the law Congress passed, I encouraged the agency to focus ACP dollars on connecting those Americans that remained stuck on the wrong side of the digital divide—meaning, those who did not have a broadband connection because they could not afford one. To that end, the FCC’s implementing decision provided “that a primary goal of the Affordability Connectivity Program should be to close the digital divide by reducing the broadband affordability gap.”⁶ Likewise, we directed FCC staff to coordinate with USAC to collect data that would enable the Commission to assess progress towards meeting this goal, including data about “broadband adoption by first-time subscribers and increasing enrollments in areas with low broadband penetration rates.”⁷ And we established in our ACP Grant Outreach Program a mechanism for prioritizing applications that seek to enroll households or individuals that are not subscribed to broadband today.⁸

While the Biden Administration has focused on the fact that 23 million households are enrolled in ACP, as its way of making the case that the program is delivering on the government’s stated goals, I believe that the magnitude of the funds at issue counsel in favor of a more thorough and objective review of ACP. Here’s what the FCC’s own data reveals. The FCC released a survey earlier this year showing that only 21.8% of ACP beneficiaries lacked Internet service before the program started. In addition, the FCC’s survey data indicates that only about 15% of ACP beneficiaries state that they would lose Internet service if the program ended.⁹ In addition, roughly 40% of all households in America are currently eligible to participate in ACP.

Given the data, I do not believe that Congress should simply add more money to ACP in its current form. The FCC’s own analysis shows that today the program is not sufficiently tailored to meeting the federal government’s stated goal of closing the broadband affordability gap. Instead, Congress should focus on reforms that would help ensure that the government delivers on its goal of universal service. That means taking a fresh look at eligibility criteria, targeting those Americans that would otherwise be stuck on the wrong side of the digital divide, right-sizing the FCC’s programs, requiring a more robust verification process, and significantly increasing program safeguards.

Second, the FCC should enhance the agency’s administration of its spending programs (whether those programs use appropriated funds or USF dollars) by formalizing its process of consulting with the Commission’s Office of Inspector General. The Senate’s recent

⁶ See *Affordable Connectivity Program*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 21-450, at para. 211 (Jan. 14, 2022) <https://docs.fcc.gov/public/attachments/FCC-22-2A1.pdf>.

⁷ *Id.* and at para. 212 (“We agree... that the Commission should invest in direct, data-driven outreach to unconnected households to increase awareness of the Affordable Connectivity Program.”).

⁸ See *Affordable Connectivity Program*, Second Report and Order, WC Docket No. 21-450, at para. 68 (establishing criteria by which applications would be prioritized) (“(1) the extent to which an applicant would target unserved low-income households or individuals (i.e. households or individuals that are not currently on a low-income broadband plan or that do not have broadband service)[.]”) (Aug. 5, 2022) <https://docs.fcc.gov/public/attachments/FCC-22-64A1.pdf>.

⁹ See *Measuring the Impact of the ACP: Survey Results* (Feb. 2024) <https://www.fcc.gov/sites/default/files/ACP-Survey-Results.pdf>.

confirmation of the FCC's first presidentially appointed Inspector General gives us a unique opportunity to do this. Both the FCC Chair and FCC Commissioners have the opportunity to consult with the FCC's IG, and we often do. But there is no formal process whereby the agency solicits the IG's feedback prior to the Commission adopting rules that implement new spending programs or revise existing ones. I have found that the IG's Office has a wealth of expertise when it comes to ferreting out waste, fraud, and abuse and identifying important programmatic controls. So I believe that the FCC should adopt a process that provides the IG's Office with an opportunity to provide advice and recommendations to the full Commission before the agency acts and on a regular basis thereafter.

Third, the federal government needs to do a better job of coordinating its approach to broadband spending—particularly as the number and magnitude of broadband programs have accelerated over the past four years. I remain concerned that the federal government is not putting appropriate guardrails in place. And this is unacceptable given both the unprecedented amount of federal support at issue and the unique opportunity these funds provide for connecting American families.

Two years ago, the GAO published a concerning report regarding the billions of dollars that the federal government is spending on digital divide efforts. In particular, the GAO determined that “U.S. broadband efforts are not guided by a national strategy” and that “[f]ederal broadband efforts are fragmented and overlapping, with more than 100 programs administered by 15 agencies,” risking overbuilding as well as wasteful duplication. GAO highlighted that “most of the agency officials” they interviewed agreed that a new national strategy would be helpful. Yet the GAO also noted that “[t]he Executive Office of the President has not decided if a national strategy is needed.”

Given the Biden Administration's failure to act on this key GAO recommendation, I am pleased that Congress has been working to fill in the gap including by advancing the PLAN for Broadband Act. This bipartisan, bicameral legislation led by Representatives Walberg and Kuster and Senators Wicker, Luján, Thune, and Welch responds to those GAO concerns by requiring the Administration to develop and implement a national coordinating strategy.

While Congress enacted the Broadband Interagency Coordination Act in 2020, the agreement does not cover all of the agencies with broadband funds, nor does it cover all of the broadband funds within the agencies that it does cover. For example, neither the Department of Education nor the Treasury Department, each with hundreds of billions of dollars at their disposal, are covered by this agreement. The agencies' apparent lack of coordination is compounded by the fact that they are relying on differing and sometimes divergent standards both in terms of identifying areas eligible for funding and the types of networks that qualify for support.

The lack of coordination threatens to leave rural communities and unconnected Americans behind. Take, for example, the Administration's \$42.5 billion broadband, equity, access and deployment (BEAD) program. Without greater coordination, BEAD funds will undoubtedly be spent overbuilding areas that already have, or will have, high-speed Internet service subsidized through other federal support programs or otherwise available. And a lack of

coordination is only the tip of the iceberg when it comes to concerns about the future of the Biden Administration's BEAD program. As I have highlighted previously, the Biden Administration has deviated substantially from the statutory text Congress has passed, including through technology preferences and provisions that encourage states to engage in rate regulation. These are Biden Administration policy cuts that will end up artificially raising the cost of building out broadband. Indeed, that is why at least twelve states have already signaled that they will burn through their allotment of BEAD dollars without meeting their broadband goals. And that is why I have real doubts that the BEAD program will end up delivering on the Biden Administration's promise of Internet for all.

Finally, given the critical role the FCC plays in advancing the bipartisan mission of universal connectivity, it may be helpful for Congress to examine the FCC's current authority to assess and collect the regulatory fees that offset the agency's budget request. It is important that the burdens imposed by these collections are allocated across industry segments in a fair manner. And that is not always the case. For instance, broadcasters have tended to shoulder more than their appropriate share of the regulatory fee burden over the years. I would welcome the chance to work with Congress on ways this could be accomplished.

* * *

In closing, Chairman Joyce, Ranking Member Hoyer, and distinguished Members of the Subcommittee, thank you again for the opportunity to testify. I look forward to answering your questions.

Mr. JOYCE. Thank you, Commissioner Carr, five minutes exactly. We will now begin our questions. Each member will now have five minutes for their questions and answers. When the timer turns yellow, you have one minute remaining.

First, I will recognize myself.

As I mentioned during my opening statement, I was interested, well maybe not surprised, to see that the agency requested no money within its budget proposal for Secure and Trusted Communications Network Reimbursement Program, known as Rip and Replace. It said the budget proposal refers back to supplemental appropriation requests of what seems to be an attempt to rely on emergency spending, rather than being clear about the overall budget request for the FCC.

Chair Rosenworcel, about how many small providers are you aware of that have invested dollars to remove Huawei and ZTE equipment, but are waiting on funds from Congress to replace it?

Ms. ROSENWORCEL. Thank you for the question. I want to point out from the start that I agree with you that getting funding for this program is essential. We need to take insecure equipment from China out of our nation's networks. We have roughly 122 providers that have signed up for reimbursement and at present, based on the appropriation that Congress gave us, we can only offer them 40 cents on the dollar for the replacement of that network equipment. It is not in our budget because it is not a part of our baseline. It is a one-time expenditure. And the previous administration estimated we would only need \$1.9 billion to replace this equipment, but when I took over, we found that there was a shortfall of just over \$3 billion. In part, that shortfall is because Congress changed the criteria for who would be eligible to participate in this program, substantially expanding it.

Right now, we are going to need those monies to make sure that these networks which generally serve rural communities continue to stay up and running and can remain secure. So I am happy to work with you on any way to make that happen.

Mr. JOYCE. That leads into do you have any suggestions on how Congress can or should close the funding gap to ensure that we can fulfill the statutory obligation to remove that equipment?

Ms. ROSENWORCEL. Well, I am glad you asked. I do know that at present there are conversations in Congress about how to use revenues from upcoming FCC spectrum auctions that would help support the removal of that equipment and provide the funding necessary to make sure that that program can actually fully proceed.

Mr. JOYCE. Fair enough. I would like to go back to the other question I had in my opening statement which is on your FCC voting on April 24th around party lines to revise the Net Neutrality and reclassify broadband service as a Title II telecommunications service rather than information service.

Can you explain to me under what statutory authority the FCC issued the Net Neutrality rules and do you believe that rule complies with the major questions doctrine?

Ms. ROSENWORCEL. We issued that rule under the Communications Act and the process and substantive rule are nearly identical to one that was upheld by the D.C. Circuit in 2016. I am confident

it will continue to be upheld. It is also consistent with the Supreme Court decision known as Brand X from 2005. I think that the work we did is wholly consistent with the law.

Mr. JOYCE. Would you agree that it will carry economic and political significance and if so, would it not be subjected to the major questions doctrine?

Ms. ROSENWORCEL. I think it is apparent that the nation's communications expert authority should have oversight over broadband and what the FCC did with that rule was return oversight over broadband. It is somewhere between silly and ridiculous that the nation's communications authority should only oversee long distance voice service. When we changed to this rule, we made clear that we will oversee broadband for every consumer in this country, making sure it is fast, open, and fair. This is a policy that 80 percent of the public supports. I don't think it is out of step with what the public wants with the history of communications policy or with the law.

Mr. JOYCE. Fair enough. Mr. Hoyer.

Mr. HOYER. Thank you very much. Thank you for your testimony.

I need to have an automatic voice activated mic because I forget to hit the button all the time. It is sort of like not hitting the mute button when we were communicating all via other communication levels.

Mr. WOMACK. The FCC would probably rule against that. [Laughter.]

Mr. HOYER. Well, you know, I would have to talk to them about it, right?

Getting back to the issues here, first of all, Mr. Carr indicated he did not support the request for greater FTEs. Would you explain why those are necessary?

Ms. ROSENWORCEL. Sure. First of all, I want to point out that the Federal Communications Commission is operating during my tenure with the lowest level of employees we have had for 20 years, okay? So we are already cut to the bone. But when I stare at the future of communications, I see tremendous growth. With the help of this subcommittee, we reorganized and created a Space Bureau. We have a strategic asset in our skies associated with our leadership in the next generation of satellites. We need more engineers, economists, and space policy experts to ensure that continues.

As we look to the 6G future, it is going to be harder and harder to identify new ways to get spectrum and we are going to need more creative engineers who can help us do so. And when I think about the internet of things, we are working on a Cyber Trust Mark to make sure everyone trusts the devices they bring into their homes. We are trying to build the standards so that we can get ahead of our counterparts in Europe and elsewhere who are also trying to do one. And along the way, I think that we need more folks to help us with robocall enforcement, and, frankly, I challenge anyone on this committee to disagree with me on that one.

Mr. HOYER. The point being you have the lowest in 20 years complement of FTEs, is that correct?

Ms. ROSENWORCEL. That is right. And so what we have asked for is an increase that amounts to about 75 over our current head count. But for all of those initiatives, to make sure that our communications leadership grows, I think are vitally important to our national and economic security. I think those are the kind of investments we want to make and we should be making right now.

Mr. HOYER. Would it be reasonable to conclude that in the last 20 years there has been a very, very substantial increase in the challenges that the expansion of communication ways and means poses to the FCC?

Ms. ROSENWORCEL. Absolutely, I agree with you.

Mr. HOYER. Okay. ACP, as I mentioned in my statement, I was down—we had three county commissioners, Republican county commissioners in the county which I represent, who said it had made an extraordinary difference in St. Mary's County, relatively rural county, not all rural. Mr. Carr has some discussion about (a) what the need was. Can you go into whether or not—he said 28 percent, I believe, didn't have, the ones that we connected. But does your map show how much the need still exists and if we do not fund this, what providers will do in terms of stopping connectivity, our efforts.

Ms. ROSENWORCEL. Good question and a complex one. Our maps generally speak to deployment which is a separate issue. But another part of the digital divide is what the Affordable Connectivity Program is all about which is making sure it is affordable for everyone everywhere in this country. And the program we built at Congress' direction is the largest broadband affordability effort in our nation's history. We have 23 million households that count on it, right now, to get online and stay online. And what we know from our own economic surveys is that 68 percent of those households either had zero connectivity before or inconsistent connectivity.

We also know from independent surveys that households in rural America sign up for this at higher rates than households in urban America. This is a program that helps everyone. It gets them online. It strengthens communities and it expands opportunities. We are doing so well with this program right now, but we can make adjustments, some of them along the lines that Commissioner Carr suggested to improve it. I believe every federal program can be improved. But we should stop here or now. This is how we are going to help close the digital divide and I would certainly encourage Congress to continue this program and funding it and doing so as soon as possible.

Mr. HOYER. Thank you very much. Thank you, Mr. Chairman.

Mr. JOYCE. Thank you, Mr. Hoyer. The chair now recognizes Mr. Womack.

Mr. WOMACK. Thank you, Mr. Chairman. And Chairwoman Rosenworcel, I, too, want to offer my condolences for the loss of your father. My father, who is 89, has been in the broadcast industry for 70, that is 7-0 years. And he had a heart operation yesterday, but he and I are still connected. So I grieve with you and your family in the loss of your father. And our condolences to you.

To Commissioner Carr, one of my favorite historical persons is Ronald Reagan who said that there is no better example of eternal life than a government program. Was he talking about ACP?

Mr. CARR. Thank you for the question. It is certainly possible that that idea could apply here. I think the conversation here is one where there actually could be some common ground. But I think for us to talk about this \$23 million figure and say that therefore this program is a success doesn't really do justice to our obligations for fiscal responsibility. Again, we have lots of people on this program that are using the ACP benefit for a third internet connection. Again, the data shows that 85 percent of households on ACP today, again, a program that we said at the FCC is designed to get people online that couldn't afford it—would still be connected to the internet without the program.

Mr. WOMACK. Well, I get calls from people who have become dependent on it and I try to explain to them the challenges that we are having because these are the same people that would tell us that a \$34 trillion debt is not a sustainable idea. And I try to remind them that this is how you get \$34 trillion in debt is that you pay for a lot of things that may not be—may be important to every day Americans and certainly they want to use the internet, but maybe not necessarily so important as to commit this country to future fiscal conditions that we happen to be in today.

I want to go back the increase in the budget. I hear lots of times from government officials about how they are operating on personnel at levels that were at historical lows, that sort of thing.

Is that altogether a bad thing, Chairwoman Rosenworcel? I mean, obviously, technology, innovation, the ability for us to do other things maybe reduces the necessity, but you talked about the notion of space as being one of the drivers for additional personnel. I would like to know a little bit more about that.

Ms. ROSENWORCEL. Sure. And thank you for your commentary about my father. We will keep your father in our thoughts, too, here.

Mr. WOMACK. Yes, thank you.

Ms. ROSENWORCEL. With the help of this subcommittee, I reorganized the FCC. When I took over, I realized we had thousands and thousands of satellite applications pending. We had many more earth stations that had been proposed than at any point in history. And when you think about the strategic asset that is our commercial space industry, it is extraordinary. We are leading the rest of the world. So, the first thing I wanted to do was look at our satellite policies and figure out how we are going to make sure that the new space age has new rules.

The volume of activity before the agency right now is unprecedented, and I just want to make sure that we process it thoroughly and in a smart fashion. So, trying to grow that aspect of the agency's work is about making sure that the United States keeps its lead.

But I do want to acknowledge the bulk of the increase in our baseline—because I take what you said about employees; it is a fair point. The bulk of the increase in our baseline is to make sure we can continue the Broadband Funding Map. Congress gave us, in

fiscal year 2021, \$98 million for several years of the Broadband Funding Map.

So, all we have done, now that we have exhausted those funds, is annualize them in the baseline. And the reason you should want to continue to support them is that Congress just spent tens of billions of dollars on broadband deployment in the bipartisan infrastructure law and other COVID era legislation. The only way you hold the folks who took that money accountable for where they spent it is you put it on this map.

And when you put it on that map, it is not just you and me who looks at it; it is your constituents. They are going to look and see what was spent in their own backyard. And I think that is a tremendous tool and we would make a mistake if we don't continue it.

Mr. WOMACK. Thank you.

If it would please the chairman, I have got one more quick question I would like to ask, and then, I have got to excuse myself to another event. My family has been in the broadcast business for a long time; my dad, 70 years. He would absolutely hunt me down if I didn't ask this question.

We are losing our local press; newspapers, now radio and some television. And those were the mechanisms that connected people forever. What are you doing at the FCC to help us protect—maybe not necessarily the right word—but to enhance the ability for these local markets to continue to have this local representation in radio and television?

And then I will yield back.

Ms. ROSENWORCEL. Yes, that is a terrific question. Local journalism and local news matters. It is how we get the information we need to make decisions about our lives, our community, and our country. And we cannot afford to lose local journalism.

It is a challenge right now when there are many more places to get facts than just the newspaper on your doorstep and the television, you know, evening news at night. So, we are trying to look at how broadcasters can evolve their signals to ATSC 3.0, the next-generation standard, which might create new opportunities for them.

I have also proposed a scheme whereby broadcasters that invest in their local communities get a speedier reauthorization of their licenses.

But I will be candid with you; we are open to other ideas because what you are talking about is very important and we can't afford to lose that source of local news.

Mr. WOMACK. Well, thank you. Thank you so much.

Just as a postscript, one of America's most successful small-market radio properties, KWIX and KRES, in Moberly, Missouri, where I grew up, recently, within the last two weeks, management came in and fired all the programming staff, all of the news staff. They are going to total syndication and music. And that will create a void in that community unlike it has seen in a company that has been representative there for all of these many decades. And I think it is a serious issue that we need to have as Members of Congress.

And I yield to the gentleman for his comment.

Mr. CARR. Yes. Thank you.

Congressman, you are right. You know, if you look back, in the late 1990s into the 2000s, we saw thousands of local newspapers shutter across the country. And there's a lot of reasons for that. But the FCC didn't help. We had rules at the time that prohibited investment in local newspapers.

Flash forward to today; that is potentially the future for broadcasters, if we don't start to right-size our regulations. We can't sit back and just observe the decline in local journalism that is coming from the lack of investment, potentially, in broadcasters.

There's a saying in D.C. that "democracy dies in darkness." Now, maybe it will be that the FCC is the one turning out the light. If we don't fundamentally reform our approach to radio and TV broadcasters, their future could be the one of local radio.

There's a lot of reasons why I don't think it will be. It is incredibly valued and valuable. There is nothing that beats live and local. But we have to give broadcasters the chance to innovate and to compete. And right now, they are competing against large technology companies that do not have anywhere near the regulations that broadcasters are facing. So, if we care about journalism, we need to care about a regulatory environment that will allow investment to succeed again in broadcasting.

Mr. WOMACK. Thank you very much.

I will yield back.

Mr. JOYCE. Yes, thank you, Mr. Womack.

We now recognize Mr. Cartwright.

Mr. CARTWRIGHT. Thank you, Mr. Chairman.

And no apology necessary, Mr. Womack. You made a lot of comments I agree with.

Certainly, in northeastern Pennsylvania, we have seen a consolidation of local news that has been horrific. And it will hollow out the ability to communicate locally. I couldn't agree with you more.

And thank you to both of our witnesses for being here. Thank you for disagreeing with each other and saving us the trouble up here. [Laughter.]

Mr. CARTWRIGHT. Chair Rosenworcel, I want to pick up on your theme of the Affordable Connectivity Program. The FCC's budget in the President's budget request states that that agency's No. 1 strategic goal is to pursue a 100 percent broadband policy. I couldn't agree more, and I will tell you why.

It may be one of those programs that takes a long time, but I have always likened it to the Rural Electrification Program; that, if we didn't do that in the 1930s, there would still be places in the United States left behind—left, basically, in the Middle Ages.

And this is one of the things that I think we can all agree that government does well, and it certainly did with electrification. And I don't see much of a difference at all with 100 percent broadband.

And one thing to always remember is that we are talking about rural places. Folks, I'm a Democrat. They aren't Democrats in these rural places. I'm helping people that vote against me, and that's okay because this is an American effort. So, I wanted to make that point.

Chair Rosenworcel, you have already mentioned the Affordable Connectivity Program, which provides affordable high-speed inter-

net options for low-income households across the country. There are over 48,000 households in my district in northeastern Pennsylvania alone enrolled in that program.

And I get calls, too, as I think Chair Womack mentioned. I get calls about people worried that they are going to lose this service. Thousands of messages we have had over the past few months from constituents who are nervous about their ability to afford adequate internet service without the ACP.

Some of these constituents are working families with children who rely on the internet fully to participate in their education. Others are seniors on fixed incomes who need the internet for telehealth services—and we will talk about that a little bit later—or to simply communicate with their families.

So, I want to emphasize how important it is that we find a way to extend this program to ensure that predictable and consistent funding remains available in the future.

And let's all remember this: I'm a firm believer—I'm an engineer's son. And my dad passed away many years ago, but I think of him every day, and a Republican his whole life. But he had a firm belief, and passed it on to my brothers and me, that answers can come through engineering and through scientific and technological breakthroughs—the answers that will make these things like 100 percent connectivity feasible and cheap. They are out there. Just stand by.

This is why we have to promote STEM education in the next generation. They are the ones coming up with the answers.

But in your testimony, Chairwoman, you said that previously appropriated funding for the National Broadband Map has been exhausted. How important is it for Congress to provide the necessary funding to the FCC for the continued management and development of the National Broadband Map?

Ms. ROSENWORCEL. Thank you, Congressman.

The National Broadband Map is an absolutely essential tool if you live in urban America, rural America, or anywhere in between. Because, for the first time in our Nation's history, we took more than 200 different databases—property records, tax records, satellite images from flyovers—and identified every buildable location in the United States. And then, every six months, we have carriers fill in and tell us where they provide service, and then, we offer the public and state and local actors the opportunity to challenge that service.

So, through a mix of data collection and crowdsourced information, we are getting granular information about where service is and is not. And that is important for everyone in Congress because, when you spend money to send it to someplace, you have got to make sure that there is follow-through. This map is your tool for accountability.

Mr. CARTWRIGHT. Thank you for that. More later.

I yield back, Mr. Chair.

Mr. JOYCE. Thank you, Mr. Cartwright. I'm sure we can't wait. Mr. Carl.

Mr. CARL. Thank you, sir. Thank you, Mr. Chairman.

Chairwoman—

Ms. ROSENWORCEL. Yes?

Mr. CARL. So, you have less people than 20 years ago and a small budget.

Ms. ROSENWORCEL. Yes.

Mr. CARL. You qualify as a Republican. Would you like us to print you a ticket? That's the kind of people we need. That's what we are focused on—you know, "smaller budgets, less people" government, and then——

Ms. ROSENWORCEL. No, listen, I think doing things efficiently should be an active bipartisan consensus.

Mr. CARL. Well, and I agree with you. I appreciate it. I appreciate you listening to my humor. [Laughter.]

Mr. CARL. So, you know, I live in Mobile, Alabama, about 330,000 people, and it is not a real rural county. I live outside the city limits and I do not have broadband. I cannot get broadband.

The telephone that I used to have, the telephone lines have quit carrying it out that way. Thank God for Elon Musk. Because of him, I'm able to actually protect my family with a security system that I paid for and I'm actually able to check my emails. So, I'm very proud of the private sector and people like Elon Musk.

You know, we focus on Elon Musk, but this country is full of people like this. This country was built by people like that. They are dreamers; they don't understand limits. Government, we are limited; we have limits to everything. That is all we are about, is limiting people to do what we think what is best.

But I think what we are spending now on the broadband, which we have to—you are not going to hear me talk negative about it. I think in 20 years it is going to be totally outdated. All these lines, all these things we are focused on, I think the wireless is the direction we should go and we should be spending more money in that direction, and getting people to the table like Musk to tell us what his dreams are and what his visions are, and people like him.

But we have to work with what we have to work with. We have got a governor in the State of Alabama; she has done an incredible job of getting money out and getting internet to small, rural areas.

I have the main trunk line that ties Alabama to Mississippi that runs across my front yard, but they won't drop it for my house. Now, I'm not blaming them, and I'm assuming there's a regulation there because they are regulated as a business; I don't know. If that is their business model, God bless them; I don't want to enforce anything else on them. But it is frustrating to me, when I have to stay up here for a week, knowing that my wife is back there by herself.

But, with that said, anyway, thank you.

A question to you, Mr. Carr. Isn't it nice to have a simple last name? [Laughter.]

Mr. CARR. Yes, sir.

Mr. CARL. Do you know how bad this gets butchered? Everybody keeps waiting for me to give them my last name. So, I know you probably share the pain, too.

Last month, the FCC considered a proposed rule to require the implementation for wireless calls to the 988 Suicide & Crisis Lifeline to ensure that calls are routed based on the geographic location of the origin of the calls rather than Area Code and exchange associated with the wireless phone.

When should we expect the FCC to take the next step there? And when should we expect that to be put in action?

Mr. CARR. Yes, thank you for the question. I defer to the Chair on timing. She brings orders to a vote.

But I will say that this initiative that she has pushed forward is a really good one. This idea that we can move calls to 988 to the local community makes a lot of sense. I've heard about this in Sioux Falls, South Dakota, about the importance of making sure the call from South Dakota goes to someone that lives there, as opposed to the East Coast.

So, I defer to the Chair on timing, but this is one that I fully support.

Ms. ROSENWORCEL. Yes, listen, getting the National Suicide & Crisis Hotline more localized is a bipartisan initiative. When someone dials those three digits because they are in crisis, we want to make sure they get local help.

Right now, it is based on your Area Code. But, you know, if you are from Mobile, Alabama, and you move to Los Angeles, and you dial 988, you are still going to be connected back to someone in Mobile, Alabama, but maybe you need resources in California.

We can fix this with our geolocation proposal, which I hope to have done this year, but we are going to need our colleagues at the Department of Homeland Security, and specifically, the Substance Abuse and Mental Health Services Administration, to work with us to really get it done.

Mr. CARL. Please do. I mean, we are losing 17 veterans a day to suicide. I mean, it is rampant and there's no reason for that. And this could play a very vital role in helping with that.

Ms. ROSENWORCEL. Yes. And, listen, if we have problems, we will come to you and ask for your help and support.

Mr. CARL. Thank you.

Mr. Chairman, I would yield back.

Mr. JOYCE. Thank you, Mr. Carl.

The chair will recognize Mr. Pocan.

Mr. POCAN. Thank you, Mr. Chairman.

And thank you both for being here.

Chairperson Rosenworcel, so let me also talk about the American—or I'm sorry—the Affordable Connectivity Program, because we get it a lot from constituents. Town halls, I just did a bunch of them and it comes up, I think, virtually every town hall, people talking about it.

And it really does matter what the cost. I live in a rural town of—I think we are 870 right now; we are getting up there—and we first got about five years ago broadband. Prior to that, I paid for a Verizon home fusion product to satellite. I got “a deal,” the half-price deal of \$300 a month for 80 measured gigs of broadband. I would call my husband the last month, the last week of a month, telling him to quit watching Netflix, because every hour of Netflix was about 2.5.

Anyway, long story short, we benefit from this in Wisconsin, 400,000 households, but one out of every six have benefitted from this program. And it does come up a lot.

And \$30 is a lot of money. I mean, you think about it; the Supplemental Nutrition Assistance Program is barely over that for a

week's worth of groceries to help keep kids out of poverty. So, 30 bucks does matter. And in a rural area, I pay twice as much for the broadband in Wisconsin in a rural area than I do here in D.C. at the place I live in.

So, having said all that, this is, like, a really, really valuable program. A majority of my colleagues have signed onto legislation to renew it, and yet, we can't get a vote. Part of that is our problem. We have got lots of them these days.

But what are you looking at if this doesn't happen? What can you do to try to help look at replacing something that would help my constituents?

Ms. ROSENWORCEL. All right. Well, I appreciate your support for this program. And, in fact, it's one in six households, not just in your district and in Wisconsin, nationwide that rely on ACP. It is an important program for blue America and red America. Everyone relies on it.

And if it goes away, we do have real limits. We have a Universal Service Fund with a program that supports households at about \$9 a month, but it is a much more limited subset of households that can be supported with this program, because there are different qualifications under the law. And it is a much more limited set of carriers that are allowed to provide this service.

It feels to me we have come so far. And, you know, all of us saw kids sitting outside of fast-food restaurants and in library parking lots to go to class during the worst days of COVID. We don't have to go back to that. This is a program that helps prevent that. It feels to me like we would make a mistake if we stopped now. We have just come too far.

Mr. POCAN. Well, again, whatever we can try to do—we have a majority who have signed onto a bill. It would be great to be able to move that forward.

Let me just ask you real quick about in the news, robocall gains “Royal Tiger” AI.

Ms. ROSENWORCEL. Yes.

Mr. POCAN. All right. I'm not going to be one of the members that shows my stupidity on technology in hearings. But tell us just a little bit about it, because it is something your agency is working on.

Ms. ROSENWORCEL. Listen, we are going to do everything we can to stop robocalls. I will be candid with you, though; our primary authority is from 1991. We need an update.

But, that being said, one of the things I focused on is building partnerships. We are going to learn more from people about what is happening in their backyard than we are here in Washington. We have got 49 state attorneys general working with us on robocall matters.

But, then, I started looking abroad. I have got Canada, Australia, the U.K., other countries, that are similarly finding that their phones are under assault from these scam calls.

So, what we decided to do was, when we identified a repeat violator, we were going to name and shame them, and share them with our state counterparts and our international counterparts. That is what that Royal Tiger initiative is about.

Mr. POCAN. I see.

Ms. ROSENWORCEL. It is a company that operates out of India, the United States, the United Arab Emirates, and the U.K. And I think this is not just a problem we are facing domestically, it is global, and we are going to be the first to start outing who is really behind some of these junk calls.

Mr. POCAN. Great. Thank you for those efforts. I mean, we do get a lot of requests on that.

Finally, this is something I get asked fairly regularly and I don't have a good answer. When we got rid of the fairness doctrine, a lot of people feel like that has been detrimental to our news media as well. Can you just talk about that? And is there any chance that you would ever consider bringing something back?

Ms. ROSENWORCEL. Well, the fairness doctrine was a policy from the 1940s. I mean, I wasn't around.

Mr. POCAN. Yes.

Ms. ROSENWORCEL. But, as best I understand it, you know, that was when we had a very limited news medium. There was the newspaper and there were a handful of broadcast and radio and television stations using public airwaves.

Since that time, we have public airwaves; we have cable channels; we have internet facilities. And the one thing that I would say is that having the FCC make decisions about what is correct and not correct; what's right; what's fair; what's equal and not, is an ominous role for government in this media environment.

I wish I could make it simpler, but if you trust me to go ahead and take that role, you need to trust my successor, too. And I would say that I think the best way that we can serve the public is to make sure that we hold accountable, as public citizens, all those folks who are putting the facts and information out there, so that we can all ferret out and find the truth.

Mr. POCAN. Great. Thank you.

I yield back, Mr. Chairman.

Mr. JOYCE. Thank you, Mr. Pocan.

The chair will now recognize Mr. Amodei for any questions he may have.

Mr. AMODEI. Thank you, Mr. Chairman. Thank you folks for being here today. When we talk about communications in general, the bold new world is—well, for instance, your Rip and Replace Program is, hey, we got things—we got additional things to consider other than the traditional FCC stuff.

Can you give me an idea, because I'm afraid—there are no aspersions in this. I'm afraid, okay, we'll get done with Rip and Replace when we get that funded so you can finish that. And then we get done with that, there's things like satellites, vulnerability, all that other sort of stuff.

And my concern is as I sit through—and it's not just you guys but other hearings. And then you talk with CISA and those folks and you're, like, are you guys coordinating with CISA or are you on your own mission on the security of communications, broadband, whatever that stuff is? And granted, it's not that you should be there yet. But part of the going forward is that's got to be a part of everything.

And so my concern is I think there's a lot of federal assets that are kind of in this space. But I feel like there's a bunch of silos.

But give me an idea of what you're doing so that when God forbid something happens to one of the big satellites that does whatever or small satellites or you're done with Rip and Replace and people are hacking into whatever the heck. Give me a feeling about cybersecurity and the FCC's mission.

Ms. ROSENWORCEL. Okay. Well, first of all, you're right to be concerned about all of those things. I share every concern you just described. We all should because communications is an input into every aspect of our economy.

It's essential for our national security. Absolutely. And so when I took over, I started up something that had been going for years and years called the Cyber Forum for Independent Regulators.

I got 39 different agencies, and I lead them to come together to see if we can harmonize our policies. We all have different statutory authorities. We all have silos. We all have different goals.

But we are trying to come up with common language and to make sure that we are all working together. I also have been working with CISA on our Communications Security, Reliability, and Interoperability Council for the first time. I brought them right in to work with us.

And when we started to identify problems with border gateway protocol on internet services, that was done in conjunction with the Department of Homeland Security. So behind the scenes, we have more cooperative relations on these issues than ever before. But that's ultimately because the problem is bigger than ever before.

And frankly, we've worked a lot in a very bipartisan way on communications security issues. I think Commissioner Carr would agree with that. We have identified how to take away the authorization of certain Chinese companies.

We have set up a new equipment certification system. As you mentioned, we have Rip and Replace. We're working with national security authorities to develop a covered list of insecure equipment. And just this month, we have—at the request of Commissioner Carr, we're now working on a policy to revisit the laboratories and certification bodies we use for radio frequency equipment and to make sure that those two are secure.

Along the way, we've also set up a new policy on the internet of things, working on cybersecurity principles that come from the National Institute of Standards and Technology. So there is more cooperative work going on with this than ever before. But you should continue to demand it because these problems are bigger than before.

Mr. AMODEI. Do you have anything to add, Commissioner?

Mr. CARR. Thanks, Congressman, for the question. I would agree. I think, look, as a government, as a country, we had to play catch up starting the last couple of years, particularly when it comes to the threat posed by the Communist Party of China.

We've taken action at the FCC at the device layer, looking at Huawei and CTE. We've taken action at the carrier level, China Mobile and China Telecom. As a country, we've now taken action or in the process of it at the application level, including with TikTok.

And so I think you're right. This is no silver bullet that's out there. But we are right now putting processes in place that are

going to be more accurate for identifying these threats earlier than what we've been looking at the last couple of years. And so I think that in the future, we're going to be much more secure and prepared than the last couple of years.

Mr. AMODEI. And we're holding hands with CISA on that?

Ms. ROSENWORCEL. Absolutely.

Mr. AMODEI. I yield back.

Mr. JOYCE. Thank you very much. The chair would now recognize Mr. Bishop.

Mr. BISHOP. Thank you very much, Mr. Chairman. Let me thank the witnesses for your testimony this morning. Chair Rosenworcel, I serve a rural district that has a large number of households that are unserved or underserved by broadband and which will be eligible for the BEAD program funding. I appreciate the FCC's action in December to provide much needed clarity around pole attachments and strengthening the process for accelerated resolution of the disputes.

As you know, BEAD will not be successful unless we get timely access to attaching new wires onto the existing poles in rural and unserved areas. I continue to hear the concerns about access to the poles and the potential to be a barrier to connecting unserved Americans. Now that the record is closed on the FCC's further notice from December, can you commit to acting as quickly as possible and put pole attachment access complaints on the commission's accelerated docket for fast resolution?

Ms. ROSENWORCEL. Well, first of all, there's a lot of rhetoric around broadband, and not many people talk about poles. But it's really important. That's the infrastructure on the ground that actually allows for real deployment.

One thing I want to make sure you're aware of is about half of the states regulate poles on their own. The FCC only oversees states that do not choose to regulate poles. Off the top of my head, I don't remember what's going on in Georgia.

I'd be happy to follow up with you on that point. But it is clear to me that we have to streamline these processes and move faster because we don't want access to poles to be an impediment to broadband. We're looking at the record from the rulemaking you described just a moment ago. And once we do a full review, I'd be happy to update you about what our next steps are.

Mr. BISHOP. Thank you. In my district, the Second Congressional District of Georgia, the savings that have been provided by the Affordable Connectivity Program is phenomenal when combined with the bipartisan infrastructure law. It's had a really significant impact.

As of January, 97,000 households have reduced their broadband costs, saving 51, almost 52 million dollars annually. And there's an additional 29,000 households that are eligible that have not taken advantage of it. So it's a great program.

We've got to continue it. And I'm hoping that this committee and Congress will take the necessary steps to continue it. I certainly appreciate the way that you are going about implementing it. I look forward to getting it done. I yield back.

Mr. JOYCE. Thank you, Mr. Bishop. We now recognize Mrs. Torres for any questions she may have.

Mrs. TORRES. Thank you, Chairman and congratulations on all the hearings that you've been able to accomplish this week. Thank you, Chairwoman, for being here, really to both of you for being here. I want to extend my gratitude for the rulemaking to require carriers to route calls to the 988 suicide and behavioral health crisis line to the call center closest to where they are versus utilizing the area code.

I can't imagine if I needed to call 988 and I'm in Washington, D.C. and they sent me to the Inland Empire. Nobody could help you there. As you know, location information is so critically important.

And the carriers must be expected to do better, not just for 988 but also for 911, specifically from cell phones and cell phones that have—when people pay by the minute and they run out of minutes. That continues to be an issue. This was an issue when I took my last 911 call in November of 2008 and continues to be an issue today with some carriers.

So there's a lot of work that still needs to be done there to require them. The 911 system, as you know, has greatly evolved from telephone operators that worked at a switch and transferred calls from one switch to another one. There are about 240 million 911 calls that are made annually. And I remain very concerned about the fact that the 911 call centers have not received the needed technology updates and can become a national security risk, leaving Americans left without the opportunity to be able to dial a three digit number during a very, very vulnerable time in their lives.

And across the country, 911 centers are facing outages, delayed response times, and cybersecurity risks. Recently in my home state, a 911 call center that had not yet transitioned to Next Gen 911 technology was hacked, putting at risk the lives of many Americans. Can you share with us the impact of upgrading our nation's 911 system?

Ms. ROSENWORCEL. Absolutely. I know you know these issues extraordinarily well and appreciate your leadership on them. As the saying goes, you might only call 911 once but it will be the most important call you ever make.

You need that call to go through and you want the people on the other end of the line to know where you are when you are asking for help. So upgrading these systems is complex. We have about 6,000 public safety answering points all across the country.

They are funded, generally, locally, and they were built for the era of an analog telephone when there was a jack in the wall and a curly cord attached to the phone. But as you mentioned, most of those calls today come from wireless phones. So we've got to figure out how those calls come in, make sure they consistently identify where the people are, and that also the 911 centers themselves don't have outages.

We have updated our policies for location-based routing to improve the location of where the individual is using a wireless phone calling 911. And we have also increased the obligations of carriers to report on local outages to their local 911 call centers. There's still more work we can do as we move to Next Generation 911.

And that also includes something I know you care about deeply which is making sure that our nation's 911 operators get an upgrade from the Office of Management and Budget so they are classified as public safety professionals. They deserve that classification. And I think that's an important thing to continue to push for.

Mrs. TORRES. Thank you for that feedback. And thank you, Chairwoman, and also Mr. Carr for your support for the 911 SAVES Act. I know that both of you have expressed your support to move this issue forward.

For my colleagues, until 911 dispatchers are classified as properly as first responders, we are never going to be able to provide them with the grant opportunities that they need in order recruit, train, and improve their systems. The 911 SAVES Act is a bipartisan bicameral bill that has very, very strong support from both sides of the aisle. And I can't wait to have a hearing on this issue.

And Chairman, on the issue of why it's so important to ensure that the 911 call location is delivered, I'm going to take just a couple of seconds to share with you a call that we took at our 911 center. I did not personally take this call, but it was from a child. We teach our children to dial 911.

This child was being abused. The 911 dispatcher could hear the child being screamed at, being called its name, being slapped, kicked, all of that. And all we could do was listen to his cries for help. We think it was a he. We don't know. There was nothing we could do because the location had not been transferred from where he was at because the telephone number—the cell phone that he was using had ran out of minutes.

So the only thing that we could do is listen and be the witness to this horrific crime that was happening to this child. That's why we cannot take any excuses from the telephone companies to improve their systems and to ensure that they are delivering that location information to the 911 centers. And again, I just want to thank you both, and I yield back.

Mr. JOYCE. Thank you, Mrs. Torres. Chair will now recognize Mrs. Hinson for her questions.

Mrs. HINSON. Thanks for your patience. I had a double booked hearing morning. So I appreciate—thank you for both coming to testify before our committee about your budget request for this fiscal year.

American communications networks, of course, play such a critical role in our economy. So preserving the integrity of those networks should be an absolute top priority. We know our foreign adversaries, Russia, China, I just came from a China Select Committee hearing. So that's where I was.

They continue to undermine the security of our networks through compromised equipment, threatening reliability, of course, and then putting Americans' personal data and safety at risk. Earlier this year, the House Select Committee on the CCP sent a letter to the FCC raising concerns that American device manufacturers may be utilizing Russian and Chinese GPS signals in violation of FCC rules. And your office did recently reply saying you had open investigation into this matter. So Madam Chair, what is the national security risk posed by American device manufacturers utilizing GPS signals from Russia and the PRC?

Ms. ROSENWORCEL. Thank you. Listen, GPS signals are absolutely important to modern life. It's precision information about timing and location that we count on in almost every aspect of our economy.

The first thing I think that is important is that the United States and its Space Force continue to put the L5 new versions of our GPS satellites in our skies. The more GPS systems that are safe and secure that our devices connect with, the more accurate that information. We have during the last administration at the FCC approved the use of European Galileo GPS systems.

So that is something that has been approved. At the same time we've had individuals as that letter suggested telling us that some of our devices may be collecting information from Russian satellite systems. We have started an investigation to understand the mechanics of that and how it works.

Needless to say, there are opportunities for surveillance and opportunities for malicious activity associated with that. So we take this seriously. But that's part of the reason why we have an investigation. And we're going to get to the bottom of what's happening.

Mrs. HINSON. Well, that's promising to hear because it is my understanding that when you talk about the information flows, the Chinese GPS system allows that data to flow back and forth with Chinese satellites. So hearing that you're opening an investigation here is very promising. And I think that's a good follow up to the work that Congress has done by passing the Secure and Trusted Communications Networks Act to support the removal of compromised equipment.

Like that, that has been manufactured by Huawei and CTE through Rip and Replace. And I appreciate your continued efforts at the FCC to ensure that compromised equipment is removed from our networks. You're required obviously to publish a covered list of technologies that pose an unacceptable risk to national security. So can you answer a little bit about how the commission is working with other federal agencies to determine national security threats when adding technology such as white labeled equipment to the FCC covered list?

Ms. ROSENWORCEL. Yes, in this regard, we're governed by the law. The Secure and Trusted Communications Networks Act, actually itemizes out the national security authorities who have the ability to add to the covered list. The Office of the Director of National Intelligence, the Federal Bureau of Investigation, has specific authority granted under the executive order to the Department of Commerce, the Department of Justice. It's very specific about who can do that. The FCC cannot do it on its own. So one of the practices that I've established is that if any member of Congress or anyone comes to us with a credible concern about a certain piece of equipment or a certain vendor, we write a letter to all of those agencies to let them know immediately.

Mrs. HINSON. That that concern exists and that there's somebody who's interested in—

Ms. ROSENWORCEL. Absolutely. And I think that's been a productive way to ensure we start a conversation and are very public and transparent about what might be of concern. That being said, I'd like it if this process moved faster. And I'm regularly telling our

national security authorities that they can speed up the review of any requests we make.

Mrs. HINSON. Are you getting what you would consider adequate response from those agencies?

Ms. ROSENWORCEL. Yes. I think, as a professional, as a citizen, I appreciate the care with which they assess these things.

Mrs. HINSON. Okay. Well, certainly let us know if you're not. Or, as you mentioned, that process needs to probably move faster for national security reasons. So just keep us in the loop if there's any pressure that needs applied. We'd be happy to follow through. Thank you very much. I yield back, Mr. Chair.

Mr. JOYCE. Thank you, Mrs. Hinson. It comes to my attention that some may want a second question. I'll pass, but I would yield my time to Mr. Amodei for any questions he might have.

Mr. AMODEI. Thank you. Just a brief follow-up. If somebody, as part of an attack, wanted to shut down 911 in an area that they were having that, tell me about our 911 technology right now to where is it vulnerable to where it's, like, hey, one of the things we're going to do to debilitate an area is we're going to mess with the water, we're going to mess with the power.

It's, like, oh, and by the way, we're going to demob 911, if you will. And I don't know that to be the fact. But 911 is kind of your guys' bailiwick. How resilient are we with 911 if somebody is trying purposefully to flip the switch?

Ms. ROSENWORCEL. It's essential for all of us to understand that everything is vulnerable. Everything has vulnerabilities.

Mr. AMODEI. No, no, no. I understand it's vulnerable. What I want to know is what's the plan to make it less vulnerable.

Ms. ROSENWORCEL. Sure. So the challenge especially with 911 is that it has been a locally funded exercise. So we have some states that have invested a lot in it, some states that have invested less in it. Some states that have many public safety answering points, some states that have very few of them.

But in nearly all states, what we have is a real effort to make sure that there's 911 redundancy. So if a line goes down, there's an alternative route for that traffic or an alternative public safety answering point that can take those calls. The best evidence we see of that is in weather events like hurricanes and disasters where you learn about a 911 call center that goes down. But then you learn how the 911 call center in the adjacent county has taken on that traffic. And that is regular practice in most communities around the country.

Mr. AMODEI. And to your knowledge, is CISA involved in any of this redundancy? I get hurricanes and that. But we're talking about bad actors—

Ms. ROSENWORCEL. We're talking about malicious actors that would purposefully—

Mr. AMODEI. Purposefully trying to throw a dart.

Ms. ROSENWORCEL. CISA is advisory, and we certainly work with them on our Communication Security, Reliability, Interoperability Council which has a 911 working group.

Mr. AMODEI. In the next few days, let us know how to get a hold of the 911 working group so we can ask them?

Ms. ROSENWORCEL. Yes, certainly. We also I should point out that we updated all of our policies to make sure that there were outage obligations on the carriers to make sure that 911 call centers are among the very first who are notified about any outages in their systems.

Mr. AMODEI. And, Madam Chairwoman, I respect that. I'm talking about purposeful bad actor stuff as part of pulling down important infrastructure that may want to—and it's, like, has anybody assessed it? Or is it just an area that needs work?

Ms. ROSENWORCEL. Absolutely. I do think it's an area that needs work in part because there's not been a national program for 911. Instead, there's been a state and locally funded one. And so we have some inconsistencies around the country. We should be addressing them.

Mr. AMODEI. Thank you. I yield back.

Mr. JOYCE. Thank you, Mr. Amodei. Chair will now recognize Mr. Hoyer.

Mr. HOYER. Let me yield to Mr. Cartwright first and then I'll go last.

Mr. JOYCE. Fine by me. With a yield from Mr. Hoyer, we'll now recognize Mr. Cartwright.

Ms. CARTWRIGHT. Thank you, Mr. Hoyer. Thank you, Mr. Joyce. And again, thank you to our panel. We were talking about rural areas before, and I have an abiding interest in that because three of my five counties in my congressional district are quite rural, Pike, Wayne, and Monroe Counties in northeastern Pennsylvania.

And it's about healthcare I want to ask now because it's critical, healthcare needs. Those areas, as is true for many other rural areas in this country, they can be healthcare deserts, right? And that's when somebody like telehealth becomes more and more important.

I know that the patients in Pike County, Pennsylvania would benefit greatly from telehealth. But telehealth as we all know relies on broadband, reliable broadband service. I know you're well aware of this.

For years, the FCC's rural healthcare program has helped sustain telehealth and telemedicine services in some of the hardest to reach places of this country. The FCC has continued to anticipate critical problems faced every day by Americans. And I want to commend you on your excellent efforts in that area.

The rural healthcare program makes telehealth more accessible to rural communities by offering discounted broadband rates to rural healthcare providers. Once connected, rural providers like those in my district can better treat patients who may lack access to in-person care. Chairwoman Rosenworcel, what are the biggest barriers that exist in adoption and implementation in telehealth and telemedicine in rural areas, and what steps is the FCC taking to incentivize healthcare providers to participate in their rural healthcare program?

Ms. ROSENWORCEL. All right. Telemedicine is pretty incredible. You can bring first class care to places that are really far flung in this country. And we saw early efforts to do that in the pandemic, and they've outlived the pandemic.

People are getting accustomed to the idea that they might be able to just have that follow-up appointment from the comfort of their own home. It makes them more likely to actually check in with their healthcare professionals. It's a good thing.

There are three big challenges when it comes to telemedicine. The first as you mentioned is broadband. We have to get it everywhere or it doesn't work.

The second, and we don't have authority over this, is making sure there's insurance reimbursement for this because if you don't reimburse the provider, they're less likely to offer the service. And the third problem, and again, this is not under our bailiwick, but it's making sure that doctors and healthcare professionals who are authorized by one state can provide service in another state. State by state authorization can sometimes make it challenging.

If you have a follow-up appointment while you're traveling, for instance, you might be violating laws you didn't even know existed. And with respect to being creative about this, let me just acknowledge Commissioner Carr here who championed a Connected Care pilot program for healthcare at the FCC to really start exploring the more creative ways we can use this technology.

Ms. CARTWRIGHT. And I'd like to hear from you too, Commissioner Carr, on that question.

Mr. CARR. Thank you so much. I mean, you're exactly right, that with technology today, people can get high quality, affordable care directly where they live, including in communities that have primary, let alone specialists that have gone out of business. I first learned about this in a small town, Ruleville, Mississippi where I met a woman, Ms. Annie, who got diagnosed with diabetes when she woke up one morning with blurred vision.

She wasn't seeing much progress using traditional care methods. But she was sent home with a Bluetooth enabled blood glucose monitor and an iPad. Every morning, she would prick her finger and the iPad would give her feedback about what to eat and how to exercise based on that specific data.

And she saw tremendous improvement. We took that idea and effectively made it nationwide through this Connected Care pilot program. And we stood it up exactly when COVID was hitting. And as the chair has said, she's continued to build on those efforts and added a lot of maternal care verticals into that program as well which have been really helpful.

Ms. CARTWRIGHT. Thank you. Mr. Chairman, I yield back.

Mr. JOYCE. Thank you, Mr. Cartwright. Chair would now recognize Mr. Carl for additional questions.

Mr. CARL. Thank you, sir. Fun fact, where was the first 911 call?

Ms. ROSENWORCEL. Haleyville, Alabama.

Mr. CARL. Thank you.

Ms. ROSENWORCEL. I visited for the 50th anniversary.

Mr. CARL. Did you see the phone in the window?

Ms. ROSENWORCEL. I did, that red phone there. I know. The town is so proud of it because—

Mr. CARL. That's where Aderholt is from, Congressman Aderholt.

Ms. ROSENWORCEL. Yeah, it's a wonderful thing. It's like a reminder that really big ideas in the United States—

Mr. CARL. Start in small places.

Ms. ROSENWORCEL [continuing]. They sometimes start in small places. Anyway, sorry. I got excited about it because it was exciting to visit.

Mr. HOYER. You got to vote for her budget just based upon her knowledge of that answer.

Mr. CARL. You won. All right. Let's look at rural broadband one more time. In the past year, we've adopted rules governing broadband labels, digital discrimination I think is the right word we're using there and data breaches. And you're considering more rules in these areas and other areas like outage reporting. Are you aware of how these new rules individually and also in combination will affect smaller providers?

Ms. ROSENWORCEL. Yes, we absolutely think about that all the time. And we have duties under the Paperwork Reduction Act to take that into consideration.

Mr. CARL. How will it affect small companies with 20, 30, even 50 employees? Will they be able to keep us with these new rules and regulations?

Ms. ROSENWORCEL. We often exempt the smallest companies from these rules and regulations or give them an extended period to comply.

Mr. CARL. Thank you. That's all I've got. Thank you very much. I yield my time.

Mr. JOYCE. Thank you, Mr. Carl. I'll recognize Mr. Hoyer.

Mr. HOYER. Thank you very much. I yielded because I want to say something about these hearings. But first of all, we have these voice cloning scams. You referred to them briefly.

Obviously, that falls to some degree in your jurisdiction and some degree in enforcement jurisdictions. What I wanted to know and if either one of you have observations or have experience. How is law enforcement enforcing these inters of effectively preventing people from doing this because they know they will be prosecuted?

Ms. ROSENWORCEL. All right. That's a great question. Voice cloning technology has become cheap, and that is a dangerous thing because people are going to use it more and more for different kinds of robocalls and different scams. As you probably know, in New Hampshire, we had someone using it with the President's voice in advance of an election.

But here's some good news. We worked with the carriers to identify exactly who was carrying that traffic and then who was responsible for that call. And because I'd set up a memorandum of understanding with the state attorney general of New Hampshire, within two weeks, we had identified where it was coming from and who to hold responsible.

And my colleagues along the way worked with me on a declaratory ruling to make sure that voice cloning was a violation of the Telephone Consumer Protection Act. So we put out a call loud and clear that if you use this technology and you use it in fraudulent and abusive ways, we're going to make sure that your state attorney general and the FCC comes after you and any carrier that carries this traffic. We're going to shut them off.

Mr. HOYER. Now you have the authority or working with the attorney general to shut them off. Were you able to prosecute the individual that—

Ms. ROSENWORCEL. Because we made the decision that this was a violation of the Telephone Consumer Protection Act, the Attorney General of New Hampshire can go after that individual now. It's why partnerships on these robocall scams are so important. The state attorneys general are generally better positioned to go after the scam, and we're better positioned to go after the carrier and shut down the traffic.

Working together, we can take on these things. But again, we're always open to new authorities to help us with robocalls and robotexts. It is a problem that just doesn't go away. And every time we develop a new solution, scam artists are creative and they find a new way forward.

Mr. HOYER. Thank you. Which goes back to my issue about your FTEs. As this new technology and new challenges arise and we've all talked about that in a very positive way. This has been a very positive hearing.

And the reason I want to speak again is first of all to join Ms. Torres in congratulating and thanking the chairman for setting a number of hearings up that I have found to be very, very illuminating and very helpful. And I thank you for that. Secondly, I thank every member of this committee has to be very impressed with the knowledge and clarity of answers that the two witnesses have given.

And this was one of the least contentious hearings in which I participated recently. And I think that's because of the collaborative nature of the two of you and the FCC which I know is always not there. We obviously differ, certainly not always here.

But a very, very impressive presentation by both of you. I think it ought to give us all a competence that the challenges that we face are being dealt with by very competent people concerned about the best interest of the American people and the security of our country. And Mr. Chairman, I thank you and I thank the witnesses. And this has been a good hearing.

Ms. ROSENWORCEL. Thank you for that. But I assure you we can work up some tension for you if you need it.

Mr. HOYER. I don't need any assurance of that. We deal with that on a regular basis as you may have noticed.

Mr. HOYER. As you may have noticed.

Ms. ROSENWORCEL. That you do.

Mr. JOYCE. Thank you, Mr. Hoyer. I second your remarks as to the knowledge that's been exhibited here on issues that are very important. And I also have to acknowledge my friend, Mr. Amodei. Did think his—didn't get an appreciation for how important his questions were. He's lamenting that.

Mr. HOYER. You're on his side. He needs your vote. I get it.

Mr. JOYCE. And with that, all good things must come to a close. And so for our meeting or our hearing today will be over. But there may be some members who like to submit questions.

I'd ask that you—any questions that's submitted for the record be done so within the next seven days. And you have 15 business days from your receipt then to get back to us with answers. I'd like to thank both of you today for being here today, the intelligent discourse that's taken place, and look forward to working with you in the '25 budget. With that, this hearing is concluded.

[Whereupon, at 11:28 a.m., the subcommittee was adjourned.]

QUESTIONS FOR THE RECORD

Subcommittee on Financial Services and General Government
U.S. House Committee on Appropriations

**Budget Hearing – Fiscal Year 2025 Request for the Federal Communications
Commission**
May 16, 2024

Witnesses:

The Honorable Jessica Rosenworcel, Chairwoman, FCC

Questions for the Record Submitted by Chairman David P. Joyce

Questions:

1. **Chairwoman Rosenworcel I'd like to ask you about reports that the FCC will pursue a rulemaking on bulk billing agreements. Can you shed any light on what is driving this and whether the FCC has undertaken any review of potential impact on populations served by this model to access broadband service, especially in student, low-income and senior housing?**

As you note, I have shared with my colleagues a draft Further Notice of Proposed Rulemaking that would seek public comment on improving competitive broadband access in multiple tenant environments. Many consumers have complained to the Commission about "bulk billing" arrangements, requiring them to pay for a specific broadband provider or service plan in the building where they live and making it challenging to set up arrangements with any other providers. These consumers are upset they do not have the benefit of competitive choice. They are concerned these policies do not comply with our rules prohibiting exclusive service in a building. That is why I have proposed that we begin a rulemaking to simply seek comment on how consumers might opt-out of these arrangements. The last time the Commission considered this issue was in 2010, when it found that that these arrangements can predominately offer benefits to consumers. I believe it is important to take that last record into account. However, a lot can change in 14 years, and as is true with many policies in the telecommunications sector, it is often in the public interest to reexamine past practices to ensure they have kept up with changes in technology and the marketplace. This is especially true when it comes to consumer protection and competition. This rulemaking would ask for input on these issues and collect comment from a wide range of stakeholders, including those in student, low-income, and senior housing.

2. **Reports indicate that the FCC has had to pull back on its initial proposal to ban bulk billing agreements, which were outlined via a White House Fact Sheet and in a subsequent press release from your office. Instead of a flat out ban on bulk billing agreements, it appears that the FCC will look to require consumer opt-outs of bulk billing by residents of these communities. Can you tell us if the FCC has studied whether consumer-opt out in bulk or managed Wi-Fi models is even technically possible or whether it would deter investment in the multi-tenant space by broadband providers?**

As noted above, the Commission has not evaluated the impact of bulk billing arrangements on consumer access to broadband in multiple tenant environments since 2010. To put this in context, in 2010 the agency considered broadband any internet service with speeds of 4 Megabits download and 1 Megabit upload. No one would call that broadband today. In the draft Further Notice of Proposed Rulemaking that I have shared with my colleagues, we would explore whether to allow customers to opt-out of these arrangements. This would allow for exactly what you suggest, the opportunity to seek public comment and study on the consequences of such an approach, including how it might improve competitive choice for consumers and how it might impact investment.

3. Will the FCC complete an economic study or analysis of the impact to consumers and/or to broadband deployment by this proposal to ban bulk billing?

The Commission will consider all arguments raised in the record, including any economic analysis or evidence presented. Our Office of Economics and Analytics will participate in this assessment and evaluate the economic impact of any proposals.

4. A ruling that prohibits bulk billing arrangements could potentially void tens-of-thousands of contracts between broadband providers and housing environments, disrupting service to customers, business plans, and future investments. Given that, would the Commission grandfather existing bulk billing arrangements or would a ban be retroactive?

These are precisely the kind of complex issues that would benefit from public comment in response to the draft Further Notice of Proposed Rulemaking because they would form a record that would help the Commission understand the impact of changing our policies on consumers, businesses, and investment.

5. In the past year, you've adopted rules governing broadband labels, digital discrimination, net neutrality, and data breaches, and you're considering more rules in these areas and in other areas like outage reporting. Have you assessed the extent to which all of these new rules individually and also in combination will affect smaller providers?

Many consumers complain to the Commission about their telecommunications service. They are people from across the country who are concerned about a lack of broadband competition, how their communities do not have upgraded networks, how they want providers to abide by policies of internet openness, and how they may be affected by the growing number of breaches that involve their personal information. The policies you mention respond to these concerns. It is important to understand, however, that under the Regulatory Flexibility Act, the Commission has a duty to evaluate and consider the possible impact of the policies and rules proposed or adopted by the agency on small entities. As a result, with each of these policies we have done so, just as the law requires. Moreover, in some cases we have adjusted our policies to accommodate smaller providers, for instance, by lengthening the period for complying with any new rules. Going forward, we will continue to comply with this law and evaluate and assess all comments that may describe the regulatory, economic, or legal impact on small entities.

6. Do you believe a small company with less than 50 employees can keep up with all of the rulemaking from the FCC without significant burdens?

In order to ensure that the interests of small companies are given fair consideration, Congress requires the Commission to comply with the Regulatory Flexibility Act. Consequently, for each applicable rulemaking the agency must prepare an Initial Regulatory Flexibility Analysis and as needed, a Final Regulatory Flexibility Analysis. These provide

an analysis of the proposed or final rules, summarizing the proposals and their objectives and specifically describing the impact on small providers. The Commission then seeks comment on the analyses, which it is required to consider in the record before making any final decision.

In addition to complying with the Regulatory Flexibility Act, the Commission has set up an Office of Communications Business Opportunities which supports opportunities for small communications businesses. To this end, the office produces a series of small entity compliance guides that are designed to help small businesses understand and comply with our rules.

7. Last year you stood up a task force to identify the hurdles television broadcasters are facing and to look for solutions, as they make the transition from HD to the NextGen television standard. Where does that process stand right now?

Last year the National Association of Broadcasters established an initiative to consider the Future of Television and invited the Commission to participate. This was a good way for the agency to engage in a far-ranging discussion about the state of broadcast television and the ongoing effort to evolve to a new technical standard, known as ATSC 3.0. As a result, agency staff have observed each of the meetings held by this group and have encouraged those participating to focus on the need to address compatibility of existing equipment with any new standard and ensuring that the transition has benefits, and not just costs, for viewers.

The participants in this discussion group have included broadcasters, multichannel video programming distributors, equipment manufacturers, and public interest groups. Meetings have been held nearly monthly since June of 2023. While some of these meetings include the full group, many involve smaller gatherings of specific work groups. Meeting agendas are typically prepared by the National Association of Broadcasters and feature technical presentations by some of the regular participants, along with guided and open discussion of agenda items.

There are three primary working groups that are a part of this initiative. Working Group 1 is designed to address the lack of backward compatibility of ATSC 3.0 equipment with ATSC 1.0 equipment, which is the current standard. In addition, it has been tasked with considering standards for equipment like converter boxes and assessing the cost of boxes that may be produced. Working Group 2 is designed to consider the factors and timing for a full transition to the ATSC 3.0 standard, including the possible termination of ATSC 1.0 simulcasting. Working Group 3 is designed to address issues that are expected to need resolution following the transition, including technical matters regarding multichannel video programming distributors, carriage of ATSC 3.0 signals, and public interest obligations.

At present, the National Association of Broadcasters is preparing a draft document describing discussions from the Future of Television initiative and offering consensus recommendations to the Commission. Several participants in the group are drafting portions of the document. However, the Commission is not one of them. Work on this is ongoing; there is not a specific date by which drafting is required to be complete or submission to the agency is expected.

In general, it is important to note that there are outstanding issues that still need to be resolved in order to ensure a successful transition that benefits viewers without imposing substantial costs on consumers. The most important of these is the lack of backwards compatibility of ATSC 3.0 with existing televisions and devices. That means a full transition to this new standard will render the televisions and equipment in most households obsolete. In other words, absent a solution for backwards compatibility, every household will need to either purchase new television sets to replace their existing ones or buy equipment like converter boxes that they will need to attach to the HDMI port on their current sets. While there are more television sets that are being sold with the new standard today, they remain costly. The market for converter equipment is limited and there are no low-cost solutions presently available.

Additionally, many consumers have recently filed complaints with the agency alleging that broadcaster experiments with encryption have caused some households that have purchased new sets and equipment to lose their new ATSC 3.0 signal altogether. Others have complained that these experiments have limited their ability to take advantage of services like time-shifting, place-shifting, and commercial skipping. These issues need clarification and resolution as this process moves forward.

We look forward to reviewing discussion of these matters and other open questions about the proposed transition in the document summarizing this initiative.

8. The Commission finalized the 2018 Quadrennial Media Ownership Review at the end of last year. The 2022 review is similarly overdue. What is the timeline for that review to be completed and, topline, what do you expect the review to focus on?

In a Public Notice issued on December 22, 2022 the Media Bureau at the Commission initiated the most recent quadrennial media ownership review, as required by Section 202 of the Telecommunications Act. The Public Notice asked for comment on the only three remaining ownership rules—the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule. In short, these rules prevent a single company from owning all radio stations and television stations in a market and prevent the merger of ABC, CBS, NBC, and Fox. The Public Notice specifically sought comment on whether these policies remain necessary and in the public interest as a result of competition. Consistent with past reviews, the Public Notice directed commenters to address public interest matters as well as barriers to minority and female ownership of broadcast stations and how they might be addressed by changes to the ownership rules. The record compiled in response to the Public Notice is under review. It is also important to recognize that many of these issues are the subject of ongoing litigation in the Eighth Circuit Court of Appeals, where the Commission’s last decision pursuant to Section 202, issued on December 26, 2023, is under review. I expect that the decision of the court will inform our next steps in the most recent media ownership review.

9. The \$42.45 billion BEAD fund at NTIA aims to promote broadband buildout in the communities that need it the most. We’ve seen in the past that some Federal broadband programs, occurring simultaneously but administered by different agencies, can lead to a situation where, as the two programs move forward at the same time, an area can lose out from both programs. How are you going to ensure

that your efforts with the 5G Fund do not conflict with the NTIA and state efforts with BEAD?

At the outset, it is important to recognize that under the law the 5G Fund at the Commission and the BEAD program at NTIA have different objectives. Specifically, the 5G Fund is for mobile wireless broadband deployment and the BEAD program is for fixed broadband deployment. As a result, there may be some areas that receive funding from both programs for fundamentally different kinds of deployment. Because mobile wireless and fixed broadband services are not interchangeable, this does not represent a conflict.

Nonetheless, the Commission takes seriously its obligation under the Broadband Interagency Coordination Act to share information regarding its plans for the 5G Fund, which has evolved to include consideration of the impact of the BEAD program. Through its active coordination with NTIA, as well as through the record developed for the 5G Fund, the Commission understands that theoretically some funds awarded by States through the BEAD Program may support projects that also include mobile services, and recognizes, again theoretically, that this could render 5G Fund support unnecessary in certain rural areas. However, there is currently no indication that BEAD program funds will be widely used for such purposes. For this reason, I believe the Commission should continue with the implementation of the 5G Fund as BEAD program funding is awarded. Moreover, delaying the 5G Fund any further would leave too many rural areas with little or no mobile wireless service today with no near-term solution, limiting their prospects for economic growth and development.

Out of an abundance of caution, however, the 5G Fund, as proposed, would attempt to prevent the duplication of BEAD funds awarded for the same type and speed of mobile broadband service in the same area. Specifically, if, prior to release of the final list of eligible service areas, the Commission is presented with evidence that demonstrates that a BEAD subgrantee has made an enforceable commitment to deploy 5G mobile service that meets the same performance standards established for the 5G Fund—that is, 5G-NR mobile broadband service at speed of at least 35 Megabits download and 3 Megabits upload in an in-vehicle environment in a given area—it will be ineligible for 5G Fund support and excluded from the 5G Fund Phase I auction. In addition, for BEAD funding grants for 5G mobile service that meet the same performance standards but were not awarded in advance of the auction, the Commission will consider whether any deduplication measures should be taken prior to the authorization of 5G Fund support to winning bidders.

10. **As I mentioned to you when we met ahead of the hearing, I have heard concerns from individuals and families in Ohio who live near the state's border and lack reliable wireless connectivity. I've experienced this lack of connectivity myself when traveling around my district. Given the billions of dollars that have been provided for broadband infrastructure and improvements, I am troubled by the lack of access in my district along state lines. What is the FCC doing to ensure that access is achievable in this situation without over burdening providers with regulatory hurdles?**

The Commission's 5G Fund is designed to address the lack of wireless service in rural areas that you describe. The fund will provide support to carriers to deploy advanced, 5G mobile broadband service where people live, work, and travel in communities that are presently unserved and underserved, including rural areas with roads near state borders.

What is new about the 5G Fund is that for the first time a universal service fund designed for wireless infrastructure has been developed based on extensive data that is collected twice a year pursuant to the Broadband DATA Act, in a process that supports our updated National Broadband Map. That means our policies are now premised on information about precisely where service is and is not, and wireless carriers nationwide now use the same propagation models to submit data to us about where they have deployed and what communities are served. As a result, the Commission is in a better position to more precisely target 5G Fund support to areas in need.

The National Broadband Map is designed in a manner that carriers, communities, and consumers can review the data and challenge it where they see that it is wrong. For instance, in cases where mobile providers overstate their coverage areas, challenges from individuals and local officials can help ensure that such areas have accurate data regarding the state of deployment that reflects what they know from lived experience. These challenges help us get things right on the National Broadband Map, which in turn helps us ensure that areas in need are not inadvertently excluded from support programs like the 5G Fund auction. To the extent areas near the Ohio-Pennsylvania border show coverage on the map, but that is at odds with the experience of those on the ground, we encourage the filing of challenges—and the sooner they are filed, the sooner we can resolve them and improve our data in advance of the 5G Fund auction.

We are mindful that the 5G Fund, as proposed, must balance the need to ensure that universal service funding is being used to promote the deployment of advanced 5G mobile broadband in rural areas with avoiding placing unnecessary burdens on support recipients that could deter them from participating in the program in the first place. For this reason, the 5G Fund, as proposed, uses methodologies to evaluate compliance that are aligned with those that providers are already using to submit data for the National Broadband Map. This approach is part of an effort to standardize the information collected for compliance reporting in a way that will ease the burden on support recipients while still permitting the agency to collect sufficient data to confirm that the commitments carriers have made pursuant to the 5G Fund have been met.

11. **GAO has published numerous studies and issued recommendations to emphasize the need for a national strategy for broadband. The studies emphasized the duplicative and overlapping nature of many of the government's broadband programs. Do you agree that a National Strategy is needed? If so, have you conveyed your opinion on the need for a national strategy to Administration officials in the White House?**

Congress has created more programs to support broadband than at any other point in our Nation's history. On the one hand, this demonstrates the depth of commitment we have made to

address the digital divide and ensure that everyone, everywhere has access to high-speed internet service. On the other hand, it requires unprecedented levels of coordination because not all of these new statutory authorities were necessarily designed to work together.

For this reason, a national strategy could be helpful. But I believe with so many programs already underway, we cannot afford to wait. We have to actively find ways to make all of these efforts work together. We need to do this now.

That is why I have worked to coordinate our efforts at the Commission with NTIA, the Department of Agriculture, and the Department of the Treasury. Together we represent the four agencies with the largest responsibilities for federal broadband deployment funding. To this end, I first secured a two-year Memorandum of Understanding with my counterparts at these agencies in 2022, where we memorialized our commitment to meet regularly, exchange data on deployment, coordinate if there are funding recipient defaults, and work to avoid duplication of funding. We recently renewed this Memorandum of Understanding for another four years.

One of the most effective tools we have to ensure coordination and avoid duplication of funds is the Commission's Broadband Funding Map. This is a map separate from our National Broadband Map. It is a visual summary of the places where federal funds have been spent for broadband programs. On a monthly basis, I have Commission staff request updated data on broadband deployment from six agencies—NTIA, the Department of Agriculture, the Department of the Treasury, the Department of Housing and Urban Development, the Institute of Museum and Library Services, and the Department of Health and Human Services. Any information we receive is typically reflected on the Broadband Funding Map within two weeks of submission. The map is also refreshed bi-annually in May and November to reflect changes to the broadband location fabric used for the National Broadband Map. Right now the Broadband Funding Map includes data for 12 different broadband deployment funding programs and 2,211 projects. Since we launched this effort agencies have been able to rely on this resource to help inform their funding decisions and avoid duplication of program efforts.

12. Have you taken any action in light of the GAO report to reduce duplication in broadband programs within the FCC?

The Commission has a statutory duty under the Communications Act to implement and evolve its universal service programs to support communications services in rural, insular, and high-cost locations across the country. Likewise, it is required under the law to implement and evolve its universal service programs that support broadband in schools and libraries across the country, that support broadband to rural healthcare providers, and that support low-income consumers. It is important to note that these last three programs are not mass-market broadband deployment programs and therefore do not generally duplicate the work the agency does to support broadband to households and businesses in rural, insular, and high-cost locations.

However, within the set of universal service programs that the agency has for rural, insular, and high-cost locations, the agency has taken a series of steps to avoid funding duplication. The Commission has 11 active high-cost programs that support broadband

deployment. Historically, the agency has focused each high-cost program on a specific type of carrier with different service areas, namely by organizing support for price cap carriers (larger) separately from rate-of-return carriers (smaller, independent) and structuring programs in a way to prevent overlapping support. Some of these programs, like the Connect America Fund Phase II Auction and the Rural Digital Opportunity Fund, awarded support based on a reverse auction. This approach ensures that only one entity was awarded funding to deploy broadband to specific census blocks, avoiding duplication.

In addition, as noted above, the agency has an important tool in the Broadband Funding Map. The data in this map is a compilation of broadband programs at the Commission and at other federal agencies. By updating it regularly, the agency has the ability to avoid duplication in its own programs as well as with its counterparts with other broadband funding systems.

Finally, on July 23, 2023, the Commission adopted a rulemaking seeking public comment on amending existing high-cost support programs in order to better align them with the current environment and avoid duplication of funding with other programs. Comments were due October 23, 2023, and reply comments were due November 21, 2023. The record we received will inform what steps we take going forward.

Questions for the Record Submitted by Congresswoman Ashley Hinson

Questions:

1. **With the Secure and Trusted Communications Networks Reimbursement Program, it is my understanding that impacted companies face compounding issues with the reimbursements process. The time it takes to process a reimbursement claim is causing even more strain on companies. Some companies have reported processing times of 60 days, which can have detrimental business impact as each company is often working through multiples claims. Not to mention the growing rural broadband and national security risk associated with the delay in completing the swaps.**
 - a. **Can you please provide an update on what the FCC is doing to improve the reimbursement process?**
 - b. **How is the FCC working with its selected partners to ensure the right steps are being taken to rectify the issues with the reimbursement process?**
 - c. **As the primary administrator of the program, what steps is the FCC taking to ensure action is being taken to provide a better reimbursement process?**

The Secure and Trusted Communications Networks Act directs the Commission to set up a system to reimburse eligible providers of advanced communications for the removal and replacement of insecure equipment in their networks. Eligible providers seeking to participate in the program were required to file applications for reimbursement with the Commission on July 15, 2022. These approved applications—126 in total—included a detailed plan for the complete removal, replacement, and disposal of Huawei and ZTE equipment and services; a timeline for completing this process; and an initial estimate of the costs associated with this effort. However, because demand for program funds exceeded the appropriation from Congress by \$3.08 billion, applicants were only eligible for prorated support of 39.5 percent of their costs.

This shortfall in funding from Congress caused some applicants to revise their initial plans along with their timelines for removal, replacement, and disposal. In some cases, applicants did so multiple times. Because we are required to be careful stewards of the reimbursement program, each of these modifications and changes to reimbursement requests requires review to ensure compliance with both the statutory requirements and Commission rules that all applicants must abide by to receive support. To prevent these problems going forward, I continue to urge Congress to address the need to fully fund this effort.

The Commission and its funding administrator, EY, also have taken several steps to address concerns regarding delay in the work and reimbursement associated with the removal, replacement, and disposal of Huawei and ZTE equipment. First, the Secure and Trusted Communications Networks Act gives the Commission the authority to grant individual extensions of up to six months to recipients that are unable to meet the removal, replacement, and disposal deadline “due to no fault of” the recipient. Recipients seeking extensions have cited the funding shortfall, supply chain issues, labor shortages, weather-related challenges, and extended review times for processing reimbursement requests as reasons for seeking a six-month

extension. To date, we have granted 91 extensions. We will consider other requests as needed. Second, to address concerns around longer timeframes for review, the Commission and EY have put in place system enhancements to speed up review where feasible. We have increased staffing at the funding administrator, allowed for consolidation of similar requests for information, established dedicated review teams for recipients, and changed the modification process to allow for continued review of unaffected reimbursement claim requests. We have already heard from applicants that these improvements are speeding up processing times, resulting in a 75 percent increase in claims reviewed since January of 2024.

2. **I understand you have proposed banning or regulating bulk contracts for broadband in multi-tenant properties. Our residents, particularly the elderly and lower income residents, are able to enjoy excellent broadband services at discounted rates as a result of bulk contracts.**
 - a. **Why does the Commission plan to ban or upset these arrangements?**

As you note, I have shared with my colleagues a draft Further Notice of Proposed Rulemaking that would seek public comment on improving competitive broadband access in multiple tenant environments. Many consumers have complained to the Commission about “bulk billing” arrangements, requiring them to pay for a specific broadband provider or service plan in the building where they live and making it challenging to set up arrangements with any other provider. These consumers are upset they do not have the benefit of competitive choice. They are concerned these policies do not comply with our rules prohibiting exclusive service in a building. That is why I have proposed that we begin a rulemaking to simply seek comment on how consumers might opt-out of these arrangements. The last time the Commission considered this issue was in 2010, when it found that that these arrangements can predominately offer benefits to consumers. I believe it is important to take that last record into account. However, a lot can change in 14 years, and as is true with many policies in the telecommunications sector, it is often in the public interest to reexamine past practices to ensure they have kept up with changes in technology and the marketplace. This is especially true when it comes to consumer protection and competition. This rulemaking would ask for input on these issues and collect comment from a wide range of stakeholders, including those in student, low-income, and senior housing.

Questions for the Record Submitted by Congressman Chuck Edwards

Questions:

1. **Chairwoman Rosenworcel, in February 2021, SpaceX – the satellite broadband company owned by Elon Musk – was awarded \$2,864,363.40 under the Rural Digital Opportunity Fund to serve 3,229 locations in Cherokee County, NC, or roughly 25% of the county’s total population. This kind of project would drastically improve the quality of life for the citizens in my district, especially since the community has faced significant connectivity challenges due to the mountainous terrain and rural location. But in August of 2022, over a year AFTER the initial awards were made, the FCC rescinded nearly \$1 billion in rural broadband subsidies provided to SpaceX because they “failed to meet the requirements governing funding under the Rural Digital Opportunity Fund program”. For over a year and a half, my community waited in excitement for internet while they sat ineligible to pursue other broadband opportunities, like BEAD funding, until the RDOF award was ripped away by the FCC. The FCC’s application review process currently takes place after awards are made. How much in grant funding, under any program, has the FCC had to rescind after the award was made due to an ineligible applicant or project?**
 - a. **Follow Up: I’d also like to know how many households were promised service that they will never receive due to the rescission of this grant funding?**
 - b. **Follow Up: What does the pre-award application review process look like? Why are we putting the cart before the horse and awarding federal dollars to projects that have not been adequately vetted yet?**

The Commission takes seriously its obligation to ensure the effective use of universal service funding dollars. It also takes seriously its obligation to ensure that universal service support only goes to entities that fully comply with the rules and the law.

From the start, the Rural Digital Opportunity Fund laid out very clearly a two-step application process. The first phase was used to determine which providers were qualified to participate in the auction and bid. The second phase was used to conduct a fuller legal, economic, and technical review of those bidders that had been successful in order to ensure full compliance with program rules and the law before authorizing funding. In order to prevent waste, fraud, and abuse, the Commission also conducted final reviews of the locations in each bid in order to identify areas that were not in fact unserved and did not need funding.

This two-step process is a standard approach to structuring an auction. In fact, we have operated Commission auctions like this for decades.

This approach resulted in over \$6 billion in support to bring 3.4 million locations in 48 states, including North Carolina, high-speed broadband service, primarily at gigabit speeds. Using this support, hundreds of carriers have already begun deploying networks to connect unserved areas.

The Commission only authorized funding for providers that met the requirements of the second phase of our process. More than a dozen bidders, some small and some large, including Starlink, did not meet the program requirements in this second phase. To be clear, when we found problems during this phase, we repeatedly reached out to those providers to seek information to resolve problems. When they failed to provide what was needed, we were not able to award them funding under the rules and the law.

With respect to Starlink, the Commission's technical review determined that the provider was unable to consistently meet the required uplink and downlink speeds in all areas where it was the winning bidder. This finding was later confirmed by the company's publicly available performance data. In addition, it is worth noting that their proposal would have imposed a \$600 start-up cost on every household—paid out of their own pocket—just to get service. In addition, our review found that in more than 6,501 census blocks where Starlink sought support from the program there were not unserved rural households, but rather parking lots, traffic medians, and locations that already have service like the Chicago Loop and Newark International Airport. When we requested that Starlink no longer seek funding for these ineligible locations, the company refused. To state the obvious, spending federal funds designed for rural broadband that instead goes to parking areas, downtown locations in major urban centers, and international airports is wasteful. Finally, it is important to note that regardless of the decision made by the Commission, consumers nationwide, including in the areas under review, still have the ability to subscribe to Starlink today.

2. **Chairwoman Rosenworcel, Congress has appropriated \$98 million toward broadband data collection and mapping costs, but according to your staff, that funding has already run out and you are now asking for an additional \$30 million for on-going operation and maintenance costs. Meanwhile, the FCC's national broadband map has been widely criticized as having significant errors. So much so that my state, North Carolina, has taken it upon themselves to produce their own broadband maps that have resulted in nearly 43,000 challenges to the FCC's National Broadband Map and the addition of 115,000 North Carolina homes and businesses that lack high-speed internet access. The challenge process is a great opportunity for states to correct the FCC, but I find it difficult to believe we're spending tens of millions of dollars on broadband mapping and NOT optimizing our partnerships with state broadband offices. In what ways does the FCC currently partner with states for broadband mapping?**
 - a. **Follow Up: I'd encourage you to review the role states may be able to play in creating accurate, comprehensive broadband maps the first time around. Would you be willing to do so and follow up with this committee on your findings?**

I wholeheartedly agree that State broadband offices have an important role to play in making sure that the Commission has the most accurate, comprehensive data about where broadband is and is not available across the country for the National Broadband Map. Moreover, this is not a one-time exercise. The Commission's maps are iterative. By producing a new version every six months, we have the opportunity to work with State broadband offices, local officials, and consumer to ensure that are maps are getting better all the time.

We have already done a lot of work with State broadband offices. In fact, prior to the launch of the first version of the National Broadband Map in 2022, the Commission took a series of steps to partner with these offices to help make our data as accurate as possible. Before the maps were developed, I personally reached out to broadband leaders in all fifty states and the territories to encourage them to review the location fabric and deployment data we were collecting. Moreover, we walked them through the mechanics of filing challenges to the fabric and deployment data and provided contacts for the individuals at the agency they could call in the future with any questions. As a result, Commission staff have participated in more than 275 meetings with State and local governments to ensure they understand the data displayed on the National Broadband Map and to support their ability to collaborate with the Commission to improve the accuracy of the data.

To date, 43 State broadband offices have participated in our challenge process, along with numerous local and Tribal governments. In many cases, these efforts have changed the data in our maps. Sometimes States have data based on different metrics than those we use for the National Broadband Map. Nonetheless, we have found ways to ensure that we can still exchange and learn from this data. We also have made adjustments through verification inquiries that catch inaccuracies and result in updated information from providers and further adjustments to our maps. All in all, over 5 million challenges to provider-reported availability data have been filed and those challenges have resulted in changes to the services reported at over 2.5 million locations.

In North Carolina we have worked with the Department of Information Technology to review concerns about possible overstatement of broadband availability by specific providers. Going forward we are always willing to coordinate closely with them and any other State broadband office when they raise concerns about the accuracy of the data reported on the National Broadband Map. In addition, in light of the obligations States have to administer their own challenge processes as part of the BEAD program, we have encouraged State broadband offices to share with us the inaccuracies in provider-reported availability that they discover in the data they are using to distribute these funds pursuant to the Bipartisan Infrastructure Law.

3. **Chairwoman Rosenworcel, in January of this year, the Office of Inspector General published an audit on the Affordable Connectivity Program (ACP). The audit unearthed an 11% inaccuracy rate for manual eligibility determinations by the Universal Service Administrative Company (USAC), whom the FCC engaged to implement the ACP. Despite continued challenges determining ACP eligibility, the FCC and USAC both previously declined to implement the OIG's 2022 recommendation to establish controls to review documentation prior to approving payments, citing a lack of cost-benefit. Can you please share the cost benefit score your agency based that decision off of?**
 - a. **Can you elaborate on why you believe preventing fraud and improper payments is not worth the squeeze?**

The Commission takes seriously its obligation to protect the integrity and success of the Affordable Connectivity Program. The agency carefully considered the Office of Inspector General's recommendations that were published in 2022 for the Emergency Broadband Benefit

Program, as well as the Office of Inspector General's recommendations as a result of its performance audit of the ACP for the calendar year 2022 that was published in January 2024.

The Commission made a number of improvements to its administration of the Emergency Broadband Benefit program and its successor, the ACP, in response to the recommendations of the Office of Inspector General. In addition to taking steps to address the recommendations concerning manual eligibility verifications, these include:

- Strengthening documentation requirements and National Verifier review for certain household eligibility requirements including the Community Eligibility Provision of the National School Lunch Program;
- Developing and conducting a targeted Program Integrity Program designed to validate the program integrity controls by sampling a statistically valid number of household enrollments and reimbursement payments on a quarterly basis to assess compliance with the program's protections;
- Updating the Data Migration Procedure Plan for Lifeline and the Affordable Connectivity Program, including adding steps to ensure backup and retention of files before migration, and to ensure validation and testing of files before deletion;
- Revising the Commission's policies and procedures for the Consumer Complaint Center to better identify, aggregate, categorize and report on consumer complaints;
- Releasing a quarterly public report on consumer complaints in the Consumer Complaint Center; and
- Completing a program integrity review of providers that failed to respond to the Office of Inspector General's audit or were otherwise suspected of non-compliance in that audit, and pursuing recovery where providers could not demonstrate with our rules.

With respect to manual eligibility verifications, the Commission did in fact take several steps to address the Office of Inspector General's recommendations. First, the agency ensured that those responsible for documents received additional training before starting to review eligibility documentation, and that others received refresher training on new process changes. Second, a schedule was developed for further training, but as a result of the wind-down of ACP due to the lack of funding from Congress, these trainings have not yet begun. Third, the Universal Service Administrative Company (USAC) updated its training resources for eligibility documentation reviews.

On top of this, consistent with the recommendations made regarding manual eligibility reviews for the ACP, the Commission set up a multi-level quality assurance review process for ACP manual eligibility determinations. By the end of 2023, USAC increased the number of manual verification quality assurance reviews for ACP over the prior year by 90 percent. As a result, USAC was able to determine error rates and identify with precision where additional or

improved reviewer training was warranted. Moreover, where errors were discovered during the quality assurance process, the subscriber was asked to provide additional eligibility documentation.

With respect to the establishment of new controls to validate reimbursements at the time of payment, the Commission carefully considered the recommendation and the associated operational costs. We identified in greater detail what controls we already had in place to reduce the potential for ineligible payments that the recommendation sought to address in a manner that would not come at the expense of delays and providers dropping out of the program. As a result the Office of Inspector General closed its recommendation on this matter in September 2023 and the Commission has taken the actions described above on related recommendations in the 2024 ACP audit report.

4. **Chairwoman Rosenworcel, I have personally received complaints from multiple constituents being involuntarily inundated by political text messages from candidates for office. These constituents report they have tried to opt-out of the text messages by responding “STOP”, but find their request is either completely ignored or the same candidate just uses a different number and continues to message them. Can you elaborate on any regulations impacting political communications?**
 - a. **Follow Up: Has the FCC ever considered a “Do Not Text” list in partnership with the Federal Elections Commission, similar to the Do Not Call list, for individuals to register if they do not wish to receive political text messages?**
 - b. **Follow Up: Do you believe that may be a viable solution to the issue at hand?**

The primary authority of the Commission to take action against unwanted robocalls comes from the Telephone Consumer Protection Act. The Commission has interpreted this law to apply to both calls and texts. In practice, that means that calls or texts sent without consent that use an autodialer or a prerecorded or artificial voice are in violation of our rules. However, the scope of this law—and this policy—has been radically reduced by a recent decision of the Supreme Court, *Facebook v. Duguid*. In this decision, the Supreme Court narrowed the definition of autodialer so that it is frozen in 1991, when the Telephone Consumer Protection Act became law. This means that fewer calls and texts, namely those using newer technologies, are prohibited under the law. As I have testified in the past, this is a problem Congress needs to fix.

The National Do-Not-Call Registry is a database maintained by the Federal Trade Commission pursuant to the Do-Not-Call Implementation Act of 2003. The registry currently features 249 million telephone numbers that wish to be protected from telemarketing sales calls. In order to avoid confusion and ensure more consumers are protected from unsolicited text messages, the Commission adopted an order on December 13, 2023 codifying that the registry protections extend not only to calls, but also to text messages.

Updating this approach has benefits and I would certainly be open to including other agencies in this effort, though I do not believe they were contemplated in the legislation that created this list. However, during the years the registry has been in place, it has become apparent that while good actors check the list before making calls, bad actors do not. Other changes to our laws governing robocalls and robotexts may be more effective at reducing the amount of

unwanted junk consumers receive over the phone. As mentioned above, it is imperative that we expand the definition of autodialer so that the Telephone Consumer Protection Act can in fact protect consumers from more unwanted calls and texts. In addition, as I have testified in the past, the Commission has issued hundreds of millions of dollars of fines from those responsible for unwanted robocalls and robotexts. But the way the law works right now, the collection of these fines is not something the Commission can pursue. Instead, we hand them over to the Department of Justice. I would like the Commission to have the authority to see these fines through so that we can hold accountable those who put this junk on the line. Finally, the agency needs clear authority to access Bank Secrecy Act information in order to help identify more quickly the financial records of our calling targets without giving those suspected of making unwanted calls or fostering scams a heads up that we are coming for them.

Questions for the Record Submitted by Ranking Member Steny Hoyer

Questions:

1. **Competitive Impacts of Banning Bulk Billing Arrangements**
 - a. **If you prohibit service providers from entering into bulk billing arrangements, I expect many providers will exit the market, reducing competition. Can you provide some information on how we can maintain the same level of service in these areas?**

I believe that everyone, everywhere should have access to high-speed broadband. Yet too often households in apartments, condominiums, and other multi-tenant buildings are required to pay high prices baked into their lease agreements with limited choices for internet or other services. Therefore, I have shared with my colleagues a draft Further Notice of Proposed Rulemaking that would seek public comment on improving competitive broadband access in multiple tenant environments. Many consumers have complained to the Commission about “bulk billing” arrangements, requiring them to pay for a specific broadband provider or service plan in the building where they live and making it challenging to set up arrangements with any other providers because they would have to pay twice for service to do so. These consumers are upset they do not have the benefit of competitive choice. They are concerned these policies do not comply with our rules prohibiting exclusive service in a building. That is why I have proposed that we begin a rulemaking to simply seek comment on how consumers might opt-out of these arrangements. The last time the Commission considered this issue was in 2010, when it found that these arrangements can predominately offer benefits to consumers. I believe it is important to take that last record into account. However, a lot can change in 14 years, and as is true with many policies in the telecommunications sector, it is often in the public interest to reexamine past practices to ensure they have kept up with changes in technology and the marketplace. This is especially true when it comes to consumer protection and competition. This rulemaking would ask for input on these issues and collect comment from a wide range of stakeholders, including those in student, low-income, and senior housing.

2. **Specific Harms to Vulnerable Communities from a Ban on Bulk Billing**
 - a. **Given the broad use of bulk billing arrangements in communities and apartments where seniors, students, and low-income families live, have you considered how the proposed ban would impact each of these groups, and how does the FCC’s proposed ban on bulk billing ensure these vulnerable groups are not harmed?**

As noted above, the Commission has not evaluated the impact of bulk billing arrangements on consumer access to broadband in multiple tenant environments since 2010. To put this in context, in 2010 the agency considered broadband any internet service with speeds of 4 Megabits download and 1 Megabit upload. No one would call that broadband today. In the draft Further Notice of Proposed Rulemaking that I have shared with my colleagues, we would explore whether to allow customers to opt-out of these arrangements. This would allow for the opportunity to seek public comment and study on the consequences of such an approach,

including how it might improve competitive choice for consumers and how it might impact investment—as well as what it would mean for those in student, low-income, and senior housing.

Questions for the Record Submitted by Congressman Matt Cartwright

Questions:

1. **On March 5th, 2024, the Federal Communications Commission (FCC) announced a Notice of Proposed Rulemaking that would propose banning bulk billing agreements between broadband providers and multiple tenant environments, such as apartments and condominiums. My office has met with housing stakeholders representing the Pennsylvania Apartment Association, who have expressed concerns about the specific impacts of the proposed rule on students, low-income Americans, and seniors. Additionally, my office has received letters from the National Multifamily Housing Council and National Apartment Association; Council of Large Public Housing Agencies; and the National Hispanic Council of Aging as well. I am interested in the scope of such a proposed rule, as well as the ability of students, public housing residents, and seniors living on fixed incomes, to afford high-quality, high-speed Wi-Fi at a reduced cost compared to the same service in the retail market.**
 - a. **Can the Commission clarify the scope of the proposed rule? Would it ban bulk billing arrangements for all multiple tenant environments, or would it propose that tenants have the ability to opt out of bulk billing arrangements?**
 - b. **Additionally, has the Commission studied the potential impact on populations served by bulk billing agreements to access broadband service, specifically those living in student housing, low-income housing, and senior housing?**

As you note, I have shared with my colleagues a draft Further Notice of Proposed Rulemaking that would seek public comment on improving competitive broadband access in multiple tenant environments. Many consumers have complained to the Commission about “bulk billing” arrangements, requiring them to pay for a specific broadband provider or service plan in the building where they live and making it challenging to set up arrangements with any other providers because they would have to pay twice for service to do so. These consumers are upset they do not have the benefit of competitive choice. They are concerned these policies do not comply with our rules prohibiting exclusive service in a building. That is why I have proposed that we begin a rulemaking to simply seek comment on how consumers might opt-out of these arrangements. The last time the Commission considered this issue was in 2010, when it found that these arrangements can predominately offer benefits to consumers. I believe it is important to take that last record into account. However, a lot can change in 14 years, and as is true with many policies in the telecommunications sector, it is often in the public interest to reexamine past practices to ensure they have kept up with changes in technology and the marketplace. This is especially true when it comes to consumer protection and competition. This rulemaking would ask for input on these issues and collect comment from a wide range of stakeholders, including those in student, low-income, and senior housing.

2. **The Federal Communications Commission’s National Deaf-Blind Equipment Distribution Program (NDBEDP) provides free telecommunications equipment and training to low-income deafblind individuals. This equipment includes braille devices and signalers that provide vibrating signals, which can cost thousands of dollars. Currently, deafblind individuals who make more than 400% of the federal poverty line are not eligible under the NDBEDP. This means a deafblind individual making more than \$60,240 in 2024 would not be eligible to receive assistance. The cost of this type of critical telecommunications equipment may still be cost prohibitive even for individuals with incomes above the current threshold.**
 - a. **Is the Commission examining ways to expand the program to cover deafblind individuals who have annual incomes above the current threshold?**

The NDBEDP, or iCanConnect, was established in 2011 pursuant to the Twenty-First Century Communications and Video Accessibility Act. The statutory language mandates that this program be available to “low-income individuals who are deaf-blind.” Recognizing the unique and substantial expenses faced by this population, including the costs of personal assistants, medical care, independent living, and specialized customer premises equipment, the Commission defined “low-income” as income that does not exceed 400 percent of the Federal Poverty Guidelines.

This threshold was developed in response to a comprehensive public record amassed in a Commission rulemaking on this subject and reflects the interest expressed in that proceeding by a wide range of stakeholders, including those representing state programs and many stakeholders representing individuals with disabilities.

The agency is aware that there is interest among some stakeholders to further raise the income threshold. However, without specific authority from Congress, the Commission is unable to remove the low-income requirement established under the Twenty-First Century Communications and Video Accessibility Act for individuals to receive benefits from this program. Consequently, we have maintained the current eligibility criteria while striving to ensure that those most in need receive the necessary support.

Questions for the Record Submitted by Congressman Sanford Bishop

Questions:

1. **Chairwoman Rosenworcel, under President Biden's leadership, Congress has made significant investments in broadband infrastructure funding through the IIJA. In particular, we are dedicating \$42.45 billion through NTIA's BEAD program to help close the digital divide, which is all too apparent in rural communities in Southwest Georgia.**
 - a. **Can you discuss the work you and the Commission have done to coordinate with the NTIA to ensure that the BEAD money and prospective 5G Fund have the greatest impact in closing the digital divide?**

Congress has created more programs to support broadband than at any other point in our Nation's history. On the one hand, this demonstrates the depth of commitment we have made to address the digital divide and ensure that everyone, everywhere has access to high-speed internet service. On the other hand, it requires unprecedented levels of coordination because not all of these new statutory authorities were necessarily designed to work together.

That is why I have worked to coordinate our efforts at the Commission with NTIA, the Department of Agriculture, and the Department of the Treasury. Together we represent the four agencies with the largest responsibilities for federal broadband deployment funding. To this end, I first secured a two-year Memorandum of Understanding with my counterparts at these agencies in 2022, where we memorialized our commitment to meet regularly, exchange data on deployment, coordinate if there are funding recipient defaults, and work to avoid duplication of funding. We recently renewed this Memorandum of Understanding for another four years.

One of the most effective tools we have to ensure coordination and avoid duplication of funds is the Commission's Broadband Funding Map. This is a map separate from our National Broadband Map. It is a visual summary of the places where federal funds have been spent for broadband programs. Right now the Broadband Funding Map includes data for 12 different broadband deployment funding programs and 2,211 projects. Since we launched this effort agencies have been able to rely on this resource to help inform their funding decisions and avoid duplication of program efforts.

With respect to the 5G Fund and BEAD program specifically, it is important to recognize that under the law the 5G Fund at the Commission and the BEAD program at NTIA have different objectives. Specifically, the 5G Fund is for mobile wireless broadband deployment and the BEAD program is for fixed broadband deployment. Because these services are not interchangeable, this does not present a conflict.

Nonetheless, through the Memorandum of Understanding and the Broadband Funding Map, as well as more informal interaction between staff, the Commission and NTIA will continue to coordinate these programs as well as other initiatives to close the digital divide. With this coordination, I remain hopeful that we will be able to monitor commitments, prevent

duplication of efforts, and ensure that we use all the resources we have to have the greatest impact closing the digital divide in Georgia and nationwide.

- b. **Chair Rosenworcel, with the Spectrum Steering Team, how do you plan to ensure that a variety of carrier stakeholder views are obtained, so the input of small and regional carriers and the communities they serve are incorporated into spectrum policies and the implementation of the National Spectrum Strategy?**

The National Spectrum Strategy requires engagement between agencies conducting the various band studies and the non-Federal stakeholders with interest in these airwaves. This engagement includes a need to seek input on topics relevant to small and regional carriers, like how to model non-Federal systems and develop plans for studying compatibility. The formal outreach mechanisms, however, may vary depending on the band under review. For the lower 37 GHz band, for instance, which builds on prior Commission, NTIA, and Department of Defense collaborations, I have the agency preparing a Public Notice to solicit input on a potential coordination and licensing framework. With respect to other band studies, NTIA is presently developing outreach mechanisms that are expected to commence this year.

In addition to formal engagement regarding the National Spectrum Strategy, the Commission welcomes informal outreach from interested stakeholders and the opportunity to better understand the existing and future spectrum needs of carriers of all sizes. To facilitate this kind of informal outreach, we set up the Spectrum Steering Team, which is already meeting with groups interested in these issues. I believe these efforts will complement outreach done by our colleagues at NTIA and build on the unique understanding the Commission has about non-Federal uses of our airwaves and commercial needs going forward.

Questions for the Record Submitted by Congresswoman Norma Torres**Questions:**

1. **I would like to ask about a proposal that the Commission is currently considering to restrict bulk billing arrangements. I've recently met with stakeholders on this issue who have shared concerns that the proposal would end up raising costs on consumers. In your March 5th press release, you stated that bulk billing impairs consumer choice and this rule would lower costs to families in apartment buildings. Can you please share with me the analysis that supports this rule?**

As you note, I have shared with my colleagues a draft Further Notice of Proposed Rulemaking that would seek public comment on improving competitive broadband access in multiple tenant environments. Many consumers have complained to the Commission about "bulk billing" arrangements, requiring them to pay for a specific broadband provider or service plan in the building where they live and making it challenging to set up arrangements with any other providers because they would have to pay twice for service to do so. These consumers are upset they do not have the benefit of competitive choice. They are concerned these policies do not comply with our rules prohibiting exclusive service in a building. That is why I have proposed that we begin a rulemaking to simply seek comment on how consumers might opt-out of these arrangements. The last time the Commission considered this issue was in 2010, when it found that these arrangements can predominately offer benefits to consumers. I believe it is important to take that last record into account. However, a lot can change in 14 years, and as is true with many policies in the telecommunications sector, it is often in the public interest to reexamine past practices to ensure they have kept up with changes in technology and the marketplace. This is especially true when it comes to consumer protection and competition. This rulemaking would ask for input on these issues and collect comment from a wide range of stakeholders, including those in student, low-income, and senior housing.

QUESTIONS FOR THE RECORD

Subcommittee on Financial Services and General Government
U.S. House Committee on Appropriations

**Budget Hearing – Fiscal Year 2025 Request for the Federal Communications
Commission**
May 16, 2024

Witnesses:

The Honorable Brendan Carr, Commissioner, FCC

Questions for the Record Submitted by Chairman David P. Joyce

Questions:

1. **You have been critical of the Administration's recently announced spectrum strategy for failing to free up even a single megahertz of spectrum. Can you discuss how the Administration's plan differs from the proposal you put forth two years ago and why delay is our enemy?**

The spectrum plan that I proposed back in 2021 identifies specific frequency bands and a timeline for moving those bands into the commercial marketplace. The Administration's spectrum strategy does neither. It is merely an exercise in kicking the can down the road while the U.S. continues to lose ground to other countries when it comes to spectrum.

And that is a problem because getting our spectrum policies right translates directly into bringing Americans across the digital divide, spurring innovation, creating jobs, and growing our economy. U.S. leadership in wireless is also part and parcel of America's geopolitical leadership. When we free up spectrum, the world takes notice. It puts the wind at the backs of those working to advance our values. It ensures that next-generation services develop in ways that will benefit our innovators and interests—rather than regimes that seek to diminish America's standing in the world.

Unfortunately, the Biden-Harris Administration has failed to show the leadership necessary on the spectrum front. Historically, the U.S. has been a leader in making new spectrum bands available. But a study out last year shows that the U.S. now ranks 13th out of 15 leading marks in licensed mid-band spectrum. Indeed, in recent years, China has sprinted out to a 710 MHz advantage over the U.S. when it comes to licensed mid-band spectrum. While America stands still, our global competitors and adversaries are passing us by.

It is concerning that the Administration does not have a serious plan to close this widening gap. The Administration's much-anticipated National Spectrum Strategy commits to freeing up exactly zero megahertz of spectrum. Instead, it says that the Administration will simply continue to study various spectrum bands for years to come. This means that the Biden-Harris Administration has no plan for significant, near-term action on spectrum auctions. This not only sets America apart from our global allies and adversaries alike—which are now passing the U.S. by on spectrum—but it also marks a departure from our own recent record of action.

From 2017 through 2020, the FCC freed up roughly 6,000 MHz of spectrum for licensed use alone, plus thousands of additional megahertz of spectrum for unlicensed use. The FCC has demonstrated the capacity to deliver significant spectrum wins before and I am confident that the agency can do so again. We need bold action—not more plans to plan. For my part, I put forward a spectrum plan in March of 2021 that identified specific frequencies and a timeline to move with the same pace, cadence, and urgency that we did during the last Administration.¹

¹ Keynote Remarks of FCC Commissioner Brendan Carr at the American Enterprise Institute (Mar. 15, 2021), <https://docs.fcc.gov/public/attachments/DOC-370781A1.pdf>.

It is time to correct course. Whether we adopt my plan or something else, it is critical that we reverse the backsliding we have seen on spectrum under this Administration. Doing so would not only generate billions of dollars in revenue for the Treasury that could be used for deficit reduction, but also restore America's place as a global leader in wireless.

- 2. I'd like to ask you about reports that the FCC will pursue a rulemaking on bulk billing agreements. Can you shed any light on what is driving this and whether the FCC has undertaken any review of potential impact on populations served by this model to access broadband service, especially in student, low-income and senior housing?**

I oppose the FCC proposal for regulating bulk billing. The path set forward in the agency proposal would only raise the cost of broadband for Americans living and working in apartments, condos, and other multi-unit buildings. It is not clear to me what is driving the FCC's proposal to ban bulk-billing arrangements—although I will note that that plan appears to have the backing of White House officials. Bulk-billing arrangements are plans that, as the FCC has previously determined, benefit families living in apartments, condos, public housing, and other multi-tenant buildings because they allow them to take advantage of lower cost broadband services by enabling building owners to leverage their purchasing power. Prohibiting these plans would force residents to purchase broadband services in a relatively less competitive market, resulting in higher prices on Internet bills for students, low-income individuals, and seniors on fixed incomes living in multi-tenant buildings. The FCC's record certainly does not support the Commission moving forward with this White-House backed proposal. For my part, I have called on the agency to abandon it.

- 3. Television broadcasters are going through a transition, from HD to NextGen Television, which will have a number of new viewer benefits. What should the various Commission bureaus be doing to ensure a smooth and timely transition from HD to NextGen TV?**

The FCC has left broadcasters stuck midstream when it comes to NextGen TV. It should provide a clear transition date by which broadcasters can sunset their 1.0 signals. The FCC authorized the use of ATSC 3.0 (i.e. NextGen TV) broadcast transmission standard all the way back in 2017. Since then, the FCC has been working to facilitate its adoption nationwide so that more Americans can enjoy all that the technology has to offer—from ultra-high-definition picture quality, enhanced public safety benefits, greater accessibility options and more localized content. Today, ATSC 3.0 signals cover about 75% of the U.S. population. This is solid progress, but I believe the Commission should do more to address the regulatory challenges at the FCC that have caused this technology to be stuck midstream.

In particular, the FCC should move forward with a proceeding for setting a date that would enable broadcasters to fully transition to ATSC 3.0 by allowing them to turn down the previous generation 1.0 signals. We have taken a similar approach in the mobile wireless context where carriers have freedom to upgrade their network technologies as they see fit while developing market driven solutions to address any potential edge cases that arise during the transition. I believe that is the right path forward for broadcast.

4. On April 24, the FCC voted along party lines to revive Net Neutrality and reclassify broadband service as a Title II telecommunications service, rather than an information service. Would you agree that this rule carries “economic and political significance?” If so, should it be subjected to the “Major Questions Doctrine?”

Yes. The Major Questions Doctrine, as discussed in *West Virginia v. EPA*, states that an agency exceeds its statutory bounds when it makes a decision of “vast economic and political significance” without clear congressional authorization. The FCC’s Order to reclassify broadband as a Title II service under satisfies both prongs of the MQD, as I discussed in greater length in my dissent.²

First, the Order’s decision to regulate broadband as a public utility under Title II represents a “major question” of “vast economic and political significance.” No single factor is determinative on this question under the Court’s precedent. In evaluating agency actions, the Court has considered their broader economic impact, their impact on industry sectors, the scope and scale of regulatory burdens they impose on the public at large, their political ramifications, and the extent to which they discover unheralded new powers in long-extant statutes. By any measure, the Order has decided a major question

Second, the Order lacks “clear congressional authorization” under the 1996 Act to apply Title II regulation to ISPs. Starting from first principles, the statute’s text, the 1996 Act’s deregulatory purpose, and the FCC’s regulatory antecedents confirm that broadband is best considered an “information service.” But even if the 1996 Act’s meaning were ambiguous, as some courts suggested before *Loper Bright*, that ambiguity decisively cuts against today’s Order. If the statute is ambiguous about Title II regulation of broadband, Congress could not have clearly authorized it as *West Virginia* requires. Indeed, even if the FCC were to establish a plausible textual basis for its position, *West Virginia* would still require courts to vacate this Title II decision. Plausibility alone is not enough; there must be clear congressional authorization.

Experts across ideological and partisan lines agree. Two former Solicitors General from the Obama Administration—individuals who support Title II regulation of broadband as a policy matter—have concluded “[t]here is no doubt” that whether broadband may be classified as a Title II service “presents a major question,” and “the Commission lacks clear statutory authority to reclassify broadband under Title II.”³

5. GAO has published numerous studies and issued recommendations to emphasize the need for a national strategy for broadband. The studies emphasized the duplicative and overlapping nature of many of the government’s broadband programs. Are there actions you have recommended to reduce duplicative broadband programs?

² Dissenting Statement, FCC Commissioner Brendan Carr, *Safeguarding and Securing the Open Internet*, Declaratory Ruling, Order, Report and Order, and Order on Reconsideration, WC Docket Nos. 23-320, 17-108 (Apr. 25, 2024), <https://docs.fcc.gov/public/attachments/FCC-24-52A3.pdf>.

³ Donald B. Verrilli, Jr. & Ian Heath Gershengorn, *Title II “Net Neutrality” Broadband Rules Would Breach Major Questions Doctrine*, at 10, 13 (Sept. 20, 2023), <https://aboutblaw.com/bazq>.

The federal government needs to put a national coordinating strategy in place. A 2023 GAO report identified over 133 federal broadband programs that are being administered by 15 different agencies. GAO recommended a national broadband strategy to help synchronize these efforts. I agree that a national coordinating strategy is necessary and would help ensure that various federal programs complement each other, rather than operating in a duplicative or otherwise inefficient manner. That is why I have offered my support for the PLAN for Broadband Act. This bipartisan, bicameral bill would fill a key gap in the federal government's approach to broadband infrastructure spending by requiring a national strategy and implementation plan to increase coordination across broadband programs and protect against waste, fraud, and abuse. The House passed this legislation as part of a larger package in May of this year. I am pleased that the Senate Commerce Committee announced its intent to consider the Senate companion version at its upcoming markup on July 31.

I believe the FCC should also launch a review of its own broadband programs as well. This includes those that receive direct appropriations as well as our \$9 billion annual program known as the Universal Service Fund. This review should seek to eliminate any duplicative efforts that may exist while strengthening protections against waste, fraud, and abuse. One idea I have presented before is for the Commission to formalize a process for consulting with the FCC's Office of Inspector General before the FCC stands up new spending initiatives so that the IG's views can be considered.

Questions for the Record Submitted by Congresswoman Ashley Hinson

Questions:

1. **There is quite a difference between the amount of mid-band spectrum China has allocated for commercial services compared to the amount the U.S. has allocated.**
 - a. **Are you concerned that a continued deficit of commercial spectrum in the mid-band range will impact U.S. leadership and competitiveness?**

The Biden-Harris Administration has fallen into a deep malaise when it comes to an important driver of our economy and U.S. leadership—spectrum. Getting our spectrum policies right translates directly into bringing Americans across the digital divide, spurring innovation, creating jobs, and growing our economy. U.S. leadership in wireless is also part and parcel of America’s geopolitical leadership. When we free up spectrum, the world takes notice. It puts the wind at the backs of those working to advance our values. It ensures that next-generation services develop in ways that will benefit our innovators and interests—rather than regimes that seek to diminish America’s standing in the world.

Unfortunately, the Biden-Harris Administration has failed to show the leadership necessary on the spectrum front. Historically, the U.S. has been a leader in making new spectrum bands available. But a study out last year shows that the U.S. now ranks 13th out of 15 leading marks in licensed mid-band spectrum. Indeed, in recent years, China has sprinted out to a 710 MHz advantage over the U.S. when it comes to licensed mid-band spectrum. While America stands still, our global competitors and adversaries are passing us by.

It is concerning that the Administration does not have a serious plan to close this widening gap. Last November, it released its much-anticipated National Spectrum Strategy. But the Administration’s plan commits to freeing up exactly zero megahertz of spectrum. Instead, it says that the Administration will simply continue to study various spectrum bands for years to come. This means that the Biden-Harris Administration has no plan for significant, near-term action on spectrum auctions. This not only sets America apart from our global allies and adversaries alike—which are now passing the U.S. by on spectrum—but it also marks a departure from our own recent record of action.

From 2017 through 2020, the FCC freed up roughly 6,000 MHz of spectrum for licensed use alone, plus thousands of additional megahertz of spectrum for unlicensed use. The FCC has demonstrated the capacity to deliver significant spectrum wins before and I am confident that the agency can do so again. We need bold action—not more plans to plan. For my part, I put forward a spectrum plan in March of 2021 that identified specific frequencies and a timeline to move with the same pace, cadence, and urgency that we did during the last Administration.⁴

It is time to correct course. Whether we adopt my plan or something else, it is critical that we reverse the backsliding we have seen on spectrum under this Administration. Doing so

⁴ Keynote Remarks of FCC Commissioner Brendan Carr at the American Enterprise Institute (Mar. 15, 2021), <https://docs.fcc.gov/public/attachments/DOC-370781A1.pdf>.

would not only generate billions of dollars in revenue for the Treasury that could be used for deficit reduction, but also restore America's place as a global leader in wireless.

Questions for the Record Submitted by Ranking Member Steny Hoyer

Questions:

1. **Competitive Impacts of Banning Bulk Billing Arrangements**

- a. **If you prohibit service providers from entering into bulk billing arrangements, I expect many providers will exit the market, reducing competition. Can you provide some information on how we can maintain the same level of service in these areas?**

I share this concern. Bulk-billing arrangements are plans that, as the FCC has previously determined, benefit families living in apartments, condos, public housing, and other multi-tenant buildings because they allow them to take advantage of lower cost broadband services by enabling building owners to leverage their purchasing power. Prohibiting these plans would force residents to purchase broadband services in a relatively less competitive market, resulting in higher prices on Internet bills for students, low-income individuals, and seniors on fixed incomes living in multi-tenant buildings. The FCC's own record does not support the Commission moving forward with this proposal and it is my view that we should abandon it.

2. **Specific Harms to Vulnerable Communities from a Ban on Bulk Billing**

- a. **Given the broad use of bulk billing arrangements in communities and apartments where seniors, students, and low-income families live, have you considered how the proposed ban would impact each of these groups, and how does the FCC's proposed ban on bulk billing ensure these vulnerable groups are not harmed?**

I share this concern. My view is that the FCC's proposal could only raise the prices for Americans, including seniors, students, and low-income families, living in multi-tenant buildings. It is not clear to me how the FCC could ensure the groups you mentioned are not harmed by this proposal—unless of course the agency abandons it, as I have called for us to do.

FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS FOR 2025

THURSDAY, SEPTEMBER 26, 2024.

UNITED STATES POSTAL SERVICE'S ROLE IN 2024 ELECTION MAIL READINESS

WITNESS

LOUIS DeJOY, POSTMASTER GENERAL AND CHIEF EXECUTIVE OFFICER

Mr. JOYCE. I apologize for being late. It is not my usual thing, but, as you know, this place gets a little crazy this time of year.

With that, the Subcommittee on Financial Services and General Government will come to order.

I would like to welcome the United States Postmaster General, Louis DeJoy, and I appreciate your participation in today's hearing to give the members of the subcommittee the opportunity to discuss election readiness and general oversight of the United States Postal Service.

I will be brief. I know my colleagues are all eager to engage you, those who could be here.

The Postal Service has been a cornerstone of American society, connecting families and communities and providing essential services, like delivering prescriptions to elderly, mailing election ballots to our military serving overseas, and all citizens throughout the United States, while helping communities prosper by connecting small businesses beyond their own limits.

While I expect a robust conversation this morning about the challenges facing the Postal Service, and concerns about the declining delivery standards, I want to be clear that any frustrations with Postal Service leadership should not be perceived to extend to the hardworking Postal Service workers and letter carriers across our country. These individuals work long hours to bring needed deliveries to our neighbors, connect our communities, and ensure the continued flow of commerce.

All of us up here have heard from the constituents who had concerns about declining standards at the Postal Service. The changes made under the Delivering for America Plan have brought new challenges, and the deteriorating performance of mail delivery, reduced mail routes, and rising delivery costs are frustrating both customers and businesses alike.

From metropolitan cities to rural communities, disappointment in our nation's mail delivery system is widespread. For example, under the Delivering for America's plan to streamline and improve

operations, like Richmond, Virginia, processing facility, saw a staggering 21 percent drop in on-time performance for first-class mail.

In Atlanta, Georgia, the situation is worse. After similar changes, on-time performance for first-class mail plummeted by 51 percent. Unfortunately, many of these changes have served to further erode the public confidence in the U.S. Postal Service.

It is important for us to remember that these are not just numbers on a report. We are talking about missed prescriptions, late checks, and delayed legal documents, that directly harm the American citizens. As we approach the presidential election, many of our constituents have expressed concerns about the Postal Service's ability to deliver election ballots security and on time.

It is imperative that the Postal Service get this right. Voting by mail increased by 25 percent from 2016 to 2020, and we expect that voting by mail will be popular again during the 2024 presidential election. We look forward to hearing how the Postal Service is approaching each step of the ballot delivery process, from postmarking, movement through postal facilities, and final transport to county election centers.

Voters should never have to worry if their ballot will be postmarked on time or if their ballot will reach their election center in time to be counted. Reliable delivery and processing of every vote isn't just a matter of efficiency; it is a fundamental expectation.

Today our goal here is to give the opportunity for you to reassure Americans that the Postal Service is fully prepared and ready to serve the American people during this election cycle and beyond.

I look forward to today's dialogue to discuss other topics, and I turn to my friend and our acting ranking member, Mr. Cartwright, for his opening remarks.

Mr. CARTWRIGHT. Thank you, Mr. Chairman. I would like to thank the chairman for convening this important hearing about the vital role of the United States Postal Service in carrying out our nation's elections. It is vital that voting by mail remain a safe and secure option, so that Americans can carry out their most basic civil duty with ease.

In the Commonwealth of Pennsylvania alone, mail-in voting is popular as an alternative, with over 1.4 million Pennsylvanians requesting to vote by mail in the 2022 midterm elections. That number, as the chairman mentioned, is expected to rise in 2024, so I am glad to discuss what measures are in place to ensure our Postal Service can continue securely processing election mail.

I would also like to welcome Postmaster General DeJoy. Thank you for coming today. In order to have as much time as possible for questions, I will leave it there and yield back now, Mr. Chairman.

Mr. JOYCE. Thank you, Mr. Cartwright.

Postmaster General, without objection, your full written testimony will be entered into the record.

[The information follows:]



STATEMENT OF
POSTMASTER GENERAL AND CHIEF EXECUTIVE OFFICER
Louis DeJoy
before the
House Committee on Appropriations
Subcommittee on Financial Services & General Government
“United States Postal Service’s Role in 2024 Election Mail Readiness”
September 26, 2024

Good morning, Chairman Joyce, Ranking Member Hoyer, and Members of the Subcommittee, I appreciate the invitation to testify. This is an important opportunity to clarify our role in delivery of Election Mail and offer strong reassurances on our readiness to do so. I am keenly aware that we are five and a half weeks away from a nationwide election and the heightened attention placed on all aspects of the nation's voting system. In addition to this subcommittee, my team and I have been briefing local and state election officials, our oversight committees and individual Members of Congress, and members of the media. Interest in our readiness is periodic for several of these groups, but a year-round focus for the Postal Service and our Election and Government Mail Services (EGMS) team that I made a permanent element of our organization in 2021. From our perspective, primary and general elections that use the mail system occur at the federal, state or local level virtually year-round, not just during November of even years.

Our Specific Role

I want to begin by reminding the Subcommittee of the very specific role we play, starting with what we do NOT do. We do not conduct elections or determine their timing or deadlines. We do not determine federal, state, or local election laws or practices, or the extent to which they incorporate the mail. We do not determine when election officials mail ballots out to voters or when voters return ballots back to Boards of Elections via the mail, nor do we determine the laws regarding that timing. We do not determine how and whether election laws rely on our postmark, nor whether the state legislatures take into account how the mail system works when they design their election laws. We do not design ballots or ballot envelopes.

Instead, the Postal Service collects, processes, transports, and delivers the nation's Election Mail when public policy makers or election officials choose to use the mail as a part of their election system or when voters choose to use our services to participate in an election. We employ robust and proven processes to ensure proper handling and delivery of Election Mail, including ballots. We will continue our outreach to election officials and their mail service providers and share our recommendations regarding the best practices for how to successfully use the mail system. We will also continue to educate them on how the mail system works, and the additional measures that we employ year-round, and in the weeks immediately preceding the general election, that are specific to Election Mail.

We are a national service and as such need to have consistent policies nationwide to ensure that our operations run smoothly, and that our 650,000 employees understand what is expected of them.

At the same time, there are 50 states and over 8,000 election jurisdictions who are far from uniform in their election laws and practices, and that often don't consider how the mail system works. This can result in a mismatch of timeframes, deadlines, return ballot suggestions, and election laws. And as noted, many of these laws and practices were not established with the Postal Service's operations in mind. For example, some jurisdictions allow voters to request a mail-in ballot very close to Election Day. Depending on when that ballot is mailed to the voter, it may be physically impossible for that voter to receive the

ballot mail, complete their ballot, and return their ballot by mail in time to meet the jurisdiction's deadline, even with our extraordinary measures, and despite our best efforts.

As another example, the Postal Service does not under our normal practices postmark every piece of mail pursuant to our routine processing procedures. This is because the primary purpose of postmarking is to cancel the postage to ensure that it cannot be reused, and as such, some categories of postage are pre-canceled before they enter our mailstream and therefore do not require a postmark. That said, in recognition of the importance that the election laws in some states place on postmarks, it has been the long-standing policy of the Postal Service which remains in place today to try to ensure that every return ballot mailed by voters receives a postmark, regardless of whether the return ballot is mailed with postage pre-paid by election officials or with a stamp affixed by the voter.

We do not have influence over state and local election laws and do not advocate to change them, even as they pertain to use of the mail. What we can do is focus on what is in our control, which has resulted in us undertaking extra steps to address some of these disconnects (such as our extraordinary measures and our effort to postmark every return ballot), but these steps are not foolproof.

The Postal Service is Prepared for the Election

Let me be clear: the Postal Service is ready to deliver the nation's mail-in ballots.

As you are all aware, for a variety of reasons, there is heightened sensitivity and scrutiny across the entire Election Mail ecosystem right now. We recognize that election officials are under an extreme amount of pressure and will remain so for at least the next month and a half. We also recognize that the American public will become increasingly alarmed if there is ongoing, although misguided, dialogue that questions the reliability of the Postal Service in the performance of our mail delivery role in the upcoming elections. That is why we have been actively communicating with election officials and stakeholders across the country for months about the measures, both routine and extraordinary, that we have taken and will take to ensure dependable and predictable mail delivery this election season.

While we have encountered episodic service challenges in certain locations due to a variety of factors, service performance for Election Mail remains excellent. As shown on our public Service Performance Dashboard, Election Mail sent via First-Class Mail during Fiscal Year 2024 is being delivered on-time 94.29 percent of the time, with 96.71 percent delivered within a day of our standard. On average, it is being delivered in just 1.3 days. Election Mail sent via Marketing Mail is being delivered on-time 97.67 percent of the time, with 99.27 percent delivered within a day of our standard. On average, it is being delivered in just 2.1 days over the same period. Overall, First-Class Mail is currently being delivered in 2.8 days and Election Mail routinely outperforms our regular service performance.

We periodically hear accusations that the large volume of Election Mail might strain our ability to handle it all. This is simply not accurate, and capacity is not a problem. While election and ballot mail volume does intensify in the months leading up to the general election, and it is certainly important mail, it is not a

significant volume event considering the scale of our operations and the volume that runs through our network every day. In fact, ballots represented only 0.1 percent of our total mail volume in 2020, a year with historic vote-by-mail participation. We are more than capable of processing and delivering Election Mail volume, even if every voting age person requested a ballot by mail and cast their vote by mail without even putting a dent in our network capacity.

A Legacy of Delivering

Our track record in transporting and delivering Election Mail, including ballot mail, is stellar, as we have done so with great success since 1864. At no point in history was this done at such a scale as during the 2020 general election. Despite dealing with the considerable disruptions related to the COVID-19 pandemic, the Postal Service delivered at least 135 million ballots to or from voters in the general election. We delivered 99.9 percent of ballots from voters to election officials within seven days, and we delivered 97.9 percent of such ballots within three days. Overall, on average, we delivered ballots to voters in 2.1 days. Most importantly, on average, we delivered ballots from voters to election officials in just 1.6 days.

We again delivered on our role in the 2022 midterm elections, during which we delivered more than 54 million ballots. We delivered 99.93 percent of ballots from voters to election officials within seven days, and 98.96 percent of such ballots were delivered within three days. On average, we delivered ballot mail from election officials to voters, and vice versa, in less than two days.

It is important to note that these results are all consistent with the general recommendation we provide voters throughout the election cycle – namely that for domestic, nonmilitary voters who choose to use the mail to return a completed ballot, as a common-sense measure, they should mail their completed ballot before Election Day, and at least one week before the deadline by which their completed ballot must be received by their local election official under the laws of their state.

The public would benefit if this Subcommittee, Congress, the media, and election officials would work to reassure the public that if they decide to use the mail to cast their ballots, the Postal Service will do our part to help them succeed. The analysis shows that the Postal Service has provided dependable and timely service, and that citizens and state and local election officials can have confidence in our established systems. We are good at what we do, but the mail system works in a consistent and specific manner, and we cannot alter time or physical distance despite many of the heroic and extraordinary actions we take that will be discussed later. The earlier that ballots are mailed, both to the voters and by the voters in the ballot return, the better.

Outreach to Election Officials

We educate election officials and voters on how they can effectively use the mail. We communicate repeatedly and year-round to election officials to make them aware of our best practices for using the mail system. That is the reason why we recommend that voters who choose to use the mail to return a

completed ballot should mail their completed ballot before Election Day, and at least one week before the deadline by which their completed ballot must be received by their local election official under the laws of their state, as a common-sense practice. But our influence ends there.

In 2024, our EGMS team has participated in 47 outreach events, including meetings and briefings with national election organizations, industry stakeholders, state election conferences, and Congressional briefings. Our Managers of Customer Relations, who serve as the primary points of contact for local election officials, have conducted extensive direct outreach to local election officials. This includes almost 10,000 presentations and virtual meetings, writing almost 2,600 outreach letters, placing over 1,200 phone calls, and responding to hundreds of reported Election Mail issues.

Official Election Mail Kit

One of the centerpieces of the Postal Service's election preparations is the production and release of Kit 600, our official Election Mail kit, to help election officials with the planning and preparation of election-related mail. The kit is part of our continued commitment to provide these officials with the tools necessary to use the mail as a secure, efficient, and effective way to help facilitate the election process. The 2024 kit was released in January of this year and includes exhaustive information about all aspects of how to utilize the mail, from choosing the class of mail to use for various types of mailings to the use of barcodes for tracking and visibility. It also educates election officials on topics such as preparing mail for citizens living or serving in the military overseas.

Mailpiece Design Analysts

Another example of the year-round resources available is the support that our mail piece design analysts (MDAs) provide to state and local election officials. MDAs are specially trained postal employees who can answer questions about mail piece design, give advice on evaluating pieces of mail for automation discounts, provide technical assistance on envelope standards, and help construct mailing plans. While these specialists work with a broad swath of customers, their expertise is invaluable regarding Election Mail. The envelopes used for sending balloting materials, as well as any envelopes or postcards enclosed for return mail should include certain identification markings approved by the Postal Service, including the Official Election Mail logo and the Intelligent Mail barcode. Mailpiece design is a significant part of the successful use of the mail, to ensure that the mail moves through our processing machines as intended and will be recognized by our employees as Election Mail, which is particularly important for ballot mail.

Examples of Internal Education, Training, and Management Efforts

In addition to our external communications with election officials, we have policies and procedures around Election Mail, some in place year-round and others that take place closer to Election Day. We engage in a regular, extensive cadence of internal communication efforts aimed at educating and reminding our employees of our processes and procedures specifically related to Election Mail. These include:

- Our Learn & Grow and Education Series which includes training on all of our policies and procedures.
- Our weekly Election Mail education series that began in February for processing employees and delivery and retail employees.
- Our enhanced All-Clear Processes, Yard Check Certifications, and transitioning to a new electronic Election and Political Mail All Clear log, which makes it easier to track compliance.
- Holding regular stand-up talks to keep employees up to date on our policies and procedures.
- Establishing escalation procedures for our employees to follow whenever delayed Election and Political Mail is identified.
- Conducting several National Election Mail Taskforce, Ballot Ambassador and Ballot Monitor trainings.
- Weekly communication on Regional calls, and meetings between Regional Election Mail Coordinators and Divisions each week.
- Updating the EGMS website to reflect any new policies or actions.
- Since September 14, there has been intensified management and executive visibility, with Headquarter support completing audits in the field each week.
- Required training for management employees on general election operational preparedness.
- Implementing initiatives to ensure that employees working with our Postal Automated Redirection System (PARS), which intercepts "undeliverable as addressed" mail, adhere to standard work instructions. This helps maintain current conditions and prevents ballots from being mistakenly returned to election officials. We are conducting daily sweeps of PARS volume for Election Mail.

While many seem to be under the impression that our efforts around Election Mail are primarily confined to a short window around the general election, the truth is that we use longstanding, proven processes and procedures all year long in support of our role in delivering Election and Political Mail for our customers.

As early as January of this year, we instructed employees to begin using daily "all clears" to ensure that all Election Mail is accounted for in the system and that mail scheduled to go out is processed accordingly. We also provided audit checklists and tracking logs for employees across the organization in our retail, delivery, and processing facilities. In preparation for election season, management employees conducted thousands of performance reviews of individual Post Offices and processing facilities, each taking several hours to complete.

In our processing operations, we advance Election Mail ahead of other mail in processing to the extent feasible. We also transitioned to a more intensified "All Clear" process to ensure that our mail sorting facilities are swept for Election Mail regularly and we have increased management oversight. Maintenance officials also review our cancellation machinery to ensure that all postmarks are legible.

You can rest assured that at all levels of the Postal Service we have dedicated leaders who are managing our operations, and dedicated employees who are fully committed to our success in delivering the nation's Election Mail. We are up for the challenge.

Extraordinary Measures

While work is done by dedicated postal employees year-round, beginning October 21, we will once again deploy extraordinary measures beyond our normal course of operations to accelerate the delivery of mail pieces that we can identify as containing ballots across our national network. These measures include:

- **Additional Retail Operations:** Post Offices may establish a dedicated line for ballot postmarks and drive-through ballot drop options, staffed through Election Day.
- **Extra Transportation:** Our delivery and transportation operations will make additional deliveries and collections to ensure timely delivery of ballots. Early collections will be run on November 2, 4, and 5, with special delivery runs to Boards of Elections on those days, and on later days for states that accept ballot mail after Election Day.
- **Special Pickups:** Our Postmasters will arrange after-hours special pickups and handoffs with Boards of Elections and utilize the Priority Express Mail network for completed ballots entered close to Election Day. We have a process to redirect misprinted or misaddressed ballots.
- **Carrier Mailbox Checks:** Beginning on October 21, letter carriers will check every delivery point for outgoing mail, regardless of whether they have incoming or destinating mail. These checks shall entail:
 - On mounted routes, visually checking mail receptacle that has the flag up for outgoing mail;
 - While serving CBUs, visually checking the outgoing slot;
 - On park and loops or dismounts, visually checking the mail receptacle box for outgoing mail.
- **Sunday Collections:** While we do not typically collect mail from our blue collection boxes on Sundays, all dedicated collection routes will be completed on Sunday, November 3. This is to ensure that any ballot mail deposited by our customers after the posted pickup cutoff time the previous day will be retrieved and processed.
- **Processing Plants:** We will process collection mail volumes on Sunday, November 3. In addition, we will activate special sort plans by November 1 to capture and expedite ballots in an effort to deliver all ballot mail by the deadlines established by state election officials.

A point that should be stressed about extraordinary measures is that these are designed to rescue ballots that are otherwise likely, or definitely, entered in our system too late to make certain deadlines established by election officials. They are by definition extraordinary, and a deviation from normal mail flow and processing, meaning the ballot mail may not run through our plants and processing machines as mail normally would. As such, these mail pieces may not be measured for service performance or receive

destination scans or automated postmarking that they might otherwise receive in the normal course of operations. These measures are heroic efforts intended to beat the clock and are designed to be used only when the risk of deviating from our standard processes is necessary to compensate for the ballot being mailed so close to a state's ballot receipt deadline.

Intensified Executive Focus

Beginning last week, our regular election mail procedures described at a high level above, our extraordinary measures execution, our employee and external communications, and our Operations trouble spotting, are the subject of an intensified focus from the entire organization. This focus will begin with the carrier on the street and the clerk at the Post Office window all the way to the executive level, including me. I lead an executive level task force that meets twice a week with all groups responsible for coordinating with national, state, and local election entities, which includes executive leadership from our Operations, Customer Service, EGMS, Communications, Government Relations, Corporate Affairs, and Law Department teams.

As mentioned above, we created a permanent Election and Government Mail Services structure. This full-time team is trained to educate postal employees and election officials on policies and procedures for the proper handling of Election Mail, and to monitor related activity to resolve issues as they arise. They work with state and local election officials year-round to prepare for elections. To augment this election mail-specific group's efforts, and as noted above, the Managers of Customer Relations are the points of contact for election officials – and the eyes and ears and points of communication in each of the 50 Postal Districts.

In July, we reinstituted the National Election Mail Taskforce with our union leadership and management associations. As part of this effort, beginning on October 1, we will deploy ballot monitors and ambassadors in Processing Operations and Retail & Delivery units to reinforce and amplify our policies and procedures on the ground.

Also in July, as a part of my Election Mail initiative, I established a Performance Excellence Team. The team, which is comprised of regional election coordinators, works in conjunction with Postal Headquarters and plant staff to ensure the timely processing of Election Mail via frequent messaging and onsite reviews. This team will work tirelessly to ensure smooth processing and delivery of Election Mail and jump into action locally and at Headquarters should any delays arise.

The Performance Excellence Team serves as a dedicated field resource to assist with plants in each region by addressing questions or concerns that local plant and district strike teams may have to ensure we provide timely delivery of all Election and Political Mail. This Integrated Operating Plan (IOP) Gemba team conducts process audits, distributes findings for plant response and action, and schedules follow up audits. Additionally, the team distributes a weekly newsletter on my behalf to Plant Managers regarding important Election Mail information.

In addition to the efforts to reinforce our policies and procedures outlined above, Postal Inspectors and other Postal Inspection Service personnel physically observe Election Mail processing and delivery operations. They review the physical security of Election Mail and the workplace, and they report their findings to Postal Inspection Service and Postal Service leadership so that corrective action may be taken for any concerns that are identified. Postal Inspectors also provide Postal Service managers and employees with guidance and recommendations to ensure election-related mail is handled securely and properly processed and delivered.

Further, personnel from our Postal Service Office of the Inspector General are conducting audits related to our Election Mail performance at post offices, delivery units, and plants across the nation. While they will certainly issue a report after the general election about how we did, they have also agreed to provide us with information concerning any Election Mail issues that they discover on a weekly basis so that we can correct or mitigate them immediately, rather than waiting to learn about them until after the election is concluded.

We have processes and procedures in place to safely and securely move Election Mail, and we have layers of internal oversight to ensure consistent implementation and to successfully deliver the nation's Election Mail.

Addressing Public Concerns

I want to touch on some topics that have driven much of the public discourse about our capability to deliver ballot mail in the upcoming election. First, I am aware of the report released by our Office of the Inspector General (OIG) at the end of July discussing our Election Mail readiness. As the OIG reported, for the period from December 1, 2023, to April 30, 2024, the Postal Service processed Political and Election Mail with on-time processing scores ranging from 97.01 to 98.17 percent. They made recommendations that aligned with our ongoing efforts that I mentioned above, namely that we further train our 650,000 employees and monitor compliance and performance across our over 31,000 facilities. As described above in some detail, we are committed to and in the process of doing just that.

There have also been questions raised about the potential for ballots to not be counted due to the lack of a postmark. As explained above, the Postal Service does not postmark every piece of mail under our routine processing procedures. This is because the primary purpose of postmarking is to ensure that postage is cancelled so that it cannot be reused, and as such, some categories of postage are pre-canceled before they enter our mailstream and do not require a postmark. That said, in recognition of the importance that the election laws in some states place on postmarks, it has been the long-standing policy of the Postal Service, which continues today, to try to ensure that return ballots mailed by voters receive a postmark, regardless of whether the return ballot is mailed with postage pre-paid by election officials (such as Business Reply Mail) or with a stamp affixed by the voter.

The Postal Service has instructed employees throughout the country about our ballot postmarking processes and procedures. Although we instruct our employees throughout the country to adhere to our ballot postmarking policy, we cannot rule out the possibility that situations will occur where the policy is mistakenly not observed, and circumstances could arise that prevent ballots from receiving a legible postmark.

That is why we advise voters to be aware of the postmarking requirement in their jurisdiction. Voters can ensure that a postmark is applied to their return ballot by visiting any of our more than 30,000 Postal Service retail offices and requesting a postmark from a retail associate when dropping off their ballot.

It is also a good common-sense measure for voters who choose to use the mail to return a completed ballot to mail their completed ballot well before Election Day, and at least one week before the deadline by which their completed ballot must be received by their local election official under the laws of their state.

I also want to address the recent letter from the National Association of Secretaries of State (NASS), National Association of State Election Directors (NASED), and other election officials. We responded to the concerns expressed in a letter that we distributed widely, assuring all stakeholders that we are fully committed to effective implementation of our longstanding processes and procedures designed to ensure that all ballot mail is delivered in a timely and secure manner. I also spoke directly with the leadership teams of both NASS and NASED to address their concerns head on. As I have made clear to them and to anyone else who will listen, we are not avoiding any discussions on our capability to handle Election Mail and feel confident in our performance and our ability to deliver the nation's Election Mail.

One of the requests made in the letter was that we implement our planned extraordinary measures earlier in the election cycle. As I noted in my response, the extraordinary measures are designed to effectively balance the risk inherent in deviating from routine, automated processes in an operation of our size and scale and expediting ballot mail that is entered into the postal system by election officials and voters so close to Election Day that the mail may not otherwise arrive by a state's deadline. The measures are not intended to compensate for general operational deficiencies, to the extent that such deficiencies exist, and in fact if they were implemented too early that would likely be counterproductive. Therefore, we have determined that implementing extraordinary measures two weeks before the election provides ample time for their intended purpose.

National Outreach Efforts

In addition to our public responses to the OIG, NASS, and NASED, we have a long list of public engagements with stakeholders at all levels. We recently provided a joint briefing on our plans and practices to ensure a successful election season to our House and Senate oversight committee majority and majority staffs, jointly to the Republican National Committee and the Democratic National Committee, to election officials individually and collectively on multiple occasions, and to the media at two Election

Mail webinars held in the past month. In addition to speaking with leadership of NASS and NASED, I also met with Executive Leadership at Election Assistance Commission (EAC).

Election Mail Security

Regarding concerns that some have raised about mail security, allow me to assure you that the law enforcement arm of the Postal Service, the U.S. Postal Inspection Service, is fully committed to ensuring the safe, secure, and timely delivery of Election Mail, the integrity of Election Mail, and the protection of election officials from threatening and dangerous mail. This includes rigorous security protocols, continuous monitoring, and prompt response to any potential threats or incidents.

All 16 Postal Inspection Service field divisions have designated Election Security Coordinators who coordinate the response to election security concerns involving the mail. They also coordinate Election Mail Inspections within their divisions. During these inspections, Postal Inspection Service personnel physically observe Election Mail processing and delivery operations and review the physical security of the mail and the workplace, reporting their findings to Postal Inspection Service and Postal Service leadership so that corrective action may be taken for any concerns that are identified.

The Postal Inspection Service serves as a member of the Department of Justice (DOJ) Election Threat Task Force and works closely with federal, state, and local law enforcement partners to respond to and investigate reports of suspicious, threatening, and dangerous mail. The Postal Inspectors who serve this role have specialized training and equipment to respond to and investigate these types of incidents. Anyone can report Election Mail-related security or criminal incidents to the Postal Inspection Service's 24-hour National Law Enforcement Communications Center at 877-876-2455, or at their website at uspis.gov/report. Any person that attempts to tamper with the nation's Election Mail will be met with swift consequences.

Network Modernization

While the purpose of this hearing is to provide you with more information about the Postal Service's readiness for the general election, I know that several members of this subcommittee have raised questions about our ongoing network modernization initiatives and our recently announced intent to file a request for an Advisory Opinion from the Postal Regulatory Commission (PRC). Before I address these matters, let me first state that these initiatives will not adversely impact our performance in delivering the nation's Election Mail, and furthermore we have suspended all of our significant activities in connection with our network modernization efforts until after the General Election.

In that regard, our request for an advisory opinion from the Postal Regulatory Commission will cover two operational initiatives. The first is Regional Transportation Optimization (RTO), which evolved from the Local Transportation Optimization (LTO) pilot, and which relates to the transportation of collection mail from Post Offices to processing facilities. We will not implement RTO or LTO at any new locations

between October 1 and Election Day. There may be new RTO/LTO campuses rolled out as part of our ongoing pilot this calendar year, but only following the general election.

In addition, starting October 21 and extending through November 5, for the handful of sites with already ongoing LTO pilot programs, we will deploy extra transportation and other resources to connect Election Mail to its intended destination or the next stage in our processing network as needed. It should be emphasized that this extra transportation is not a reinstatement of the transportation structure that existed prior to implementation of the LTO pilot. Instead, these activities will be implemented to expedite the delivery of ballot mail and to ensure that all ballots mailed from LTO sites will be postmarked on the day they are entered into the mailstream. The activities consist of targeted utilization of extra resources, including, but not limited to, transportation to centralized hub locations from spoke Post Offices to facilitate postmarking and transportation of ballots to Boards of Elections or processing plants as applicable, and are designed to avoid unintended impacts on ballot mail during the initial rollout of the initiative. These measures will compensate for any potential impacts to ballots specific to LTO.

The second operational initiative we will include in the request for an Advisory Opinion relates to our Regional Processing & Delivery Center/Local Processing Center processing network modernization. As I previewed with this subcommittee during our May roundtable, we have paused the movement of originating mail processing operations being performed at Processing and Distribution Centers (P&DC) or other processing facilities as part of the Mail Processing Facility Reviews (MPFRs). Specifically, we had proposed in those reviews to move certain originating mail functions to a Regional Processing and Distribution Center (RPDC). We are not moving any mail processing operations associated with the MPFRs until January 2025 at the earliest, which will steer clear of the timing of the general election as well as our peak holiday season. Further, because of the cost savings that we anticipate we will be able to achieve through the initiatives that are included in our advisory opinion request, we have determined that we will be able to absorb the costs that we sought to eliminate through some of our MPFRs, and we have therefore already announced at a number of locations that we will not be moving forward with some of the mail moves we were considering.

In addition to the two operational changes, the request for an Advisory Opinion will also describe proposed changes to our service standards. These refinements are necessary because current standards do not consider the regional transportation operations necessary to transport mail and packages from collection to the processing network. As our current standards are based on 3-Digit to 3-Digit ZIP Codes pairs, there are examples where a mailpiece that originates at a Post Office that is hundreds of miles from the processing facility that will move it forward into our broader network has the same standard as a mail piece that originates 20 miles from that facility. A transition to 5-Digit to 5-Digit ZIP Code service standards would allow the Postal Service to more logically and accurately reflect our operations, and such standards will be more understandable to our customers. The change also enables significant cost

savings which as noted above facilitates our ability to absorb some costs associated with certain turnaround mail that was the subject of the MPFRs.

The proposed changes will lead to a net positive impact for First-Class Mail, as well as for end-to-end USPS Marketing Mail, Periodicals, and Package Services, from a service standard perspective. Most volume will retain the same service standard as under the current service standards or see service standard improvements. The relative upgrades and downgrades demonstrate the Postal Service's efforts to maintain high quality service while also implementing operational changes necessary to achieve the critical—and significant—cost savings that are necessary for financial sustainability. However, I would stress again that these changes will not be implemented until after the general election and that they will not adversely impact our Election Mail performance.

The Need to Move Forward

The fact of the matter is that despite our recent significant successes, the Postal Service is still in a financially precarious position, due to various factors, including high inflation in recent years. To counteract our continued losses, it is imperative that we continue implementing DFA initiatives to drive efficiency and growth and create a rational network that meets our cost and service objectives.

Single-piece letter mail has been declining for decades at this point, from an annual volume of 57 billion pieces 15 years ago to only around 11 billion pieces today, representing an 80 percent decline. We have a mail system of collection, transportation, processing, and delivery that was established to handle ever-expanding letter mail volume, and low package volume, and that never evolved as the mail mix and overall volumes reversed. We must redesign our network, facilities and equipment for the volume and services that the American people require now and tomorrow, not what they required 20 years ago. And as mail volume has declined sharply, our pricing model did not evolve, and stakeholder resistance to any change persisted and intensified, while our financially self-financed organization lost the will and resources to do what we knew was necessary to adjust. We are now modernizing our network, primarily our processing facilities and transportation at this stage. The majority of our rollouts have gone well, with a few locations – Richmond, Atlanta and Houston – experiencing challenges of execution that are now behind us.

As previously mentioned, the single-piece letter mail volume that provided the financial backbone of the Postal Service for most of its existence continues to decline precipitously. I believe it should be beyond dispute that we need to move forward with great urgency to repair the damage done by years of neglect and to restore the Postal Service to a position of operational and financial staying power and relevance to the current marketplace. Pausing all investments and evolution and preventing our necessary change would be counterproductive at best and catastrophic at worst and would inhibit or prevent our ability to survive and thrive.

Since the enactment of the Delivering for America plan, we have made significant progress in growing revenue and reducing costs:

- Revenue has grown by \$6.1 billion (Fiscal Year 2020 compared to Fiscal Year 2023) due to innovative new products that meet the needs of our customers (including USPS Ground Advantage) and judicious price increases.
- Workhours have decreased by 45 million hours equivalent to \$2.3 billion (Fiscal Year 2022 - Fiscal Year 2024 YTD), after many years of increases.
- Transportation costs have decreased by approximately \$1.4 billion (Fiscal Year 2023 – Fiscal Year 2024 YTD), the first decline since 2015, enabled by our ability to shift from air transportation to ground transportation.

Without the accomplishment of the basic strategies and initiatives of the DFA Plan, the Postal Service would gradually slide towards irrelevancy and insolvency with deteriorating infrastructure and service performance until a crisis point is reached. At that point, either we would have to implement drastic cuts in service and personnel to make the Postal Service financially viable, or Congress would have to make the decision to either bail out the Postal Service at great cost to the taxpayer, scrap the current structure and make the organization dependent on the appropriations process, or allow us to disappear into obscurity.

In the long run, there are no viable alternatives available to the DFA Plan that would comply with the current laws and business model that Congress has established. However, as detailed above, we have taken extensive measures to ensure that our performance during the 2024 general election is not negatively impacted by our long-term modernization initiatives.

Conclusion

I would like to conclude my testimony by emphasizing again that the Postal Service is ready to deliver ballot mail for the American public. We will provide a secure, efficient and effective way for citizens to cast their votes, just as we have for years. We have a robust and tested process for proper handling and timely delivery of Election Mail that is more than capable of handling any demand during the upcoming election. We will ensure that all necessary resources are available so that we can successfully fulfill our role in delivering the mail when election officials and voters choose to use our services as part of their election process. None of the modernizing or network rationalizing actions we have taken, or are in the process of taking, will impact our successful delivery of Election Mail, and any in any event any changes that could have a potential or perceived impact are being paused or delayed until after the election or until 2025.

Thank you, Chairman Joyce, Ranking Member Hoyer, and Members of the Subcommittee, for the opportunity to submit this testimony.

Mr. JOYCE. And, with that in mind, we would ask you to please summarize your opening statement in 5 minutes.

STATEMENT OF LOUIS DEJOY

Mr. DEJOY. Good morning, Chairman Joyce, Congressman Cartwright, and members of the subcommittee. As you know, for a variety of reasons, there is a heightened sensitivity and scrutiny across the entire vote by mail ecosystem. We recognize that the American public will become increasingly alarmed if there is ongoing dialogue that continues to question the reliability of the Postal Service in the upcoming elections.

Let me be clear: the Postal Service is ready to successfully deliver the nation's mail-in ballots. We have a long track record of success delivering election mail back to 1864. Even though during the global pandemic in 2020 we were successful in delivering a historic volume of mail-in ballots during a presidential election year, delivering 99.89 percent of the ballots from voters to election officials within 7 days, our recommended common-sense timeframe for ballot return by mail.

We will be even better prepared for 2024. Our network is designed to regularly handle a surge in mail-in volume just like we do every election and holiday season. Even in 2020, the historically high number of ballots accounted for just 0.1 percent of the Postal Service's total mail volume that year.

As in the past, in each general election year, we deploy what are referred to as extraordinary measures, enabling our dedicated people to expedite ballots through our system in the days immediately preceding election day when deadlines loom. These processes, procedures, and their schedules for activation are identified in my written testimony.

Importantly, the extraordinary measures we undertake immediately preceding election day are designed to rescue ballots that are entered late into our system, likely too late to make the election deadline set by election officials. They represent a deviation from normal mail flow and processing, meaning they won't run through our plants and processing machines as mail normally would.

We engage in these heroic efforts to beat the clock, and they are only used when the risks inherent from deviating from our standard processes are justified by the risk of a voter's ballot not meeting a state's election deadline. In those instances, we prioritize expeditious delivery.

One other key point that sometimes gets lost is that we are a national service, and to operate successfully we must have consistent policies nationwide for our system to operate at the level of precision required.

Despite our own consistency, we operate as the one uniform element in a sea of variation when it comes to elections. There are 50 states and thousands of election jurisdictions that are far from uniform in their election laws and practices, and that often don't consider how the mail system works.

We do not determine state and local election laws or the extent to which they incorporate the mail. We do not conduct elections or determine their timing or deadlines. We do not determine when

election officials mail ballots out to voters or when voters return ballots back to boards of elections via the mail.

We do not determine how and whether election laws rely on our postmarks. We do not—and we do not design ballots or ballot envelopes. Instead, the Postal Service collects, processes, transports, and delivers the nation's election mail when public policymakers, election officials, or voters choose to use the mail as part of their election system or to participate in the election process, and we do so extremely well.

Additionally, in an extensive and ongoing basis, we educate election officials and voters on how the mail system works and the additional measures that we employ year-round and in the weeks immediately preceding the general election that are specific to election mail.

We will continue to encourage that the voting public mail early. And if they choose to return their ballot by mail, we recommend they do so at least seven days before it must be back to their election official under the laws of the state where they are voting. That's the key to everyone's success, and we could use your help in communicating that message.

Finally, internally, we are collectively working around the clock to communicate with all stakeholders in the voting ecosystem and address and resolve any issues. We are utilizing resources from the Inspection Service and the Inspector General to help ensure that we successfully deliver the nation's election mail.

Let me end where I started. The Postal Service is fully ready to successfully deliver the nation's mail-in ballots for voters who choose to use us to vote.

Mr. Chairman, that concludes my remarks, and I welcome your questions.

Mr. JOYCE. Thank you, Mr. DeJoy. And before I recognize myself, I would like to thank you for being here today, because I think it is important that we have this honest, frank discussion the American people can understand. And I appreciate the points that you were making about different states having their rights and having their voting deadlines, and that we want to work together to make sure the public knows how they can be consistent with that.

We will begin our questions, and each member will have 5 minutes for their questions and their answers. And when the timer turns yellow, you have 1 minute remaining.

And, first, I will recognize myself. And, you know, I would be remiss if I didn't start off with one that was specifically given to me by my Secretary of State, Frank LaRose. He has indicated that in 2020 the regional sort facility in Detroit experienced significant disruptions to the point that election mail for northwest Ohio needed to be routed through Cleveland.

And so I wonder, Mr. DeJoy, what has the Postal Service done to ensure that situations like that won't repeat itself in 2024?

Mr. DEJOY. So, sir, we are—as you recall, in 2020, that was—the election in 2020, I was here maybe 3 months. Right? Three months. We were at the beginning of—the election was in the middle of the pandemic. I would say to you that over the last 10, 11 years, prior to me getting there, we had lost over \$100 billion, had

\$20 billion worth of deferred maintenance, had significant turnover.

We hired 200,000 people that year and never raised the top line level of employment at the organization. And we were about to run out of cash in 60 days, 650,000-person organization about to run out of cash in 60 days.

We are not in that position today. We are better. We're not—we have got a long way to go, but there's been extensive—our ranks are full. In fact, I'm not looking to hire too many people for peak season, because we're fully staffed, because I've converted over 190,000 people to full-time positions. We've invested in our facilities across the nation—close to \$16 billion—and our training is extensive. We have significant oversight, both from the Inspector General and our own Postal Inspection, and me.

I meet twice weekly on these processes, and the fact is that we are a system of 31,000 facilities on any given day. Right now, I am shutting down plants in Florida because of the hurricane. On any given day, we have different issues for different reasons that go on throughout the country, if not throughout the world, and we have to respond to them.

And if routing mail to a different location still gets it there 99.9-something percent of the time, we're going to continue to do that. I don't know what the specific issues were in Detroit at the time. Many of them that continue from an ailing system, we're trying to—we definitely have improved that.

Mr. JOYCE. During the 2023 election, the Ohio Secretary of State found flats of mail sent by voters as early as October 24, 2023, received by all the boards on or about November 21, 2023. All these problems trace back to the Cleveland Regional Sort Facility, which services my district. This is well past both the deadline for absentee votes to be counted and the estimated U.S. Postal Service standards. Effectively, these voters were disenfranchised because of the USPS failures.

How, specifically, have you enhanced the all-clear procedures you reference in response to the National Association of Secretaries of State? And can you assure us that these procedures will ensure that that doesn't happen in this upcoming election?

Mr. DEJOY. I'm not familiar—I don't—I would need the specifics of what—of Cleveland, but we—our processes are extremely enhanced. Right now I have set up an operational precisions group, not just for the election, that has 4- or 500 people around the country going into plants each day. We didn't have—I have a 650,000-person organization. I didn't have an internal audit department, my own internal audit department.

So we've set up processes and procedures to follow reporting and going into plants and look and checking on the—and validating the processes that we have. We kicked off an extensive training program back in July throughout the whole system.

We have put specific alert—our operation is broken into three different parts—processing and delivery, transportation and logistics, and retail and delivery—and all of those executives and those teams have specific tasks that they need to do within the facilities in terms of how we identify mail that—election mail that is being tendered, how it's moving through the process, we have a cleared—

we clear it in a plant at the end of the day, and that goes on to the delivery centers and into transportation, and they are executing that fairly well, pretty well.

We have improvements. That's why I am meeting two times a week to go over what this—what the status is. I get reports from the OIG on a weekly basis. I get reports from my own Inspection Service. So, again, I think our goal is to do what we have done before, at least in elections throughout the nation, to perform highly admirably.

Mr. JOYCE. Thank you, Mr. DeJoy.

I now recognize Mr. Cartwright for any questions for 5 minutes.

Mr. CARTWRIGHT. Thank you, Mr. Chairman.

Mr. DeJoy, I want to—I want to review previous postal performance and potential improvements to our election infrastructure. In July of this year, the post office—Postal Service Inspector General published a report titled “The Postal Service’s Election Mail Readiness for the 2024 General Election.” And you are familiar with that report.

Mr. DEJOY. Mm-hmm.

Mr. CARTWRIGHT. And I want to give you an opportunity to respond to some of the points made in that. The IG’s report found, as you testified, that the Postal Service appears to be ready to serve the American public during the election, but the report did highlight a few opportunities for operational improvements that I would like to talk about.

The report found some cases of election mail policies not being properly followed in some facilities, which caused some ballots to be out of place. And to correct this, the IG recommended additional training and education on election mail policies. How are you ensuring that Postal Service employees, from clerks to letter carriers to supervisors, have the time and resources they need to understand and internalize election mail procedures?

Mr. DEJOY. Thank you, sir. We are overwhelmingly enhancing our training across all aspects of our operation. That is the—that is the fundamental thing we need to do for these extra efforts that we put in election mail to actually work.

Okay. So we are on—there are lots of different processes and groups and departments in terms of our reorganization, and we’re on a daily mission to train over 600,000 people across 31,000 ratty locations, I might say, on how to improve our operating practices across the board, and, at this time, most specifically in the election mail area. Okay?

We’re doing very well at this, just not perfect. The OIG, on the other hand, has a couple hundred people they send out to those same ratty plants and interrogate and investigate our people and review processes, and they find some things wrong. They’re perfect at that.

Mr. CARTWRIGHT. Sure. What is the—tell us what the Learn and Grow Education Series is.

Mr. DEJOY. This is—Learn and Grow is a normal process within the Postal Service where whatever subject matter that we want to teach our workforce on a specific issue, sometimes it’s in general, to all areas of the organization, sometimes it’s specific to a department, we create content, be it written material, be it video, be it—

and we put it out across the organization, from standup talks and other methods of—

Mr. CARTWRIGHT. And you have been growing that. Is that correct?

Mr. DEJOY. We talk to our employees a whole lot on our—

Mr. CARTWRIGHT. Okay. And on election mail, there is a weekly election mail education series that began in February. Am I correct in that?

Mr. DEJOY. We have a lot of things that—yes. So if we have—we have weekly—there is a lot of material out there with regard to election and other service matters.

Mr. CARTWRIGHT. Thank you. Now, the July Inspector General report also showed cases of employees who were trained on election mail policies but did not properly execute them during the election. The IG made multiple recommendations that management reinforce policies to postal workers handling election mail. In light of that report, how are you keeping election mail procedures front of mind for busy postal workers during the election?

Mr. DEJOY. So I have daily reporting that comes up to our performance improvement group that comes up to each of the operational executives. I demand a high level of attention from the high-level parts of the organization. I meet two times a week on specific election matters, both in terms of operational processes, the training, and the communication with the election officials.

Mr. CARTWRIGHT. Is that the National Election Mail Joint Task Force you are talking about?

Mr. DEJOY. We've created—I've created a National Election Joint Mail Task Force that includes our union, ambassadors from our union, that are in our plants and review, you know, processes and communicate up through a committee that I—a group that I set up in 2020 that is stood up for the whole year to interact with election officials and our people to improve processes.

Mr. CARTWRIGHT. All right. Now, your testimony mentions the Postal Service has many dedicated systems to get election mail where it needs to be when it needs to be there, and you discuss some of the details of these systems. Additionally, how will you track compliance with the systems?

Mr. DEJOY. Well, systems is a—I don't—I'll apply it where I think we are talking about. Basically, the postal system as a whole, as it works, would collect mail and then move through its normal machine process, its collection, aggregation, its transportation process, its machine process, to get through and go on to its destination in a normal course of business without segregating it and mining for it separately, you know, throughout the process.

That is the mail process as it was designed and been using, and for the most part operates at a high level of precision. Right now we deliver 60 percent of market dominant mail a day in advance, and 96 percent—97 percent a day after its delivery date. These statistics about 80 percent, 40, are all with regard to an archaic timing system. Right?

But for election mail, we add to that with additional processes called extraordinary measures, where we rifle through each day—our carriers—we rifle through 300 million pieces of mail as they move through the system and look for ballots and pull them out

and expedite them through a variety of different ways across the nation.

And there's a host of other operations that we take when we look—when we look at, you know, how our machine processes work. Right now we can't—we will not even put a machine in for maintenance without me signing off on it. Right? Because we put—not necessarily because it is going to impact the mail. Because we are trying to calm everybody down.

Mr. CARTWRIGHT. On that point—last question—are American citizens going to be able to trust mail-in ballots?

Mr. DEJOY. Absolutely. Absolutely. I don't know why you wouldn't. We've delivered in the heightened part of a pandemic and the most sensationalized political time of elections, and we still got—with a lot of noise, for lack of a better way at the particular time, and we delivered at 99-point-whatever percent I mentioned earlier.

Mr. CARTWRIGHT. Thank you, Mr. Chair, and I yield back.

Mr. JOYCE. Thank you, Mr. Cartwright.

I now recognize Mrs. Hinson for 5 minutes.

Mrs. HINSON. Thank you, Mr. Joyce, our chairman, and our ranking member, Mr. Cartwright, for serving in that capacity today.

Thank you, Mr. DeJoy, for coming before our committee. I think, as it is very clear here, Americans need to be able to trust you and that they can rely on you to get their election mail not only sent but processed effectively, and then, of course, after that accurately counted. And I know you are not a part of that part, but it has got to get there first.

Earlier this month a group of state election officials submitted a letter to you expressing concerns about that process for the mailed ballots for the general election. In addition to staff training and delivery times, they noted that they had not seen significant improvement or concerted efforts to remediate their concerns.

Now I appreciate also in your response, which I have—I have both of these—their letter and then yours—that you committed to work more closely together with state and local officials leading up to the election.

So, in response to that, what specific actions have you taken to ensure that your staff are accessible to our state and local election officials on the ground in places like Iowa to be able to quickly address those concerns?

Mr. DEJOY. So thank you, Congresswoman. First off, the intensity of the interaction on the vote by mail from election—election mail officials are under an extreme amount of pressure, and I recognize that. That is one of the reasons I stood up this special group 4 years ago that stayed year-round. We used to put them up for elections and then put them down—to expand the interaction, to explain our processes, to get feedback, and so forth. And then we have 50 people—50 regional managers—that interact with election officials.

I don't know—I mean, I am always—I am a very accessible Postmaster General, and

Mrs. HINSON. Yeah. You are here today, which we appreciate.

Mr. DEJOY. A phone call would have helped, instead of a letter to the press, because we have had a good working relationship with those. I got on the phone with them after, and we have scheduled meetings. I'm going to meet with the whole—with a larger part of that group. But I also, you know, recognize that we're not perfect. We're not perfect in communication. We're not perfect in—it's not a perfect system.

Mrs. HINSON. So for—

Mr. DEJOY. And we are—

Mrs. HINSON [continuing]. Our people back home, so, you know, just from a—you know, this is about a relationship-building and effort, so that they can know that those concerns are being heard, number 1, but also acted upon. So are you—you know, as far as these trainings, are you encouraging that, so that people know, hey, we have a system to run our concerns up this food chain?

If they do identify problems with mail-in ballots, are there going to be processes in place to ensure that USPS staff are not only responsive, that they are notified, and that these issues are dealt with in a timely manner?

Mr. DEJOY. Thank you, Congresswoman. Processes and systems are being intensely—intensely managed now and intentionally.

But, to your question about the communication, we're a large organization, going through a lot of change. And as intensity builds, sometimes we're the last to the party, right, and we need—because of—you know, because of our functions. I have—after my conversation with those election officials, I convened a whole group—that is, in the nationwide election mail, our group—I convened a meeting of the 50 state people that are out there.

I reviewed all their interactions, all their interactions. We had a review. I've added more executives to that particular team. I set up two meetings a week with them where we are analyzing the feedback and the compliance, and it's coming up through a larger executive team, and we're engaging in trying to be—however, we are proactive, but we need to be more proactive and not just wait for issues to come to us to have dialogue with these people, but to be proactive and express and building confidence and—

Mrs. HINSON. Well, and you talked earlier about standard procedures, right, which I understand. And every election law is different state to state, and I know you included that in your testimony. And I think just as we are having, you know, the bigger conversation here about process, making sure that there is a very, very clear process.

The relationship is part of it, and I appreciate those conversations are happening, but making sure that our people know, hey, we are keeping an eye on this. You have a standard process in place to not only deal with it in a timely fashion but also remediate it and make sure it never happens again. Understanding that you are going through some of these major systematic changes, people don't want an excuse of a change. They want to make sure that their ballot is going to be there in time, right?

And I think that that is what—when we are dealing with these people back home. I just would encourage you to be sensitive to that. I would be happy to follow up with your office about working with our Iowa folks, so that we can continue to keep an eye on that

in the next couple of weeks to ensure that that is—that follow through is actually happening.

Mr. DEJOY. We can do that. I have people ready to do that, and we are working on enhancing that process. But to the point about the changes, the changes in no way will impact or were they ever considered to impact—in fact, the timing of the change—there is nothing going to be moving, you know, after October 1.

We have decades to catch up with, and we've timed the changes—however good or bad they went, because there were other areas that went well—and those—there was no intention or impact, and the processes that we deploy will catch any delays of which mostly will be for the rescue efforts of last-minute ballots. So—

Mrs. HINSON. I appreciate that answer, and also your recommendation. And I think we need to be very clear: people need to send their absentee ballots you said at least a week ahead, right? At least a week ahead. I think—

Mr. DEJOY. Help us out.

Mrs. HINSON [continuing]. Very clear, let's get those in the mail as soon as possible. Thank you.

Mr. Chair, I yield back.

Mr. JOYCE. Thank you very much, Mrs. Hinson.

I now recognize Mr. Pocan for 5 minutes.

Mr. POCAN. Great. Thank you, Mr. Chairman.

And thank you, Postmaster, for being here. I know we had a meeting a while back kind of behind closed doors, and you and I had a good, frank, conversation on a number of issues. As you know, I have been a bit critical of some of the changes that you have made.

You may remember I had, you know, 5 days people didn't get their mail in Madison, Wisconsin.

Mr. DEJOY. I remember you being frank.

Mr. POCAN. Yes, I was. Thank you. [Laughter.]

And so I actually am heartened, and I want to make sure you hear this, by the fact that many of the procedures you explained you are going to do prior to election, including prioritizing ballots—because this is not something we have had a problem with in Wisconsin. In fact, I remember them bringing multiple trips a day of ballots in, and it did work well.

So knowing that you haven't changed that, I am heartened by it, so thank you. And I think that will bode well for the election. Yeah, write that one down.

Let me give you a little backhanded heartened, though. I am also heartened that you are not doing changes on the regional transportation optimization or local transportation optimization programs between October 1 and election day. I might recommend you consider extending that period to forever for this reason. You did two pilot runs on the LTO. You did it in Richmond, Virginia, and Green Bay, Wisconsin, in my state.

Since those policies were implemented, Wisconsin's on-time 2-day delivery service dropped from 91½ percent to 70½ percent, and our 3- to 5-day delivery service fell from 86.2 percent to 67.9 percent. I think we are second worst in the country right now, and Virginia I believe was fourth worst. And it just so happens the other pilot was Richmond, Virginia.

There seems to be perhaps some coincidental, you know, operations that it is happening that way. But can you tell me more about, if our service dropped that significantly since this was implemented, what makes you think this is a great plan to extend nationally?

And, again, I am really heartened you are not extending it from October 1 to the election day. That gives me some reassurances. But our actual experience in Wisconsin was extremely negative, and we already have the processing center problems. Can you explain a little more about this?

Mr. DEJOY. Yes, sir. Certainly. So, first off, most single-piece first-class mail, which is what our system is mostly designed for, was about 59 billion pieces a year in 2000. It was less than 12 billion last year. We still have the collection system and the collection—from households, which I supported putting in our plan and helped pushed through legislation that we committed to delivery to 167 million addresses 6 days a week. Okay?

But the collection and collect it back to our spots where we still run trucks, 50,000 trucks a day, 30 percent—you know, 30 percent full. And we still have archaic business rules—

Mr. POCAN. If I could.

Mr. DEJOY [continuing]. Generate these—

Mr. POCAN. If I could, because I want to make sure—I have such limited time. The problem is, when you quit picking up mail the same day, and they have to wait another day, they put something in on Friday, doesn't get picked up 'til a Monday, right? The extension of that amount of time, remember, we had this conversation behind closed doors.

Mr. DEJOY. Yeah.

Mr. POCAN. Your mission is not necessarily to reduce costs. Your mission, first and foremost, is to deliver mail. But if we are having this reduced delivery because of processing centers, and now because of this pilot project that you are going to take national, that is my concern, is that by not picking it up the same day like people are used to, you are going to extend that even more.

Mr. DEJOY. So two things. Number 1, I think this is a big problem for somebody like me who is trying to fix the place, right, is we have a legislative requirement to cover our costs. That's it. I don't get money. It's like I get—like .1 percent of our—

Mr. POCAN. Right. But service—delivering the mail is your number 1 objective, right?

Mr. DEJOY. We're going to deliver the mail.

Mr. POCAN. And you can do things like—

Mr. DEJOY. We deliver the mail six and seven—

Mr. POCAN [continuing]. Post a big—you could do a lot of other things and extend to bring money into the facility.

Mr. DEJOY. And there is a standard—

Mr. POCAN. But if you can't deliver the mail, that is also going to affect your bottom line, and it affects our constituents.

Mr. DEJOY. The law also says, and the last one that was just passed in 2022, which maintained that I have to cover our costs, is that we have to create an integrated mail and package network. That means mail and packages move together. Okay?

Under the system that I came into that was designed that was losing \$10 billion a year, that is not an integrated mail and package network——

Mr. POCAN. But that——

Mr. DEJOY [continuing]. To do so, we will still——

Mr. POCAN. The directive was not to have delayed mail and packages. It was to deliver the mail and packages, and that is the problem is the changes you have made have delayed those things.

Mr. DEJOY. The laws are very narrowly prescriptive when it comes to the United States Postal Service.

Mr. POCAN. But you haven't addressed the delays.

Mr. DEJOY. So the delays—number 1, we do have some operational implementation delays, right, in terms of changing. There is also—and this is one of the reasons I went in for the 3661, right, that we have in front of the Postal Regulatory Commission, to reconstruct—my whole national system is tied to a collection box time that's 30 miles outside of Roanoke, Virginia, for two pieces of mail that are in there.

My whole system has to operate that way, around that. That's why we are losing so much money. I need to adjust some of those business rules that will still have mail delivered 1 day, 2 day, 3 day, 4 day, 5 day at the worst. Some mail might go a day later, in a 2 day to 3 day, but most mail will accelerate once I do that. We will drive significant costs out. And a 5-day system for a package delivery, which would move with the mail, is faster than UPS and FedEx on the ground, right?

So there are some adjustments. This cannot be fixed. This cannot be integrated. This cannot make money unless we get realistic about what has happened to the organization over the last 15 years, despite the 2006 PAEA legislation, which was probably the worst legislation ever thought up by the Congress, and that, you know, dramatically—it was punitive to this organization.

Mr. POCAN. Mr. Chairman, I will try to get an answer in the second round.

Mr. JOYCE. Thank you.

Mr. DEJOY. I thought I answered your question.

Mr. JOYCE. Thank you, Mr. Pocan.

We are going to move on to the nattily-dressed Mr. Carl.

Mr. CARL. Postmaster General, thank you for joining us today. We had a very good conversation the last time we got together. It was behind closed doors. It wasn't intentional. We were just trying to get some questions answered.

And I told you my biggest concern, and I would be—I could not return back home if I didn't start with this, but you closed the post office in Spanish Fort, Alabama, and I had asked you if you would check on that, see what the possibilities are of opening that location back up.

It was a simple retail. It was pretty—it wasn't mass managed. It was a very simple post office. And I want you to understand, like I told you at the last meeting, that by closing that post office they lost their identity. And I get a text every day. I get hammered on social media every day. And we receive at least one or more phone calls every day wanting to know when the post office is going to

be reopened back up in Spanish Fort. What can you tell me about that?

Mr. DEJOY. So, Senator, first, I did not close that post office.

Mr. CARL. Well, okay.

Mr. DEJOY. That post office was closed a long time ago, as many hours and post offices were adjusted. About 70 percent of our post offices don't cover the costs of the people that work there. We could not—we were—when we come to the end of a lease on a facility, landlords in those towns make uneconomical offers to us to renew, thinking that we would have to stay, and we could not make a deal with that particular landlord and have not been able to find—and we communicate this a lot through my staff. We have not been able to find suitable locations for a retail operation there.

There are other post offices within, you know, a few miles of that particular one. But I will—this year is our year to look more at how we—how we expand the use of our 31,000 retail centers besides just priority mail bags and Hallmark cards, which don't cover the cost.

And as we start doing more processes to enhance federal government communication and supplies, like we are doing with the COVID test kit program that we are launching today, or become a bigger enabler of commerce like we are doing, we are the only ones growing in the package business, in the package industry this year, we see our retail operations being centers of the community, but it doesn't mean every retail operation. I can't find a spot in the towns that do our work effectively. I can't be there.

Mr. CARL. Would you allow me to help you find that spot?

Mr. DEJOY. Absolutely.

Mr. CARL. Because I promise you, I can find you a spot—

Mr. DEJOY. Let's do it.

Mr. CARL [continuing]. At a price you can't refuse.

Mr. DEJOY. Let's do it.

Mr. CARL. Well, you have whoever reach out to me, and I will—I personally will go to Spanish Fort with them. And I know most of the owners of the strip malls and such, and we will make sure you—they get what they want, which is a post office and their identity back. And I appreciate that.

Mr. DEJOY. I need a good rate, though. [Laughter.]

Mr. CARL. Oh. Hey, I told you I will make you a deal you can't refuse.

Explain to me the 60 days out of—excuse me—being out of cash. I assume your fiscal year is going to run through January 1.

Mr. DEJOY. Yeah.

Mr. CARL. Or through December 31, I should say. What is your plan on after 60 days?

Mr. DEJOY. No, this was before. Right now I am sitting on about \$20 billion of cash. We had—we were going to run out of cash. We were not paying into our employee retirement fund. We are still not. We were borrowing from it. We were deferring maintenance to the tune of 20—I go to put a conveyor in the facility for 8-, \$9 million, and I have got to pay \$30 million to fix the bathrooms, the roofs, the parking lots, the dock doors.

I walk in our plants and facilities, I see horror. My employees see just another day at work over the last 15 years. And cash—running

out of cash. In fact, the Board of Governors said before—when I took the job, the Board of Governors requested for Congress to put \$70 billion into the organization, of which I said that's—if we put 70 billion in, we'd be back in 2 years, right, for more money. It wouldn't fix the problem.

We have an operational problem, operational execution problem. We have a tools and equipment problem. We have an inability—we were poorly positioned in the marketplace to grow our—you know, to grow our revenue. We didn't fight, you know, the numerous—numerous lobbying issues and resistance that existed for making any particular change over the last 20 years. And we found ourselves in a place that we were going to run out of cash in 60 days if we paid our bills.

Mr. CARL. I appreciate the fact you are fighting for not just the postal employees, but also the locations, because some of them are very tired.

Mr. DEJOY. Yeah.

Mr. CARL. They truly are.

Mr. DEJOY. It's awful.

Mr. CARL. Yeah.

Mr. DEJOY. It's awful.

Mr. CARL. Well, thank you. I have got more questions the next round.

Chairman.

Mr. JOYCE. Thank you, Mr. Carl.

I now recognize Mr. Edwards for his 5 minutes.

Mr. EDWARDS. Thank you, Mr. Chair.

Mr. DeJoy, thanks for being with us. Thanks for taking on this task. I can't imagine a job with any more risk, unless maybe it is Speaker of the House. You are not in an envious position.

We need—I need to be able to convince the folks back at home that absentee balloting—ballots are secure, and I am still not able to do that. Could you walk me through, very carefully, a day in the life of an absentee ballot, from the moment that it gets put in the—in the mailbox til—

Mr. DEJOY. We'll start with—let's start with the outgoing because that is quick. Most election boards come. We have a tendering process. We have a way of marking—you know, marking ballots within the system. So they bring in trays of—you know, trays of mail usually to go outbound, and we have a handoff. They can't come into the plant, but we have a handoff. And there's a whole process of segregating and running these through our systems on the outbound to the voter. Okay?

Then, coming back, if the voter—let's say they bring it into a post office, and they want to get it postmarked. We would hand postmark it at a post office. It usually gets put in with the loose mail, maybe separated in a different tray, but it moves with the loose mail from our post office on a truck—on our truck, our secure trucks, into the plant where we have processes to put it in the mail system, the machinable process, but also look through the plant at the end of the day to make sure that everything has cleared. We look in the machineries, we look in the corners, you know, all that to make sure that it's cleared.

And then we have special—especially now, come October—special processes to—with coordinated with the elections boards to shuttle back and forth mail to the election office.

When we get to now within—I think October 21, when we turn it on, we don't even bring ballots back to the plant. If they are picked up from the collection box into the post office, ballots that are brought into the post office, we separate them, we hand-stamp them if they are local, and they go right back to the election officials, and that's a coordinated—it's a coordinated effort.

If they are going out of the area, back to the plant, they are—we make sure we're cleared at the post office. They're, again, put with the loose mail and run back to the plant where they get processed and, you know, put back into the system. And we also put—to extend our reach, so from a post office which serves a couple of five-digit ZIP codes, we may put a hub to run multiple post offices to do the same, so it doesn't have to go back to the plant where we stamp and run secure. It goes back to that hub and then back to the—we aggregate and go back to the election official.

This gets done, sir, like every night religiously as we're going through. So we have, you know, from my standpoint, very, very hand managed, you know, tight controls over what gets put in the system and gets delivered. I mean, it's in with 300 million other pieces of mail. We try and—we kind of babysit these pieces, you know, through the process.

Mr. EDWARDS. So would you—it sounds like there is a lot of visual inspection in there, that there is no real hard, firm electronic way to track a chain of custody from point A to—

Mr. DEJOY. And . . . so I would say most ballots don't—I mean, the exceptions of what I—what I spoke to you about, most ballots run through the machine process that goes through—you know, that goes through our system. I think the—what I will tell you, sir, is I—you know, our hand control throughout the system is a reliable hand control. Our people see ballots. They dive on them.

There has been very, very, very little proven other types of issues with us with regard to, you know, the processes that we—you know, that we—deploy.

Mr. EDWARDS. Well, thank you. I am going to run out of time, but there is one other line of question I would like to ask. Do all state ballots look the same? Do you—how do you know to treat one in Minnesota the same as one that you get from North Carolina?

Mr. DEJOY. No. They don't look the same. And just to—the exceptions that we are talking about with the United States Postal Service are few, just as they are with the election boards, but they are there, too. We get ballots with wrong addresses on them. We get ballots with—non-machinable, non-ability to run through our machines. We get a whole host of other issues, exceptions, you know, to the process besides that they all look different.

There are a number of states that have put an ID—so with regard to tracking, I misspoke. Those election boards that put an IMB barcode, we have recommended a barcode that they put on their ballots, both outgoing and incoming. We can watch that electronically through the process.

And we collect that data, and we make it available to the election boards, so they can watch it—they can watch it going out. They can

watch it and tell their voters that they've received their ballot. And when it puts back in the mail, they can watch it coming back. We don't get into that data. We just make it available.

If every election board did that, if every state did that, we'd have a whole lot easier job making sure that we perform at that high level, and it would be—it would be visible. That has been tossed around by Congress a number of times.

Carolyn Maloney when she was here, I worked with her on a bill, you know, to put that through. We have—we are considering internally with our board trying to put in what we call a contract—a national contract—together for certain election boards where we can define that process, define the paper, define the barcode, define what everything looks like.

I would tell you 4 years ago, 6 years ago, that was not something that would've gotten any traction, you know, in the Congress or—anyway, and it costs money. People—election boards don't have a lot of money, right? Somebody's got to pay for it. I don't have a lot of money.

So we have to come up with a methodology, but that would get at what you want, but there's not been a willingness to—I mean, it's an easy—easy thing to figure out if you are in the material handling. It's just—it's another material handling process that we could help the Congress figure out. It is just, then, when you have to get the states to adopt, right, and use it—

Mr. EDWARDS. Thank you very much. Especially thanks for the suggestion.

Mr. DEJOY. Yeah.

Mr. EDWARDS. We will be back in touch on that one.

Mr. DEJOY. Thank you.

Mr. EDWARDS. I yield, Mr. Chair.

Mr. JOYCE. Thank you very much.

Would that be consistent with what I get from you every morning in my email that shows what mail is coming to my house that day?

Mr. DEJOY. That's . . . that is different. That's informed delivery. It's a wonderful thing.

Mr. JOYCE. And it's a barcode system, though.

Mr. DEJOY. What's that?

Mr. JOYCE. It is a barcode system.

Mr. DEJOY. Well, it's actually—yeah. We tie it to a barcode, but it's also a visual. It's a camera image, right? So we have—we take photos of everything as it moves through, so it's an image and we deployed that on our package business when I arrived here. And we plan to do a whole lot more with it.

It is . . . There are various areas we have been discussing, and our general counsel here has been discussing, you know, other methodologies of how we can, you know, track stuff. But I think it's all kind of makeshift, and I don't want to be a proponent of makeshift solutions, right? I think the barcode that I just spoke with Congressman Edwards about, the IMB barcode, we expect perfection in an imperfect system. Right? And if we want that perfection, we're all in. Let's try and help—you know, we have suggestions and ideas as to how to do it.

But as far—you know, and look, I speak frankly also as far as, you know, we do everything we possibly can in an imperfect system

that expects, you know, the perfect. And we're a good target for a lot of blame. We are a good target for a lot of blame, because at the end of the day, the piece winds up with us some place, right? Or came from us if it's presumed to be late. And that's—it's not healthy. It's not a healthy environment for the nation, for our employees. I'm fine.

Mr. JOYCE. I was just trying to point out that since that already exists in your system, someone could know if they see their ballot and when they send it back in, if we use that program.

But, moving on, you might be surprised, but other members wanted to waive in today, so they could be part of this panel. And I told them that we weren't going to do that; however, if they submitted their questions to me in writing, I would make sure that I would make it available for you.

And only one person did, and this is from Andrew Clyde from the great State of Georgia, who wanted to talk about the Georgia Regional Processing and Distribution Center. Earlier this year, the U.S. Postal Service created a new regional processing and distribution center in Atlanta, which had a negative impact on mail delivery. Many of the facility's operational changes occurred just 3 weeks before Georgia's Republican presidential primary, raising a concern over mail and ballot security.

Are Georgia mail-in ballots secure for the upcoming election? Please tell me all the steps that the U.S. Postal Service and the Atlanta Regional Processing and Distribution Center are taking to ensure the security of all of the mail-in ballots.

And, secondly, how does the U.S. Postal Service track and monitor completed ballots in their facilities to ensure they are prioritized and reach their destination on time?

Mr. DEJOY. So just one thing on the—Georgia's service, we are putting over \$500 million into Georgia, Atlanta, Georgia, area. Georgia's service is going to be some of the best in the nation shortly. When I arrived here, our—you know, our service hasn't always been good. When I arrived here, our service was in the 70s in most areas.

We built it up by spending a lot of money and hiring a lot of people and repositioning. So where it was, like, 90—where it got very good towards the end of '23 before we started embarking on these big specific—you know, these big specific changes that happened. And back then Georgia was always in the 20—the bottom 25 percent of our performance.

What went on in Georgia is an embarrassment to the organization, okay, and it should not have happened. And we are correcting for it, you know, aggressively. I don't want to get into all of the different reasons.

Specifically, with regard to the primary election, we got through that because I put a whole bunch of people down there and a whole bunch of double-checking processes in place. And the primaries were—you know, the performance was good on election mail for Georgia. Okay? We still—we have some of the service issues that we talked about with regard to the standard.

But we—I have special Gambas going on in each of our four plants—or three—it's mostly in three plants around Atlanta. Every day people going in there, every day getting reporting, every day

looking at closeouts for ballots, and we're going to deliver Georgia's election ballots just fine.

Everything else that I said in terms of measures, procedures, operations, send them the video. I mean, I've answered it already.

Mr. JOYCE. Thank you.

Mr. Cartwright.

Mr. CARTWRIGHT. Thank you, Mr. Chairman.

Mr. DeJoy, as the Postal Service plans to consolidate resources around regions with higher population densities, it was reported that the Postal Service may begin to permit slower service for rural communities, as described in the Postal Service's Delivering for America Plan. The Postal Service is planning to scale back rural delivery resources to cut costs. That was the March 23, 2021, USPS Delivering for America Plan.

Luckily, the Postal Service has delayed implementation of these consolidation plans, as my colleague, Mr. Pocan, mentioned, until after the upcoming election. But what happens after the election? My fear is that, once implemented, these consolidations will lead to eventual delays, negatively impacting rural Americans like some of my own constituents. People rely on the Postal Service to deliver their prescriptions, Social Security checks, other important mail.

If faced with delays, rural Americans will experience longer delivery times or be forced to pay higher prices to commercial delivery companies, which is unacceptable. According to an August article in The Washington Post, August of this year, you stated that "Some portion of the mail showing up later is a price that has to be paid for letting the post office be neglected." And I am hoping you can shed some light on those comments today.

Is it acceptable for hardworking rural Americans, like my constituents in northeastern Pennsylvania, to be subjected to longer delivery times? Do you really think that rural Americans should have to pay the price, figuratively and literally, because of the Postal Service's management? Mr. DeJoy?

Mr. DEJOY. So I disagree with the premise, and I think it's an unfair accusation, considering the condition that the Postal Service has been allowed to get to, and also concerning, you know, prescriptively what we're striving to do.

First of all, we are not consolidating—I have opened operations around the nation. We're putting sorting and delivery centers in communities that were old abandoned plants throughout the nation.

With regard to—with regard to what we're going to do with the collection, what we're striving to do with regard to collection, first of all, on delivery, medicines. Medicines come from, you know, industrial bases, might get shipped. We are committing to 6-day-a-week delivery. No matter where you are, we deliver. That's going to happen. So all inbound is going to move faster when we get done with this, because we're accelerating the concentrations of volume through—you know, through the system to get there.

On the collections, we go out 200, 300 miles each day to pick up, you know, something from a place, and the whole system has to wait for that to start moving in an efficient manner. What we are—what we have in our filing is that we match that pickup and our delivery with the same—with the same thing.

We are 6- to 24 hours—we are 6- to 24-hour difference in the 1 day to 2, in the 2 day to 3 day, 3 day to 4 day, 4 day to 5 day. For those—for that particular mail, that is out of reach to do successfully. It will not go beyond 5 days because I'll put it up in the air and fly it if I have to.

This, sir, is service that is going to be enhanced throughout the nation. It's going to help us—it's going to help us financially. It's going to do what we are required to do with—as specified in the Postal Reform Act, integrate mail and package movement, and I think it is a—it is a tolerable situation.

In the Postal Service, my position here has always been that the Postal Service is all about rural America, right? There would be a real question if we were losing this type of money—this type of money and only serving urban areas. But this cannot go on the way it is. It just cannot go on.

Mr. CARTWRIGHT. Hang on a second.

Mr. Chairman, there is an article in The Washington Post from August of 2024 entitled “USPS Plans Rural Slowdown after Election to Cut Costs.” That is The Washington Post, and I ask unanimous consent to append that to the record.

[The information follows:]

Economic Policy

Postal Service considers rural mail slowdown after election

Allowing slower service to rural areas could improve the Postal Service's finances, Postmaster General Louis DeJoy said.

August 22, 2024 [More than 1 year ago](#)



Pedestrians outside the post office in Takoma Park, Md., in 2020. The Postal Service is struggling financially and considering slowing delivery to some areas. (Bonnie Jo Mount/The Washington Post)



By [Jacob Bogage](#)

Top U.S. Postal Service officials are considering plans to allow slower mail delivery in the coming months for long-distance and rural service to cut costs at the financially troubled agency — but not until after the election.

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The changes would give customers within 50 miles of the Postal Service's largest processing facilities faster delivery service, which accounts for the vast majority of mail and packages, Postmaster General Louis DeJoy told The Washington Post. But the agency cannot afford to maintain the same model for deliveries into far-flung areas, he said. That could add an additional day to current delivery timetables, though mail would still be delivered in five days or less across the country.

"At the end of the day, I think some portion of the mail showing up 12 hours later, I think it's a price that had to be paid for letting this place be neglected," DeJoy said. "You look around every other country, [delivery] is longer, it's much more expensive. We're trying to save the Postal Service — not figuratively, not to advocate for something. We're trying to literally save the Postal Service."

DeJoy said the new policy would not be implemented until after November's elections. The Postal Service filed plans Thursday with its regulator to hold public hearings to solicit feedback on the proposed changes.

Four years ago, similar cost-cutting moves prompted litigation over fears voting would be disrupted. Ultimately, the agency helped nearly half of all 2020 voters request or cast ballots by mail, according to the University of Florida's U.S. Elections Project.

In the plans under discussion, the Postal Service would allow mail and packages to sit at certain facilities for an extra day instead of transporting them immediately for processing and delivery, DeJoy said. That would extend acceptable delivery times for mail traveling longer distances.

Pilots of the policy have been in place in certain areas, mostly rural, for months.

The new delivery standards require the approval of the agency's nine-member governing board. They also must be reviewed by the Postal Regulatory Commission, though the panel's recommendation is nonbinding.

The Postal Service is still reeling from the aftermath of mail slowdowns around the 2020 election. In a drive to cut costs and improve operations, DeJoy-led initiatives snarled mail processing nationwide, with changes that experts say jeopardized ballot access for tens of millions of Americans.

The Postal Service faced a bevy of lawsuits over the 2020 policies and ultimately took "extraordinary measures" that saw nearly 98 percent of ballots delivered from voters to election officials within three days. The agency has generally won praise for its handling of ballots in numerous elections since.

"The Postal Service, especially as it leads up to Election Day, really does go to extraordinary measures to try to make sure that every voter who's mailed their ballot on time, that it gets delivered so it can be counted and that their voices are heard," said Tammy Patrick, who leads the National Association of Election Officials. "But when we shift that ballot return or that mail volume into the final days, it presents more pressure on the Postal Service to deliver not only within their delivery standards, but [faster than] their delivery standards."

The Postal Service has faced difficulty in meeting those standards in recent months. The agency delivered 83.4 percent of first-class mail on time the week of Aug. 12, according to postal data firm SnailWorks. The agency's target is 95 percent on time.

Across the country, though, the Postal Service is exceeding the 95 percent target when delivering items with a one-day grace period, according to the agency's online data dashboard.

Allowing marginally slower service to rural areas, which often drag down on-time rates, could improve the agency's delivery metrics, experts say.

DeJoy and the board of governors have already eased the Postal Service's goals in recent years. Until 2021, the agency aimed to deliver all first-class mail in at most three days.

DeJoy extended that in 2021 as part of his 10-year cost-cutting plan to up to five days.

The agency has also raised the price of first-class postage by 33 percent in the past four years.

"Any effort to degrade service while raising prices is a recipe for a death spiral at the Postal Service," Rep. Gerry Connolly (D-Va.), a leading DeJoy critic, said in a statement.

"This is the second time Postmaster General DeJoy has proposed lower service standards. He might as well announce a return to delivering mail by horse and buggy."

The GOP-controlled House Appropriations Committee also rebuked parts of DeJoy's 10-year plan, writing that it was "deeply concerned about the potential negative impacts on mail service to the American people, customer satisfaction, and cost overruns."

DeJoy in an interview shot back that lawmakers were "out of their league" with their critiques of the agency.

"They don't understand the business. Nobody knows what it takes to compete with FedEx and UPS and drives billions of dollars of cost out of here that's in the critique business. Even though it's Congress, they don't know," DeJoy said.

The price and delivery changes have done little to stabilize the Postal Service's finances.

The agency is on pace to lose more than \$7 billion in the 2024 fiscal year, and it lost \$6.5 billion in fiscal 2023. In 2022, Congress passed a \$107 billion plan to stabilize the mail service's balance sheet after worries during the pandemic that it could not survive another financial shock.

The agency's "universal service obligation" — its requirement to serve rural areas with low-margin products even at a financial loss — has driven much of the financial struggles. Its private-sector competitors, such as FedEx, UPS and Amazon, often take advantage of that mandatory service to avoid delivering to unprofitable locations. (Amazon founder Jeff Bezos owns The Post.)

For parcels, the practice does make the Postal Service money, but it still saddles the agency with the least-lucrative routes while its competitors build out their distribution network in the most attractive areas. As postal delivery service slows, some stakeholders worry it could drive business away from the mail agency.

Mr. DEJOY. I would suggest you get more reliable sources of information, though. I mean, The Washington Post has historically been a negative, unsubstantiated, sensationalized newspaper as it comes to matters with regard to the United States Postal Service.

Mr. CARTWRIGHT. I yield back, Mr. Chairman.

Mr. JOYCE. Mr. Carl.

Mr. CARL. Thank you, sir.

Postmaster General, I want to save you here, because you are going to be misquoted unless you clear it up. Who is handing these ballots? You told Mr. Edwards that the ballots were being handed off to you at the post office. Who is handing you those ballots?

Mr. DEJOY. Individual ballots?

Mr. CARL. Well, the way I understood it, it was bulk.

Mr. DEJOY. Outgoing ballots. Outgoing ballots in bulk, the ballots that go to mailers—some states send it to everybody, some—you have some that—it's what comes from the—they are not votes. They are the ballots that people will use to fill out to vote.

Mr. CARL. Okay. So you are not talking about the incoming ballots.

Mr. DEJOY. No.

Mr. CARL. No one is bringing you—okay.

Mr. DEJOY. Thank you for helping me out there.

Mr. CARL. That is what I am getting at. No one can bring you a pallet full of—

Mr. DEJOY. No. Individual—in fact, if we postmark, you cannot—once we postmark that ballot, you can't take it back.

Mr. CARL. So when I put my ballot in that box—

Mr. DEJOY. Yeah.

Mr. CARL [continuing]. That is Postal Service mail at that point and—

Mr. DEJOY. Postal Service mail.

Mr. CARL [continuing]. Your employees will—thank you. I just want to make sure that was clear before you were misquoted.

Mr. DEJOY. Yeah.

Mr. CARL. And give me an idea what a first-class stamp would cost if we truly had to pay the true value of it.

Mr. DEJOY. We are one of the cheapest in the world, right down there with Uruguay, or something like that, to deliver mail. In Europe, it's 2 bucks for first class, some places 2 bucks for first-class mail.

My goal—so, I mean, it would be over a dollar. Over a dollar right now. And especially now that we had—there was a lot of complaints about raising prices. We had 20 percent inflation in the last 3 years, right? We don't get to—we don't get to—we get to bill—raise our prices prospectively, but we have to pay our costs, you know, in arrears. That's why we couldn't break—that is why we didn't break even.

So it's a pretty—and we had 15 years of a defective pricing model because the Postal Regulatory Commission couldn't do basic division over 10 years, right? Mail volume has dropped 50 percent since the passage of PAEA, which froze our pricing relatively. If you were in business, that's what you would say: it froze our pricing. And volume got cut in half, and we never made any adjustments for that.

So you would have a buck-something. It'd be in the high dollar range.

Mr. CARL. So that 20 percent inflation does affect the Postal Service? It does affect your employees? It does affect all of us?

Mr. DEJOY. It affects inflation.

Mr. CARL. Everything.

Mr. DEJOY. Excessive inflation affects everything. We model, you know, 2-whatever, 2 percent inflation. We had—we would have broke even in 2023. We had \$3 billion of inflation. We had a \$6.3 billion loss, \$3 billion of inflation, and another 2-and-something billion on the CSRS legislation.

Mr. CARL. I know most people that work for a living did not get a 20 percent pay raise in the last 3 years. Has the Postal Service gotten a pay raise of 20 percent over the last 3 years?

Mr. DEJOY. No. We have rules, regulations, negotiated things. But it was higher than it was in the past. It was higher than what we projected. Sir, for 10 years, you know, labor—we all know labor—the price of labor was pretty flat for a long time, since the recession, 1 percent, 2 percent, types of things.

And then when we hit the—part of what drove inflation was a scarcity of labor, you know, in the marketplace. So we had more hefty raises than we ever—than we had in the last 10 years.

Mr. CARL. So all I was trying to do is add the human side to this. I mean, we have employees that didn't get pay raises. They have been hit with inflation. Our company has been hit with inflation. Even our Postal Service is paying the price of inflation. So inflation certainly is an issue that we have all been screaming and fussing about over the last few months.

Mr. DEJOY. Well, with regard to my own area, the Postal Service has been hit with a lot in the last 4 years. We actually—we delivered—we didn't work from home during the pandemic, right? We worked in ratty places right next to each other processing mail, went out—and retail centers allowed people to come in at any—with limited restrictions with regard to how they entered into our facilities. And we delivered out to the public each day to 167 million addresses. And we delivered kits around half the planet, you know, to help people—you know, help people test themselves.

Mr. CARL. Well, again, thank you for your time. I have got—I am trying to get home ahead of a hurricane, so I am going to slip out of here and go home.

Mr. DEJOY. Be safe. Travel safe.

Mr. CARL. Thank you very much.

I yield my time. Thank you.

Mr. JOYCE. Thank you very much, Mr. Carl.

I now recognize Mr. Pocan.

Mr. POCAN. Thank you, Mr. Chairman.

All right. So let's try again. I allowed you the time to—you gave me the 30,000-foot view, right, that you are seeing a cost savings. I completely agree—that postal bill was before I was around here—was awful, pre-funding 75 years into the future, employee benefits. No company does that. Plenty of stupid was there. You are right.

But here is my specific Wisconsin-related question. And so as I hear the question from the gentleman from Georgia who, as you remember in our closed door session, that came up before, too, if the

cure is like the cure was in Wisconsin, you kill the patient, right? When you did the processing changes to Wisconsin, you significantly slowed down our delivery.

But specific to this LTO proposal that you piloted in Wisconsin and Virginia, which are now the second and fourth worst for turnaround times on delivery, specifically address this. In Wisconsin, 2-day delivery dropped 20 points, from 91½ percent on time to 70½; 3- to 5-day delivery fell from 86.2 to 67.9.

What in that said, I think this is a good idea. Let's take it to Pennsylvania and Iowa and Ohio and across the country? Because I see it as a problem, right? Because if the goal of the Post Office is to deliver mail, which I think it is—it is not to be an accountant; that is part of your job—but the goal is to get our mail delivered timely.

It is not to have this sort of drop in service through a pilot program that now you want to expand. And that is what I can't understand. That is the first question.

Second, since we are second worst in the country, what would you do specifically about Wisconsin to fix our unique problem that we are having in these terrible turnaround times?

Mr. DEJOY. So, sir, first of all, you know, the first rockets that went to the moon blew up. Okay? That's what pilots are for.

Mr. POCAN. Thanks for blowing up Wisconsin, I guess.

Mr. DEJOY. That is what pilots are for, right, to test. We have a problem. We have a problem. We have a solution for it. We wanted to see—and there were many things, both the service standard, how we measure service, how we do our sampling plan, and what our eventual solution is going to be.

Mr. POCAN. So what are you doing different, then? Again, you—

Mr. DEJOY. Well, the only thing we are doing differently—

Mr. POCAN. You hurt us. I don't want other places to be hurt, but what else are you going to do to fix us?

Mr. DEJOY. We're going to do a series of transactional adjustments and service measurement adjustments and service metric adjustments as we move forward with this that are going to get your service to be 95 percent reliable. People are going to understand what it is, and you can understand what the service is, and we are going to perform to that. And we're going to save the Postal Service overall, so rural America can in fact have a Postal Service for the future.

I am happy to come over and explain that to you in detail.

Mr. POCAN. And you know would I would really appreciate? If you could show a specific plan for Wisconsin—

Mr. DEJOY. Yeah.

Mr. POCAN [continuing]. Because you broke us, right? You blew the rocket ship up. I get that. But what are we doing now to—

Mr. DEJOY. Now that service standard—

Mr. POCAN [continuing]. Fix it?

Mr. DEJOY. If you look in Wisconsin, right, next day we are at, like, 95 percent on time.

Mr. POCAN. I would just like the plan to fix the service that dropped 20 points in multiple metrics of mail being delivered in my state.

And then a follow-up question is, Tammy Baldwin, our senator from Wisconsin, sent you a letter about specifically some newspapers and problems they are having in Wisconsin. Minocqua, Wisconsin, Lakeland Times, lost 500 subscribers, 100,000 subscription revenue—not advertising revenue—over the past 4 years due to the closing of the Wausau Mail Processing Facility, which, again, is what you are doing in Georgia right now, which is why I worry about the cure killing the patient because it kind of did in Wisconsin.

She also talked about in Iron County, their paper, 139-year-old newspaper may, you know, face serious declines. How do you agree that?

Mr. DEJOY. So we—I don't know about the Wausau closing. We have plenty of plants and processing facilities in Wisconsin. I also know that the periodical industry is under significant duress. I also know that I tape a quarter to every periodical I deliver. That's how much we lose on every single periodical.

Mr. POCAN. But if you get your weekly paper 2 weeks later, which is kind of what is kind of happening here—

Mr. DEJOY. I don't—

Mr. POCAN [continuing]. People aren't subscribing. Well—

Mr. DEJOY. I don't buy that.

Mr. POCAN. Well, I am telling you—

Mr. DEJOY. The reality that I do not—

Mr. POCAN. That rocket ship you blew up also blew up with the processing center when you did consolidation. When everything kind of comes out of Milwaukee now no matter where you are in the state, you closed multiple places, this is the problem of some of the efficiencies.

And I understand—I truly understand you are focused on the cost savings. I just want you to be as focused on the delivery of mail, which is the mission of the Postal Service.

Mr. DEJOY. Sir, I am very focused on the delivery of mail. You can go ask 650,000 employees where I spend my time. It is focused on the delivery of mail.

Mr. POCAN. Well, and then I am looking at the metrics in Wisconsin—

Mr. DEJOY. Well, I'll try harder.

Mr. POCAN [continuing]. And, unfortunately, they are not working.

Mr. DEJOY. I'll try harder.

Mr. POCAN. I appreciate it. And I would appreciate that plan, too. Thank you.

Mr. JOYCE. Thank you very much.

I now recognize Mrs. Hinson for a second round of questions.

Mrs. HINSON. Thank you, Mr. Chair.

I just want to go to your testimony real quick and ask kind of a quick follow up here. You say, For example, some jurisdictions allow voters to request mail-in ballots very close to election day, depending on when that ballot is mailed to the voter—again, by the election officials.

It may be physically impossible for that voter to receive the ballot in the mail, complete their ballot, and return their ballot by

mail in time to meet the jurisdiction's deadline, even with our extraordinary measures and despite our best efforts.

So I understand that, right? You are the delivery mechanism, and state laws are different everywhere. I was a state representative. We worked on our election laws.

So then you also say here you are going to continue your outreach to election officials and their mail service providers and share recommendations regarding best practices for how to successfully use the mail system.

So I guess my question is, you know, I think it is probably—with 39 days out—too late to make changes at all of these state legislatures. But, you know, when we think about this going forward long term, and making sure this is—you know, the election laws actually respect the process and make sure that it is realistic, right, to actually deliver it in time.

So how are you going to make sure, like, long term going forward that your people are communicating those challenges with the very real, you know, acknowledgement that state laws are different, and there may need to be changes made there, too?

Mr. DEJOY. Yeah. So, first off, we do this throughout the year, since we implemented that team, on a bunch of different processes work—you know, work with the teams.

The board, myself, and the rest of the team are looking at how we—and it is not—it is aligning. It is aligning expectations, it is aligning the pricing, and it is aligning the cost of doing this that will be the solution, right? And that is what we all need to commit to.

I can tell you specifically how we can best handle the collection, the delivery, so forth. I could give recommended tender times, tender meaning coming out of industry. I was in this industry. I built a big company in this industry, how things get interchanged, how they are—

Mrs. HINSON. Have you laid out those, like, legitimate tender—you talk about that. Have you laid that out for every state? And so, I mean, obviously, with 50 different states, it is going to be a different process. What works in Iowa is not going to work in Alaska. But have you laid that out, so that we can make sure that those things are actually matching up?

Mr. DEJOY. We have—we are not—we have been careful not to be an advocate for voting by mail, because it gets misconstrued. But if we are in—but we do talk—when we are invited, we talk about enhancements to the process. More specifically, the IMB code, you know, having a prescribed envelope, you know, putting the barcode—the right barcode on it, tendering times, quality of the mail piece, design of the mail piece. We have people that help design mail pieces.

So we have all these different things that we participate with when invited. We probably pushed more in the last couple of years to be a little over the line in what the organization has in the past been in terms of advocating for certain types of improvements with this. But we would, you know, appreciate to participate in that dialogue.

But mostly, even the legislation that I have seen—and I have been involved with the legislation, has not gone—has not gone far

enough to make it global. And then we are still dealing with the improprieties of everything that has not—has not gone far enough to figure out how it gets paid for, right, and so forth, which, therefore, requires us to do all these what I would say, and which was done even before I got here—I just kind of organized it a little—these super unbelievable tasks of rifling through 300 million pieces of mail each day across 3.5 million square miles looking for ballots.

Mrs. HINSON. Yeah. I just want to make sure that, as we go forward, to continue refining this process and make sure it works not only for each individual state, because I want to make sure our states have purview over these elections, as they should, but I also want to make sure that those laws are realistic in conjunction with what you can do to execute that.

And, you know, timing is everything, but I also understand, you know, at the end of the day, election day this year is November 5. If you are saying, you know, 7 days at least ahead, and election law in that state does not jive with that, then something is out of whack here, right? And we need to make sure that we are communicating that.

And I am happy to be a part of that conversation, you know, in Iowa, and I think any of us would like to advocate to make sure that our election laws work with what you can actually execute.

Mr. DEJOY. Just so I—for next year, we are trying to put together an election mail product that a state can sign onto that would be more specific in terms of what it is supposed to do. Our board is interested in that, and I am interested in seeing how we can—how we can, you know, move that forward. But it would mean, you know, strict compliance, and it would mean money. So—

Mrs. HINSON. No. Understood. Well, thank you for coming in today. Appreciate the answers, and I will follow up with you on what is—

Mr. DEJOY. Yes. I think I will have good news for you.

Mrs. HINSON. Thank you.

Mr. JOYCE. And, with that, our time is concluded. There may be some members who couldn't make it today but would also like to submit questions for the record. Please submit any of those questions for the record to subcommittee staff within 7 days.

Given the current election readiness climate, we are asking the Postal Service to respond to these questions within 15 days.

Again, I really want to thank you for coming in today, Postmaster General DeJoy, and I appreciate your honesty and your candor.

And, with that, it concludes our hearing today. We stand adjourned.

Mr. DEJOY. Thank you.

[Whereupon, at 11:59 a.m., the subcommittee was adjourned.]

**House Committee on Appropriations
Subcommittee on Financial Services and General Government**

Hearing:

September 26, 2024

Oversight Hearing – United States Postal Service’s
Role in 2024 Election Mail Readiness

Witness:

Postmaster General of the United States and
Chief Executive Officer of the U.S. Postal Service
Louis DeJoy

Questions for the Record Submitted by Chairman David P. Joyce:

Questions:

1. My office has received reports of a few incidents of late arrivals of requested absentee ballots, and in at least one case, it was alleged that local post office personnel claimed the delays were caused by the Cleveland USPS processing center. According to the Ohio Secretary of State’s office, there have not been any systemic delays or issues identified in Cleveland during the run-up to the November election.
 - a. How are USPS personnel in local post offices trained to explain mail delays, especially those involving election mail, to individuals who raise concerns with them to ensure information being shared is accurate?

Local postal management, in coordination with District Managers of Customer Relations, established regular outreach and communication with local Boards of Election (BOEs) to try to ensure effective coordination on any issues that might arise. Our Managers of Customer Relations serve as the primary points of contact for local BOEs, and they are part of the same function that staff the Customer Service Centers. We encourage BOEs to reach out with any of their concerns, and it appears in this instance because of that outreach they were a good source of accurate information on the lack of service delays. Individual clerks at retail locations are not in the best position to offer information about potential mail delays, especially those that are alleged to be occurring at another location or phase in the mail delivery process. In doing so they are offering opinion or pointed conjecture that is unhelpful, and if this reported instance occurred it was indeed inaccurate as validated by the election officials.

2. How much of the designated “election mail” was delivered within the regular USPS estimated delivery window in 2020, and do you expect that we will see similar or better outcomes in 2024? Why?

Overall, 99.9 percent of identified ballots mailed after September 4, 2020, were delivered within seven days, consistent with the Postal Service's recommendation to voters. The overwhelming majority of ballots were delivered in far less time than that. Based on internal processing scores, 97.9 percent of ballots mailed from voters to election officials were delivered within three days, and 99.7 percent were delivered within five days.

We recently released our post-election analysis for the 2024 General Election, which is available here: <https://about.usps.com/what/government-services/election-mail/pdf/usps-post-election-report-2024-12-02.pdf>

Between September 1 and November 13, service performance scores for inbound ballot mail in Ohio were 97.2 percent on time, and 98.7% within one day of on time.

3. Please describe how you worked with Secretaries of State across the country to prepare for the 2024 election on November 5, 2024. Did you need anything from State officials or Congress that was requested and not provided?

- a. What lessons learned have you already identified from the 2024 election cycle to improve election mail delivery times and overall USPS processing ahead of future elections? Are there further resources that Congress should plan to provide to help implement those lessons learned?**

We communicated widely and very frequently with the National Association of Secretaries of State (NASS), the National Association of State Election Directors and individual election officials, providing briefings on our modernization plans. Personally, I (Postmaster General DeJoy) spoke twice to the group.

More directly, and I would argue more importantly, I spoke personally with Secretaries of State and provided my cell phone number to ease their outreach. No statewide election official who requested to speak to the Postmaster General did not have the opportunity to do so.

As part of our Election Mail initiatives, above and beyond our year-round Election and Government Mail Service team, we established a Performance Excellence Team, that worked in conjunction with Postal Headquarters and plant staff to ensure the timely processing of Election Mail via frequent messaging and onsite reviews. This team, which was comprised of regional election coordinators, worked tirelessly to ensure smooth processing and delivery of Election Mail. The Performance Excellence Team serves as a dedicated field resource to assist plants in each region by addressing questions or concerns related to Election and Political Mail.

In our recently released election mail report, given the increasing reliance on the U.S. mail system by election officials and voters for vote by mail, we recommended that there can be far better alignment and consideration given on the part of state and local election systems to how the mail system is set up. For instance, on the one hand election officials and election laws and deadlines are sometimes motivated to allow the latest possible voter registration deadline and provision of absentee ballots. However, these time frames are not always realistic enough to allow for outbound ballots to reach voters, and be returned to election officials. We saw

thousands of ballots entered in our system destined to voters from election officials (often from out-of-state printers or vendors) in the day or two before the general election.

Further, as mentioned in my testimony, there is great variation in envelope design and quality, election laws and deadlines, across the country and even within one state, and this can run afoul of efficient or even satisfactory use of the mail system. Each year we publish Kit 600 which specifies the envelope and mail design that best suits our delivery system for use in ballot envelope design, but under half of the jurisdictions follow those guidelines.

- 4. In the past, concerns have been raised about traditional mail collection boxes lacking the proper security measures to ensure that mail, which could include mail-in ballots, cannot be removed and stolen from a mailbox. I know USPS has been working to upgrade the security features on the traditional blue boxes. Could you please describe this effort in greater detail, including where it stands and how successful it has been in addressing mail theft?**

The Postal Service, in coordination with the Postal Inspection Service, has worked to increase security measures for mail receptacles. This includes designing, purchasing, and deploying new lock technologies, strengthening mail collection boxes by installing anti-fishing measures, and purchasing and deploying additional high-security collection boxes. To date, 23,000 High Security Collection Boxes have been deployed, with more planned. 38,000 eArrow Locks with multifactor authentication have also been installed.

The Postal Inspection Service designated election crimes coordinators at all 16 of its field offices to coordinate responses to election security concerns and criminal incidents, enhancing an already robust oversight function that includes in-person monitoring of Election Mail processing at postal facilities. Postal inspectors and other Inspection Service personnel conducted more than 5,000 Election Mail Inspections, reviews of processing operations to evaluate for security and delays, during the general election time period, at an average of 174 facilities a day.

- 5. I understand that some Members of the Georgia delegation in the U.S. House of Representatives, led by Rep. Rick Allen and joined by House Appropriations Committee Member Rep. Andrew Clyde, sent you a letter on September 18, 2024, expressing concerns about the Atlanta Regional Processing and Distribution Center (RPDC) and asking questions about preparations and actions taken to ensure election mail is delivered in a timely manner.**
- a. Have you responded to that letter?**
 - b. If not, please provide written responses to the questions asked in that letter here for the record.**

Yes, our Government Relations department responded to Representative Allen's letter on October 9. The response detailed the operational readiness of the Atlanta RPDC and assurances that ongoing modernization and enhancement plans would not have an impact on Election Mail.

6. This subcommittee includes Members from Georgia and North Carolina who have raised serious concerns about the impact of recent natural disasters on the processing of election mail. Please describe in detail the specific steps taken by USPS before, during, and after Hurricanes Helene and Milton to ensure that election mail delivery is not interrupted, and absentee ballots are still able to be processed in a timely manner.

The Postal Service worked closely with Boards of Elections to communicate the status of operations and deliver ballots in impacted areas. We deployed mobile retail units and generators, and contracted fuel tankers to be on standby to ensure the continuation of operations as quickly as operational feasible. This included daily cross functional touchpoints with emergency preparedness teams to assess the impact and safety of employees and property. Postal Service operations teams worked around the clock to restore operations wherever safely possible. However, there was significant work to be done to deliver a backlog of mail and packages and reopen routes in the areas hit hardest by hurricanes Helene and Milton. By November 4, all North Carolina and Florida postal processing facilities and most retail and delivery units were reopened. During this time, the Postal Service maintained regular communications with the local boards of elections in these states to quickly identify and resolve any Election Mail-related issues and resume normal procedures with the Boards of Elections.

Where retail and delivery units remained inaccessible, operations were relocated to nearby units and the deployed mobile retail units were used to provide retail and delivery services to affected communities as quickly as possible. Additionally, our teams volunteered at almost 20 shelters in North Carolina and South Carolina to support the communities hardest hit by assisting with emergency change of address and PO Boxes for customers.

As evidence that the efforts were successful, I would offer the following ballot service performance for the states of North Carolina and Georgia between September 1 and November 13, for both outbound ballot service performance (election officials to voters) and inbound ballots (from voters back to Boards of Election):

	% on time	% + 1day	Days to Deliver
North Carolina:			
Outbound Ballots	75.0%	88.5%	4.42
Inbound Ballots	94.5%	97.4%	1.21
Georgia:			
Outbound Ballots	89.9%	94.7%	3.21
Inbound Ballots	93.8%	98.1%	1.63

7. Why were the “extraordinary measures” implemented by USPS to ensure election mail is processed efficiently not put in place prior to States beginning to mail out absentee ballots? Why would these measures not be put in place months before the election to ensure adequate time for training and familiarization with election protocols among USPS personnel?

Extraordinary measures are designed to effectively balance the risk inherent in deviating from routine, automated processes in an operation of our size and scale and expediting ballot mail that is entered into the postal system by election officials and voters so close to Election Day that the mail may not otherwise arrive by a state's deadline. The measures are not intended to compensate for general operational deficiencies, to the extent that such deficiencies exist, and in fact if they were implemented too early that would likely be counterproductive. Therefore, we determined that implementing extraordinary measures two weeks before the election provided ample time for their intended purpose.

- 8. The July USPS Inspector General report on election mail readiness for the 2024 election indicated that Postal Service facilities at various locations across the country did not follow mail ballot protocols during primary elections, which impacted mail ballot delivery.**
- a. What percentage of the 600,000-plus U.S. Postal workforce has been trained on election ballot mail procedures? When were they trained? What metrics are used to evaluate the effectiveness of those trainings?**
 - b. What changes have been implemented based on the Inspector General's findings between the primary elections and the general election in November?**

The Office of the Inspector General (OIG) made recommendations that aligned with our ongoing efforts to further train our 650,000 employees and monitor compliance and performance across our over 31,000 facilities. We engage in a regular, extensive cadence of internal communication efforts aimed at educating and reminding our employees of our processes and procedures specifically related to Election Mail. These include:

- Our Learn & Grow and Education Series which includes training on all of our policies and Procedures.
- Our weekly Election Mail education series that began in February for processing employees and delivery and retail employees.
- Our enhanced All-Clear Processes, Yard Check Certifications, and transitioning to a new electronic Election and Political Mail All Clear log, which makes it easier to track compliance.
- Holding regular stand-up talks to keep employees up to date on our policies and procedures.
- Establishing escalation procedures for our employees to follow whenever delayed Election and Political Mail is identified.
- Conducting several National Election Mail Taskforce, Ballot Ambassador and Ballot Monitor trainings.
- Weekly communication on Regional calls, and meetings between Regional Election Mail Coordinators and Divisions each week.
- Updating the EGMS website to reflect any new policies or actions.
- Starting September 14, there was intensified management and executive visibility, with Headquarters support completing audits in the field each week.
- Required training for management employees on general election operational preparedness.

- Implementing initiatives to ensure that employees working with our Postal Automated Redirection System (PARS), which intercepts "undeliverable as addressed" mail, adhere to standard work instructions. This helped maintain current conditions and prevents ballots from being mistakenly returned to election officials.

Questions for the Record Submitted by Rep. Mark Amodei

Questions:

1. Turning to election mail concerns ahead of the upcoming elections, the Atlanta Regional Processing Distribution Center (RPDC) changes occurred just three weeks before Georgia's Republican Presidential Primary, and I'm certain mail-in ballots from North Georgia were severely impacted.

A July report on election mail readiness from the USPS inspector general highlighted a [QUOTE] "lack of preparation for election processes." The Atlanta RPDC lacked separate staging areas for election mail, failed to document receipt and processing, and management was non-compliant with the all-clear certification to verify operations were clear of election mail.

Further, on March 11, the day before the primary, the OIG witnessed numerous trucks lined up outside the facility that had to wait over 20 hours for their mail to be processed. No doubt, those trucks contained election ballots, but it is unclear if any ballots were processed in-time.

- a. What actions has USPS taken since the July report to ensure it's ready for election processes?
 - b. Are Georgia mail-in ballots secure for the upcoming November election? Please tell me all the steps that USPS and the Atlanta Regional Processing and Distribution Center are taking to ensure the security of absentee ballots.
 - c. Postmaster General DeJoy, how does USPS track and monitor filled-out ballots waiting to be counted, to ensure it is prioritized and reaches its destination on time?
- a. We have engaged in a regular, extensive cadence of internal communication efforts aimed at educating and reminding our employees of our processes and procedures specifically related to Election Mail. These include:
- Our Learn & Grow and Education Series which includes training on all of our policies and Procedures.
 - Our weekly Election Mail education series that began in February for processing employees and delivery and retail employees.
 - Our enhanced All-Clear Processes, Yard Check Certifications, and transitioning to a new electronic Election and Political Mail All Clear log, which makes it easier to track compliance.
 - Holding regular stand-up talks to keep employees up to date on our policies and procedures.
 - Establishing escalation procedures for our employees to follow whenever delayed Election and Political Mail is identified.

- Conducting several National Election Mail Taskforce, Ballot Ambassador and Ballot Monitor trainings.
- Weekly communication on Regional calls, and meetings between Regional Election Mail Coordinators and Divisions each week.
- Updating the EGMS website to reflect any new policies or actions.
- Starting September 14, there was intensified management and executive visibility, with Headquarters support completing audits in the field each week.
- Required training for management employees on general election operational preparedness.
- Implementing initiatives to ensure that employees working with our Postal Automated Redirection System (PARS), which intercepts "undeliverable as addressed" mail, adhere to standard work instructions. This helped maintain current conditions and prevents ballots from being mistakenly returned to election officials.

I am also excerpting below language from a letter sent to the Georgia congressional delegation preceding the primary election detailing the proactive steps that were taken to ensure a successful Presidential primary election.

May 14, 2024

Members of the Georgia Congressional Delegation:

Recently, we wrote to you as a member of the Georgia congressional delegation to update you on the progress of our investments and network modernization efforts in the state and provide some transparency around the challenges we faced. While our work continues to focus on stabilizing service overall, we recognize the need for intensified efforts as we get closer to the election. I would like to specifically describe what we have done and what we will do to ensure that election mail for the state's May 21 primary moves smoothly through our network.

Building on A Strong Election Mail Track Record

As you know, over the last several years and especially during and after the COVID epidemic, election officials have been increasingly relying on the use of mail-in voting. The Postal Service provides a secure, efficient, and effective way for citizens to participate when policymakers decide to use mail as part of their elections. The Postal Service makes this possible by utilizing rigorous internal procedures, and by working externally with local and state election officials to coordinate mailing procedures and operational standards and provide recommendations for best practices for utilizing the mail.

Our past performance demonstrates that these efforts have been a success. Reports on recent election mail efforts are available for [2020](#), [2021](#) and [2022](#). In each case, the analysis shows that the Postal Service provides dependable and timely service, and citizens and state and local election officials can have confidence in our established systems.

To match that past performance leading up to and through the May 21 Georgia primary, and in recognition of current issues we are having with timely processing and delivery of mail in the Atlanta region, the Postal Service is intensifying resources in the region to oversee our mail flow beginning May

13 through to stabilization of service performance. These resources will assist the local management team and the existing project team in resolving roadblocks and identify issues that could slow the timely processing of mail and package flow and correct for them. The team will consist of Postal Leadership, Management, Engineers, Logistics, Election and Government Mail, Quality Assurance, and Postal Inspection Service personnel. In all, over 100 leaders in these areas have been dispatched to Georgia to intensify our efforts.

Intensified Efforts on Election Mail

This group, while making steady progress to recover service already, will further intensify their work to focus their attention to the movement of ballots through our system -- and intervene when we see deviations from normal mail flow to ensure timely delivery. This election mail-focused work will intensify further as we get closer to the weekend before the election.

Highlights of the extensive service performance enhancing efforts we are or will undertake in Georgia include many focused on election mail in particular:

- All Georgia Customer Service sites are currently completing a daily "All-Clear Certification." Here we require the supervisors at all of our retail units to check and certify that any election mail has been dispatched or is ready for transportation.
- From May 9-23, a Service Quality Assurance Team has been and will provide on-site team training and validation of procedures. While all postal employees are trained how to properly handle election mail, this team is validating that all parts of the organization are performing their roles properly.
- Senior processing operations executives have certified that the procedures in place meet the specifications for the proper handling of election mail. These operational specialists will remain on-site to observe and validate the operation and provide immediate support, if necessary.
- From May-13-22, the Georgia operation will be supplemented by two Manager of Customer Relations (MCR) Field Specialists. The MCR's role is to monitor and track all unresolved issues and concerns and assist with quick resolutions drawing on the broader customer relations team.
- Where appropriate, special pick-up times at various processing centers have been and are being coordinated and validated with the state's various Boards of Elections.
- Technology officials have validated and will continue to assess the readiness of key equipment and the correctness of scanning and sorting plans. Additional technology staff have been deployed.
- All Georgia processing plants will institute a certification process to ensure that all election mail is flowing through the processing system as intended, including the use of special sort plans to isolate ballots earlier in the processing stream for each Board of Election address. Routine inspections will ensure that loading docks and machines are clear of ballots.

- From May 17-21, all completed ballots collected by carriers, received at retail counters, or retrieved from collection boxes will be culled out of the regular mailstream for special cancelling and delivery.
- Through May 21, the U.S. Postal Service Inspection Service will conduct Election Mail Inspections at Georgia processing plants, with supplementary Inspectors added from outside of Georgia.
- As noted above, all efforts will be intensified for the weekend leading up to the election.

The preceding are only a selection of the procedures and activities we are undertaking to ensure that election mail is processed accurately and timely. The Postal Service appreciates the great responsibility we bear when election officials choose to use our service as part of the electoral process, and you can rest assured that we make extraordinary efforts to ensure that all election mail is handled properly and reliably.

Given your interest in our network reforms in Georgia, and your interest in the ensuring that Georgians can depend on the integrity of all of their elections, we hope that preceding information is useful to you.

- b. The Postal Service takes the integrity of Election Mail seriously and partners with the U.S. Postal Inspection Service—the law enforcement arm of the Postal Service—as well as the U.S. Postal Service Office of Inspector General (OIG) to ensure Election Mail remains secure. Both the Inspection Service and OIG coordinate closely with federal, state, and local partners on election security table-top exercises and other events on an ongoing basis.

The Inspection Service supports the Postal Service by responding to election-related security questions and incidents, including those reported by customers and partners (such as Boards of Elections and voters). They also operate a 24-hour hotline that election officials can use to report concerns, at (877) 876-2455, option 4. The Inspection Service triages report of Election Mail security and criminal incidents from election officials throughout election cycles and works with local, state, and federal law enforcement authorities to conduct and support election crime investigations. The Inspection Service also monitors the postal network for issues related to Election Mail, including potential unauthorized delay, delivery, and changes of address related to Election Mail.

The OIG monitors and oversees the Postal Service's ability to process and deliver Election Mail in a timely manner. The OIG conducts site visits to observe and monitor operations at postal facilities around the country and protects the integrity of Election Mail by investigating allegations of employee misconduct involving Election Mail and Political Mail.

Additionally, the Postal Service has ongoing outreach with local and state election officials and associations such as the National Association of Secretaries of State, the National Association of State Election Directors, the Joint Election Official Liaison Conference, and the Election Assistance Commission. Further, Customer Relations Directors and Customer Relations Managers within each Postal Service district lead primary and general election outreach meetings in each district to gather information on jurisdictions' plans to ensure the

Postal Service's operational readiness. These meetings also serve as an additional touch point in the continuing education of election officials on Postal Service policies and recommendations to avoid common Election Mail pitfalls (e.g., problems with envelope design).

- c. While we provide election officials with recommendations and best practices, we do not determine federal, state, or local election laws or practices, or the extent to which they incorporate use of barcodes for tracking and visibility. While ballots are in the custody of the Postal Service, we utilize all-clear processes, yard check certifications, and Election and Political Mail All Clear logs to try to ensure that all ballot mail is delivered in a timely and secure manner.

As an additional note, the Postal Service provides many common-sense mailing recommendations to help voters and election officials use the mail successfully when policymakers decide to use mail as part of their election administration. Each election jurisdiction receives a copy of these recommendations for every general election in a guidebook known as Kit 600. The kit features information on visibility tools such as barcodes, checkboxes, and tags and directs readers to valuable resources such as managers of customer relations, mailpiece design analysts, and other help desks. It also outlines specific guidelines on using the Official Election Mail logo, postmarking, and mailing to overseas citizens.

2. **The following are questions sent to the Postmaster General in a letter led by Rep. Rick Allen and signed by the Republican Georgia delegation, and dated September 18:**
 - a. **What steps is USPS, including the Atlanta RPDC, taking to ensure the timely and secure delivery of absentee ballots, from the time they are mailed by Georgia's Secretary of States to voters, through to the return of completed ballots to county election offices, especially within short timelines (e.g., 11 days before election day)? With the RPDC consolidation in place, can you guarantee, under the current processes and procedures, the delivery of all absentee ballots and return of completed ballots by election day?**
 - b. **How should voters in Georgia, particularly in rural or outlying areas, adjust their mail-in plans to ensure ballots are processed and received before election day?**
 - c. **Has USPS communicated with the Georgia Secretary of State about any potential delays due to processing center consolidations or other operational factors, and what impact could those have on absentee ballot processing?**
 - d. **Is any Georgia mail, including absentee ballots, being processed in other states, and how is this affecting the timeliness of mail delivery in rural and small-town areas?**
- a. In addition to the standard processes governing Election Mail, the Postal Service also deployed extraordinary measures used in prior elections. Extraordinary measures include expedited handling; extra deliveries and collections; special pickups; and, expanded

processing facility hours to connect blank ballots mailed by election officials to voters or to ensure that ballots completed and mailed by voters reach their intended destination. For example, all originating plants that process letter mail and flats must update their sort programs on mail processing machines to include a holdout (a special separation of mail from the regular mailstream) for the Boards of Elections in their service area. This expedited the processing of ballots in our mail processing operation.

- b. We encouraged all members of the voting public, including voters in Georgia, to mail their ballots as early as possible if they choose to vote by mail. At minimum, and as a commonsense measure, voters should mail their completed ballot before Election Day, and at least one week before it must be back to election officials under the laws of the state or jurisdiction where they are voting.
- c. The Postal Service's Election and Government Mail Services team were in constant contact with the Georgia Secretary of State about the election to discuss all manner of relevant issues and concerns, including recommended adjustments to improve machineability of the return ballot envelope design following the state's recent primary election. The Georgia Secretary of State has not raised concerns about delays related to the Atlanta RPDC, and as mentioned above, ongoing modernization and enhancement plans did not have an impact on Election Mail.
- d. Under normal operations, any piece of mail, including an absentee ballot, is handled at the processing facility closest to its originating Post Office and, depending on how far it is going, will be handled again at one or more processing facilities closer to its destinating Post Office. This means there are a variety of reasons that the fastest, most efficient site for processing a piece of mail may not be within the state it is mailed from or destined to.

For example, a Georgia voter could conceivably leave for vacation or a business trip and carry their absentee ballot out of state before completing and mailing it from a Post Office in New Mexico, in which case it would be processed outside of Georgia before ultimately being delivered to the appropriate election office. Postal operations are designed to ensure that mail for the entire country can be delivered in a timely manner, including to small towns and rural areas, by processing it at the most logical facilities based on its origin and destination, regardless of where those facilities fall across state lines.

Questions for the Record Submitted by Rep. Jerry Carl

Questions:

1. The USPS OIG recently found in two of its audits, from 2024 and 2025, that the Postal Service had not been enforcing and is now moving away from both its transportation subcontractor reporting and approval requirements and its driver screening and badging requirements. This is a growing concern for the smaller mom and pop shops in my district and I'm sure around the country.
 - a. Can you tell us what vetting procedures are currently in place?
 - b. Can the Postal Service ensure that ballots and election mail are safely and securely transported from postal facilities by vetted contracted transportation suppliers?

The Postal Service began tracking Highway Contract Route (HCR) fatality accidents in March 2023 and provided copies of the tracking to OIG. Also in March 2023, the Postal Service changed the accident reporting required in all HCR contracts, requiring notice be given to multiple departments including the VP Transportation Strategy within 24 hours of occurrence. Between March 2023 – February 2024, Postal Service suppliers were involved in 34 fatal accidents that resulted in 41 fatalities. Of the total fatal accidents, suppliers were only at fault in 2, or 6% of the accidents. Additionally, based on DOT data concerning fatalities per 100 million miles driven, we are reporting at 1.49, while the industry average is 1.98.

The Postal Service, like the rest of the transportation industry, relies on responsible brokers and suppliers to manage their subcontracting relationships. All carriers are to follow local, state and federal rules as it relates to hours-of-service requirements and team drivers. We have not observed a significant correlation between the use of Freight Auction and an increased risk of accidents or fatalities. Our Driver Screening process, it should also be noted, is primarily focused on the driver's criminal record (or lack thereof). It is not an evaluation of the driver's safety record or competence. We generally rely on suppliers and their subcontractors to hire safe and qualified drivers, since they are primarily liable for the conduct of those drivers and any accident's caused by their drivers.

Questions for the Record Submitted by Rep. Chuck Edwards

Questions:

1. Since January 31, 2021, and September 2022 respectively, the rural towns of Chokoloskee and Everglades City, in Southwest FL-26, have borne the brunt of the USPS's increasing abandonment of rural communities. Confronted with a sudden closure of their Postal Office in 2021 following structural damage sustained during Hurricane Irma, Chokoloskee has since this time remained without a facility in their direct community, even after repeated efforts by Congressman Diaz-Balart's office to hold USPS accountable to the needs of this community. In the case of Everglades City, this community lost its Postal Office to Hurricane Ian in September of 2022, did not receive any material aid from USPS until the arrival of 2 mobile trucks in December of 2022, at the urging of Congressman Diaz-Balart, and did not have a fully reopened Postal Office until mid-2024. As two towns comprised largely of veterans and retirees, Chokoloskee and Everglades City alike rely heavily on the USPS for critical medications, for receiving official documents such as passports or tax documents, and for receiving general mail and package services.
 - a. In anticipation of the 2024 elections, what is the USPS doing to prepare and address the needs of rural communities as well as communities at heightened risk of experiencing natural disasters? What is being done to support communities that currently face quasi-permanent "temporary" suspensions of their postal offices due to seeming lack of prioritization by the USPS, which includes many who rely on mail-in ballots to cast their votes?

Postal Service operations teams worked around the clock to restore operations wherever safely possible. However, there was significant work to be done to deliver a backlog of mail and packages and reopen routes in the areas hit hardest by hurricanes Helene and Milton. As of November 4, all North Carolina and Florida postal processing facilities and most retail and delivery units have reopened.

Delayed mail that was accumulated prior to and immediately after Hurricane Helene has now been delivered to every accessible delivery point. All mail destined for impacted areas that cannot be delivered is being sent to local Post Offices, where it will be delivered when safe to do so. The Postal Service was in regular communications with the local boards of elections in these states over the coming weeks to quickly identify and resolve any Election Mail-related issues.

Any office that has been suspended, regardless of cause, follows a similar gameplan. Whenever retail and delivery units are inaccessible or suspended, operations are relocated to nearby units and mobile retail units are deployed to make sure we can provide retail and delivery services to affected communities as quickly as possible.

Questions for the Record Submitted by Rep. Mark Pocan

Questions:

1. **Comprehensive Plan to fix Wisconsin's On-Time delivery:** As a result of the policies introduced under your Delivering for America initiative, Wisconsin now ranks 49th in the nation for on-time two-day delivery and 40th for on-time three-to-five-day delivery. From 2023 to 2024, Wisconsin's on-time Two-Day Delivery Service dropped from 91.5% to 70.5%, while Three-to-Five-Day Delivery Service fell from 86.2% to 67.9%.
 - a. What is your comprehensive plan to address hardships to my constituents caused by this significant drop in service performance, improve Wisconsin's on-time delivery numbers, and achieve the 93% on-time delivery target set by USPS?

As explained in my written testimony, the single-piece letter mail volume that provided the financial backbone of the Postal Service for most of its existence continues to fall precipitously, from an annual volume of 57 billion pieces 15 years ago to only around 11 billion pieces today, a decline of 80 percent. Single-piece letter volume is particularly sensitive to impacts from our Local Transportation Optimization (LTO) pilot. As part of our request for an Advisory Opinion from the Postal Regulatory Commission, we have proposed changes to our service standards that will more logically and accurately reflect our operations, including Regional Transportation Optimization (RTO), which evolved from LTO, and such standards will be more understandable to our customers.

The DFA plan, including the RTO initiative, is necessary to avoid the Postal Service gradually sliding towards irrelevancy and insolvency with deteriorating infrastructure and service performance until a crisis point is reached.

The results show that service in Wisconsin remains steady. During the fourth quarter of FY 2024, 87.8 percent of First-Class Mail inbound to Wisconsin residents was delivered within the service standard, and 96.05 percent was delivered within a day of the service standard. Further, the average number of days to deliver an inbound piece of mail to Wisconsin residents across the Postal Service network is only 2.6 days. While outbound percentages are not as strong as the inbound numbers due to RTO, please note that during the same period, 92.5 percent of outbound mail was delivered within a day of the service standard. The average number of days to deliver an outbound piece from Wisconsin was only 2.9 days. It is also important to recognize that a significant percentage of mail is being delivered early.

2. **Data Inquiry for Wisconsin:** Over this year, my office has been inundated with complaints from constituents in both urban and rural communities regarding ongoing delays in mail delivery due to the optimized collection strategy implemented here in Wisconsin. Moreover, your agency further stated, "Depending on location, time, and distance, the expected delivery times will increase for certain ZIP code pairs."
 - a. Can you provide a detailed breakdown of Wisconsin counties, towns, and zip codes that will experience longer mail delivery times under this plan? Additionally, please

provide up-to-date service performance metrics for on-time mail delivery across the state, broken down by zip code.

The proposed changes will lead to a net positive impact for First-Class Mail, as well as for end-to-end Marketing Mail, Periodicals, and Package Services, from a service standard perspective. Most volume will retain the same service standard or see service standard improvements because of the operational changes to our processing and transportation networks. The full details of the proposed changes, which have been submitted to the Postal Regulatory Commission for an advisory opinion, are available at <https://prc.arkcase.com/portal/docket-search/active-cases/docket-details/6780>.

Your comment that RTO will reduce delivery standards for rural areas is not accurate and does not reflect what is detailed in the proposal. To explain in more detail, it is first important to understand that the mail transportation process is generally broken into three legs: Leg 1, moving originating mail from a local Post Office to a processing plant; Leg 2, moving mail from one plant to another; and Leg 3, moving destinating mail from a processing plant to a local Post Office. Currently, originating mail is collected from many local Post Offices twice daily for transportation to a processing plant (Leg 1). The current proposal would eliminate afternoon collections for Post Offices that are over 50 miles from an RPDC.

But Leg 3 truck trips, transporting mail from processing plants to local Post Offices for delivery to customers in those areas, are not meaningfully affected by the proposal, primarily because most Post Offices already receive only a morning drop-off of destinating mail. After that morning drop-off, however, carriers case the mail for their routes and leave for the day to begin delivering.

Ultimately, while it may take some additional hours for some customers' outgoing mail to leave their local Post Office, overall service bringing incoming mail to those customers will be at least the same speed as it is now, and likely faster because of other improvements across the network. In other words, people who live more than 50 miles from an RPDC may see some of the mail that they send take slightly longer to get to its destination, but there will be no change (or there will be improvement) in the time it will take for them to receive most of their mail.

Moreover, the proposed improvements should significantly expand the "reach" of most mail, allowing it to travel farther in fewer days than it does currently. As one example, the image below illustrates maps of current and revised service expectations for a piece of mail that originates within 50 miles of the Chicago RPDC. Most mail volume in the U.S. originates close to the RPDC sites, and the proposed changes will help that volume get moving immediately, which means that most individuals and businesses across the nation can send mail and packages to their recipients, even those in quite rural areas, faster and more reliably than they do now. Similar service improvements will ripple out from every RPDC site, so rural customers nationwide will tend to see faster delivery no matter where their mail is coming from.

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