

Board of Governors Open Session

Friday, August 7, 2020

Call to Order and Opening Remarks of the Chairman

Robert M. Duncan,
Chairman, Board of Governors

Remarks of the Postmaster General and CEO

Louis DeJoy

Postmaster General and Chief Executive Officer

Approval of Minutes

– **Vote** –

Committee Reports

Quarterly Financial Report

Joseph Corbett
Chief Financial Officer

Quarter 3 (3 Months)	FY	FY
(Billions)	2020	2019
Total Revenue ¹	\$ 17.6	\$ 17.1
Controllable Expenses ^{1, 2}	<u>19.2</u>	<u>18.2</u>
Controllable Income (Loss) ^{1, 2}	(1.6)	(1.1)
RHB Normal Cost Actuarial Revaluation ³	0.1	0.2
RHB Unfunded Liability Amortization ³	(0.1)	-
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	0.1	(0.7)
FERS Unfunded Liability Amortization ³	(0.3)	(0.2)
CSRS Unfunded Liability Amortization ³	<u>(0.4)</u>	<u>(0.4)</u>
Net Income (Loss) ¹	<u>\$ (2.2)</u>	<u>\$ (2.2)</u>

¹ - Quarter 3, FY2020, has the same number of delivery and retail days as compared to Quarter 3, FY2019.

² - Before Retiree Health Benefits (RHB), Federal Employee Retirement System (FERS), and Civil Service Retirement System (CSRS) unfunded liability amortizations, and non-cash adjustments to workers' compensation liabilities.

³ - This represents the OPM amortization expense related to the FERS, CSRS, and Postal Service RHB Fund liabilities. These were based on OPM's latest updates.

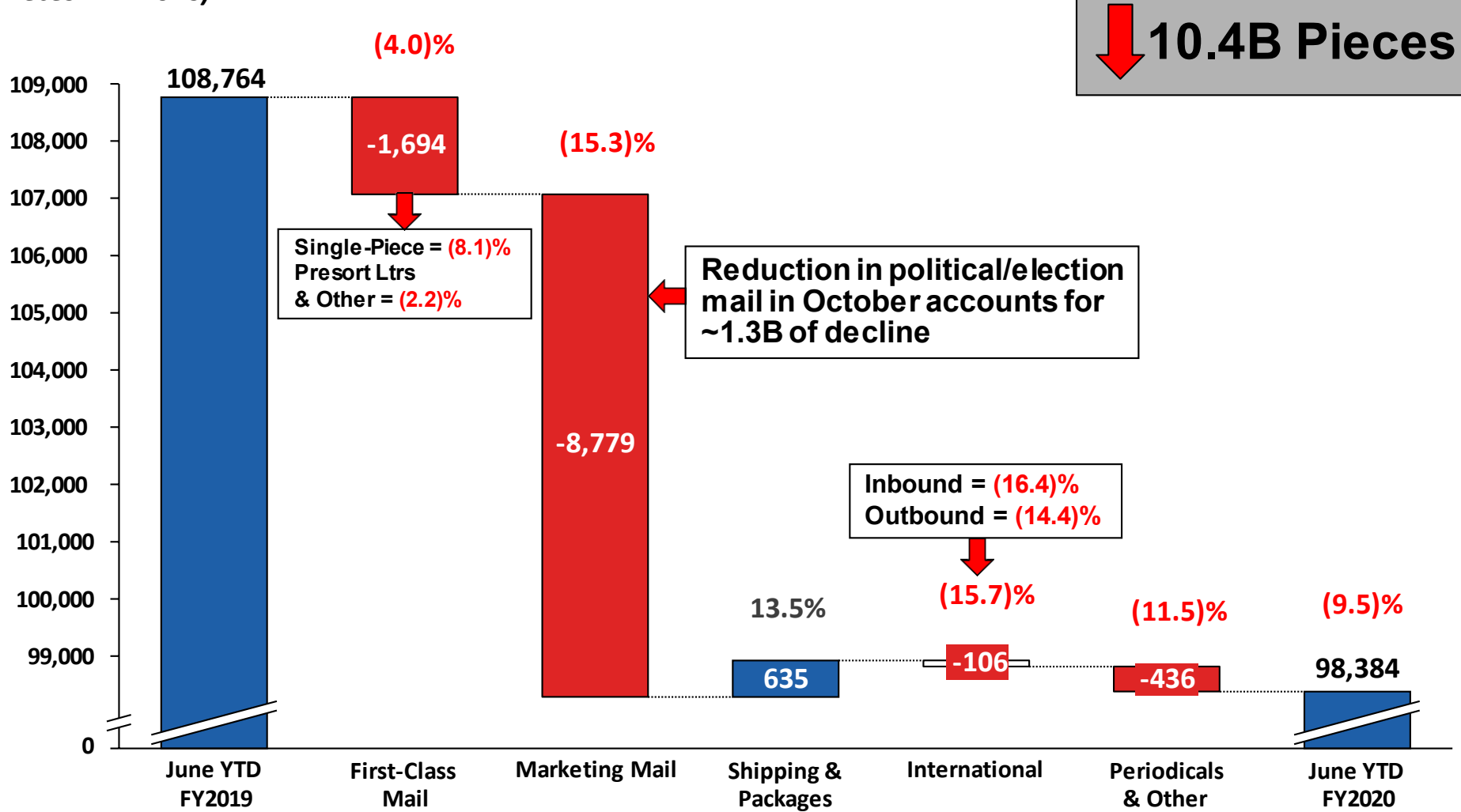
June YTD (9Months) (Billions)	FY 2020	FY 2019
Total Revenue ¹	\$ 54.9	\$ 54.4
Controllable Expenses ^{1, 2}	<u>57.6</u>	<u>56.4</u>
Controllable Income (Loss) ^{1, 2}	(2.7)	(2.0)
RHB Normal Cost Actuarial Revaluation ³	0.1	0.2
RHB Unfunded Liability Amortization ³	(0.6)	(0.6)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	(1.9)	(1.7)
FERS Unfunded Liability Amortization ³	(1.0)	(0.7)
CSRS Unfunded Liability Amortization ³	<u>(1.4)</u>	<u>(1.1)</u>
Net Income (Loss) ¹	<u>\$ (7.5)</u>	<u>\$ (5.9)</u>

¹ - June YTD FY2020 has two more delivery days and two more retail days as compared to June YTD FY2019.

² - Before Retiree Health Benefits (RHB), Federal Employee Retirement System (FERS), and Civil Service Retirement System (CSRS) unfunded liability amortizations, and non-cash adjustments to workers' compensation liabilities.

³ - This represents the OPM amortization expense related to the FERS, CSRS, and Postal Service RHB Fund liabilities. These were based on OPM's latest updates.

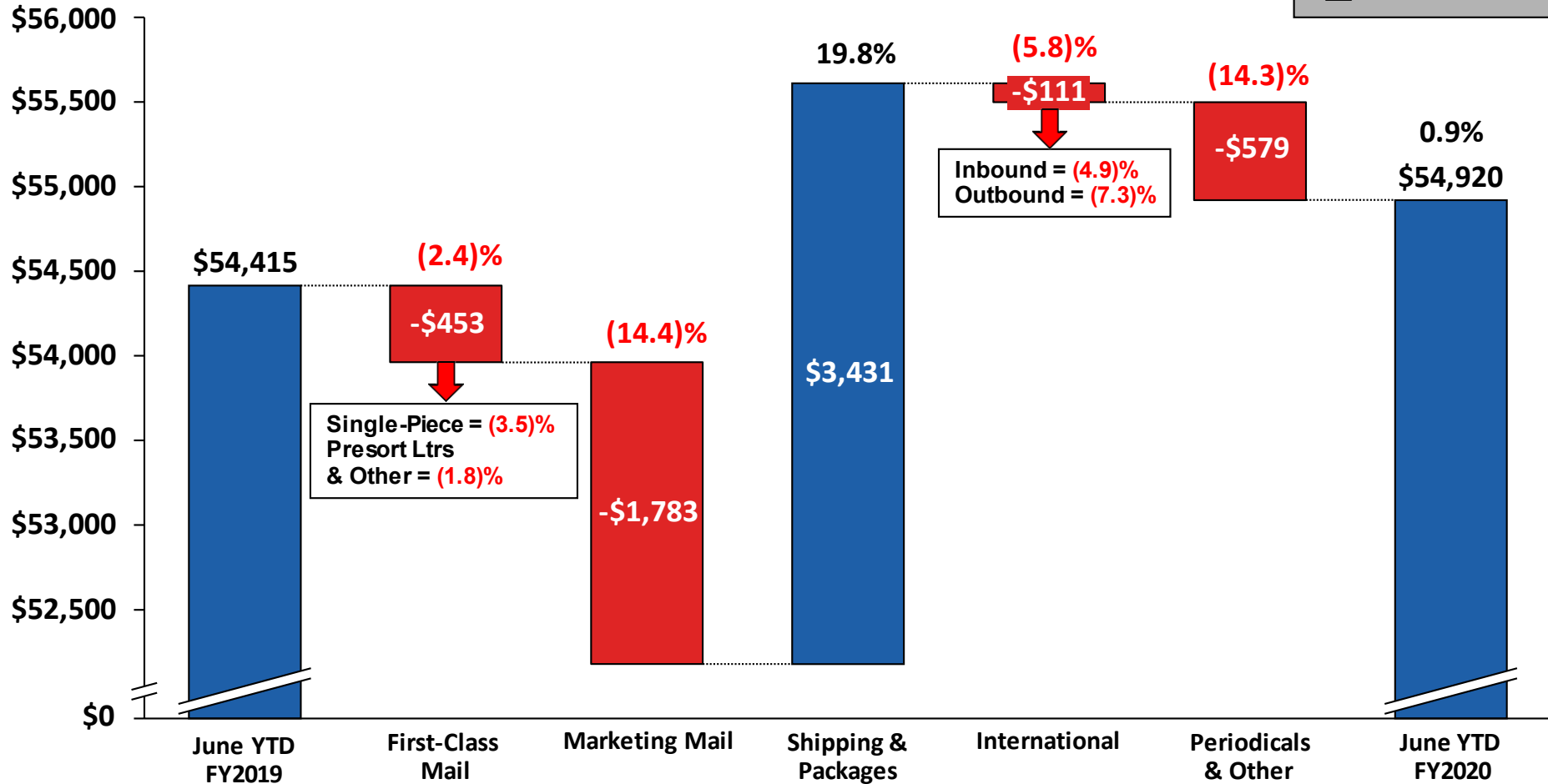
(Pieces – Millions)



June YTD FY2020 has two more delivery days and two more retail days as compared to June YTD FY2019.

(\$ – Millions)

 **\$505M**



June YTD FY2020 has two more delivery days and two more retail days as compared to June YTD FY2019.

June YTD (9 Months)	FY	FY
(Billions)	2020	2019
Compensation & Benefits ^{1, 2}	\$37.5	\$37.0
FERS Normal Cost	2.8	2.6
RHB Normal Cost	3.0	3.0
Transportation	6.6	6.3
Depreciation	1.3	1.3
Supplies & Services	2.3	2.1
Rent, Utilities & Other	<u>4.1</u>	<u>4.1</u>
Controllable Expenses	\$57.6	\$56.4

1 - June YTD FY2020 has two more delivery days and two more retail days as compared to June YTD FY2019.

2 - Before Retiree Health Benefits (RHB), Federal Employee Retirement System (FERS), and Civil Service Retirement System (CSRS) unfunded liability amortizations, and non-cash adjustments to workers' compensation liabilities.

Quarterly Service Performance Report

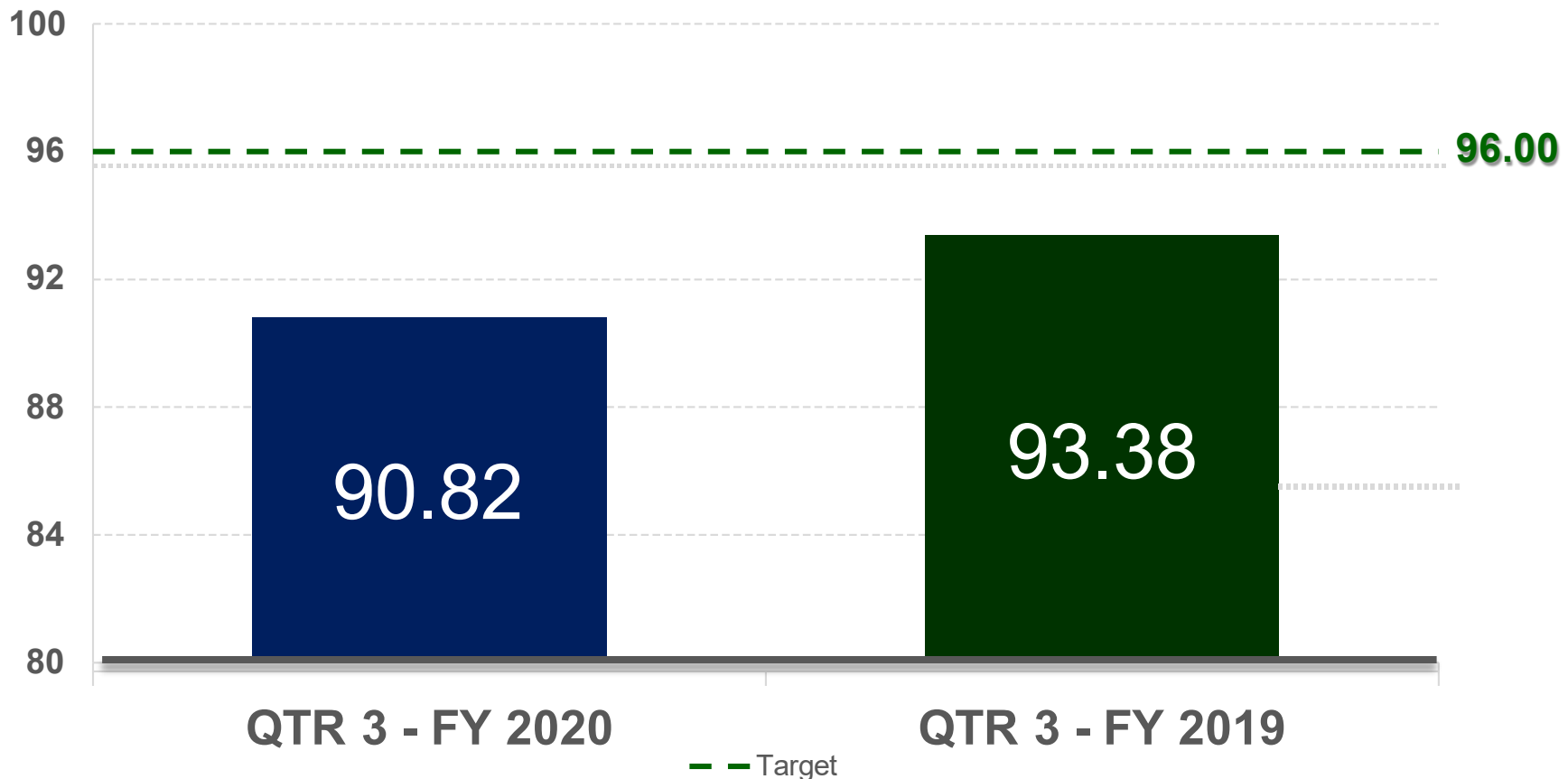
David E. Williams

Chief Operating Officer

- Employee Commitment**
- Improved Performance**
- Predictable Service**

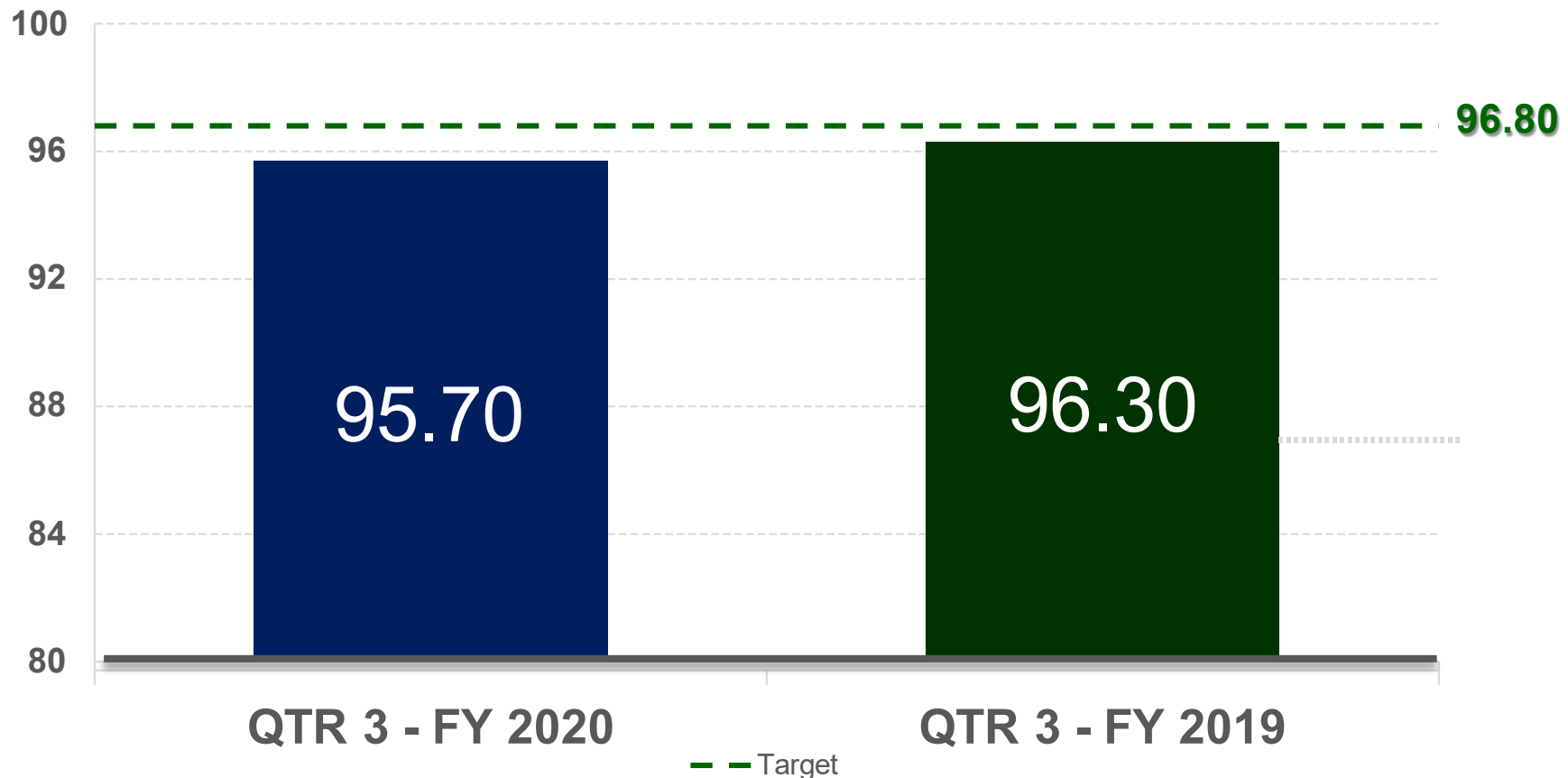
FIRST-CLASS MAIL SERVICE PERFORMANCE

First-Class Composite



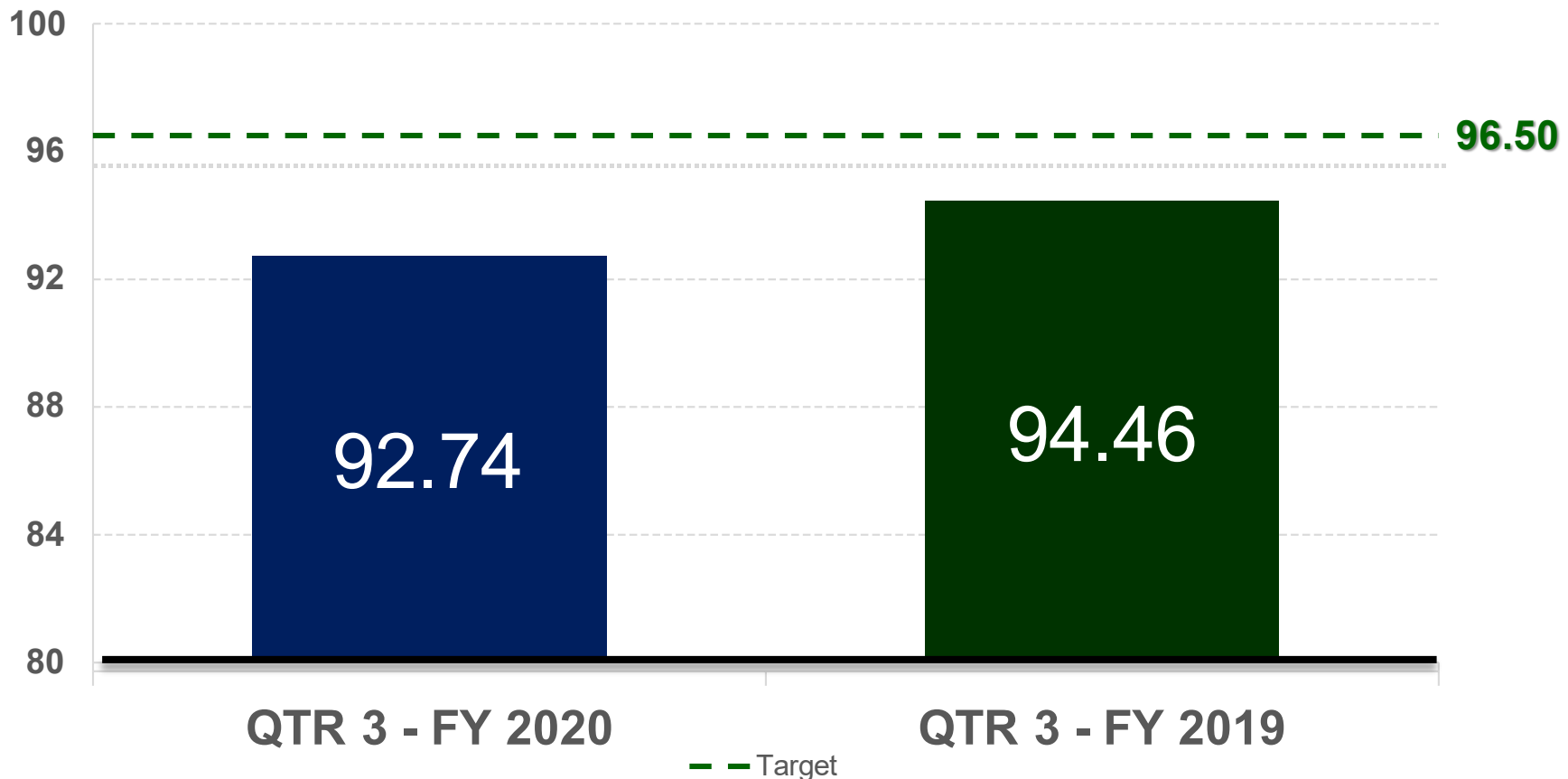
Notes: All scores are weighted results from Internal SPM.

First-Class Overnight



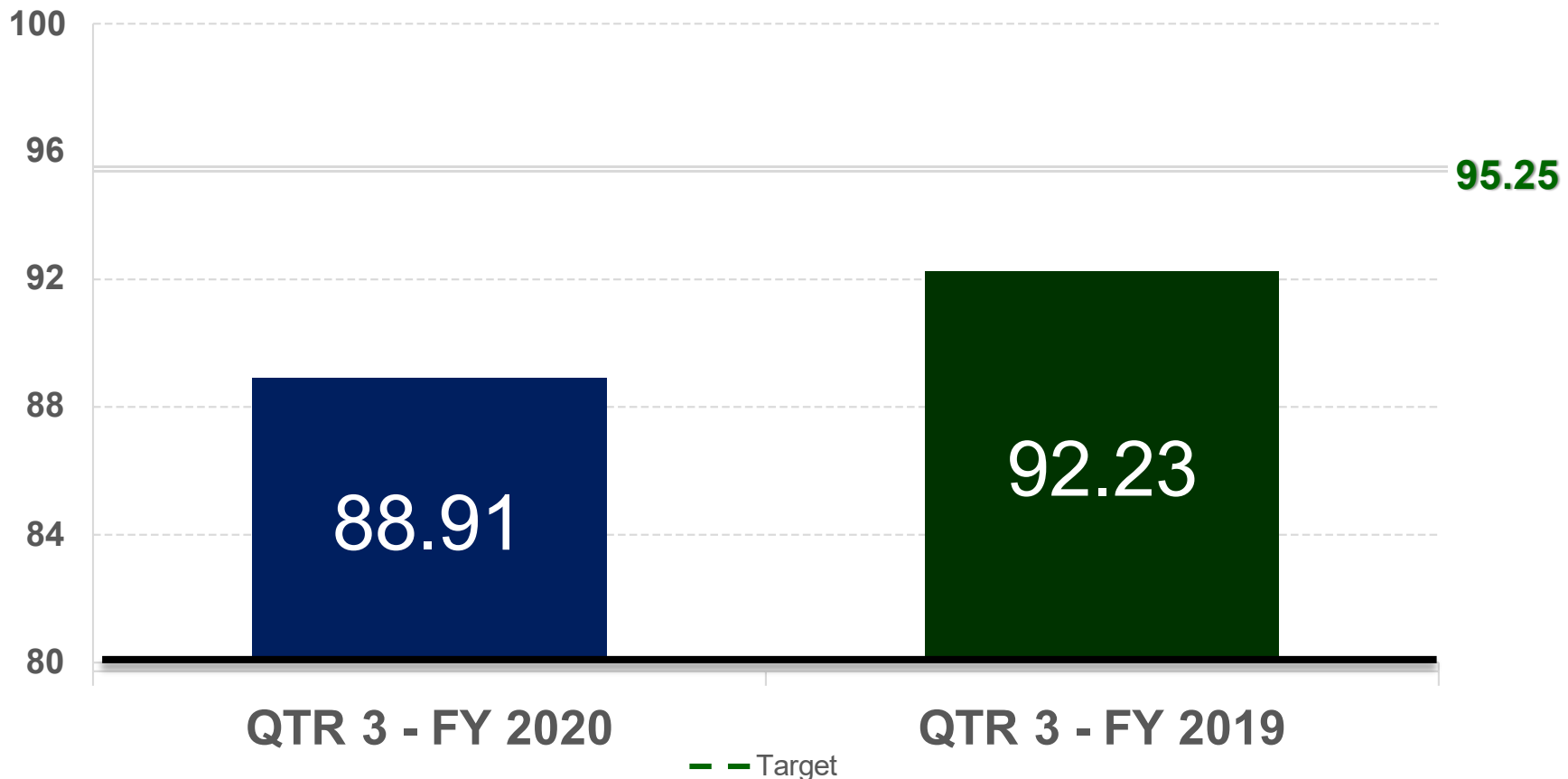
Notes: All scores are weighted results from Internal SPM.

First-Class 2-Day



Notes: All scores are weighted results from Internal SPM.

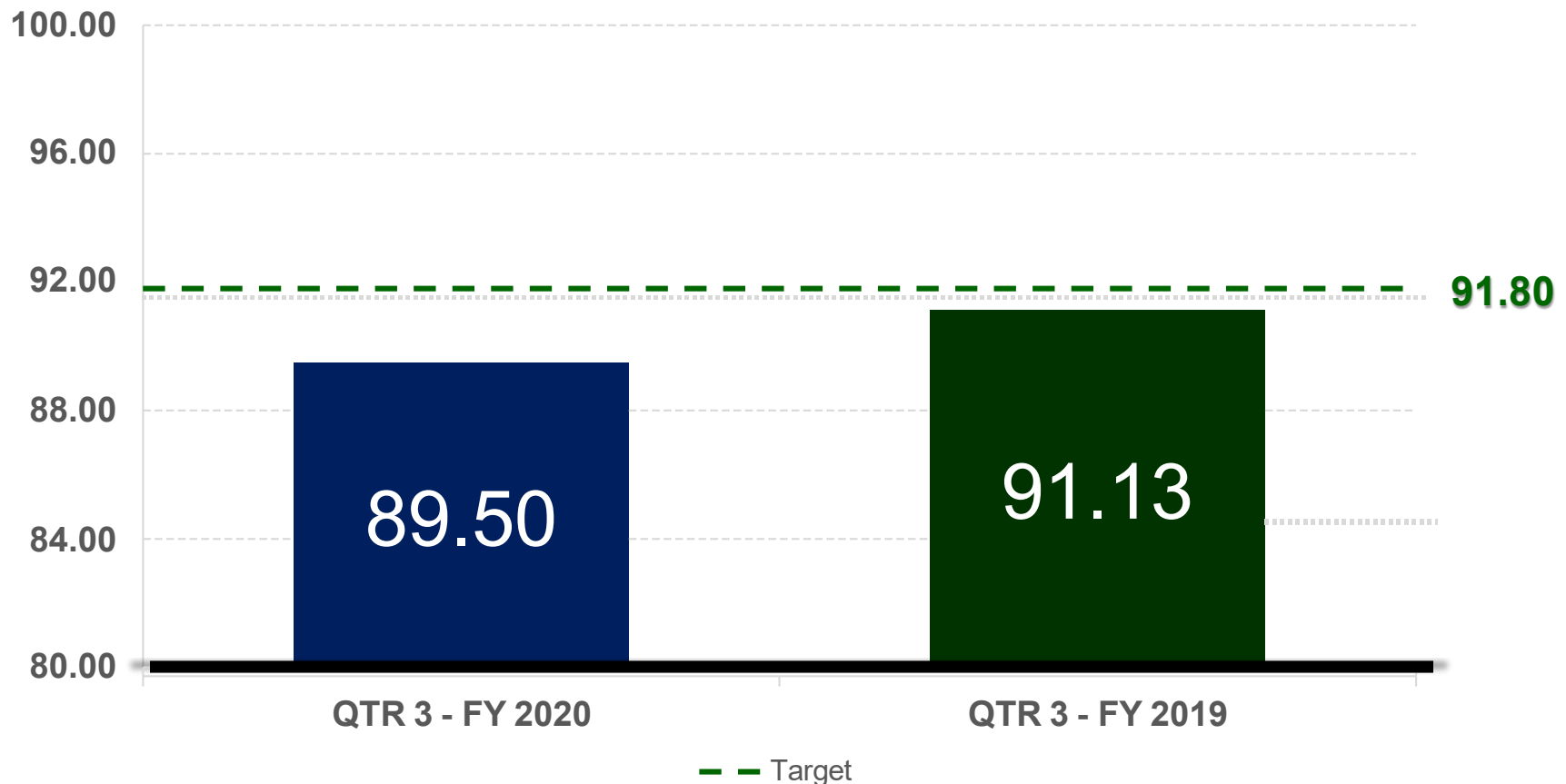
First-Class 3-5 Day



Notes: All scores are weighted results from Internal SPM.

MARKETING MAIL SERVICE PERFORMANCE

Marketing Mail



Notes: All scores are weighted results from Internal SPM.

- Process Improvement**
- Employee and Industry Engagement**
- Predictable Service**

Approval of Tentative Agenda for November Meetings

– **Vote** –

Adjournment