



THE FINANCIAL  
SERVICES  
ROUNDTABLE

**NAMIC**  
NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES

Postal Regulatory Commission  
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Postal Regulatory Commission  
Office of Public Affairs and Government Relations  
901 New York Ave., NW  
Suite 200  
Washington, DC 20268-0001

**Re: Oppose USPS Proposal to Transition to 5-Day Delivery Week**

Dear Postal Regulatory Commission:

The Financial Services Roundtable (“Roundtable”) and the National Association of Mutual Insurance Companies (“NAMIC”) welcomes the opportunity to comment on the Postal Regulatory Commission’s (“Commission”) invitation for public feedback on U.S. Postal Service’s (“USPS”) proposal to end carrier street address delivery, collection at blue collection boxes and most originating mail processing on Saturdays in the United States. This is one of the most significant changes USPS has ever presented to the Commission. USPS is required to ask the Commission for an Advisory Opinion on any change in nationwide service that it proposes. The Roundtable and NAMIC are concerned that the USPS’s proposal will have a detrimental effect on the general public, the financial services industry, USPS’s ability to operate efficiently and effectively. The Roundtable and NAMIC respectfully requests that the Commission oppose the USPS proposal.

Eliminating Saturday delivery will unnecessarily disrupt the lives of customers that depend on Saturday delivery to meet their day-to-day needs and unnecessarily negatively impact our nation’s economy at a time of economic recovery. A reduced mail delivery week will dramatically interfere with the businesses and non-profits ability to correspond and send notices to their customers and restrict the ability of customers to provide feedback or make timely payments. For example, people who receive their pay via paper checks will also be disproportionately impacted. Under a 5-day delivery week if a paycheck is issued on Friday afternoon, and they want to pay a bill due Monday or Tuesday, they will be unable to meet their obligation if they are unable to mail their payment by close of business on Friday. That individual will have to wait the entire weekend for their next opportunity to have USPS pick-up, much less deliver, their bill. This reality will be especially true for people who live in rural communities where a post office may not be readily accessible.

A 5-day delivery week would also raise a number of operational issues for American businesses and consumers. A reduced delivery schedule would directly impact the ability of the nation’s financial institutions to efficiently serve their customers. Billing, renewal/cancellation notices, claims, payments, and account document delivery would be affected. Consumers awaiting account documents, making payments and effectuating other transactions would be inconvenienced. Companies, such as credit card companies, banks and insurance companies, mailing hundreds of millions of documents each year would incur significant costs and reduced operational efficiencies. Companies would lose interest on delayed

receipts that would otherwise have been processed on Saturday, staffing levels would have to be reconfigured, and computer systems reprogrammed. Although millions of Americans transact business electronically, millions more still rely on the USPS to conduct their personal and business transactions. A 5-day delivery week would be counter to the national goal of increasing business activity and economic growth.

Next if a 5-day mail delivery schedule is established, it will likely lead to the systematic reduction in the services provided by USPS and limit USPS's ability to be competitive in the marketplace. The 6-day mail delivery week is the linchpin of the mailing industry. Until USPS and Congress work together to develop a long-term comprehensive strategy that involves restraining operating expenses, specifically health care and retirement costs, any savings projected from transition to a 5-day work week will be greatly outweighed by internal inefficiencies. The Roundtable urges USPS to work with Congress and believes the following recommendations, if authorized and approved by Congress, will contribute to the USPS becoming more efficient:

**Reduce Pension Costs:** Earlier this year, the USPS Inspector General published a report on USPS funding of pension costs for postal workers. The report notes that the cost allocation method between the Civil Service Retirement System (CSRS) and USPS is unbalanced. Further, the report estimates that USPS has paid \$75 billion more into the CSRS than it would have paid if costs were allocated more proportionately. Furthermore, a recent report, conducted on behalf of the Commission, stated that there is a \$50 billion dollar overpayment into the retirement fund and Congress and the Office of Personnel Management (OPM) should consider potential transfers from the Postal Service Retirement Fund to its Retiree Health Benefit Fund. Currently, such transfers may not take place before September 30, 2015.

**Reduce Health Insurance Costs: USPS is required by law to prefund its future retiree health benefits.** The retiree health fund is designed to make sure that postage ratepayers reimburse the U.S. Treasury for future health benefits. USPS is being overcharged for the cost of funding these costs and there are excess postal pension assets in the civil service retirement fund that should be used to cover retiree health costs in the future. Last year Congress reduced the amount that the USPS had to allocate into its health plan, which allowed USPS to save money. This change was for one year only. It needs to be made permanent.

**Reduce the Number of Postal Facilities:** The PAEA encouraged USPS to streamline its network. The Government and Accountability Office (GAO) has repeatedly urged USPS to reduce the number of facilities it operates. When it passed PAEA, Congress declared that USPS "has more facilities than it needs". Yet, closing post offices are difficult undertakings. Congress needs to provide more flexibility to the Postal Service by lifting the restrictions upon, and public appeals of, post office closures and consolidations. USPS, with the help of Congress, needs to "expeditiously move forward in its streamlining efforts."

We encourage the Postal Service to fully explore the above options, be introspective, and innovative when developing solutions to save costs or generating new revenue rather than, as now, reducing the traditional 6-day mail delivery to 5-days. Even with the increased popularity of electronic communication, millions of people still depend on USPS's services to communicate to the outside world. USPS's 5-day proposal creates a complicated problem for the financial services companies that see 6-day delivery as critical to our operations.

The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer.

Roundtable member companies provide fuel for America's economic engine, accounting directly for \$74.7 trillion in managed assets, \$1.1 trillion in revenue, and 2.3 million jobs.

NAMIC is the largest and most diverse national property/casualty insurance trade and political advocacy association in the United States. Its 1,400 member companies write all lines of property/casualty insurance business and include small, single-state, regional, and national carriers accounting for 50 percent of the automobile/ homeowners market and 31 percent of the business insurance market. NAMIC has been advocating for a strong and vibrant insurance industry since its inception in 1895.

Best Regards,

Steve Bartlett  
President and CEO  
The Financial Services Roundtable

Charles M. Chamness  
President & CEO  
National Association of Mutual Insurance Companies