



NALC FACT SHEET

Department of Government and Political Affairs — National Association of Letter Carriers, AFL-CIO

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Six-day mail delivery

As it has for generations, the U.S. Postal Service provides affordable universal service as directed by the U.S. Constitution. In 1983, Congress first adopted an appropriations rider that required the Postal Service to deliver mail six days a week, a rider that has been included in every appropriations measure since. And for more than three decades, the Postal Service has been trying to find a way to eliminate that requirement.

Saturday delivery makes the USPS unique. At a time when e-commerce is creating a package shipping and delivery boom, it would be a short-sighted, strategic blunder to end Saturday delivery.

- The shared network used by the Postal Service to deliver letters, flats, magazines and books gives it a cost advantage in the delivery of residential parcels. This allows the USPS to offer UPS, FedEx and Amazon the most affordable prices for last-mile delivery service, which has been an effective and profitable partnership. In addition, direct mailers, weekly newspapers and small businesses (such as eBay merchants) depend on Saturday delivery for invoicing, bill payments and shipping. Slowing mail service while charging the same price would be especially harmful to these mailers.

Ending Saturday delivery would do more harm than good, driving away business and revenue.

- If Saturday revenue were eliminated, it would likely be gone for good. Even if the Postal Service then realized in hindsight that the service cut had not been worth it and it wanted to restore Saturday delivery, it still would likely be unable to regain the level of revenue it enjoyed before the cut.
- USPS' own customer surveys show that 35 to 40 percent of business mailers (who account for more than 95 percent of postal revenue) want Saturday delivery. Ending that service would drive mailers to alternative delivery methods or to leave the postal system altogether.
- A study conducted by Opinion Research Corporation International in 2012 for the Postal Service (and unearthed during the 2012

Postal Regulatory Commission's (PRC) review of USPS' network optimization plan) showed that slashing Saturday service, when combined with measures the agency has already taken (such as closing post offices and reducing service standards) would lead to a drop in mail volume of by 7.7 percent, causing a revenue loss of \$5.26 billion and overwhelming a projected \$3.3 billion reduction in expenses.

A delivery study commissioned by the PRC provided a model that showed there might be little to no net savings associated with cutting Saturday delivery. In fact, cutting Saturday delivery might cost the Postal Service money.

- The PRC hired the consultant Swiss Economics (SE) to review the USPS' most recent plan to eliminate Saturday mail delivery but continue package delivery. SE accepted at face value USPS' unrealistic assumptions about the loss of volume and revenue caused by this cut, yet it found that the Postal Service had overestimated the money it could save by ending Saturday letter mail. The savings could be as little as \$625 million per year or as much as \$1.4 billion, if mail volume fell by just 1.1 to 2.2 percent as assumed by USPS. *However, SE concluded that there might be no savings at all if volume fell by as little as 3.5 percent or as much as 7.5 percent, depending on other operational assumptions.*

Ending Saturday delivery would hurt jobs, the industry and prices.

- The Postal Service's 500,000 career jobs support more than 7.5 million private-sector jobs in the paper, printing, publishing, financial services, direct marketing and e-commerce industries. Downsizing USPS would reduce mail volume and result in downsizing in the private sector as well. Thousands of postal worker jobs would also be impacted by a reduction of services.
- There is no indication that the Postal Service could continue to deliver packages at competitive prices if it were to eliminate delivery of other mail, such as letters and periodicals, on Saturday. In fact, the result would likely be a significant price hike for both USPS and its competitors.

NALC supports H.Res. 15, which calls on Congress and the Postal Service to take all appropriate steps to continue six-day mail delivery