Interview with Rudy Umscheid
Vice-President Of Facilities

On behalf of the hundreds of Lessors that read this newsletter, I would like to express my appreciation to you for taking time to answer a few questions about Facilities and the direction of the Postal Service.

These questions are based on questions we receive and are frequently asked us by Lessors.

Let's start with the Postal Service in general. There are several Bills currently before Congress that could have a major impact on Facilities and the direction of the Postal Service.

Q. What role is Facilities playing in the transformation plan?
A. The Transformation Plan is premised on the fundamental policy that the Postal Service exists as a government entity whose mission is universal service to all. As such, Facilities will continue to manage the portfolio of postal facilities, ensuring that our facilities are in the best location to serve our customers and are properly maintained.

Q. Can we expect the freeze on construction of new facilities to continue?
A. The “freeze” has been lifted and we are investi-
The President's Commission on the United States Postal Service today announced the members of its four subcommittees, which were established during the Commission's Jan. 8, 2003 public meeting in Washington, DC.

The subcommittees are comprised of members of the Commission. Commission Co-Chairs James Johnson and Harry Pearce are ex-officio members of each subcommittee.

The Business Model Subcommittee members include Chairman Richard Levin, Don Cogman, Carolyn Gallagher, Norman Seabrook, and Robert Walker.

The 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 members include Chairman Joseph Wright, Don Cogman and Norman Seabrook.

The 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 members include Chairman Robert Walker, Dionel Aviles and Joseph Wright.

The 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 members include Chairwoman Carolyn Gallagher, Dionel Aviles and Richard Levin.

The 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.

The nine-member bipartisan Commission, established by President Bush on December 11, 2002, seeks to identify the operational, structural, and financial challenges facing the Postal Service; examine potential solutions; and recommend legislative and administrative steps to ensure the long-term viability of postal service in the United States.

The Commission will submit its report to the President by July 31, 2003.
Interview with Rudy Umscheid

Q. Part of the Transformation Plan addresses the closing of Post Offices. What criteria would qualify a Post Office as a candidate for closing?

A. We remain committed to universal service and as of this writing we have no definitive plans to close post offices. There are some 500 post offices that have been closed or not operating for many years, and in fact, in some instances, no longer exist. These will be formally closed through the normal process in cooperation with the postmaster associations and communities involved.

I. Cost Control: By better aligning resources against workload, we were able to reduce a projected net loss of $1.35 billion by half-to $676 million during fiscal year 2002, despite the fact that the addresses we serve grew by 1.8 million. And, for the first time in 31 years, operating expenses were reduced below the previous year’s. We are well on our way to taking $5 billion in costs out of our system by the end of 2006.

. Operational Efficiency: During fiscal year 2002, our Output per Work hour grew by 2.2% and Total Factor Productivity improved by 1.1%. The Total Factor Productivity increase is equivalent to $700 million in expense reductions and marks our third straight year of positive Total Factor Productivity growth. During the same period, we reduced career employment by 23,000 positions, for a total reduction of 45,000 positions over three years.

. Debt Reduction: In fiscal year 2002, we decreased our outstanding debt by $200 million, reversing a five-year trend of increasing debt each year. Our plan calls for additional debt reduction of at least $800 million this year.

. Maintaining Service: Despite the financial challenges we are facing, driven primarily by declining mail volume growth and expansion of the number of homes and business we serve, overall service performance was at record levels in fiscal year 2002. So far this year, service is even exceeding last year’s levels.

Each of these achievements represents progress against specific elements of our Transformation Plan. We will continue our focused efforts to implement the Plan, both today and over the coming years. We are also working closely with the President’s Commission on the U.S. Postal Service as it identifies the operational, structural, and financial challenges facing the Postal Service; examines potential solutions; and recommends legislative and administrative steps to ensure the long-term viability of postal service in the United States.
Interview with Rudy Unscheid

Cont. from pg. 3

H. R. 5702 is a Bill that if approved will abolish the Postal Service as a Governmental entity, placing all operations, from moving the mail to construction & leasing of facilities in the hands of private enterprise.

Q. Do you see Privatization as a solution?

A. The ultimate goal of Postal Service transformation should be to promote an efficient, reliable, and innovative delivery services that meet the diverse economic and social needs of the nation and its citizens. There are three alternatives; a Government Agency supported by government subsidies; a Privatized Corporation with private shareholders; and, a Commercial Government Enterprise that would operate more commercially in the market to provide postal and related services. In our view, the Commercial Government Enterprise is the option that will best allow integration of the postal system into the modern economy, while preserving the ability of the Postal Service to fulfill its mission of universal service.

Q. If Privatized, what would happen to the existing leases on Post Offices?

A. See above response. It is most unlikely that the Postal Service will be privatized.

Q. If Privatized, would it make it easier for a Corporation to close a Post Office?

A. See above response.

Q. You have been the V.P. of facilities longer than anyone I can remember. How long do you plan to remain with the Postal Service?

A. I hope that my long tenure has made a positive contribution to the organization. I enjoy what I do immensely and the people I work with, and believe that this is an exciting time in the history of this great organization. I am beginning to think about retirement, but have not established a firm date yet.

Over the last couple of years, several Facility Offices have closed, with personal being transferred to existing offices. With this reduction in staff, the real estate specialists’ workload has increased and how they conduct business has changed. Instead of a phone call to the Lessor to discuss a new lease the Lessor now, more often than not will receive a “Courtesy Lease” in the mail with new terms and conditions, asking them to sign and return the new lease.

Q. If the Lessor doesn’t understand the lease, can they contact the Specialist and ask for an explanation of the differences in terms and conditions?

A. The concept of “cold calling” is not new in real estate. It is simply a way for us to more efficiently renew leases on our smallest post offices. We should always be available to discuss and/or to clarify terms, so that our Lessors are comfortable with the agreements. In the end, we want the agreements to be fair for both parties.

Q. Are Termination clauses typically required as Postal Policy in new leases?

A. Termination clauses are not typically required, but tend to remain for certain smaller facilities where we have the prospect of building a new facility. We recognize that this clause is not acceptable to Lessor on new long-term facilities, because of the finance implications. In the end this clause is completely negotiable. We are looking at a more consistent application of this clause across the country.

Q. When a new lease is sent, how is the new rental amount determined?

A. Typically on our experience over the past 12 months of lease transactions within the Zip code area involved and our knowledge of the local market.

Q. With construction of new facilities being limited can we expect an increase in building expansions of existing facilities?

A. Before we look at one for one replacements, we will look at all alternatives including expansions, split operations, or just building a carrier annex and leasing retail space.

Q. As the longest reigning Vice-President of Facilities at a time when Facilities has undergone major changes what would you
With many Lessors concerned about the future of the Postal Service and more particularly USPS closing post offices I contacted Postal Headquarters for Retail Operations and asked for a list of all the post offices that have been closed within the last three years. This is what they provided.

Year 2000

<table>
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<tr>
<th>Facility Name</th>
<th>Zip</th>
<th>Date Closed</th>
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<tbody>
<tr>
<td>Foneswood, VA</td>
<td>22461</td>
<td>11/16/1996</td>
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<tr>
<td>Salem, NE</td>
<td>68433</td>
<td>8/28/1998</td>
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<td>Nassau, MN</td>
<td>56272</td>
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<td>Alpoca, WV</td>
<td>24710</td>
<td>6/6/1998</td>
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<td>Taplin, WV</td>
<td>25648</td>
<td>8/8/1998</td>
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<tr>
<td>Russell Springs, KS</td>
<td>67755</td>
<td>11/7/1997</td>
</tr>
<tr>
<td>Long Valley, SD</td>
<td>57547</td>
<td>12/13/1997</td>
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<tr>
<td>Owanka, SD</td>
<td>57767</td>
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<td>Rago, KS</td>
<td>67128</td>
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<td>Smith, KY</td>
<td>40867</td>
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<td>Spottsylvania, VA</td>
<td>24475</td>
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<td>Estcourt Station, ME</td>
<td>04741</td>
<td>9/15/1998</td>
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<tr>
<td>Palmyra, NC</td>
<td>27859</td>
<td>6/8/1998</td>
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<tr>
<td>Rossburg, NY</td>
<td>14776</td>
<td>12/27/1997</td>
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<tr>
<td>Sebago Lake, ME</td>
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Year 2001

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<td>South Schodack, NY</td>
<td>12162</td>
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<td>Swan River, MN</td>
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Year 2002

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<td>Richfield, NE</td>
<td>68054</td>
<td>5/23/1998</td>
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<tr>
<td>Teresita, MO</td>
<td>65573</td>
<td>3/31/1998</td>
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<tr>
<td>Oakely, IL</td>
<td>62552</td>
<td>4/18/1997</td>
</tr>
<tr>
<td>Killona, LA</td>
<td>70066</td>
<td>10/12/2002</td>
</tr>
<tr>
<td>Gumberry, NC</td>
<td>27838</td>
<td>1/28/2000</td>
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I take no responsibility for the accuracy of this information. I also asked for a list of future post office closings. They responded “We do not have a scheduled list for any current post office closings. Any closings that occur are strictly due to an emergency situation and are considered on a case by case basis”.

I know there will be other post offices to close in the future. What makes a post office a candidate for closing? Several factors, proximity to another facility, operational costs vs. income, population, etc. The first on the chopping block, other than emergency replacements will probably be those facilities where service has already been suspended, where there isn’t a full time Postmaster, or where the post office is only open part time.

By: Chuck Baker

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Interview with Rudy Umscheid

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say has been your toughest decision?

A. The most difficult decisions are those that impact people’s lives, so closing an office and downsizing are very difficult, because your head says one thing and

your heart another. I believe that we have the most dedicated professionals of any organization I have ever been associated with and want to ensure that I leave an organization to better serve the Postal Service long into the future.

In closing, I would like to thank you again for taking time from your busy schedule. I am confident your input will be very helpful to the Lessors.

By: Chuck Baker
In our continuing effort to keep our Members up-to-date and current with what is going on within the Facilities Department and the many changes in personnel over the last several months in Facilities, we are publishing a telephone directory by FSO. This issue contains the Denver FSO personnel. Some of these individuals may be on temporary assignment, others contract employees. This list is subject to change.

Phone Directory
Denver Facility Service Office
8055 E. Tufts Ave. Ste. 400
Denver, CO 80237-2881

MANAGER  
Keith E. LaShier  303-220-6510

Secretary  
Bobbie Kellogg  303-220-6533

Postal Operations Analyst
Kim Barnes  303-220-6535
Postal Operations Analyst
Debra J L Churchill  303-220-6513
Postal Operations Analyst
Guido Guidi  303-220-6504
Environmental Specialist
Randy McDermott  303-220-6588

REAL ESTATE MANAGER  
Vance Bennett  303-220-6503

Secretary  
Lisa Pruett  303-220-6520

Real Estate Specialist
Jean Scholl Berg  303-220-6591
Real Estate Specialist
Karen Delamore  303-220-6530
Real Estate Specialist
Greg Eymann  303-220-6571
Real Estate Specialist
Mike Kirby  303-220-6532
Real Estate Specialist
Bob MacGill  303-220-6567
Real Estate Specialist
Garry Mattox  303-220-6558
Real Estate Specialist
Cindy Nelson  303-220-6549
Real Estate Specialist
Marcus Nielsen  303-220-6577
Real Estate Specialist
Russell Rainey  303-220-6568
Real Estate Specialist
John Walters  303-220-6526

DESIGN & CONST MANAGER  
Sharad Shrestha  303-220-6523

Secretary  
Candice McGuire  303-220-6540

Architect/Engineer
Ted Balchunas  303-220-6516
Architect/Engineer
Craig Ballard  303-220-6527
Architect/Engineer
Martin Hansen  303-220-6521
Architect/Engineer
Mike Long  303-220-6505
Architect/Engineer
Scott Martin  303-220-6574
Architect/Engineer
David Miller  303-220-6579
Architect/Engineer
Hugh Roche  303-220-6524
Architect/Engineer (Contract)
Jerry Soukup  303-220-6563
Architect/Engineer
Tom Stephen  303-220-6534
Architect/Engineer
Mike Williams  303-220-6525

BOILER & ELEVATOR INSPECTORS  

Elevator/Boiler Inspector (Kansas)
Joe Harvey  913-831-5317
Elevator/Boiler Inspector
John Husner  303-220-6531
Elevator/Boiler Inspector (Vancouver)
Gary Murphy  360-750-9318
Elevator/Boiler Inspector (Montana)
Hank Nowak  406-255-6485
Elevator/Boiler Inspector (Seattle)
Abe Romano  253-874-7214
Elevator/Boiler Inspector
Mike Young  303-220-6564
Phone Directory cont.
Denver Facility Service Office
8055 E. Tufts Ave. Ste. 400
Denver, CO 80237-2881

CONTRACTING & INFORMATION

Marcia Stencel 303-220-6514
SYSTEMS MANAGER

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<tr>
<td>Secretary</td>
<td>Janet Davis</td>
<td>303-220-6561</td>
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<tr>
<td>Information Systems Coordinator</td>
<td>Yvonne Santistevan</td>
<td>303-220-6544</td>
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<tr>
<td>Facility Contract Specialist</td>
<td>La Verne Fields</td>
<td>303-220-6576</td>
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<tr>
<td>Facility Contract Specialist</td>
<td>Joan Gaidies</td>
<td>303-220-6546</td>
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<td>Facilities Contract Technician</td>
<td>Michelle Ayon</td>
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<td>Lillian Davila</td>
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<td>Brenda Hunter</td>
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<td>Facilities Contract Technician</td>
<td>Reina Luongo</td>
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<td>Maggie Malave</td>
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<td>Facilities Contract Technician</td>
<td>Shirley Wheeler</td>
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ASSET MANAGEMENT

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<tr>
<td>Secretary</td>
<td>Andrea Wagner</td>
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<tr>
<td>Real Estate Specialist</td>
<td>Randyl W. Alder</td>
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<td>Real Estate Specialist</td>
<td>Gloria Charlson</td>
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<td>Real Estate Specialist</td>
<td>Cynthia Goodwin</td>
<td>303-220-6529</td>
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<td>Real Estate Specialist</td>
<td>Victoria V. Gruber</td>
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<td>Real Estate Specialist</td>
<td>Bob Petty</td>
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<td>Real Estate Specialist</td>
<td>Steve Vera</td>
<td>303-220-6508</td>
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<tr>
<td>Real Estate Specialist</td>
<td>Michael Ward</td>
<td>303-220-6528</td>
</tr>
</tbody>
</table>
back home? The “Eye” isn’t going to laminate the phone list yet, as it is sure to change. Sooner than Later!

When will funding be released for new construction?

Some funding has already been appropriated. It appears to be going to “emergency” leased construction projects and to the Owned Facilities program where USPS already owns the site.

Retirement.

Lou Norris, Manager of Real Estate in Headquarters is joining the ranks the unemployed (by choice). Lou’s replacement is Art Strange from the Great Lakes FSO, Chicago. Art brings a wealth of Real Estate experience with him and should be able to fill the position nicely. Welcome Art!

Do you have an opinion? Do you agree or disagree?

Submit your comments to
ParSell, P.O. Box 8978
Madeira Beach, FL 33738
E-mail Address:
Chuck@parsell.net

A new Facility Service Office. Maybe, Maybe Not.

Rumor has it that after closing several Facility Service Offices, USPS has all but decided to reopen the Capital Metro Office, serving the Baltimore Washington, DC area.

It isn’t official yet, but we are told Facilities is investigating the availability of office space to support the new staff.

Typically, the size of the staff would be similar to the former Capitol Metro FSO, which was three Districts and 18 postal employees.

Where will the staff come from?

Don’t be surprised to see a new phone list for the Eastern FSO. How many employees from the two closed Columbia, MD FSO’s, most of which are now in Denver, CO will apply for a position back home? The “Eye” isn’t going to laminate the phone list yet, as it is sure to change. Sooner than Later!