

## Cost-Cutting Initiatives and Other Factors Have Contributed to Declining Service Performance

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A report to congressional requesters

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### What GAO Found

In 2021, the U.S. Postal Service (USPS) published a 10-year strategic plan, which it has periodically updated, that aims to achieve financial sustainability and service excellence. Since that time, USPS has lengthened the expected delivery times of some First-Class Mail to align with strategic plan initiatives intended to cut costs.

- Effective October 2021, USPS added 1 to 2 days to its expected delivery times for certain products to accommodate its transportation change from air to ground.
- In April 2025, USPS further changed expected delivery times by eliminating end-of-day or afternoon collection at the over 24,000 post offices that are more than 50 miles from a Regional Processing and Delivery Center.

Additionally, USPS lowered its service performance targets—the percentage of mail it expects to meet service standards—in fiscal year 2021 and has not met most targets since then. While intended to achieve cost savings, USPS's strategic plan initiatives have slowed service for some mail and had a disproportionate impact on rural customers, according to oversight entities and industry stakeholders.

#### U.S. Postal Service's (USPS) Service Performance for Selected First-Class Mail Products, Fiscal Years 2021–2025

| Product category              |             | Fiscal year |      |      |      |      |
|-------------------------------|-------------|-------------|------|------|------|------|
|                               |             | 2021        | 2022 | 2023 | 2024 | 2025 |
| Single-Piece First-Class Mail | 2-day       | ✗           | ✓    | ✗    | ✗    | ✗    |
|                               | 3- to 5-day | ✗           | ✗    | ✗    | ✗    | ✗    |
| Presorted First-Class Mail    | Overnight   | ✗           | ✓    | ✗    | ✗    | ✗    |
|                               | 2-day       | ✗           | ✓    | ✗    | ✗    | ✗    |
|                               | 3- to 5-day | ✗           | ✓    | ✗    | ✗    | ✗    |

✓ Target met ✗ Target not met

Source: GAO analysis of USPS service performance. | GAO-26-108527

USPS has tried to address service performance in several ways, including using diagnostic tools and regular operational meetings. However, ongoing service performance issues indicate that USPS's actions have not been sufficient. Moreover, broader challenges—such as USPS's poor financial condition—may contribute to the difficulty in doing so. Given persistent concerns about service performance, it is important that USPS clearly communicate about its ongoing and planned actions to address this issue, even as it seeks to cut costs, as well as about the challenges it faces. The upcoming update to USPS's strategic plan, which is planned for 2027, presents an opportunity for USPS to communicate this information to Congress, the public, and relevant stakeholders.

### Why GAO Did This Study

USPS has long faced challenges meeting its mission in a financially self-sufficient manner. Under its current strategic plan, USPS has sought to improve its finances and service performance. Balancing service performance with financial viability poses a significant ongoing challenge for USPS.

GAO was asked to review USPS service performance issues. This report examines (1) changes USPS has made to service standards for market-dominant products and to related operations since 2021; (2) how the cost-cutting initiatives in USPS's strategic plan have affected service performance and customers; and (3) the extent to which USPS's actions have addressed service performance issues, and how USPS has communicated ongoing and planned actions to Congress and the public.

GAO reviewed USPS documents, including its annual reports to Congress for fiscal years 2020 through 2025. GAO also reviewed USPS Office of Inspector General reports, as well as Postal Regulatory Commission (PRC) reports and relevant advisory opinions. GAO selected First-Class Mail for this review, because it is one of the market-dominant products USPS uses to assess its service performance. GAO also interviewed USPS officials, PRC commissioners and staff, and five stakeholders that included commercial mailers and mailer organizations on topics related to USPS service performance.

### What GAO Recommends

GAO recommends that USPS include details about its ongoing and planned actions to improve service performance in the next update of its strategic plan. USPS agreed with this recommendation.