



POSTAL NEWS

FOR IMMEDIATE RELEASE
January 7, 2003

Contact: Public Relations
202-268-2155
Release No. 003
www.usps.com

REMARKS BY POSTMASTER GENERAL JOHN E. POTTER Open Session, Board of Governors Meeting January 7, 2003

Thank you, Mr. Chairman and good morning fellow Governors. As Chairman Rider just said, he intends to step down after two years as chairman. Bob, I'm not sure you'd have picked these particular two years to be our Chairman if you had known what was in store. But I do know that your leadership and influence were key factors in guiding the Postal Service through some of the most difficult challenges in our history.

On behalf of the entire management team, I want to thank you, Bob, for your determined commitment to maintain the level and quality of service the people of this nation expect and deserve from us. I also want to personally thank you for your support and counsel during the past year and a half. The good news is that you will remain a governor, and we all look forward to continue working with you.

With the holiday season just concluding, I am pleased to report that holiday cancellations were up 54 million pieces from the previous year. The tradition of mailing greetings to family and friends remains an important part of the holiday season. On Christmas day, our employees made the extra effort to deliver Priority and Express Mail in a number of cities across the country.

I'd also like to give a special thanks to our employees and the thousands of volunteers from cities across America who participated in the Santa's Helper program. Letters from needy children addressed to Santa were answered by postal employees and community volunteers. It was through these "helpers" that Santa was able to provide less-fortunate children and their families with holiday gifts and cheer.

We are continuing to transform the Postal Service. Tomorrow, the Presidential Commission will have its first meeting. Dick Strasser and I will testify. The Postal Service will actively support the Commission as it develops recommendations for the future. As part of our Transformation efforts, we said we would pursue moderate legislative and regulatory changes that would have a significant positive impact. We are pleased that legislation which addresses the potential over funding of the Postal Service's portion of the Civil Service Retirement System is under consideration. The proposed legislation is needed to ensure stable rates through 2006.

Speaking of the future, we recognize that by taking advantage of enhancements in barcoding technology we can improve the quality of mail distribution, increase security of our mail processing system, provide a revenue assurance vehicle and make the movement of mail through our systems more transparent to our customers. In short, we believe barcoding can help improve service, improve efficiency and increase the value of mail through information. This is a very complex issue which touches multiple USPS functions and all of our customers.

To bring focus to this issue and assure a standardized barcoding approach throughout the Postal Service, we are making an organizational change. Charlie Bravo, our Senior Vice President and Chief Technology Officer, will become Senior Vice President for Intelligent Mail and Address Quality. Bob Otto, our Vice President for Information Technology, will become the Vice President, Chief Technology Officer. In essence, Charlie will be in charge of barcoding on envelopes, packages, sacks, trays, pallets and customer forms like the 8125. All USPS officers are committed to working with Charlie and the mailing community to make the very important transition to the next generation of postal barcoding. Charlie, congratulations.

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I also want to congratulate and welcome Murray E. Weatherall, who is our new vice president, Diversity Development. Murray joins from Milwaukee, where he has served as district manager.

I also want to congratulate our Human Resources Department for another Transformation initiative that is helping us reduce the costs of medical bills for injured workers. For the past year and a half, we have worked with a private health provider and the Office of Workers Compensation to devise more efficient ways to process medical bill payments and cut billing errors. So far, we have reduced costs of the medical bills that were associated with the private health provider by 63 percent and saved over \$20 million. Ron Henderson, our Manager for Health and Resource Management, has been overseeing this program. Thank you, Ron.

Mr. Chairman, this concludes my remarks.