



January 7, 2011

## OFFICERS

SUBJECT: Officer Organization Chart

I am pleased to provide you with an important update on our senior management structure and to share our new officer organizational chart. As you will see, the structure I am sharing with you today represents a flatter, leaner organization that has the flexibility to more quickly adapt to coming changes.

In early December I charged the Executive Leadership Team with the responsibility of aligning the organizational structure with our core business strategies. Since then Paul Vogel, Megan Brennan, Joe Corbett, Ellis Burgoyne, Tony Vegliante, Mary Anne Gibbons, and I have worked collaboratively with many others to create a smaller, more efficient structure that will empower senior executives with authority and provide the resources necessary to lead significant change.

The attached chart establishes a number of new positions and functions and reflects changed reporting structures. These changes provide a more integrated focus toward accomplishing our key goals: strengthening the business-to-consumer channel; improving the customer experience; competing for the package business; and becoming a leaner, faster, and smarter organization.

Specifically:

- Developing both market dominant and competitive products is now the responsibility of one officer, the Vice President of Domestic Products. Where those products are sold—in retail, on-line or in alternate spaces—become the responsibility of the Vice President of Channel Access.
- All customer interaction and support, whether for large corporations, small businesses, or individual consumers, will be the responsibility of the Vice President of Consumer and Industry Affairs. The Consumer Advocate remains a vital part of customer service and will report to this officer.
- The engineering technology and systems that keep mail moving and prepare the Postal Service for the future of mail, including Intelligent Mail<sup>®</sup>, will become an integral part of the Information Technology Department.
- All human resources functions will be led by the Chief Human Resources Officer, supported by the Vice Presidents of Labor Relations and Employee Resource Management.

We will continue our leadership role in greening the Postal Service and the mailing industry with the creation of a Chief Sustainability Officer, reporting to the Deputy Postmaster General. As we push to improve our profitability through cross-functional initiatives, a strategy team within the Finance Department will play a primary role in coordinating these efforts.

There are organizations that do not continue under the officer structure announced today. Some officers will be accepting other assignments within the organization that will allow the Postal Service to better leverage their expertise and broad knowledge. Those updates will be shared as appropriate.

I am also announcing a decision, that the Executive Leadership Team considered very carefully, that will impact the organization beyond our senior leadership. We are closing the Southeast Area Office. All previous Southeastern Districts will now report to the Southwest Area Office, with two exceptions: the Tennessee District will report to the Eastern Area and the Atlanta District will report to the Capital Metro Area.

Today's actions and announcements are the beginning of a much larger process that will involve every level of the organization, including the closure of some Districts. As we continue our restructuring, we anticipate that Reduction in Force (RIF) and Voluntary Early Retirement (VER) processes will be initiated by the end of this fiscal quarter. We will provide as much information as we can and will be as transparent as possible about goals and objectives throughout this time.

Change is difficult for many people, but it is imperative that the Postal Service continue its evolution as a forward-thinking, fast-acting company capable of providing quality products and services for customers, and a welcoming, diverse, professional workplace. I ask that you keep these goals in mind as you work with your individual teams during this transition.

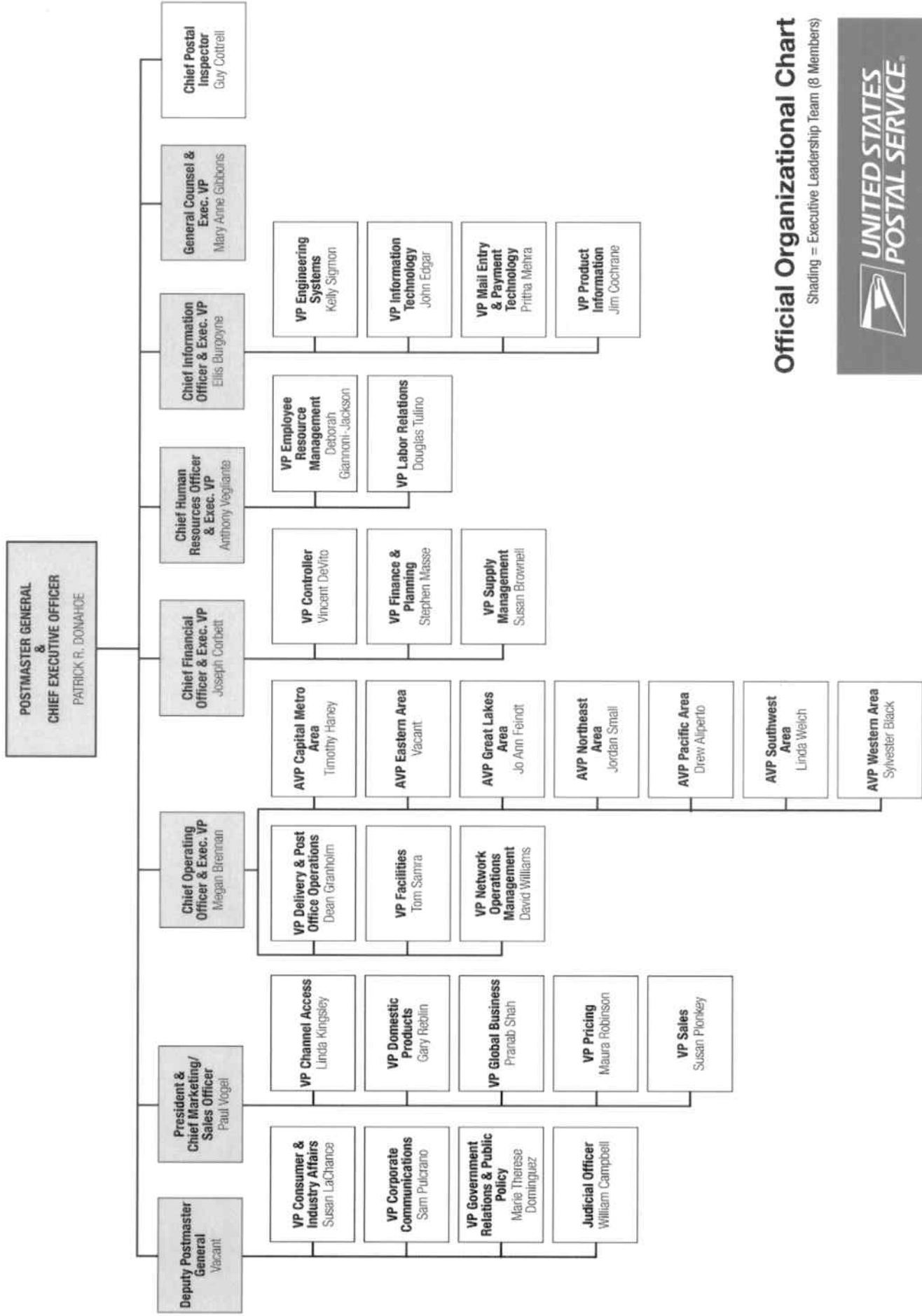
Next week we will release temporary reporting guidance for the remainder of the organization. We will continue to provide updates.

We anticipate being able to share a complete organizational chart within the next few months. I will continue to keep you updated and informed as we move forward.



Patrick R. Donahoe

Attachment



# Official Organizational Chart

Shading = Executive Leadership Team (8 Members)

