NALC Comments on SEC Proposed Rule: *Electronic Delivery of Information Under the Federal Securities Laws*

The National Association of Letter Carriers (NALC), the labor union that represents 300,000 active and retired city letter carriers employed by the United States Postal Service opposes the Security and Exchange Commission's proposed Regulation E-Delivery (Release No. 33-11430). The proposed regulation would have negative consequences for the nation's postal system, letter carriers, and the public. The United States Postal Service, which has its roots in the U.S. Constitution, is the only true universal communication system in the country. Changing the default communication method of important financial information to a system that is not universal or secure has serious accessibility and security implications.

The proposed rule would threaten the Postal Service's financial stability and ability to provide universal service. The proposed rule would result in a significant reduction in First-Class Mail volume and revenue, which in turn would have a drastic impact on the agency's ability to provide high-quality service to the American public. Though it has declined, First-Class Mail is a critical source of USPS volume and revenue, and it is vital to maintain this volume for USPS financial stability. The proposed rule estimates that funds and broker-dealers send 377 million physical pieces of mail annually, which was equivalent to about 9 percent of USPS First-Class Mail volume in 2025. Volume and revenue losses caused by this rule would be significant and certainly noticeably affect USPS finances.

The proposed rule would threaten letter carrier jobs. Steep declines in volume and revenue would likely result in cuts to service, requiring the Postal Service to cut letter carrier routes, hours and jobs. The impact would be felt beyond letter carriers, too. The Postal Service is the nation's second-largest employer, a top employer of veterans, and supports nearly 8 million mailing industry jobs in the postal sector.

The proposed rule would impede the public's access to important financial information and open the door to unnecessary security risks. The United States Postal Service has a legal mandate to provide universal service. Internet providers are not under the same obligation. Additionally, the Postal Service is consistently ranked one of the government agencies most trusted by the public, while fraud schemes proliferate on the internet. Changing the default method of communicating important financial information to one that is neither universally accessible nor trusted or secure will mean that certain recipients—particularly older, rural, lower-earning and non-White households, which are all less likely to have broadband internet at home—will face hurdles accessing this information (and opting out of the new default should they so choose), and be newly exposed to scammers and phishing schemes.

The NALC thanks the Commission for the opportunity to provide these comments and urges the Commission to maintain paper as the default communication method.