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January 12, 2017

Mr. John Greenewald, Jr.


Re: FOIA Case No. 2016-FPRO-00857

Dear Mr. Greenewald:

This responds to your Freedom of Information Act (FOIA) request dated August 8, 2016 to the Postal Service to provide copies of the Board of Governors meeting minutes for 2014 and 2015. The enclosed CD contains the information requested.

I have been advised by responsible officials from the office of the Board of Governors that a search of the files located in that office located 54 pages of responsive records. Of the 54 pages, 17 are provided in their entirety and 37 pages are provided in part. I have been informed that commercially sensitive information has been redacted pursuant to FOIA Exemption 3 in conjunction with 39 U.S.C § 410(c)(2), pre-decisional and attorney-client privileged information has been redacted pursuant to FOIA Exemption 5, and signatures have been redacted pursuant to FOIA Exemption 6.

Exemption 3 provides that agencies may withhold records that are exempted from disclosure by another statute that "establishes particular criteria for withholding or refers to particular types of matters to be withheld." Section 410(c)(2) of Title 39, U.S. Code, provides that "information of a commercial nature, including trade secrets, whether or not obtained from a person outside the Postal Service, which under good business practice would not be publicly disclosed" is exempt from the disclosure requirements of the FOIA. This section was enacted as part of the Postal Reorganization Act, 39 U.S.C. § 101 et seq., (1970), which established the Postal Service as an independent establishment of the executive branch and generally directed it to conduct its operations in accordance with sound business principles. We consider that 39 U.S.C. § 410(c)(2) operates independently and as an exempting statute within the scope of Exemption 3. The redacted information is commercial information which, in good business practice, would not be disclosed.

Exemption 5 applies to interagency or internal memoranda or letters that would not be available by law to a party in litigation with the Postal Service. This incorporates civil discovery privileges, including the deliberative process privilege (pre-decisional, deliberative [non-factual] information such as drafts, internal proposals, estimates, statements of opinions, analysis, advice, and recommendations), and the attorney-client privilege.

Exemption 6 applies to personal information, such as signatures, the disclosure of which would be a clearly unwarranted invasion of personal privacy.

If you are not satisfied with the response to this request, you may file an administrative appeal within 90 days of the date of this response letter by writing to the General Counsel, U.S. Postal Service, 475 L'Enfant Plaza, SW, Washington, DC 20260-1100 or via email at FOIAAppeal@usps.gov. Your appeal must be postmarked or electronically transmitted within 90 days of the date of the response to your request. The letter of appeal should include, as applicable:

- (1) A copy of the request, of any notification of denial or other action, and of any other related correspondence;
- (2) The FOIA tracking number assigned to the request;
- (3) A statement of the action, or failure to act, from which the appeal is taken;
- (4) A statement identifying the specific redactions to responsive records that the requester is challenging;
- (5) A statement of the relief sought; and
- (6) A statement of the reasons why the requester believes the action or failure to act is erroneous.

For further assistance and to discuss any aspect of your request, you may contact FOIA Public Liaison listed below:

PRIVACY & RECORDS OFFICE
US POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 1P830
WASHINGTON DC 20260-1101
Phone: (202) 268-2608
Fax: (202) 268-5353
FOIA Public Liaison: Jane Eyre

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

Thank you for your interest.

Sincerely,



Cheryl Woody
Privacy and Records Specialist

Enclosure



MINUTES

A meeting of the Board of Governors of the United States Postal Service was held in Las Vegas, NV, on January 7 and 8, 2014. The following members were present:

Mickey D. Barnett, Chairman	Patrick R. Donahoe
James H. Bilbray, Vice Chairman	Ronald A. Stroman
Louis J. Giuliano	Ellen C. Williams

Actions Taken

- 1) The Governors decided to send a letter to employees thanking them for their dedication and service during the peak holiday season.
- 2) The Board endorsed a strategy to delay the implementation of the Phase 2 service standard changes.
- 3) The Governors approved a Negotiated Service Agreement with Potpourri.
- 4) The Board approved an update to the Board's expense policy.
- 5) The Governors passed a resolution affirming the charter for the Audit and Finance Committee.

The Board of Governors convened in closed session at 2:30 p.m. on January 7, 2014, in accordance with the Government in the Sunshine Act (7 F.R. 79026, December 27, 2013). Chairman Barnett called the meeting to order.

Deputy Postmaster General Ron Stroman joined Postmaster General Donahoe in providing a legislative update, including the status on the Senate bill and potential actions the Postal Service might take to further communicate with Congress on the need for five day mail delivery.

Next, Chief Operating Officer Megan Brennan reported on the excellent service provided by Postal employees during peak season. She discussed the growth in package volumes and the Postal Service's efforts to deliver all packages in time for Christmas, including the delivery of packages the three Sundays prior to the holiday. She also reported on the shift to alternate access, which provided additional convenience to customers and reduced costs in the retail units. Chief Marketing Officer Nagisa Manabe and Vice President Sales Cliff Rucker discussed customer feedback for the period, which was overwhelmingly positive, and Mr. Stroman reported on media coverage, which was more positive than that received by competitors for the period. Upon hearing of the successful and dedicated actions of Postal Service employees, the Governors decided to send a letter to employees thanking them for a successful peak season.

Ms. Brennan then reported on progress toward the 24-hour clock, including load leveling and carrier initiatives. The Board discussed implementation of Phase 2 of the service standard changes and the members endorsed a strategy to delay the implementation until a future date. Notice will be placed in the Federal Register as to this decision.

Chief Human Resources Officer Jeff Williamson provided a timeline and objectives for the next round of labor negotiations and will provide regular updates to the Board as the labor strategy progresses.

The Board then discussed the exigent case decision and determined that the rates will be implemented on January 26, and that the Postal Service will file an appeal on the decision. The Governors asked that sufficient postage be distributed to the retail facilities well in advance of the rate change. They then were briefed on some legal items by General Counsel Tom Marshall including other appellate issues, patent litigation and Intellectual Property issues, and future filings with the Postal Regulatory Commission.

Turning to pricing matters, Ms. Manabe and Mr. Rucker presented details of a proposed Negotiated Service Agreement (NSA) with Potpourri. The Board discussed eligibility standards, the financial impact of the agreement, timing, and the strategic implications of the agreement for both Potpourri and the Postal Service. On a motion made and seconded, the Governors unanimously approved the proposed NSA.

The Board then discussed some administrative items. On a motion made and seconded, they approved an update to the Board's expense policy. On a motion made and seconded, the Board voted on the agenda for the February meeting, but subsequently cancelled the meeting due to scheduling changes. Finally, the Board voted to close the transcript of the January 7 and 8 closed session.

As a final agenda item for the day, the Governors met in executive session to conduct the Board self-assessment and committee assessments. On a motion made and seconded, the Governors passed a resolution to affirm the charter of the Audit and Finance Committee. As part of the self-assessment, they reviewed their schedule for the remainder of the calendar year and updated the schedule based on feedback from the assessment.

Chairman Barnett recessed the meeting for the day at 5:30 p.m., and reconvened the meeting on January 8 at 7:15 a.m.

The Board began the morning with a financial update provided by Chief Financial Officer Joe Corbett. They then received a briefing by Ms. Manabe and Mr. Rucker on a customer visit and expectations for the visit to the Consumer Electronics Show.

Upon a motion made and seconded, the Board adjourned the formal meeting at 8:15 a.m., and spent the remainder of the day with stakeholder visits.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A special meeting of the Board of Governors of the United States Postal Service was held via teleconference on February 4, 2014. The following members were present:

Mickey D. Barnett, Chairman
James H. Bilbray, Vice Chairman
Patrick R. Donahoe


Louis J. Giuliano
Ronald A. Stroman
Ellen C. Williams

The Board of Governors convened in closed session at 1:00 p.m. on February 4, 2014, in accordance with the Government in the Sunshine Act (79 F.R. 9013, February 14, 2014). Prior to calling the meeting to order, Chairman Barnett determined a quorum was present. Upon a motion made and seconded, the Board unanimously voted to hold the special session and to close the meeting. No earlier public notice was possible.

Postmaster General Pat Donahoe and Deputy Postmaster General Ron Stroman briefed the Board on the status of the Senate legislation currently under mark-up and recent discussions with Senators Carper and Coburn. General Counsel Tom Marshall provided legal perspectives on the bill and amendments for the Board's consideration. The Board discussed their positions on the offered amendments, trade-offs, and next steps. Chairman Barnett recused himself from the discussion on Rand Paul amendment #3.

A motion to adjourn was made and seconded. The meeting adjourned at 1:56 p.m.

(b)(6)

 Julie S. Moore
Secretary



MINUTES

A meeting of the Board of Governors of the United States Postal Service was held in Washington, D.C. on April 8, 2014. The following members were present:

Mickey D. Barnett, Chairman	Louis J. Giuliano
James H. Bilbray, Vice Chairman	Ronald A. Stroman
Patrick R. Donahoe	Ellen C. Williams

The Board of Governors convened in closed session at 9:30 a.m. on April 8, 2014, in accordance with the Government in the Sunshine Act (79 F.R. 16838, March 26, 2014). Chairman Barnett called the meeting to order.

Postmaster General Pat Donahoe began with a brief introduction to the meeting content. He then discussed the excellent job employees did during a very severe winter season, and also noted that two former Postal Service employees received the Medal of Honor for their service during the Vietnam War from President Obama. Board Secretary Julie Moore was then presented with her 35 year service pin by the Board.

Next, Chief Marketing and Sales Officer Nagisa Manabe briefed the Board on a few Marketing initiatives. She provided an update on current activities with two customers, and recent and potential package growth associated with new initiatives. She then reviewed three key trends that are having a significant impact on the US consumer landscape, and discussed implications of these trends on retailers. She provided two examples of potential new business associated with market adaptation based on these trends. Governor Giuliano recused himself for the discussion on the next potential initiative with a major brand, and returned for the final discussion on retail partnerships.

Postmaster General Donahoe then briefed the Board on the National Postal Forum that was held from March 16 through March 19, and was pleased with the opportunity it presented for Postal Service management to discuss growth opportunities with major customers. He shared some of the videos shown at the Forum with the Board.

Chief Operating Officer Megan Brennan provided an update on the 24 hour clock initiative, and reminded the Board that the Postal Service is continuing conversions of small offices per the Post Plan. The Board then discussed Phase 2 of the consolidation initiatives and the trigger for resuming the consolidations.

General Counsel Tom Marshall began his discussion of legal matters with an update on the CPI and Exigent pricing litigation and the related appeals to the DC Circuit Court.

(b)(5)

The Board was briefed on the PRC's Annual Compliance Determination and discussed the findings. Mr. Marshall ended the legal update portion of the meeting by covering other litigation matters that were previously reported to the Board.

After a recess of the meeting for a stakeholder engagement session, lunch, and ethics training, Chief Financial Officer Joe Corbett presented the preliminary financial results for the month of March and year-to-date.

The Board approved several administrative items. First, on a motion made and seconded, the Board voted to hold a session on May 8 and 9, 2014, and voted to close the May 8 meeting and a portion of the May 9 meeting should it be necessary. The Board placed the following items on the tentative agenda for the May 8 meeting: financial matters, strategic issues, pricing, compensation and personnel matters, administrative items, and a Governors' executive session. The Board also placed the following items on the May 9 open session agenda: approval of minutes from previous meetings, remarks of the Chairman, remarks of the Postmaster General, committee reports, financial matters, service performance, and administrative matters. Further, the Board voted to close the transcripts of the April 8 meeting.

The Governors convened in executive session. Upon a motion made and seconded, the Board adjourned the closed session at 3:05 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Board of Governors of the United States Postal Service was held in Washington, D.C. on May 9, 2014. The following members were present:

Mickey D. Barnett, Chairman*
James H. Bilbray, Vice Chairman
Patrick R. Donahoe

Louis J. Giuliano
Ronald A. Stroman
Ellen C. Williams

*Participated via teleconference. Vice Chairman Bilbray presided.

The Board of Governors convened in open session at 8:30 a.m. on May 9, 2014, in accordance with the Government in the Sunshine Act (79 F.R. 22837, April 24, 2014). After establishing a quorum, Vice Chairman Bilbray called the meeting to order.

Vice Chairman Bilbray opened the session with remarks. He began by discussing the status of legislative reform, and noted that President Obama's new budget proposal contains reform items. He urged Congress to take action to come to consensus and pass reform. Vice Chairman Bilbray also commented that under the leadership of Postmaster General Donahoe and Chief Operating Officer Megan Brennan, the Postal Service, through a cross-functional effort, has taken many actions to reduce expenses without resorting to layoffs. He then urged the Senate to fill the vacancies on the Board and noted that there are now five vacancies, which heightens the risk that a quorum may not be available to conduct the Postal Service's business. He finished his remarks by thanking all Postal Service employees for the great job they do every day.

The Vice Chairman asked the Postmaster General for his remarks, which began by acknowledging employees for their exceptional effort in the first half of the year. He noted that he was pleased with service performance during the holiday season and through some very tough weather conditions, and commented that good service performance helps drive business and growth.

Postmaster General Donahoe then remarked that the Postal Service has been very successful in driving costs out of its system, but that it cannot cut its way to long term profitability. He also noted that although the Postal Service is growing its package business, comprehensive legislative change is fundamental to insure survival. He urged Congress to act and to pass legislation that gives the Postal Service greater flexibility to adapt to a changing marketplace and to put the Postal Service on a sound financial footing for the long-term.

He then discussed the Postal Service's participation in the National Postal Forum, and noted that there was a lot of positive discussion about the future of mail and opportunities for growth. If given the flexibility to do so by Congress, the Postal Service can continue to drive innovations and growth in the mailing and shipping industries and can continue to meet its universal obligation without becoming a burden to the taxpayer. With comprehensive reform legislation, the Postal Service can provide the nation with an innovative, technology-centric delivery platform that meets America's needs far into the future.

Postmaster General Donahoe introduced Shaun Mossman, the new Vice President for Finance and Planning, and Bill Whitman, the new Vice President for Corporate Communications. He finished his remarks by reminding the public that the National Association of Letter Carriers Stamp Out Hunger Food Drive is on Saturday, May 10, and carriers will be collecting food in neighborhoods all across the country.

At the conclusion of the Postmaster General's remarks, Vice Chairman Bilbray called for approval of the minutes for the meetings held on November 14 and 15 (2013), December 10 (2013), January 7 and 8 (2014), February 4 (2014), and April 8 (2014). On a motion made and seconded, the minutes were approved.

Vice Chairman Bilbray next asked for committee reports, beginning with Governor Ellen Williams, Chair of the Compensation and Management Resources Committee. Governor Williams reported that the Committee met on January 8, April 7, and again on May 8, 2014. In January, they reviewed their charter and conducted their annual assessment. In April, they received a report on year-to-date performance against the corporate goals, and a status report on labor contracts. In May, the Committee reviewed the corporate leadership development plan. Governor Williams noted that the Committee is actively continuing its efforts to strengthen the alignment between talent identification, employee development, and promotions of high performers into leadership roles.

Governor Lou Giuliano, Chairman of the Audit and Finance Committee, provided his report. He reported that the Committee met twice since his last report. At both of these meetings, Chief Financial Officer Joe Corbett summarized quarterly financial results and discussed the Postal Service's ongoing liquidity challenges. The Committee reviewed the Quarter 1 and Quarter 2 10-Q reports and monitored management's internal controls and compliance with Section 404 of the Sarbanes-Oxley Act. Ernst and Young reported on their review of the quarterly financial statements, and discussed their audit plan for the remainder of fiscal year 2014, which includes relying on the work of the Office of the Inspector General as well as their own audit and testing processes. He added that during the February meeting, the Committee was briefed on the revised internal control framework known as COSO, and the enterprise risk management efforts that are currently underway. He concluded his report by noting that the Operations Subcommittee met three times since his last report, and was briefed on some of the continuous improvement projects that are underway, package delivery services during the peak holiday season, and the package strategy.

Vice Chairman Bilbray then noted that the Governance, Regulatory and Strategic Planning Committee met on May 8 and reviewed some strategy and pricing items.

Chief Financial Officer Joe Corbett followed with his quarterly report on finances, and began by welcoming Shaun (Mossman) and Bill (Whitman) to the team. He remarked that the Postal Service had good second quarter and year-to-date performance, and that the Postal Service will continue to execute its plan to improve its financial performance, but comprehensive legislation is needed to return the Postal Service to solid financial footing. He reviewed the balance sheet for the end of March, and the financial results for the first half of the year. The balance sheet shows that liabilities exceed assets by almost \$42 billion, and Mr. Corbett pointed out that an additional \$49 billion in unfunded liabilities related to benefits plans also exist that are not required to be reported on the balance sheet. In addition to this, the Postal Service needs to invest in its infrastructure in order to grow and to provide quality service to the American public.

Turning to quarterly results, Mr. Corbett reported that the Postal Service had an operating income of \$200 million and the net loss was \$1.9 billion. Year-to-date, the Postal Service had an operating income of \$1 billion, with a net loss of \$2.2 billion. He reviewed revenue and expense performance by category, and ended by noting that the Postal Service ended March 31 with fourteen days of operating cash – which is way too thin of a margin.

Next, Chief Operating Officer Megan Brennan provided a quarterly report on service performance. She began by acknowledging Postal Service employees, and in particular the city and rural letter carriers who endured extreme weather conditions during the first six months of the fiscal year. She then covered the First-Class Mail performance metric which is a comprehensive indicator that includes both single-piece and presort volumes. Through Quarter 2, 95.9 percent of overnight First-Class Mail was delivered on time, 94.9 percent of two-day First-Class Mail was delivered on time,

and 90.3 percent of three- to five-day First-Class Mail was delivered on time. She reviewed activities that continue to be taken to improve performance scores. Looking at the standard mail composite service score, which includes standard letter and flat mail, she reported that 87.3 percent was delivered on time, which is better than a one point improvement over the same period last year. Postmaster General Donahoe thanked Ms. Brennan for the tremendous effort in leading the team during the holiday season and during a period of extreme weather.

Vice Chairman Bilbray then asked for approval of the agenda for the Board's meeting in Washington, D.C., on June 18, 2014. On a motion made and seconded, the Board approved the tentative agenda.

The Board adjourned the meeting at 9:10 a.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Board of Governors of the United States Postal Service was held via teleconference on June 18, 2014. The following members were present:

Mickey D. Barnett, Chairman	Louis J. Giuliano
James H. Bilbray, Vice Chairman	Ronald A. Stroman
Patrick R. Donahoe	Ellen C. Williams

Actions Taken

1. The Governors approved the proposed Priority Mail price changes for implementation on September 7, 2014.
2. The Governors approved filing for a transfer of Inbound Surface Parcel Post at existing Universal Postal Union rates to the competitive product category.
3. The Governors granted management authority to seek future changes in inward land rates to the highest levels set by the Universal Postal Union.
4. The Governors approved the addition of 15 new countries for Priority Mail Express International Service.

The Board of Governors convened in closed session at 1:00 p.m. on June 18, 2014, in accordance with the Government in the Sunshine Act (79 F.R. 33222, June 10, 2014). Chairman Barnett called the meeting to order after establishing a quorum.

Postmaster General Pat Donahoe began with a brief overview of the agenda and he and Deputy Postmaster General Ron Stroman provided a legislative update. The Board discussed the status of pending legislation, the Appropriations Bill, and the Highway Funding Bill.

Next, Chief Marketing and Sales Officer Nagisa Manabe presented a proposal for a change in Priority Mail prices with an implementation date of September 7, 2014. She reviewed the strategy behind the proposed prices, cost coverage, expected financial results and a timeline. On a motion made and seconded, the Governors unanimously approved filing the new prices with the Postal Regulatory Commission (PRC). Turning to international services, Ms. Manabe proposed a classification change to transfer Inbound Surface Parcel Postal at Universal Postal Union (UPU) rates to the competitive product list. She discussed the rationale and benefits of such a transfer, and the financial scope of the product. On a motion made and seconded, the Governors unanimously approved filing for the transfer and also granted management the authority to propose prices and to seek regulatory approval for prices for inward land rates for Inbound Parcel Post up to the highest level authorized by future UPU price decisions. As a final mail classification item, Ms. Manabe requested the addition of fifteen countries to the Priority Mail Express International Service country list (b)(3):39 USC 410 (c)(2) On a motion made and seconded, the Governors unanimously approved this minor classification change.

Chief Financial Officer Joe Corbett provided a financial update on the month of May and year-to-date results. The Board discussed how to better communicate the Postal Service's unsustainable financial condition, and Governor Giuliano briefed the Board on the outcome of a similar discussion held during the most recent Audit and Finance Committee meeting. Mr. Corbett then reviewed the five-year outlook assumptions and forecasts. Given the expected net losses should comprehensive legislation not be passed, the Board discussed options and additional initiatives that would allow the Postal Service to remain solvent and to provide universal service to the American people for the forecast period. The Board discussed next steps toward financial solvency, including resuming phase 2 of the network rationalization. The Board requested additional information be sent to them on the matter in advance of their concurrence with the timeline for proceeding with phase 2.

Postmaster General Donahoe and Ms. Manabe covered a few strategic customer initiatives that are focused on package growth. Ms. Manabe provided the context, strategy and timeline behind each of these initiatives. Governor Giuliano did not participate in this portion of the discussion.

The Board discussed several administrative items. First, they reviewed and approved the preliminary 2015 Board schedule. The Board next placed the following items on the tentative agenda for the September 12 meeting: financial matters, strategic issues, pricing, compensation and personnel matters, administrative items, and a Governors' executive session. They then voted to close the session to public observation. As a final matter, the Board voted to close the transcripts of the June 18 meeting.

The Governors convened in executive session, and upon a motion made and seconded, adjourned the closed session at 3:30 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Board of Governors of the United States Postal Service was held in Washington, D.C. on September 12, 2014. The following members were present:

Mickey D. Barnett, Chairman
James H. Bilbray, Vice Chairman
Patrick R. Donahoe

Louis J. Giuliano
Ronald A. Stroman
Ellen C. Williams

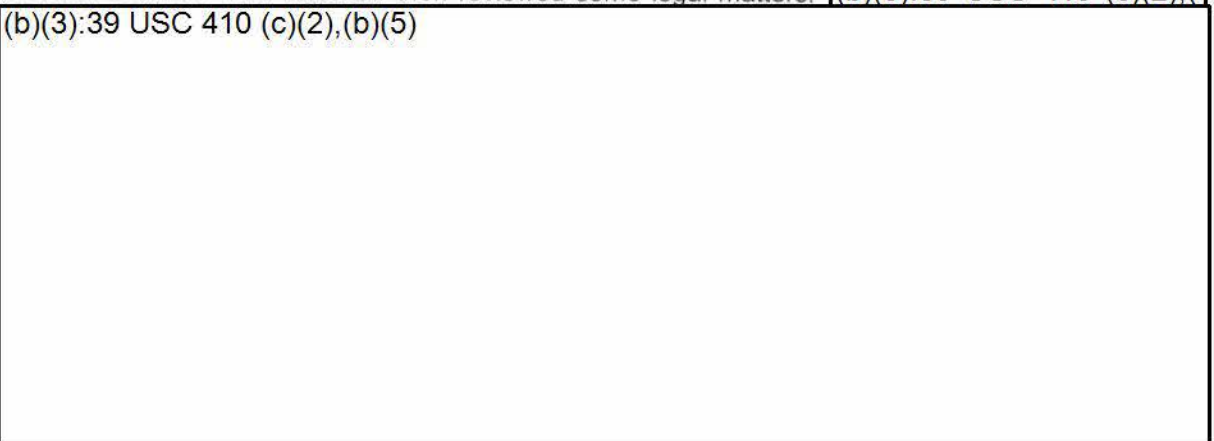
Actions Taken:

1. The Governors determined that (b)(3):39 USC 410 (c)(2)
2. The Governors determined that they will consider price and structural changes at a future meeting.
3. The Governors approved filing with the Postal Regulatory Commission for a market test for customized delivery.
4. The Governors approved filing with the Postal Regulatory Commission for the extension of the MetroPost Market Test.
5. The Governors approved filing with the Postal Regulatory Commission for expanded access for Pick-Up on Demand and Restricted Delivery services.

The Board of Governors convened in closed session at 9:45 a.m. on September 12, 2014, in accordance with the Government in the Sunshine Act (79 F.R. 49823, August 22, 2014). Chairman Barnett called the meeting to order.

Postmaster General Pat Donahoe began with a brief introduction to the meeting content. He and Deputy Postmaster General Stroman then provided a brief update on legislative items. He also discussed activities undertaken and feedback received during the Postal Customer Council week.

General Counsel Tom Marshall then reviewed some legal matters. (b)(3):39 USC 410 (c)(2), (b)(3):39 USC 410 (c)(2), (b)(5)



Chief Operating Officer Megan Brennan provided an operations update, [REDACTED]

(b)(3):39 USC 410 (c)(2)

[REDACTED] She also provided updates on the POSTPlan implementation and Phase 2 network rationalization.

Next, Director of Strategic Planning Emil Dzuray briefed the Board on the preliminary messaging, content, and timeline for the fiscal year (FY) 2014 Annual Report. He was followed by Chief Marketing and Sales Officer Nagisa Manabe, who provided an update on the recently established Priority Mail prices. [REDACTED]

(b)(3):39 USC 410 (c)(2)

Chief Financial Officer Joe Corbett presented the financial results for the month of July and year-to-date and the FY2015 preliminary Integrated Financial Plan (IFP). [REDACTED]

(b)(3):39 USC 410 (c)(2)

Mr. Corbett then presented a preliminary IFP, beginning with the timeline for finalization and Board approval, and moving on to preliminary working assumptions behind the forecast. [REDACTED]

(b)(3):39 USC 410 (c)(2)

[REDACTED] The Board is expected to review and to vote on the Integrated Financial Plan, which includes the annual budget, the capital plan, and the financing plan, during their November, 2015, open session.

Ms. Manabe reviewed some pricing items. [REDACTED]

(b)(3):39 USC 410 (c)(2)

The Board approved several administrative items. First, on a motion made and seconded, the Board approved the FY2015 budget for the Office of the Governors. They then voted to hold a session on November 13 and 14, 2014, and voted to close the November 13 meeting and a portion of the November 14 meeting should it be necessary. The Board placed the following items on the tentative agenda for the November 13 meeting: strategic issues, financial matters, pricing, compensation and personnel matters, administrative items, and a Governors' executive session. The Board also placed the following items on the November 14 open session agenda: approval of minutes from previous meetings, remarks of the Chairman, remarks of the Postmaster General, committee reports, financial matters, service performance, and administrative matters. Further, the Board voted to close the transcripts of the September 12 meeting.

The Governors convened in executive session. Upon a motion made and seconded, the Board adjourned the closed session at 3:05 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

An executive session of the Governors was held on November 12 and 13, a meeting of all available members of the Board of Governors was held on November 13, and a closed and open meeting of the Board of Governors of the United States Postal Service was held on November 14, 2014, all in Washington, D.C. The following members were present:

Mickey D. Barnett, Chairman	Patrick R. Donahoe
James H. Bilbray, Vice Chairman	Ronald A. Stroman*
Louis J. Giuliano	Ellen C. Williams

* Attended the November 14 meetings only.

Actions Taken

1. The Board approved the officer salary ranges for 2015 via notational voting.
2. The Board approved the list of critical positions for 2015 via notational voting.
3. The Board passed a resolution certifying that the Postal Service's performance appraisal system makes meaningful distinctions based on relative performance via notational voting.
4. The Governors passed a resolution regarding their determination that under Title 39 the inability of the Board of Governors to form a quorum does not inhibit or affect the authority of the Governors then in office to exercise those powers that are vested exclusively in the Governors.
5. The Board identified Governor Louis Giuliano as the designated financial expert on the Audit and Finance Committee.
6. The Governors approved filing for a transfer of First-Class Mail Parcels to the competitive product list.
7. The Governors approved the filing for the elimination of Return Receipt for Merchandise from the market dominant product list.
8. The Governors selected Megan J. Brennan as the 74th Postmaster General of the United States, effective February 1, 2015.
9. The Governors passed a resolution on Postmaster General Donahoe's compensation.
10. The Governors passed a resolution on future Postmaster General Brennan's compensation to be effective on February 1, 2015.
11. The Board approved changes to the Audit and Finance Committee charter.

12. The Board approved the fiscal year 2015 Integrated Financial Plan and Borrowing Resolution.
13. The Board approved the fiscal year 2016 Appropriation request.
14. The Governors re-elected Mickey D. Barnett as Chairman of the Board and James H. Bilbray as Vice Chairman of the Board.
15. The Board passed a resolution establishing a Temporary Emergency Committee of the Board of Governors made up of the remaining members of the Board who are able to assemble, when, by reason of death, incapacity, or disruption of transportation and communications, a quorum of the Board of Governors cannot reasonably be assembled, or vacancies on the Board make it impossible for a quorum to assemble. The Board authorized such Temporary Emergency Committee to exercise the powers reserved to the Board pursuant to its bylaws to the extent necessary to provide for continuity of operations until such time as sufficient members of the Board are again available to enable the Board to convene.

An executive session of the Governors convened at 9:30 a.m. on November 12, 2014. During this session, they interviewed candidates for Postmaster General, discussed the outcome of the interviews and the previous succession planning processes and discussion held in the Compensation and Management Resources Committee.

The Governors unanimously decided to appoint Megan J. Brennan as Postmaster General effective February 1, 2015.

Due to an anticipated lack of a Board quorum on November 12 and 13, the Board unanimously approved the 2015 officer salary ranges, the list of critical officers to be paid pursuant to the Postal Accountability and Enhancement Act section 3686 (c), and passed a resolution certifying that the Postal Service's performance appraisal system makes meaningful distinctions based on relative performance via notational voting in advance of the scheduled meeting.

General Counsel Tom Marshall led a discussion which resulted in the approval of a resolution memorializing the Governors' decision concerning the authority of the Governors to exercise the powers reserved exclusively to the Governors, irrespective of whether a quorum of the Board of Governors can be formed. After the discussion, and on a motion made and seconded, the Governors unanimously approved the resolution.

At 9:45 a.m. on November 13, 2014, the Governors convened executive sessions with the external auditors, the Office of the inspector General, management, and the General Counsel. In these meetings they discussed matters concerning the security breach, potential concerns for 2015, and management's attention to financial matters. They also discussed the cooperation between all parties involved in ensuring an accurate and timely audit.

Postmaster General Donahoe joined the executive session, and Chief Financial Officer Joe Corbett and Vice President Controller Maura McNerney presented the preliminary, unaudited fiscal year (FY) 2014 financial results. The Board discussed options for filing the 10K given that the auditors' opinion will be delayed due to the cyber-security intrusion. Based upon the Board's Bylaws, it was decided to delay the filing, but to present the unaudited financial results in the open session.

The Board next reviewed the proposed FY2015 Integrated Financial Plan (IFP), the Capital Plan, and the Borrowing Resolution. They discussed liquidity for the upcoming year and capital improvement needs. The IFP, Capital Plan, Borrowing Resolution, and the FY2016 Congressional reimbursement request were ultimately presented and voted on during the November 14 open session.

Governor Louis J. Giuliano was again identified as the designated financial expert on the Audit and Finance Committee (AFC). He reviewed the proposed changes to the AFC Charter, and was ready to recommend the changes to the full Board during the open session.

Postmaster General Donahoe then discussed a few strategic items, beginning with an update on the cyber incident that began in September, 2014. He also discussed collaboration with customers and the National Association of Letter Carriers to provide excellent service and offer new products and services. Chief Operating Officer Megan Brennan then discussed holiday readiness and activities that are taking place to ensure packages are delivered on time for Christmas.

Mr. Marshall next reviewed some legal items, including updates on appellate matters and patent litigation that is currently underway. He reviewed some matters before the Postal Regulatory Commission (PRC), and briefed the Board on an unsolicited white paper that was sent to the PRC by a group of mailers. The Governors and Postmaster General also discussed and supported bringing a vote to the Board of the resolution delegating authority of the Board to a Temporary Emergency Committee of the Board of Governors should a quorum not be possible due to emergency situations or vacancies on the Board.

Chief Marketing and Sales Officer Nagisa Manabe then presented a pricing strategy update and two pricing items to the Governors for their consideration. The first proposal was to file to transfer First-Class Mail Parcels from the market dominant product list to the competitive product list. Ms. Manabe discussed the context within the pricing strategy, and the financial impact of making the change. After discussion, and on a motion made and seconded, the Governors unanimously voted to file the change with the PRC.

Ms. Manabe next presented a proposal to discontinue Return Receipt for Merchandise, as the product is seen as redundant with other services offered. She discussed the financial impact of such a change, and the fact that alternative services are available. After discussion, and on a motion made and seconded, the Governors unanimously voted to file the change with the PRC.

The Governors reviewed the Postmaster General's performance, and on a motion made and seconded, unanimously passed the pay resolution for Postmaster General Donahoe. They also discussed the appointment of Megan Brennan as Postmaster General effective

February 1, 2015, and unanimously passed a pay resolution for Ms. Brennan once she takes office.

As a final matter for the day, the Governors voted to close the session tentatively scheduled for December 5, 2014, and on January 7, 2015. They also voted to close the transcripts of the November 12 and 13 meeting.

The Board of Governors convened in closed session at 8:15 a.m. on November 14, 2014, and on a motion made and seconded, approved the Resolution 14-15: Delegation of Authority for Continuity of Operations.

The Board of governors convened in open session in accordance with the Government in the Sunshine Act (79 F.R. 65262, November 3, 2014). Chairman Barnett called the meeting to order.

Chairman Barnett began the session with two announcements. The first was that Postmaster General Pat Donahoe informed the Board of his intention to retire effective February 1, 2015. Chairman Barnett talked about his experience working with Postmaster General Donahoe, and the remarkable job he did while in the Postmaster General position, and before that as Chief Operating Officer. He thanked him for all he's done for the organization during his tenure. Postmaster General Donahoe acknowledged the remarks and stated that it was difficult for him to retire, but noted that he believes it is the right time. He remarked that the Postal Service has provided great opportunities and thanked his family and colleagues for their support.

The second announcement made by Chairman Barnett was that the Governors held deliberations and selected Megan Brennan to be the 74th Postmaster General. He noted that Ms. Brennan has exhibited vision, leadership and executive ability, and that the Governors look forward to working with her in the coming years.

Chairman Barnett then discussed the need for the Senate to confirm the current Governor nominees, and noted that he is one of those pending confirmation. He stated that unless he and others are confirmed, it may be his last meeting and he thanked his colleagues for their counsel. Chairman Barnett then commented that a number of difficult decisions have reduced the cost base and influenced the positive financial results for Postal Quarter (PQ) 4 and for FY2014. He also acknowledged Chief Marketing and Sales Officer Nagisa Manabe and her team for their efforts to grow the revenue.

He then noted that although the Postal Service has had some positive expense and revenue results due to efforts they have undertaken, the Postal service is in a nearly \$91 billion hole while needing to make substantial investments. The Postal Service business model requires greater flexibility that can only be accomplished through legislation. He then voiced his hope that Congress will make postal reform a priority.

Chairman Barnett commended the Postal Service for their handling of the recent cyber incident, and commented that the postal teams involved did an excellent job in managing the response and in communicating the incident. He concluded his remarks by noting that Postal Service employees make a tremendous effort every year during the holiday season,

and he thanked all employees in advance for their great work and commitment in the coming weeks and for the great job they do every day.

The Chairman asked Postmaster General Donahoe for his remarks. Postmaster General Donahoe began his remarks by congratulating Ms. Brennan for her appointment and noting that she will make an excellent Postmaster General. He stated that during the upcoming holiday season the Postal Service will be marketing priority mail and plan to continue to generate solid growth in package volumes. He mentioned that last year the Postal Service performed very well in terms of on time delivery, and did an excellent job with visibility in the system. He then discussed some steps that the Postal Service will be taking to handle holiday package volume, including working to get people, vehicles, the facilities, and schedules in place ahead of the expected increase in package volume.

Postmaster General Donahoe then discussed the political mail season, and the strong use of mail. He noted that there was a lot of activity showing that campaigns were integrating mail and digital, which is a best practice. The Postal Service also saw an increase in the use of Vote by Mail programs in many states, and he encouraged broader use of this practice in the future.

Turning to the financial results, Postmaster General Donahoe began by noting that actions taken to reduce costs are now paying off, and that the 2015 financial results reflect these cost reductions and good things that are happening from a revenue perspective. However, the Postal Service still urgently needs legislation because its business model issues are not going to disappear.

Mr. Donahoe concluded his remarks by briefly mentioning the cyber incident that the Postal Service had been dealing with in recent weeks. He discussed the limited nature of the breach, the fact that similar issues have happened to other agencies and companies, and the commitment of Postal Service leadership that it will learn from the incident and will take steps in the future to improve security systems.

After the Postmaster General's remarks, Chairman Barnett called for the review and approval of minutes from meetings since the last open session. Upon a motion made and seconded, minutes of the meetings held on May 9, June 18, and September 12, 2014, were approved.

Chairman Barnett called for committee reports, beginning with Governor Williams, Chair of the Compensation and Management Resources Committee. Governor Williams reported that the Committee met six times since the last report. She began by thanking Chief Human Resources Officer Jeff Williamson and his team for the support they provide to the Committee. She reported that over the past five months the Committee reviewed pay policies, discussed the FY2014 Compensation Discussion and Analysis, discussed FY2014 corporate goal results and FY2015 goals, and reviewed the performance and goals for the Postmaster General and Deputy Postmaster General. She remarked that one of the Board's most important responsibilities is to have a strong succession planning process and that the Committee is pleased that the succession process led the Board to appoint Megan Brennan as the new Postmaster General.

Governor Giuliano, Chairman of the Audit and Finance Committee, provided the Audit and Finance Committee report. He reported that the Committee met three times since the last report, and that they reviewed financial results, SOX testing, and COSO activities. At the Committee's request, Chief Information Officer Jim Cochrane provided a detailed report on information security. During the September 23rd meeting, E&Y provided the status of their audit, and the Office of the Inspector General provided their FY2015 audit plan. Governor Giuliano then explained that due to the recent data breach, E&Y will not provide a final audit report until after ensuring financial data was not affected. Therefore, the Board will not be approving the financial statements or the 10K. As a final matter, Governor Giuliano reported that the Operations Subcommittee met twice since the last report and discussed package strategy, innovations, system security measures and reviewed in detail the capital plan.

Chairman Barnett then noted that the Audit and Finance Committee has proposed a change to their charter, which, after a motion and a second, was approved unanimously by the Board.

Committee reports were followed by a report from Chief Financial Officer Joe Corbett. Mr. Corbett began by thanking Postmaster General Donahoe for everything he's done for the organization, and discussed the positive financial impact his tenure had on the organization. He also noted that Ms. Brennan's appointment to Postmaster General was well deserved. He then discussed the impact the cyber breach had on the Postal Service's decision to postpone the filing of the 10K, but stated that in the interest of transparency he was prepared to present the preliminary unaudited results.

He began his presentation by noting that the Postal Service ended FY2014 with a positive controllable income for the first time in over four years, with the second consecutive year of revenue growth. The revenue increase was driven by a 9.1 percent increase in shipping and package revenue and also by the January, 2014 price increase. FY2014 also set another record for the fifth consecutive year of improved total factor productivity. However, he noted, the Postal Service is operating from a \$91 billion hole in terms of its assets, which underscores the need for comprehensive legislation.

Mr. Corbett then reviewed the unaudited results for FY2014. He reported that there was a controllable income of \$1.4 billion as compared to a \$1.0 billion controllable loss last year. There was an increase in Standard Mail, as well as the 9.1 percent increase in package business. On the cost side, there was a \$500 million decrease in expense, driven primarily by a decrease in compensation and benefits. He then reviewed the balance sheet, showing that liabilities exceed assets by \$45 billion, with another \$46 billion in unfunded liabilities. The Postal Service's cash position improved in FY2014.

Mr. Corbett reviewed the proposed FY2015 Integrated Financial Plan (IFP). Mr. Corbett began by noting that planned controllable income is expected to deteriorate as operating costs are growing with inflation and from contractually required increases, while First-Class Mail continues to deteriorate. He reported that the projected controllable income for FY2015 is expected to be \$500 million with a bottom line net loss of \$6.1 billion. Based on the forecast IFP, Mr. Corbett reported that cash is expected to remain relatively flat. Mr. Corbett then reviewed the capital plan and reported that in FY2015 the Postal Service is expected to make a total of \$2.2 billion in capital commitments. Mr. Corbett concluded his

presentation by reviewing the FY2016 Congressional reimbursement request of \$188 million. On the recommendation of the Audit and Finance Committee, and on a motion made and seconded, the FY2015 IFP, including the capital plan, the Borrowing Resolution, and the FY2016 Appropriations request were unanimously approved by the Board.

Next, Chief Operating Officer Megan Brennan provided a quarterly report on service performance. Before she began, she commented that it is the honor of a lifetime to be asked to serve as Postmaster General, and thanked Postmaster General Donahoe for his service. Turning to quarter four performance, she thanked the employees for their continued commitment to customers. In PQ 4, overnight First-Class Mail performance was at 96.8 percent, which was an improvement over same period last year. Two-day First-Class Mail performance was at 96.7 percent and three-to-five-day First-Class Mail performance was at 94 percent. Standard Mail performance was 93.1 percent for PQ4, which exceeded target by two percentage points. Ms. Brennan remarked that the Postal Service will continue to drive improvement in overall service performance through the application of lean processes and the effective use of real time analytics. She concluded by stating that employees remain committed to the mission and look forward to delivering a successful holiday season for their customers.

Chairman Barnett then asked for approval of the agendas for the Board's meetings currently scheduled on December 5, 2014 and January 7, 2015. On a motion made and seconded, the Board approved the tentative agendas.

As a final agenda item, the Board held elections for the chairman and vice chairman positions, with Governor Barnett being unanimously re-elected as the chairman and Governor Bilbray being unanimously re-elected as vice chair.

Upon a motion made and seconded, the Board adjourned the meeting.

(b)(6)

Julie S. Moore
Secretary



MINUTES

Open and closed sessions of the Board of Governors of the United States Postal Service were held on December 5, 2014, via teleconference and in Washington, D.C. The following members were present:

Mickey D. Barnett, Chairman
James H. Bilbray, Vice Chairman
Louis J. Giuliano

Patrick R. Donahoe
Ronald A. Stroman
Ellen C. Williams

Actions Taken

1. The Board approved the fiscal year 2014 financial statement and the 10K.
2. The Board approved the fiscal year 2014 Annual Report and Comprehensive Statement of Postal Operations, which includes the Annual Performance Plan and the Annual Performance Report.
3. The Governors approved pricing and classification changes for the market dominant products and approved adjustment principles to provide guidance to postal management on how to make updates to the approved prices after the first of the year based upon certain factors and contingencies.
4. The Governors approved pricing and classification changes for competitive products.

After establishing a quorum, the Board of Governors convened in open session in accordance with the Government in the Sunshine Act (79 F.R. 70900, November 28, 2014). Chairman Barnett called the open session meeting to order at 2:32 p.m.

The first item of business was the approval of the minutes of the meeting held on November 12, 13 and 14, 2014. Upon a motion and second, the minutes were approved.

Next, Chief Financial Officer Joe Corbett presented the fiscal year (FY) 2014 financial statements. He reported that the auditors had provided the Postal Service with their opinion, and that the final results were identical to the preliminary results reported during the November 14, 2014, meeting. He noted that the Postal Service ended the year with \$68.8 billion in revenue and a net loss of \$5.5 billion. He asked the Board to approve the FY2014 financial statements, the FY2014 10K, and the FY2014 Annual Report and Comprehensive Statement on Postal Operations.

Chairman Barnett then asked Governor Giuliano, as Chair of the Audit and Finance Committee, for a recommendation. Governor Giuliano reported that the Committee had reviewed information related to the cyber incident, and that the auditors had completed their assessment of management's efforts to determine whether there was an impact on financial statements. Governor Giuliano recommended approval.

On a motion made and seconded, the Board unanimously approved the FY2014 financial statements, the FY2014 10K and the FY2014 Annual Report and Comprehensive Statement, which includes the FY2014 Annual Performance Report and the FY2015 Annual Performance Plan.

Chairman Barnett then asked for any additional comments, and being none, the Board voted to adjourn the open session at 2:43 p.m.

The Board then convened in closed session and began with a Pricing discussion. Chief Marketing and Sales Officer Nagisa Manabe first presented proposed price changes for the market dominant products, including key assumptions, the financial impact of the change, and cost coverage. The Governors discussed the impact of the proposed changes on various stakeholders, and the rationale behind management's recommendation.

Next, Ms. Manabe presented management's proposal for competitive product prices and classification changes. The Board discussed the financial impacts of each of the changes, the timing of the proposed changes, the impact of the changes on various stakeholders, and the rationale behind management's recommendation. The Board then discussed the timeline for the changes and certain adjustment principles to be used as information is updated to provide management with guidance on how the approved prices and classification changes should be modified in response to a number of factors and contingencies. Upon a motion made and seconded, the Governors unanimously voted to approve the proposed market dominant products pricing and classification changes, the competitive products pricing and classification changes, and the adjustment principles.

Chief Operating Officer Megan Brennan briefed the Board on volume growth and operational changes for the first part of the peak season. Deputy Postmaster General Ron Stroman briefed the Board on nominations and changes related to the Postal Regulatory Commission and other Senate activities.

(b)(3):39 USC 410 (c)(2)

Upon a motion made and seconded, the Board adjourned the meeting at 3:35 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed session of the Temporary Emergency Committee of the Board of Governors was held on December 23, 2014, via teleconference. The following members were present:

James H. Bilbray, Vice Chairman
Patrick R. Donahoe
Louis J. Giuliano

Ronald A. Stroman
Ellen C. Williams

Actions Taken

1. Vice Chairman James Bilbray appointed Governor Lou Giuliano as the Chair of the Temporary Emergency Committee of the Board, and Governor Ellen Williams as the Vice Chair.

The Temporary Emergency Committee of the Board of Governors (Committee) convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 267, January 5, 2015). Vice Chairman of the Board of Governors Bilbray asked for a vote to hold the meeting and to close the transcripts, and upon a vote made and seconded, called the meeting to order at 1:10 p.m.

Postmaster General Pat Donahoe and Chief Operating Office Megan Brennan provided the Committee with a status report on holiday operations. They reported that they had record Sunday delivery, and that the network was fluid with very heavy package volumes. Ms. Brennan also reported that stamp sales were below last year and that service remains good.

The Committee then discussed logistics for Committee meetings, and that per the bylaws Vice Chairman Bilbray would perform the duties and exercise the powers of the Chairman of the Board until new elections can be held. Since one such power is to select and appoint the chairman and vice chairman (if any) of any committee properly established by the Board, Vice Chairman Bilbray appointed Governor Giuliano as Chair of the Temporary Emergency Committee of the Board and Governor Williams as Vice Chair.

General Counsel Tom Marshall then generally discussed (b)(5)

(b)(5)

(b)(5)

The Committee also discussed some legislative items, including the need for the quick appointment of new Governors.

As a final matter, the Committee discussed pricing items, including the expected timing and outcome scenarios of the pending exigent price court case, and the timing for the next price increase.

Upon a motion made and seconded, the Board adjourned the meeting at 1:55 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed session of the Temporary Emergency Committee of the Board of Governors was held on January 6, 2015, via teleconference. The following members were present:

Louis J. Giuliano, Committee Chairman	Patrick R. Donahoe
Ellen C. Williams, Committee Vice Chairman	Ronald A. Stroman
James H. Bilbray, Board Vice Chairman	

Actions Taken

1. The Governors voted to approve the final CPI price increase for Market Dominant products and confirmed that the prices were consistent with the prices that the Governors approved on December 5, 2014, and that those prices were adjusted in compliance with the adjustment principles that were likewise approved by the Governors on December 5, 2014.

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 1679, January 13, 2015). No prior notice was possible. TEC Chairman Giuliano asked for a vote to move the meeting previously scheduled for January 7 to January 6, 2015, and to close the transcripts. Upon a motion made and seconded, the TEC unanimously voted to hold the meeting on January 6, 2015, and to close it. TEC Chair Giuliano then called the meeting to order at 1:05 p.m.

The first matter of business the TEC considered were the updated Consumer Price Index (CPI) prices for market dominant products. Chief Marketing Officer Nagisa Manabe began by reviewing the adjustments that were made to the prices since the December 5, 2014, Board meeting. She reported that the prices reflected the adjustment principles approved by the Governors during the December meeting, and were in compliance with the final CPI cap authority of 1.965 percent. Items presented and discussed included the financial impact of the new prices, a summary and rationale for the price changes for each class and sub-class of mail, and the revised timeline for filing with the Postal Regulatory Commission and for implementation. Upon a motion made and seconded, and after further discussion by the TEC, the Governors unanimously approved the price and classification changes, which they determined were consistent with the prices approved by the Governors on December 5, 2014, and in compliance with the previously approved adjustment principles.

TEC Chair Giuliano then asked for questions or comments on financial and legal materials that were sent in advance to the Committee for review. Upon receiving questions from the Committee, General Counsel Tom Marshall explained the status of several appellate matters, and Chief Financial Officer Joe Corbett discussed the relationship between the price increase and the fiscal year 2015 Integrated Financial Plan.

Upon a motion made and seconded, the TEC adjourned the meeting at 1:35 p.m., at which time the Governors convened in executive session with Postmaster General Donahoe.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Temporary Emergency Committee of the Board of Governors of the United States Postal Service was held in Washington, D.C., on February 5 and 6, 2015. The following members were present:

Louis J. Giuliano, Committee Chairman
Ellen C. Williams, Committee Vice Chairman*
James H. Bilbray, Board Vice Chairman
Megan J. Brennan
Ronald A. Stroman

*Participated via teleconference on Feb 6 only.

ACTIONS TAKEN

1. To avoid further delaying the pricing case, the Temporary Emergency Committee (b)(3):39 USC 410 (c)(2)
2. The Temporary Emergency Committee approved the updated list of "named executive officers."

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session at 1:30 p.m. on February 5, 2015, in accordance with the Government in the Sunshine Act (80 F.R. 3265, January 22, 2015). TEC Chairman Giuliano called the meeting to order.

Postmaster General Megan Brennan began with a report on transitional activities. She reviewed some Officer appointments and organizational changes. She then discussed her outreach efforts to various stakeholder groups, including employees, Congress, industry leaders and the unions. She also discussed her meetings with customers. Deputy Postmaster General Ron Stroman provided a legislative update, and the Governors asked to have the legislative strategy reviewed during an upcoming meeting.

Postmaster General Brennan next discussed significant investments in new vehicles and package processing equipment, and provided updates on Network Rationalization, the POSTPlan, and the Gift Card program. She finished her items with an update on uniform redesign efforts.

General Counsel Tom Marshall provided a legal update. He began by updating the TEC on matters before the Postal Regulatory Commission (PRC), including the ruling on the exigent surcharge rollback, the Annual Compliance Report, recent filings for the market dominant and competitive product categories, and changes made to these filings based on preliminary PRC findings.

(b)(5)

Mr. Marshall then discussed the status of a few appellate matters. (b)(3):39 USC 410 (c)(2),(b)(5)

(b)(3):39 USC 410 (c)(2),(b)(5)

Chief Financial Officer Joe Corbett answered questions on the preliminary financial results for postal quarter (PQ) 1 of fiscal year (FY) 2015. The TEC discussed the updated cash flow projections and the need to invest in equipment and vehicles.

On a compensation matter, the Committee reviewed an updated list of "named executive officers" that reflects the appointment of Megan Brennan as Postmaster General, and David Williams as Chief Operating Officer. On a motion made and seconded, the TEC approved the new list.

The TEC then reviewed the draft agenda for the April 13 and 14 meeting, and on a motion made and seconded, voted to close the meeting to public observation and to close the transcripts of the February 5 meeting.

The TEC finished its closed session by meeting in Executive Session to discuss personnel issues, and to conduct their annual self-assessment and the committee assessments. They adjourned the closed session at 4:50 p.m.

TEC Chairman Giuliano convened the TEC in open session at 8:35 a.m. on February 6, 2015, and recognized that Governor Ellen Williams was participating via telephone. He opened the session by discussing the necessity for and authority of the TEC, and voiced his hope that new Governors will be confirmed swiftly.

TEC Chairman Giuliano welcomed Postmaster General Megan Brennan to her first meeting and expressed his confidence in her ability to lead the organization. He also acknowledged the performance of the Postal Service during the holiday season, and noted that during the recent holiday quarter, package volume was up by 12.9 percent, which was significant considering the growth over the last several years. He remarked that Postal Service employees have noticed the increase in volume and workload, and he thanked them for all their work and their dedication.

He then commented that the operating results show tremendous progress, with a controllable income of over \$1.1 billion versus the steep losses of a few years ago. He noted that continuous improvement activities and operational changes have contributed significantly to this progress. He explained that controllable income that is used by the Postal Service to discuss financial outcomes that the Postal Service has control over, versus the net income which includes all costs. He noted that although the Postal Service is doing better on its controllable income, it still is not making a profit, nor is it considered financially viable under business terms. However, the Postal Service is a federal agency and will not go bankrupt as it owes money to the Treasury and not private interests. He remarked that the Postal Service will continue to work with stakeholders to put it on a secure financial footing, and that he has complete confidence that, with the right leadership at the right time, it will be able to get there. He closed by again stating that the Postal Service is very fortunate to have Megan Brennan leading the organization during this pivotal time in history.

TEC Chairman Giuliano asked the Postmaster General for her remarks, who began by saying that it is a privilege to serve the organization, its customers, and all the dedicated men and women of the Postal Service. She thanked the Board for their faith in her ability to lead the organization, and the employees for the great service they provide to the Nation.

She commented on the momentum the Postal Service has built, as evidenced by the strong results in PQ 1. She noted that there was growth in Standard Mail as well as package volume, and positive results on controllable income. However, the Postal service is still operating with a business model that is constrained, and it would be a benefit to stakeholders if the Postal Service had greater flexibility to adapt to a rapidly changing marketplace.

Postmaster General Brennan then discussed investments in vehicles and equipment, and adjusting the network in response to the growing package business. She also discussed advances and opportunities to expand and enhance the delivery function by leveraging technology, and to speed up the pace of innovation through digital tools and product enhancements. Additionally, the Postal Service will invest in the future through workforce development and reinvigorated customer service.

Postmaster General Brennan concluded her remarks by introducing her executive leadership team, and noting that Dave Williams will replace her as the Chief Operating Officer. Finally, Postmaster General Brennan stated her firm belief that the Postal Service has a bright future, and that it will continue to change and improve to best serve its customers, the industries it supports, and the American people.

At the conclusion of the Postmaster General's remarks, TEC Chair Giuliano called for approval of the minutes for the meetings held on December 5, 2014, December 23, 2014, and January 5, 2015. On a motion made and seconded, the minutes were approved.

Board Vice President Bilbray next reviewed committee assignments. He began with the Temporary Emergency Committee of the Board, with Governor Giuliano as Chair and all remaining Board members as committee members. Governor Giuliano will remain the Chair of the Audit and Finance Committee, with Governor Williams as a member. The Compensation and Management Resources Committee will retain Governor Williams as the Chair, with Governors Giuliano and Bilbray as members.

At the conclusion of the committee assignments, TEC Chair Giuliano requested committee reports, beginning with the Compensation and Management Resources Committee (CMRC), which he provided. He reported that the Committee met and conducted the annual committee assessment, which includes reviewing the charter. They also reviewed and discussed the FY 2015 goals for the new Postmaster General, ensuring that they were aligned with the Postal Service's strategic focus. Additionally, the Committee reviewed the 2015 succession planning process and leadership development plan. He concluded his report by noting that the next meeting of the CMRC is scheduled for April.

TEC Chair Giuliano next provided the report of the Audit and Finance Committee (AFC). He reported that the Committee met four times since the last committee report in November. During these meetings, they discussed the delay in filing the 10K due to additional procedures performed by the external auditors related to the cyber intrusion event, and also had a follow up discussion with the Chief Information Officer on actions taken as a result of the incident. They also reviewed the 10Q for PQ 1 FY 2015, and received the auditors' report on SOX compliance and internal controls. The Committee also received an implementation status report on COSO compliance and an update on management's ongoing enterprise risk management efforts. He concluded by reporting that the next Committee meeting is currently scheduled for May.

Chief Financial Officer Joe Corbett followed with his quarterly report on finances, and began by congratulating Postmaster General Brennan on her appointment. He then reported that efforts to grow the business and improve the Postal Service financial condition are starting to pay off. He cited the efforts of the sales and marketing group and the work of all Postal Service employees as contributors to recent success. He also noted that improvements in the financial condition were aided by an improving economy and strong customer response to advertising mail.

Mr. Corbett reported that package volume was up almost 13 percent and Standard Mail was up by 3.5 percent in Q1 over the same period last year. Although First-Class Mail continued to decline, it was down by only 1.1 percent in the quarter. The volume growth, combined with the January 2014 price increase resulted in a 4.3 percent increase in operating revenue, while controllable expenses increased by approximately \$400 million, driven by increases in workload and contractual pay increases. After factoring in retirement health benefits prefunding and Workers' Compensation expenses, the Postal Service ended the first quarter with a net loss of \$754 million, compared to a net loss of \$354 million for the same period last year. Mr. Corbett reported that controllable income for Q1 was \$1.1 billion. He went on to review the revenue and expense in more detail.

Mr. Corbett then discussed the balance sheet, and noted that although the operational results have been good, the Postal Service's \$91 billion of liabilities exceeds its assets, and the Postal Service continues to need comprehensive legislation. He finished his report by discussing the liquidity forecast for the remainder of the year, noting that the forecast was contingent on the exigent price increase continuing through the end of the year.

Next, Chief Operating Officer David Williams provided a quarterly report on service performance. He began by thanking Postal Service employees for their steadfast commitment to customers. He then covered the First-Class Mail performance metric which is a comprehensive indicator that includes both single-piece and presort volumes. Through PQ1, 96.05 percent of overnight First-Class Mail was delivered on time, 95.48 percent of two-day First-Class Mail was delivered on time, and 91.84 percent of three- to five-day First-Class Mail was delivered on time. He reviewed activities that continue to be taken to improve performance scores. Looking at the Standard Mail composite service score, which includes standard letter and flat mail, he reported that 88.88 percent was delivered on time, exceeding same period last year by over two full percentage points. In closing, he commented that the Postal Service will continue to drive improvement in overall service performance through the application of lean processes, and the effective use of real-time analytics.

TEC Chairman Giuliano then asked for approval of the agenda for the Board's meeting scheduled for April 13 and 14, 2015. On a motion made and seconded, the Board approved the tentative agenda.

On a motion made and seconded, the Temporary Emergency Committee of the Board of Governors adjourned the meeting at 9:10 a.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed session of the Temporary Emergency Committee of the Board of Governors was held on March 11, 2015, via teleconference. The following members were present:

Louis J. Giuliano, Committee Chairman
Ellen C. Williams, Committee Vice Chairman
James H. Bilbray, Board Vice Chairman
Megan J. Brennan
Ronald A. Stroman

ACTIONS TAKEN

1. The Governors voted to approve the revised CPI price increase for Market Dominant Standard Mail and Periodicals based on the remand from the Postal Regulatory Commission of the rates and classification filing approved by the Governors and filed on January 15, 2015.
2. The Governors approved a classification change to Forever Stamps by adding postcard, additional one, two, three ounce, and non-machinable surcharge denominations to the category.

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 14418, March 19, 2015). No prior notice was possible. TEC Chairman Giuliano asked for a vote to hold the meeting and to close it to public observation, and upon a vote made and seconded, TEC Chair Giuliano called the meeting to order at 4:34 p.m.

The first matter of business the TEC considered were the revised Consumer Price Index (CPI) prices for market dominant Standard Mail, Periodicals, and Package Services. Chief Marketing Officer Nagisa Manabe began by reviewing the approval of prices for First-Class Mail, Special Services, and Competitive products. Then she discussed the March 6 Postal Regulatory Commission's (PRC) remand of the proposed prices for Standard Mail, Periodicals, and Package Services. She reviewed the changes that the PRC requested, and discussed the financial implications of each. Ms. Manabe asked for a vote to approve revised rates for Standard Mail and Periodicals, and explained that no vote was needed for the revised Package Services rates as the changes directed by the PRC were within the CPI cap. After further discussion, and on a motion made and seconded, the Governors approved the price changes for Standard Mail and Periodicals that were presented.

(b)(3):39 USC 410 (c)(2)

On a motion made and seconded, the TEC adjourned the meeting at 4:55 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed session of the Temporary Emergency Committee of the Board of Governors was held on March 24, 2015, via teleconference. The following members were present:

Louis J. Giuliano, Committee Chairman
Ellen C. Williams, Committee Vice Chairman
James H. Bilbray, Board Vice Chairman
Megan J. Brennan
Ronald A. Stroman

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 19096, April 9, 2015). No prior notice was possible. TEC Chairman Giuliano asked for a vote to hold the meeting and to close it to public observation, and upon a vote made and seconded, TEC Chairman Giuliano called the meeting to order at 4:10 p.m.

Postmaster General Megan Brennan began the discussion on filing options and implementation dates based on the remand from the Postal Regulatory Commission (PRC) on the Standard Mail and Periodicals filing. She reviewed the financial implications of each option.

(b)(3):39 USC 410 (c)(2),(b)(5)

On a motion made and seconded, the TEC adjourned the meeting at 4:50 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed session of the Temporary Emergency Committee of the Board of Governors was held on March 27, 2015, via teleconference. The following members were present:

Louis J. Giuliano, Committee Chairman
James H. Bilbray, Board Vice Chairman
Megan J. Brennan
Ronald A. Stroman

ACTIONS TAKEN

1. The Governors approved the suspension of the effective date for new prices and product descriptions already approved by the Postal Regulatory Commission until a date later set for the implementation of Standard Mail and Periodicals price and classification changes.

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 19096, April 9, 2015). No prior notice was possible. TEC Chairman Giuliano asked for a vote to hold the meeting and to close it to public observation, and upon a vote made and seconded, TEC Chair Giuliano called the meeting to order at 3:00 p.m.

Postmaster General Megan Brennan provided a report on stakeholder feedback concerning the

(b)(3):39 USC 410 (c)(2)

After further discussion, and on a motion made and seconded, the Governors then present approved the suspension of the effective date for new prices and product descriptions until a date later set for the implementation of Standard Mail and Periodicals price and classification changes.

On a motion made and seconded, the TEC adjourned the meeting at 3:25 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed session of the Temporary Emergency Committee of the Board of Governors was held on April 14, 2015, via teleconference. The following members were present:

Louis J. Giuliano, Committee Chairman
James H. Bilbray, Board Vice Chairman
Megan J. Brennan
Ronald A. Stroman

ACTIONS TAKEN

1. The Governors approved a new prices and product description filing for Standard Mail and Periodicals price and classification changes, with an implementation date of May 31, 2015, and approved an implementation date for the Earned Value promotion of May 1, 2015.

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 20515, April 16, 2015). No prior notice was possible. Committee Chair Giuliano called the meeting to order at 3:02 p.m.

Postmaster General Megan Brennan began by reporting on stakeholder engagement, including employees, unions and management associations, the industry, major customers, and oversight authorities. She and Deputy Postmaster General Ron Stroman then provided a legislative update and the TEC discussed the legislative landscape and potential future activities. PMG Brennan and Chief Operating Officer Dave Williams fielded questions on materials regarding Phase 2 Network Rationalization that was sent to the TEC in advance.

General Counsel Tom Marshall then updated the TEC on the exigent case, [REDACTED]

[REDACTED] (b)(5) He also discussed the upcoming ten-year rate system review that the Postal Regulatory Commission (PRC) will undertake and related future actions the Postal Service might take. TEC Chair Giuliano then asked the TEC if they had any questions on materials sent in advance, which included appellate matters, the Annual Compliance Report, and the PRC's decision on the Discover NSA.

Chief Financial Officer Joe Corbett next fielded questions regarding the preliminary financial results for March, Fiscal Year 2015.

Chief Marketing Officer Nagisa Manabe then presented revised prices for Standard Mail and Periodicals, as well as an implementation timeline for the 2015 price change and for the Earned Value Mail promotion that had previously been approved by the Governors. She discussed the PRC remand order

(b)(3):39 USC 410 (c)(2)

After further discussion, and on a motion made and seconded, the Governors present at the meeting approved the new prices for Standard Mail and Periodicals, with an implementation date of May 31, 2015, and approved an implementation date for the Earned Value promotion of May 1, 2015.

Turning to administrative matters, the TEC reviewed the draft agenda for the June 23, 2015 meeting, approved the tentative agenda, and closed the meeting to public observation. They then reviewed a revised 2015 schedule and discussed the 2016 schedule. As a final item, the TEC closed the minutes of the April 14, 2015 teleconference.

On a motion made and seconded, the TEC adjourned the meeting at 3:50 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed session of the Temporary Emergency Committee of the Board of Governors was held on June 10, 2015, via teleconference. The following members were present:

Louis J. Giuliano, Committee Chairman
James H. Bilbray, Board Vice Chairman
Ellen C. Williams
Megan J. Brennan
Ronald A. Stroman

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 34715, June 17, 2015). No prior notice was possible. Committee Chairman Giuliano asked for a vote to hold the meeting and to close it to public observation. Upon a motion made, seconded, and approved, TEC Chair Giuliano called the meeting to order at 1:30 p.m.

The TEC began with a legislative update. They discussed the confirmation hearing for David Shapira, and the likelihood that new Governors would be confirmed soon.

General Counsel Tom Marshall provided the TEC with an update on the Court of Appeals decision in the exigent rate case, as well as a related filing in the remanded exigent rate proceeding before the Postal Regulatory Commission. He discussed the materials provided to the TEC since the remand, and the TEC asked questions and discussed next steps.

Postmaster General Megan Brennan then provided an update

(b)(3):39 USC 410 (c)(2)

As an administrative matter, Governor Bilbray requested more frequent updates, especially during the months when no meetings are scheduled.

Upon a motion made and seconded, the TEC adjourned the meeting at 1:50 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Temporary Emergency Committee of the Board of Governors of the United States Postal Service was held in Washington, D.C. on June 22 and 23, 2015. The following members were present:

Louis J. Giuliano, Committee Chairman
Ellen C. Williams, Committee Vice Chairman
James H. Bilbray, Board Vice Chairman
Megan J. Brennan
Ronald A. Stroman

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session at 1:30 p.m. on June 22, 2015, in accordance with the Government in the Sunshine Act (80 F.R. 32995, June 10, 2015). Committee Chairman Giuliano called the meeting to order.

Postmaster General Megan Brennan began with a report on stakeholder engagement since the previous meeting. She covered meetings with employees and the unions, and provided an update on negotiations. She also discussed meetings with business customers and industry representatives, and noted that the National Postal Forum had a good turn-out and that the attendees reacted positively to the content. She then reported on legislative outreach, and she and Deputy Postmaster General Ron Stroman led a TEC discussion on legislative priorities and joint efforts with the unions and the industry to focus on shared solutions. They then discussed recent legislative activity.

Postmaster General Brennan briefed the Governors

(b)(3):39 USC 410 (c)(2),(b)(5)

Turning to financial matters, Chief Financial Officer Joe Corbett presented preliminary financial results for the month of May. He discussed controllable income and expense components for the month and for year-to-date, and noted volume and revenue trends. He then shared a preliminary five-year plan, beginning with a look at assets and liabilities, and the deep financial hole the Postal Service is in given no additional initiatives or legislation.

Mr. Corbett reviewed the baseline assumptions, including those related to the general economic environment and forecasts for key economic indicators.

(b)(3):39 USC 410 (c)(2)

The TEC received a briefing on the Postal Service's four major unions and then at 3:00 p.m. recessed for the day to accommodate a meeting with the Presidents of the American Postal Workers Union, the National Association of Letter Carriers, the National Rural Letter Carriers Association, and the National Postal Mail Handlers Union.

The TEC reconvened in closed session on June 23, 2015, at 11:35 a.m. The first agenda item for the day was a briefing provided by Chief Operating Officer Dave Williams and Acting Chief Marketing and Sales Officer Jim Cochrane on the Postal Service's package strategy.

(b)(3):39 USC 410 (c)(2),(b)(5)

Mr. Cochrane next presented the 2016 pricing strategy.

(b)(3):39 USC 410 (c)(2),(b)(5)

General Counsel Tom Marshall provided a legal update beginning with an update on appellate matters, including the exigent appeal.

(b)(5)

Mr. Marshall then reviewed the Intelligent Mail Barcode (IMb) De Facto Price decision and the court's decision on that case, and the joint motion filed with the Postal Regulatory Commission (PRC) to remand the Return Receipt for Merchandise appeal to the PRC for further consideration consistent with the IMb decision. He next presented matters still pending before the PRC and recent decisions made by them. Mr. Marshall concluded his presentation by offering potential topics and themes for discussion at a stakeholder meeting with the PRC scheduled after the TEC meeting on June 23, 2015.

TEC Chair Giuliano asked for approval of the draft agenda for the Board meeting scheduled for September 17, 2015. On a motion made and seconded, the TEC approved the tentative agenda and voted to close the meeting to public observation. The TEC determined that the June 22 and 23, 2015 meeting disclosed information that may be properly withheld from the public under provisions of the Government in the Sunshine Act, and that the transcript would not be made publicly available.

On a motion made and seconded, the Temporary Emergency Committee of the Board of Governors adjourned the meeting at 3:25 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A closed executive session of the Governors was held on August 26, 2015, via teleconference. The following members were present:

James H. Bilbray, Board Vice Chairman
Louis J. Giuliano, Governor

ACTIONS TAKEN

1. The Governors passed Resolution 15-7 authorizing the deferral of a sufficient portion of the Postmaster General's calendar year 2015 compensation so that the amount of compensation received by the Postmaster General in calendar year 2015 does not exceed the annual limit imposed by 39 U.S.C. § 3686(c).

The Governors convened in closed session in accordance with the Government in the Sunshine Act (80 F.R. 52810, September 1, 2015). No prior notice was possible. Board Vice Chairman Bilbray asked for a vote to hold the meeting and to close it to public observation, and upon a vote made and seconded, Vice Chairman Bilbray called the meeting to order at 3:45 p.m.

General Counsel Tom Marshall and Chief Human Resources Officer Jeff Williamson presented options to the Governors on actions to keep the Postmaster General's compensation in compliance with the annual limit imposed by 39 U.S.C. § 3686(c).

(b)(3):39 USC 410 (c)(2),(b)(5)

(b)(3):39 USC 410 (c)(2)

On a motion made and seconded, the Governors adjourned the meeting at 4:05 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Temporary Emergency Committee of the Board of Governors of the United States Postal Service was held in Washington, D.C., and via teleconference on September 17, 2015. The following members were present:

Louis J. Giuliano, Committee Chairman
Ellen C. Williams, Committee Vice Chairman*
James H. Bilbray, Board Vice Chairman*
Megan J. Brennan
Ronald A. Stroman

* Attended via teleconference

ACTIONS TAKEN

1. The Temporary Emergency Committee voted to defer the fiscal year 2015 Retiree Health Benefits prefunding payment due to the financial condition of the Postal Service.
2. The Governors approved pricing and classification changes for Competitive products to be implemented on January 17, 2016.
3. The Temporary Emergency Committee approved the fiscal year 2016 budget for the Office of the Governors.

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session at 12:04 p.m. on September 17, 2015, in accordance with the Government in the Sunshine Act (80 F.R. 55661, September 16, 2015). TEC Chairman Giuliano called the meeting to order.

Chief Financial Officer Joe Corbett started off the agenda by discussing the August year-to-date financial results and the forecast for the end of the year. He also presented the preliminary Integrated Financial Plan, and reviewed volume and revenue trends, the balance sheet, and cash flows. The TEC discussed the assumptions contained in the plan for the outcome of labor negotiations, volume forecasts, and the implications of the removal of the exigent price increase.

(b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2),(b)(5)

General Counsel Tom Marshall then discussed

(b)(3):39 USC 410 (c)(2),(b)(5)

TEC Chairman Giuliano then asked for additional discussion or questions prior to asking for a motion. On a motion made and seconded, the TEC voted unanimously to defer the 2015 Retiree Health Benefits prefunding payment. It was determined that Management would send notifications to the appropriate parties.

Acting Chief Marketing and Sales Officer Jim Cochrane next presented the Shipping Services pricing strategy, and changes to prices and classifications that management proposed to be implemented on January 17, 2016. Mr. Cochrane described the

(b)(3):39 USC 410 (c)(2)

Postmaster General Megan Brennan began her report with an update on stakeholder engagement efforts, including those with employees, unions, the industry, and members of Congress. She also informed the TEC of plans for the upcoming Postal Customer Council week. TEC Chair Giuliano suggested incorporating an emphasis on ethics, values, and personal responsibility in employee communications, and both Postmaster General Brennan and General Counsel Marshall assured him that it is a focus in their communications.

The next item was a legislative update, with Deputy Postmaster General Ron Stroman and Postmaster General Megan Brennan leading the discussion on the Postal Reform Bill introduced by Senator Carper.

(b)(3):39 USC 410 (c)(2),(b)(5)

Postmaster General Brennan then discussed growth initiatives before turning it over to Chief Operating Officer David Williams for an operations update.

Mr. Williams reviewed initiatives undertaken to improve service and to communicate these strategies to the industry. He also explained the expected operational impact of the Papal visit, and discussed fall mailing and peak season readiness plans. As a final matter, he briefed the TEC on various Lean Six Sigma efforts underway. The TEC then reviewed themes, key messages, and milestones for the FY2015 Annual Report. The TEC gave management approval to move forward with the planned production of the document.

Next, Vice President Controller Maura McNerney provided the TEC with financial training. She covered topics related to internal controls, financial reporting and accounting, the regulatory environment, and risk management. The TEC then reviewed the proposed FY2016 budget for the Office of the Governors, and on a motion made and seconded, unanimously approved the budget.

TEC Chair Giuliano asked for approval of the draft agenda for the Board meeting scheduled for November 12 and 13, 2015. On a motion made and seconded, the TEC approved the tentative agenda and voted to close the meeting on November 12 and a portion of the meeting on November 13 to public observation. They also asked the Secretary of the Board to schedule a tentative meeting for December 4, 2015 in the event no additional Governors have been confirmed. The TEC determined that the September 17, 2015, meeting disclosed information that may be properly withheld from the public under provisions of the Government in the Sunshine Act, and that the transcript would not be made publicly available.

The Governors convened in executive session and then, on a motion made and seconded, adjourned the meeting at 3:00 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Temporary Emergency Committee of the Board of Governors of the United States Postal Service was held via teleconference on December 4, 2015. The following members were present:

James H. Bilbray, Board and Committee Chairman
Megan J. Brennan, Board Vice Chairman
Louis J. Giuliano
Ronald A. Stroman

The Temporary Emergency Committee of the Board of Governors (TEC) convened in closed session at 3:00 p.m. on December 4, 2015, in accordance with the Government in the Sunshine Act (80 F.R. 76716, December 10, 2015). TEC Chairman Bilbray called the meeting to order.

Postmaster General Megan Brennan began the meeting by providing an update on labor negotiations. She then briefed the TEC on peak season readiness, and reported that package volume increased over last year and that the Postal Service is increasing operational capacity to handle the volume and to keep service levels up.

Deputy Postmaster General Ron Stroman and Postmaster General Brennan then provided a legislative update and reported on their recent visit with House leadership and their staff. (b)(3)-39 USC 410 (c)(2)

They discussed the status of the iPost bill that was introduced by Senator Carper and recent news of bipartisan support for that bill.

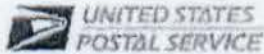
As a final matter, General Counsel Tom Marshall discussed (b)(3)-39 USC 410 (c)(2), (b)(5)

(b)(3)-39 USC 410 (c)(2), (b)(5)

On a motion made and seconded, the TEC meeting adjourned at 3:40 p.m.

(b)(6)

Julie S. Moore
Secretary



MINUTES

A meeting of the Temporary Emergency Committee of the Board of Governors of the United States Postal Service was held in Washington, D.C. on November 12 and 13, 2015. The following members were present:

Louis J. Giuliano, Committee Chair
Ellen C. Williams, Committee Vice Chair
James H. Bilbray, Board Vice Chairman
Megan J. Brennan
Ronald A. Stroman

ACTIONS TAKEN

1. The Governors approved a proposed contract with Ernst and Young, and authorized Ernst and Young to begin FY2016 audit work pending finalization of the signed contract.
2. The Governors approved the 2016 promotions pricing and calendar, with a beginning implementation date of March 1, 2016.
3. The Governors approved an updated separation policy for the Postmaster General and the Deputy Postmaster General.
4. The Governors approved placing the Postmaster General and Deputy Postmaster General on the list of critical positions for 2016, and the Temporary Emergency Committee of the Board of Governors approved the remaining officers who will be included on the list.
5. The Temporary Emergency Committee of the Board of Governors approved the officer salary ranges for 2016.
6. The Temporary Emergency Committee of the Board of Governors passed a resolution certifying that the Postal Service's performance appraisal system makes meaningful distinctions based on relative performance.
7. The Temporary Emergency Committee of the Board of Governors identified Governor Louis Giuliano as the designated financial expert on the Audit and Finance Committee.
8. The Governors passed a resolution on Postmaster General Brennan's compensation.
9. The Governors passed a resolution on Deputy Postmaster General Stroman's compensation.

10. The Temporary Emergency Committee of the Board of Governors approved the fiscal year 2015 financial statements and the 10-K.
11. The Temporary Emergency Committee of the Board of Governors approved the fiscal year 2016 Integrated Financial Plan and Borrowing Resolution.
12. The Temporary Emergency Committee of the Board of Governors approved the fiscal year 2017 Appropriation request.
13. The Temporary Emergency Committee of the Board of Governors approved the Annual Report and Comprehensive Statement on Postal Operations, including the Annual Performance Report and the Annual Performance Plan.
14. The Governors elected James H. Bilbray as Chairman of the Board of Governors and Megan J. Brennan as Vice Chairman of the Board of Governors.

An executive session of the Governors convened at 10 a.m. on November 12, 2015. During this session, they met separately with Ernst and Young, the General Counsel, the Chief Financial Officer, and the Office of the Inspector General as part of their year-end review of the 10-K and financial statements. During these meetings, Chief Financial Officer Joe Corbett reviewed a proposed renewal for the contract with the external contractor, and after reviewing savings generated by the contract, the Governors voted unanimously to approve the contract with Ernst and Young and to authorize Ernst and Young to begin their work on the fiscal year (FY) 2016 audit pending finalization of the signatures on the contract.

The TEC convened in close session in accordance with the Government in the Sunshine Act (80 F.R. 63849, October 21, 2015). TEC Chairman Giuliano called the meeting to order and began with a review of strategic items. Postmaster General Brennan began with stakeholder engagement efforts.

(b)(3) 39 USC 410 (c)(2)

Postmaster

General Brennan then updated the Governors on revenue initiatives, and targets and strategies associated with each. Next, she and Chief Operating Officer Dave Williams updated the Governors on holiday preparedness, including the marketing campaign, retail signage, and operational readiness.

General Counsel Tom Marshall provided a legal update, (b)(3) 39 USC 410 (c)(2), (b)(5)

(b)(3) 39 USC 410 (c)(2), (b)(5)

Acting Chief Marketing and Sales Officer Jim Cochrane presented a proposal for 2016 promotions pricing for certain market-dominant products. He began with the results of 2015 promotions, and then discussed strategies for First-Class Mail and for Standard Mail promotions. For each promotion, he presented a financial summary of expected outcomes, and a timeline for implementation.

After further discussion, and on a motion made and seconded, the Governors unanimously voted to approve the market-dominant promotional prices for 2016 to be implemented beginning March 1, 2016.

Next, Chief Financial Officer Joe Corbett presented preliminary financial results for the month of October, and reviewed the 2016 Integrated Financial Plan.

The TEC discussed the forecasted revenue growth and asked questions of management as to how they plan to achieve the planned growth. They also discussed considerations for future long-term forecasts, and changing market conditions. Moving to a discussion on the 5-Year Plan, Mr. Corbett presented four potential scenarios, including various legislative outcomes and volume projections. The TEC ended with a discussion on the next steps for communicating a final 5-Year Plan.

The Governors then met in executive session with General Counsel Tom Marshall and Chief Human Resources Officer Jeff Williamson to discuss the disclosures in the Compensation Discussion and Analysis (CD&A) portion of the 10-K, and to consider a modification to the separation policy for the Postmaster General and the Deputy Postmaster General. They noted that, if adopted, the updated policy will be disclosed in the CD&A portion of the 2015 10-K. After discussion on the topic, and a motion made and seconded, the Governors unanimously adopted a resolution updating the policy.

(b)(3);39 USC 410 (c)(2),(b)(5)

Next, the Governors unanimously approved the placement of the Postmaster General and the Deputy Postmaster General on the list of critical officers to be paid pursuant to the Postal Accountability and Enhancement Act bonus authority set forth in section 3686(c). Postmaster General Brennan and Deputy Postmaster General Stroman then rejoined the meeting and the TEC approved the placement of the remaining Executive Leadership Team officers on the list, and on a motion made and seconded, approved the officer salary schedule for calendar year 2016. The TEC then passed a resolution certifying that the Postal Service's performance appraisal system makes meaningful distinctions based on relative performance.

Chief Operating Officer Dave Williams presented the year-end corporate results and the annual performance report.

(b)(3);39 USC 410 (c)(2)

(b)(3);39 USC 410 (c)(2)

After the review of FY2015 corporate goal performance, Chief Human Resources Officer Jeff Williamson presented the FY2016 goals and targets that will be part of the annual performance plan to be approved in open session.

The TEC then reviewed some administrative matters, beginning with the designation of Governor Louis Giullano as the designated financial expert on the Audit and Finance Committee. They also reviewed the agendas for a potential December 4, 2015, teleconference and a January 6, 2016, teleconference and voted to hold and to close the meetings to public observation.

(b)(3);39 USC 410 (c)(2)

(b)(3) 39 USC 410 (c)(2)

(b)(3) 39 USC 410 (c)(2)

After further discussion on the accomplishments, and after reviewing compensation options for each, on motions made and seconded, the Governors passed resolutions on Deputy Postmaster General Stroman's and Postmaster General Brennan's compensation for FY2015 performance. They then recessed for the evening.

The TEC convened in open session in accordance with the Government in the Sunshine Act (80 F.R. 63849, October 21, 2015). TEC Chairman Giuliano called the meeting to order.

Vice Chairman Bilbray began the meeting with remarks. He voiced his concerns over the hold placed on two of the five Governor nominees that have been voted out of the Senate Homeland Security and Governmental Affairs Committee. He described the requirement for a bi-partisan Board, and the distribution of the nominees between both Republican and Democrat, and the need to move all candidates forward, not just the ones nominated by the Democrats. He noted that after December 8, 2015, he will be the only presidentially appointed Governor serving on the Postal Service Board of Governors, and that the Senate needs to get the current nominees confirmed to maintain the efficacy of the Board as it was designed by the Postal Reorganization Act.

He then recognized his two colleagues whose terms expire in December – Governor Louis Giuliano and Governor Ellen Williams. He thanked them for their service, and acknowledged their contributions to the Board over the years. After some brief remarks from Governors Williams and Giuliano, Vice Chairman Bilbray noted that in FY2015, the Postal Service did an excellent job in achieving a controllable income of \$1.2 billion, which is a testament to a commitment of the organization to continuous improvement, productivity, and cost reduction and revenue generation efforts. He also acknowledged the planning and effort that goes into the peak holiday season, and thanked every employee for the great work they do throughout the holiday season.

The TEC Chairman then asked Postmaster General Brennan for her remarks. She began by thanking Governors Giuliano and Williams for their service to the Board and their dedication to the Postal Service. She noted their individual contributions and her appreciation for their counsel and guidance. She also echoed Vice Chairman Bilbray's comments about the need for a strong, well-qualified mix of Governors with diverse perspectives, and encouraged the Senate to fill the existing vacancies prior to December 8, 2015. Postmaster General Brennan then spoke of the Postal Service's efforts over the course of the past year to work with key stakeholders to identify a legislative approach that could get bipartisan support in Congress. She remarked that it is vitally important to the future of the Postal Service, its employees and the mailing industry to have a sustainable business model and firmer financial footing.

Speaking on business performance, Postmaster General Brennan discussed gained efficiencies, and the changes in mail mix with a growth in package volume. She commented on the network changes that were put in place to adjust to the realities of the marketplace and to match capacity to customer needs. She emphasized that service is the foundation of everything the Postal Service does, and that service is especially vital as the Postal Service heads into the holiday season.

Postmaster General Brennan spoke to actions being taken to ready for the holiday mailing season and to enhance customers' experience, and acknowledged Postal Service employees who work to earn the customers' business.

After the Postmaster General's remarks, TEC Chairman Giuliano called for the review and approval of minutes from meetings since the last open session. Upon a motion made and seconded, minutes of the meetings held on February 5 and 6, March 11, 24, and 27, April 14, June 10, 22 and 23, August 26, and September 17, 2015, were approved.

TEC Chairman Giuliano called for committee reports, beginning with Governor Williams, Chair of the Compensation and Management Resources Committee. Governor Williams reported that the Committee met four times since the last report. During the February meeting, the Committee conducted an annual assessment, reviewed the Postmaster General's goals, and reviewed the 2015 succession planning process. During the June meeting, the Committee reviewed the Postal Service's performance-to-date, the Postmaster General's and Deputy Postmaster General's mid-year performance, and discussed succession planning for senior leadership positions. During the August meeting, the Committee did a preliminary review of the Compensation Discussion and Analysis, and discussed the development of FY2016 Corporate Goals and Indicators. Finally, she reported that during the September meeting, the Committee reviewed the Office of the Inspector General's pay policies and succession planning process, and reviewed FY2016 goals for the Postmaster General and Deputy Postmaster General.

Governor Giuliano, Chairman of the Audit and Finance Committee, provided the Audit and Finance Committee report. He reported that the Committee met four times since the last report, and that they reviewed financial results, SOX testing, and COSO activities. They also received progress reports on outsourcing the SOX program, were presented with the auditors' 2015 status, and reviewed the Office of the Inspector General's 2016 audit plan. He reported that the Committee reviewed the FY2015 year-end results and 10-K. As a final matter, Governor Giuliano reported that the Operations Subcommittee met five times since the last report and discussed growth strategies, digital innovations, system security measures, the development of the Next Generation Vehicle procurement process, and reviewed in detail the capital plan.

Committee reports were followed by a report from Chief Financial Officer Joe Corbett. Mr. Corbett began his presentation by thanking Governors Williams and Giuliano for their service. He also acknowledged Finance leadership for their work in finalizing the FY2015 financial reports and 10-K. He reported that for the year ending September 30, 2015, the Postal Service incurred a net loss of approximately \$5.1 billion. Revenue was \$68.9 billion, which was an increase of \$1.1 billion, or \$400 million if the exigent surcharge is excluded. During his presentation he reviewed a year-end controllable income of \$1.2 billion, and summarized volume by class of mail, noting that First-Class Mail continues to decline, Standard Mail remained relatively flat, and the package business grew by almost 500 million pieces over the prior year. He then reviewed expenses for the year by category. Mr. Corbett closed his review of the FY2015 financial report by discussing liabilities and the Postal Service's cash position. At the conclusion of his report, and on a motion made and seconded, the TEC voted to approve the FY2015 financial statements and the 10-K.

Mr. Corbett reviewed the proposed FY2016 Integrated Financial Plan (IFP). Mr. Corbett began by noting that the exigent surcharge is expected to expire in mid-2016, which will remove approximately \$2 billion per year from the cash flows. This, combined with escalating costs and a changing marketplace, will make it more difficult in future years to compete.

He reviewed the revenue plan, with a projected continued decline in First-Class Mail, relatively flat Standard Mail, and a \$1.8 billion increase in shipping and package revenues. He then reviewed the expense components, and shared a waterfall chart indicating that upward cost pressures from contract and benefit obligations outpace cost reduction efforts under management's control. He reported that based on these factors, the projected controllable income for FY2016 is expected to be \$100 million with a bottom line net loss of \$5.9 billion. Mr. Corbett then reviewed the capital plan and reported that in FY2016 the Postal Service is expected to make a total of \$1.8 billion in capital commitments and is expected to have \$1.8 billion in cash outlays for capital investments.

He then discussed liquidity for FY2016, and noted a downturn in cash mid-year due to the elimination of the exigent surcharge. He also proposed that the TEC approve the Borrowing Resolution that the TEC received in advance.

Mr. Corbett concluded his presentation by reviewing the FY2017 Congressional reimbursement request of \$199.7 million. On the recommendations of the Audit and Finance Committee, and on a motion made and seconded, the FY2016 IFP, including the capital plan, the Borrowing Resolution, and the FY2017 Appropriations request were unanimously approved by the TEC.

Next, Chief Operating Officer Dave Williams provided a quarterly report on service performance. Before he began, he thanked employees for their steadfast commitment to customers. He noted that in this dynamic environment, the Postal Service continues to innovate, adjust, and leverage its infrastructure to meet the demands of its customers, and he recognized that earlier in the year, the Postal Service made unprecedented comprehensive changes in its mail processing and transportation infrastructure. He emphasized that predictable service is one of the goals of the Postal Service. Turning to quarter four performance, Mr. Williams reported that Postal Quarter (PQ) 4 overnight First-Class Mail performance was at 96.24 percent, with more than 2 billion more pieces in the measurement in FY2015 compared to FY2014. Two-day First-Class Mail performance for PQ4 was at 94.81 percent and three-to-five-day First-Class Mail performance was at 89 percent.

Turning to Standard Mail performance, he reported that Standard Mail was delivered 91.76 percent on time for PQ4, which exceeded target by .76 percentage points. Mr. Williams again thanked employees for the results they're delivering for Postal Service customers, and for being committed to the mission of providing consistent, predictable, and reliable service. He also thanked the mailing industry for partnering with the Postal Service on numerous efforts to drive service improvements. In response to a question by TEC Chair Giuliano, Mr. Williams reported that the Postal service has been planning for peak season since January 2015, and that he expects a stellar peak season.

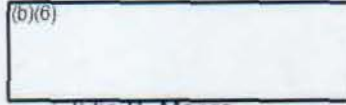
TEC Chairman Giuliano next asked for a motion to approve the Annual Report and Comprehensive Statement, including the Annual Performance Report and Annual Performance plan, and on a motion made and seconded, the TEC approved the document.

TEC Chairman Giuliano then asked for approval of the agendas for the meetings scheduled for December 4, 2015 and January 6, 2016. On a motion made and seconded, the TEC approved the tentative agendas.

As a final agenda item, the Governors held elections for the Chairman and Vice Chairman positions, with Governor Bilbray being unanimously elected as the Chairman and Postmaster General Brennan being unanimously elected as Vice Chair.

Upon a motion made and seconded, the TEC adjourned the meeting.

(b)(6)

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Julie S. Moore
Secretary