



# The U.S. Postal Service and Six-Day Delivery: History, Issues, and Current Legislation

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## Summary

After running modest profits from FY2004 through FY2006, USPS lost \$25.4 billion between FY2007 and FY2011. Were it not for congressional action, USPS would have lost an additional \$9.5 billion. In the first three quarters of FY2012, USPS had an \$11.5 billion operational loss. USPS leaders, Congress, and the public have suggested methods that may increase revenue or reduce expenses. Among these suggestions is reducing the number of days per week that USPS delivers mail from six to five.

Members of the 112<sup>th</sup> Congress have introduced nine bills (H.R. 2309; H.R. 2434; H.R. 3591; H.R. 3744; S. 1625; S. 1010; S. 1573; S. 1789; and S. 1853) and one resolution (H.Res. 137) regarding six-day mail delivery. Companion bills H.R. 2309 (introduced by Representative Darrell Issa) and S. 1625 (introduced by Senator John McCain) would grant USPS the authority to move to five-day delivery. H.R. 2309, as ordered to be reported from the House Committee on Oversight and Government Reform, would require USPS to wait six months after enactment to begin the process of eliminating a delivery day. S. 1010, introduced by Senator Thomas R. Carper, would also give USPS authority to move to five-day delivery. S. 1789, introduced by Senators Susan Collins and Joseph Lieberman, would allow USPS to eliminate a delivery day only after two years and the completion of a USPS study that identified customers “for whom the change may have a disproportionate, negative impact,” among other conditions. Companion bills H.R. 3591 and S. 1853 would prohibit a move to six-day delivery. H.R. 3744, the Rural Service Protection Act, would require USPS to maintain current levels of delivery in rural areas for five years following enactment of the bill. H.Res. 137 would express the sense of the House of Representatives that USPS should maintain six-day delivery. Both the House and Senate versions of the Financial Services and General Government Appropriations Act, 2012 (H.R. 2434, S. 1573), include language that would require USPS to continue delivering mail six days per week.

In *The President's Plan for Economic Growth and Deficit Reduction*, released in September 2011, the Office of Management and Budget supported authorizing USPS to eliminate a delivery day.

Some lawmakers say the elimination of a delivery day could prompt further reductions in mail volume and lead to an economic “death spiral” for USPS. Other lawmakers argue that USPS should have the flexibility to eliminate six-day delivery if necessary to make USPS economically viable. Congress may choose to legislate the number of USPS delivery days or authorize USPS to determine its delivery schedule. The six-day delivery requirement ensures the delivery of mail to most U.S. residents on every day except Sunday—including delivery of infant formula, prescriptions, and periodicals. Authorizing USPS to eliminate a delivery day could reduce delivery costs and improve USPS’s challenging economic condition. Studies that examined the elimination of a delivery day estimated that USPS could save between \$3.5 billion (USPS study) and \$1.7 billion (Postal Regulatory Commission (PRC) study) annually. Such action, however, may reduce patronage, lead to job losses at USPS, or harm underserved communities that rely on mail delivery. Elimination of a delivery day alone will not solve USPS’s budget troubles.

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Since 1775, the U.S. government has provided postal services in the United States. The service began as a conduit for communication between “Congress and the armies” during the Revolutionary War.<sup>1</sup> In 1863, the Post Office Department (now the U.S. Postal Service (USPS)), pursuant to statute, began delivering mail to certain addresses in cities if postage was enough to “pay for all expenses of the service.”<sup>2</sup> By 1896, the Post Office Department was making deliveries to certain rural and urban homes six days per week. In some cities, delivery occurred more than once per day until 1950.<sup>3</sup> In other, more remote rural areas, deliveries continue to occur fewer than six days per week. Today, the U.S. Postal Service (USPS) delivers to “150 million homes and businesses, six days a week.”<sup>4</sup> Throughout the service’s history there have been discussions about reducing the number of delivery days to conserve fuel and reduce costs.

After running modest profits from FY2004 through FY2006, USPS lost \$25.4 billion between FY2007 and FY2011.<sup>5</sup> Were it not for congressional action to reduce a statutorily required payment to the Retiree Health Benefits Fund (RHBFB), USPS would have lost an additional \$9.5 billion. In the first three quarters of FY2012, USPS had an operating loss of \$11.5 billion.<sup>6</sup> The bleak economic forecast for USPS has prompted its leaders, Congress, and the public to suggest methods that may increase revenue or reduce expenses.<sup>7</sup> Among these suggestions is to reduce the number of delivery days from six to five. Currently, appropriations law requires USPS to maintain six-day delivery.

Congress, however, has the authority to legislate how many days of the week USPS is to deliver mail. Congress also may authorize USPS to determine its delivery schedule. Maintaining six-day delivery could contribute to the economic decline of the U.S. Postal Service. Eliminating a delivery day alone, however, would not solve USPS’s financial challenges and could reduce USPS sales and revenue, lead to service delays, prompt job loss at USPS, or affect vulnerable populations who rely on six-day delivery.

Members of the 112<sup>th</sup> Congress have introduced nine bills (H.R. 2309; H.R. 2434; H.R. 3591; H.R. 3744; S. 1010; S. 1573; S. 1625; S. 1789; and S. 1853) and one resolution (H.Res. 137) regarding six-day mail delivery.<sup>8</sup>

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<sup>1</sup> U.S. Postal Service, *The United States Postal Service: An American History, 1775-2006*, p. 6, at <http://www.usps.com/cpim/ftp/pubs/pub100.pdf>.

<sup>2</sup> U.S. Postal Service, “City Delivery,” at [http://www.usps.com/postalhistory/\\_pdf/CityDelivery.pdf](http://www.usps.com/postalhistory/_pdf/CityDelivery.pdf).

<sup>3</sup> *Ibid.*

<sup>4</sup> U.S. Postal Service, “Foundation for the Future: Annual Report 2010,” p. 10, at <http://about.usps.com/who-we-are/financials/annual-reports/fy2010.pdf>.

<sup>5</sup> U.S. Postal Service, “2011 Report on Form 10-K” (Washington: USPS, 2011), p. 21; and U.S. Postal Service, *2009 Annual Report* (Washington: USPS, 2009), p. 2. For more information on the USPS’s financial condition, see CRS Report R41024, *The U.S. Postal Service’s Financial Condition: Overview and Issues for Congress*, by (name redacted).

<sup>6</sup> U.S. Postal Service, “Form 10-Q,” August 9, 2012, p. 2, at <http://about.usps.com/who-we-are/financials/financial-conditions-results-reports/fy2012-q3.pdf>.

<sup>7</sup> For information on other actions USPS is taking to cut costs, see U.S. Government Accountability Office, *U.S. Postal Service: Deteriorating Postal Finances Require Aggressive Actions to Reduce Costs*, GAO-09-332T, January 28, 2009, at <http://www.gao.gov/new.items/d09332t.pdf>. See also, U.S. Postal Service, “Postal Service Outlines 10-year Plan to Address Declining Revenue, Volume,” press release, March 2, 2010, at [http://www.usps.com/communications/newsroom/2010/pr10\\_018.htm](http://www.usps.com/communications/newsroom/2010/pr10_018.htm).

<sup>8</sup> The 112<sup>th</sup> Congress section of this report provides details about these bills.

The Consolidated Appropriations Act, 2012 required that USPS maintain six-day delivery during FY2012.<sup>9</sup>

President Barack Obama's FY2013 budget requested that Congress help "reduce USPS operating costs by giving USPS authority, which it has said it will exercise, to reduce mail delivery from six days to five days starting in 2013."<sup>10</sup> Nevertheless, both the House and Senate versions of the Financial Services and General Government Appropriations Act, 2013 (H.R. 2434, S. 1573), include language requiring USPS to continue delivering mail six days per week. The Continuing Resolution (P.L. 112-175) extended the six-day requirement through March 27, 2013.

Two studies of the possible economic effects of reducing USPS delivery were conducted in 2008.<sup>11</sup> One study, conducted by USPS, estimated the financial savings of a five-day delivery week at \$3.5 billion annually, with no anticipated reduction in sales volume. The other study, by the Postal Regulatory Commission (PRC),<sup>12</sup> estimated the savings at \$1.93 billion annually, and includes an expected loss of \$580 million in sales volume. A subsequent PRC *Advisory Opinion on the Elimination of Saturday Delivery*, released in March 2011, found that USPS's study on eliminating a delivery day overestimated net and gross savings and underestimated potential revenue losses. The advisory opinion estimated that USPS could save \$1.7 billion in annual net savings by eliminating Saturday delivery.

The Government Accountability Office (GAO) released a report in March 2011 stating that a move to five-day mail delivery could better align services "with reduced mail volume," but could also "reduce service," "put mail volumes and revenues at risk," and "eliminate jobs." The report also said that eliminating one delivery day would "by itself, be insufficient to solve USPS's financial challenges."<sup>13</sup> The report further stated:

If Congress decides 5-day delivery is necessary, then Congress and USPS could factor the savings into deliberations about what package of actions should be taken to restore USPS's financial viability. Conversely, if Congress maintains the mandate for 6-day delivery, Congress and USPS would need to find other ways to achieve equivalent financial savings, so that the package is sufficient to restore USPS's financial viability. This would likely entail difficult decisions with broad implications for USPS's infrastructure, workforce, and service. As GAO has reported, a package of actions by Congress and USPS is urgently needed to modernize USPS's operations, networks, and workforce.<sup>14</sup>

Other countries have varied mail delivery schedules. A sampling of various countries' mail delivery practices found that some countries deliver mail five days per week (Australia and

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<sup>9</sup> P.L. 112-74; 125 Stat. 923.

<sup>10</sup> Office of Management and Budget, *Fiscal Year 2013 Budget of the United States Government*, Washington, DC, 2012, p. 31, at <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>.

<sup>11</sup> U.S. Postal Service, *Report on Universal Postal Service and the Postal Monopoly*, October 2008, p. 55, at [http://www.usps.com/postallaw/\\_pdf/USPSUSOReport.pdf](http://www.usps.com/postallaw/_pdf/USPSUSOReport.pdf); and U.S. Postal Regulatory Commission, *Report on Universal Postal Service and the Postal Monopoly* (Washington: PRC, December 19, 2008), pp. 123-124, at <http://www.prc.gov/prc-docs/home/whatsnew/USO%20Report.pdf>.

<sup>12</sup> The Postal Regulatory Commission is an independent agency created by Congress that has regulatory oversight over the Postal Service.

<sup>13</sup> U.S. Government Accountability Office, *U.S. Postal Service: Ending Saturday Delivery Would Reduce Costs, but Comprehensive Restructuring Is Also Needed*, GAO-11-270, March 2011, p. executive summary, at <http://www.gao.gov/new.items/d11270.pdf>.

<sup>14</sup> *Ibid.*

Sweden) while others deliver mail six days per week (France, Germany, and The Netherlands). Royal Mail, which delivers mail in the United Kingdom (UK) six days per week, reportedly contemplated eliminating Saturday delivery in 2008 because of economic concerns.<sup>15</sup> Canada Post, which receives no national appropriation, offers letter-carrier services five days per week and does not deliver mail or parcels on most Saturdays.<sup>16</sup> New Zealand Post offers six-day mail delivery services to some customers, but not to customers living in rural areas. In addition, New Zealand Post customers who send mail that requires a Saturday delivery must pay an additional fee, and parcels are not delivered on Saturdays in New Zealand.<sup>17</sup>

## History of Six-Day Delivery

Currently, all but 25,000 of USPS's 135 million residential mail recipients receive six-day mail delivery.<sup>18</sup> When USPS began the practice is unclear. Based on the following review of legislative and postal history, it appears that six-day delivery was not legally required until FY1981, when Congress placed language requiring six-day delivery in USPS's appropriation.<sup>19</sup>

### Congress's History with Six-Day Delivery

The first statute governing general postal delivery was enacted in 1863 when Congress passed a law that authorized the Postmaster General "to make delivery, within any prescribed postal district, of mail matter by letter-carrier, as frequently as the public convenience in such district shall require, and shall make all proper regulations for that purpose."<sup>20</sup>

According to USPS, prior to 1863, postage payments did not include home or office delivery and included only "the delivery of mail from Post Office to Post Office."<sup>21</sup> Patrons, however, "could pay an extra two-cent fee for letter delivery" to private homes and businesses.<sup>22</sup> Private delivery firms also delivered items to homes or businesses.

By 1888, however, mail carriers "were instructed to deliver letters frequently and promptly—generally twice a day to homes and up to four times a day to businesses.... The second residential delivery was discontinued on April 17, 1950, in most cities."<sup>23</sup> Current USPS policies limit deliveries to one per day in all locations.<sup>24</sup> USPS initiated rural home delivery on October 1,

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<sup>15</sup> Harry Wallop, "Royal Mail Cuts May End Saturday Post," *The Telegraph*, May 10, 2008.

<sup>16</sup> Canada Post, "Annual Report, 2011," p. 1, at [http://www.canadapost.ca/cpo/mc/assets/pdf/aboutus/annualreport/2011\\_AR\\_complete\\_en.pdf](http://www.canadapost.ca/cpo/mc/assets/pdf/aboutus/annualreport/2011_AR_complete_en.pdf).

<sup>17</sup> New Zealand Post, "Sending Letters Around New Zealand," at <http://www.nzpost.co.nz/Cultures/en-NZ/OnlineTools/Ratefinder/LettersNZ>.

<sup>18</sup> "25,009 of the approximately 135 million [USPS] residential delivery points receive delivery 3 days per week because they are exceptionally difficult to serve, such as those at the bottom of the Grand Canyon." U.S. Postal Regulatory Commission, *Report on the Universal Postal Service and the Postal Monopoly*, October 2008.

<sup>19</sup> P.L. 96-499; 94 Stat. 2607.

<sup>20</sup> 12 Stat. 701, §12.

<sup>21</sup> U.S. Postal Service, "City Delivery."

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*, p. 2.

<sup>24</sup> U.S. Postal Service, "Deliveries Per Day," at [http://www.usps.com/postalhistory/\\_pdf/DeliveriesperDay.pdf](http://www.usps.com/postalhistory/_pdf/DeliveriesperDay.pdf).

1896, with deliveries to homes in Charles Town, Halltown, and Uvilla, West Virginia. With the advent of rural delivery, the Post Office Department grew at a rapid pace and began to resemble the modern-day USPS.

### **The 94<sup>th</sup> and 95<sup>th</sup> Congresses**

Representative Tom Corcoran stated at a congressional hearing that the Postal Service took its first formal step toward eliminating one delivery day per week in 1976 when it conducted a study to examine the possible effects of such delivery reduction.<sup>25</sup> That study, according to Corcoran, was completed, but a formal proposal stemming from the study was not drafted. Instead, in 1977, the congressionally-created Commission on Postal Service (created in 1975) submitted to Congress and the President a report that discussed the possibility of transitioning to five-day delivery. The members of the congressional commission were divided on whether to recommend eliminating a day of Postal Service delivery. The commission's final report said that five of the seven commissioners reluctantly recommended the reduction in delivery, but did not say which day of the week would be the optimal day off.

While the Commission would prefer not to recommend a reduction in delivery standards, the alternative of increased postal costs and rates causing volume declines is less acceptable.

The other alternative is to increase the public service appropriation to provide six-day delivery. A majority of the Commission does not favor this course. We find that six-day delivery, although convenient, is not considered essential by a great majority of our citizens when compared with the costs of providing that service.<sup>26</sup>

According to the *New York Times*, USPS had already been reducing a variety of services and deliveries in early 1976 to cut rising costs.<sup>27</sup> The report said Representative James M. Hanley, then-chairman of the House Postal Service Subcommittee, called for "a moratorium on service cutbacks and rural office closings that were meant to save money."<sup>28</sup> According to the article, then-Postmaster General Benjamin F. Bailar agreed to stop the service cutbacks.

On July 12, 1977, Representative Charles H. Wilson introduced a resolution (H.Con.Res. 277) that stated the Postal Service should not reduce its service delivery days.<sup>29</sup> On August 4, 1977, the House Committee on the Post Office and Civil Service recommended the passage of the resolution. On September 26, 1977, the resolution passed the House by a vote of 377 to 9. H.Con.Res. 277 was referred to the Senate Committee on Governmental Affairs, which took no further action on the bill.<sup>30</sup>

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<sup>25</sup> U.S. Congress, House Committee on Post Office and Civil Service, *Six-Day Mail Delivery*, Hearing, 95<sup>th</sup> Cong., 2<sup>nd</sup> sess., January 12, 1978 (Washington: GPO, 1978), p. 405.

<sup>26</sup> Commission on Postal Service, *Report on the Commission on Postal Service, Volume 1* (Washington, DC: GPO, April 1977), p. 50.

<sup>27</sup> Ernest Holsendolph, "Postal Service is Warned Mail Cuts Jeopardize Aid," *The New York Times*, March 27, 1976, p. A1.

<sup>28</sup> *Ibid.*

<sup>29</sup> U.S. Congress, House Committee on Post Office and Civil Service, *Saturday Mail Delivery*, H.Con.Res. 277, 95<sup>th</sup> Cong., 1<sup>st</sup> sess., August 4, 1977, 95-568 (Washington: GPO, 1977).

<sup>30</sup> Several identical versions of the resolution were introduced in the 95<sup>th</sup> Congress. H.Con.Res. 237 was selected because it was the first resolution introduced.

On September 27, 1977, Representative John B. Breckenridge released a statement criticizing the delivery cut, claiming it would “likely affect the people in rural American more than any other group of postal customers” and “would eventually result in less delivery routes and less employment for rural carriers and other delivery employees at a time when unemployment is a national problem.”<sup>31</sup>

A series of congressional hearings on six-day delivery were held from November 1977 through March 1978. According to Representative Patricia Schroeder, who opened the hearings, USPS prompted the hearings by proposing a cut back in delivery service.<sup>32</sup> Although USPS made no formal indication that it supported the elimination of one service day, one Member of Congress said that “statements made by postal officials indicate[d] they [were] leaning toward making such a recommendation.”<sup>33</sup>

In all, Congress held 12 hearings in as many cities with more than 500 testimonies offered between November and March. Those who testified included Members of Congress, union representatives, editors and publishers, the general public, and representatives of the aging. Most of those who testified did not support a reduction in Postal Service deliveries, finding such cuts a “disservice”<sup>34</sup> that could result in “possible delay in the receipt of welfare, social security, pension checks, and so forth—the kind of mail that people receive ... on weekends and through Saturday mail.”<sup>35</sup>

In addition to concerns about mail delivery in general, much of the testimony framed the debate over six-day delivery as a tension innately embedded in the mission of USPS: is it a profit-driven organization, or a public service? Representative Timothy E. Wirth stated at one hearing that the six-day service was a “social value,” and that cutting a day of service at a time when people were “losing some of their faith in what government can do for them” would exacerbate their disillusionment.<sup>36</sup>

Thirteen bills were introduced in the 95<sup>th</sup> Congress (1977-1978) that would have affected Postal Service delivery, but none were reported from committee.<sup>37</sup>

## **The 96<sup>th</sup> and 97<sup>th</sup> Congresses**

In 1980, the House Committee on the Budget was expected to propose an \$836 million reduction in Postal Service appropriations for FY1981.<sup>38</sup> According to Representative James M. Hanley, the

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<sup>31</sup> The Honorable John B. Breckinridge, “Statement on the Proposed Five Day Home Delivery,” press release, September 27, 1977. For a copy of the statement, contact the author.

<sup>32</sup> The hearings were a collection of relatively small, informal hearings held around the country.

<sup>33</sup> U.S. Congress, House Committee on Post Office and Civil Service, *Six-day Mail Delivery*, p. 137.

<sup>34</sup> Testimony of Melvin Schwartz, representative of Ads Advertising and Mail Service, *ibid.*, p. 79.

<sup>35</sup> Testimony of Joseph Sawyer, President of the Board of Directors of the Wynnefield Residents Association, *ibid.*, p. 154.

<sup>36</sup> Testimony of Representative Timothy E. Wirth, *ibid.*, p. 5.

<sup>37</sup> H.R. 5549; H.R. 6690; H.R. 7297; H.R. 7569; H.R. 7612; H.R. 7921; H.R. 7943; H.R. 8048; H.R. 8235; H.R. 8445; H.R. 8609; H.R. 9043; and S. 651.

<sup>38</sup> Testimony of Representative James M. Hanley, chairman of the Committee on Post Office and Civil Service in U.S. Congress, House Committee on Post Office and Civil Service, *Implications of Proposed Reductions in Postal Service Appropriations*, 96<sup>th</sup> Cong., 2<sup>nd</sup> sess., April 17, 1980, S.Hrg. 96-80 (Washington: GPO, 1980), p. 1.



chairman of the House Committee on Post Office and Civil Service, the reduction in appropriations would have eliminated “all of the public service appropriations” and other subsidies for the Postal Service.<sup>39</sup> At a March 26, 1980, hearing before the House Committee on Post Office and Civil Service, then-Postmaster General William F. Bolger stated that eliminating Saturday delivery was one option the Postal Service was considering to ensure its economic stability in the face of the budget cuts. Mr. Bolger estimated the service reduction could result in the elimination of 15,000 to 20,000 Postal Service jobs, but would save the service about \$588 million.<sup>40</sup>

The *Washington Post* quoted Mr. Bolger as saying the service cuts could be the “only one workable alternative” for the service as a result of anticipated cuts in federal subsidies.<sup>41</sup> *Congressional Quarterly* reported that in response to the possible service-day elimination, USPS employees teamed with companies who would be affected by the change to form an ad hoc coalition to lobby Members of Congress to block the service cut.<sup>42</sup>

Four bills seeking to maintain USPS delivery-day standards were introduced during the 96<sup>th</sup> Congress.<sup>43</sup> None were enacted. In addition, the Omnibus Reconciliation Act included a provision affecting mail delivery. The act (P.L. 96-499; 94 Stat. 2607), which was signed into law on December 5, 1980, included a requirement that the Postal Service “take no action to reduce or to plan to reduce ... the number of days each week for regular mail delivery.” The statute expired on October 1, 1981. As noted earlier, P.L. 96-499 appears to mark the first time Congress required six-day delivery in statute.

In the 97<sup>th</sup> Congress, five other bills related to Postal Service delivery were introduced, but none were reported from committee.<sup>44</sup> In addition, the House-passed Treasury, Postal Service and General Government Appropriation Act, FY1982 (H.R. 4121) contained a provision prohibiting the Postal Service from using federal funds to implement a reduction in service. The bill, however, did not pass the Senate. The continuing resolution Congress enacted (P.L. 97-92) to provide the necessary funding for that year contained no explicit language that would have prohibited USPS from reducing the number of delivery days. Although no such language was in the continuing resolution, the Omnibus Reconciliation Act of 1981 (P.L. 97-35), which authorized funding levels for USPS, did contain the following explicit six-day delivery requirement:

During fiscal years 1982 through 1984, the Postal Service shall take no action to reduce or to plan to reduce the number of days each week for regular mail delivery. (95 Stat. 759)

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<sup>39</sup> *Ibid.*, p. 30.

<sup>40</sup> U.S. Congress, House Committee on Post Office and Civil Service, *Implications of Proposed Reductions in Postal Service Appropriations*, 96<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 26, 1980, S.Hrg. 96-80 (Washington: GPO, 1980), p. 5. Bolger estimated the savings for the first full year of implementation would be \$683 million, but the Postal Service would have to pay out one-time costs and unemployment benefits that would cut into the financial savings.

<sup>41</sup> “Bolger Says Lower U.S. Postal Subsidies Likely to Mean 5-Day-a-Week Deliveries,” *The Washington Post*, April 2, 1980, p. 7. See also Peter C. Stuart, “Axing Saturday Mail Won’t Be Easy,” *The Christian Science Monitor*, April 3, 1980, p. 3.

<sup>42</sup> “Postal Workers, Business Organizing In Effort to Save Saturday Mail Delivery,” *Congressional Quarterly*, April 12, 1980, pp. 953-954.

<sup>43</sup> H.R. 2833; H.R. 7337; H.R. 7622; and H.R. 7876.

<sup>44</sup> H.R. 172; H.R. 1275; H.R. 1997; H.R. 2492; and H.R. 3969. H.R. 3969 is not directly related to six-day delivery. The bill would have required mail delivery to individual homes in certain housing developments where USPS instead may deliver to centralized locations.

This law appears to be the only instance when Congress placed six-day delivery language in authorizing legislation.

An additional six-day delivery requirement was placed in appropriations legislation for FY1983. The Further Continuing Appropriations Act, 1983 (P.L. 97-377; 96 Stat. 1830) required the Postal Service to “continue six-day delivery of mail and rural delivery of mail ... at the 1982 level.” Six-day delivery was assured through the end of FY1983.

## **The 1983 Standard**

Since 1984, Congress annually has placed language in appropriations legislation requiring the Postal Service to provide “six-day delivery ... at the 1983 level.”<sup>45</sup> Why Congress cites 1983 as the touchstone year for USPS delivery service is uncertain. It is also unclear what 1983 delivery levels are. The PRC, an independent agency that exercises regulatory oversight over USPS, wrote in a December 2008 report that its “meaning and application are problematic”<sup>46</sup> because “several interpretations [of the mandate] are possible.”<sup>47</sup>

For example, the rider could be interpreted to mean that all cities, towns, and rural areas that received 6-day delivery at any time during 1983 must continue to receive 6-day delivery and that cities, towns, and rural areas that did not receive 6-day delivery in 1983 or were served for the first time after 1983 do not have to receive 6-day delivery service today. Another possible interpretation is that the same percentage of customers that received 6-day delivery in 1983 should continue to receive 6-day delivery today. As a result of demographic changes, under either interpretation, the actual addresses receiving 6-day delivery service could be substantially different today than it was in 1983.<sup>48</sup>

In 2008, the ambiguity of the delivery provision led the PRC to conclude that “the Postal Service exercises considerable flexibility in determining how it delivers the mail.”<sup>49</sup> USPS stated in its own 2008 report on its service obligations that it would like Congress to remove the six-day service provision requirement to allow “flexibility to meet future needs for delivery frequency, in accordance with a careful balancing of various considerations.”<sup>50</sup>

## **USPS Requests Five-Day Delivery**

On March 18, 2010, then-Postmaster General John Potter testified before the Senate Committee on Appropriations, Subcommittee on Financial Services and General Government. He stated that the statutory mandate to deliver mail six days per week was one of many limitations placed on USPS that was “complicating the fiscal health of the Postal Service.”<sup>51</sup> Later in his testimony, Mr.

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<sup>45</sup> See, e.g., Consolidated Appropriations Act, 2008, Title V, P.L. 110-161; 121 Stat. 1844 (2007).

<sup>46</sup> *Ibid.*, p. 20.

<sup>47</sup> U.S. Postal Service, *Report on Universal Postal Service and the Postal Monopoly*, (Washington, DC: USPS, October 2008), p. 29.

<sup>48</sup> *Ibid.*, p. 29, footnote 8.

<sup>49</sup> *Ibid.*, p. 29.

<sup>50</sup> U.S. Postal Service, *Report on Universal Postal Service and the Postal Monopoly*, p. 21.

<sup>51</sup> U.S. Congress, Senate Committee on Appropriations, Subcommittee on Financial Services and General Government, FSGG Hearing on the Postal Service, testimony of John E. Potter, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 18, 2010, at (continued...)

Potter said that six-day delivery “places a very large financial burden on the Postal Service. Due to the unprecedented decline in mail volume, there no longer is sufficient volume to sustain the cost of the current six-day delivery week.”<sup>52</sup> He said that USPS was seeking legislative action to remove the six-day mail delivery requirement from annual appropriations legislation.

According to Mr. Potter, in 2000, the average daily home mail delivery consisted of five pieces of mail. In 2009, however, the average dropped to four pieces of mail. Moving to a five-day delivery schedule, Mr. Potter said, would return each delivery to an average of five pieces of mail.<sup>53</sup> Mr. Potter said that “[m]oving to five-day delivery is absolutely necessary to ensure financial viability, both now and into the future. Reducing the frequency of delivery is the single most effective way for the Postal Service to substantially reduce operational costs—allowing us to reduce annual net costs by approximately \$3 billion.”<sup>54</sup>

Mr. Potter then outlined the plan to move to five-day delivery as follows:

- Residential and business delivery and collections would be discontinued on Saturday;
- Post offices that are usually open on Saturday would remain open;
- Post Office Boxes would receive mail delivery on Saturday and customers would be able to access these P.O. Boxes;
- Express Mail<sup>55</sup> would continue to be delivered seven days a week;
- Remittance mail (bill payments) addressed to Post Office Box and Business Mail Pickup<sup>56</sup> customers would be made available to recipients seven days per week;
- No mail pick-up from blue collection boxes would occur on Saturdays except for dedicated Express Mail collection boxes;
- Acceptance and drop shipping of bulk mail would continue on Saturday and Sunday;
- Alternate contract locations (non-USPS owned outposts—often in grocery stores—that offer Postal Service products and services) could remain open seven days a week on their normal schedules; and
- Access to all USPS online services at usps.com would remain available 24 hours, seven days per week.

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(...continued)

<http://appropriations.senate.gov/ht-financial.cfm?method=hearings.view&id=f33224cc-dce0-4d6b-9636-b33be1be3893>.

<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

<sup>55</sup> Express Mail provides overnight delivery to most U.S. addresses and \$100 in insurance coverage. U.S. Postal Service, “Express Mail,” at <https://www.usps.com/send/express-mail.htm>. The lowest cost to send Express Mail is \$12.96 if the consumer pays for the service online at USPS.com or \$13.25 if he or she pays for the service at the post office.

<sup>56</sup> Business Mail Pickup, also known as Caller Service, allows businesses with “high volumes of incoming mail” to “schedule regular timeslots to pick up mail at the Post Office.” See U.S. Postal Service, “Business Mail Pickup,” at <https://www.usps.com/business/business-mail-pickup.htm>.

Mr. Potter said USPS customers would be given at least six months' notice before any change in the number of delivery days occurred, and that no change would occur earlier than mid-2011.<sup>57</sup>

On March 30, 2010, USPS made its first formal step toward a move to five-day delivery when it submitted 11 pieces of testimony to the PRC and requested an advisory opinion on moving to five-day delivery.<sup>58</sup> USPS is required by law (39 U.S.C. §3661(b)) to ask the PRC for an advisory opinion any time it wishes to make changes that generally affect “service on a nationwide or substantially nationwide basis.”<sup>59</sup>

Among the documents submitted by USPS to the PRC was testimony detailing anticipated overall savings for USPS as well as more detailed savings figures for anticipated savings from a reduction in fuel and vehicle repair costs, among other savings.<sup>60</sup> USPS's submission to the PRC also included a document that offered an overview of why USPS is requesting the move to five-day delivery, as well as details of how the elimination of Saturday delivery could occur.<sup>61</sup> The overview document included new estimates for anticipated overall savings if Saturday delivery were eliminated, which was \$3 billion per year.<sup>62</sup> The \$3 billion savings estimate is \$0.5 billion less per year than the savings estimate offered by USPS in its 2008 study discussed earlier in this report.<sup>63</sup> In the new estimate, savings would largely “come from carrier labor and fuel costs. Other savings will be gained from processing, transportation, maintenance, and a reduction in future employee benefit obligations.”<sup>64</sup> Unlike the previous USPS savings estimate on five-day delivery, this newer study includes an anticipated \$0.2 billion loss “due to a slight” impact in sales volume prompted by the eliminated delivery day.<sup>65</sup> The plan to move to five-day delivery submitted to the PRC on March 30, 2010, is identical to the plan described by then-Postmaster General Potter at the March 18, 2010, Senate hearing.<sup>66</sup>

The PRC's advisory opinion procedures provide for “public, on-the-record hearings to analyze and cross-examine the Postal Service's ‘five-day’ proposal and supporting evidence.”<sup>67</sup> The PRC,

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<sup>57</sup> Ibid.

<sup>58</sup> U.S. Postal Regulatory Commission, “PRC to Consider if Eliminating Saturday Delivery is OK Public Comment Invited,” press release, March 30, 2010, at [http://www.prc.gov/prc-docs/home/whatsnew/PRC%20Sets%20Docket%20on%20USPS%20Five%20Day%20Delivery%20Plan\\_770.pdf](http://www.prc.gov/prc-docs/home/whatsnew/PRC%20Sets%20Docket%20on%20USPS%20Five%20Day%20Delivery%20Plan_770.pdf).

<sup>59</sup> 39 U.S.C. §3661(b).

<sup>60</sup> Jeff Colvin, Manager of Cost Attribution in the Finance Department of the U.S. Postal Service, testimony before the Postal Regulatory Commission, March 30, 2010, at <http://www.prc.gov/Docs/67/67424/USPS.T.7.Colvin.Testimony.pdf>, p. 7.

<sup>61</sup> U.S. Postal Service, *Delivering the Future: A Balanced Approach, Five -Day Delivery is Part of the Solution*, Washington, DC, March 2010, at [http://www.usps.com/communications/five-daydelivery/plan/5day\\_plan\\_delivery.pdf](http://www.usps.com/communications/five-daydelivery/plan/5day_plan_delivery.pdf).

<sup>62</sup> Ibid., p. 3.

<sup>63</sup> The 2008 study did not consider any fluctuation in fuel costs, nor did it include possible volume reductions prompted by the reduction in service days.

<sup>64</sup> Ibid.

<sup>65</sup> Ibid., p. 19.

<sup>66</sup> U.S. Congress, Senate Committee on Appropriations, Subcommittee on Financial Services and General Government, FSGG Hearing on the Postal Service, testimony of John E. Potter, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 18, 2010, at <http://appropriations.senate.gov/ht-financial.cfm?method=hearings.view&id=f33224cc-dce0-4d6b-9636-b33be1be3893>.

<sup>67</sup> U.S. Postal Regulatory Commission, “PRC to Consider if Eliminating Saturday Delivery is OK Public Comment Invited,” press release, March 30, 2010, at [http://www.prc.gov/prc-docs/home/whatsnew/PRC%20Sets%20Docket%20on%20USPS%20Five%20Day%20Delivery%20Plan\\_770.pdf](http://www.prc.gov/prc-docs/home/whatsnew/PRC%20Sets%20Docket%20on%20USPS%20Five%20Day%20Delivery%20Plan_770.pdf).

invited “mail users and interested members of the public” to “offer supporting or opposing views, both informally and as part of more formal, technical presentations.”<sup>68</sup> Throughout 2010, the PRC held field hearings in locations such as Las Vegas, NV; Sacramento, CA; Dallas, TX; Memphis, TN; Rapid City, SD; and Buffalo, NY, to solicit public comments.<sup>69</sup>

At the PRC’s December 1, 2010, meeting, Ann Fisher, the director of the PRC’s Office of Public Affairs and Government Relations (PAGR), said that the commission had received a total of 21,711 comments related to the possible transition to five-day delivery. Of those comments and suggestions, 3,332 “were okay with” the move to five-day delivery, while 16,449 were against the move.<sup>70</sup>

On March 24, 2011, nearly a year after it was requested, the PRC released its advisory opinion on USPS’s request to move to five-day delivery. The opinion included six central points:

- USPS overestimated the annual net cost savings it would incur if Saturday delivery were eliminated by \$1.4 billion (USPS estimated annual net savings of \$3.1 billion);
- USPS overestimated the annual gross cost savings it would incur if Saturday delivery were eliminated by \$1.0 billion (USPS estimated annual gross savings of \$3.3 billion);
- USPS did not acknowledge that “full savings may not be achieved until three years after Saturday delivery were eliminated”;
- USPS underestimated the net revenue it would likely lose if Saturday delivery were eliminated by \$0.4 billion (USPS estimated it would lose \$0.2 billion in net revenue);
- USPS did not factor in a 25% delay in the processing and delivery of First Class and Priority Mail if Saturday delivery were eliminated; and
- USPS “did not evaluate the impact of the proposal on customers who reside or conduct business in rural, remote, or non-contiguous areas.”<sup>71</sup>

In *The President’s Plan for Economic Growth and Deficit Reduction*, released in September 2011, the Office of Management and Budget supported authorizing USPS to eliminate a delivery day.<sup>72</sup>

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<sup>68</sup> Ibid. According to the PRC, the public can share their views via the commission website, at <http://www.prc.gov>, by clicking the “contact PRC” tab to access an online customer service form.

<sup>69</sup> U.S. Postal Regulatory Commission, *Annual Report to the President and Congress FY2010*, Washington, DC, December 2010, pp. 44-45, at [http://www.prc.gov/prc-docs/home/whatsnew/PRC\\_AR\\_2010\\_highres\\_1557.pdf](http://www.prc.gov/prc-docs/home/whatsnew/PRC_AR_2010_highres_1557.pdf).

<sup>70</sup> An online audio recording of the hearing is available on the PRC’s website, at [http://www.prc.gov/prc-docs/home/whatsnew/Monthly\\_Meeting\\_12012010.mp3](http://www.prc.gov/prc-docs/home/whatsnew/Monthly_Meeting_12012010.mp3). Of the comments received that were against the move to five-day delivery, 5,839 were sent in by the National Association of Letter Carriers on behalf of businesses they serve.

<sup>71</sup> U.S. Postal Regulatory Commission, “Advisory Opinion on the Elimination of Saturday Delivery,” March 24, 2012, Docket No. N2010-1, p. 1, at [http://www.prc.gov/Docs/72/72327/Advisory\\_Opinion\\_032411.pdf](http://www.prc.gov/Docs/72/72327/Advisory_Opinion_032411.pdf).

<sup>72</sup> Office of Management and Budget, *Living Within Our Means and Investing in the Future: The President’s Plan for Economic Growth and Deficit Reduction*, September 2011, p. 23, at <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/jointcommitteereport.pdf>.

## **The 112<sup>th</sup> Congress**

Nine bills and one resolution related to USPS delivery days have been introduced in the 112<sup>th</sup> Congress. Some of the bills seek to maintain six-day delivery, while others provide USPS authority to transition to five-day delivery. Still other bills attempt to provide six-day delivery for certain lengths of time or permit a move to five-day delivery only in certain cases or in particular locations. This section provides details on the various legislative proposals.

### **H.Res. 137**

On March 2, 2011, Representative Sam Graves introduced H.Res. 137 that, if passed, would express the sense of the House that six-day mail delivery continue:

Whereas Social Security is the primary or sole source of income for many senior citizens, and any delay in the delivery of their Social Security checks would make it difficult for them to purchase even essential items, such as food and medicine; and

Whereas reducing mail delivery service to 5 days a week would inevitably cause not only delays in the delivery of mail, but higher postal costs, due to the many hours of additional overtime that the Postal Service would require in order to handle the resulting back-up of mail; Now, therefore, be it

*Resolved*, That it is the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.

On March 2, 2011, H.Res. 137 was referred to the House Committee on Oversight and Government Reform. No further action has been taken on the resolution. The resolution is identical to H.Res. 173 from the 111<sup>th</sup> Congress, which was also introduced by Representative Graves.

### **H.R. 2309**

On June 23, 2011, Representative Darrell Issa introduced H.R. 2309, The Postal Reform Act of 2011, which, among other things, would authorize USPS to move to five-day delivery.<sup>73</sup> The bill, specifically, would amend 39 U.S.C. Section 101 to include the following language:

Nothing in this title or any other provision of law shall be considered to prevent the Postal Service from taking whatever actions may be necessary to provide for 5-day delivery of mail and a commensurate adjustment in rural delivery of mail.

On June 23, 2011, H.R. 2309 was concurrently referred to the House Oversight and Government Reform Committee and the Committee on House Rules. On June 30, 2011, the House Oversight and Government Reform Committee referred the bill to its Subcommittee on Federal Workforce, U.S. Postal Service, and Labor Policy. On September 21, 2011, the subcommittee held a markup session on the bill.

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<sup>73</sup> The House Committee on Oversight and Government Reform's majority created a website entitled "Saving the Postal Service," which provides the public additional information about the Postal Reform Act. See the Committee on Oversight and Government Reform, "Saving the Postal Service," at <http://postal.oversight.house.gov/>.

On October 13, 2011, the full committee held a markup session on the bill and ordered H.R. 2309 reported, as amended. The bill, as ordered to be reported, included an amendment offered by Representative Jason Chaffetz that would give the Postmaster General the authority to cut 12 delivery days per year. One month before “the beginning of the year,”<sup>74</sup> the Postmaster General would submit to the Postal Board of Governors a list of the days that he would like to list as non-delivery days—up to 12 such days. These delivery days could not be Sundays or holidays. Pursuant to the amendment, USPS employees would be compensated for these non-delivery days as if they were delivery days. Additionally, six months after enactment of H.R. 2309, USPS could submit to the PRC a request for an advisory opinion to move to five-day delivery. Pursuant to the amendment, 90 days after the PRC released its advisory opinion, USPS could eliminate Saturday delivery—regardless of the PRC’s opinion. As was discussed earlier in this report, the PRC has already released an advisory opinion on the possible elimination of Saturday delivery. It is unclear whether the PRC would have to conduct additional research or hold additional hearings to create another advisory opinion. Representative Chaffetz’s amendment is similar to H.R. 5919, which he introduced in the 111<sup>th</sup> Congress.

### **S. 1010**

On May 17, 2011, Senator Thomas R. Carper introduced S. 1010, which—among other provisions—would give USPS authority to move to five-day delivery. On that same day, S. 1010 was referred to the Senate Committee on Homeland Security and Governmental Affairs. No further action has been taken on the bill.

### **S. 1625**

On September 23, 2011, Senator John McCain introduced a companion bill to H.R. 2309, S. 1625.<sup>75</sup> In his remarks, Senator McCain said, “this bill will allow the Postal Service to move to 5-day delivery, at a savings of anywhere from \$1.7 to \$3.1 billion annually.”<sup>76</sup>

On September 23, 2011, S. 1625 was referred to the Senate Committee on Homeland Security and Governmental Affairs. No further action has been taken on this bill.

### **S. 1789**

S. 1789, introduced by Senators Joseph Lieberman and Susan Collins—respectively the chairman and ranking Member of the Senate Committee on Homeland Security and Governmental Affairs, which has jurisdiction over USPS—would allow USPS to eliminate Saturday delivery, but only after a series of detailed preconditions were met. Upon enactment of the bill, USPS would have to wait 24 months before it could begin the process to eliminate Saturday delivery. Once that 24-month period had elapsed, USPS could move to five-day delivery after it had:

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<sup>74</sup> The amendment does not clarify whether this is a fiscal year or a calendar year.

<sup>75</sup> Senator John McCain, “Statements on Introduced Bills and Joint Resolutions in the Senate,” remarks in the Senate, *Congressional Record*, September 23, 2011, p. S5947, at <http://www.gpo.gov/fdsys/pkg/CREC-2011-09-23/pdf/CREC-2011-09-23-pt1-PgS5947.pdf#page=1>.

<sup>76</sup> *Ibid.*

- identified “customers and communities for whom the change may have a disproportionate negative impact;”
- developed a plan to “ameliorate” the anticipated “negative impact” on the disadvantaged customers “to the maximum extent possible, which may include “providing or expanding access to mailboxes for periodical mailers” on non-delivery days;
- implemented all other measures discussed in the bill that aimed to increase revenues or reduce costs *and* USPS determined whether the implementation of these measures eliminated the need to reduce the number of delivery days;
- submitted a report demonstrating that it met the above preconditions to the House and Senate committees of jurisdiction, the PRC, and the Government Accountability Office (GAO);
- requested and received a GAO study examining whether USPS implemented appropriate cost savings and revenue increasing measures, and whether the elimination of a delivery day remained necessary for the USPS to “become profitable by fiscal year 2015” and “achieve long-term financial solvency”; and
- requested an advisory opinion from the PRC that examined the Postal Service’s plans to ameliorate the “disproportionate negative impact” of five-day delivery on certain communities as well as USPS’s actions to increase revenues and decrease costs.

S. 1789 would prohibit a move to six-day delivery without the GAO’s determination, which would be required to support USPS’s assertion that eliminating a delivery day was necessary. The bill also requires USPS to “regard” the PRC’s advisory opinion, but does not require USPS to heed it.

S. 1789 was passed in the Senate on April 25, 2012, and sent to the House. On April 26, the bill was received in the House and held at the desk.

### **H.R. 3591 and S. 1853**

H.R. 3591 and S. 1853 are companion bills that include a collection of new authorities for USPS as well as language that would prohibit a move to five-day delivery. On December 7, 2011, H.R. 3591 was concurrently referred to the House Committee on Oversight and Government Reform and the Committee on the Judiciary. On November 10, 2011, S. 1853 was referred to the Senate Committee on Homeland Security and Governmental Affairs. No further action has been taken on either bill.

### **H.R. 3744**

H.R. 3744, the Rural Service Protection Act, would require USPS to maintain current levels of delivery in rural areas for five years following enactment of the bill. The bill defines a “rural” post office as one that, according to the decennial U.S. Census, is located in “town, village, or city” with fewer than 10,000 inhabitants and is not contiguous with a “town, village, or city” with more than 150,000 inhabitants. On December 20, 2011, H.R. 3744 was referred to the House Committee on Oversight and Government Reform. No further action has been taken on the bill.



## H.R. 2434, S. 1573 (Appropriations Bills)

Although the USPS does receive an annual appropriation, the agency does not rely on appropriations.<sup>77</sup> As noted earlier, since 1980, Congress has placed language in authorizing legislation or annual appropriations bills that require USPS to maintain six-day delivery. Both the House and Senate committee versions of the Financial Service and General Government Appropriations Act, 2012 (H.R. 2434, S. 1573) include language that would require USPS to maintain six-day delivery.<sup>78</sup>

## Studies on USPS Delivery Days

Since 1976, Congress, USPS, and other entities have conducted studies on the possible effects of changing USPS delivery days. The studies have a variety of conclusions, but all find that USPS would save considerable money if delivery were reduced to five days. **Table 1** includes seven studies that examined the possibility of USPS transitioning to five-day delivery.

**Table 1. Studies That Examined Delivery Days at USPS**

Report	Year	Estimated Money Saved if USPS Moved to Five-Day Delivery	Key Points and Study Limitations
Report of the Congressional Commission on Postal Service	1977	More than \$400 million annually	<ul style="list-style-type: none"> <li>• Did not factor in a possible loss in sales volume.</li> <li>• Did not factor in a possible reduction in workforce.</li> </ul>
Report of the 1980 Task Force	1980	\$588 million in the first full year of implementation, and up to \$1 billion annually in future years	<ul style="list-style-type: none"> <li>• Acknowledged, but did not calculate a loss in sales volume.</li> <li>• Had concerns about how five-day delivery would affect speed of service on remaining delivery days.</li> <li>• Did not factor in a possible reduction in workforce.</li> </ul>

<sup>77</sup> Since 1971, the USPS has been a self-supporting government agency that covers its operating costs with revenues generated through the sales of postage and related products and services. Although the USPS does receive an annual appropriation, the agency does not rely on appropriations. Its appropriation is about \$100 million per year, about 0.1% of the USPS's \$75 billion operating budget. Congress provides this appropriation to compensate the USPS for the revenue it forgoes in providing, at congressional direction, free mailing privileges to blind persons and overseas voters. For more information on USPS's finances, see CRS Report R42008, *Financial Services and General Government: FY2012 Appropriations*, coordinated by (name redacted), pp. 78-80.

<sup>78</sup> For the status of the appropriations bills, see the CRS "Appropriations Status Table: FY2013," at <http://crs.gov/Pages/AppropriationsStatusTable.aspx>.

Report	Year	Estimated Money Saved if USPS Moved to Five-Day Delivery	Key Points and Study Limitations
Report of the President's Commission on Postal Service	2003	Up to \$1.9 billion annually	<ul style="list-style-type: none"> <li>• Did not factor in a possible loss in sales volume.</li> <li>• Did not factor in a possible reduction in workforce.</li> <li>• Stated that if mail volume continues to decline, eliminating a delivery day should be reconsidered.</li> </ul>
USPS Report on Universal Postal Service and the Postal Monopoly	2008	\$3.5 billion annually	<ul style="list-style-type: none"> <li>• Acknowledged, but did not factor in a loss in sales volume.</li> <li>• Did not factor in a possible reduction in workforce.</li> </ul>
PRC Universal Service Obligation Report	2008	\$1.93 billion annually	<ul style="list-style-type: none"> <li>• Anticipated \$1.57 billion in reduced volume if a delivery day were eliminated.</li> <li>• Did not factor in a possible reduction in workforce.</li> </ul>
USPS Report on Delivering the Future: a Balanced Approach	2010	\$3 billion annually	<ul style="list-style-type: none"> <li>• Included an estimated \$0.2 billion loss in sales volume.</li> <li>• Estimated that nearly 25,000 delivery positions would no longer be needed.</li> </ul>
Postal Regulatory Commission Advisory Opinion on The Elimination of Saturday Delivery	2011	\$1.7 billion annually	<ul style="list-style-type: none"> <li>• Included an estimated \$0.2 billion loss in sales volume.</li> <li>• Estimated a delay in the processing of 25% of First Class Mail and Priority Mail.</li> </ul>

**Sources:** U.S. Congress, Senate Committee on Governmental Affairs, Subcommittee on Energy, Nuclear Proliferation, and Federal Services, *Evaluation of the Report of the Commission on Postal Service*, 95<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 2, 1977, S.Hrg. 94-180 (Washington: GPO, 1977); *Five-Day Delivery Task Force Report/Operations*, May 19, 1980; Report of the President's Commission on the United States Postal Service, *Embracing the Future: Making Tough Choices to Preserve Universal Mail Service*, Washington, DC, July 31, 2003; U.S. Postal Service, *Report on the Universal Postal Service and the Postal Monopoly*, October 2008; and U.S. Postal Regulatory Commission, *Report on the Universal Postal Service and the Postal Monopoly*, December 19, 2008. U.S. Postal Service, *Delivering the Future: A Balanced Approach, Five -Day Delivery is Part of the Solution*, Washington, DC, March 2010, [http://www.usps.com/communications/five-daydelivery/plan/5day\\_plan\\_delivery.pdf](http://www.usps.com/communications/five-daydelivery/plan/5day_plan_delivery.pdf). Key points and limitations are identified by CRS analysis. U.S. Postal Regulatory Commission, "Advisory Opinion on the Elimination of Saturday Delivery," Docket No. N2010-1, p. 1, at [http://www.prc.gov/Docs/72/72327/Advisory\\_Opinion\\_032411.pdf](http://www.prc.gov/Docs/72/72327/Advisory_Opinion_032411.pdf).

**Note:** Dollar values are not modified to reflect inflation.

## Congressional Commission on Postal Service

On September 24, 1976, an act (P.L. 94-421; 90 Stat. 1307) creating the Commission on Postal Service to examine the Postal Service and offer possible solutions to its economic woes was signed into law. At a multi-day hearing of the Senate Committee on Governmental Affairs, Subcommittee on Energy, Nuclear Proliferation, and Federal Services in May and June of 1977,

several members of the commission discussed their findings. According to the committee's chairman, Gaylord Freeman, the Postal Service was struggling to keep up with rising labor costs. The commission suggested four possible actions that could help USPS remain financially stable:

1. Increase the Postal Service efficiency, if possible;
2. Substantially increase postal rates;
3. Substantially increase appropriations; and
4. Reduce the levels of service.<sup>79</sup>

Freeman went on to call six-day delivery an “extravagance” that is “taken for granted,” noting that “the average family no longer expects its groceries, its milk, or its medical services to be delivered to the home.”<sup>80</sup> Freeman continued, “[i]f the costs of delivery of the mail were charged directly to the recipient, the public would probably not care to pay for the elaborate delivery system which it now enjoys.”<sup>81</sup> The committee estimated that eliminating six-day service in rural areas would save USPS more than \$400 million annually.<sup>82</sup>

The committee's vice chairman, James Rademacher, disagreed with the commission's recommendation to eliminate six-day delivery. Instead, he said that the commission's study only examined what the Postal Service would save, and did not acknowledge that the change in delivery services could affect senior citizens relying on the delivery of their Social Security checks or farmers who need agricultural projections that are sent through the mail.<sup>83</sup> Mr. Rademacher also noted that moving to five-day delivery could jeopardize the job security of more than 20,000 Postal Service letter carriers, and possibly more than 90,000 postal employees overall.<sup>84</sup>

## **The 1980 Task Force**

On March 25, 1980, then-Postmaster General William F. Bolger established a task force to analyze the possible effects of moving from a six- to a five-day delivery schedule. The task force conducted a study, which consisted of telephone interviews of 320 major mailers and 13 selected industries and government agencies. It found that moving to five-day delivery could save \$588 million in the first full year of implementation.<sup>85</sup> The savings were estimated to “exceed \$1 billion annually in future years.”<sup>86</sup>

With the cost savings, however, were predicted increases in other stresses for USPS, like loss of patrons to private mailing services or adverse effects on “the levels of service provided to mail on

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<sup>79</sup> U.S. Congress, Senate Committee on Governmental Affairs, Subcommittee on Energy, Nuclear Proliferation, and Federal Services, *Evaluation of the Report of the Commission on Postal Service*, 95<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 2, 1977, S.Hrg. 94-180 (Washington: GPO, 1977), p. 4.

<sup>80</sup> *Ibid.*, p. 5.

<sup>81</sup> *Ibid.*

<sup>82</sup> *Ibid.*, p. 8.

<sup>83</sup> *Ibid.*

<sup>84</sup> *Ibid.*, p. 9. The number of jobs lost were estimated over several years and would not be attributed to one year of Postal Service delivery reduction.

<sup>85</sup> *Five-Day Delivery Task Force Report/Operations*, May 19, 1980. For a copy of the report, contact the author.

<sup>86</sup> *Ibid.*, p. 8.

the remaining delivery days.”<sup>87</sup> In spite of the projected cost and fuel savings, the task force stopped short of endorsing a reduction in delivery service, saying “[t]he potential cost reduction is extremely attractive; but it is clear that the risks to service and future postal revenues are high.”<sup>88</sup>

The task force recommended a 12- to 18-month planning period if any action to move to five-day delivery was to be made. No such planning period occurred. In addition, the task force suggested that if five-day delivery were to occur, Saturday should be the eliminated day because it “will not greatly affect the majority of ... business mailers.”<sup>89</sup>

## **The President’s Commission on the Postal Service**

In 2003, the President’s Commission on the United States Postal Service, created by President George W. Bush, anticipated an “unstable financial outlook” for USPS.<sup>90</sup> The commission, however, rejected any immediate action that would reduce delivery days to five.

The Commission firmly recommends continuing the Postal Service’s current Monday through Saturday delivery regimen. While the Postal Service could save as much as \$1.9 billion (less than 3% of its annual budget) by reducing its delivery schedule by one day a week, its value to the nation’s economy would suffer. Beyond the universal reach of the nation’s postal network, the regularity of pick-up and delivery is an essential element of its worth in the current climate. Elimination of Saturday delivery, for example, could make the mail less attractive to business mailers and advertisers who depend upon reaching their target audience on that day. In addition, given the volume of mail the nation sends each day, scaling back to a five-day delivery regimen could create difficult logistics, mail flow, and storage problems.<sup>91</sup>

While the report advised continuing six-day service, the commission noted that increasing use of electronic mail was leading to “a reduction in the demand for mail services” that could lead to a “relaxation of the six-day delivery requirement” in the future.<sup>92</sup>

The report concluded that “[i]f that time does arrive, the Commission believes that the Postal Service should have flexibility to adapt with the changing postal needs of the nation.”<sup>93</sup>

## **The USPS and Postal Regulatory Commission Studies of 2008**

In 2008, two studies on USPS delivery obligations were conducted—one by the PRC and another by USPS.<sup>94</sup> The USPS study determined that the elimination of a delivery day could save \$3.5

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<sup>87</sup> Ibid., p. 8.

<sup>88</sup> Ibid., p. 9.

<sup>89</sup> Ibid., p. 7.

<sup>90</sup> Report of the President’s Commission on the United States Postal Service, *Embracing the Future: Making Tough Choices to Preserve Universal Mail Service* (Washington, DC: GPO July 31, 2003), p. vii, at <http://treas.gov/offices/domestic-finance/usps/pdf/freport.pdf>.

<sup>91</sup> Ibid., p. 28.

<sup>92</sup> Ibid., p. 29.

<sup>93</sup> Ibid.

<sup>94</sup> U.S. Postal Service, *Report on the Universal Postal Service and the Postal Monopoly*; and U.S. Postal Regulatory Commission, *Report on the Universal Postal Service and the Postal Monopoly*.

billion per year.<sup>95</sup> The PRC study estimated the savings at \$1.93 billion. The lower total estimated savings of the PRC study was anticipated because of an expected loss in sales volume.

The USPS study did not state whether it endorses continuation of six-day delivery. The PRC study, however, did state a need for USPS to have flexibility in determining its delivery obligations.

Delivery mode could be explicitly defined to protect the public interest by ensuring a uniform level of service across the Nation. However, the Postal Service has throughout its history used flexibility in delivery mode to accommodate budgetary restrictions. Any determination by Congress of delivery mode should balance the public interest in a universal standard of delivery against the need for the Postal Service to be flexible to contain costs.<sup>96</sup>

## **USPS Report on “Delivering the Future: A Balanced Approach”**

On March 30, 2010, USPS released a report on five-day mail delivery entitled “Delivering the Future: a Balanced Approach, Five-Day Delivery is Part of the Solution.”<sup>97</sup> The report, which will be described in greater detail in the next section of this report, estimated USPS would save \$3 billion per year if Saturday delivery were eliminated. Moreover, the report’s savings estimate includes “reductions in energy use and carbon emissions.”<sup>98</sup> The report said that “there is no longer enough mail to sustain six days of delivery.”<sup>99</sup> USPS submitted the report to the PRC as part of a collection of testimony and research documents in support of the service’s formal request for an advisory opinion from the commission regarding a move to eliminate Saturday delivery.

## **International Comparisons<sup>100</sup>**

Other countries’ mail services have a variety of delivery schedules. Royal Mail, which delivers mail in the United Kingdom (UK), reportedly contemplated eliminating Saturday delivery in 2008 because of economic concerns.<sup>101</sup> Despite these concerns, Royal Mail, which maintains six-day delivery, generated £211 million (roughly \$339 million USD) in profit in 2012.<sup>102</sup> On April 1, 2012, all pension liabilities for Royal Mail were transferred to the UK Government pursuant to

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<sup>95</sup> This study did not consider any fluctuation in fuel costs, nor did it include possible volume reductions prompted by the reduction in service days.

<sup>96</sup> Postal Regulatory Commission, *Report on Universal Postal Service and the Postal Monopoly*, p. 184.

<sup>97</sup> U.S. Postal Service, *Delivering the Future: A Balanced Approach, Five-Day Delivery is Part of the Solution*, Washington, DC, March 2010, at [http://www.usps.com/communications/five-daydelivery/plan/5day\\_plan\\_delivery.pdf](http://www.usps.com/communications/five-daydelivery/plan/5day_plan_delivery.pdf).

<sup>98</sup> *Ibid.*, executive summary.

<sup>99</sup> *Ibid.*

<sup>100</sup> GAO also published a report on foreign postal service strategies that includes additional information on some countries not included in this analysis. See U.S. Government Accountability Office, *Foreign Posts’ Strategies Could Inform U.S. Postal Service’s Efforts to Modernize*, GAO-11-282, February 16, 2011, at <http://www.gao.gov/products/GAO-11-282>.

<sup>101</sup> Harry Wallop, “Royal Mail Cuts May End Saturday Post,” *The Telegraph*, May 10, 2008.

<sup>102</sup> Royal Mail Holdings Plc, “Reports and Accounts, Year Ended 29 March 2009,” at <http://www.royalmailgroup.com/portal/rmg/content1?catId=23300505&mediaId=23300508#44400262>, p. 5. The fiscal year ran from March 30, 2008 through March 29, 2009. The fiscal year for Royal Mail runs from March 30 to March 29.

Parliament's Postal Services Act.<sup>103</sup> According to a BBC report, the transfer of liabilities “allows the government to privatiz[e] the Royal Mail, but without its huge pension scheme liabilities.”<sup>104</sup> Royal Mail also reported focusing more on parcel delivery because of a decline in letters and other mail.<sup>105</sup>

Unlike Royal Mail, Canada Post offers letter carrier services five days per week and does not deliver mail or parcels on most Saturdays.<sup>106</sup> Canada Post is a Crown corporation that is owned by the government but free from many federal regulations. The entity, however, must report operations and revenues to an appointed minister.<sup>107</sup> Canada Post, which receives no national appropriation, experienced its first operating deficit in 16 years in FY2011.<sup>108</sup> Unlike USPS, Canada Post contracts out much of its rural delivery service. **Table 2** includes the mail services of a selected group of countries around the world and shows how many days per week they make deliveries as well as offers additional information about the services' structure and operations.

**Table 2. Number of Mail Delivery Days Per Week, By Country**  
(in 2012)

Country	Number of Delivery Days Per Week	Structure and Operations
Australia (Australia Post)	5	Quasi-governmental entity, known as a Government Business Enterprise, that is governed by a variety of statutes. Some post offices are open on Saturday mornings.
Canada (Canada Post)	5	Canada Post is a quasi-governmental entity, known as a Crown Corporation, that is owned by the government, but free from certain governmental regulations.

<sup>103</sup> Royal Mail Holdings Plc., “Annual Report and Financial Statements 2011-12,” at [http://www.royalmailgroup.com/sites/default/files/Annual\\_Report\\_2012.pdf](http://www.royalmailgroup.com/sites/default/files/Annual_Report_2012.pdf).

<sup>104</sup> “Royal Mail pension deal approved by EU,” *BBC News*, March 21, 2012, at <http://www.bbc.co.uk/news/business-17423461>.

<sup>105</sup> Royal Mail Holdings Plc., “Annual Report and Financial Statements 2011-12,” p. 2, at [http://www.royalmailgroup.com/sites/default/files/Annual\\_Report\\_2012.pdf](http://www.royalmailgroup.com/sites/default/files/Annual_Report_2012.pdf).

<sup>106</sup> Information provided by telephone to author by Canada Post on April 28, 2009. Saturday services are offered in late November and throughout December when the holiday season prompts greater use of the Post's delivery services. Additionally, some Canada Post offices and service windows are open on Saturdays if they are located within businesses that have Saturday hours, like a pharmacy.

<sup>107</sup> Canada Post, “About Us: Corporate Governance,” at <http://canadapost.ca/cpo/mc/aboutus/corporate/governance/default.jsf>.

<sup>108</sup> Canada Post, “Annual Report, 2011,” p. 1, at [http://www.canadapost.ca/cpo/mc/assets/pdf/aboutus/annualreport/2011\\_AR\\_complete\\_en.pdf](http://www.canadapost.ca/cpo/mc/assets/pdf/aboutus/annualreport/2011_AR_complete_en.pdf). The Annual Report shows a \$226 million operating deficit in FY2011. According to Deepak Chopra, President and Chief Executive Officer of Canada Post, the profit loss was caused by “a continued decline in core mail volumes, the impact of a painful work disruption and the negative impact of a pay-equity decision by the Supreme Court of Canada.” *Ibid.*, p. 4.

<b>Country</b>	<b>Number of Delivery Days Per Week</b>	<b>Structure and Operations</b>
France (La Poste)	6	La Poste is a state-owned company. It eliminated Sunday delivery in 1941. La Poste launched La Banque Postale, which offers customers banking and insurance services, in January 2006.
Germany (Deutsche Post DHL)	6	Deutsche Post DHL is a private company, which owns DHL—one of the largest global private mail and package delivery companies. Deutsche Post offers Saturday delivery for an additional fee.
The Netherlands (TNT)	6	TNT is a private entity that is the largest mail carrier in The Netherlands, but also operates globally.
New Zealand (New Zealand Post)	5 (in certain areas)	New Zealand Post is a state-owned enterprise. Customers outside of rural areas can pay extra for Saturday deliveries, but parcels cannot be mailed on Saturdays to any location.
Sweden (Posten)	5	In 2008, Posten—formerly a government-owned company—merged with Post Danmark (of Denmark) and CVC Capital Partners (a private entity). The merger makes the two governments and the private entity shared owners.
United Kingdom (Royal Mail)	6	Royal Mail is a public limited company that is wholly owned by the government. Standard Parcels are not delivered on Saturdays. The Royal Mail Group, which includes all Royal Mail business streams, generated £321 million (about \$483 million) in operating profit in 2009.

**Sources:** U.S. Postal Service, *A Strategic Review of Progressive Postal Administrations: Competition, Commercialization, and Deregulation*, February, 1995. Available in U.S. Congress, joint hearing between the Senate Committee on Governmental Affairs' Subcommittee on Post Office and Civil Service and the House Committee on Government Reform and Oversight's Subcommittee on Postal Service, *United States Postal Service Reform: The International Experience*, 104<sup>th</sup> Cong., 2<sup>nd</sup> sess., January 25, 1996, S.Hrg. 104-442 (Washington: GPO, 1996). Information on 2012 comes from a variety of sources. For the Netherlands, Germany, Sweden, the United Kingdom, and Canada delivery day information can be found at the Consumer Post Council, "Postal Freedom Index," at [http://www.postalconsumers.org/postal\\_freedom\\_index/indexofpostalfreedom.shtml](http://www.postalconsumers.org/postal_freedom_index/indexofpostalfreedom.shtml). Information on Australia is from Australia Post, "Community Service Obligations," at <http://auspost.com.au/about-us/community-service-obligations.html>. La Poste, which serves France, has information at <http://www.laposte.com/Everything-about-La-Poste/What-we-do/Parcels-and-Express>. Information on New Zealand Post is available at <http://www.nzpost.co.nz/Cultures/en-NZ/OnlineTools/Ratefinder/LettersNZ>. Information on the merger with Post Danmark and CVC Capital Partners can be found at <http://www.cvc.com/Content/En/MediaCentre/PressRelease.aspx?PRID=144>.

On January 25, 1996, the Senate Committee on Governmental Affairs' Subcommittee on Post Office and Civil Service and the House Committee on Government Reform and Oversight's Subcommittee on Postal Service held a joint hearing.<sup>109</sup> At the hearing, USPS unveiled a study on mail delivery services around the world.

At the hearing, Michael E. Motley, associate director of government business operation issues at the General Accounting Office (now the Government Accountability Office), testified that Canada Post offered the United States its best case study comparison "because of its proximity to the United States and its similarities in geographic size, business environment, and market-oriented economic systems."<sup>110</sup> Despite the similarities between Canada Post and USPS, however, Motley said "Canada Post has about 6 percent of the U.S. Postal Service's mail volume and about 6 percent of its number of employees."<sup>111</sup> Motley stated that the vast size and volume differences between the United States and the other countries could make successful actions taken in other countries impossible to implement in the United States. Motley added, however, that "issues surrounding the extent and quality of universal mail service, e.g., delivery to all communities 6 days a week, could surface in this country as they have in some other countries."<sup>112</sup>

## Analysis

Arguably, USPS remains a vital asset for communication across the United States. The service delivers mail to millions of homes six days per week. With current economic hardships and a reduction in volume of more lucrative USPS products, the service is struggling economically. One option to reduce the economic stresses on USPS is to reduce service delivery from six days per week to five days per week.

As noted earlier in this report, USPS derives the vast majority of its funding from sources other than congressional appropriations. Use of congressional appropriations legislation to place restrictions on the entirety of USPS funding, could be challenged.<sup>113</sup> Although the laws governing Congress's use of restrictions on appropriations may be subject for debate, agencies that choose not to heed such restrictions may do so at their own peril.

Until USPS held its forum on Envisioning America's Future Postal Service on March 2, 2010, USPS officials had said that reducing the number of delivery days was not their preferred option

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<sup>109</sup> U.S. Congress, joint hearing between the Senate Committee on Governmental Affairs' Subcommittee on Post Office and Civil Service and the House Committee on Government Reform and Oversight's Subcommittee on Postal Service, *United States Postal Service Reform: The International Experience*, 104<sup>th</sup> Cong., 2<sup>nd</sup> sess., January 25, 1996, S.Hrg. 104-442 (Washington: GPO, 1996).

<sup>110</sup> Testimony of Michael E. Motley, *ibid.* Also available at <http://www.gao.gov/archive/1996/gg96060t.pdf>.

<sup>111</sup> *Ibid.*

<sup>112</sup> U.S. Congress, joint hearing between the Senate Committee on Governmental Affairs' Subcommittee on Post Office and Civil Service and the House Committee on Government Reform and Oversight's Subcommittee on Postal Service, *United States Postal Service Reform: The International Experience*, 104<sup>th</sup> Cong., 2<sup>nd</sup> sess., January 25, 1996, S.Hrg. 104-442 (Washington: GPO, 1996), p. 257.

<sup>113</sup> Some legal scholars, however, state that even non-appropriated funds are sometimes deposited into the Treasury (which is the case with USPS funding), and that "all spending in the name of the United States must be pursuant to legislative appropriation." Kate Stith, "Congress' Power of the Purse," *The Yale Law Journal*, vol. 97 (1988), p. 1345. For more information on congressional influence through appropriations restrictions, see CRS Report RL34354, *Congressional Influence on Rulemaking and Regulation Through Appropriations Restrictions*, by (name redacted).



to bridge the revenue shortage.<sup>114</sup> Eliminating Saturday delivery, however, is now among the cost-cutting options preferred by USPS. Some other cost-cutting actions sought by USPS are obtaining flexibility from Congress to do the following: pay less into the fund for future retiree benefits; raise the price of stamps and other services higher than currently permitted by law, and close less-used post offices and distribution facilities.<sup>115</sup>

Moving to five-day delivery is estimated to save USPS between \$1.7 and \$3.5 billion per year. The difference in total estimated savings would depend on how much mail volume would drop as a result of the service delivery reduction. Even the highest estimated cost savings from moving to five-day delivery (\$3.5 billion) is \$8 billion less than the budget shortfall in the first three quarters of FY2012 (\$11.5 billion). A reduction in delivery days alone, therefore, would not be sufficient to bridge existing or anticipated future budget gaps at USPS.

As noted earlier in this report, Representative Chaffetz introduced an amendment to H.R. 2309 that would give the Postmaster General the authority to cut 12 delivery days. H.R. 2309, as amended by Mr. Chaffetz's amendment, would require USPS employees receive pay for those 12 days as if they were delivery days. Because most of USPS's costs are employee labor costs, it is unclear how much money closing USPS for 12 additional days per year would save. In this case, USPS would save on fuel costs, vehicle use costs, and power costs. The labor cost savings, however, may not be high. H.R. 2309, as amended, does provide USPS the authority—six months after enactment of the bill—to request from the PRC an advisory opinion on a move to five-day delivery. Ninety days after an advisory opinion would be issued, USPS would be authorized to eliminate Saturday delivery—regardless of the content of PRC's advisory opinion.

## **Continued Drop in Mail Volume**

In 1977, the President's Commission on Postal Service did not endorse a move to five-day delivery, but stated that the possibility of such a transition should be revisited if mail volume continued to shrink. A primary concern related to a move to five-day delivery has been the ability of USPS to provide services of the same quality on a five-day schedule that is currently offered on a six-day schedule. Mail volume has dropped significantly in recent years, largely because of the economic downturn and the increasing use of electronic mail and electronic bill-paying options. USPS projects that mail volume will continue to decline. As then-Postmaster General Potter stated in his March 18, 2010, congressional testimony, with a decline in volume comes a decline in the number of mail pieces delivered on each of the six current delivery days.<sup>116</sup> If mail volume continues to decline, concerns about overwhelming volumes of mail needing delivery on the remaining delivery days may be mitigated.

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<sup>114</sup> U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, *Impact of the Financial Crisis on the U.S. Postal Service*, testimony of John E. Potter, 111<sup>th</sup> Cong., 1<sup>st</sup> sess., January 28, 2009, at <http://hsgac.senate.gov/public/index.cfm?Fuseaction=Hearings.Detail&HearingID=ce8899e6-d08e-4d07-a6df-6acebc9c12e>.

<sup>115</sup> Although there are a variety of options USPS could pursue to reduce costs or increase revenue, this report addresses only the possible transition from six- to five-day service.

<sup>116</sup> U.S. Congress, Senate Committee on Appropriations, Subcommittee on Financial Services and General Government, FSGG Hearing on the Postal Service, testimony of John E. Potter, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 18, 2010, at <http://appropriations.senate.gov/ht-financial.cfm?method=hearings.view&id=f33224cc-dce0-4d6b-9636-b33be1be3893>.

## Customer Reliance on Six-day Delivery

Congress may choose to remove the six-day delivery provision from appropriation legislation and grant USPS greater flexibility to eliminate delivery days if the service finds such action to be beneficial economically. Such flexibility would save USPS money in employee pay and fuel costs.<sup>117</sup> The action, however, may prompt fewer people to use USPS services and instead to opt for private companies to deliver their mail. In addition, certain mail customers rely on six-day delivery to receive vital mail or packages, like baby formula, prescription drugs, or social security checks. Slower receipt of such items may cause additional stresses to populations that are already vulnerable, like the aged, the poor, or those who live in remote areas.

A January 30, 2009, *Washington Post* article, reported that William Burrus, then-president of the American Postal Workers Union, said the union would “vigorously resist any legislative attempt to slash the number of days of delivery.” Mr. Burrus reportedly said that a five-day delivery schedule “would stretch to three days when the additional day is combined with Sunday and a Monday holiday. Such delays will drive essential mail to private carriers, who will continue to deliver seven days a week.”<sup>118</sup>

The PRC’s *Advisory Opinion on Six-day Delivery* found that the delivery of 25% of First Class Mail and Priority Mail would be affected by eliminating Saturday delivery. And most of that mail would be “delayed by two calendar days.”<sup>119</sup>

USPS’s most recent proposal involves eliminating Saturday home and business delivery while maintaining Saturday window service at USPS post offices. If a postal patron, therefore, needed to receive mail or a package on a day without delivery service, USPS would be able to provide such services at a USPS location. This option could increase the workload for employees staffing post office locations on Saturdays because they would have to have access to all mail and packages that would have previously been delivered to homes and businesses on that day. Service at post offices, therefore, may be slower on Saturdays because employees may need more time to locate these pieces of mail or packages. Lines at these locations may also be longer than normal because of increased use of the post office to access mail and packages as well as the increased time employees may need to locate the items. In addition, postal customers who, for medical or other reasons, are unable to leave their homes may not be able to access Saturday postal services. Window service, however, might assuage concerns from most customers who would seek access to mail or parcels that normally would have been delivered on the sixth delivery day.

USPS suggested to the PRC that customers who would like to receive Saturday mail delivery services could do so by renting a Post Office Box or using Express Mail.<sup>120</sup> USPS told the PRC that it is considering extending its post office hours on Saturdays to allow those with post office boxes to retrieve their mail. USPS also indicated that it has no near-term intentions to raise Saturday delivery costs for Express Mail.<sup>121</sup>

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<sup>117</sup> According to GAO, USPS spent \$1.05 billion on maintenance and fuel costs in FY2010. U.S. Government Accountability Office, *United States Postal Service: Strategy Needed to Address Aging Delivery Fleet*, GAO-11-386, May 2011, p. 29, <http://www.gao.gov/assets/320/318032.pdf>.

<sup>118</sup> Joe Davidson, “Five-Day Mail Delivery? Not So Fast,” *The Washington Post*, January 30, 2009, p. D3.

<sup>119</sup> U.S. Postal Regulatory Commission, “Advisory Opinion on the Elimination of Saturday Delivery,” p. 128.

<sup>120</sup> *Ibid.*, p. 132.

<sup>121</sup> *Ibid.*, pp. 132-133.

## Which Day Would Be Eliminated?

Were Congress to reduce the number of USPS delivery days, it might then choose to determine which day of service to eliminate. Previous studies have recommended the elimination of Saturday delivery because it was the most cost effective option.<sup>122</sup> Many businesses that are closed on Saturdays would be unaffected by the elimination of Saturday delivery. USPS has also stated that elimination of Wednesday delivery could be a possibility.<sup>123</sup> If Saturday delivery were eliminated, on weeks that have Friday or Monday holidays, deliveries would not occur for three consecutive days. Alternatively, as noted in the 1980 Task Force study, if Wednesday delivery were eliminated, many businesses that would not be affected by the elimination of Saturday delivery would be affected by the change.<sup>124</sup> In its March 2010 report on five-day delivery, USPS said it seeks to eliminate Saturday delivery because “[i]t has the week’s lowest daily volume, and more than a third of U.S. businesses are closed on Saturday.”<sup>125</sup>

Congress may choose to keep all six delivery days, ensuring continued USPS service levels. Congress may choose to permit USPS to eliminate Saturday delivery because it is the day with the lowest mail volume. Congress may also choose to suggest the elimination of Wednesday delivery to eliminate the possibility of weeks in which postal consumers do not receive mail delivery for three consecutive days.

Congress could choose to adopt delivery practices similar to Canada Post, and have six-day delivery only at specified, mail-heavy times of the year. Congress could opt to delegate authority to USPS to shift from six- to five-day delivery as mail volume fluctuates throughout the year. This option would allow USPS the ability to adjust to macroeconomic and seasonal influences that affect mail volume. This delegation of authority, however, may cause confusion for USPS customers who may be unaware of service changes and who rely on consistent USPS delivery services.

Congress could grant USPS flexibility to charge more for Saturday delivery services, as is done in New Zealand. Such action may allow USPS to operate with a streamlined weekend delivery staff, thereby eliminating work hours and saving overhead costs. This option, however, could negatively affect poorer members of the public who rely on Saturday delivery for prescriptions, monthly stipends, or other mail or parcels. Many of the other methods foreign countries have used to bridge their mail services’ economic gaps—like contracting out carrier service—would be difficult to apply in the United States. Union contracts, geographic vastness, and other variables may make USPS’s economic situation unique.

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<sup>122</sup> Five-Day Delivery Task Force Report/Operations, May 19, 1980. For a copy of the report, contact the author.

<sup>123</sup> The 1980 Task Force study that examined five-day delivery researched which day would be the most cost effective and least disruptive to customers. As noted earlier in this report, that task force determined Saturday, and not Wednesday, would be the better day to eliminate. *Five-Day Delivery Task Force Report/Operations*, May 19, 1980. For a copy of the report, contact the author. Wednesday, however, could be selected as a non-delivery day because its removal from the USPS would be in the middle of the week. As noted earlier, removing delivery on Saturday would cause some weeks with holidays on Monday to have three consecutive days without mail delivery (Saturday through Monday).

<sup>124</sup> *Ibid.*

<sup>125</sup> U.S. Postal Service, *Delivering the Future: A Balanced Approach, Five -Day Delivery is Part of the Solution*, Washington, DC, March 2010, at [http://www.usps.com/communications/five-daydelivery/plan/5day\\_plan\\_delivery.pdf](http://www.usps.com/communications/five-daydelivery/plan/5day_plan_delivery.pdf), p.2.

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