

The following procedures were approved by the Commission during the January 8, 2003, public hearing in Washington, DC :

The Establishment of Subcommittees

In Executive Order No. 13278, the President has asked this Commission to report to him by July 31. The creation of several subcommittees consisting of members of this Commission can help expedite our work so that we can successfully meet our reporting deadline. Each of the subcommittees will conduct a detailed review of specific aspects of the Postal Service and will be fully supported by Commission staff. The creation of subcommittees is also consistent with the Federal Advisory Committee Act under which we operate.

More specifically, we propose the creation of four separate subcommittees with the following names: Business Model, Private-Sector Partnership, Technology Challenges, and Workforce.

The *Business Model Subcommittee* will be responsible for assessing the Postal Service's current "government corporation" business model. As part of this assessment, the Subcommittee will study the Postal Service's universal service obligation, the mail delivery infrastructure, the current rate regulation system, and pricing flexibility. This Subcommittee will also assess the "Commercial Government Enterprise" business model proposed by the Postal Service in its own Transformation Plan.

The *Private-Sector Partnership Subcommittee* will be responsible for analyzing the current role of the private sector in the mail delivery system, including negotiated service agreements, outsourcing, and work-sharing. It will also attempt to identify opportunities for the Postal Service to enter into partnerships with the private sector as it seeks to become more efficient and effective.

The *Technology Challenges and Opportunities Subcommittee* will be responsible for assessing the impact of new technologies--such online bill payment and presentment, e-mail, and electronic funds transfer--on the Postal Service's business and attempt to determine whether these technologies will continue to erode the Postal Service's market share. The Subcommittee will also assess the Postal Service's own technology initiatives and their impact on productivity and financial performance.

The *Workforce Subcommittee* will be responsible for assessing the Postal Service's current collective bargaining and dispute resolution procedures as well as reviewing alternative models. It will review employee pay and other associated labor costs; productivity; employee recruitment, training and development; and workers' compensation claims. The Workforce Subcommittee will also review the status of the Postal Service's unfunded pension and retiree health care liabilities.

These proposed subcommittee jurisdictions are intended to be illustrative of the issues that each subcommittee should explore. Each subcommittee will, of course, be free

to explore any related issues that it determines would be helpful to fulfilling its mission. In addition, the Commission may determine it is necessary to create additional subcommittees.

Each subcommittee will have a chairperson who will be the individual principally responsible for directing the subcommittee's work. It is also our hope that at least three members of this Commission will join each subcommittee. Each of the two co-chairs will be *ex-officio* members of each subcommittee. Any Commission member may join as many subcommittees as he or she desires so long as that individual is willing to discharge the responsibilities of subcommittee membership.

As you know, the next public meeting of this Commission will take place on February 20 in Washington, DC. It is our hope that two of the subcommittees will report their preliminary findings to the Commission at the February 20th meeting. The two remaining subcommittees will report their findings at a subsequent Commission meeting. We will work with the subcommittee chairs as we establish the agendas of future Commission meetings.

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