

# Let's Compete To Win!

Postmaster General Jack Potter

These are tough times for the Postal Service. It's not anything you or I are doing. We have to react to the economy around us. We have a new videotape that highlights what the issues and concerns are: We're hurting for revenue ... part of the problem is that there's less advertising in the system, catalogs are thinner and people are trying to save money. The financial sector has tightened up risk. Credit card companies are tightening up risk, and they are now putting on service charges if bills are mailed. Do Not Mail legislation is coming up in states across the nation and we'll beat it.

Service for USPS is now at record levels and we've set an all-time record for Quarter I. Our service on packages is second to none; the problem is that you don't believe it. The first thing we need to do is start believing in ourselves. The bottom line is we do a lot better than we give ourselves credit for. We're doggone good—we go to every door every day and our strength is access to the Postal Service. Imagine a business where you buy something from them, and then give it back to them! We touch your life, every day, six days a week.

This is our year to go out and start talking about it. With the new regulatory process, January was the first shot we had at doing things a new way. DHL came out with a flat rate box, our same size, and then we got a new one.

We're giving a \$2 discount for the military. Could we have done that on the older rules? And there's a surcharge for Sunday while Saturday is a surcharge for FedEx and UPS—they are not open on Saturdays.

Who are we? If you want mail delivered on Monday, we're the only ones that can do it. What is it we need to do? We're going to lower prices on returns. Start selling returns—pay in the lobby or go to USPS online. For packages, the competition is zone-based. We need to go zone-based to compete locally and then go long distance.

We also have the ability to deliver secure boxes—post office boxes and mailboxes are very secure. It's the nature of who we are. UPS commercials heard via radio ... every time you hear something, ask can we do it? Can we accept competitors packages and call you up? The big problem is to look in the mirror and ask who we are. We're going to fix Express Mail, fixing our pricing and coming out with incentives to use mail online.

And it's obvious that we have to tighten our belts in this economy and do as much as we can on the competitive side to meet the needs of business. I want you to think about the fact that we're challenged. We have a lot of strengths and need to give ourselves opportunity. Thank you for your leadership day to day. Thank you for what you are going to do as we go forward, as we change.



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## The Bear Came Over the Mountain ...

Deputy Postmaster General & COO Pat Donahoe

The videotape and its theme—Rocky's song—was Jack's brain child and it does get people feeling a lot better. Charley [Mapa] comes in to Postal Headquarters on a regular basis and we share finances ... the key is that we're going forward and continue to build opportunity. It was just a few years ago that we were \$12 billion in debt and that was brought to "zero."

Generating revenue is the way we want to go. It's been a rough year for revenue. We still have to work the mail and deliver it. Thanks to the retail side, we've made about a \$1 million difference. There are two big issues: business development teams to help in carrier issues and Business Connect. The changes in pricing and approaches on packages will give you opportunity to bring more people in. We've got to do something to grow volume across the board to raise revenue. Get ready! The economy will come back! As the economy comes back, we'll be fine. We're trying to be sure to keep you in the loop.

Thank you for your concern. You came here [to Forum] to try to voice your opinions and we know that you are working really hard out there. Communication is very important.

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