

Senator Lisa Murkowski
Remarks As Prepared
U.S. Postal Service Proposal for Five-Day Delivery Week
September 16, 2010

Chairman Goldway, Commissioners, thank you for inviting me here to speak to you about the potential effects of the Postal Service's proposal to eliminate Saturday delivery on Alaskans. As you were unable to schedule a field hearing to listen to Alaskans in person, I am pleased to be here to speak briefly on their behalf regarding several important issues that would be negatively affected by this proposal.

As you are aware, mail delivery in Alaska and Hawaii is very different from the other 48 states, as is our constituents' reliance on that mail delivery for basic and necessary items. The information you received from hearings held in large, lower 48 cities will bear little relevance to the conditions and concerns of many of the people of our states. I understand that Senator Akaka is scheduled to appear in October. I will defer to him to express Hawaiians' position on this issue. I am here today to advocate on behalf of Alaskans.

Given the distance between the Lower 48 and Alaska (especially rural Alaska), as well as the challenges of terrain, transportation, and weather, it takes longer for mail, including Express and Priority Mail, to arrive in and be delivered within Alaska. To give you some perspective, consider this. Just to get mail up to Alaska from Seattle, it must be flown farther than the distance from Washington, D.C. to Dallas, Texas. Once it arrives in Alaska, getting it out to our many far-flung communities is another major challenge.

Throughout most of Alaska, there are no roads. In most communities, don't have mail trucks, we have mail planes. The sheer size of Alaska is hard to imagine for those who have never been there. The distance from Anchorage to Barrow in the north is greater than it is from D.C. to Quebec, Canada. It's farther from Anchorage to Dutch Harbor out on the Aleutian chain than it is from D.C. to Memphis. And from Anchorage to Ketchikan in the Southeast, the distance is comparable to that of D.C. to Orlando, Florida. Consider further that these communities are hubs, not the very small villages that are even more difficult to reach. Fog, blizzards, rain, and gale force winds also play a large role in the ability of the Postal Service to deliver the mail in Alaska. There are some communities that can be "weathered in" for days or even weeks at a time.

Ending the processing and delivery of mail on Saturdays will lengthen the time it takes to deliver mail that much more. This delay will be further aggravated during those weeks when a holiday falls on a Monday. While it would be inconvenient to have to wait an extra day or week to receive a Netflix movie, a sweater, or so-called "junk" mail, the Postal Service plays a much more vital role in the lives of Alaskans than delivering everyday conveniences.

The U.S. Postal Service is literally a lifeline for the many Alaskans who do not have access to a pharmacy in their community where the *only* way to receive antibiotics, insulin, or other medications and medical devices is through the mail. Even Alaskans who do live in communities with a local pharmacy rely on prescriptions by mail because their insurance plans incentivize this practice as a cheaper alternative. In 2008-2009, one of the major mail order pharmacies, CVS Caremark, filled over 70,000 prescriptions for Alaskans. According to Caremark's testimony to the Commission in June, "Reducing mail delivery to five days a week by eliminating Saturday delivery would keep vital medications out of patients' hands..." Further, 90 percent of Caremark's

prescriptions are delivered via the Postal Service, 20 percent of which are delivered on Saturdays alone. Adding to their concern is that the company also receives approximately 100,000 prescription requests on Saturdays, so this proposal would jeopardize the company's ability to efficiently process prescriptions and send them on their way. These concerns were shared by the Pharmaceutical Care Management Association, which represents pharmacy benefit managers for several large mail order pharmacy companies.

In Alaska, the likely degradation of efficient and timely delivery of medication and medical devices is of enormous concern—one that, in my view, the Postal Service has not adequately addressed. In fact, the solutions they have proposed are unacceptable. The Postal Service has suggested that in order to be assured of getting prescriptions delivered on Saturday Alaskans should either rent a post office box or have the item shipped via Express Mail.

As you likely know, the cost of prescription drugs is high, so high as to often be a barrier for Americans who need them. For those who can barely afford the cost of their drugs as it is, adding yet another fee on top of that will be unacceptable.

Only in our very rural, remote communities where home delivery is not offered, are post office boxes available for free. For most Alaskans, however, post office box rentals cost between \$28 per year and \$820 per year depending on the community and the size of the box. In 27 communities, including each of our four major military bases, the minimum yearly cost is \$92. Another community that falls in this fee group is Nikiski, where last year 22 percent of the population was receiving unemployment benefits at some point during the year. This past July, nearly 7 percent of the population was receiving unemployment benefits—at the height of the fishing and construction season.

In addition to the barrier of increased cost, many communities in Alaska lack a sufficient number of available post office boxes to which medications and other vital and time-sensitive mail could be delivered. For example, in Anchorage, mail is delivered to the homes of 102,461 residents. There are, however, only 8,771 post office boxes available in the entire city. If more than eight percent of Anchorage residents need or want a post office box for Saturday delivery, they would be out of luck. Nor could it be guaranteed that a box would be available close to the home of those who require one. In Homer, over two thousand residents receive their mail at home, yet there are only 369 available post office boxes. In Palmer, over 6,000 residents have home delivery, yet there are only 538 available boxes in the Palmer post office available to accommodate those who would need access to Saturday delivery. In Fairbanks, over 30,000 residents have home delivery, but there are only 3,424 boxes available.

Alaskan business owners are also concerned about degradation in efficient pickup and delivery of their commercial packages. While our postal workers work hard and do their best to provide efficient service, there are communities that have experienced serious problems with efficient mail delivery. In Skagway, for example, I've spoken to business owners who have entirely given up on the post office and are now putting tourists' purchases on the railroad to Canada and shipping them to the Lower 48 from there. Many residents and tourists have also experienced difficulty receiving services during the past year when the Postal Service was unable to hire staff to work there. I am very concerned, therefore, that this proposal will lead to further breakdown of an already strained system in our small communities that rely so heavily on the U.S. mail.

In addition to the effect on the Postal Service's customers, I am concerned about the loss of jobs for our Alaskan postal workers. While the Postal Service anticipates reducing their workforce by 40,000 people nationwide, they are not able to tell me how many Alaskans will be out of a job if this proposal is adopted. And, while the Postal Service *hopes* to be able to achieve their goal by not filling the positions of soon-to-retire postal workers, this is not guaranteed. In this economy, any loss of a job—indeed the loss of any position that could be filled by a willing worker, is problematic.

In closing, I would also like to note that in my view, this proposal will only lead to a further disintegration of the Postal Service's market share, as they cede an important part of their business to UPS, FedEx, and other for-profit companies that will be only too glad to pick up the slack. This is hardly a long-term solution to the Postal Service's problem.

Again, thank you for taking the time to listen to these concerns that are unique to Alaska and Alaskans. I hope that you will give them every consideration as you deliberate on the Postal Service's proposal.