



FOR IMMEDIATE RELEASE
Sept. 21, 2011

Contact: Darlene Casey
202-268-3440
darlene.casey@usps.gov
about.usps.com/news
Release No. 11-107

Postmaster General Outlines Postal Service's New Reality *Addresses Need for Legislative Reform at Business Mailer Event*

TAMPA — In his annual state of the Postal Service address to the mailing industry and on the occasion of the 50th anniversary of the Postal Customer Council (PCC), Postmaster General and Chief Executive Officer Patrick Donahoe addressed a viewing audience of 8,000 today, describing the Postal Service's new reality.

"We have reduced our annual costs by more than \$12 billion and our workforce has been reduced by 110,000 career employees over the past four years, but we must do significantly more to return to profitability," said Donahoe. "We must reduce our annual costs by \$20 billion by 2015 to be profitable, and we do not currently have the flexibility in our business model to achieve these cost reductions."

Donahoe praised postal employees for their hard work to bring about incredible cost savings while at the same time achieving record levels of service. He stated the Postal Service's financial losses are due entirely to an overly restrictive business model and should not be interpreted as an indictment of the value of mail.

The Postal Service has advanced a comprehensive package of proposals that will allow it to operate more like a business, and without several large financial mandates, including:

- Giving the Postal Service the authority to transition to a national five-day per week delivery schedule; and
- Resolving the retiree health benefit prepayment requirement.

"Short-term solutions will not help the Postal Service or this industry," said Donahoe. "We need long-term, comprehensive legislation and our expectation is that Congress will pass comprehensive legislation by the end of this calendar year," he added.

The Postal Service continues to make progress with reforms it can pursue without the help of Congress, including plans to:

- Study 252 mail processing facilities for potential consolidation.
- Review 3,600 low-activity Post Offices for potential closure, consolidation or contracting.
- Enhance and expand alternate access sites, including Village Post Offices and usps.com.
- Modify delivery routes and service standards.
- Make it easier to do business with the Postal Service with new, innovative products.

The PCC was formed 50 years ago to help build cooperation and communication between the Postal Service and business mailers. Donahoe pledged to work together with its PCC partners to make the mailing industry stronger, more compelling and more profitable.

A much-anticipated highlight of the annual event, the awards presentation recognized outstanding achievements of PCCs around the country. The following award winners were announced:

- PCC Industry Member of the Year: Dorothy Cottrill, Sacramento PCC.
- PCC Postal Service Member of the Year: Sonya Dulan, Greater Oklahoma PCC.
- PCC of the Year: Greater Atlanta PCC (large market), Vermont PCC (small market).
- PCC Mentor of the Year: Mid-Michigan PCC.
- Business Partner of the Year: Admail West.
- District Manager of the Year: Rosemarie Fernandez, District Manager, San Francisco.
- Communication Program Excellence: Greater New York PCC (gold), Greater Portland, OR PCC (silver) and Greater Oklahoma and San Diego PCCs (bronze).
- Education Program Excellence: Tampa PCC (gold), Greater Portland, OR PCC (silver) and Miami-Dade PCC (bronze).

Additional information about Postal Customer Councils and National PCC Day can be found at <https://www.usps.com/business/local-pcc.htm>.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

We're everywhere so you can be anywhere: uspseverywhere.com

#

Please note: For broadcast quality video and audio, photo stills and other media resources, visit the USPS Newsroom at www.usps.com/news.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$67 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 29th in the 2010 Fortune 500. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.