

Testimony of California State Association of Letter Carriers Sacramento PRC Field Hearing -- May 12, 2010

Good morning Commissioners Acton and Hammond. Thank you for inviting me to testify. My name is John Beaumont and I am the President of the California State Association of Letter Carriers, which is comprised of 40,000 city letter carriers. As State President my role is to represent letter carriers in policy making debates affecting their jobs and the United States Postal Service. But I also consider it my responsibility to defend the interests of the Postal Service's customers. On both grounds, the Postal Service proposal to eliminate Saturday services would be disastrous.

Cutting collection and delivery service by one-sixth (or 17%) for a small and uncertain level of savings makes no sense. Worse, we think it would be counterproductive. Slower service will simply drive customers away to new businesses that will offer Saturday service. Slower, less frequent collections and deliveries are also likely to accelerate the shift to electronic invoicing and electronic bill paying. Specifically, consumers are likely to find their late fees going up and the credit ratings going down as a result to this change. The speed and efficiency that many customers now take for granted would be undermined. Indeed, most Americans consider a bill paid when they drop it in the mail box. But if you pay your bills on Friday night or Saturday morning, this assumption would be tested and bill payers would be given one more reason to leave the mail for electronic alternatives.

The Postal Service is essential to all Californians, but six-day delivery and collection service is especially important to our seniors, small and home-based businesses and rural communities that rely on the Postal Service as a crucial public service. Please don't let the Postal Service fool you – this proposal will result in slower service. Letters mailed on Friday nights and during the day on Saturdays will not be picked up until Monday morning. Rural communities would be particularly affected as those same letters might not be picked up and begin their journey until at least Monday afternoon.

This creates underserved communities and multi-tiers of service, depending upon where you live.

Delivering mail out in communities such as Clovis, Kingsburg, and Marysville, which are probably similar to rural Kentucky or Southern Missouri, the nearest post office might be several miles away. The opportunity to walk to the corner post office is not a luxury for consumers in these areas. Elderly and disabled residents in these communities rely on the Postal Service to deliver their mail, parcels, and even prescription drugs out to them, because it is difficult for them to travel out to their nearest Post Office. This is unacceptable and is not consistent with the Postal Service's mission of equitable universal service.

By downgrading service we risk losing the types of mail that are actually growing – even during the current recession. Booming businesses like home based e-Bay merchants would face much higher costs from private couriers. Small scale and specialty merchants targeted by the NALC-USPS Customer Connect program, which has generated nearly a billion dollars a year in new postage revenues, would see the six-day advantage offered by the Postal Service disappear. Even the large competitors like UPS and FedEx who have tapped the Postal Service's unmatched last mile network in residential areas through the Parcel Select program might reconsider their partnership with the USPS if the Saturday delivery option were eliminated. In fact, we think some customers are already beginning to make the change to alternate delivery methods simply based on the Postal Service's "PLANS" to eliminate Saturday delivery. We hold the Postal Service responsible for this. We think it has used its website and p.r. operations to mislead the mailing public into thinking that this change is inevitable while barely mentioning the decisive roles of this Commission and the U.S. Congress in this matter.

In addition to the cost savings, which are modest at best, it is important to consider the broader implications of the USPS proposal. For example, the United States Postal Service is one of the largest employers of veterans in the nation, second only to the Department of Defense. Currently more than 25% of our workforce is made up of veterans, and over 9% are disabled veterans. At a time when our nation has deployed hundreds of thousands of troops in the Middle East, who will provide decent jobs

and benefits to these brave servicemen and women when they return home to their country if we allow the Postal Service to reduce its workforce by eliminating a day of delivery?

Letter carriers understand the heavy toll the current recession has had on both the Postal Service and the state of California. We have seen it in the number of letter carrier jobs eliminated by a special labor-management process to aggressively adjust routes in response to falling mail volume. We have seen it in the struggles of our small business customers who are trying to survive. And, most recently, we have seen it in the gratitude of food bank workers who helped us unload the food donations we collected in the NALC-USPS national food drive just this past weekend. But we also know that unfair policies adopted in recent years to force the USPS to overpay for retiree health benefits and pensions are the main causes of the Postal Service's recent deficits. It would be a shame to destroy more good jobs to overcome a recession made on Wall Street and policy mistakes made in Washington – and leave the Postal Service worse off in the end – by ending Saturday collections and delivery. Simply put, cutting back service is more likely to cost the USPS millions of customers than provide a long-term solution to the Postal Service's financial problems.

We therefore respectfully urge this Commission to reject the Postal Service's proposal. In the meantime, we sincerely hope that Congress will take action on the severely flawed policy to require the USPS to massively pre-fund future retiree health benefits adopted back in 2006. That action alone would save the Postal Service two or three times more per year than even the most optimistic estimates of the savings that might result from a change to weekday delivery.

I am thankful for this opportunity to appear before this very important hearing today and I am happy to answer any questions. Thanks again.