

The Washington Post

Postmaster general to retire

By Ed O'Keefe

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Postmaster General John E. Potter will retire Dec. 3 as head of the U.S. Postal Service, he announced Monday night - a decision that will end his nine-year leadership of one of the nation's largest employers during a series of challenges that still threaten to cripple the agency.

Potter announced his decision in Chicago, where he met with the Postal Service Board of Governors, which oversees the post office. Earlier in the day, Potter phoned lawmakers and postal regulators to tell them personally of his plans, according to officials familiar with the conversations.

Potter's deputy, Patrick R. Donohoe, will succeed him as the nation's top postal official.

The postmaster general did not explain his decision to retire at 55, although his tenure was the longest in that post since the 1820s. But Potter had struggled to convince policymakers to adopt his plans for sweeping changes at the Postal Service to address its deepening debt and declining mail volume.

Just recently, postal regulators refused to allow the Postal Service to raise first-class postage rates beyond the rate of inflation, while a series of embarrassing watchdog reports aggravated lawmakers who have been looking for the mail agency to make deeper

spending cuts before seeking changes to federal postal laws.

In announcing his departure, Potter singled out for praise the post office's roughly 584,000 full- and part-time workers.

"I fully appreciate their support in maintaining the tradition of trust that dates back to Benjamin Franklin and the founding of our nation," Potter said. "It is our people that define our organization and it is their dedication and sense of purpose that drives our business."

Potter had been with the Postal Service for his entire career, joining in 1978, and he became the sixth postal worker promoted to the top job (Donohoe will become the seventh) when he was selected in June 2001 by the Postal Service Board of Governors.

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He took office three months before the Sept. 11, 2001, terrorist attacks and the anthrax scare that briefly crippled the nation's mail delivery system. His tenure also coincided with a sea change in mail habits, as Americans increasingly relied on electronic mail and overnight delivery services rather than the postman coming to their door each day.

The national recession that took hold in 2008 worsened the post office's balance sheet, and it lost \$3.8 billion in fiscal 2009. It estimates that it was \$6 billion in the red during the fiscal year that ended Sept. 30.

In response, Potter slashed \$10 billion in costs and proposed major changes - eliminating Saturday delivery, closing thousands of post offices and using the surviving locations to sell banking or insurance services.

The ideas went nowhere on Capitol Hill, however, as lawmakers quickly maneuvered to block Potter's proposals.

One of Potter's toughest critics, Sen. Susan Collins (R-Maine), thanked him Monday for making difficult decisions during "some of its most trying times" for USPS. She said Donohoe "must strengthen the Postal Service by cutting costs, enticing more customers, and putting this vital institution on a sound financial footing."

Donohoe is a 35-year Postal Service veteran

who has served as deputy postmaster general since 2005. He oversees the agency's workers, facilities and transportation network and has cut billions of dollars in operational costs, mostly through worker attrition and by consolidating facilities.

Louis J. Giuliano, the chairman of the Board of Governors, said Potter had been "a steadying and far-sighted leader throughout a period of dynamic change in America's use of the mail and during times of economic uncertainty."

"We unreservedly regard your tenure as one of great accomplishment," Giuliano said.

And Postal Regulatory Commission Chairman Ruth Y. Goldway added, "He has guided the Postal Service through rapid expansion and recent difficult times."

Tony Conway, a former postal executive who now leads the Alliance of Nonprofit Mailers,

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spearheaded efforts to block the most recent postage rate increase. He said of Potter, "He's done a great job and, he was the right guy at the right time for the job, but I think a different skill set is really needed at this point."

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