## Edward J. Gleiman Remarks before the DMA Governmental Affairs Conference May 16, 1995

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In all seriousness, it is, as always, a pleasure to have an opportunity to share my thoughts on postal matters with you and to learn from you—so that I can do better at my job. And, oh, by the way, I was just kidding about being the swing vote.

When I asked Dick Barton what the advertised title of this session—"Perspectives on a Government-Run Postal Service"—meant, he explained that we were supposed to talk about what needed to be done if the answer to the question posed by the title of the first panel—"Should the Postal Service be Sold to the Highest Bidder?"—was NO.

Well I have thought about this quite a bit. I have concluded that almost anything I say will be perceived as combative, arrogant and petulant, sour grapes—and, that's without even trying!

Probably, the less I say the better!—But you know me!

So let me put it fairly succinctly: If you're gonna talk the talk, you had better be able to walk the walk!

Well, just WHAT am I talking about?

For starters, let's look at the three "P"s that keep popping up in speeches that folks from over at L'Enfant Plaza give—Personnel, Prices and Products.

Did you know that the Postal Service has <u>more PERSONNEL</u> today than it did before the 1992 downsizing?

Did you know that Total Factor Productivity was DOWN in 1994—and is down so far in 1995? That historically, TFP is usually up at the USPS only when there is a hiring freeze or layoffs? And, that's after an investment in automation of what, 10 billion dollars?

Did you know that many of those work rules folks rail about are not in statute, but are established administratively or through bargaining—such as the 20-plus year-old "tech and mech" clause in the labor contract, which was at the heart of the costly decision to bring remote video encoding back in house? If Bill Henderson were still here, I would tell him there are lots of areas within management's control.

Did you know that [during the last decade] in the foreign arena—the example the Postal Service uses to show how they could compete domestically, if given flexibility on prices and products—volume has been growing only one third that of domestic volume; and the per piece contribution to institutional cost (or profit, if you will) for foreign is <u>down</u> about 17 percent, while the contribution is <u>up</u> 60 percent per piece for domestic mail? (And that all us domestic mailers are picking up the slack?) By the way, some of you successful business people ought to tell the USPS that freedom and new products does not necessarily equal success! That's why we have chapters seven and eleven! And, that's why some products get withdrawn!

Did you know that during the last fifteen months—at least—the Postal Service has not submitted a single proposal for a new product or service to the Postal Rate Commission—to see if we MIGHT be able to move more quickly than our current abbreviated five month rules call for? By the way, for those of you who may have read about the postal governors telling the new House subcommittee that the Express Mail rules we just reissued were worthless, well—you should know that we did exactly what the Service asked us to---Makes me wonder, sometimes, what other "worthless" proposals they've asked us to consider!

And, finally, did you know that, when the Postal Service was wringing its collective hands because of financial problems last year, the Postal Rate Commission completed its work in record time—without being asked to do so. Actually, since the PMG likes to point out that the law allows more time for a rate case than it takes to have a baby, I should note that we completed our work on R94-1 in a bit LESS than a full human gestation period.

The Postal Service, on the other hand, has taken the equivalent of almost seven consecutive human gestation periods (since the father of reclassification Charlie McBride was hired away from the PRC) to deliver the first installment of what has evolved into a multiple birth reclassification effort?

Oh, and this reminds me, I must tell you that I am delighted with the "financial management miracle" officials at L'Enfant Plaza have been reporting for the past several weeks—a billion in the black and rising (maybe). I think we should give credit where credit is due.

<u>So</u>, would you all like to take a moment and pat <u>yourselves</u> on the back at this time—and, check <u>your</u> wallets? It's those higher rates <u>YOU'VE</u> been paying since January 1 and the higher than anticipated "post-rate increase" volumes that <u>YOU'VE</u> been putting into the system that got'm where they is!!!

Back to the purpose of this session—what do I think the Postal Service must do to survive—I've said it before—They have got to CONTROL COSTS and DELIVER THE PROMISED SERVICE. And, they ought to be looking within, to deal properly, with what is in their control. OR, as I said earlier, "if they're going to talk the talk, they've got to show they can walk the walk!"

Now, one last item, there is a great deal of talk about legislating on the Postmaster General's three "P"s.

If you will permit me a "Gumpism"—my Mommy never said it, and I know some of the young'ns in the postal community don't believe it, BUT "the legislation process IS like a box of chocolates, you never know what you're going to get!" Perhaps some of you old timers can tell them about the time, many years ago, when there was a Kappel Commission Report, a House bill AND a Senate and then, out of the blue, in a conference committee came—the PRC!

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