



POSTAL NEWS

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POSTMASTER GENERAL FORECASTS MAIL GROWTH ENABLED BY TECHNOLOGICAL ADVANCES

Orlando, Fla. – Speaking today to more than 6,500 mailers and advertisers at the National Postal Forum, Postmaster General John E. Potter forecasted a transformed Postal Service that will see a growth in direct mail as well as advances in technology.

Outlining key Postal Service initiatives, Potter described new customer-focused programs that will help small- and mid-sized organizations grow. He also discussed advances in technology that will track Postal Service performance and reduce costs.

The mailing industry's leading trade show is being held April 2-5, 2006, at the Gaylord Palms Resort and Convention Center in Orlando, Fla.

"It wasn't long ago that some of the pundits thought that total mail volume would be in steep decline by 2006, as hard-copy mail became obsolete," said Potter. "They were wrong."

Mail volume last year reached a new record of 212 billion pieces, and marketers have found that using the mail, along with the Internet, has resulted in significantly larger orders than if they had relied on Internet advertising alone, added Potter.

"The public and the marketplace have spoken loudly," he said. "The mail works."

Potter also discussed the Postal Service's high levels of customer satisfaction, elimination of \$11 billion in debt, and productivity increases six years in a row.

"Last year, we unveiled our 2006-2010 Strategic Transformation Plan," he said. "It was the logical next step in advancing change and builds on the progress we made in the first Transformation Plan of 2002. The new Strategic Transformation Plan is full of bold initiatives that will require the industry and the Postal Service to work closer than ever to be successful. It's our roadmap for the future, and when we are successful, we will have driven an additional \$5 billion in costs out of our base.

"I feel confident about the future," Potter said. "We have enormous challenges. But we have the ideas to grow this business. I know that we can be more successful than ever."

About The National Postal Forum

The National Postal Forum (NPF), a not-for-profit educational corporation, was established in 1968 by a group of major postal customers/mailers who were committed to an ongoing partnership with the United

States Postal Service. The Forum's goal, then as now, is to provide education to business mailers and communication/feedback between the USPS and its business customers for a more responsive and efficient mail communications system.

Since 1775, the Postal Service and its predecessor, the Post Office Department, has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that visits more than 144 million homes and businesses every day and is the only service provider delivering 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 \$70 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 212 billion letters, advertisements, periodicals and packages a year—and serves seven million customers each day at its 37,000 retail locations nationwide.

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