

**LAST MINUTE SURGE STRETCHES
HOLIDAY MAIL VOLUME ENVELOPE**

WASHINGTON, DC – Last-minute mailers deluging the nation’s 38,000 Post Offices days before Christmas serves as a testament to America’s reliance on the Postal Service to deliver 78 million more letters and cards than were postmarked during last year’s holiday season, the Postmaster General told the agency’s Board of Governors today at their monthly meeting.

“Americans waited almost to the last minute to mail their holiday cards and packages,” John E. Potter told the Governors. “Volume was down through mid-December. Then, six days before Christmas, we experienced heavy customer mailings,” he said. A record 3.4 billion cards and letters were postmarked between December 1 and December 24. Postmarks on Monday, December 22 increased by 25 percent over last year.

Between Thanksgiving and Christmas the Postal Service handled more than 20 billion pieces of mail. On the busiest mailing day, Monday, December 15, more than 850 million pieces of mail entered the postal system. Wednesday, December 17 was the year’s busiest delivery day with approximately one billion pieces.

Mail Builds Morale in the Military

Americans also continued to use the mail to show their support for loved ones in the military. More than 24 million pounds of holiday mail to the Persian Gulf and other military locations worldwide surpassed last year’s military holiday volumes by 11 million pounds, to reflect an increase of almost 85 percent.

Prior to the holiday period, military mail to the Gulf region was transported daily on a chartered 747 aircraft. To transport mail during December, 52 chartered aircraft carried approximately seven million pounds of mail to military service members deployed to Operation Iraqi Freedom.

To provide superior service during the Postal Service’s 2003 holiday delivery season, more than 2.85 billion holiday stamps were available at 82,000 locations. This included 38,000 Post Offices – many open late and on Sundays; more than 21,000 supermarkets, convenience stores and drugstores; 16,000 ATMs and 7,000 vending machines in shopping malls, office parks and airports.

While hundreds of additional trucks were added to create direct routes between metropolitan areas, the need for additional holiday hires was reduced to approximately 13,000 from last year’s 20,000 due to advances in mail processing technology. Today’s high-speed sorting equipment can process nearly 80 percent of all handwritten addressed mail.

Two week’s prior to Christmas, the Postal Service’s National and Area Operations Center network operated around the clock. Around the same time, the Postal Service expanded the capacity of its air cargo

network by nearly 40 percent. The network shared information on operations and mail flow between mail processing and distribution centers and with major mailing customers.

This Post Office Never Closes

The Post Office on the web was also extremely busy. On an average day usps.com receives about a half million visits. December 15, as the busiest mailing day, generated more than 1.2 million hits -- almost doubling last year's peak of nearly 700,000.

Among other features, similar to a traditional Post Office, customers visiting usps.com can buy stamps, calculate postage, look up ZIP Codes, track and confirm mail delivery, change their address and ask to have their mail held.

Customers mailing packages could use a credit card to obtain postage-paid address labels and avoid a trip to the Post Office by mailing from their mailbox or handing the package to a letter carrier.

2004 Challenges

Potter also detailed to the Board three important challenges to the Board that the Postal Service will face in the new year. He said the Postal Service will focus its efforts on improving service, growing new revenue and working with Congress to enact legislative changes that will create a new business model for the future. Potter also called on the mailing industry to "come together and make their voices heard in the debate for change and reform."

"Our number one legislative priority continues to be the elimination of the requirement to create an escrow account with funds made available from last year's Civil Service Retirement System legislation," he said.

The legislation asked the Postal Service for its proposals regarding the use of "savings" resulting from the act, beginning in 2006. Those "savings" would be placed in an escrow account pending Congressional authorization about how they would be used. With the escrow requirement, postage rates will have to rise even more than is necessary to reflect inflation.

Board of Governors

In other activity, Chairman S. David Fineman detailed the Postal Service's efforts to enhance its financial reporting beginning last August. The Board of Governors also reelected Fineman of Philadelphia, PA as Chairman and John F. Walsh of Branford, CT as Vice Chairman.

Since 1775, the U.S. Postal Service has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that visits 141 million homes and businesses every day and is the only service provider to deliver to every address in the nation. The Postal Service receives no taxpayer dollars for routine operations, but derives its operating revenues solely from the sale of postage, products and services. With annual revenues of more than \$68.5 billion, it is the world's leading provider of mailing and delivery services, offering some of the most affordable postage rates in the world. The U.S. Postal Service delivers more than 46 percent of the world's mail volume—some 202 billion letters, advertisements, periodicals and packages a year—and serves seven million customers each day at its 38,000 retail locations nationwide.