

STATEMENT OF
MICHAEL WINN
ON BEHALF OF R R DONNELLEY & SONS COMPANY
BEFORE THE
POSTAL REGULATORY COMMISSION
ON
THE UNITED STATES POSTAL SERVICE TO REDUCE SERVICE TO FIVE DAYS
June 21st, 2010

I am Michael Winn and I am here to provide testimony for R R Donnelley & Sons Company in regards to the United States Postal Service's proposal to reduce delivery to five days a week from the current six day delivery. RR Donnelley, a Fortune 250 Company, is the largest printer in North America. We employ nearly 35,000 people across 45 states. Printing is one of the largest domestic manufacturing industries and RR Donnelley has production facilities in 26 states - from coast-to-coast and border-to-border.

RR Donnelley doesn't just print material and send it back to our customers. We print material and arrange its delivery for our customers, collaborating with the USPS and deploying a sophisticated logistics network nationwide. The health and viability of the United States Postal Service is critical to our business.

We print, bind, and address over eight billion mail pieces each year of all types – magazines, catalogs, direct response materials, and financial documents such as statements and prospectuses. As a logistics provider we “drop ship” customer's mail into the postal system of processing plants to maximize the postal discounts our customers receive, and to aid the USPS, maximizing their efficiency in processing the mail. Our customers expect dependable and timely delivery to the USPS processing facilities from R R Donnelley.

The USPS proposal to eliminate one day of delivery concerns RR Donnelley because it may also mean curtailing processing operations. In the answer to one of the FAQ's on the USPS web site, the USPS says that the difference between the Postal Regulatory Commission's estimate of \$1.9 billion in savings, and the USPS's estimate of \$3 billion in savings is that the PRC did not take “processing and transportation expenses” into consideration. Clearly this is an indication that the USPS plans to curtail processing as well as delivery.

RR Donnelley makes over 20,000 appointments at USPS facilities every year to drop mail into their processing system. Obviously those appointments cannot be reduced by one day a week without seriously compromising our service to our customers. That is where our concern lies. The delays involved with five day

processing would be ruinously disruptive. We strongly believe that the United States Postal Service's current processing schedule must be maintained.