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BOARD PRAISES PRESIDENT'S COMMISSION

PORTLAND, ME -- The Governors of the U.S. Postal Service today applauded the President's Commission on the Postal Service for its seven-months of work which resulted in a detailed report, released last Thursday. Last year the Governors recommended to the President that a Commission be empanelled to explore the Postal Service's future.

At the August Board in Portland, Maine, Chairman S. David Fineman praised the nine member panel for "their commitment in taking on a complex and difficult task" of learning about the \$66 billion, more than 700,000 employee Postal Service.

"In a short, concentrated period of time," said Fineman, "the Commission listened to all the stakeholders' positions on the Postal Service's future, then made some difficult choices in finalizing the report."

Fineman, who heads a Philadelphia, Pa., law firm, said the Board and postal management will examine the 200-page report in the coming weeks. He said the Board maintains an open mind about the recommendations.

"The Commission has provided this Board and the entire mailing industry with an opportunity we must seize," he said.

Added Fineman, "Let's not lose sight of the Commission's objective: creating an environment that will enable the Postal Service to serve America for decades to come."

Fineman noted that Postmaster General John E. Potter will continue to implement those Commission recommendations that are consistent with the statutory framework and consistent with the Postal Service's Transformation Plan.

The Postal Service also announced that it achieved its highest overnight service score for First-Class Mail delivery for the second consecutive quarter, again breaking all previous records and raising the bar for overnight service performance in the nation's major metropolitan areas.

Francia G. Smith, vice president and consumer advocate, told the Postal Service Board of Governors at their meeting here, that overnight First-Class Mail maintained the milestone score of 95 percent on-time delivery service performance during Postal Quarter III, the period between February 22 and May 16, 2003. This is the fifth consecutive quarter First-Class Mail delivery hit the 94 percent and above benchmark.

In other activity the Board approved \$289.2 million to fund the construction of a new Philadelphia Processing and Distribution Center (P&DC). The new facility will replace the existing P&DC that opened in 1935 and is located across from the 30th Street train station, as well as other buildings in the same complex. Retail services will continue to be provided at the existing 30th Street location.

Expected to open in 2006, the 910,000 square foot two-level P&DC will serve the 190-192 ZIP Code areas and be located in southwest Philadelphia on Lindbergh Boulevard between Suffolk Avenue and 72nd Street. The funding approval also includes the construction of a vehicle maintenance facility and warehouse on a yet to be determined site.

The Board also approved funding for two enhancements to the Postal Service's Automated Flat Sorting Machine (AFSM) 100, which is used to sort magazines, catalogs, newspapers, and other flat mail.

The first enhancement, which will apply a label with a unique identification (ID) code to each piece of non-barcoded flat mail, is being added to all 534 AFSM 100s. The ID code will be used to sort these mailpieces in subsequent operations.

The second enhancement is the addition of 354 Automatic Tray Handling Systems (ATHS) that will automate the handling of flat trays on the AFSM 100, enabling a reduction in staffing.

Since 1775, the U.S. Postal Service has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that makes deliveries to 137 million addresses every day and is the only service provider to deliver to every address in the nation. The Postal Service receives no taxpayer dollars for routine operations, but derives its operating revenues solely from the sale of postage, products and services. With annual revenues of more than \$66 billion, it is the world's leading provider of mail and delivery services, offering some of the most affordable postage rates in the world. The U.S.

Postal Service delivers more than 43 percent of the world's mail volume - some 207 billion letters, advertisements, periodicals and packages a year - and serves seven million customers each day at its 38,000 retail locations nationwide.