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Issue 19

Special Update from the U.S. Postal Service

November 14, 2014

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USPS Suppliers,

You are receiving this newsletter from the Postal Service as you have registered your interest to do business with the Postal Service or your e-mail is on file as a point of contact for a current or past contract. Please share this newsletter with your colleagues within your company as it contains important supplier related information about the Postal Service.

You may have seen recent news regarding a cyber-intrusion into some of our information systems. As part of our communications plan to keep our suppliers fully informed of all major initiatives affecting them, please see the recently released information from the U.S. Postal Service.

This issue is simultaneously being sent to USPS Supply Management employees for their information.

Thank you!

Postal Service Board of Governors Selects Megan Brennan as 74th Postmaster General and CEO of the United States Postal Service
Will become the first woman to be Postmaster General



The U.S. Postal Service Board of Governors today announced the appointment of Megan J. Brennan, the current chief operating officer of the Postal Service, as the 74th Postmaster General and CEO.

Speaking at a public meeting of the Board this morning, Mickey D. Barnett, chairman of the Postal Service Board of Governors, praised Brennan – who will become the first woman to be Postmaster General – as the ideal choice to replace the current Postmaster General, Patrick R. Donahoe, who will be retiring in early 2015.

“Megan has demonstrated outstanding vision, leadership and executive ability in her role as chief operating officer, and has been extraordinarily successful in managing the operations of the Postal Service,” said Barnett. “She is highly regarded throughout the Postal Service and among the broader community of our major customers and business partners – and rightly so.”

As chief operation officer, Brennan is responsible for the day-to-day activities of 491,000 career employees working in more than 31,000 facilities supported by a fleet of more than 200,000 vehicles. She is responsible for all Postal Service operations, including mail processing, transportation, delivery and retail operations.

“As the head of operations, Megan has led important initiatives to provide Sunday delivery services, improved tracking, and greater predictability and reliability,” said Barnett. “She has also been highly successful in rationalizing our mail processing, delivery and retail operations.”

Barnett also commended Brennan’s role in maintaining a high delivery performances in the face of a significant and continued reduction in workforce and resources. “Megan has managed some very large, complex organizational changes and the Postal Service never missed a beat in terms meeting customer expectations,” said Barnett. “She instills great confidence in the ability of the organization to succeed and achieve its business goals.”

“I am deeply honored and humbled to take on this role at such an exciting time for the organization,” said Brennan. “The Postal Service plays a vital role in America’s society and economy and I’m looking forward to strengthening that role and meeting the demands of a rapidly evolving marketplace in the years ahead.”

Megan J. Brennan was named Chief Operating Officer and executive vice president in December 2010. Reporting directly to the Postmaster General, Brennan has led the continuous improvement of the postal network operation as well as the allocations of people and resources.

Previously she was vice president of Eastern Area Operations. As the senior postal official she oversaw an area that encompassed Pennsylvania, Ohio, West Virginia, Delaware, Kentucky, Central and South Jersey, Western New York and parts of Virginia and Indiana. A 28-year veteran of the Postal Service, Brennan served as vice president of Northeast Area Operations from May 2005 until being named vice president of Eastern Area Operations.

Brennan joined the Postal Service in 1986 as a letter carrier in Lancaster, Pennsylvania, and began her management career as a delivery and collection supervisor. Brennan is a graduate of Immaculata College in Pennsylvania. She is a Sloan Fellow and holds a Master of Business Administration degree from the Massachusetts Institute of Technology.

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Postmaster General Donahoe to Retire February 2015

Praised highly by Postal Governors for leading organization through financial crisis



The United States Postal Service Board of Governors announced today that Postmaster General and Chief Executive Officer Patrick R. Donahoe has decided to retire February 1, 2015, after 39 years with the Postal Service.

At a public meeting of the Board of Governors this morning, Mickey D. Barnett, Chairman of the Board, called Donahoe a visionary leader who worked tirelessly to move the organization forward during one of its most difficult periods.

“Pat was the calm in the financial storm. He ignored the naysayers and went forward with his team and built a comprehensive plan for the future of the organization, made tough decisions, and executed against those decisions,” said Barnett. “That’s a testament to the great team he built and his own personal leadership.”

Donahoe became Postmaster General during a severe financial crisis, the result of an inflexible business model that limited the organization’s ability to respond to declining First-Class Mail volumes. Donahoe created an integrated financial plan and took aggressive measures to control costs – including the rationalization of mail processing, delivery and Post Office operations. These changes have significantly lowered the cost base of the Postal Service.

Commenting on the fact that the Postal Service has roughly 220,000 fewer employees today than it did in 2004, Barnett noted that “no other organization has restructured itself so dramatically and on such a large scale, and continued functioning at such a high level. And it did so without relying upon employee lay-offs.”

“That’s the result of Pat taking responsible steps to ensure that changes don’t come at the expense of those who have made their career at the Postal Service,” said Barnett. “There were plenty who argued for layoffs and other dramatic steps and Pat was always the voice that argued for doing the right thing for the organization and the employees – and that’s a tremendous legacy.”

“Pat’s leadership and advocacy for the organization has been remarkable,” said Barnett. “He has been an excellent strategist for the organization and the mailing industry it serves.”

Donahoe served as a constant cheerleader for mail as a marketing channel and pushed for

more integration between mail and digital communications in the mailing industry. Under his leadership, the Postal Service launched several new mailing products and enhancements including Every Door Direct Mail which has generated more than \$1 billion in new revenue. Donahoe also guided the organization's shipping and package strategies to capitalize on the rapid increase of e-commerce. In the last few years, the Postal Service has seen double digit growth each year in its package business.

Speaking this morning, Donahoe said he believes the organization is headed in the right direction, but still has a long way to go. "The organization has a lot of momentum right now, and we're doing a lot to innovate and improve the way we serve the public and our customers," stated Donahoe. "The nature of delivery is changing dramatically and the Postal Service will continue to be an important part of those changes."

Appointed Postmaster General by the Postal Service Board of Governors in October, 2010, Mr. Donahoe began his 39-year USPS career as a clerk in Pittsburgh, PA while attending college at the University of Pittsburgh. Prior to his appointment as the organization's top officer, he served as Deputy Postmaster General and Chief Operating Officer.

"Working for a brand that touches every citizen of this great country every day has been a tremendous honor," stated Donahoe. "It's always difficult to walk away from something you love and have a lot of passion for, but knowing that the organization is moving forward with a strong plan and lot of momentum makes it easier."

A native of Pittsburgh, Mr. Donahoe and his wife have two children and two grandchildren.

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Postal Service Announces Cyber Intrusion Incident

All operations of the Postal Service are functioning normally



The Postal Service has recently learned of a cybersecurity intrusion into some of our information systems. We began investigating this incident as soon as we learned of it, and we are cooperating with the investigation, which is ongoing. The investigation is being led by the Federal Bureau of Investigation and joined by other federal and postal investigatory agencies. The intrusion is limited in scope and all operations of the Postal Service are functioning normally.

Information potentially compromised in the incident may include personally identifiable information about employees, including names, dates of birth, Social Security numbers, addresses, beginning and end dates of employment, emergency contact information and other information.

The intrusion also compromised call center data for customers who contacted the Postal Service Customer Care Center with an inquiry via telephone or e-mail between Jan. 1, 2014, and Aug. 16, 2014. This compromised data consists of names, addresses, telephone numbers, email addresses and other information for those customers who may have provided this information. At this time, we do not believe that potentially affected customers

need to take any action as a result of this incident.

What is the impact of the breach to suppliers and contractors?

Based on the results of the investigation thus far, we are not aware of any implications for suppliers/contractors as a result of the cybersecurity intrusion.

Postal Service transactional revenue systems in Post Offices as well as on *usps.com* where customers pay for services with credit and debit cards have not been affected by this incident. There is no evidence that any customer credit card information from retail or online purchases such as Click-N-Ship, the Postal Store, PostalOne!, change of address or other services was compromised.

The privacy and security of data entrusted to us is of the utmost importance. We have recently implemented additional security measures designed to improve the security of our information systems, including certain actions this past weekend that caused certain systems to be off-line. We know this caused inconvenience to some of our customers and partners, and we apologize for any disruption.

We began communicating on November 10 with our employees about this incident, apologized to them for it, and have let them know that we will be providing them with credit monitoring services for one year at no charge to them. Employees also have the personalized assistance available to them provided by the Human Resources Shared Services Center. We are committed to helping our employees deal with this situation.

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

ARE YOU REGISTERED TO DO BUSINESS WITH THE U.S. POSTAL SERVICE?

More than 13,000 suppliers have registered since our launch of the Supplier Registration site in July 2009.

All suppliers interested in doing business with the U.S. Postal Service should register their company in the Postal Service Supplier Registration system.

For more information, please go to <http://about.usps.com/suppliers/becoming/registration.htm>.

CONTACT US!

We value your questions and feedback to this newsletter. Please feel free to reply to this message with your feedback or mail to:

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