



STATEMENT OF

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INQUIRY ON FIVE-DAY DELIVERY PLAN

BEFORE THE
POSTAL REGULATORY COMMISSION

PUBLIC FIELD HEARING
BUFFALO, NEW YORK

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Good afternoon, Chairman Goldway and distinguished members of the Commission.

My name is Christopher Klink, and I serve as the Legislative Chair of the Sal Pace Memorial Branch 27 of the National Association of Postal Supervisors here in Western New York. I am a retired employee of the United States Postal Service, and worked for the Postal Service for the past 38 years. During that time, I served as a postal clerk, mail processing supervisor, customer service supervisor, stamp distribution supervisor and as a postmaster.

Thank you for holding this public hearing in Buffalo to examine from a field-level perspective the service implications of reducing mail delivery from six days a week to five. I appreciate your diligence in holding hearings like this one as a part of a thorough review of the Postal Service's plan. Here in the western New York district, the Postal Service accomplishes approximately six million daily deliveries by city and rural letter carriers.

We all know that the Postal Service is in dire financial shape. It has lost nearly \$12 billion over the past three consecutive fiscal years. This situation has been brought on, foremost, by unreasonable Congressional mandates that have forced the Postal Service to prefund a large portion of its future retiree health benefits. While the severe recession and the diversion of mail to the internet have contributed also contributed to the crisis, these excessively-large retiree health pre-funding payments have most created the financial hole into which the Postal Service finds itself. Nearly all of the \$7 billion loss that the Postal Service is likely to incur by the end of the current fiscal year will have been created by this year's huge pre-funding payment.

In response, the Postal Service has cut significant costs and continues to generate savings in its operations. Without comprehensive Congressional relief from the onerous pre-funding payments in sight, the Postal Service has proposed

a variety of additional measures to find more savings, including the elimination of Saturday delivery. While polls have shown that most Americans are willing to give up Saturday service, I believe those polls are suspect because they tend to express public preference between a variety of postal cutbacks, including raising stamp prices and closing post offices, in contrast to eliminating a day of delivery. Asking a question this way can create a biased result. Even if you accept the polls for what they are, I suggest you look at them another way – since they tell us that as many as one-third of all Americans still favor the retention of Saturday delivery. One-third of the American population is a significant and critical part of the Postal Service's customer base. Few service companies would pursue a major change that is not supported by one-third of its customer base. Our customers depend on the Postal Service to provide services they use and pay for. If the Postal Service doesn't provide those services, members of the public will find competitors who will. That will only erode our customer base in the years ahead.

Chief among my concerns is the impact that a reduction in delivery days will have on the quality of the Postal Service brand and its reputation for high-quality service. By reducing the number of days of delivery, we will diminish the value of mail itself. There will undoubtedly be an erosion of confidence in the Postal Service's ability to provide the services the public relies on. Mailers ultimately will mail less, only compounding the problem. This, I fear, will have a cyclical and downward impact upon overall mail volume trends and harm the financial stability of the Postal Service. Any impact on the confidence of the Postal Service will degrade the status that the Postal Service enjoys as the most trusted government agency and one of the most trusted brands in America.

One of the greatest services that the Postal Service offers to customers is the value-added service of surcharge-free Saturday delivery. As a selling point to mailers who consider using the Postal Service to deliver their products to their customers, the ability to accomplish delivery on Saturday, without any additional

fees, is huge.

I personally always demand the use of the Postal Service when ordering because I know that if the item is shipped via the Postal Service on Wednesday or Thursday, there is a high probability that I will receive it by Saturday, rather than waiting until Monday. Locally we have a Saturday paper, the *WNY Values*, which is delivered each and every Saturday. The publication is targeted to those who do not subscribe to *The Buffalo News* and contains selected advertisements that subscribers would have received with their Sunday edition of the newspaper. With the proposed change in delivery frequency, *WNY Values* will be left with a choice of Friday delivery by the Postal Service or using an alternative service to maintain Saturday delivery. This is just one of a host of downsides to five-day delivery that you have heard from other witnesses today and at the six other field hearings across the nation.

Once again, the fact that five-day delivery arises as a cost-cutting strategy is due primarily to the fact that Congress erred in saddling the Postal Service with retiree health benefit pre-funding requirements that no other federal entity or private company are required to satisfy. This is not a pretty picture of our government at work. Why must Americans pay the price of cuts in mail service and higher postage when Congress has erred and not done its job in correcting that error? The Congress simply must live up to its responsibility to realign the Postal Service's retiree health benefit payment schedule to realistic levels – and credit the Postal Service its \$75 billion pension overpayment for pre-1971-hired employees. Until Congress takes these actions, I believe it is premature and unwise for the Postal Service to initiate five-day delivery. The Postmaster General even acknowledged in his recent Congressional testimony that if the prefunding and pension issues were satisfactorily resolved by Congress, the Postal Service would not be required to move to five-day delivery for at least another five years. Thus, five-day delivery should be the last resort by the Postal Service, not the first.

Finally, I am also concerned that the savings that five-day delivery will purportedly yield will ultimately lead not to gains but to losses, not only in financial terms but in jobs as well. Our local economy, where unemployment is currently at 9.1 percent, cannot afford further job losses and pain. The elimination of a delivery day is sure to cause the elimination or relocation of numerous letter carrier and supervisor positions in Western New York. While a change in delivery frequency may be necessary at some point in time, it should not be the first action taken. Changes in the retirement pre-funding must be considered first. The United States Postal Service is still just that, a service. While the mandate to pull its own weight is a noble one, the fact remains that mail service in America a public service that must be made available to all of the United States. Plainly everyone does not have a computer and many depend on the Postal Service for their basic mailing needs.

I urge the Commission to carefully scrutinize the Postal Service's five-day delivery proposal. Ultimately I believe you will find that the savings yielded will not be as significant as the Postal Service projects, that mail service will deteriorate, and that our local and national economy will be harmed. I do not believe the proposal is consistent with the Postal Service's obligation to provide prompt, reliable and efficient postal services to customers in all areas and all communities across the nation.

Thank you for listening to my views.