

**Senator Daniel K. Akaka**  
**Prepared Remarks**  
**The Impact of Eliminating Saturday Delivery Service on the People of Hawai‘i**  
**October 4, 2010**

Chairman Goldway, thank you for inviting me to submit written remarks providing my views on behalf of my constituents on the impact of the Postal Service’s proposal to eliminate Saturday delivery to the people of the State of Hawai‘i. I understand the difficulties in holding field hearings throughout the country. Although it is unfortunate that you were not able to visit Hawai‘i and Alaska, I do appreciate the Commission visiting a diverse selection of regions that, while not exactly the same, reinforce some of the concerns that I will express as well.

One of the unfortunate truths already facing the people of Hawai‘i is that the mail simply moves slower because of a combination of logistical, physical, and financial barriers. The service standards enacted by the Postal Service in 2007 reflect these challenges, establishing a delivery standard of nine to ten days for standard mail from the contiguous United States to Hawai‘i. The need to distribute mail to six islands further slows mail delivery. In addition, because all of Hawai‘i’s mail is processed at the Honolulu Processing and Distribution Center, including inter-island mail, all classes of mail are subject to further delay.

Another disadvantage is the shipment of non-first class mail over water on cargo vessels. Unlike USPS trucks or rail contracts, inter-island and island-mainland shipping is not always a daily service, and the Postal Service has fewer options to achieve efficient delivery. These inherent inefficiencies are unique to Hawai‘i mail service, and decrease service. I urge the Commission to take this into account as it develops an advisory opinion.

For the people of Hawai‘i, the Postal Service is a government service that is extremely important and integral to daily life. With ocean waters separating us from friends, family, and business partners on neighbor islands and the mainland, the Postal Service provides important links within Hawai‘i and to other places. Residents do not have the luxury of getting in a car and delivering items to another island. The same goes for courier services for important personal business items. Residents must rely on the Postal Service.

Prescription drug delivery is a particularly important service in Hawai‘i. Many residents in Hawai‘i rely on mail-order pharmaceuticals provided through employer plans, including the Employer-Union Trust Fund Health Plan. These prescriptions often come from the mainland, and a delivery delay at processing facilities could prove dangerous to consumers. As Keith McFalls, Vice President of Operations of PrimeMail and Triessant Prime Therapeutics, testified at a Homeland Security and Governmental Affairs Subcommittee hearing in June, timely delivery is especially important for pharmaceuticals.

Even Hawai‘i’s elections could be impacted by the proposed delivery changes. Earlier this year, Hawai‘i, like some other states, performed a vote-by-mail election, where all residents would cast their ballots through the Postal Service. This is possible around the country because of the protections afforded by sending mail securely through the Postal Service. Cutting a day of delivery would decrease the likelihood that a ballot will be delivered on time to be counted.

Small, local businesses in Hawai‘i, such as community newspapers that rely on the Postal Service for delivery would be greatly impacted as well. Hawai‘i is unique in that we rely on our local businesses for services and goods to a higher degree than our mainland counterparts. In turn, those businesses often rely on the Postal Service to deliver those goods. Cancelling a day of service would limit options and will severely impact many businesses in this already dire economic environment.

Perhaps the most important issue facing Hawai‘i is the lack of alternatives for important Saturday deliveries. The Postal Service offers a predictable, low-priced Priority Mail service throughout the State of Hawai‘i. Sending a one pound Priority Mail package from Hilo to Honolulu costs less than \$5.00, and it can be delivered on a Saturday. FedEx and UPS do not offer Saturday delivery service in Hawai‘i, so customers would be left with just one option, USPS Express Mail, costing approximately \$15.00. Express Mail is, in many cases, more expensive than FedEx and UPS for weekday delivery. Moreover, Express Mail is a competitive product, meaning USPS could halt Saturday Express Mail delivery in Hawai‘i if the service is losing money.

Should Saturday delivery be eliminated in Hawai‘i, the alternative suggested by the Postal Service is renting a Post Office Box at a local retail facility. Unfortunately, in many areas in Hawai‘i, P.O. Boxes are already scarce. Requiring those who want Saturday service to rent a P.O. Box that they only need one day a week will further increase existing shortages and force residents to pay more just to retain the services they have come to rely on. Postal facilities in Hawai‘i are already understaffed, stretching Postmasters, Supervisors, and other employees. The Postal Service says that in order to make Saturday Express Mail delivery, post office staff may be required to make special deliveries, calling in to question how many staff will be available at retail facilities on Saturdays.

I have broader concerns about imposing five-day service to the entire United States. Cutting a day of delivery could cost up to 40,000 postal jobs, according to the Postal Service. As Chairman of the Federal Workforce Subcommittee in the United States Senate, I am concerned about the impact on federal workers in these challenging economic times, as well as the dedicated postal workforce in the State of Hawai‘i.

The Postal Service has told us that reducing service could save \$3 billion per year. However, there are differing estimates, and not enough sound, independent analysis. If such a dramatic shift in delivery service is to take place, policy-makers need to see a thorough analysis of the true savings and costs of reducing mail delivery to five days. I strongly encourage the Commission to gather more information before forming its final opinion.

It is important to also note that cutting one day of delivery would eliminate 17 percent of delivery service, for a projected five percent savings. This is a heavy trade-off, and one that could further reduce customer demand for postal services. Furthermore, it leads me to question at what point would cutting delivery frequency start to violate the Postal Service’s universal service obligation?

One of the important reasons that we created an independent regulator for the Postal Service was to provide an independent voice to ensure sound policy decisions. I look forward to the input that we expect from the Postal Regulatory Commission in the coming months, and I think that your advisory opinion will be invaluable to Congress as we weigh the future direction and role of the United States Postal Service.

I am concerned about the impact of such a change on Hawai'i, as well as to the Postal Service and its employees. I urge the Commission to take these considerations into account, along with concerns raised by others in the Hawai'i and Alaska delegations.

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U.S. SENATOR