

# CRS Report for Congress

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## Postal Service for Katrina Survivors

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### Summary

The U.S. Postal Service has experienced many disasters in the past, and it was relatively well prepared for the aftermath of Hurricane Katrina. While the hurricane damaged some 500 post offices, the Postal Service was able to establish limited services just days after the disaster. For those now displaced from their homes, USPS says that it can provide relatively efficient delivery service if customers submit a change of address form in person, by toll-free telephone, or on the Internet. USPS does not intend to request congressional appropriations for the costs it has incurred in restoring operations or rebuilding damaged facilities. This report will not be further updated.

Every large-scale hurricane within memory has affected areas served by the U.S. Postal Service (USPS), and that institution has long experience with the challenge of reconstituting mail delivery. The post-Katrina challenge posed a highly visible test of its capability, resilience, and reputation. USPS was relatively well prepared for Hurricane Katrina, and its performance in the aftermath has been generally well reviewed in the media.

As early as August 26, USPS was anticipating a landfall in the Gulf Coast and was diverting some mail from processing plants in that region to minimize the effects of potential disruption to its processing capabilities.<sup>1</sup> Nevertheless, the hurricane's force and subsequent flooding were destructive to postal facilities and operations. By the time the storm passed on August 30, some 500 postal facilities in Alabama, Mississippi, and Louisiana had been damaged and were incapable of providing delivery service.<sup>2</sup>

The timing of the storm was critical for the Postal Service, since the first two or three days of the month are when many people dependent on Social Security, public assistance, and annuity income typically expect their checks in the mail. On September 1, USPS set up temporary centers for the pickup of checks in Escatawpa, Biloxi, and Gulfport, in Mississippi, and in Louisiana at Hammond, Covington, LaPlace, and Des Allemands, and

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<sup>1</sup> "Postal Service Operations and Delivery Update," briefing by Thomas G. Day, Senior Vice President, Government Relations, U.S. Postal Service, Sept. 7, 2005.

<sup>2</sup> Ibid.

another opened later in Mobile, Alabama.<sup>3</sup> In New Orleans proper, two post offices (La Place and Gonzales) were designated as Social Security check pickup points for a short period of time.<sup>4</sup> More than 30,000 Social Security checks were distributed from these centers before they closed on September 14.<sup>5</sup>

## Restoration of Regular Service

Reconstituting regular mail delivery in the areas affected by Hurricane Katrina has been a priority since the storm, and USPS has made steady progress toward that goal. By September 7, USPS reported that full service had been restored to 188 of the affected post offices, and partial service to 189.<sup>6</sup> In 120 post offices (some of which no longer exist) there was no service. In terms of daily deliveries, all service had been resumed in Alabama, but 100,000 addresses in Mississippi lacked service, and 720,000 in Louisiana.<sup>7</sup> Mobile units were brought to some of these areas, where customers could pick up mail and purchase retail services.

By September 10, USPS reported that full service had been restored to 82% of post offices in the area affected by Hurricane Katrina. The list of closed post offices continues to change, and USPS has posted on its website a color-coded map,<sup>8</sup> updated daily, showing which ZIP codes have full, partial, and no delivery service. By mid-October, mail services had been restored to every ZIP code in New Orleans. Letter carriers were making deliveries where possible (in about 38% of the city), and USPS had established counter service in all other cases.<sup>9</sup>

## Delivery of Mail to Dislocated Customers

While restoration of service to the areas damaged by the hurricane itself is a familiar task for the Postal Service, the sudden displacement of hundreds of thousands of customers from New Orleans is unprecedented. Fortunately, USPS has spent millions upgrading its national change of address (NCOA) system in recent years, because forwarding mail for the millions of households that move every year is a major cost to its regular operations. Through its postal automated redirection system, USPS now has the

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<sup>3</sup> "Postal Service Establishes Temporary Locations for Social Security Check Distribution for Hurricane Katrina Victims," U.S. Postal Service News Release no. 05-068, Sept. 1, 2005.

<sup>4</sup> Ibid.

<sup>5</sup> "U.S. Postal Service Continues to Restore Mail Services Along the Gulf Coast," U.S. Postal Service News Release no. 05-074, Sept. 10, 2005.

<sup>6</sup> "Postal Service Operations and Delivery Update," briefing by Thomas G. Day, Senior Vice President, Government Relations, U.S. Postal Service, Sept. 7, 2005.

<sup>7</sup> Ibid.

<sup>8</sup> The map is available at [<http://www.usps.com/communications/news/serviceupdates/zipmap.htm?from=bannercommunications&page=katrinamap>].

<sup>9</sup> "Mail Services Reestablished for All New Orleans ZIP Codes," U.S. Postal Service local news release, Oct. 11, 2005. See also Sam Howe Verhovek, "Mailman Delivers A Little Normality to French Quarter," *Los Angeles Times*, Oct. 30, 2005.

capability, through innovations in sorting technology, to intercept mail at its original sorting point that is addressed to an address that has changed, and re-route the mail to a new address. Thus, it can avoid the cost and delay of physically transporting mail to the former delivery post office for flagging and forwarding under a local change of address request.

For the current situation, USPS is urging all postal patrons who have been relocated to file a change of address form at their new location. The form can be filed at a post office, by toll-free telephone (1-800-ASK-USPS), or on the Internet at [<http://www.USPS.com>]. The form will enable USPS to direct mail to a new address from its point of origin, whether the new address is a relative's home, a Red Cross shelter, or temporary rental quarters. Recognizing that many of the displaced customers will move again before long, USPS has made it clear that multiple changes of addresses cause no problem, since the NCOA is an electronic system and can easily be updated. In addition, USPS has waived indefinitely, for those affected by the hurricane, the usual 30-day limit on forwarding mail to a new address.<sup>10</sup>

All of this is dependent, however, on the USPS having a change of address on record. USPS has reached out to shelters to urge that the forms be filed, postal representatives have appeared in countless media, and the Postmaster General has appeared on national television to make the same point. By September 10, USPS reported that more than 87,000 households of affected residents had filed change of address forms.<sup>11</sup> By the end of October, 325,000 households had filed mail-forwarding requests.<sup>12</sup>

## **Paying the Costs of Recovery**

As of September 7, USPS estimated that its physical losses would be well over \$100 million,<sup>13</sup> but later revised the figure downward below \$100 million because damage to the New Orleans processing facility had not been so extensive as feared. Still, it will take at least three years to fix all the damage from the hurricane, According to Thomas Day, senior vice president for government relations. While some in Congress had anticipated that USPS would request appropriations to cover some or all of its unanticipated costs, Mr. Day recently said that USPS does not intend to do so. The Postal Reorganization Act (codified in Title 39, United States Code) charges USPS with covering its costs through the revenues it collects from the mailing public, and USPS has been reluctant to seek appropriations (and the congressional controls that sometimes accompany them) for support of its delivery operations.

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<sup>10</sup> "Postal Service Operations and Delivery Update," briefing by Thomas G. Day, Senior Vice President, Government Relations, U.S. Postal Service, Sept. 7, 2005.

<sup>11</sup> "U.S. Postal Service Continues to Restore Mail Services Along the Gulf Coast," U.S. Postal Service News Release no. 05-074, Sept. 10, 2005.

<sup>12</sup> Sam Howe Verhovek, "Mailman Delivers A Little Normality to French Quarter," *Los Angeles Times*, Oct. 30, 2005.

<sup>13</sup> "Postal Service Operations and Delivery Update," briefing by Thomas G. Day, Senior Vice President, Government Relations, U.S. Postal Service, Sept. 7, 2005.