



Press Release
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PRC Issues Advisory Opinion on Postal Service Five-day Delivery Proposal Lower Savings and Greater Impact on Service are Identified

Washington, DC – The Postal Regulatory Commission today issued its Advisory Opinion in Docket N2010-1 on a Postal Service plan to end Saturday mail delivery, collection, and outbound mail processing.

The Postal Service is required to ask the Commission for an Advisory Opinion on any change in nationwide service it proposes. The Postal Service advised the Commission that due to falling mail volumes and revenues it is considering eliminating Saturday mail collection and delivery except for Express Mail and existing post office box service.

“Some of the Commission’s analysis in today’s Advisory Opinion suggests that even lower estimates of savings and higher volume losses are possible. In all cases, we chose the cautious, conservative path. Our estimates, therefore, should be seen as the most likely, middle ground analysis of what could happen under a five-day scenario,” said Chairman Ruth Y. Goldway.

Key findings of the Commission’s Opinion include:

- The Commission’s annual net savings estimate is \$1.7 billion.
 - The Postal Service’s savings estimate is \$3.1 billion.
- Full savings in either case would likely not be achieved until year three after implementation.
- The Commission’s estimate of net revenue losses due to volume declines caused by the service cuts is \$0.6 billion.
 - The Postal Service estimate of net revenue losses is \$0.2 billion.
- The planned changes would cause an average of 25 percent of First-Class and Priority mail to be delayed by two days.
- The Postal Service did not evaluate the impact of the proposal on customers who reside or conduct business in rural, remote, and non-contiguous areas.
- Customers in rural, remote, and non-contiguous areas can be particularly affected by the Postal Service’s plans. The Commission received significant input from rural America and traveled to South Dakota and Wyoming to meet directly with rural customers and community leaders.

The following chart provides a comparison of Commission and Postal Service analyses of cost savings and revenue losses that would result from implementing the proposed service reductions. The Net Savings totals would likely not be achieved until three years after implementation.

**Financial Impact of Postal Service Plan
(millions)**

	Postal Service Savings Estimate	Commission Finding	Difference
City Carriers	\$2,263	\$1,503	\$760
Rural Carriers	\$484	\$484	\$0
Transportation	\$377	\$169	\$208
Mail Processing	\$123	\$67	\$56
Post Office Operations	\$53	\$53	\$0
Total Savings	\$3,300	\$2,276	\$1,024
Lost Revenue	(\$201)	(\$587)	\$386
Net Savings	\$3,099	\$1,689	\$1,410

The elimination of one mail delivery day has been proposed many times and was the subject of extensive congressional review in 1977 and 1980. In 1983, Congress adopted specific language requiring the Postal Service to maintain six-day delivery. The Commission's Advisory Opinion will be considered by Congress as it reviews the Postal Service's request to change the law.

The Commission held extensive public, on-the-record hearings to analyze and cross-examine the Postal Service's proposal and supporting evidence. Mail users, postal employees, elected officials, community leaders and members of the public provided supporting and opposing views, both informally and as part of more formal, technical presentations. The Commission also conducted seven field hearings and received thousands of public comments through its website.

"All five Commissioners have signed the necessary certification for this Advisory Opinion," Goldway said; adding "the Postal Service remains a vital, beloved and important institution facilitating economic growth, aiding small businesses, enhancing communications and unifying the nation. A decision to change the existing patterns of postal communications and delivery should be made with care."

The Separate Views of Chairman Goldway, Commissioners Blair, Langley, and Hammond are attached at the back of the Commission's Advisory Opinion

Quick link to the:

Postal Regulatory Commission [Advisory Opinion including Separate Views](#)