

**POSTAL SERVICE****Request for Comments on Revising and Updating the 2004–2008 Five-Year Strategic Plan, Pursuant to the Government Performance and Results Act of 1993****AGENCY:** Postal Service.**ACTION:** Request for comments.

**SUMMARY:** The Government Performance and Results Act of 1993 (GPRA) mandated, in 1997, that the Postal Service™ publish a 5-year plan outlining its goals, targets, and strategies, and that the Postal Service update and revise its 5-year plan at intervals of no less than 3 years. In so doing, GPRA states that the Postal Service must, as an aspect of its strategic planning process, solicit and consider the ideas, knowledge, and opinions of those potentially affected by or interested in its 2004–2008 Five-Year Strategic Plan. This notice, therefore, asks for public comment concerning the development and drafting of the Postal Service's 2004–2008 Five-Year Strategic Plan.

**DATES:** Comments must be received by July 18, 2003.**ADDRESSES:** Written comments should be directed to Julie S. Moore, Acting Vice President, Strategic Planning, United States Postal Service, 475 L'Enfant Plaza, SW., Room 5016, Washington, DC 20260–5142. Comments may also be sent to [5YearStrategicPlan@usps.gov](mailto:5YearStrategicPlan@usps.gov).**FOR FURTHER INFORMATION CONTACT:** Paul Van Coverden, (202) 268–8130.**SUPPLEMENTARY INFORMATION:****Statutory Background**

The Government Performance and Results Act of 1993 (GPRA), Public Law 103–62 was enacted to make Federal programs more effective and publicly accountable by requiring agencies to institute results-driven improvement efforts, service-quality metrics, and customer satisfaction programs. Other statutory goals were to improve Congressional decisionmaking and the internal management of the United States government, as cited in Public Law 103–62, section 2(b), 107 Stat 285. Because of the Postal Service's role as an independent establishment of the Executive Branch of the government of the United States, section 7 of the law establishes separate provisions that apply to the Postal Service. (See 39 U.S.C. 2801–2805.)

Section 2802 of title 39, United States Code, required that the Postal Service submit to the President and Congress a

strategic plan for its program activities no later than September 30, 1997.

Additionally, section 2802 requires the Postal Service to update and revise its strategic plan at least every 3 years. This plan is to contain the following:

(1) A comprehensive mission statement covering the major functions and operations of the Postal Service.

(2) General goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Postal Service.

(3) Descriptions of how these goals and objectives are to be achieved and of the operational processes; skills and technology; and the human, capital, information, and other resources required to meet the goals and objectives.

(4) A description of how the performance goals included in the annual performance plan required under section 2803 will be related to the general goals and objectives in the strategic plan.

(5) An identification of the key factors external to the Postal Service and beyond its control that could significantly affect the achievement of its general goals and objectives.

(6) A description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations. (See 39 U.S.C. 2802(a).)

GPRA also requires the preparation of annual performance plans covering each program activity set forth in the Postal Service budget. (See 39 U.S.C. 2803.) These plans link the organizational goals in the Strategic Plan with ongoing operations. Finally, the law requires the preparation of annual performance reports, which review and compare actual performance with the performance targets stated in the annual plans. (See 39 U.S.C. 2804.)

In order to continue to involve the public in this planning process, GPRA also requires the Postal Service, as it develops each new iteration of the Strategic Plan, to “solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.” (See 39 U.S.C. 2802(d).)

**Discussion of the Postal Service Mission, Vision, and Objectives**

In 1970, Congress enacted the Postal Reorganization Act, transforming the former Post Office Department into the United States Postal Service. Its intent was to ensure that the former department became a self-sustaining Federal entity, which operates more like a business. While fulfilling its basic

mission of providing affordable and universal service, the Postal Service, as a unique Government enterprise, would also focus more clearly on all its customers' needs than had its predecessor Executive Branch department.

The Postal Reorganization Act states that the Postal Service will have the “basic and fundamental” responsibility to provide postal services to bind the nation together through the personal, educational, literary, and business correspondence of the people. Prompt, reliable, and efficient postal services, the legislation mandates, will be extended to patrons in all areas and to all communities.

In recent years, the historic mission of the Postal Service, as described in 39 U.S.C. 101, has been amplified by additional organizational statements of purpose published most recently in the April 2002 *Transformation Plan*. In the Plan's opening message the then-Chairman of the Board Robert F. Rider and the current Postmaster General and CEO John E. Potter note that the Postal Service must transform “to successfully carry out its long-standing mission of providing universal service.” They state that transformation “is about maintaining a fundamental principle and vision that delivery of mail is an important government service, regardless of where one lives or what one's station in life might be. Equal access and opportunity to communicate through the mail to meet personal and commercial needs support a basic American value of equality.” In the introduction to the Plan, the Postal Service explains that “At stake is the future of what has been, since this nation's founding, the right of every American to send and receive mail. The Postal Service exists as a governmental entity whose mission is universal service to all. That mission is a direct reflection of the values on which this country was founded, and it is those values of equality of opportunity that drive Postal Service management today just as they drove the managers of the Post Office Department.”

The authors of the Transformation Plan further say that “In developing this report, we gratefully acknowledge the assistance of the full range of stakeholders in the postal industry. At the outset, therefore, we would like to articulate a firm commitment to all of these stakeholders, and especially to our customers. During this crucial transformation period, in order to maintain our financial viability and fulfill our universal service mission, we commit that we will:

- Foster growth by increasing the value of postal products and services to our customers;
- Improve operational efficiency; and
- Enhance the performance-based culture.”

In their opening message Mr. Rider and Mr. Potter recognize their responsibility “to take definitive action to offer the citizens of America a clear and compelling view of current and planned actions and our vision of where we are headed. At the same time we want to encourage all our stakeholders to remain actively engaged in discussions about postal issues and the Postal Service’s future.”

It is in this spirit, as the Postal Service develops the 2004–2008 Five-Year Strategic Plan, that we ask stakeholders to once again share their views on its future.

**Solicitation of Comments**

The United States Postal Service solicits identification of and comment on the key factors external to the Postal Service and beyond its control which could significantly affect the achievement of its mission, vision, and goals. During development of the Transformation Plan and during subsequent Postal Service testimony before the President’s Commission on the Postal Service the following fundamental changes were identified as those reshaping the delivery services marketplace:

- *Changing customer needs.* With access to more information and options than ever before, customers have a broad range of choices for delivery of messages, money, and merchandise—our three businesses. Customer requirements for postal services and entrenched network structures and service patterns may be changing.
- *Eroding mail volumes.* Electronic alternatives, particularly bill presentment and payment, pose a definite and substantial risk to First-Class Mail® volume and revenue within the next 5–10 years. This could, in turn, have a negative impact on First-Class Mail rates.
- *Rising costs.* Despite major gains in efficiency and productivity through letter mail automation, the costs of maintaining an ever-expanding postal network are rising faster than revenue, especially costs outside the direct control of the Postal Service, such as retirement and health benefit liabilities.
- *Fixed costs.* Universal service requires a significant infrastructure to deliver postal services. Almost half of current Postal Service costs are spent on these resources, and that level does not change when volume or productivity

increases or decreases. This makes cost containment challenging.

- *Merging of public and private operators into global networks.* Former national foreign postal services, some privatized, have entered the U.S. domestic market; giant private firms that dominate global parcel and express markets are entering an increasing portion of the postal value chain.

- *Increasing security concerns.* Rising security concerns will require expensive and sophisticated countermeasures.

Are these factors still relevant? Which ones are relevant and which are not? Are some more important than others? Is the rate of change for each factor increasing or decreasing? Are there other factors that warrant consideration? What are they? In developing the 2004–2008 Five-Year Strategic Plan, the Postal Service would like to receive stakeholders’ views and comments on these and other long-term external changes, issues, and trends.

Finally, stakeholders should include their comments that were made to the President’s Commission on the Postal Service regarding the United States Postal Service if reviewing such comments would help the Postal Service in developing its 2004–2008 Five-Year Strategic Plan.

The Postal Service also invites comment on its long-range organizational goals, or objectives, published most recently in the Preliminary Annual Performance Plan for 2004 as part of the FY 2002 Comprehensive Statement on Postal Operations. The Postal Service has employed long-range goals, or objectives, as part of a strategic planning process for over two decades, along with systematic performance assessments. The Postal Service has developed a disciplined process to establish the goals, objectives, indicators, and targets; assign resources to programs that support achievement of the targets; implement the programs; and review performance. Stakeholder input will support and enhance both the performance process and the new 2004–2008 Five-Year Strategic Plan.

Specifically, the Postal Service solicits stakeholder comment on the following long-range organizational goals and objectives:

Goal	FY 2004 preliminary performance objective (sub-goals)
Growth .....	<ul style="list-style-type: none"> <li>• Timeliness and consistency.</li> <li>• Priority Mail® (Air) On Time.</li> <li>• Priority Mail (Surface) On Time.</li> </ul>

Goal	FY 2004 preliminary performance objective (sub-goals)
Motivated, productive and inclusive workforce.	<ul style="list-style-type: none"> <li>• Express Mail® On Time.</li> <li>• Overnight First-Class Mail On Time.</li> <li>• Two-Day First-Class Mail On Time.</li> <li>• Three-Day First-Class Mail On Time.</li> <li>• Minimize impacts from accidents and absences.</li> </ul>
Affordability .....	<ul style="list-style-type: none"> <li>• Employees committed to Postal Service success.</li> <li>• Improve productivity to control costs, improve contribution levels, and grow the business.</li> </ul>

Any comments pertaining to the means by which the Postal Service can best achieve these goals are welcome. Comments on other aspects of strategic planning, goal-definition, and performance measurement are also welcome.

This request for comments initiates a formal process for the development of the 2004–2008 Five-Year Strategic Plan, and offers an opportunity for stakeholder comments to be given careful consideration in the development of the plan’s goals, targets, and strategies. While its July 18 deadline corresponds with a need and requirement for formality in the development of this plan, the strategic planning process itself is continuous and welcomes ongoing input from all stakeholders in the development of annual business environmental assessments, and annual performance plans and reports.

**Stanley F. Mires,**  
*Chief Counsel, Legislative.*  
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**SECURITIES AND EXCHANGE COMMISSION**

**Submission for OMB Review; Comment Request**

Upon written request, copies available from: Securities and Exchange Commission, Office of Filings and Information Services, 450 Fifth Street, NW., Washington, DC 20549.

Extension:  
 Rule 489 and Form F–N; SEC File No. 270–361; OMB Control No. 3235–0411.

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