



**ENVISIONING AMERICAN'S FUTURE POSTAL SERVICE  
TUESDAY, MARCH 2, 2010  
QUESTIONS FOR THE PANEL SUBMITTED BY ATTENDEES**

Please note: The following questions were submitted by attendees to the conference. The questions appear verbatim as submitted. No edits were made. In two instances, an acronym was spelled out. One full name with title also was added. These additions or clarifications appear in parentheses in the question line.

**PRICING**

**Q: What is the timeline for 100% cost coverage for all products?**

A: Prices for mailing products should be based on demand for individual products and their costs, rather than capping each class of mail at the rate of inflation. The Consumer Price Index should apply to the entire group of products, rather than each individual mail class. Our goal is to have all products cover their costs by 2020.

**Q: Mailers budgeted for no 2010 increases, now you're talking about exigent increases. Is a 2010 increase possible or likely?**

A: There is no price increase planned for the current calendar year. Any potential price increase would not be effective before January 2011.

**Q: Among the action items, will the USPS be more aggressively pursuing negotiated agreements?**

A: Negotiated Service Agreements (NSAs) provide mailers the opportunity to increase volume at a reasonable price, and the Postal Service will continue to pursue negotiated service agreements when it makes good business sense. Regulatory and legal restrictions, however, need to be removed to provide the Postal Service with greater flexibility to make the best use of NSAs.

**Q: How do you envision "work share" programs in the future?**

A: Workshare discounts provide the necessary elasticity necessary to make some products more appealing to mailers and business. Quite simply, people look at the price they pay for the service they receive. These discounts help us meet a number of customer needs and continue to keep mail valuable. We do not envision taking away workshare discounts.

**Q: Periodicals generate other classes of mail - 1st class invoices - standard mail premiums - priority mail premiums. Is all this other mail taken into account? Especially when looking at periodical volumes!**

A: All classes of mail, and the contributions they make to Postal Service's revenue, have been considered in this plan. Cost coverage is important to a viable Postal Service.

**Q: As you consider increasing nonprofit standard mail prices, would you entertain a nonprofit first class mail price category? The intent would be First-Class mail service standards at a higher than standard mail price and, hopefully, increase first class mail volume.**

A: We have a number of ideas to increase First-Class Mail volumes, many including the newest technologies like the Intelligent Mail barcode and future technologies like hybrid mail in combination with pricing incentives. These ideas span all classes of mail, including nonprofit mail. Results of our 2009 Standard Mail Summer Sale indicate that volumes do increase with the right incentive. We believe that there is a nonprofit market-mail

market for increased service with incentive pricing.

**Q: Won't an exigent price increase be the beginning of a "death spiral"?**

A: That very concern is one of the key reasons there were no price increases this calendar year. We seek a balanced and reasonable approach to determine new prices and the use of an exigent price increase. We need to balance financial need with customer choices. There is no one single solution to our financial situation. The Postal Service needs a suite of solutions that includes pricing and legislative and regulatory changes.

**Q: Mailers, of course, fear an exigent increase. Does your statement today over-ride your prior commitment not to raise rates in 2010, or are you talking about an exigent increase after 2010?**

A: The Postmaster General is keeping his word. There is no price increase planned for the current calendar year. Any potential price increase would not be effective before January 2011. The Forever Stamp remains the best consumer value.

**Q: A change in business model connotes a new source of profit. Is it your intention to increase profit margins on standard mail if you received pricing flexibility?**

A: Standard Mail is expected to at least hold its own in volume and revenue through 2020. Given our financial situation, all options under pricing flexibility would be considered. But pricing alone is not enough. There is no one, single solution. Pricing is only one part of a comprehensive strategy that includes restructuring of the prefunding of retiree health benefits, legislative and regulatory changes and the flexibility to make necessary business decisions in a timely manner.

**Q: Where does BPM (Bound Printed Matter) fit into the plan?**

A: We are looking at all classes of mail to determine cost coverage and pricing. No decision has been made at this time specifically around Bound Printed Matter.

## **GENERAL FINANCE**

**Q: What provisions exist for the capital needs for transition costs and network optimizations?**

A: The total capital commitment plan of \$1.5 billion for fiscal year 2010 includes funds for planned network optimizations that will reduce costs and result in a positive return on investment. Our plan for the next 10 years includes levels of capital investment that we believe will be sufficient to fund projects that will provide us with high levels of investment return. These will include network optimizations, equipment to improve efficiency and expand customer access, projects to improve energy efficiency and facility repairs and alterations that are needed to preserve our infrastructure and provide a safe environment for our employees and customers.

**Q: When describing the mail mix changing, does the Postal Service management fully understand the costs to handle? Market trends demand more creativity; how does the need for efficiency and cost reductions get balanced?**

A: This question gets at the heart of what the Postal Service is proposing in this action plan for the future. Success in the marketplace demands speed and flexibility. We need the flexibility to respond to customer needs with products that may be needed or wanted in the future. We need to balance financial need with customer choices. We are seeking legislative change to leverage the value of our network and delivery systems in the marketplace. Going forward, it will be necessary to continue to explore new areas of opportunity to structurally address mail volume declines. It's why we are seeking multiple solutions. No one solution or option will be enough to address the projected deficit.

**Q: Besides break even, what financial targets are needed to ensure USPS viability in 2020?**

A: Management has identified savings or revenue opportunities totaling about \$123 billion, but will still be faced with a potential \$115 billion shortfall by 2020. These are the financial targets that must be met.

**Q: How can you keep losing \$7B/yr and stay in business? Any other business would have to declare bankruptcy and close up shop. Is that an option?**

A: No, having the Postal Service go out of business is not a viable option for the American public. We can borrow a maximum of \$3 billion per year from Treasury and are capped at \$15 billion total. We are nearing that cap and changes must be made. There is no one, single solution. The Postal Service seeks a balanced approach to its current fiscal situation that includes restructuring the prefunding of retiree health benefits, legislative and regulatory changes and the flexibility to make necessary business decisions in a timely manner and possible price increases. Eliminating prepayment of retiree health benefits and changing delivery frequency provide the greatest costs savings opportunities and are the priority solutions for the Postal Service. We are unable to declare bankruptcy like other businesses. However, being able to respond like a business with changes to RHB prefunding, changing delivery frequency, and expanding access, would close the gap and keep USPS viable for American businesses and consumers.

**Q: Boston Group bases volume on CPI rates. If prices rise higher than CPI, what happens to volume and what is the result?**

A: The Boston Consulting Group did not conduct price elasticity analysis as part of its base case. That was one of the important assumptions in modeling. This was “business as usual,” before any actions.

**Q: What data and variables does USPS use to calculate sales volume and revenue estimates for future fiscal years (i.e., for FY 2011)? Which cost savings would be “off-budget” versus “on-budget”?**

A: We analyze historical demand by correlating changes in volumes with such factors as adult population growth, economic growth, extent and depth of Internet use, postal prices, competitor prices, seasonality and other demand determinants. The specific factors used vary by product. For each product, our historical analysis estimates a degree of sensitivity to changes in price, or “price elasticities.” Using forecasts of the demand factors and the estimated historical elasticities we translate expected future changes in volumes. We then multiply these volume projections by future price projections to generate revenue estimates. In addition, new product features and offers are added to the future estimates.

There are a wide range of issues related to the Postal Service and whether its financial activities are on- or off-budget, along with implications of the unified budget. In general, the Postal Service’s financial results, including any operating cost savings, are considered to be off-budget. Obligations for pre-funding retiree health benefits (approximately \$5.5 billion annually) are reflected in the unified budget, as the contributions are paid to another part of the government that is on-budget.

## **RETIREE HEALTH BENEFITS**

**Q: The real RHB payment issue is the scoring – What’s realistic? What if there is no relief this year?**

A: Scoring has posed a significant challenge. However, no other entity – public or private – is required to prepay this health benefit obligation at these extremely high levels. The Postal Service simply does not have the ability to continue to make these pre-payments at this level. We believe Congress will address this issue, in whole or in part, this year. If Congress does not change the statutory payment schedule, the Postal Service will have to consider withholding all or part of the required payment to ensure liquidity in FY2011.

**Q: If Congress fixes the retiree health care funding and “returns” the \$75B over payment to the USPS, how would the USPS apply this to the strategies discussed today?**

A: The amount would be applied to the \$115 billion projected shortfall that would remain after all management actions are taken. A gap still would remain. There is no one single solution to our financial situation. The Postal Service would still need a suite of solutions that includes pricing and legislative and regulatory changes.

**Q: What is your plan to inform, educate, and convince members of congress and their constituents that a change to 5 day delivery and RHB relief are needed now? How will you overcome political resistance to change?**

A: The Postal Service is working aggressively with Congress on those two issues. On delivery frequency, Congress would need to exclude from the FY2011 appropriations bill any language prohibiting a change to five-

day delivery. We will request that the Postal Regulatory Commission (PRC) issue an advisory opinion on the service changes, including the detailed customer communications plan that we have developed. The Postal Service has been working with the PRC and Congress to keep them informed of our plans and our progress. The Postal Service worked closely with Congress to postpone last year's RHB payment. A long-term solution would be to recognize that this is a unique and unsustainable burden placed on USPS. No other private sector company or federal agency is required to make similar payments. The prepayment schedule established by law must be abolished or revised to allow USPS to fund its operations.

**Q: If there is RHB (Retiree Health Benefit) relief, are 5-day and exigent price changes still necessary?**

A: Yes. Eliminating the prefunding of retiree health benefits is only one part of a comprehensive strategy that includes legislative and regulatory changes, the flexibility to make necessary business decisions in a timely manner and possible price increases. Eliminating prepayment of retiree health benefits and changing delivery frequency provide the greatest costs savings opportunities and are the priority solutions for the Postal Service. No one solution or option will be enough to address the projected deficit. We are taking a balanced approach to address our financial situation.

**Q: Given everything on Congress' and the White Houses' plate in an election year, what makes you think any of this will be addressed?**

A: At a Congressional hearing last year on the state of the Postal Service, the Postmaster General was told in no uncertain terms to come back to Congress with a plan to address the Postal Service's financial situation. We have delivered that plan, and since it was announced March 2, public and political attention to the issue has grown, with thousands of media articles in Washington, DC, and all Congressional districts across the country. Numerous public opinion polls show that the issue is important to Americans. And, since the plan was unveiled, no fewer than five Congressional hearings have been scheduled with postal officials invited to testify. We will continue to work with Congress and the Administration on legislative and regulatory changes.

**Q: Where is the USPS in discussions with the administration and Congress regarding the legislative and USPS controlled changes needed? Who are the key players in the White House and the Hill?**

A: The Postmaster General and other postal representatives have spoken in depth to key representatives in Congress, members of the committees that have oversight on Postal Service operations, as well as officials at the White House, Treasury and the Government Accountability Office.

**Q: With your "rapid and aggressive" plan for change requiring congressional action, what is your specific legislative strategy to attain this change? (Please don't respond by saying you "can't lobby".)**

A: We had three of the most influential management consulting companies perform their own independent analysis, and they concurred with our conclusion that we need immediate legislative assistance in order to move forward. We will continue to work with Congress and the Administration to restructure the prepayment of retiree health benefits, change frequency of delivery and restructure price caps mandated by the Postal Act of 2006.

**Q: Since the USPS plan depends on legislative and regulatory change, how does the Postal Service intend to work more effectively with Congress? Does it have a plan?**

A: We had three of the most influential management consulting companies perform their own independent analysis, and they concurred with our conclusion that we need immediate legislative assistance in order to move forward. We will work with Congress to eliminate the prepayment of retiree health benefits, change frequency of delivery and restructure price caps mandated by the Postal Act of 2006. Several hearings and briefings have been held, with more scheduled that cover specific items in more depth.

**Q: How can the stakeholders in the USPS most effectively support the plan presented with legislators? Is there an opportunity for a PAC?**

A: The Postal Service has no opinion and cannot comment on any political action committee or any activity that extends beyond educating and sharing information with elected officials.

## **DELIVERY FREQUENCY**

### **Q: What day of the week will be eliminated?**

A: Saturday. It is the lowest mail volume day of the week and it is the day that makes the most sense with regard to scheduling mail carriers.

### **Q: What is the thought behind charging an access fee for door-to-door delivery per year? Is this possible? Would it generate potential revenue? If consumers and businesses do not pay they could pick-up their mail - for a fee?**

A: We have no plans to charge an access fee for door-to-door delivery for any period of time. This would create the need to collect payments and provide an additional burden. It also would be impractical for the Postal Service to allow consumers and businesses to pick up their mail and access P.O. Boxes at a Postal Service facility. We are trying to reduce the number of Post Offices to reduce costs, while expanding customer access via more convenient locations. This suggestion would counter those efforts.

### **Q: How much consideration will be given to surcharges for shipping services/competitive products (fuel, residential....)?**

A: Surcharges are not being considered at this time.

### **Q: The Postal Service has a competitive advantage with its last mile + Saturday delivery, especially for parcels. Doesn't eliminating Saturday delivery hurt your business?**

A: Our market research shows that any adverse effects will be small. Independent surveys from both Rasmussen and Gallup show that nearly 70 percent of Americans support the decision to cut back on delivery, if it means the Postal Service will continue to be a viable, valuable part of their community. The Postal Service had multiple meetings with business mailers and other stakeholders and conducted extensive research before deciding to pursue changing delivery frequency. Express Mail will still be available 365 days per year.

### **Q: Are there any assumed volume deliveries when analyzing Saturday delivery? If so, what are they and how are they justified or accounted for in the race to fill the "GAP" as presented by McKinsey?**

A: We carefully examined and studied mail volume and determined that Saturday, the lowest volume day, would be the day that would be least disruptive to customers. The Postal Service could realize as much as \$40 billion cumulative by 2020 by changing frequency of delivery.

### **Q: When will a decision be made on the delivery service from 6 days to 5 days a week? What delivery services would this change?**

A: We are currently prohibited from implementing five-day delivery in fiscal year 2010, which ends September 30, 2010. In the absence of another legislative prohibition, we are free to implement the change in fiscal year 2011. In the interim, we are seeking a non-binding advisory opinion from the Postal Regulatory Commission. Before implementation, we will provide adequate notice to the mailing public. To some degree, all delivery services except Express Mail will potentially be affected. The Postal Service remains committed to providing universal service at affordable prices for all Americans. The cost associated with delivering has increased steadily over the last 10 years. But with mail volumes projected to plummet 37 percent during the next 10 years, it will be impossible for the Postal Service to continue to absorb these costs. The Postal Service would prefer to eliminate one day of delivery than compromise high quality service for its customers. Post Offices would remain open six days a week.

### **Q: By reducing a day of delivery, do you believe this will push more business out the door into the hands of private business similar to when parcels shifted to UPS in the 1970's and overnight business mail to FEDEX in the early 1990's?**

A: No. FedEx and UPS are two of our biggest package customers. The Postal Service has been very thoughtful in finding those areas in the shipping market that clearly prove our value in the package business. But any private sector company is going to want a strong financial partner. We need to be financially sound and solvent, and changing delivery frequency is one of the greatest cost-saving opportunities available as we balance

financial need with customer choices. Changing delivery frequency is only one part of a comprehensive strategy.

**Q: By shifting from 6 to 5 day delivery, USPS would significantly reduce its work hours by roughly 60,000 full time equivalency jobs. However, if volume is expected to be at or below 150 billion pieces, clearly, there are more significant work-hour reductions which will have to be made in order to have the appropriate workforce size to match USPS's expected revenue. What are those reductions and how will you achieve them?**

A: In the next 10 years, we will have nearly 300,000 employees eligible to retire from the organization. A smaller, leaner workforce, better aligned with changing customer needs, will be achieved through attrition and working with labor unions and management associations to optimize the workforce.

## **WORKFORCE**

**Q: Why didn't the Postal Service or its consultants clearly ask for abolition of the PRC and binding arbitration? Talking about "more flexibility" is not enough.**

A: We are not trying to eliminate regulation. The Postal Service has dual oversight from two groups of Presidentially appointed, Senate-confirmed individuals that is unique in our government. We do believe that the roles between the two oversight groups have been blurred and need to be clarified, and that some of the decisions over which the PRC has jurisdiction would be best made by the Postal Service.

**Q: USPS has admitted it pays a labor premium. How much is the premium and would it close the gap if eliminated?**

A: We do believe there is a labor cost premium. It is embedded in both wages and benefits, particularly pensions and retiree healthcare which are statutory benefits and therefore outside the scope of collective bargaining. We will be prepared to discuss the value of the entire compensation package during negotiations with our unions in 2010 and 2011 and in interest arbitration, if necessary. At the same time, however, we recognize there is not a single solution to ensuring a financially stable and viable Postal Service. We need action on all the items outlined in "Ensuring a Viable Postal Service for America," including labor flexibility.

**Q: What changes are planned for streamlining management layers and use of contracts?**

A: Management is continuing to streamline and become more efficient within the current law's guidelines and to reduce staff and restrain other expenses where possible.

**Q: Technology is reducing the mail volumes much more than "recession impacts" that are often blamed by your bargained work force. Are your unions working with you to address these issues (voluntary/enhanced separation package) or are they playing the GM UAW strategy? You must address that millstone around your neck.**

A: We are hopeful that the upcoming negotiations will be met with an understanding of our current financial situation and that everyone will need to be mindful of working together to insure a future for the Postal Service and to secure jobs. The Postal Service has and will continue to address the cost of employee benefits through the collective bargaining process. For example, the Postal Service has reduced the employer contributions to health benefits by 1 percent per year for the life of the last collective bargaining agreement.

**Q: Can we conclude that you envision a workforce of 300,000 employees in 2020? What can your customers conclude is a moderate price increase? 5%?**

A: In the next decade, 300,000 employees will be eligible to retire. We need to establish a more flexible workforce, better positioned to respond to changing demand patterns. No number is associated with a future workforce. The Postmaster General stated that the exigent price increase would be "moderate," and that the Postal Service would give customers six months advance notice to prepare. But pricing is only one part of a balanced approach to our financial situation that includes restructuring the prepayment of retiree health benefits, changing frequency of delivery and modernizing legislative and regulatory constraints.

## **EXPANDING ACCESS**

### **Q: Given the political history, how many post offices do you think you can really close?**

A: There is no projected number. The Postal Service has looked at consolidating Post Offices in places that would be the least disruptive for its customers. But with the number of other opportunities and ways to access products and services growing, a bricks-and-mortar Post Office is just one option for customers. It is increasingly clear that the Postal Service does not need as many Post Offices as it once did. There are other convenient and cost-effective ways for consumers to do business with the Postal Service where they shop and online. Expanding access to Postal Service products and services is the goal.

### **Q: What kinds of post office are you looking to close?**

A: The Postal Service has looked at consolidating Post Offices in places that would be the least disruptive for its customers. With the number of other opportunities and ways to access products and services growing, a bricks-and-mortar Post Office is just one option for customers. It is increasingly clear that the Postal Service does not need as many Post Offices. There are other convenient and cost-effective ways for consumers to do business with the Postal Service. Expanding access to Postal Service products and services is the goal.

### **Q: If post offices are eliminated, will the public have to rely in Mail Boxes Etc. for post office boxes and package pick-up? Will services such as money order and passport applications be eliminated as well?**

A: We recently filed with the PRC to move some Post Office Boxes from market dominant to competitive as part of a larger strategy on customer convenience and pricing for P.O. Boxes, given that there is Post Office Box competition in some areas. There will always be Post Offices, especially in those areas where we cannot expand access to products and services. A bricks-and-mortar Post Office is just one option for customers. It is increasingly clear that the Postal Service does not need as many Post Offices. There are other convenient and cost-effective ways for consumers to do business with the Postal Service. Expanding access to Postal Service products and services is the goal. The Postal Service is testing partnerships with private companies to provide package supplies, self-service kiosks and shipping services at their retail locations. Passports are not offered at all Post Offices and Money Orders are declining, so we expect very little impact if select Post Offices are closed.

### **Q: Re: Hybrid Mail Products. There is a company that has created online mail boxes for the United States and is soliciting companies to test the product. Has the USPS considered a partnership with them or is the USPS considering building their own?**

A: The "e-class" mail products are an interesting and potential new growth area. USPS is actively exploring a variety of digital services and hybrid mail solutions. Collecting revenue online for use with Postal and other services might serve customers in a better way, using online and other technology, and also help the USPS remain viable. There is a great deal to explore and we're working on the strategy for digital and hybrid mail. Whether physical mail to electronic communications, or a piece of mail that starts as electronic correspondence, hybrid mail has physical addresses at its foundation. With the Postal Service being the keeper of every business and residential address in the country, hybrid mail represents one more option for customers to do business with us. And it allows the Postal Service to continue another time-honored tradition – blending the best of private/public partnerships to bear for Americans.

### **Q: Have you considered all-electronic offerings in addition to the hybrid options discussed? How might access to such all-electronic options increase new revenue opportunities not available previously?**

A: Yes. There are additional and more futuristic opportunities in the hybrid and electronic forms of current services where we can continue to be the trusted conduit for the one trillion dollar domestic mailing industry, even as technology changes our landscape. Whether physical mail to electronic communications, or a piece of mail that starts as electronic correspondence, hybrid mail has physical addresses at its foundation. And the Postal Service remains the keeper of every business and residential address in the country. That's not going to change. Hybrid mail represents one more consumer choice, one more option for consumers to do business with us. And it allows the Postal Service to continue another time-honored tradition – blending the best of private/public partnerships to bear for American consumers.

### **Q: Heard a lot about costs and not enough about new products. When and what are we going to see?**

A: The Postal Service sees the greatest potential for growth in packages. We've seen double-digit growth in our Flat Rate Box offering. We will continue to explore products within the confines of the current legislative restrictions. There are opportunities to expand shipping services to encompass more products and marketing mail as the solution to more businesses.

**Q: Would monthly subscription fees solve USPS cash problem? Wouldn't the USPS benefit greatly from controlling an internet environment where all the users and subscribers have been registered and verified, which would then allow internet users to transmit or electronically exchange postal products without the need for physical mail?**

A: We continue to explore hybrid mail options and are expanding the products and services offered online. We are not considering subscription fees at this time, focusing instead on an improved online experience that includes mobile applications as well.

**Q: Wouldn't the USPS benefit greatly from putting "snail mail" on the third rail? In other words, wouldn't the development of a USPS internet presence that would allow the enrollment of subscribers to transmit or electronically exchange postal products, such as mail or money order, help resolve the revenue problems posed by decreased use of physical mail?**

A: We will complete the development of a world-class website that provides state-of-the-art technology, interactive communications tools, easier navigation and additional products and services to create the best consumer experience.

## **OTHERS**

**Q: Some in Congress have said that the USPS has not used all of the flexibility that is has under the current law. Is this true?**

A: The Postal Act did provide some freedoms that have enabled revenue growth. The Postal Service has had success in growing shipping services as a result of the pricing flexibilities of the Postal Act for competitive products. We have been able to offer volume discounts and negotiate custom pricing more easily than before. We are able to communicate these benefits to customers as we have been doing with the Priority Mail Flat Rate Boxes. However, we often find ourselves limited by the law or the interpretation of the law, in efforts to leverage our assets. The environment in which the 2006 law was passed and implemented has changed. More flexibility and speed are needed to meet the changing customer demands now and in the future. We believe changes in current law could bring about a system that would better serve the Postal Service and our customers through a more modern, streamlined, flexible system.

**Q: Why do we need a Postal Service if it is only going to be delivering junk mail?**

A: It's only junk if it ends up in a landfill. We prefer the term advertising mail. Americans and American businesses rely on the mail and will continue to do so in the future given that it is measureable and that it works. There is value in mail. Trillions of dollars in transactions are completed through the mail. The Postal Service is the most affordable gateway to international markets for many small businesses. As we continue to build on a strong foundation of technological innovation, we'll become more accessible to more Americans, making it even easier to do business with us. We will remain a vital, vibrant part of the American fabric.

**Q: Lou (Giuliano, Chair, USPS Governors) – You asked for more oversight flexibility yet isn't that contrary to where the reset of Washington is headed?**

A: The oversight process needs to be streamlined to provide for greater speed and flexibility of decision-making. This can be accomplished while still preserving transparency and accountability. For example, an individual contract between the Postal Service and a postal customer should not require the approval of both the Governors and the PRC. However, transparency would still remain, through maintaining the reporting requirements in the annual compliance report. The process to review pricing decisions could be streamlined, by making review of most if not all pricing decisions after the fact. In addition, the processes for making service changes and consolidating facilities should be streamlined and less bureaucratic. Clarification of roles given all of the various oversight bodies would allow for a more responsive USPS.

**Q: How, as a monopoly, will the USPS function without oversight? Even private organizations have oversight from their stock holders.**

A: The Postal Service Board of Governors would provide oversight in much the same way that private organizations are overseen by stockholders. The Governors could secure staff to handle any additional responsibilities, in the same way that directors of private sector companies oversee the strategic direction of their companies. If given additional authority, the Governors could ensure that they adequately account for concerns of our stakeholders by formalizing stakeholder input processes already in use by management and the Governors and by adding additional processes and safeguards where appropriate. For example, the Governors could secure stakeholder input through *USPS.com* and written submissions and could add *Federal Register* notice and comment requirements for certain key decisions.

**Q: Doesn't exclusive access to the mailbox / mail slot make a private acquisition viable even given declining volumes?**

A: The sanctity and security of the mailbox is one of the largest values the Postal Service offers to its customers. Surveys have shown most citizens are very particular on who could or should access their mailboxes. McKinsey & Company reviewed implications of privatization. Their findings show that unless all the issues laid out in the plan are addressed, there would be no interest in investing in USPS.

**Q: Excellent start today - you have my buy-in. How do you plan to keep us stake holders on board? How frequently can we get status reports on your (our) progress?**

A: Stakeholders will be kept updated on progress in a number of ways. The Postal Service holds monthly board of governors meetings and press releases are issued; the Postmaster General will be testifying in front of Congress in upcoming weeks and months; and there is the National Postal Forum, with numerous sessions, as well as quarterly MTAC meetings and scheduled Postal Customer Council meetings where updates will be made.