



POSTAL NEWS

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Postmaster General Cautions of Perfect Economic Storm *Postal Service Outlines Plan to Tackle Tough Times, Reach New Heights*

ST. LOUIS — Postmaster General John E. Potter challenged the mailing industry today, cautioning mailers about the severity of the current economic climate and urging them to create new growth opportunities.

Citing fluctuating oil prices, inflation in paper prices and the strife in the financial markets, Potter described challenging economic conditions as the most difficult time since the 1960s. The additional move of hardcopy messages to the Internet and questions about mail's environmental impact have led to a volume decline of 9 billion pieces this year.

Despite the tough times, Potter called on the mailing industry to seek new sources of growth.

"We have to approach the business in a whole new way," Potter said. "We have to develop new ways for the American people and American business to use the mail."

Despite the challenges ahead, Potter remains confident in the strength and commitment of the Postal Service and the mailing industry as a whole.

"Once the economic storm passes, our industry will rebound," Potter told the audience of 14,000 PCC members. "If we remain focused on the fundamentals of our industry and if we reach out to new audiences, we will again reach new heights."

The Postmaster General's comments came during the national Postal Customer Council (PCC) Day broadcast, an annual event that brings mailers, industry partners and customers together to recognize their contributions to the Postal Service and outline future plans and goals.

One of these goals is to continue to improve record-setting levels of service. Working with the mailing industry and the Postal Regulatory Commission, the Postal Service has developed a new set of modern service standards for each class of mail and will begin measuring performance against these standards this year. In addition, improvements in customer satisfaction, scan rates, network effectiveness and the Postal Service's website, *usps.com*, will be top priorities moving forward, Potter said.

"Service is what we're all about. It is our franchise, the very reason for our existence," he said.

Potter also called on the mailing industry to adapt to the changing marketplace and invest in the future. The Intelligent Mail Barcode is one way the Postal Service is leveraging technology to provide greater value and ease to business mailers, he said. Storing three times the amount of data of the current barcodes, the Intelligent Mail Barcode helps customers manage mail flow by uniquely identifying every piece in a mailing. The technology allows mailers to sort, track and receive address correction, all from one barcode.

Affordable prices that deliver value are a key element to retain and grow business, Potter said. The agency has reduced costs \$1 billion or more for each of the past seven years and, through creative business solutions, absorbed the \$700 million rise in fuel costs last year so that these costs were not passed on to customers as fuel surcharges.

"The price you see is the price you pay," Potter said.

Reduction in costs alone will not be enough to overcome difficult economic times, he said, identifying several opportunities for growth through innovative new products, including a new, large Priority Mail Flat Rate Box and using the mail for recycling and product take-back programs.

Potter took a moment in the broadcast to recognize the recent devastation caused by Hurricane Ike and pledged the Postal Service's continued support to victims in the areas affected by the storm, acknowledging the organization's role to "bring a sense of normalcy" to the affected areas.

The Postal Customer Council (PCC) is a network of community-based business mailers and representatives of the U.S. Postal Service, who gather regularly to share ideas and resources to create a closer working relationship. On both the national and local levels, PCCs work to improve service and communications.

To help keep the lines of communication open, the Postal Service has launched the first official postal blog at *2blogPCC.com*. Customers can discuss important topics facing the mailing industry, access the latest information and provide feedback.

National PCC Day also showcases the work of PCCs and includes a series of awards recognizing outstanding service and individual achievement. The following award winners were announced:

- PCC Industry Member of the Year: Peggy Smith, Co-Chair, Greater St. Louis.
- PCC Postal Service Member of the Year: Victor Laudisio, Customer Relations Coordinator, Buffalo/Niagara.
- PCC of the Year: A tie! Buffalo/Niagara and Greater New York (large market) and Capital Region (small market).
- PCC District Manager of the Year: Charles Howe, Greater Michigan District.
- Communication Program Excellence: Greater New York and Capital Region (gold), Buffalo/Niagara and Greater Dallas (silver) and Fort Worth and West Michigan (bronze).
- Education Program Excellence: Capital Region and Greater New York (gold), Buffalo/Niagara and Greater Atlanta (silver) and Greater Cleveland (bronze).

More information on Postal Customer Councils and National PCC Day can be found at *usps.com.nationalpcc*.

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An independent federal agency, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 146 million homes and businesses, six days a week. It has 37,000 retail locations and relies on the sale of postage, products and services, not tax dollars, to pay for operating expenses. The Postal Service has annual revenue of \$75 billion and delivers nearly half the world's mail.