

As we approach the year 2000, we become more aware that change is, and will continue to be, a constant in our lives.

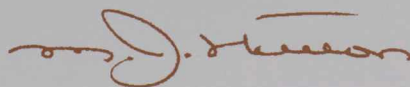
We are expected to deal with it, to continue to provide our services, and to adapt quickly and efficiently. The year 1997-98 found us entering into new territories and coming face to face with some interesting challenges.

In addition to the ice storms, the postal strikes, and other high profile issues, the Passport Office had to meet even greater challenges. We had to constantly redefine who we were, how we did business, and how we were going to improve. We had to cross over boundaries and test and retest pilot services, application processes, systems and operational plans.

This year, we've implemented many of the goals outlined in our business plan and our strategic planning documents...but this is only the first step. Strategic planning can only be useful if everyone is involved, not just senior management. While planning provides us with vision, the footwork is done by our people, and each of us must contribute to the improvement of services, processes and plans.

The success we enjoyed in 1997-98 has made us aware that the only way to improve our services is to understand all our components, our strengths and our weaknesses. We are on our way to doing that. We have also tried to promote team and employee values, and we are being recognized as a model of good business management.

That we were able to achieve so much and still be able to provide our clients with the same or better level of service during a year of higher demand is evidence of the dedication and competence of Passport Office staff. Well done.



MICHAEL J. HUTTON - CEO

