



## **Association for Postal Commerce**


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### **Postal News from January 2012:**

*January 31, 2012*


 **Docket No. N2012-1:** On January 18, 2012, the Postal Service filed a motion which “requests that the Commission reconsider the current procedural schedule and establish a new procedural schedule that will ensure issuance of its Advisory Opinion by mid-April, 2012.”<sup>1</sup> The Presiding Officer has certified this issue to the Commission for consideration.<sup>2</sup> This request effectively asks that the procedural schedule recently established after hearing and considering the scheduling concerns of all participants, including the Postal Service, be reduced by several months. Such a substantial reduction in schedule appears inconsistent with due process afforded all participants when conducting a hearing on the record under sections 556 and 557 of title 5. The Motion is denied.


 U.S. Postal Service:: Mailing Industry Stakeholder: We invite you to take part in our latest testing for our Every Door Direct Mail/Standard Mail TV animatics. Below is a link that will allow you to view the animatics for the commercials and be a part of the testing. To access this survey, please press the “CTRL” key on your keyboard as you left-click the link below with your mouse.  
<http://t2.ktrmr.com/surveyr.aspx?i.project=CQMMP&s=GEN24&id=1&chk=na&pid=auto>





The following report has been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov>). If you have additional questions concerning a report, please contact Wally Olihovik at 703-248-2201 or Agapi Doulaveris at 703-248-22


[Revenue, Pieces, and Weight Inputs into the Cost and Revenue Analysis Report \(Report Number CRR-AR-12-003\)](#). Our report determined the U.S. Postal Service could significantly reduce manual data collection for revenue, pieces, and weights estimation by modifying existing automated processes to collect mailpiece images for analysis and moving sampling from delivery units to supporting processing plants. The Postal Service could make the hardware changes needed with existing technology, which would benefit both operational needs and statistical sampling efforts. We estimate the Postal Service could save about \$13 million in annual data collection costs.


 **Postal Employee Network:** Congressman John Carter is asking the U.S. Post Office for a review of the considerations used in determining which post offices to close in the agency’s cost-cutting decisions this month.


 [Reuters](#): United Parcel Service posted a better-than-expected quarterly profit on Tuesday and forecast 9 percent to 15 percent growth this year as solid U.S. demand and growing e-commerce activity offsets an uneven global economy. UPS reported its fourth-quarter profit was down sharply as the result of a change in how the world's largest package-delivery company accounts for its pension expenses. Factoring that change out, profit would have risen, helped by strong growth in the company's consumer business -- driven by online shopping during the recent holiday season -- which offset less-robust growth outside the United States, analysts said.


 [Postal Technology International](#): Swiss Post is expanding its presence in Scandinavia, with Swiss Post International opening a branch in Norway at the beginning of the year. This provides Swiss online dealers with the possibility of greatly reducing customs clearance costs when exporting to the non-EU country of Norway and cutting costs for Norwegian consumers.

 [Tonawanda News](#): We've been inundated with news reports about the fiscal woes of the U.S. Postal Service. Why is it that we never hear anything about another federal enterprise facing ongoing losses -- Amtrak? The only reason that Amtrak stays alive is subsidies by taxpayers. Since the start of the 2000s, the United States has dedicated more than \$1 billion per year to the broken system, and matters were only made worse by the Rail Safety Improvement Act signed into law in 2008 by President George W. Bush. The Act guarantees annual funding of \$2.6 billion through 2013. Even with the cash flow of such charity, Amtrak continues to string together losses. Despite the glaring weaknesses of commuter rail (and the federal government's business acumen), Washington is insistent on spending our money — and lots of it — on its ethereal demand. Sadly, there's no end in sight. Thinking the concept of high-speed rail is the silver bullet that will win over the masses when it comes to the continued socialization of our means of travel, the White House announced a year ago that it will be "investing" \$53 billion over the next six years to build such a network. That money will be used almost entirely by government entities, including state-run operations and Amtrak, alike. Only government officials could see a winner in high-speed commuter rail, having never learned a lesson from what ails the current system. Promoting and sustaining entities like Amtrak — with broken, irreparable operational systems and a market that won't bear the investment — now and into the future has us speeding to fiscal destruction by adding to the unconscionable deficits and debts that burden us at the federal level.


 [BBC](#): Jersey Post said they would be ending the two-tier postal service from March. It introduced a priority and a delayed post at a reduced rate in November 2010. Chief executive Kevin Keen said: "It has been clear for some time many islanders were unhappy with the two-tier service." The company will end the split in March bringing the price of posting a letter in the island to 37p.

 [The Baltic Course](#): The council of Estonian state-owned postal company Eesti Post chose Aavo Kärmas as the new board chairman of the company.


 [WebWire](#): The UK's largest online parcel delivery specialist has said it is unsurprised by the results of a recent study highlighting the growing importance of online delivery services. A worldwide survey of 93 members of the Universal Postal Union showed that 70 per cent believe postal e-services are strategically important for the future. The research identified 55 different types of digital services which are now available, including track and trace and online bill payments.


 [Caspionet](#): National postal services of Russia and Kazakhstan are planning to increase online commerce. According to both sides, the countries have all the necessary conditions for this. Electronic commerce will be given a new impetus for development. KazPost and Russian Post intend to attract a wide audience even from rural areas in online commerce within the framework of the Common Economic Space.

*January 30, 2012*

 [Federal Times](#): Seldom does one federal agency save money at another's expense. But that's how it's looking more than a year after the Internal Revenue Service opted to stop delivering millions of income tax forms by mail. The IRS announced the decision in September 2010 as part of a push to economize on its annual printing and postage budget. As of this past August, the savings on postage costs just from not mailing Form 1040 packages

amounted to about \$4.1 million, according to a recent report by the Treasury Inspector General for Tax Administration. That was money lost to the U.S. Postal Service, which is in financial crisis driven exactly by this kind of shift to e-mail and electronic commerce. The Postal Service, it should be noted, recouped about half of that amount because the IRS used postcards to notify taxpayers of the change. But as the report notes, that was a one-time expense. And the report doesn't attempt to quantify what the Postal Service will lose from the additional taxpayers who go with the IRS' advice to "e-file" their annual returns.

 **The Oklahoma Daily:** The U.S. Postal Service cut 50 full-time employees from OU's staff Monday, a 28 percent decrease. Cuts were given to instructors and technical staff at the National Center for Employee Development of University Outreach, said Richard Little, the associate vice president of University Outreach. The U.S. Postal Service primarily made this decision, and OU was forced to terminate several contracts from the Norman-based training location. OU has been administering contracts to employees at the center for over 22 years, and this is the largest number of cuts in one decision, Little said in a press release. OU was notified two weeks ago about the need for cuts and administered notifications that Monday would be the last day for cut employees. Prior to Monday, OU employed 180 full-time support staff and instructors. This cut comes at the heel of a 46 percent drop in national revenue for the postal service last year, according to a press release.

 **Press Release:** Satori Software today launched EasyTrack, a mail stream monitoring add-on service for its Bulk Mailer and MailRoom ToolKit mailing preparation solutions. Mailers and their clients can now benefit from increased visibility into the USPS mail stream to more accurately predict mail delivery windows and identify possible delivery issues. USPS automation equipment scans First-Class Mail® and Standard Mail® letters and flats as they pass through. When the mail pieces are marked with a properly encoded Intelligent Mail® barcode, the raw scan data is made available to the mailer. EasyTrack transforms this raw scan data into valuable and easy-to-understand information Satori Software customers can use to track and analyze their mail from the time it is deposited at USPS through its predicted delivery.



The U.S. Postal Service Office of Inspector General invites you to comment on this week's "Pushing the Envelope" blog topic:


**U.S. Mail: A Perpetual Duty.** In 1789, our founding fathers provided the necessary infrastructure to "bind" the nation together through communication, and thus the Post Office Department (now the U.S. Postal Service) was born. Our needs for a secure national communications system have obviously evolved since the 1700s. Do you think America needs secure universal digital postal services? Share your thoughts on our [blog](#). New audit projects have been started on the external website:


- [Processing of Meter Activity – 12BG017FT000](#). Postage meters and PC Postage systems generate indicia imprinted on or affixed to a mailing to evidence payment of postage. The services generate provide a convenient postage payment option for Postal Service customers to print postage labels and account for postage. The Postal Service regulates these services and their use to protect postal revenue. Only authorized manufacturers or product service providers may design, produce, and distribute the systems, also known as postage evidencing systems. We are conducting an audit, and seeking customer feedback, to determine the effectiveness of the management of various meter activities such as meter movement, setting, customer information, and meter history related to customer and postal meter activity.
- [Accuracy of data contained in the eFMS – 12YG006DA000](#). We are reviewing the integrity of data maintained in the electronic Facilities Management System (eFMS). The eFMS is used to manage the Postal Service's real property inventory and administer all property-related projects, such as acquisition, construction, repairs, and disposal. In addition, eFMS manages all aspects of the property leasing program including lease preparation and out-leasing/sub-leasing excess space.
- [Efficiency Review of the Los Angeles NDC – 12XG010NO000](#). The Office of Inspector General has issued at least 20 reports on the efficiency of mail processing operations. These reviews revealed that Postal Service management had not evaluated operational efficiency by assessing performance against productivity targets and other plants and adjusting staff and equipment resources in response to workload


changes. Consequently, more workhours than necessary were used to process the mail. Our audit objective is to evaluate the efficiency of the Los Angeles Network Distribution Center and provide specific recommendations to improve the plant's operational efficiency. Are there opportunities to increase the use of automation to process the mail? Can schedules be adjusted to better match the flow of mail? What role does mail preparation play in the ease of processing the mail? What changes are likely to occur in operations if the Postal Service moves forward with plans to relax delivery standards?


- [\*\*Enterprise Data Warehouse Infrastructure Security Assessment – 12RR004IT000.\*\*](#) The Postal Service's Enterprise Data Warehouse (EDW) provides a single source of data across the organization to a wide variety of users. The data can be modified in a variety of ways for a deeper analysis, which could lead to additional revenue, reduced costs, and improved business practices. Several Postal Service organizations actively use EDW, including Retail, Supply Chain Management, Finance, Network Operations, and Facilities. The system was implemented in February 2001 and can be assessed by any Postal employee with corporate information security access. Our project objective is to identify the controls and assess the risk associated with EDW
- [\*\*Postal Service Use of Source Evaluation Tools in the Purchasing Process – 12YG012CA000.\*\*](#) The Office of Audit, Supply Management plans to conduct a review of the Postal Service's use of source evaluation tools in the purchasing process. Best Value, expressed through solicitation evaluation factors, is the basis of all Postal Service sourcing decisions. Past Performance and supplier capability are mandatory evaluation factors and some form of price analysis is required for every purchase. Do you believe the evaluation factors currently used in requests for proposals properly achieve a determination of best value for the Postal Service? Also, please share your concerns or comments about the current evaluation process?


 [\*\*Reuters:\*\*](#) The following are some of the leading stories in Russia's newspapers on Monday. . . . The government could sell a stake in Russian Post to raise up to 40 million roubles (\$1.32 million) to implement a 220-billion-rouble (\$7.27 billion) project to reform postal services in the country.


 [\*\*4-Traders:\*\*](#) Singapore Post Limited ("SingPost") today announced its unaudited results for the third quarter and nine months ended 31 December 2011. Group revenue saw a marginal increase to S\$149.4 million in the third quarter of FY2011/12 against the backdrop of a slowing economy. Logistics revenue rose by 5.2% to S\$57.0 million with the growth in Speedpost business, e- fulfilment activities in Quantum Solutions and vPOST shipping business. The Retail segment posted an increase in revenue of 5.1% to S\$17.6 million as higher contributions from retail products and online store Clout Shoppe offset the drop in agency services and financial services. Mail revenue dipped 3.4% to S\$98.0 million due to declines in domestic mail and international mail volumes.

 [\*\*PRNewswire:\*\*](#) Cenveo, Inc. today announced that it has agreed to sell its Forms and Business Documents Group ("Documents Group") to Ennis, Inc., manufacturer of printed business products & apparel headquartered in Midlothian, Texas. This divestiture allows Cenveo to focus on our core operations including labels, specialty packaging, envelopes, print and content management. Statements made in this release, other than those concerning historical financial information, may be considered "forward-looking statements," which are based upon current expectations and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. **Factors that could cause actual results to differ materially from management's expectations include, without limitation . . . factors affecting the United States postal services impacting demand for our products . . .** the availability of the Internet and other electronic media affecting demand for our products . . . .

 [\*\*TVNZ:\*\*](#) New Zealand Post Group, the state-owned postal service, is increasing its postage rates for domestically self-wrapped parcels and introducing an additional charge for rural deliveries in March, to cover rising petrol costs and inflation. The postage rates will increase from five to 11%, while parcels destined for rural delivery addresses will incur an addition charge of \$2.80, effective March 1.

 [\*\*Financial Times:\*\*](#) TNT Post, Royal Mail's largest private sector rival, plans to go head-to-head with the state-owned postal operator by launching its own delivery service for bulk and direct mail. The move would break Royal Mail's near monopoly of the "final mile" of delivery of letters to homes and offices and could create thousands of jobs at TNT. The company has trialled the service in Liverpool and is looking at launching it in other urban centres.


 [Save the Post Office](#): Contract post offices look like a cheap and easy way for the Postal Service to outsource its retail postal business. Just put the post office in a private business or community center, and don't worry about paying rent or postal employees. There's still a post office in town, the Postal Service has met its universal service obligation, and a lot of money has been saved. But contract post offices are not the panacea that postal management, big mailers, and advocates of privatization would like to think they are. They have many problems, and their numbers just keep declining.


 [The Hindu](#): Corporates and government departments keep its services going, but the Postal Department is clearly losing its individual customers. A postmaster who did not want to be named said: "The number of individual customers has reduced to 50 per cent compared to two decades ago."


*January 29, 2012*


 [Mailing Standards of the United States Postal Service, International Mail Manual](#)

*January 28, 2012*

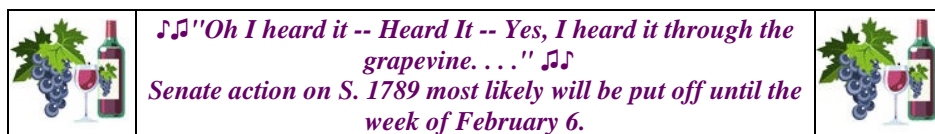
 [TheIsMoney](#): Companies have attacked Royal Mail for axeing compensation for packages lost in transit. Changes introduced this month mean firms with a contract to use the Royal Mail standard business service can no longer claim for lost parcels. If they want guaranteed compensation, they must pay extra, either for special delivery – at upwards of £5.45 – or for Royal Mail's tracking service.

 [Business Standard](#): The department of posts will formulate a detailed project report for setting up a bank, in the XII Plan. The department will apply for a banking licence from the Reserve Bank of India. Post Bank of India may be set up with the required authorised capital of Rs 700 crore, the official added.

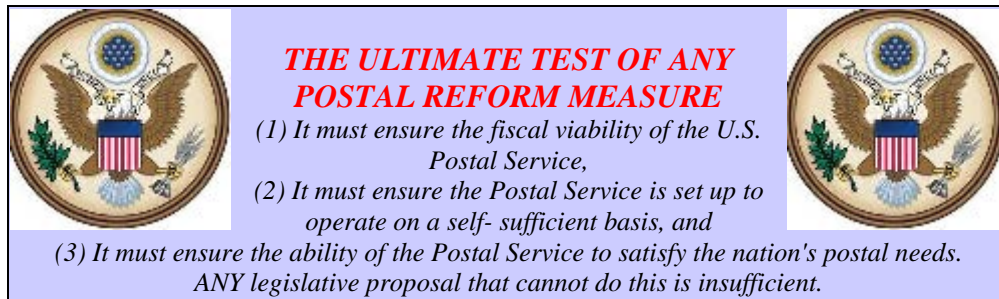
 [Austin YourNewsNow](#): For the last 20 years Brent Martin and his family run what is called the 'contract postal unit.' Last year, Martin said he first received word their location was **among 20 contract offices to be closed down as part of an agreement made between the United Postal Service and the American Postal Workers Union.** Martin said that was the last he heard of the situation until several weeks ago when they received notice that their location was to be closed down at the end of March. American Postal Workers Union President Cliff Guffey said they do not want to see the location closed either. However, the union does take issue with contract employees staffing the facility. Instead, they want postal workers to take over. Guffey said the contracts are typically given to businesses like stores to provide some postal services as a convenience to their customers. The fact that there are P.O. boxes at the location makes it an 'improperly opened contract postal unit'. The news was a blow to Martin who has become a part of the community over the years.


 [Courier, Express, and Postal Observer](#): The Plum Line in the Washington Post provides another example how mail outshines broadcast media in political campaigns. Mitt Romney's campaign is currently running a mail campaign challenging Newt Gingrich's emotional stability. As Greg Sargent Points out This the sort of attack that's probably too hot for the Romney campaign to be directly associated with on the airwaves, which may explain why it's being pushed via mail, which is relatively under the radar.

 [eGov Monitor](#): Alan Pickering CBE has been appointed the independent chair of the Royal Mail Statutory Pension Scheme (RMSPS) by Postal Affairs Minister Edward Davey. His appointment is a key step towards the transfer of Royal Mail's historic pension liabilities from Royal Mail to Government. Subject to the European Commission's approval of state aid, the RMSPS – a new public sector pension scheme – will assume the bulk of Royal Mail's historic pension liabilities.









 [Post & Parcel](#): Poland's national postal service Polish Post has lost a key court battle against a private sector competitor it claimed was delivering mail in violation of the country's monopoly protections.

 [Post & Parcel](#): **The UK government has taken a step towards taking on Royal Mail's historic pension liabilities** by appointing a new independent chair of the Royal Mail Statutory Pension Scheme. Postal Affairs Minister Ed Davey appointed pension industry stalwart Alan Pickering to chair the scheme, which will assume the bulk of Royal Mail's historic liabilities if the European Commission approves the proposal under EU state aid rules. The government wants to take over Royal Mail's historic pension liabilities as it shapes up the organisation for privatisation. Royal Mail will be left with a smaller, fully-funded pension plan, ministers have said.

 [Wall Street Journal](#): United Parcel Service Inc. has become the latest big U.S. company to change its pension accounting to a methodology considered more transparent but that can add volatility to corporate profits from year to year. Atlanta-based UPS said it will record an \$827 million pretax charge for the fourth quarter as it changes to a mark-to-market system of accounting, in which it recognizes significant gains and losses in its pension plans on an annual basis instead of spreading the effect over time. It said the move has no impact on benefits paid to plan participants or its pension funding.

*January 27, 2012*


 [Postalnews Blog](#): The National Association of Letter Carriers has told members of its eActivist Network that their calls will prevent Senator Joe Lieberman's postal reform bill from receiving a floor vote next week. The NALC opposes the provision in the bill that would allow the USPS to cut Saturday deliveries.




The following reports have been posted on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov>). If you have additional questions concerning a report, please contact Wally Olihovik at (703) 248-2201 or Agapi Doulaveris at (703) 248-2286.


- [21st Century Post Office: Aligning with the National Broadband Infrastructure Initiative \(Report Number DA-MA-12-002\)](#). Our report determined that for-profit Internet Service Providers (ISPs) have provided thorough broadband coverage in areas of the U.S. that would garner economic profit. However, there are areas (mostly rural) in the U.S. that are unserved due to the negative financial return involved when entering those markets. The Postal Service can assist the National Broadband Infrastructure Initiative through a public/private partnership with commercial ISPs to provide facilities and land for the expansion of the broadband infrastructure.
- [Consolidation of Mail Processing Operations at the Mansfield, OH Customer Service Mail Processing Center \(Report Number NO-AR-12-003\)](#). Our report determined there is a business case supporting the consolidation, producing a first year savings of approximately \$4.8 million if the Postal Service successfully repositions affected employees. Our analysis also indicated there would be some staff reduction at the facility, there is adequate capacity at the Cleveland processing and distribution center, and


customer service would be negatively impacted for some service, while others would be upgraded. Finally, some Area Mail Processing policies and guidelines were not followed, but this did not impact the business case supporting the consolidation.


 **Houston Chronicle:** A 34-year-old Houston-area man who was postmaster for the Army post office in Kuwait has pleaded guilty to theft of government money for imprinting false postal money orders and transferring \$181,000 into personal bank accounts. Scott formally was custodian of public effects, working for a Defense Department contractor that provided postal services to the U.S. military in Kuwait.


 **Information Week:** While smartcards are in use today in a variety of applications, there has always been a great deal of trepidation about their widespread deployment. This is the result of several factors, some of which have been mitigated in recent years and some of which have not. Many enterprises have historically shied away from smartcards because of costs of implementation and administration. However, as data breach after data breach is reported, and millions upon millions of customer records are compromised, it becomes increasingly difficult for companies to hold their current security line. These growing risk factors, along with improvements in smartcard technology, are combining to increase the allure of smartcards on the mobile, commerce, and internal enterprise authentication fronts.

 **At the Postal Regulatory Commission:** **Postal Regulatory Commission NOTICES** New Postal Products , 4376-4377 [2012-1688] [[TEXT](#)] [[PDF](#)]

 **PRNewswire:** Expanding on the success of its line of Priority Mail Flat Rate Boxes, the U.S. Postal Service has introduced the first Express Mail Flat Rate Box. Ideal for consumers and small businesses selling merchandise online, the Postal Service's Express Mail Flat Rate Box takes the guess work out of shipping, providing overnight delivery -- up to 70 pounds -- almost anywhere in the country for \$39.95.

 **Consumer Postal Council:** Federal decisionmakers are feeling considerable pressure to take action to rescue the Postal Service from its desperate financial situation. But decades of Congressional interference has been a major reason the Service's business plan is so broken, and the danger persists that, despite projections of \$200 billion in cumulative losses if Congress fails to act, any major missteps now could make matters even worse. Tightening postal contracting provisions would seem like an obvious and noncontroversial fix, especially in light of some widely-reported scandals and pointed criticism regarding noncompetitive contracts. Best practices in federal contracting are, after all, not so difficult to find. And continued improvements in Postal Service business practices that ensure adequate transparency and competition will be essential to returning it to viability. But it is unclear how the reforms currently being discussed in this area would be improvements over positive changes already being implemented by the Postal Service.

 **Attention PostalOne! Users:** Please be advised - PostalOne! will deploy a patch release during the scheduled maintenance window from 4:00 am CST through 8:00 am CST on Sunday, January 29, 2012. This patch (29.0.3) will address several known issues in Release 29.0. Communication of the specific issues corrected will be provided in separate communication. The software will be updated in a rolling manner and no system availability or performance impact is expected. If you have any questions or do experience issues during that time please contact the Help Desk.

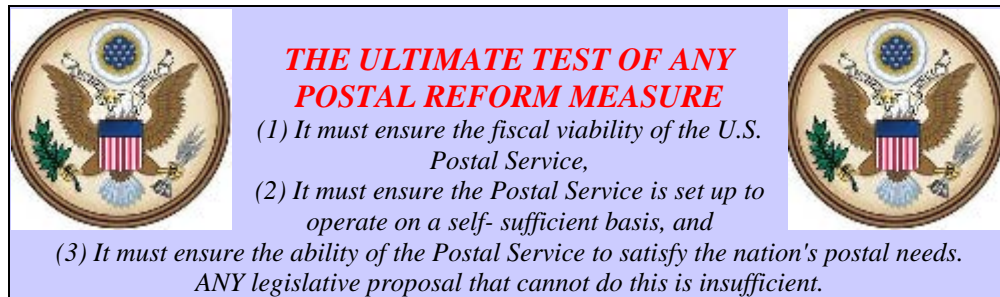
 **CNBC:** U.S. Postal Service officials understand it needs major cutbacks to survive and are willing to work with Congress to do whatever's necessary, including ending Saturday service, Postmaster General Patrick Donahoe told CNBC Friday. "The situation we have is unsustainable," Donahoe said in reaction to comments earlier this week from Rep. Darrell Issa, who said more than 200,000 postal jobs need to go. In fact, the USPS itself has put forward a broad plan that includes terminating Saturday mail delivery, closing more than 3,600 facilities across the country, and addressing the \$5.5 billion hole in the



service's pension plan and the \$5.1 billion operating deficit from 2011.



**Postal Perspective by Gene Del Polito:** "**Postal Washington is abuzz** with news that House and Senate postal reform sponsors soon will seek to move their bills through their respective chambers in the hope of crafting a common postal reform proposal in a House-Senate conference that can be sent to the President for his signature. That's the dream of every legislative sponsor. History has shown, though, that sometimes the dream can turn into a nightmare. . . . Here are some things I think every member should be asking about any postal reform measure that is brought before them before they slip their voting card into the machine reader."



The [Congressional Budget Office](#) has published its "score" of the primary postal reform bill currently under consideration in the Senate (S. 1789 21st Century Postal Service Act of 2011). To use the words of a colleague: "It ain't pretty."



**The latest issue of the [PostCom Bulletin](#) is available online.** In this issue:

- The USPS' Office of Inspector General (OIG) late last week issued its January 12, 2012, audit of mail verification procedures for First-Class Mail and Standard Mail at Detached Mail Units (DMUs). The OIG reported that USPS mail verification procedures were not always adequate and projected a \$10.3 million revenue loss over the 78-day audit period. It also reported DMU staffing inconsistencies and issues with employees overriding system notifications of insufficient postage or failure to meet specifications without verifying their validity. The OIG recommended that the USPS review automation efforts to date to identify improvements and continue ongoing mail verification training efforts, as well as enhance automated systems to notify managers when acceptance employees override MERLIN postage due results and develop automated tools that managers can use to monitor and evaluate DMU staffing and scheduling.
- The Postal Regulatory Commission, this week, issued its final rules regarding appeals of Postal Service determinations for post office closures or consolidations. The Commission found that some of the proposed rules generated opposition, while other were uncontroversial. The PRC believes that it is beneficial to promptly adopt rules that were unopposed. Some rules were modified if appropriate and adopted. While others were deferred for further consideration.
- According to postal commentator Kate Muth, "the Postal Service is overfunding its two pension plans by more than \$13 billion, according to the latest projections by the Office of Personnel Management (OPM). This overfunding comes at a significant cost to the organization as it has racked up debt to pay for prefunding of its healthcare plan, while continuing to make large annual payments into overfunded pension plans."
- According to the Courier, Express and Postal Observer, "the most recent Postal Service Active Employee Statistical Summary for pay period 26, FY 2012 has some early indication as to how the Postal Service is using its new flexibility under the APWU contract. The statistics suggests that the Postal Service is adjusting to the new employment options slowly."
- USPS provides talking points for NSAs and credit. Important notice to confirm subscribers. Labor contract negotiations with two major unions reach impasse. Bipartisan majority in the House backs six-day mail delivery. Rep Higgins releases statement on William St job posting. Latest CPI figure for USPS cap calculation available. Funky catalog formats that work. Rep Connolly offers proposal to help USPS battle deficit. Netflix CEO: DVD subscribers to decline now and forever. USPS has no mailers once again.



Congressman Lynch joins in fight against Buffalo facility closing. Turning USPS woes into an investment opportunity.

- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? [Send us by email](#) your name, company, company title, postal and email address. Get a chance to see what you've been missing.



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**[The Town Talk](#):** The news that Eastman Kodak filed for bankruptcy, after being the leading photographic company for more than a hundred years, marks the end of an era. Great names of companies in other fields have likewise vanished as new technology brought new rivals to the forefront, or else made the whole product obsolete, as happened with typewriters, slide rules and other products now remembered only by an older generation. That is what happens in a market economy and we all benefit from it as consumers. Unfortunately, that is not what happens in government. The post office is a classic example. Post offices were once even more important than Eastman Kodak, and for a longer time, as the mail provided vital communications linking people and organizations across thousands of miles. But, today, technology has moved even further beyond the post office than it has beyond Kodak. The difference is that, although the Postal Service is technically a private business, its income doesn't cover all its costs -- and taxpayers are on the hook for the difference. Moreover, the government makes it illegal for anyone else to put anything into your mailbox, even though you bought the mailbox and it is your property.

**[Coastal Breeze News](#):** The Collier County Board of County Commissioners on Tuesday, Jan. 10 voted to oppose the U.S. Postal Service plan to consolidate or close the Fort Myers Processing and Distribution Center which would have a \$40 million economic impact on the five counties served, including Collier County.


**[ThirdSector](#):** Uncertainty over how much the cost of postage will rise in April is making it difficult for fundraisers to plan direct mail campaigns, a direct marketing agency has warned. Nick Pride, managing director of the agency DMS, which puts together direct marketing campaigns for 19 charities, said he had been told by Royal Mail that the cost of stamps would be increasing in April, but it would not be able to say by how much until late February. "Postage accounts for about a third of the cost of a direct mail campaign," said Pride. "So the cost of it can make a big difference to the type of campaign you do, the volume you can mail or the number of donors you can recruit in that channel. "I understand the position of the Royal Mail, but it makes it very difficult to plan things, in an environment where all our costs are rising and it's increasingly difficult to acquire and retain donors." As well as dealing with this change, said Pride, fundraisers would have to start planning for the fact that many types of postal service, including bulk mail, would be subject to VAT from April. *[EdNote: Ah, yes. We Yanks feel your pain about the uncertainty of things affecting the post.]*


**[BusinessDesk](#):** New Zealand Post Group, the state-owned postal service, is increasing its postage rates for domestically self-wrapped parcels and introducing an additional charge for rural deliveries in March, to cover rising petrol costs and inflation. The postage rates will increase from five to 11 percent, while parcels destined for rural delivery addresses will incur an addition charge of \$2.80, effective Mar. 1. "The reality is that the costs of providing parcel delivery services -- in particular fuel costs -- have increased markedly since 2008," the company said in a statement. "There will be no increase for postage included bags which are currently used by just over half our parcel-sending customers. There will be no increase for commercial customers on ParcelPost contracts either.

**[Defense Video & Imagery Distribution System](#):** While all Army roles are crucial on the battlefield, postal Soldiers serve a unique role serving all troops in a deployed area. They provide a means to send and receive

packages and voting ballots from the mountains of Afghanistan or the deserts of Kuwait, back home to the United States.

 [Quick! While they still exist. . . . One of our correspondents has alerted us to a site that has \[pictures of 4,314 post offices around the country\]\(#\). It's neat.](#)


 [CBS News](#): Hostess Brands Inc., the maker of Wonder Bread and Twinkies that filed for bankruptcy reorganization earlier this month, has asked a judge to slash some of its commitments to union employees, saying it's the only way it can emerge as a viable company. The Teamsters union issued a swift rebuke on Thursday, saying Hostess was trying to "bully" its way out of obligations to its employees. In court papers filed this week, Hostess asked the a bankruptcy judge to trim its obligations on commitments like health care and pensions to employees of the Teamsters union and a bakers union. The company said that Hostess brands are losing market share, "fighting for their survival" and "losing hundreds of millions of dollars each year." In all, unions represent more than three-quarters of Hostess' 19,000 employees, the company said. Hostess said its struggles were largely related to its heavy obligations to union employees and retirees. It also said its competitors don't face the same burden. Hostess said that in its previous bankruptcy reorganization, it "did not obtain any substantial relief" from its union obligations. The Teamsters union issued a statement saying Hostess was trying to "misuse the bankruptcy process" to "bully" its way to unnecessary changes. It said Hostess employees had already "sacrificed greatly" during both bankruptcy proceedings. "For Hostess to pin the blame on its employees is unconscionable and demonstrates how out of touch management is with its workforce," said Ken Hall, Teamsters' international vice president. *[EdNote: Any similarity of the circumstances faced by Hostess with any other organization or entity facing fiscal difficulty is purely coincidental.]*


 [WKBW](#): Massachusetts Congressman Stephen F. Lynch is joining New York Congressman Brian Higgins in asking the U.S. Postmaster General to remove the Buffalo Mail Processing facility from the list of those slated for closure. Congressman Lynch is a member of the Committee on Oversight and Government Reform, where he serves as Ranking Member on the Subcommittee on Federal Workforce, U.S. Postal Service and Labor Policy.

 [Government Executive](#): The federal workers' compensation program remains vulnerable to fraud, mostly due to limited access to data, according to the Government Accountability Office.


 [Post & Parcel](#): Regulators in the Channel Islands look set to grant licences to two postal operators to provide new mail services to continental Europe. The Channel Islands Competition and Regulatory Authorities (CICRA) issued a notice this week of its proposal to licence TNT Post (UK) Ltd and Hi-Speed Freight Services to launch mail services sending packets and large letters to continental Europe and Ireland. The new services would not be for sending items to the UK, Isle of Man or within the Channel Islands. CICRA said a review of the postal market in the island of Jersey, carried out on behalf of ministers, had suggested there was demand from bulk mailers in the fulfilment industry for more alternatives in sending mail more quickly to the European market.


*January 26, 2012*


 [Postalnews Blog](#): The Postal Service has notified [PDF] the APWU that it has established a relationship with Align Networks to provide physical therapy services for employees with work related injuries and illnesses. APWU strongly discourages member participation.


 ***Check this out:*** [https://www.whitehouse.gov/petitions/!/petition/fire-and-replace-postmaster-general-donahoe/V8r8t83V?utm\\_source=wh.gov&utm\\_medium=shorturl&utm\\_campaign=shorturl](https://www.whitehouse.gov/petitions/!/petition/fire-and-replace-postmaster-general-donahoe/V8r8t83V?utm_source=wh.gov&utm_medium=shorturl&utm_campaign=shorturl) "Postmaster General Donahoe is forging ahead with his plans to dismantle the Postal Service by lowering service standards and overnight delivery. His plans have NO support from the public, the employees and most elected officials. Yet he forges ahead like a dictator. As Postmaster, he should be looking for ways to grow the business, not decimate it. The closing of thousands of Post Offices and Processing Plants around the country will put the Postal Service on the road to ruin. The "studies" the USPS supposedly did have proven to be frauds and outright lies. HE NEEDS TO BE REPLACED BEFORE HE RUINS THIS 200+ YEAR INSTITUTION!" ***[EdNote: Could it really be that the President of the United States believes this is an appropriate way to deal with an Executive Branch agency chief***


*executive? Here are your choices. Either the site is a fake . . . or the President and the people who run the White House are idiots and deserve to have a petition begun to have themselves removed. You decide.]*

 **Financial Planning:** Advisors don't only have to bemoan the U.S. Postal Service's decline — there are ways to profit from it. It's worth at least considering an investment in ETFs that have exposure to companies like FedEx and UPS, according to an analysis by S&P Capital IQ. With the U.S. Postal Service's stated intention to close over 50% of its 487 mail processing centers and to move First Class mail to a two-to-three day standard from a one-day standard, along with its announcement that it is weighing the idea of ending Saturday mail delivery, FedEx and UPS are poised to benefit, according to the report.


 **DMM Advisory: IMb™ Services Update. Mail Anywhere Program Update:** To provide our customers with the best program possible, the Mail Anywhere mailing option will now be available in Spring 2012. The Mail Anywhere mailing option will allow Full-Service Mailers, with mailings containing 90% or more Full-Service pieces, to enter mail anywhere with a single permit. Previously it had been announced at the Mailers Technical Advisory Council (MTAC) that the mailing option would be available in February 2012.


	<p><b>PostCom welcomes its newest member: GrayHair Advisors</b> an operationally oriented postal consulting company. GrayHair Advisors is here to help clients manage postal expenses, optimize postal operations and successfully meet dynamic USPS mailing requirements. Clients can leverage years of postal experience to baseline existing mailing operations, postal technology, postal compliance and identify best practices in addressing, mailing and postal network integration. Represented by <b>Jody Berenblatt</b>, Senior Advisor .</p>
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 **Forbes:** In the same week first-class postage rose a penny to 45 cents, the debt-ridden United States Postal Service re-circulated its ode to snail mail, the "Hacker" commercial. The ads caused a stir last fall when they were first released.


 **Mailing Systems Technology:** The Postal Service is overfunding its two pension plans by more than \$13 billion, according to the latest projections by the Office of Personnel Management (OPM). This overfunding comes at a significant cost to the organization as it has racked up debt to pay for prefunding of its healthcare plan, while continuing to make large annual payments into overfunded pension plans. The overfunding of the Federal Employee Retirement System (FERS) has been well-documented in recent years, and it is addressed in some of the reform bills introduced in the last session of Congress. **Nearly everyone recognizes that FERS is overfunded** , and most agree that a fix is needed to return some portion of the overfunding to the Postal Service. **But what was \$7 billion in FERS overfunding has now grown to \$11.4 billion** , according to OPM's latest projections. Equally notable, however, is that the Postal Service has overfunded the Civil Service Retirement System (CSRS) pension plan by about \$1.7 billion, according to OPM. Only two years ago, the CSRS pension plan appeared to be underfunded.





 **Courier, Express, and Postal Observer:** The most recent Postal Service Active Employee Statistical Summary for pay period 26, FY 2012 has some early indication as to how the Postal Service is using its new flexibility under the APWU contract. The statistics suggests that the Postal Service is adjusting to the new employment options slowly.


 **PMNews:** Some pilgrims from Bauchi State who performed last year's pilgrimage in Saudi Arabia have expressed concern over the delayed arrival of their luggage sent home through the Nigerian Postal Service (NIPOST). In separate interviews with the News Agency of Nigeria (NAN) in Bauchi, the pilgrims said they were worried that months after the conclusion of the pilgrimage, their luggage had yet to be delivered to them. One of the pilgrims, Dr. Mohammed Chindo, the Director-General, Bauchi State Ministry for Higher Education, said he never expected such a delay when he decided to patronise NIPOST.

 [Postal Technology International](#): In Ireland more than 25 million household bills will be paid across the post office counter or online this year as An Post rolls out its new online bill payment and budgeting service for customers – mybills.ie. Already more than 50,000 customers nationally have signed on for the service, which enables them to pay more than 100 household bills online easily and at no extra cost, including Electric Ireland, Bord Gáis and Eircom. mybills.ie is a unique, free service that allows customers to take control and manage their household bills online. Payments are simple and flexible with the facility to pay more than one bill at a time and the customer chooses exactly how much to pay off a bill at a time that's convenient to them.


 [Hellmail](#): As each new communication technique flourishes, so arrives another posse of pundits ready to hammer another nail into direct mail's coffin. And yet, decades on, in a world of email, sms, personalised URLs and social media, businesses continue to devote significant budget to mailed marketing messages. Pitney Bowes surveyed 4,000 B2B companies across the UK, France, Germany and the USA about their marketing preferences to discover how direct mail fits into the modern marketing mix. The results will surprise many - in the B2B arena direct mail commands some 16% of total marketing budgets, the largest single slice of the marketing pie. Over half of respondents in both Europe (56%) and the USA (53%) declared that direct mail was the best way to reach senior management prospects. Similarly, over half of European respondents felt that removing direct mail from their marketing strategy would substantially harm their business lead generation.


 [From the Federal Register: Postal Service NOTICES Meetings; Sunshine Act , 4061 \[2012–1859\] \[TEXT\] \[PDF\] Product Changes: Priority Mail Negotiated Service Agreement , 4062 \[2012–1574\] \[TEXT\] \[PDF\]](#)


 [Gizmodo](#): "Netflix Decides to Ditch Video Game Rentals."


 [CNET](#): Netflix CEO Reed Hastings, who has given us mixed signals for the past year about whether he believed DVDs had a long life left and about the company's commitment to discs, sounded a sort of death knell today for the format.

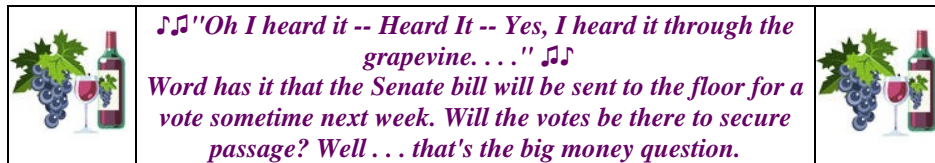
*January 25, 2012*


 [At the Postal Regulatory Commission](#): The [Postal Regulatory Commission](#) today issued updated procedures for the review of Postal Service determinations to close or consolidate post offices (Docket RM2011-13). The simplified rules will, among other things, ease requirements for persons who file appeals but do not or can not use the internet; allow interested persons to file comments without first formally intervening; and grant participants extra time to respond to Postal Service motions and briefs. The rules streamline the Commission's review process as well.


 [Financial Times](#): Deutsche Post on Wednesday assailed an "incomprehensible" Brussels decision to force the postal operator to repay up to €1bn of illegal state aid to the German government, a move that underlines the determination of competition regulators to open up the European market.


 [MarketWatch](#): High-volume commercial mailers spoke, and the Postal Service listened. Effective this week, businesses mailing First-Class Mail automation, presort letters using "2nd Ounce Free" pricing can mail letters weighing up to 2 ounces at the 1-ounce postage rate.


 [BBC](#): Jersey's competition regulator wants to grant two new postal licences to companies delivering from the island to continental Europe. A review into the postal market found that bulk mail companies wanted quicker deliveries to Europe. The regulator wants to offer licences to UK companies TNT Post Limited and Hi-Speed Freight Services. They would deliver packets and large letters from Jersey to continental Europe and Ireland.





 **The Columbo Page:** Following months of protests and worker strikes by trade unions of Postal Department against him, Sri Lanka's Post Master General D.M.K. Dissanayaka has resigned from the post. Sri Lanka Postal and Telecommunication Services Union employees of the Postal Department held a sitting-in protest campaign outside the Central Mail Exchange Monday afternoon as well. It was a one of a series of campaigns held by the union demanding to oust the Post Master General.


 **At the Postal Regulatory Commission:** The latest calculation of the [12-month average change in CPI-U](#) has been posted on the PRC web site.


 **Cambridge First:** A Cambridge cycle courier company can now transport up to a quarter of a tonne of cargo across the city following the delivery of three new unmissable trikes. Fuelled only by pedal power, the courier company Outspoken Delivery has expanded its fleet of delivery cycles in order to transport larger cargo.


 **EuropeOnline:** Deutsche Post, Germany's former postal monopolist, should give back up to 1 billion euros (1.3 billion dollars) of illegal state aid it received from German authorities, the European Union's executive ruled on Wednesday. The European Commission is the EU's highest competition authority and is tasked with policing the bloc's strict rules limiting state aid. In a statement, it said that Deutsche Post unduly benefited "from the combination of high regulated prices and pension relief subsidies" that were granted to it by German authorities. As such, it should give back "incompatible aid in the range of 500 million euros to 1 billion euros," the commission said.


 **CEP News** (Courier-Express-Postal), published by the [MRU Consultancy](#), has reported that:


 Fagpressen, the association of the Norwegian trade press, has raised serious allegations against Posten Norge. The organisation, which's members publish 230 different periodicals, accused Posten Norge of overcharging postage since 2006.

 The Belgian mail volume dropped by 3% to some 3bn mail items in 2011.

 The Finnish regulatory authority FICORA currently examines whether Itella's branch network is able to guarantee a sufficient level of postal services in the whole country.

 The Mafia has infiltrated Italy's transport industry more far-reaching than previously assumed. With regard to a recently published study, Cinzia Franchini, president of CNA Fita, Italy's association of small- and medium sized road hauliers, called the influence of organised crime on the industry 'the biggest problem of road transport in Italy'.

 The e-commerce market in Austria and Switzerland is growing dynamically and is almost as concentrated as the e-commerce market in Germany.


 Swiss Post prides itself on being the worldwide leader in digital and hybrid services. A study on behalf of the Universal Postal Union (UPU) proved, that Swiss Post was the 'postal operator with most advanced e-post services in the world'. The UPU study examined e-services like e-post, e-finance, e-commerce and e-government in 191 member states. The study also suggests that e-services are essential for the future of postal operators.



The [MRU](#), founded in 1992, is the only consultancy in Europe, which has specialised in the market of courier-, express- and parcel services. For large-scale shippers and CEP-services in particular, the MRU provides




interdisciplinary advice for all major questions of the market, as there are for example market entry, product design, organisation, and EDP. [To learn more about the stories reported above, contact CEP News.](#) (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)


 **Dead Tree Edition:** Hours after a leading Congressman urged massive job cuts at the largest civilian employer of military veterans, President Obama proposed creation of a Veterans Job Corps. Veterans preference has long been part of USPS's hiring practices and culture, leading to approximately one-fourth of its current employees having military experience.





**Federal News Radio:** This is not the easiest time for the Office of Personnel Management to implement a new strategy to tackle its retirement applications backlog. OPM has received more than 15,000 new applications this month, which is more than double the normal load. While January is always the busiest month for retirements, agencies also are offering buyouts and early retirements at a brisk pace. All of that is adding to the backlog of about 50,000 cases. [EdNote: And this is who is handling the USPS' employee retirement affairs?]

**January 24, 2012**

 **Press Release:** Bell and Howell, a leader in address quality and document messaging innovations, introduces prepaid DSF2 processing through the Data Services department. Mailers now have the ability to purchase blocks of DSF2 service credits, for faster job submission and easy budgeting. Bell and Howell is one of only 14 companies that are official DSF2 licensed service providers. DSF2 service appends Walk Sequence information to address records, giving mailers the ability to sort mailpieces in sequential order for each individual carrier route. Providing the USPS® with this data allows mailers to take advantage of associated postage discounts in the form of Walk Sequence Saturation or High Density rates, which can result in significant savings. This service also enhances list data, providing details on addresses such as address type (residential, educational, business, seasonal), mailbox location (curb, door, central) and more.

 **BusinessWire:** FedEx Corp. has announced it is expanding the availability of its SenseAwareSM powered by FedEx service which provides customers with near real-time tracking and increased visibility into their shipments. SenseAwareSM is a comprehensive tracking service that provides near real-time data about customer shipments and the ability to share that information collaboratively with business partners. A multi-sensor device, deeply integrated with a powerful web-based application, enables customers to stay connected to their shipments.

 **Star News:** The U.S. Postal Service needs to slash 260,000 jobs and end weekend delivery if it is to climb out of its "financially insolvent" condition, a leading House Republican told CNBC this week. Rep. Darrell Issa, R-Ca., said that despite being mandated to avoid deficits, the post office loses up to \$15 billion a year. And yet the service still delivers six days a week to every address in the nation. In the digital era and its lightning-fast transactions done through e-mail and other avenues, such an ambitious postal service is no longer necessary, Issa said. He specifically called for the streamlining of the service's 461 processing centers, half of which he would close.

 **Courier, Express, and Postal Observer:** In a broadcast interview on CNBC's Squawkbox, Chairman Darell Issa, Ranking Majority Member Elijah Cummings and Representative John Tierney discussed the need for reform legislation in the second session of the 112th Congress. The headline that CNBC reported is Chairman Issa's claim that the Postal Service has 260,000 too many employees, a claim that I am sure Chairman Issa would have to admit is based on an overstatement of the Postal Service's current head count. Even if you adjust the employee count reduction to reflect current head counts, Chairman Issa still suggests that the Postal Service needs to cut 174,000 employees. What Chairman Issa's head count reduction comes from the notion that the Postal Service's losses must come solely from reduction in costs. He acknowledges that the cost reduction would require a reduction in the service quality that the Postal Service now provides but he does not explicitly link the job losses to the reduction in service quality. The changes in service quality that he says are required include: elimination of Saturday delivery; elimination of door delivery; and reduction in a large number of processing facilities that would require a cut in First Class service standards to work. Chairman Issa appeared to suggest that Post Office closings may be a lower priority in terms of service cuts primarily because the cost savings is so small.




or Agapi Doulaveris at (703) 248-2286.


The following reports have been posted on the U.S. Postal Service Office of Inspector General website (<http://www.uspsojg.gov>). If you have additional questions concerning a report, please contact Wally Olihovik at (703) 248-2201

- [Fiscal Year 2011 Postal Service Financial Statements Audit – San Mateo Accounting Service Center \(Report Number FT-AR-12-009\)](#). Our report determined that financial accounting policies and procedures provide for an adequate internal control structure and comply with accounting principles generally accepted in the U.S. We also found that accounting transactions at the San Mateo ASC are fairly stated in accordance with accounting principles generally accepted in the U.S. and general ledger account balances conform with the general classification of accounts on a basis consistent with the previous year. The Postal Service complied with laws and regulations related to the San Mateo ASC that have a direct and material effect on the financial statements.
- [Fiscal Year 2011 Postal Service Financial Statements Audit – St. Louis Information Technology and Accounting Service Center \(Report Number FT-AR-12-010\)](#). Our report determined that financial accounting policies and procedures provide for an adequate internal control structure and comply with accounting principles generally accepted in the U.S. We also found that accounting transactions at the St. Louis IT/ASC are fairly stated in accordance with accounting principles generally accepted in the U.S. and general ledger account balances conform with the general classification of accounts on a basis consistent with the previous year. The Postal Service complied with laws and regulations relating to the St. Louis IT/ASC that have a direct and material effect on the financial statements as a whole.




**From the Federal Register: POSTAL REGULATORY COMMISSION** *Sunshine Act; Notice of Meeting* TIME AND DATE: Wednesday, February 1, 2012, at 11 a.m. PLACE: Commission Hearing Room, 901 New York Avenue NW., Suite 200, Washington, DC 20268–0001. STATUS: Part of this meeting will be open to the public. The rest of the meeting will be closed to the public. The open session will be audiocast. The audiocast may be accessed via the Commission's Web site at <http://www.prc.gov>. **MATTERS TO BE CONSIDERED:** The agenda for the Commission's February 2012 meeting includes the items identified below. Portions Open to the Public 1. Report on legislative activities. 2. Report on public participation. 3. Report on international activities. 4. Report on post office appeals. 5. Report on other pending dockets. 6. Report on the activities of the Office of the Secretary. Chairman's Public Comment Period Portion Closed to the Public 7. Discussion of pending litigation. CONTACT PERSON FOR MORE INFORMATION: Stephen L. Sharfman, General Counsel, Postal Regulatory Commission, 901 New York Avenue NW., Suite 200, Washington, DC 20268–0001, at (202) 789–6820 (for agenda-related inquiries) and Shoshana M. Grove, Secretary of the Commission, at (202) 789–6800 or [shoshana.grove@prc.gov](mailto:shoshana.grove@prc.gov) (for inquiries related to meeting location, access for handicapped or disabled persons, the audiocast, or similar matters).


 **Independent Women's Forum:** Congress is expected to vote on postal reform legislation early in 2012. This gives the environmental movement the chance to score a real victory for Mother Earth—and one that the American people would actually support. Yet there has been no push by Democratic lawmakers or encouragement from the environmental left to create a “Do Not Mail” registry.


 **Build.co.uk:** The Royal Mail and the Post Office have struck a ten-year deal that will see the service continue. Postal Affairs Minister Edward Davey announced the agreement on Tuesday as part of a progress update on Post Office policy. Mr Davey told Parliament that pledges given during the passage of the Postal Services Act of a new long-term deal between the Post Office and the Royal Mail would be reached before they separated and had been delivered with the signing of a ten year deal this month.





**Rep. Dennis Ross:** Congressman Dennis A. Ross (R-FL) today announced he would hold a hearing on reforming Congressional pensions and ensuring that Members of Congress are treated no differently than the rest of the federal workforce. In addition, the hearing will explore options in reforming the entire federal pension system, Congress included, to bring it more in line with the private sector workforce.


 [FederalWayMirror](#): At 3:08 p.m. Jan. 16 in the 34000 block of Pacific Highway South, a business owner reported finding a bag in one of his dumpsters full of other people's mail. According to the report, the bag contained mail meant for at least 20 other people. Video surveillance captured a white van dumping the mail, but was unable to capture a license plate number. The mail was turned over to a USPS postal inspector.


 [Direct](#): Catalogs with attention-getting formats have been reaching my mailbox with increasing frequency. Everything from teeny books to giant ones, multi-stepped pages to fancy bind-ins have been helping to reinforce these catalogs' positioning while actually getting them opened.


 [CNBC](#): Fed Ex and UPS deliver nearly 6.5 billion packages a year. For perspective, that's about one package for every person on the planet. What's more incredible is that an unbelievably high percentage of them are delivered on time, regardless of weather, distance or size of package. "Our customers don't care that it's sleeting and snowing," said Fed Ex's Dan Allen, who works on the airline side of the business. "They want their package, and they want it delivered on time tomorrow." When you first look at the two companies, it's reminiscent of some other high-profile duopolies. Coke and Pepsi. McDonalds and Burger King. Boxers and briefs. They're in similar spaces, and from afar, they might look the same, but they're not.

 [The Japan Times](#): A welfare ministry section chief was sentenced to a suspended one-year prison term Monday for forging documents in an effort to abuse a postal system discount in a case that saw his former boss acquitted in 2010 and a prosecutor convicted of evidence-tampering.

 [MyFoxDC](#): The U.S. Postal Service needs to cut \$20 billion out of its budget. In December, David Williams, Vice President of Postal Operations, delivered the bad news. "The fact of the matter is our network is too big. We have more capacity than we can afford," he explained. The Postal Service is seeking approval to close 261 processing centers, eliminate Saturday delivery, next day delivery for first class mail, and cut 28,000 - most through retirements. "We're being presented with false choices," said Rep. Gerry Connolly (D - Virginia). Connolly believes Congress should roll back its mandate, imposed in 2006, that requires USPS to pre-pay 100 percent of its anticipated retirement costs. "No other federal entity is required to pre-fund at 100 percent," he said. "The Government Accountability Office says that costs an extra \$5 billion a year." It's a start, but USPS losses are expected to be \$10 to \$14 billion a year as consumers use more and more electronic delivery services. Connolly, with support from some Democratic and Republican colleagues, wants to give the service more options to raise revenue.


 [The Florida Times-Union](#): Nearly 39,000 pounds of mail bound for Jacksonville burned on the side of U.S. 1 north of Waycross, Ga., Saturday night. Postal Service spokesman Stephen Seewoester said all 38,616 pounds was advertising mail. Because the mail had not yet reached any U.S. Post Service facility, Ferrell said it could be disposed of in bulk. That means it could all end up in a single Georgia landfill, or perhaps incinerated, instead of in various landfills around North Florida and Southeast Georgia. Jimmy Lewis Dobson, 38, of Warner Robins, Ga., was driving his tractor-trailer rig on U.S. 1 when he saw flames coming from around the rear wheels as he passed through the Dixie-Union community. Dobson pulled to the side of the road and detached the tractor from it and drove to a safe distance away. Firefighters put out the fire. The burned mail originated in Eastman, Ga.


 [Attention Postal One! Users](#): The Mail.dat file and Mail.XML message issue that was reported to you yesterday involving mailers submitting First-Class Mail postage statements resulting in failed jobs due to double entry of postage statement lines has been corrected. Statements processed today by the Postal Clerk adjustment work around should be reversed by the clerk and the mailer can resubmit the electronic job. As reference: The tracking id for the Mail.dat file issue was 91873 for error code 7079 in USPS issue tracking. The tracking id for the Mail.XML file issue was 91875 for error code 8869 in USPS issue tracking. Please contact the USPS Help Desk at (800) 522-9085 if you have questions or further issues.


 [Reuters](#): China's fragmented but booming express delivery industry, where delay, damage and outright loss of packages persistently erode Chinese operators' reliability and reputations. This should be a huge business opportunity for foreign companies such as FedEx Corp and United Parcel Service Inc, which have vast experience in delivering packages around the planet and high-tech tracking and quality-assurance processes. But they are sparsely represented in China. Foreign firms can deliver packages from abroad to destinations in China, but Chinese law


forbids them from domestic delivery, packages sent between locations in China. This year, however, some are hoping to take a bigger bite out of this expanding pie, applying for licenses for parcel delivery in the Chinese market.


*January 23, 2012*


 **CNBC**: The shipping business is huge, but the sector isn't necessarily experiencing huge growth. UPS and FedEx combine for about \$90 billion in revenue, but to get that number above \$100 billion, the two companies need to look beyond just shipping. In this era of efficiency and globalization, a viable growth engine has emerged: Adjacent Business. Instead of just shipping products for companies, UPS and FedEx are also storing, maintaining and even customizing products — all with their own employees. Did you know that when you get your new phone from Sprint, it was probably configured and shipped by a UPS worker at a UPS facility in Louisville, Ky.? Phones from manufacturers like Motorola and Kyocera arrive in Louisville from Asia. At UPS' Worldport hub, the phones are received, customized, packaged, and shipped straight to stores and individual customers.

 **Federal Times**: Binding arbitration will likely set the terms of two U.S. Postal Service's labor contracts affecting more than 240,000 employees after an impasse was declared Friday in negotiations with two postal unions: the National Association of Letter Carriers and the National Postal Mail Handlers Union. A third postal contract with the National Rural Letter Carriers' Association is already in the hands of a three-member arbitration panel. In an online status report on its negotiations last month, the NPMHU cited wage increases and job security as two sticking points. In the NALC negotiations, however, issues like benefits and giving the Postal Service more authority to consolidate routes have loomed larger than pay, said one person familiar with the talks who asked not to be named in order to speak freely.

 **UGPulse**: The Permanent Secretary at the ministry of Information Communication Technology, Jimmy Samanya is urging all postal service providers in Africa to quickly and effectively embrace the use of Information and Communication Technologies. Sumanya says ICT's application in the day today running of business is the best way the sector will be able to offer quality services to the clients. He was today speaking to participants attending a three day conference on harmonizing policies and drawing action plans for the postal sector on the African continent, Samanya revealed that having strong policies for the sector is also crucial in developing the relevance of postal services. The Director Corporate Affairs at the Uganda Communications Commission, David Ogong challenge postal service providers to ensure that they use all possible techniques to see that they develop the competitiveness of postal services so customers still find them relevant in the midst of several alternative services.

 **UN News Centre**: Online services that allow users to track and trace packages, find post office locations, transfer money and pay bills electronically, among other activities, are becoming increasingly important for the postal industry, according to a study released today by the United Nations global post agency. The study divides 55 electronic services into four categories which include e-post, e-finance, e-commerce and e-government. E-post services are the most developed, followed by e-finance and e-commerce. E-government is still relatively new, with the number of countries providing such services insufficient to allow for the development of an index for this category. In addition, the report also identified services which are considered strategically important but are currently underdeveloped. These include providing electronic signatures, notifying customers of deliveries via mobile text messages or e-mail, online changes of addresses, the provision of electronic postal certification marks, postal registered electronic mail, and electronic customs documents and digital identities.


 **Courier, Express, and Postal Observer**: On Friday, the National Association of Letter Carriers (NALC) announced that a majority of the House of Representatives signed on as sponsors of House Resolution 137 (H.R. 137) which expresses the House's support for 6-day delivery. As such, the resolution only expresses the sense of the House. It does not have the power of law to prevent the Postal Service from implementing 5-day delivery. Ensuring 6-day delivery will require that the House of Representatives approve an amendment to H.R. 2309 that remove provisions that allow the Postal Service to cut service to 5 days a week. For this to happen, all 219 supporters ( i.e the prime sponsor, Rep. Sam Graves (R-MO) and 218 co-sponsors) must remain steadfast in their support of 6-day delivery. All Chairman Darrell Issa has to do is convince 18 of the 42 Republicans that are currently supporting the resolution to support the compromise on 5-day delivery worked out in the House Oversight and Government Reform Committee markup.

 **Press Release:** On January 23, 2012 over 7,500 intelligent mailers has signed up for and receive free weekly mailing tips in their e-mail inbox on how to mail and ship with the US Postal Service more effectively. [Postal Concierge e-Tips](#) are helping mailers keep up with important Postal information and insights. This complimentary weekly [Postal Concierge e-Tips](#) has been growing since 2009. In just 2 ½ years, the e-Tips subscriber list has grown to over 7,500 mailers, mail service providers and USPS personnel! [Postal Concierge \(PC\) e-Tips](#) include information on new and proposed USPS regulations, notices about when USPS data files (i.e., Labeling Lists) change and links to a whole host of other free educational resources. Click here to get your free subscription to [Postal Concierge e-Tips](#) now.




The U.S. Postal Service Office of Inspector General invites you to comment on this week's "Pushing the Envelope" blog topic:

**Thinking outside the envelope.** Many foreign postal operators, rather than simply focusing on their core business of delivering mail and parcels, are offering innovative products and services such as prepaid debit cards, banking accounts, and ID verification. Should the USPS explore implementing similar products and services? What are the potential obstacles to their implementation in the U.S. market? Share your thoughts on our [blog](#).

 **Federal Times:** Between crumbling finances, tense relations with Congress, and three major labor contracts still to hammer out, you might think the U.S. Postal Service has better things to do than pick an open records fight with another government agency. Think again, according to the California Fair Political Practices Commission.

 **Daily Mirror:** "Postal Trade Union asks to remove Postmaster General immediately." [*EdNote: No, not here, Silly. Sri Lanka! Look at the flag!*]


 **DMM Advisory: January DMM Update** Postal Explorer® ([pe.usps.com](http://pe.usps.com)) is your source for up-to-date mailing standards. The Domestic Mail Manual (DMM®) is fully searchable on Postal Explorer and features fly-out menus, cross-reference links, and an extensive subject index. Yesterday, we updated our mailing standards to include the following changes:


- **New Standards for Domestic Mailing Services.** We revised various sections to reflect price adjustments and mailing requirements changes associated with the October 2011 filing with the Postal Regulatory Commission (PRC).
- **Domestic Shipping Services Pricing and Mailing Standards Changes.** We revised various sections to reflect changes to prices and mailing standards for the following Shipping Services: Express Mail®, Priority Mail®, First-Class Package Service™, Parcel Select®, Parcel Return Service, Mailer Services, and Recipient Services. These changes are associated with the November 2011 filing with the Postal Regulatory Commission (PRC).
- **Combined Mailings of Standard Mail and Periodicals Flats.** We added a new section, [705.15.0](#), providing optional standards for combining Standard Mail® flats and Periodicals flats within the same bundle, when placed on pallets; and for combining bundles of Standard Mail flats and bundles of Periodicals flats on the same pallet.
- **Periodicals PS Form 3541-M - Discontinued.** We revised [707.17.5.1](#) to revise the practice of submitting one Periodicals postage statement for all issues mailed in a calendar month.
- **Priority Mail Commercial Plus Cubic Packaging Alternatives.** We revised [402.2.2](#), [423.1.4](#), and [425.2.3](#) to introduce two new Priority Mail Commercial Plus Cubic packaging alternatives—soft-pack envelopes and padded envelopes.
- **Intelligent Mail Package Barcode Implementation for Commercial Parcels** We revised various sections to provide new standards for the use of Intelligent Mail® package barcodes (IMpb).
- **Combined Mailings of Standard Mail and Periodicals Flats—Clarification** We revised [705.15.0](#) to reflect standards changes related to combined mailings of Standard Mail and Periodicals flats.
- **Copalletized, Combined, or Mixed-Price Level Palletized. Mailings—Correction.** We revised [705.8.7.4](#) to clarify that the presort level of Standard Mail letter-size pieces that are part of a copalletized or combined mailing must accurately reflect the postage and entry discount paid at the origin site.



- **Eligibility for Destination Entry Prices per NDC and ASF Labeling Lists.** We revised various sections to delete destination network distribution center (DNDC) eligibility Exhibits 246.3.1, 346.3.1, 366.4.1, 446.3.1, 453.3.1.3, and 466.4.4.
- **Products Mailable at Nonprofit Standard Mail Prices.** We revised [703.1.6.11](#) to indicate that products mailed at Nonprofit Standard Mail prices must meet at least one of three exceptions. A low-cost item is one of the exceptions referenced in the Internal Revenue Code.
- **Express Mail Domestic Postage Refund Policy and Waiver of Signature.** We revised various sections to modify the policy for filing claims for domestic Express Mail postage refunds from 90 days to 30 days after the date of mailing.
- **Antique Firearms—Clarification.** We revised [601.12.1.1a](#) to clarify that antique firearms that meet the definition of a handgun according to USPS standards are also subject to the mailing requirements in [601.12.2](#) through [601.12.7](#).


Our next scheduled DMM update is March 5.


 **The Baltic Times:** On Jan. 20, the Transport Ministry made the decision to dismiss the board of state-owned joint-stock postal company Latvijas Pasts (Latvian Post), business portal Nozare.lv was informed by the ministry's spokeswoman Elina Bālgalve. Such a decision has been made "to ensure more effective work of Latvian Post and achieve business plan goals," reports LETA. The company's chairman of the board Aigars Vitols, as well as its board members Ilze Aleksandroviča, Ivo Lecis and Andrejs Vicups have been dismissed.


 **Attention Postal One! Users:** Please be advised: If you are a mailer sending Mail.dat files or Mail.XML messages to create postage statements in the PostalOne! system there is a new issue in PostalOne! Release 29.0.2 that may affect you. Both Mail.dat jobs and Mail.XML messages for First-Class Mail postage statements are generating a validation error for double entry of postage statement lines causing the Mail.dat file or the Mail.XML message to fail to submit. The tracking id for the Mail.dat file issue is 91873 for error code 7079 in USPS issue tracking. The tracking id for the Mail.XML file issue is 91875 for error code 8869 in USPS issue tracking. The workaround is that the Postal clerk will enter an adjustment on the account including any Full Service discount applicable. After the issue is fixed, the adjustment will be reversed and the mailer will resubmit the job. Please contact the USPS Help Desk at (800) 522-9085 if you have questions or further issues.


*January 22, 2012*

***[PostCom's charts of 2012 USPS postal prices effective today.](#)***

 **Washington Post:** Postage rates jumped Sunday for the first time in two-and-a-half years as the U.S. Postal Service hopes to generate more revenue amid historic losses. First-class postage stamps now cost 45 cents each, a price jump that officials anticipate will generate an additional \$888 million in annual revenue. The rate increase does not affect the use of Forever stamps purchased before Sunday. The price hike comes as negotiations between the U.S. Postal Service and two of its labor unions reached an impasse that may eventually require a ruling by an arbitrator.

 **Attention Postal One! Users:** PostalOne!® Release 29.0.2 Deployment Update: PostalOne! Release 29.0.2 successfully deployed to production on January 22, 2012. Identified known issues, with business workarounds as applicable, are posted on [RIBBS](#) under the [Major/Minor Release](#) tab; January 2012 Release.


 **Phone Arena:** According to IDG Connect numbers, 72% of professional iPad users say they buy fewer newspapers as a direct result of their iPad. Almost as many (70%) cite a reduction in the number of books they purchase due to their iPad. And half (49%) are buying fewer DVDs or Blu-Ray disks now that they can watch movies on their iPad. While much has been written about the impact that tablets may be having on the PC industry, they may be having a much larger impact on analog media, as they accelerate the trend towards digital distribution.

 **Attention Postal One! Users:** Please be advised that Saturday, Jan 21, 2012 at 11:30 a.m. CST the USPS PostalOne! environment was updated to implement current security certificates. This change should have no impact to external users. If you are a PostalOne! or FAST WebServices customer sending or receiving Mail.XML and you experience any issues with your trusted access please install the publicly available signer certificates attached to this email. You can also download the updated Signer Certificate from the following links and load them to the "CAcert" Files.

[https://support.comodo.com/index.php?\\_m=downloads&\\_a=viewdownload&downloaditemid=101](https://support.comodo.com/index.php?_m=downloads&_a=viewdownload&downloaditemid=101)

[https://support.comodo.com/index.php?\\_m=downloads&\\_a=viewdownload&downloaditemid=10](https://support.comodo.com/index.php?_m=downloads&_a=viewdownload&downloaditemid=10)

If you need further assistance please contact the USPS Help Desk at (800) 522-9085


 **Daily Yomiuri:** The Democratic Party of Japan, the Liberal Democratic Party and New Komeito have reached a broad agreement on an organizational revamp of Japan Post Group and to work together for postal reform, The Yomiuri Shimbun has learned. In working-level talks Friday, the ruling and two major opposition parties agreed, in principle, to restructure the five-company Japan Post Group into a four-company unit to stem poor performance, sources said. The envisioned group will be created through a merger of two of the five Japan Post Group firms--Japan Post Service and Japan Post Network--which have consistently posted losses.



*January 21, 2012*

 **From the Federal Register: Postal Regulatory Commission NOTICES** International Mail Contracts , 3288–3289 [2012–1218] [[TEXT](#)] [[PDF](#)]


 **One of our correspondents pointed out the following to us that had been published in [U.S. News](#):**


*“According to the Congressional Research Service and PolitiFact, the last time that the Democratic-controlled Senate passed a budget was April 29, 2009. Since then, the federal government has been operating on makeshift continuing resolutions. Why? Democratic officials say it would have been a waste of time to debate other budget bills because they believed the GOP would try to load them up with political gimmicks.”*


 **Newark Post:** Sen. Tom Carper (D-Del.), chairman of the Senate Subcommittee that oversees the U.S. Postal Service, addressed the United States Postal Service at its public hearing on the feasibility study for Delaware's processing facility at Hare's Corner.

	<p><i>♪♪"Oh I heard it -- Heard It -- Yes, I heard it through the grapevine. . . ." ♪♪</i></p> <p><i>The Washington postal community is all a'twitter with "news" that the Senate soon will take up a postal reform bill on the floor. Okaaayyyy. And will there be the votes to ensure Senate floor passage? And will there be sufficient support in the House? And do we really expect House and Senate Republicans to be in the mood to sing "Kumbaya" as they give a legislative accomplishment to House and Senate</i></p>	
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<i>Democrats as well as a Democratic President who's up for re-election? Hey, eat the grapes; drink the wine, but don't hold your breath.</i>
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 [National Association of Letter Carriers](#): The NALC has learned that **218 House members from both parties—a majority**—have now signed on as co-sponsors of H.Res. 137, the measure introduced by Rep. Sam Graves (R-MO) that expresses the sense of the House that the USPS should take "all appropriate measures" to **ensure continuation of six-day delivery**. "Our members' hard work continues to pay off," NALC President Fredric Rolando said. "This level of support will shore up our defense against the attempts by Congressman Darrell Issa and others to 'save' the Postal Service by cutting service—a counterproductive proposal that would surely fail if implemented."

 **USPS Mailing Industry Stakeholders!!** Following a recent Postal Rate Commission (PRC) approval of a minor change in our Mail Classification Schedule, there seems to be questions concerning Negotiated Sales Agreements (NSAs) and postage payment methods. As a result of this, Industry Engagement and Outreach has issued [a fact sheet of talking points](#). These talking points provide clarification on the Mail Classification Schedule change, postage payment methods, and NSAs in general.

 **IMPORTANT NOTICE TO CONFIRM SUBSCRIBERS:** In October 2011 the USPS announced a proposed January 22, 2012 change to the CONFIRM service. At the time of the announcement, subscribers were informed that the proposed price change would initiate the retirement of CONFIRM Service and the introduction of IMb Tracing. Similar to CONFIRM, the new IMb Tracing service would provide mail processing scan data for barcoded mail pieces. Unlike CONFIRM, IMb Tracing would be exclusive to use of the Intelligent Mail barcode and would not have separate fees. After January 22, when a customer's subscription expires, that customer will be automatically enrolled into the new IMb Tracing. CONFIRM subscribers utilizing the PLANET barcode would not be allowed to continue using PLANET barcodes once their CONFIRM subscription expired. However, PLANET code users were given an opportunity to renew their subscription prior to January 22, 2012 in order to extend their PLANET code usage until January 2013. This announcement also impacted customers who had previously purchased CONFIRM subscriptions with the expectation that it would remain a paid service past January 22, 2012. In those instances, subscribers did not have an opportunity to optimize their subscription selection to the end date of the CONFIRM program.

Therefore, the USPS is offering an opportunity for refund to those CONFIRM subscribers who would have optimized their subscription selection had they known that the IMb Tracing product would be introduced on January 22, 2012. Based upon your subscription selection, scan volume, and renewal date, the USPS can calculate what would have been the lowest subscription level necessary to provide you data until the January 22, 2012 price change. The refund would be the difference between what you paid and the cost of the optimized subscription level. If you would like to request an account review **to determine your eligibility for a refund**, please contact: **Mail USPS NATIONAL CUSTOMER SUPPORT CENTER ATTN: IMb Tracing 6060 PRIMACY PKWY STE 101 MEMPHIS TN 38188-0001**

 [U.S. Postal Service](#): Separate contract negotiations with the NALC and the NPMHU have come to an impasse. Under the statutory procedures that apply to postal labor negotiations, if both sides agree, the parties may first engage in mediation and, if unsuccessful, go to interest arbitration. The parties currently are discussing how they will proceed. A mediator assists the parties in trying to reach a voluntary agreement. A mediator does not have the power to impose the terms of the contract. An arbitrator has the authority to determine the terms the new contract. Under Title 39, section 1207, the mediation process is generally given approximately 60-days [USPS fact sheet](#). See also [Federal Times](#) and [Bloomberg](#).

January 20, 2012



**PostCom Webinar: "3 Step Approach to Improving Customer Experience & Driving Engagement"**

Reserve your Webinar seat now at: <https://www1.gotomeeting.com/register/545405784> Please join the Association for Postal Commerce for a free webinar on:

***Empowered consumers. The rise of social & mobile. The need to integrate multichannel data.*** Marketers' ultimate focus remains the same – wooing customers. And the fundamentals are the same: targeting customers with relevant content is critical to achieving ROI; clean, accurate data yields better results; identity resolution is essential, and delivering the right message to the right person at the right time is key.

**Dave Duszynski, Director, Sales Support & Client Relations, Experian Marketing Services** will share practical approaches, industry/client examples, and useful tips to move your marketing forward. Key topics include: Adopt a four-stage customer engagement framework to understand your customer's journey Conduct benchmarking to determine your company's level of engagement maturity Improve capabilities and drive quantifiable business results with a diagnostic methodology

**Title:** 3 Step Approach to Improving Customer Experience & Driving Engagement

**Date:** Tuesday, March 6, 2012 Time: 1:00 PM - 2:00 PM EST



**Rep. Brian Higgins:** "“The sign outside the William Street mail processing facility may say they deliver jobs but it seems to me these days the United States Postal Service is much better at delivering confusion and mixed messages. This could be a poster for the pervasive tone deaf bureaucratic disconnection from the public. On one hand they are providing little information but asking Western New Yorkers to trust that a shut-down is necessary; and yet their job posting seems to tell another story, one that certainly implies that the volume in Buffalo is there to support 50 additional jobs. “Don’t get me wrong, I am all about creating jobs in Western New York but this sign is a slap in the face to the 700 employees preparing to lose their jobs at the hands of the USPS that has to walk through those doors every day.”



**Wall Street Journal:** Running low on cash and unable to attract buyers for its assets, Eastman Kodak Co. put itself into bankruptcy court, where it hopes to slash what it owes retirees and force much bigger technology companies to pay to use its patents. *[EdNote: Hmmmm. Maybe the USPS can use its monopoly over the letterbox as a revenue generator. Licence access to help support universal service that competitors are unwilling to provide.]*



**Helsingin Sanomat:** The state-owned postal service company Itella is continuing to scale back its network of its own post offices and sub-post offices that are operated in connection with other businesses. At present there are fewer than 1,000 post offices and sub-post offices around Finland. Twenty years ago there were well over 2,000. Now the company plans to set up hundreds of delivery pick-up points and parcel delivery automats in the coming years. Currently there are just 11 pick-up points and 50 machines. By the end of the year there will be 41 pick-up points and 100 parcel machines.



**Dead Tree Edition:** It was one thing when weak companies like Borders and NewPage went Chapter 11 last year. But now the bankruptcy talk has spread to four print-related companies that once seemed invincible or eternal: the U.S. Postal Service, Barnes & Noble, Quad/Graphics, and Verso Paper. Are things really so bad for print media that the companies we thought were victors of the competitive wars have now become victims? Dead Tree Edition isn't so sure, so we're turning to our readers to help us understand.

*January 19, 2012*



The following report has been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov>). If

you have additional questions concerning a report, please contact Wally Olihovik at (703) 248-2201 or Agapi Doulaveris at (703) 248-2286.

[Mail Verification Procedures at Detached Mail Units \(Report Number MS-AR-12-002\)](#). Our report determined that Postal Service mail verification procedures were not always adequate to ensure that business mailings contained sufficient postage or met Postal Service specifications. Postal Service employees also sometimes overrode system-generated notifications that mailings did not contain sufficient postage or meet specifications without verifying whether these notifications were valid. We also noted that DMU staffing was inconsistent and did not always align with mailers' production levels, resulting in idle staff time at some locations and heavy workload at others.



The [House Oversight and Government Reform committee report on HR2309](#) has been posted on this site.



**Attention PostalOne! Users:** You are receiving this email because a Priority Urgent ticket was opened by the USPS Help Desk for an issue that was affecting several USPS externally facing applications who access services through the Business Customer Gateway including PostalOne!. The incident began at 10:13 am CST and was cleared at 11:01 am CST. The issue is currently under investigation but all external access has been restored. More information will be provided if there is any further impact expected or detected for our users. There was no impact to internal access to PostalOne!. Please call the PostalOne Help Desk at (800) 522-9085 if you have any further questions.



The latest issue of the [PostCom Bulletin](#) is available online. In this issue:

- The U.S. Postal Service today asked the Postal Regulatory Commission (PRC) to expedite consideration of the Postal Service's plan to make its operations more efficient, reduce costs and ensure the long-term affordability of mail.
- According to Senator Collins, "despite the expanded use of new communication technologies, the demise of the Postal Service would devastate our economy. It operates at the center of a mailing industry that employs more than 8.5 million people and generates almost \$1 trillion in economic activity every year. Virtually everyone — from big retailers to small businesses to online shops — relies on the Postal Service to deliver packages, advertise services and send out bills. Take that away, and businesses and consumers would suffer and, in some cases, fail."
- The Institute for Research on the Economics of Taxation has released a paper that found, ". . . that posts can adjust to change and remain financially viable. Unfortunately, USPS is among the posts with consistent losses."
- According to postal commentator Jessica Dauer Lowrance, "the struggling Postal Service has yet another hurdle to overcome in the recent Institute for Research in Economics and Taxation paper by Michael Schuyer titled "Most Foreign Postal Services are Profitable; the U.S. Postal Service Lags." Although Schuyer has laid out the financial facts of the U.S. Postal Service and other foreign posts as reported to the Universal Postal Union (UPU), he has missed explaining the reasons why these figures are as they are. Without this explanation, the paper is unfinished and leaves the reader with a false sense of understanding the issues."
- According to postal commentator Gene Del Polito, "The one significant challenge that's facing the U.S. Postal Service is a very simple one to discern: Its costs outstrip by a significant margin its ability to cover those costs with postage-paid revenue. Set aside for a moment all the rationalizing as to why this is so. No matter the reasoning, the result is still the same. Too many costs; not enough revenue. The only question is whether the decisions Congress makes will foster a cost-efficient and reliable universal mail delivery service or simply kill it off."
- According to Gene Del Polito, postal commentator, "there's that old saying that there are two things you should never want to see, i.e., the making of sausage and the making of laws. Over the past year, those who



are a part of what somewhat euphemistically is called the postal community have had to learn more than their fair share of the ins and outs of congressional lawmaking--most particularly the ins and outs of congressional budget scoring. As Congress gets ready to take another stab at postal reform, it might make sense to use the \$20 billion savings by 2015 target set out by the Postmaster General as a measure of its success.”

- According to Courier, Express, and Postal Observer, “no stakeholders and few members of Congress argue that the United States should provide postal services through a mix of user fees and tax revenues in a manner that highway, air, and rail passenger transportation are provided. The Postal Service and its supporters point with pride that since the passage of the Postal Reorganization Act, the Postal Service has covered its costs through postage revenue. For many years, no one questioned whether the Postal Service could be self-sufficient or financially viable as long as revenue just covered costs over the long run.”
- USPS makes over \$691 million on competitive products for FY11. Utility says USPS having trouble getting bills to residents on time. From USPS NewsLink. No takers on USPS’ Mail Works Guarantee. Triggered direct mail adds to choice. Using zip codes to create custom SMS marketing applications. To avoid collapse the Post Office should deliver health care and other services. Rep Higgins wants to meet with postal chief. Rep Barletta wants USPS to speed up Shickshinny PO’s reopening. N.D. delegation urges officials to reconsider USPS closures. Competing bills aim to fix Postal Service. Garon: A savings account at the Post Office. Kodak and the U.S. Postal Office. USPS changes to slow bill payments. CT mail industry backs Postal Service cutbacks. Latest CPI figure available. UPS to close Texas accounting center, cut 135 jobs. USPS cuts could slow Oregon’s vote by mail.
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews

*Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? [Send us by email](#) your name, company, company title, postal and email address. Get a chance to see what you've been missing.*




*The PostCom Bulletin is distributed via [NetGram](#)*

**Logistics Management:** In the freight transportation world, one of the most predictable things over the years is the unpredictable nature of the price per gallon of diesel fuel. That is the case once again now, given the fluctuation in fuel prices in recent months. According to the survey’s results, 38 percent of respondents indicated that average fuel surcharges were more than 20 percent above base rates, with 12 percent saying they were 16-20 percent higher. And 16 percent of shippers said they were in the 11-15 percent and 6-10 percent ranges, respectively, with 12 percent stating that their average fuel surcharges were 1- 5 percent above base rates. And 6 percent said they were unsure of how much their average fuel surcharge was above base rates. *[EdNote: The USPS is not permitted to post fuel surcharges.]*

**Direct Marketing News:** Three- quarters of marketers plan to increase their marketing spending on social media this year, according to a global survey of more than 700 marketers conducted last November by social marketing firm Wildfire. Eighty-eight percent of respondents said they recouped positive return on investment (ROI) from their social media marketing. Asked how they define positive ROI, 38% of respondents cited increased fans, “likes”, comments and interactions; 24% cited increased revenue; and 15% cited increased brand awareness.


**Advertising Age:** 3D modeling combined with natural interface technology is here, and our shopping experiences will never be the same. One of the best examples of this is the virtual dressing room experience that both Microsoft and Kinect developer PrimeSense showed off at CES. The ability to try clothes on at the store has been a benefit catalogue or online channels have never been able to compete with. But now, the sophisticated depth-camera behind

Kinect is being used to reveal how the clothes fit on your body-shoppers can evaluate a heat map output to see where the item is tight or loose fitting.


 **U.S. Consumer Postal Council:** The U.S. Consumer Postal Council (CPC) released the 2012 Edition of its Index of Postal Freedom. With in-depth research into the national posts of countries on six continents, the Index is a valuable reference tool for policy analysts, reporters, and postal consumers interested in comparing postal systems across the globe. The 2012 version of the Index can be found here: <http://www.postalconsumers.org/PFI/>.





According to postal commentator [Jessica Lowrance](#), "The struggling Postal Service has yet another hurdle to overcome in the recent Institute for Research in Economics and Taxation paper by Michael Schuyer titled "[Most Foreign Postal Services are Profitable; the U.S. Postal Service Lags](#)." Although Schuyer has laid out the financial facts of the U.S. Postal Service and other foreign posts as reported to the Universal Postal Union (UPU), he has missed explaining the reasons why these figures are as they are. Without this explanation, the paper is unfinished and leaves the reader with a false sense of understanding the issues."


 **Attention PostalOne! Users:** Update: PostalOne! Release 29.0.2 deployment will be done during the scheduled maintenance window from 4:00 am CST through 8:00 am CST on Sunday, January 22, 2012 but due to technical circumstances it has been determined that there will be a system wide outage impacting all internal and external PostalOne! and FAST users for the four hour deployment.


 **National Association of Postal Supervisors:** "Senate Could Take Up Postal Measure Soon"


 **SunHerald:** In a positive move forward for parcel shippers and their consultants, defendants United Parcel Service Co. (UPS) and FedEx Corporation (FedEx) have answered a complaint alleging antitrust violations filed by AFMS LLC. In addition, the parties have agreed to a trial date, pending court approval, of June 18, 2013. AFMS is an independent transportation consultant specializing in small package contract negotiations


 **Bloomberg:** Almost 15,000 federal retirees, including former leaders of Congress, a university president and a banker, are receiving six-figure pensions from a system that faces a \$674.2 billion shortfall. About one of every 125 retired federal civilian workers collects more than \$100,000 in benefits annually. They include physicians, postal workers and presidential candidate Newt Gingrich, according to data obtained by Bloomberg News under the federal Freedom of Information Act.


 **Delmarva Now:** Which companies do you think should survive and expand, those that can meet the changing wants of their customers in a least-cost fashion or those that cannot do so? If the means of communication become cheaper through fax machines, the Internet and telephones, should subsidies be expended to help the U.S. Postal Service survive? Years ago, typing was done on a mechanical typewriter; milk was delivered to doorsteps via horse and wagon; slide rules were used to make calculations. Should any of these products and practices have survived, or was it OK for natural selection to consign them to the dustbin of history?

 **NBC Montana:** Five public libraries in Montana will not be using the United States Postal Service anymore. Instead, the inner library loan program plans to use a Butte mail courier instead. Officials decided increasing rates and the end of one-day delivery meant USPS wasn't feasible anymore. See also the [Great Falls Tribune](#).


 **Naples News:** It was recently stated in the Daily News that "junk mail does not pay the full cost of its delivery." The U.S. Postal Service is losing billions annually, but not because of the millions of advertising pieces delivered every day. Some would say this "junk mail" should just go away. Well, if the post office had to depend on the revenue from sending Aunt Emily an annual birthday card, and every other piece of first-class mail, each letter would cost several dollars instead of 45 cents. Why? Because the mass market advertising mailings pay most of the USPS' costs


 [Hellmail](#): Despite the uncertain economic climate Coventry's only independent postal service, bicycle-based Yellow Jersey Delivery Ltd, has doubled its workforce, customer base and the number of letters it has delivered in the last 12 months.


 [Azerbaijan Business Center](#): Azerbaijan's national postal operator Azerpocht starts issuance of MasterCard plastic cards in February. Azerpocht's long-term plans include bringing of transactions volume up to 5 million per year and issue of up to 100,000 payment cards. In 3 years Azerpocht intends to open 500,000 client accounts. During this period it is planned to raise the number of transactions conducted through postal financial network, up to 5 million operations per year. In parallel, Azerpocht is holding talks with international payment system Visa International.


 [Foster's Daily Democrat](#): *Sen. Susan Collins* -- "Despite the expanded use of new communication technologies, the demise of the Postal Service would devastate our economy. It operates at the center of a mailing industry that employs more than 8.5 million people and generates almost \$1 trillion in economic activity every year. Virtually everyone — from big retailers to small businesses to online shops — relies on the Postal Service to deliver packages, advertise services and send out bills. Take that away, and businesses and consumers would suffer and, in some cases, fail."

 [From the Federal Register](#): **Postal Regulatory Commission PROPOSED RULES** Competitive Postal Products , 2676–2677 [2012–851] [[TEXT](#)] [[PDF](#)]

 [New York Times](#): As winter approached, retailers ordered clothes for cold weather, arranged their stores for cold weather and then just started hoping for cold weather.





 [The Oregonian](#): Oregon Elections Director Stephen Trout says pending cuts by the U.S. Postal Service won't affect the state's May primary, but that it could slow ballot delivery and returns for many Oregonians in the November election. The Postal Service is moving toward closing 252 mail processing facilities around the country, including four in Oregon, as part of its efforts to reduce huge losses. "That very likely would impact the number of days it takes for ballots" to move through the mail, Trout told the Oregon Senate Rules Committee on Tuesday.


 [From the U.S. Postal Service](#): "The U.S. Postal Service today [asked the Postal Regulatory Commission \(PRC\) to expedite consideration](#) of the Postal Service's plan to make its operations more efficient, reduce costs and ensure the long-term affordability of mail. The request filed with the PRC calls on the Commission to issue its non-binding advisory opinion on planned Postal Service network and service standard changes by mid-April 2012. The current moratorium on the closing of any Post Office or mail processing facility expires on May 15, 2012. The Postal Service voluntarily agreed to the moratorium in response to congressional requests in the hope it would help facilitate the enactment of comprehensive postal legislation . . . . "


 [Louisville Business First](#): United Parcel Service Inc. said it would close its Carrollton, Texas, accounting service center in an effort to consolidate that part of the business, according to a letter to the Texas Workforce Commission. The Dallas Business Journal reports that UPS said it would eliminate 135 positions. Affected employees will be offered a severance benefit, according to the report. *[EdNote: No local political outcries. No pickets. No protests. No regulator to say no.]*


**January 18, 2012**


 [Post & Parcel](#):


-  Brazil Post puts national address database online.
-  Swiss Post offers vote on carbon abatement projects.
-  Uruguayan Post to offer home improvement loans
-  PostNL launches invoice tool for small businesses


 [Post & Parcel](#): UK mobile computing technology provider Skillweb has developed a new tracking tool for small couriers and carriers to use in tracking parcels.


 [The Association of Magazine Media](#): Magazines have long been called “the anchor of the mailbox.” But what’s a publisher to do when the mailbox is in danger of collapse? Magazines have a vital stake in the outcome of the ongoing debate about the future of America’s 230-year-old postal system. On February 2, get the insider view on the future of the U.S. Postal Service -- and how it impacts the future of magazine delivery -- from those in the know. Get the latest from USPS officials and Congressional leaders, find out the potential impact of reduced service and higher rates on everyone from editors to marketing departments, and hear from the “new guys” on the street – alternative delivery providers. Get the latest high-level intelligence and learn about the changes you’ll need to make today to be ahead of the curve tomorrow.


 [Shout99](#): Massive increases to the price of posting mail in the UK will harm small business and hasten the demise of the Royal Mail, according to a small business group. In a letter to Ofcom, the Forum of Private Business urged the industry regulator not to allow Royal Mail bosses to go ahead with reforms which could drive the price of a second class stamp by as much as 50 per cent. Ofcom is currently consulting on the proposals which are part of a huge shake-up planned by Royal Mail executives who say the changes will allow it to become profitable again, but could see second class stamp prices rocket from 36p to 55p.

 [WROC](#): If you're looking for a job, you're in luck. The United States Postal Service is hiring for the Rochester Processing and Distribution Center in Henrietta. It's hiring Mail Processing Clerks. Clerks perform sorting duties and other distribution tasks. The salary for the position is \$14.60 an hour. The deadline is January 27 to apply.

 [Post & Parcel](#): Singapore Post is partnering with the world’s largest franchise convenience store chain, 7-Eleven, to expand customer access to its express delivery services across the island.


 [KWCH](#): Dillons Marketplaces and grocery stores will no longer be official US Postal Service locations soon. The supermarket chain is opting to not renew its contract with the USPS. It will instead become third party vendor. That means people will still be able to buy postage and send letters and packages, but Dillons will not be able to guarantee a delivery time since it will not be an official post office.

 [myFoxPhoenix](#): An impatient mail carrier tosses a fragile package over a fence and it was all caught on video. *[EdNote: Gee whiz. Didn't he see the Fedex video?]*

 [Post & Parcel](#): DHL Global Mail is set to sell part of its business in the UK to British independent bulk mail company Secured Mail for an undisclosed amount.





[Postal commentator Gene Del Polito](#): "There's that old saying that there are two things you should never want to see, i.e., the making of sausage and the making of laws. Over the past year, those who are a part of what somewhat euphemistically is called the postal community have had to learn more than their fair share of the ins and outs of congressional lawmaking--most particularly the ins and outs of congressional budget scoring. As Congress gets ready to take another stab at postal reform, it might make sense to use the \$20 billion savings by 2015 target set out by the Postmaster General as a measure of its success."


 [American Postal Workers Union](#): "Postal Workers Have the Right To Speak Out Against Facility Closures -- Anti-Lobbying Act Doesn't Apply"





[Postal commentator Gene Del Polito](#): "The one significant challenge that's facing the U.S. Postal Service is a very simple to discern: Its costs outstrip by a significant margin its ability to cover those costs with postage-paid revenue. Set aside for a moment all the rationalizing as to why this is so. No matter the reasoning, the result is still the same. Too many costs; not enough revenue. The only question is whether the decisions Congress makes will foster a cost-efficient and reliable universal mail delivery service or simply kill it off."


 **DMM Advisory: New Prices Effective January 22, 2012.** Just a reminder that many Mailing Services and Shipping Services prices are changing on January 22, 2012. The updated Notice 123, *Price List*, will be posted on [Postal Explorer](#)<sup>®</sup> on that day. In the meantime, all of the new prices are available on Excel spreadsheets or downloadable files on [Postal Explorer](#) – click on the links in the left blue navigation column under \*NEW\* Jan. 22, 2012 Price Change Info.


 **Attention PostalOne! Users:** You are receiving this email because a Priority Urgent ticket was opened by the USPS Help Desk for an issue that was affecting several USPS externally facing applications who access services through the Business Customer Gateway including PostalOne!. The incident began at 8:00 am CST and was cleared at 8:40 am CST. The issue is currently under investigation but all external access has been restored. More information will be provided if there is any further impact expected or detected for our users. There was no impact to internal access to PostalOne!. Please call the PostalOne Help Desk at (800) 522- 9085 if you have any further questions.


 **CEP News** (Courier-Express- Postal), published by the [MRU Consultancy](#), has reported that:


 We still have a market share of over 99% in the addressed letter sector'. Nicolas Routier, general director of French La Poste, was quite relaxed talking to journalists one year after the full liberalisation of France's postal market. Routier said that the market attracted competitors nonetheless. Currently, 15 companies hold a licence and are active on France's mail market. However, these competitors primarily operate on local markets only.


 Remunerations of top-executives in state owned companies came under fire in Belgium.


 Norway's Posten has changed the pricing structure of its mail services. Since the beginning of the new year postage is additionally based on the thickness of letters. In a statement from last week Posten Norge justifies this change with the decline in letter volumes. 'The Post Office sets prices based on costs, and it costs more to distribute the thick mailings than thin letters', said executive vice president Tore K Nilsen.


 PostNL has begun its restructuring process, already announced last year. Its principal focus is the gradual closure of all 300 delivery locations in the Netherlands.

 Post Danmark's e-service portal e-Boks remained on the road to success. Last week it was disclosed that some 500,000 Danes registered with the service in 2011. At the end of last year the number of registered users stood at almost 3.5m, up over 18% on the previous year's number of users.

 The dispute about the future strategy of TNT Express has fully flared by now.

 China plans to introduce uniformed standards for the express sector. Last Monday the regulatory authority announced a new legislative initiative to stipulate nationwide standards for companies working in the express industry. For the first time the State Post Bureau will lay down an exact definition of express services among other things.

 High prices for delivering parcels are hindering growth of the cross-border e-commerce sector in Europe.


 Correos del Ecuador closed an excellent business year 2011.





The [MRU](#), founded in 1992, is the only consultancy in Europe, which has specialised in the market of courier-, express- and parcel services. For large-scale shippers and CEP-services in particular, the MRU provides interdisciplinary advice for all major questions of the market, as there are for example market entry, product design,




organisation, and EDP. [To learn more about the stories reported above, contact CEP News.](#) (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)


 [Chesterton Tribune](#): The Chesterton Utility will mail bimonthly bills on Wednesday, Jan. 18. They will be due on Tuesday, Feb. 7. And if you haven't received your bill by early next week, say, you would do well to call Utility Billing Clerk Donna Simmers at 926-1572. Because—it turns out—the U.S. Postal Service has been having some problems getting the bills to customers on a timely basis.


 [Bloomberg](#): The European Commission may rule next week on whether state aid supplied to postal companies in Germany, France, Belgium and Greece is in line with the region's competition rules, Joaquin Almunia, European Union antitrust chief, said in an interview with L'Echo. "My intention is to have all the decisions on the four operators approved by the college of commissioners next week," Almunia told the newspaper. He intends to announce the decisions on Jan. 25, L'Echo cited him as saying.


 [From the Federal Register](#): **Postal Service** NOTICES International Product Change: Global Plus 1C and 2C Negotiated Service Agreements , 2573 [2012-766] [\[TEXT\]](#) [\[PDF\]](#)

 [Cloverdale Reporter](#): The union representing postal workers is infuriated at the City of Surrey for offering "no admail" stickers with its calendar for waste pick up. The Canadian Union of Postal Workers (CUPW) wrote a letter to mayor and council accusing the city of targeting its membership.

*January 17, 2012*

	<p><b><i>The Passing of David Straus</i></b> <i>It is with great sadness that we announce the recent passing of David Straus, ABM's former Washington counsel, postal expert of 20-plus years and former partner at Thompson Coburn LLP, who succumbed to his battle with cancer on January 15. David was a fighter . . . and a darn good man. He'll be missed.</i></p>
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 [Courier, Express, and Postal Observer](#): Congress is unlikely to back away from requiring the Postal Service to be self-sufficient and financially viable. Therefore, maybe it is time to: explicitly introduce profitability as a financial goal; recognize that that goal cannot be met until the Postal Service has full freedom to operate its business, within the confines of its universal service obligation, and has full freedom to enter complementary markets and sign contracts with customers; and recognize that the necessary freedom cannot exist as long as the Postal Service remains a government entity. Therefore, it is time for postal service stakeholders, and in particular its labor unions to develop an acceptable path toward privatization. Nothing less than their livelihood depends on it.

 [Cato @ Liberty](#): A new paper from postal expert Michael Schuyler compares the financial performance of the U.S. Postal Service to foreign postal service providers. Not surprisingly, the USPS, which has lost over \$25 billion since 2006 and ranks near the bottom of the Postal Index of Freedom, doesn't fare too well. Schuyler says that he will explore the reasons for the USPS's comparatively poor performance in a future paper, but notes that "A key finding will be that Congressional restrictions and pressure often deny the Postal Service the operational flexibility needed to manage its costs properly." In a Cato essay, I discuss the problems with Congress's micromanagement of the U.S. Postal Service and conclude that it should be placed on the path to privatization.




The U.S. Postal Service Office of Inspector General invites you to comment on this week's "Pushing the Envelope" blog topic:


**What else could postal carriers do?** In addition to delivering and picking up mail, postal carriers often help in dramatic ways while making their rounds. They have sent for help when senior citizens failed to collect their mail


and even stopped burglaries. What do you think about carriers handling non-postal related tasks? Should the U.S. Postal Service provide additional services that can be handled by carriers? Share your thoughts on our [blog](#)

- [\*\*Contract Data Management-Transportation Contract Support System \(TCSS\) – 12YG014CA000.\*\*](#) The Office of Audit, Supply Management team will conduct a survey of the U.S. Postal Service’s contract management data policies, procedures, and systems related to the Transportation Contract Support System (TCSS). TCSS is an Oracle Web-based application used to manage transportation contracts and related activities. TCSS allows contracting offices to solicit, award, and administer transportation contracts. In addition, TCSS interfaces with the National Air and Surface System (NASS) and the Schedule Change Request (SCR) system for the transfer of specific contract data needed to maintain contract schedules. Contract data from TCSS is transferred to the Enterprise Data Warehouse (EDW), which is a repository used to manage the Postal Service’s corporate data assets. As of December 20, 2011, TCSS contained about 17,000 contracts, valued at \$2.8 billion.
- [\*\*Accounting Adjustments for Consigned Vehicle Parts – 12BG015FT000.\*\*](#) To understand the nature of consigned vehicle parts accounting adjustments, the process for initiating them, and the control structure over consigned vehicle parts inventories to evaluate whether opportunities exist to enhance the process or reduce the level of these adjustments.
- [\*\*Delivery Unit Optimization Initiative – 12RG020EN000.\*\*](#) One of the key strategies of the Postal Service’s Five-Year Strategic Plan known as Vision 2013 is to use cost management, new technology, and workforce planning to improve operational efficiency. The plan requires the Postal Service to optimize the retail network to allow for more efficient operations; retail customers’ convenience; and create opportunities for space optimization. In December 2010, the Postal Service established guidelines for the Delivery Unit Optimization (DUO) initiative. The initiative establishes a standardized program to help administer the activities of optimization strategies. The guideline is designed to increase operational efficiencies by relocating delivery operations into “hub facilities” within a district. The DUO initiative should result in improved operational efficiencies and savings opportunities while continuing to serve the mailing needs of our customers.
- [\*\*Direct Mail Initiatives \(Every Door Direct Mail\) \(RW & BB\) – 12RG018MS000.\*\*](#) This audit seeks to evaluate U.S. Postal Service’s direct mail initiatives, particularly the Every Door Direct Mail (EDDM) product. The United States Postal Service launched a market test of its new product Every Door Direct Mail Retail (EDDM-R) in March 2011. EDDM-R is a Standard Mail Flat that includes simplified addressing, local entry and payment, a maximum number of pieces per delivery unit, and a waiver of all permit and mailing fees. Stakeholders have expressed concerns that EDDM-R may be disruptive as it may attract existing customers from mail service providers. Other concerns include that the EDDM-R may tarnish the Postal Service brand, if poor customer service is provided at Post Offices that the EDDM-R may increase Postal Service acceptance and delivery of substandard mail, which could result in “no- mail” legislation; and that that EDDM-R product may increase Postal Service costs such as the increased in-office costs incurred by postal employees handling EDDM-R mail improperly entered by inexperienced mailers.
- [\*\*Retail Optimization Access Initiative Impact – 12YG011CI000.\*\*](#) On July 26, 2011, the Postal Service announced the Retail Access Optimization Initiative (RAOI), to examine whether to continue providing retail services and products at over 3,600 Postal Service operated retail facilities. The Postal Service’s attempt to adjust its network by closing retail facilities has stirred public debate and resistance because of the affect on jobs, service, employees, and communities. What is the impact to you if your local Post Office is closed? Should the Postal Service continue to optimize its network by closing retail facilities, or are there better opportunities available? Should the Postal Service maintain its traditional brick and mortar presence or expand alternate access locations to purchase services and products? Should the Postal Service close or consolidate retail facilities that are in close proximity to other facilities? Do you currently use, or will use, your carrier, USPS.com, or other alternate access channels to provide services such as parcel pick-up and stamp purchase instead of a traditional brick and mortar Post Office?
- ***The U.S. Postal Service Office of Inspector General recently initiated an audit survey on Every Door Direct Mail*** (Project Number 12RG018MS000). This audit seeks to obtain preliminary information regarding direct mail initiatives in order to formulate detailed audit objectives. We have established an Audit Project web site to provide an opportunity for our stakeholders to comment on our project. Web site visitors can register comments and upload documents related to our project at the link below. We will

consider and use this information as appropriate during the course of our work. Please share any information you may have that would help with this audit currently in progress by clicking on the following link: Audit Project Page: [Direct Mail Initiatives \(Every Door Direct Mail\) \(RW & BB\) - 12RG018MS000](#)  
If you have any questions regarding the audit, please contact Ricardo Martinez at 201- 499-5107.

 **The Drum:** Proposed changes to postal regulations to remove price controls on Royal Mail's commercial bulk mailing services could damage the long-term prospects of advertising mail, the Direct Marketing Association (DMA) has warned. Under current HMRC guidelines, bulk mail is exempt from VAT charges, but the removal of price controls, which was proposed by Ofcom in a public consultation that closed earlier this month, would make bulk mail services and products liable for VAT under HMRC rules. While most businesses can claim back VAT payments, charities and companies working in the financial services, two of the biggest users of advertising mail, cannot.

 **eCommerceBytes:** Entrepreneurs and mom-and-pop sellers in the U.S. had to accept a bitter pill from eBay when it began charging a "commission" fee on shipping costs - something unheard of in commerce. At the same time, eBay is lowering shipping costs for Asian exporters selling goods to U.S. consumers. By making U.S. goods more expensive (eBay advised its sellers to raise their prices to cope with the new fee), and helping make Chinese goods less expensive and easier to get, buyers on eBay may be more tempted to purchase items from China-based sellers than those in their own backyard. What may raise eyebrows is the role the U.S. Postal Service is playing in this development.

 **eCommerceBytes:** The USPS is helping eBay sellers in Singapore export goods to the U.S. thanks to a new trilateral agreement with the Singaporean postal service. SingPost launched a new shipping service for eBay Singapore sellers in collaboration with the United States Postal Service called ePAC. By using ePAC, eBay Singapore sellers receive enhanced international tracking and delivery of lightweight goods, not exceeding 2kg, from Singapore to the U.S. within 6 to 8 working days. The service is part of eBay and SingPost's ongoing efforts to boost trade from Singapore to the United States. The USPS entered into a similar arrangement in China and in Hong Kong with eBay and the postal systems of those countries.



From *USPS News Link*:


"USPS has rules — designed to protect both the Postal Service and employees — that prohibit the communication of confidential, proprietary, and non-public information, as well as information that would violate anti-lobbying laws. These rules are important, in times such as these, when legislative action has dominated discussions concerning the Postal Service. USPS wants its employees to understand the parameters of anti-lobbying laws and public disclosure.

"Employees should not discuss non-public aspects of their work, or any other postal work with anyone other than those directly involved. Sales or cost data, and unreleased financial statistics are examples of such information.

"The "Anti-Lobbying Act," 18 US Code 1913, prohibits the use of postal resources to influence others to speak with Congress about postal issues.

"The Government Relations office manages communication to Congress on the Postal Service's position on issues and legislation, and postal employees may respond to Congressional inquiries through authorized channels. This information may be discussed with USPS stakeholders — including members of the public. However, employees are prohibited from urging these stakeholders to intercede with Congress.

"Anti-lobbying law violations are punishable by civil penalties and are investigated by the Government Accountability Office, which refers cases to the Justice Department for possible enforcement."

 **Postalnews Blog:** In April 2011 the US Postal Service announced that it would test market a guaranteed direct mail product. The idea was to target companies that spend "\$250 Million annually on advertising as identified by

Advertising Age magazine and for whom mail is not currently a large part of their advertising mix". The USPS said it would offer a postage-back guarantee to sixteen companies "to test the effectiveness of advertisements for their products using First-Class Mail and Standard Mail". On Friday the USPS reported the results of the experiment to the Postal Regulatory Commission- apparently, none of the companies were interested



[At the Postal Regulatory Commission: Docket No. MT2011-4.](#) "In accordance with Commission Order No. 730, issued May 16, 2011 in Docket No. MT2011-4, the Postal Service presents the following data collection report on the first six months of the Mail Works Guarantee market test . . . . During the next six months, no customers committed to using the mail in a way that would qualify for the market test guarantee. As a result, no data are available to report at this time."

[Raleigh News & Observer:](#) A Contract Postal Unit is a miniature post offices owned and operated by private businesses. CPUs, as they are called, offer all the services of traditional post offices, except P.O. boxes, and allow the cash-strapped U.S. Postal Service to extend its reach with minimal investment. CPUs offer much more flexible hours. Most CPUs open earlier and stay open later than traditional post offices, and operate seven days a week. CPUs can be less crowded than traditional post offices, particularly during the busy holiday season. The Postal Service has a goal of a five-minute wait for customers.

[4-Traders:](#) Escher, a world-leading provider of outsourced, point-of-sale software to the postal industry, is pleased to announce its partnership with ABANA Enterprises Group Co. (ABANA) in a project to modernise Saudi Arabia's Post Office. ABANA is an industry leader with over 30 years of experience in providing technology and service solutions to leading enterprises.


[ThomsonLocal.com:](#) According to a new study released by market research firm Borrell Associates, spending on social media campaigns - alongside B2B email marketing and direct mail - is set to double in 2012 and catch up with paid search spend.


[Associated Press:](#) The maker of Twinkies, Sno Balls and Wonder Bread is trying to lose the fat. Hostess Brands is hoping to cut its high costs as it heads back into bankruptcy protection for the second time in less than a decade. In **Hostess' Chapter 11 filing** on Wednesday, the company said its rivals have combined and expanded their reach, heightening competition in the snack space. It also faces competition from larger food makers like Sara Lee and Kraft Inc. Additionally, **Hostess employees are unionized** while most of its competitors aren't. As a result, **Hostess has high pension and medical benefit costs.** CEO Brian Driscoll said Hostess is working to reach a consensual agreement with its unions to modify its collective bargaining agreements. Hostess also **hopes to modernize its systems, fleets and plants to keep pace with customer needs.** "This company has tremendous potential if we can remove the barriers to success. Hostess said Wednesday that its **previous efforts to change were insufficient.** Under its most recent bankruptcy filing, it is looking to restructure into a "strong, competitive" company." Driscoll said. *[EdNote: Sound like any other enterprise you know?]*


[Federal Times:](#) You can't call this a game-changer, but the U.S. Postal Service's inspector general is offering some indirect support for the mail carrier's plans to close more than half of its mail processing plants. In a newly released round-up, the IG's office pulled together previous audits of 32 previous area mail processing consolidations and found that 31 had a valid business case. Those business cases "were supported by adequate capacity, increased efficiency, reduced work hours and mail processing costs, and improved service standards," the roundup says. The IG's office did note, however, that four of the 31 consolidations were poorly executed and recommended that the Postal Service improve communications with stakeholders.


[Dead Tree Edition:](#) As if there weren't enough gloom and doom in the paper and printing industries these days, Roman Hohol says tablets and other digital devices will depress the demand for printed media even faster than most forecasts predict.


**January 16, 2012**


 [MSGME](#): One of the most fascinating aspects of SMS marketing is how message flows can be improved using simple data points. This relationship management approach to SMS marketing is crucial for the medium's success in our opinion, and thus we love analyzing ways to use metadata effectively. One of the most important metadata points for SMS marketing is, of course, zip code. Zip code augments SMS marketing with effective location-based targeting. The trick is to find ways that zip code can improve the relevancy and usefulness of SMS messaging.


 [The Nation](#): Former Postmaster General Francis Chahonyo was on Monday fined Sh400,000 for unlawfully depositing the parastatal's money in a collapsed private bank. Chahonyo will serve 36 months in jail if he fails to pay the fine. Anti-corruption magistrate Elijah Obaga found Chahonyo guilty of two counts of abuse of office.


 [Courier, Express and Postal Observer](#): As the share of the Postal Service's business associated with competitive products increases, the Postal Service needs the flexibility to adjust its operating schedule so that it can offer services when its customers demand them. If that means opening on all but the six most commonly celebrated holidays in order to compete with FedEx and United Parcel Service, then the Postal Service should seek changes in law and union agreements to allow that to happen.


 [Forbes](#): The problem with the Postal Service is that it does not recognize its own strengths. The Post Office thinks of itself as a mail service. But it should think of itself instead as a unique system of sending one person every day to every house in the country. Think about all the "apps" that could be attached to that network that are not offered right now. Grocery stores have struggled to make online ordering profitable because setting up a delivery service from scratch is expensive. Latch key kids might benefit from a mail man knocking on the door to make sure they're all right. Imagine a disabled person who can't afford a full-blown home health aide but would love to have someone stop in once a day for ten minutes and do minor things like take out the garbage and start a load of laundry. The possibilities are endless.

 [Financial Times](#): When Netherlands-based postal company TNT split in two in May, separating its international express- mail arm from its Dutch regular mail arm, it represented a triumph of shareholder activism. A group of investors led by the American hedge fund Jana Partners had pressed relentlessly for the break-up, arguing that the spun-off international delivery company TNT Express would be worth more alone and would draw takeover bids from rivals UPS and FedEx. TNT Express is struggling, its share price is down 37 per cent and those activist shareholders have grown restless again. Critics say the company has stumbled in executing its ambitious plans to grow out of its European home market and expand into emerging markets.

 [Post & Parcel](#): PostNL has begun the restructuring of its delivery network, announcing the closure of a number of delivery offices in the Gelderland and Utrecht provinces of the Netherlands. The Dutch postal service is looking to close as many as 300 delivery offices in phases from now until the autumn of 2013, in response to declining mail volumes. The company is redesigning its logistics model with the centralising of its delivery processes, and is also set to make use of more part-time staff to increase the flexibility of its workforce. Staff were informed of the changes last summer, with expectations of 11,000 job losses including 2,800 compulsory lay-offs.

 [ZDNet](#): As you probably know, no mail delivery may become the norm on Saturdays, as part of cost-cutting measures being considered to save the U.S. Postal Service. Which is why small businesses probably should be evaluating measures for managing their billing process online. One business that focuses on this sort of operational consideration is Bill.com, a cloud services company.

 [Post & Parcel](#): Postal rates are going up from today in Canada, with two cents being added on to the price for the basic letter.

 [PRWeb](#): The traditional practice of assessing GDP of a country for predicting the volume growth in mails is now passé. Though globally, economies are restoring, mail volumes continue to be on the declining trend. The postal industry is seen as entering into a new era where complete revamp of products and services portfolios would become the order of the day. Several postal organizations have added digital alternatives, such as e-commerce and digital mail to their portfolios. Digital channels also provide additional opportunities for enhancing service quality. With digital solutions being aggressively pursued, the share of core traditional products in the overall revenue mix is



rapidly declining. However, digitalization has its own shortcomings. Connectivity and bandwidth limitations of the digital infrastructure comprise major growth barriers. Moreover, the functionality of Internet is not available to all the citizens, unlike postal services.

[!\[\]\(c8d96c8885d3000a912c2582004aed63\_img.jpg\) \*\*Belfast Telegraph\*\*](#): Postal staff who worked round the clock to ensure Christmas post was delivered on time have hit out at employers who have left them "begging for wages". Royal Mail hired 18,000 casual workers across the UK over the festive period to cope with the two billion Christmas cards, letters and parcels that were delivered during that time. Last month furious staff vowed to stop work at mail centres across the UK, including Belfast, after problems with the payroll system left thousands of workers unpaid. However, the Belfast Telegraph has learned that the payroll shambles has continued for temporary workers whose contracts were extended until February at Royal Mail's National Return Centre in Belfast.

*January 15, 2012*


[!\[\]\(666e09182d4cd268646ea700ea60dcdf\_img.jpg\) \*\*CNN\*\*](#): In nearly every country in Europe and East Asia, one can open a savings account at the post office. These accounts typically carry no fees and require no minimum balance or a low one. To avoid competing with banks for larger depositors, postal savings accounts are capped at an amount that serves families of modest means. Even the United States had its own postal savings system from 1911 to 1966. Were the United States to revive postal savings, we would kill two birds with one stone. Elsewhere, postal savings have proven effective at improving the access of lower-income individuals and youth to savings institutions.

[!\[\]\(c3d993ca47bfe2a953c700506ce31fa0\_img.jpg\) \*\*The Spectrum\*\*](#): The news that Eastman Kodak is preparing to file for bankruptcy, after being the leading photographic company in the world for more than 100 years, truly marks the end of an era. Unfortunately, that is not what happens in government. The post office is a classic example. Technology has moved even further beyond the post office than it has beyond Eastman Kodak. The difference is although the Postal Service is technically a private business, its income doesn't cover all its costs. Moreover, the government makes it illegal for anyone else to put anything into your mail box, even though you bought the mail box and it is your property. That means you don't have the option to have some other private company deliver your mail. Politics is the reason why no such test is likely any time soon. Various special interests currently benefit from the way the post office is run, and especially by the way government backing keeps it afloat.


[!\[\]\(d66ff64371a51729ac8c1cdaa685ba6f\_img.jpg\) \*\*Hartford Business Journal\*\*](#): Saying, "Your money is in the mail," soon will suggest an even longer delay. When the U.S. Postal Service no longer offers next-day delivery of first-class mail — a change likely in May — some Connecticut companies sending and receiving bills through the mail will see a serious disruption in their cash flow. Despite reports saying the proposed USPS service cuts could cost large companies up to \$100 million annually, the businesses regularly mailing bills to Connecticut customers say they aren't terribly concerned about slower mail impacting their business. Despite what they may be saying, these companies are stepping up efforts to avoid the mail altogether by having customers sign up for electronic payments. "It is faster, it is more secure, and it is easier. It is easier to just point and click," said Mitch Gross, spokesman for Berlin electric utility Connecticut Light & Power. "We have been promoting electronic billing over the last couple of years." The biggest concern from business right now is timing response from customers, said Mury Salls, senior vice president for South Windsor-based DST Output. The company produces and send 40-45 million pieces of first-class mail annually, such as bills and insurance forms for clients that include telecommunications firms and utilities. DST Output has held seminars and information workshops for its clients to prepare for the impact of the mail consolidation. Companies are forming plans and working with partners such as DST Output to try to make sure the mail is sent as quickly as possible under the new system. One plan includes processing mail so it arrives at USPS sorting facilities immediately when they open.


[!\[\]\(e3f8612927870f2e0f9f5989e6dd3064\_img.jpg\) \*\*Hartford Business Journal\*\*](#): Connecticut's robust mail industry is eagerly urging the U.S. Postal Service to operate on solid financial footing, even if post offices and sorting facilities must be closed and service slowed. "Anything that helps the Postal Service become more financially stable helps us as a company because it is about our future," said Mark Mandell, co-owner and senior vice president of finance and technology for Newington mail marketer Data-Mail, which sends 1.5 billion pieces of mail annually. The closings impact first-class mail — cards, letters, bills — with delivery standards slipping two or three extra days, depending on the destination. The changes aren't expected to impact standard mail — formerly known as third-class mail, which includes marketing mail. Since the


bulk of Connecticut's mail industry revolves around standard mail, companies in the area see the proposed changes as a positive necessary step for survival of a vital government service. "There's a lot of jobs in Connecticut in mail," said Robert Croce, vice president of government relations for Michigan mail marketer Valassis. The firm, which has major operations in Windsor, sends 3.5 billion pieces of mail annually and is one of the USPS' largest customers. "We are very concerned with the solvency and the viability of the U.S. Postal Service."


 [Springfield News-Leader](#): Lawmakers are poised to debate an overhaul of the U.S. Postal Service soon after Congress reconvenes next week. Democrats and Republicans agree the Postal Service needs to significantly change the way it operates, but there are more than half a dozen competing bills in the House and Senate outlining what changes should be made. And it's unclear whether lawmakers will be able to find consensus on this issue before May 15, when a recently negotiated moratorium preventing post office closings will be lifted. The pending legislative proposals run the gamut --from small tweaks to sweeping reform.


*January 14, 2012*


 [Buffalo News](#): Rep. Brian Higgins, D-Buffalo, this week requested a meeting with Postmaster General Patrick R. Donahoe to discuss the proposed closing of the William Street mail-processing facility in Buffalo. The U. S. Postal Service wants to shift the facility's work to Rochester as part of its plan to consolidate operations and cut costs nationwide. But Higgins said he attended the recent public hearing on the proposed closure and found that business people and postal customers in the room had better arguments for keeping the William Street facility open than Postal Service officials had for closing it.

 [CitizensVoice.com](#): U.S. Rep. Lour Barletta has asked the U.S. Postal Service to expedite the opening of the Shickshinny post office, which has been closed since historic flooding swept through the borough in September. Borough residents currently have no grocery store, bank or post office.

 [Enid News and Eagle](#): One town's post office is set to enter into emergency suspension today because no postmaster has been named. Under emergency suspension, the post office will have its delivery and retail services provided by a rural letter carrier. The rural carrier will deliver the mail to post office boxes and will handle the retail business while at the office. Other retail services will be directed to the Aline Post Office.

 [Grand Forks Herald](#): In a letter delivered to Donahoe on Friday, Sens. Kent Conrad and John Hoeven and Rep. Rick Berg said economic growth in Grand Forks and Devils Lake has led to increased taxable sales and purchases of more than 11 percent in their counties. And Minot is now experiencing "influx of businesses and rapid population growth" from western North Dakota's oil boom, they said. "While we understand that identifying cost savings and network optimization are crucial to ensuring the long-term sustainability of the Postal Service, we encourage you to take into consideration North Dakota's strong economic indicators and likely growth when reviewing these facilities," they wrote.

 [Masthead](#): Canada Post's unionized rural and suburban mail carriers (RSMC) are now working without a contract, according to the postal union's spokeswoman.

 [WCNC](#): The Postal Inspector's Office says a local non-profit has been hit again by mail thieves. Community Link has helped hundreds of low income people become homeowners and shown many in Charlotte's homeless community the way to housing. Last week the group learned that someone has been diverting Community Link's mail since December 10, which is right in the heart of fundraising season. Investigators say the mail was sent to a home on Dublin Street in west Charlotte. The suspect filled out a temporary change of address form that expired a month later, but a few days ago someone filled out another form and submitted it on January 4.

 [Institute for Research on the Economics of Taxation](#): IRET has just put a new Postal Service paper on its website: "[Most Foreign Postal Services Are Profitable; The U.S. Postal Service Lags](#)".

**Mailing Industry Stakeholders:** The "Information for Mailers" web page has been updated to alert mailers and customers that temporary operational changes will be made at the Indianapolis Processing and Distribution Center as

a result of U.S. Department of Homeland Security activities and requirements associated with Super Bowl XLVI. The Indianapolis P&DC is located directly beside Lucas Oil Stadium, site of this year's Super Bowl. **Temporary changes will be in effect from Monday, January 30, through Monday, February 6, 2012.**


Contingency plans are being implemented to minimize service disruptions. Mailers and customers can expect the following:


- **Drop Shipments:** Drop shipments are being redirected to the Indianapolis Mail Processing Annex (7451 Tempelhof Drive Ste A, 46241) beginning at 8:00 a.m. on Monday, January 30, through 8:00 a.m. on Monday, February 6. Adjustments have been made in FAST and customers with recurring appointments are encouraged to review their schedules and make any necessary adjustments.
- **Possible Service Delays:** We anticipate some modest service impacts for mail destined for 460-469, 472-475, 478, 479. Contingency plans are being implemented to minimize these impacts. Mailers are encouraged to plan accordingly to meet needed in-home dates.
- **Business Mail Entry:** The Business Mail Entry Unit is being relocated to the Park Fletcher Branch Post Office (2760 Fortune Circle E 46241) from Monday, January 30, through Monday, February 6. Regular hours will be maintained. Customers will be able to make deposits into their accounts at the Park Fletcher office.
- **Retail Operations at Indianapolis Main Office:** Retail window operations at the Indianapolis Main Post Office will be suspended from Monday, January 30, through Monday, February 6. The Circle City Station (456 N. Meridian Street, 46204) is approximately one mile north.


This information is also available at [www.about.usps.com/news/service-alerts/welcome.htm](http://www.about.usps.com/news/service-alerts/welcome.htm) and through a link provided on the "Information for Mailers" web page at [www.about.usps.com/news/facility-studies/welcome.htm](http://www.about.usps.com/news/facility-studies/welcome.htm).


We are working diligently to ensure that these disruptions have minimal impacts on all of our customers. Thank you in advance for your understanding and cooperation.


*January 13, 2012*


 **Attention PostalOne! Users:** Please be advised - PostalOne! will deploy a patch release during the scheduled maintenance window from 4:00 am CST through 8:00 am CST on Sunday, January 22, 2012. This patch (29.0.2) will address a number of the known issues in Release 29.0. Communication of the specific issues corrected will be provided in separate communication. The software will be updated in a rolling manner and no system availability or performance impact is expected. If you have any questions or do experience issues during that time please contact the Help Desk.

 **Coastweek:** The fortunes of postal and courier services in Kenya are continuing to dwindle as Kenyans embrace instant messaging technologies. Most people in the East African nation, including those in Diaspora, are increasingly shunning postal services as they embrace faster and convenient methods of communication. Statistics released by the Communication Commission of Kenya (CCK) on Jan. 6 sound a death bell to the country's century old service. The number of people sending letters and using other postal services is diminishing at a faster rate each year. Ironically, as uptake of postal services plummet, the number of those using mobile phones, emails and social media in Kenya is rising significantly.

 **Bostinno:** The United States Postal Service (USPS) is in dire straits. After releasing a public statement in September proposing the closure or consolidation of 250 processing facilities, a reduction in mail processing equipment by as much as 50 percent and the loss of 35,000 jobs, you can say they've seen better days. The inventor of the Internet, V.A. Shiva Ayyadurai, who just so happens to be an MIT professor, has other plans, however. Plans that could save the USPS billions of dollars. Apparently, all it takes is entering the email management industry. Ayyadurai has been working with USPS officials to formulate some sort of plan, and on March 15th, he'll speak on "The Future of the Post Office" on behalf of the [MIT Communications Forum](#).

 **Business Insider:** The Federal Financing Bank (FFB) released its most recent monthly data today. The Treasury owns this bank, meaning the citizens own it. The folks at the FFB are doing a heck of job. Assets rose in the month by a very respectable \$866,000,000 (18% annualized growth!). The bank ended November with assets totaling \$58.4B; it's levered 15-1. A look at where that "growth" came from. The Post Office got (another) \$84.9 mil, bringing the total IOU up to a hefty \$13.6B.

 **Charlotte Observer:** The holidays aren't over, if you believe mail in the Charlotte region. Due to changes in the U.S. Postal Service's bulk mail delivery, ads and fliers from as far back as November are still landing in local mailboxes.

 **DMM Advisory: IMb™ Services Update. PostalOne!® Release 29 Webinars** on January 18, 19, and 24 will discuss *PostalOne!*® changes that will be implemented with the Postal Service™ price change on January 22, 2012. A high level overview of the price change will also be presented. Complete webinar information, including log on and times, is available on [RIBBS®](#).




Did you miss the PostCom webinar on Folded Self- Mailers? If so you can still listen and learn by going to: <https://www1.gotomeeting.com/register/155878697>. The [slides used in that webinar](#) have been posted on this site.



*From the Federal Register:*

<b>Postal Regulatory Commission</b>	
<b>NOTICES</b>	
New Postal Products ,	
2098–2099 [2012–539]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

 **Bloomberg Businessweek:** The U.S. Postal Service was accused by a political watchdog group of improperly blocking a freedom- of-information request seeking the source of negative campaign mailings in a California school-board recall election.



**The latest issue of the [PostCom Bulletin](#) is available online.** In this issue:

- The Postal Regulatory Commission has issued an order approving a mail classification change related to negotiated service agreements (NSAs). The Postal Service may now offer alternative postage payment methods for customers of market dominant and competitive NSAs.
- According to the Courier, Express, and Postal Observer, "the Connecticut Record-Journal has reported the concerns of businesses affected by the closure of the Wallingford, CT processing facility. The article focuses on the impact on Connecticut Color, a company that generates about 6 million advertising pieces of mail a month for national clients, including Home Depot and BJ's Wholesale Club. Rick Herr, the company's president, focused on how the plant closure and service standard changes will affect the viability of mail as an advertising mode, due to difficulties of meeting advertiser's ability of the print and delivery cycle to continue to meet advertiser need for specific in-home delivery dates. What he missed was that printers seeing local processing plants closing face an even bigger threat to their business. National and local clients could move their printing business to a competitor that is closer to the plant that will handle mail processing, once the Network Optimization Initiative is implemented.
- PRC Commissioner Langley begins term as Vice Chairman. USPS seeks source sought notice for network optimization transportation. What's behind postal crisis? Privatization. FedEx seen losing \$400 million in


next postal contract: Freight. Message from Dennis Delehanty, PRC opens rulemaking for institutional cost contribution. Can an MIT professor save the USPS? Thrown overboard: Publishers feel abandoned by USPS. UPS names two new regional presidents. Save the Post Office. Zumbox and Catalog Choice partner to digitize consumer postal mailboxes. Cummings on 2012 and postal reform. PostCom's newest member.


- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- An update from the USPS Office of Inspector General.
- Postal previews.

*Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? [Send us by email](#) your name, company, company title, postal and email address. Get a chance to see what you've been missing.*




*The PostCom Bulletin is distributed via [NetGram](#)*

 **Cyprus Mail:** Cyprus Post yesterday launched its first portal, which consumers can use to rent PO Boxes, purchase stamps and settle bills. According to Cyprus Postal Services Director Andreas Gregoriou, the aim is to increase the services offered. "The Portal offers the public and internet users the ability to carry out transactions and purchase services offered by Cyprus Post electronically, through a simple, swift and technologically modern service," said Gregoriou.


 **Minot Daily News:** It's no secret that the U.S. Postal Service's plan to close selected processing centers across the country including the one in Minot has been an unpopular idea. And for good reason.

 **At the Postal Regulatory Commission:** [Docket No. N2012-1](#), Mail Processing Network Rationalization Service Changes, 2012, **Presiding Officer's Ruling Establishing Procedural Schedule.**

 **EMC News:** As part of a five-year pricing strategy announced in 2009, Canada Post is boosting the domestic basic letter rate by two cents next Monday. The rate will increase from 59 to 61 cents for standard letters weighing up to 30 grams effective Jan. 16. Canada Post is also proposing the following rate increases to come into effect Monday:


- \$0.02 increase to \$1.05 for domestic letters up to 50 grams,
- \$0.02 to \$0.15 increase for all other domestic letter weight categories, with the heavier categories incurring the larger increases,
- \$0.02 increase to \$1.05 for letters, cards and postcards up to 30 grams destined for the U.S.,
- \$0.05 increase to \$1.80 for letters, cards and postcards up to 30 grams sent to foreign destinations,
- \$0.15 increase to \$8.25 for domestic registered mail.

The price increases will help ensure Canada Post's costs in maintaining postal service across Canada will continue to be borne by people and businesses that use the postal service, rather than through taxpayer support, says the corporation.

 **CFO:** Delivery by letter carriers seems so old-fashioned that it's been called "snail mail" for years. Yet, as it turns out, most of Corporate America's invoices still get delivered that way. And the U.S. Postal Services December 5 decision to move first-class mail to a two-three-day standard seems sure to slow down bill collection for companies large and small.

**January 12, 2012**




 **Vator.tv**: If the U.S. Postal Service wants to innovate before they become as useful as those big fat yellow pages, they better come up with some clever ideas to remain relevant. Perhaps in an effort to push the postal system into the technology generation and show that snail mail can have a teal- time component, the United States Postal System launched Thursday an iOS application to help people track the packages they send through the mail. Despite the struggles, USPS still delivers nearly 40% of the world's mail and is constantly rated the most trusted US government agency. Hopefully some technological tweaks and support could help keep the vital government service above water -- but it will take much more than tracking services to change the trend we are seeing.





The following reports have been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov>). If you have additional questions concerning a report, please contact Wally Olihovik at (703) 248-2201 or Agapi Doulaveris at (703) 248-2286.

- [Bad Check Prevention and Collection \(Report Number FI-AR-12- 002\)](#). Our report determined the Postal Service's policies and procedures for preventing and collecting bad checks are effective and efficient. In addition, we determined the collection process for bad checks is cost effective and that staffing to process and collect bad checks has decreased concurrently with bad check volume. However, there is an additional opportunity to decrease bad check costs by increasing the bad check service fee to the national retail median.
- [U.S. Postal Service Past Network Optimization Initiatives \(Report Number CI-AR-12-003\)](#). Our report determined that a valid business case exists for 31 of the 32 AMPs we reviewed. These business cases were supported by adequate machine and facility capacity, minimal customer service impact, increased efficiency, workhour and mail processing cost reductions, and improved service performance. However, four of the 31 supported AMPs were poorly executed and a valid business case was not supported in one of the 32 AMPs due to inadequate machine and facility capacity, although this AMP would result in a cost savings.


 **Post & Parcel**: In a communication circulated last week DHL Global Mail UK announced that after completing a strategic review of the international mail market they have concluded that the provision of fulfilment and distribution services to bulk international mailers is no longer commercially viable, or of strategic importance to them. DHL Global Mail UK plan to withdraw from offering mailing fulfilment and worldwide distribution services to publishing and associated industries sometime in the first quarter of 2012. This surprising announcement will leave many businesses searching for new suppliers over the coming weeks. Several customers have already contacted DHL Global Mail's biggest rival the La Poste Group, which has two operations in the UK, La Poste UK based in Slough, and BTB Mailflight in Bedford.


 **Financial Times**: Too much nostalgia in business is deadly. Look at dinosaurs such as Kodak, the world leader in photography for over a century. Its very purpose was the capture of memories. But the death of silver halide film, killed by the unstoppable rise of digital imaging, appears to have done for the US corporate giant. All manner of organisations will face such a fate in due course. Who will read printed newspapers and magazines in five years? Quite possibly even physical books will disappear – and how on earth will the publishers maintain their profits then? It seems to me inconceivable that traditional broadcasters or postal companies such as Royal Mail can maintain their economic models for very much longer.


 **WDEL**: Senator Carper says he, like you, has some questions he wants answered at next week's meeting on the future of the Hares Corner Mail Processing Facility. Delaware's senior U.S. Senator tells WDEL News he wants to know exactly what the Postal Service has on its agenda. Carper says the Postal Service should look into offering stamps and some customer services in supermarkets, so post offices that are no longer needed could be closed.


 **IEWY News**: Why are postal delivery services important for e-commerce? Despite the increase in sales of digital content, there are still many goods which need to be physically delivered to the customer. Accessible, affordable and high quality postal services are an essential dimension in the overall online purchasing experience of the customer. However, recent studies and consultations demonstrate many customers are reluctant to purchase online, especially


cross-border, because of uncertainties relating to final delivery. In the EU, almost one in two consumers (46.7%) said they were not interested in making a cross-border transaction because of worries about delivery.<sup>5</sup> Apart from long delivery periods and high prices for cross-border delivery in comparison to similar domestic service, customers have raised uncertainties about available remedies in case the delivery service is not provided or the purchased item is damaged during delivery.


 **Geo Community:** GeoMarketing has released comprehensively updated and expanded digital maps of postal and administrative boundaries in Australia and New Zealand. The maps provide a reliable cartographic basis for detailed market analysis and planning.


 **The Afro-American:** Customers of newspapers and periodicals such as the Afro American Newspaper have already seen major changes in their service, with subscribers who usually receive their papers the next day after printing now waiting two weeks. Slow to sign up for Internet subscriptions, the elderly and the disenfranchised with limited computer access will suffer the most from the proposed cuts.


 **Bangor Daily News:** Approximately 350 people were on hand to listen to U.S. Postal Service representatives explain a controversial consolidation proposal that includes the closure of operations at the Eastern Maine Processing and Distribution facility in Hampden. Both U.S. senators from Maine, Susan Collins and Olympia Snowe, who toured the Hampden plant last month and met with postal workers, personally attended the meeting. Both were strident in their opposition to the proposal. See also [NECN.com](http://NECN.com).


 **Courier, Express, and Postal Observer:** Mike Causey has a story in his column on Federal News Radio in which he discusses buyouts in a number of Federal Agencies but not the Postal Service. His story indicates that agencies in all other Federal agencies can offer incentives up to \$25,000 while the Postal Service is limited to a \$20,000 maximum incentive. Earlier posts in this blog has used a \$25,000 limit in calculating how many employees could get incentives if the Senate Postal Reform passed. (See: "Senate Bill: Indications of the Scale of Early Retirements Expected" and "Clarifying retirement incentives" The \$20,000 limit would allow the Postal Service to pay incentives to 85,000 employees, instead of 68,000 as previously calculated and not exceed the \$1.7 billion the Senate bill allows the Postal Service to spend on retirement incentives. Given that the Postal Service wants to get many more employees to retire than other agencies offering incentives, it makes little sense for the Postal Service to have a lower incentive limit.


 **PostalReporter News Blog:** The U.S. Postal Service has launched a new mobile application for iPhone users that allows them to use the device's camera to scan barcodes on shipping labels for quick, easy and convenient tracking of their packages and other mail. The application stores the label numbers so customers can easily recheck the status of their shipments. The scanner function is available on iPhone 3GS, iPhone 4 and iPad 2.


 **PostalReporter News Blog:** USPS is launching a new initiative to give employees resources and tips to help provide a positive experience for every customer in every transaction or contact with the Postal Service. The "Delivering a Positive Customer Experience" campaign will focus on the basics of good customer service in four areas: customer telephone calls, customer retail visits, mail delivery, and Business Mail Entry.


 **Asia Times:** Whatever caused the financial woes of the USPS, there is another way to mitigate the crisis than slashing employee benefits and customer services. In a December 21 article in Reader Supported News, Tim Fernholz suggested that instead of focusing on cuts, the post office should approach the problem from a business perspective and find a new way to make money. One way to keep the USPS alive, he says, is for it to include basic banking services in its product line, providing a "public option" in banking.


 **Pitney Bowes:** Make no mistake, the Postal Service is in trouble and needs reform. The private sector probably has an important role to play in those reforms, particularly in back-office operations. America needs a strong postal network to get the mail to and from every address in the country at a reasonable price.

 [The Waterbury Republican-American](#): "Crowd dismisses claim of postal finance woes Legislators pledge to support unions ." [EdNote: You're right. The Postal Service's "financial crisis" has all been "made up." . . . Please . . . gimme a break.]

 [Silicon Republic](#): The scale of the challenge facing post offices is enormous, says Coleman. "Post offices are hemorrhaging cash. The US Postal Service lost \$5.1bn in 2011. Around the world, post offices are losing revenue and staff. Accenture forecasts that there will be a 50pc decline in postal volumes by 2020." In the past year, volume trends show postal providers experienced revenue declines of 2.5pc in North America and 6.9pc in Europe. The link between GDP growth and postal revenue growth has been broken. As GDP improves, postal volumes will continue to decline. Postal providers need to seek new markets to compensate for loss in volumes in their core domestic markets. One of the routes forward is B2C e-commerce. "We believe that with digital mail technologies that allow consumers and businesses to manage their billing and improve their relationship with brands, there is an opportunity to capture and manage the loss and participate in the next phase of communications."

 [The Business Times](#): SingPost and eBay on Thursday launched a new shipping service for eBay Singapore sellers in collaboration with the United States Postal Service. Known as ePAC, the new service will see users receive enhanced international tracking and faster delivery of lightweight goods, not exceeding 2kg.


 [The Baltic Course](#): Estonian Post aims to expand the selection of financial services provided.

 [Marketwire](#): Zumbox, the leader in digital postal mail services, today announced an agreement with Catalog Choice, the nation's leading mail preference service. In Q1 2012, Zumbox digital mail users will be able to opt out of catalogs, donation requests, circulars and other printed brochures through their Zumbox account. As a result of the partnership, which is the first of its kind in the industry, Catalog Choice members will be able to claim their Zumbox, a digital postal mailbox tied to an individual's verified street address, from within their Catalog Choice account.

 *From the Federal Register:*

<b>Postal Regulatory Commission</b>	
<b>NOTICES</b>	
New Postal Products ,	
1957–1958 [2012–486]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>


*January 11, 2012*


 [Valley News Live](#): Newspapers in North Dakota are inviting residents to sign petitions asking the U.S. Postal Service and the state's Congressional delegation to reexamine plans to reduce postal service in the state.





[Democrats on the House Oversight and Government Reform Committee](#) -- Postal reform promises to be a big issue for the House Oversight and Government Reform Committee in 2012. "By the end of the year, [USPS] will have run out of money if we don't do something as soon as possible," Rep. Elijah Cummings said. He pointed to the Postal Service's reducing its 700,000-plus workforce by 100,000 over the last several years as a positive effort. "Still, Chairman [Darrell] Issa (R-Calif.), as we are about to address the postal issues, is saying that he wants to make sure that over 130,000 of them are let go without any kind of benefits exiting package," Cummings said. "He wants some kind of control board to abrogate all of the union rights of these folks." Federal News Radio's request for comment from Issa was not immediately returned. Eighty percent of USPS expenses are in


employee expenses. To reduce USPS staff, Democrats have put forward their own proposal to allow postal employees to use money that they overpaid in retirement benefits to pay for early retirement.

 **Pre-order 2012 Denominated Stamps Now** Effective January 22, 2012, all the Forever stamps will be revalued at 45-cents. As there was no change in the additional ounce price, 20-cent stamps do not need to be replaced. Because the Postal Regulatory Commission issued its decision on the price changes during Thanksgiving week, availability of the new denominated stamps will not be universally available at local post offices as of January 22. However, large purchasers of stamps should pre-order from the Stamps Now program at 1-800-STAMP-24 (1-800-782-6724), 816-545-1282 or by emailing [StampsNow.info@usps.gov](mailto:StampsNow.info@usps.gov) for additional information and expedited direct fulfillment. Below are the six categories of denominated stamps and when they will be available for pre-ordering. • 32-cent postal card stamps - Items 115100 (pane) & 788800 (coil) January 9 • 65-cent two-ounce stamps - Item 115300 January 10 • 85-cent three-ounce stamps - Item 115200 January 10 • 65-cent butterfly surcharge stamp - Item 114800 January 10 • \$1.05 international stamps - Item 575500 January 14 • 45-cent large coils (3,000 and 10,000) Items 789000 (3000) & 788900 (10000) January 14


	April 6, 2012 <b>Postal Reorganization</b> Location: Venable LLC, Washington, D.C. Speakers :
	<b>Michael A. Crew</b> , Rutgers University, CRRI and <b>Paul R. Kleindorfer</b> , INSEAD, "Postal Privatization in the UK" <b>Michael A. Crew</b> , Rutgers University, CRRI and <b>Richard Geddes</b> , Cornell University, "Privatization of USPS" <b>Victor Glass</b> , NECA, "Funding Universal Service with Changing Demand: Rural TELCOS" <b>Matthew Robinson</b> , U.S. Postal Regulatory Commission, "Peak Load Effects" <b>David Williams</b> , Inspector General, USPS-OIG, "What Americans Want: The Communication and Delivery Infrastructure of the 21st Century" <b>Robert Taub</b> , Commissioner, U.S. Postal Regulatory Commission, "Universal Service Obligations for a Transformed Postal Service"


 **Post & Parcel**: An important study of the European cross-border parcels market has said prices for delivering parcels across borders within the EU are "too high", hindering growth in e-commerce and distance selling. The report from the London office of the US-based business advisory specialists FTI Consulting was commissioned by the European Commission internal markets unit. It said there was a "two-tier" parcel market opening up in the European Union, with smaller and mid-sized retailers paying significantly more for cross-border shipping than large players like Amazon. And, it warned that some national postal operators are not basing prices on their actual costs, but are free to hike up their rates because of a lack of trusted shipping alternatives, particularly for smaller retailers. The consultants said delivery fees being charged for sending items between EU Member States was on average twice as high as fees charged for comparable domestic parcel deliveries.


 **Post & Parcel**: Norway Post has changed the pricing structure of its letters delivery services to reflect the thickness of items as well as weight. Effective from the start of this month, the national postal operator has implemented a new system classifying prices for letters in three categories of thickness. Postage for items less than two centimetres thick starts at NOK 9.50 (\$1.56 USD) for the domestic one-day first class (A-Priority) service, NOK 9 (\$1.48 USD) for the three-day domestic second class (B-Economy) service for up to 20g in weight. Items between two and seven centimetres thick have postal rates starting at NOK 28 (\$4.62 USD) for first class and NOK 26 (\$4.29 USD) for second class in the 20g category. The third category, for items above seven centimetres thick, starts at NOK 48 (\$7.93USD) for first class and NOK 45.50 (\$7.51 USD) for second class items up to 20g.


 **BusinessWire**: MoneyGram International MGI +0.68% , a leading global money transfer company, announced today it signed an agreement with the Bulgarian Post Office to offer its money transfer services in the Post Office's 3,000 postal locations throughout Bulgaria. The service is currently live in 165 locations and will expand to 1,000 in

2012. With the addition of the Post Office to MoneyGram's network in Bulgaria, the company's services are now available at nearly 1,700 locations throughout the country.


 **DMM Advisory: New Postage Statements Effective January 22, 2012.** New postage statements associated with the January 2012 price change are available on [Postal Explorer](#)<sup>®</sup>. The Postage Statement link is in the left column under \*NEW\* Jan. 22, 2012 Price Change Info. As of January 2012, all postage statements dated **prior** to April 2011 or June 2011, as applicable, are obsolete. Manifest mailers may use postage statements dated April 2011 and June 2011 if they reflect the January 22, 2012 prices. **Only the January 2012 postage statements can be used if new offerings are in use.** This includes mailings with Express Mail International<sup>®</sup> Flat Rate Boxes (Postage Statement—International Mail, PS 3700), Priority Mail<sup>®</sup> Regional Rate Box C, new Priority Mail Open and Distribute (PMOD) boxes, First-Class Package Service<sup>™</sup>, Parcel Select<sup>®</sup> Lightweight, Periodicals prepared in Mixed Sacks/Pallets at ONDC or Outside County on Mixed Pallet, international mail containing pieces to Canada and/or Mexico, or Permit Imprint-Transmits Customs Data. If vendors, software providers, or mailers encounter difficulty submitting January 2012 postage statements, please contact your local acceptance office or Manager of Business Mail Entry to determine the best solution. Mailers using the Electronic Verification System (eVS<sup>®</sup>) for manifesting who need assistance should contact their Strategic Account or Business Alliance Manager.


 **Post & Parcel:** Dutch postal service PostNL is standing by the management of beleaguered TNT Express, despite calls from other investors for changes at the top. Since demerging from TNT in May in order to boost shareholder value, PostNL has taken a EUR 734m hit from the poor stock performance of its 29.9% stake in the global express and logistics giant. TNT share prices have fallen 30% since May, while PostNL's stock has slumped by more than 60%. TNT issued a profit warning last October after suffering a sudden decline in demand for its premium express products over the summer, particularly in the Asia-Pacific region, along with difficulties with its operations in Brazil. Profits in the third quarter were down 64% year-on-year at TNT, and for the second quarter down 85%.


 **CEP News** (Courier-Express- Postal), published by the [MRU Consultancy](#), has reported that:


 In the view of the targeted cost savings Itella sold a part of its information logistics specialist unit Itella Information.

 U.S. investment firm Manning & Napier is PostNL's newest major shareholder.

 Swiss Post completely took over Direct Mail Company AG and Direct Mail Logistik AG.

 The sluggish unit Swiss Post Solutions (turnover 2010: 508.2m euros, profit of 5.3m euros) has also been strengthened by an acquisition. Last week Irish software firm FMC Insights was taken over.


 Otto Group, one of the world's leading mail order companies, expects a slowdown in online growth in the business year 2011/2012.


 Dutch PostNL plans to buy into German BWPPost.




The [MRU](#), founded in 1992, is the only consultancy in Europe, which has specialised in the market of courier-, express- and parcel services. For large-scale shippers and CEP-services in particular, the MRU provides interdisciplinary advice for all major questions of the market, as there are for example market entry, product design, organisation, and EDP. [To learn more about the stories reported above, contact CEP News.](#) (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)





 **The Tech:** With the United States Postal Service (USPS) on the verge of eliminating 35,000 jobs to avoid bankruptcy, government officials are desperately seeking solutions to avert the crisis. MIT might have one. In the coming months, MIT Professor and the holder of the first copyright to “EMAIL,” Shiva Ayyadurai will be working on a proposal that will investigate how the USPS could save thousands of jobs by entering the email management industry .

 **Dead Tree Edition:** Until recently, Postal Service executives talked about periodicals as “the anchor in the mailbox.” But lately, says one publishing executive, it seems that “the USPS just tied us to the anchor and threw it overboard.” In recent months publishers have grown increasingly nervous about their reliance on a nearly insolvent Postal Service that seems ready to jettison them, including a recent proposal to abolish the Periodicals class altogether. “What’s a publisher to do when the mailbox is in danger of collapse?” the MPA (AKA The Association of Magazine Media) asks in a description of its Feb. 2 Postal Summit. The brochure reflects what seems to be the entire magazine industry’s feelings about USPS these days.


 **Marketforce and the IEA’s 15th Annual Conference European Postal Services 20th- 22nd March 2012, Rome** [www.marketforce.eu.com/eupost](http://www.marketforce.eu.com/eupost). What’s to be covered and why you might want to attend:

- Understand how market pressures are affecting business models around the world
- Learn how leading postal strategists are envisioning the future shape of the industry
- Expand your strategy by networking with [operators from Europe and beyond](#)
- Hear from those setting and shaping the regulatory agenda
- Take a 360 degree look at the industry with expert sessions on industry best practice
- Determine your focus by joining one of our [specialised streams](#)
- Receive take home wisdom that will help refine operational processes


 **The Christian County Headliner:** The ruminations about the U.S. Postal Service being on the brink of ruin may not have meant much to us until reality sank in last week when the USPS announced plans to close the processing center in Springfield. If that happens, mail delivery times could be affected; but the larger impact is many local, good-paying jobs with benefits will be lost. If it were as simple as the Postal Service not being able to do its job with the resources at hand, bankruptcy and reorganization would be a reasonable solution. But it is not that simple. There are so many bad ramifications for messing with our postal systems that this situation deserves a remedy.


 **Transport Intelligence:** UPS has announced changes in the leadership of two of its three US regions following the retirement of its East Region president. George Brooks, a 28-year UPS veteran, will shift from his current post as president of the company's Central Region to assume command of the East Region, based in New York. He will replace Glenn Rice, who is retiring this month after more than 34 years of service. Stan Deans, also a 28-year UPS veteran, has been promoted to succeed Brooks as president of the company's Central Region, based in Chicago. Deans currently is the president of UPS's Illinois District, one of six that comprise the Central Region. The East Region is one of three Regions dividing the US. It includes approximately one third of the US from Maine to Florida and features a package delivery operation with some 105,000 employees. The Central Region covers a third of the US from the Great Lakes to the Gulf of Mexico and features a package delivery operation with some 82,000 employees.


*January 10, 2012*

 **Courier, Express, and Postal Observer:** Jeff Jarvis, an influential social media evangelist, and author of the Buzz Machine, had a problem. He bought a book from Amazon and wanted to return. Sounds simple, doesn’t it? However when he went to the Postal Service, he was told his only option was Express Mail, the most expensive service the Postal Service offered. So what did he do? He took the parcel and went to United Parcel Service and had UPS handle the return for significantly less than what it would have cost if he had used the Postal Service. Jeff Jarvis’s problem is important to both the Postal Service and Amazon given his influence not only as a writer about the impact of the web and social media but because a significant number of his connections in social media are opinion makers as well. He posted his complaint on Google+ on December 30, 2011 as well as tweeted a link to the complaint on twitter. Given that he has 388,132 individuals in his circles in Google+ and 87,327 Twitter followers

when he made his problem known on Google+ and Twitter it became a big deal. [EdNote: Forget that. The guy was also a featured speaker at PostalVision 2020. Guess no one at the Postal Service bothered to read his book "What Would Google Do?"]

 **Reuters:** Deutsche Post DHL affirmed its recently raised 2011 outlook after a robust Christmas shipping season, though low growth or recession could hurt 2012 revenues in Europe, Chief Financial Officer Larry Rosen said in a Tuesday interview in New York. Europe's biggest mail and express delivery company forecasts little to no European economic growth this year, but no recession.


 **Business Daily Africa:** The (Kenyan postal) corporation is weighed down by millions of shillings in debt owed to pensioners and other creditors. Share This Story Share It sacked 400 workers early last year as part of a restructuring plan aimed at pushing it back to profitability and cut wastage.


 **Post & Parcel:** Spain's Correos has struck up a partnership with government-backed cross-border relations agency Casa Asia in the hopes of cracking the Asian market. The national postal service said it hoped the agreement would allow it to strengthen ties with businesses operating between Spain and central Asia, India and the Australasia region. Casa Asia said the commercial agreement would help Correos develop its international business, mainly its parcels service, with its expertise helping the postal operator meet the specific needs of the region.




### **Welcome to PostCom Radio**


*Join PostCom President Gene Del Polito and Steven Lopez, Chairman of the PostCom Board of Directors in a discussion of some of the events and directions that will guide the association's work in the year ahead.*


 **The Courier:** Royal Mail has apologised after admitting failing to deliver election leaflets for a Scottish Parliament hopeful.

 **Boing Boing:** You know that mysterious Postal Service gadget that's been in your desk drawer since the day you took the job? Or perhaps it's on top of a cupboard in the mailroom, by the dessicated remains of a long-dead potted plant. Either way, the service wants it back. Thousands of USPS hand-held scanners are missing, and it has run out of new ones. "We have a critical shortage," writes the service's Jim Cochrane in a press release. "Check storage areas and cabinets. Talk with everyone who has been a part of the program. Let's find them and get them back in inventory." Handed out as part of the Surface Visibility program, which began in 2004, the scanners are used to collect data on letters and packages. As time has gone by, nearly 2,300 of them have fallen into disuse without being returned to the service.


 **Govconwire:** Verizon has won a six-year, \$186 million agreement to continue designing, installing and managing a private Internet protocol communications network for the U.S. Postal Service, Verizon announced Tuesday. Verizon said it will design and manage the private, converged IP network in order to support mail system functions. Susan Zeleniak, group president for Verizon Federal, said the company will be "delivering the communications backbone that helps keep the mail on time in a modern world."


 **Courier, Express, and Postal Observer:** "Measuring the Impact of Network Optimization"


 **Uni Global Union:** United States Postal Service (USPS) employs around 600,000 workers in some 34,000 postal facilities including post offices. It is the nation's third largest employer following the Department of Defense and Walmart. However, USPS is facing the "edge of a crisis" due to the declining volumes of mail related with strong competition and economic recession caused by the Lehman Shock, and the development of IT technology. The USPS has adjusted to these factors, cutting costs dramatically in recent years, but have recorded huge financial losses due to retirees' health insurance payments that create a huge financial burden for the USPS.


 **Montgomery Advertiser:** Let's stipulate that if 258 postal processing centers in the United States are slated to be closed, there are 258 communities arguing that their facility should be saved. ... (P)laying the pity card is not going to have much of an effect -- no small city or town can afford to lose hundreds of jobs, and even big cities can't


absorb such losses in this economy. It's going to come down to two things: what makes the best business sense for the post office and, to an extent no one can really be sure, who has the strongest political pull.


 [PRWeb](#): Swiss Post Solutions, Inc., a premier global outsourcing solutions and information logistics provider, announces the opening of its new secure mail screening facility. The 24/7 facility, located in the New York City metropolitan area, is run in partnership with MSA Security and provides screening for explosives as well as chemical and radiological weapons.


 [The Star](#): DRB-HICOM Bhd plans to take Pos Malaysia Bhd to the next level of growth despite being in a sunset industry as people are moving away from the traditional snail mail. Its group managing director, Datuk Seri Mohd Khamil Jamil, said there was no need for Pos Malaysia to just provide postal services.


 [Columbus Dispatch](#): "Post office should face competition."

 [The Sunday Leader](#): The Canada Postal Corporation has told the Sri Lankan High Commission in Canada that it has not printed stamps promoting the LTTE's separatist agenda. According to the external Affairs Ministry, following reports in the LTTE affiliated websites and media on the alleged issue of a personalised stamp by Canada Post Corporation promoting the LTTE's separatist agenda which also includes a reference to "genocide", the High Commission of Sri Lanka in Canada on 3rd January 2012 sent two letters, one to Denis Lebel, MP, Minister responsible for Canada Post Corporation and the other to Deepak Chopra, President and CEO of Canada post to register Sri Lanka's protest and expressing the deep concern of the High Commission on this matter.

 [Businessweek](#): Deutsche Post AG, Europe's largest postal service, probably met its earnings forecast for 2011 as mail volume stabilized and parcel and freight shipments increased, according to an online presentation.

 [Azerbaijan Business Center](#): Azerbaijan's postal operator Azerpocht starts application of new technologies for its departments' automation.

 [Post & Parcel](#): Russian Post has received a record number of small packages from abroad this year – but some of them have been delayed by up to two months. On the two peak days of 29 and 30 December – since Russia celebrates Christmas in early January – the postal service in Russia received 100 tons of small packages alone from overseas, which it said was twice even optimistic expectations. Although Russian Post's Moscow international postal exchange facility was somewhat overloaded, since three quarters of international mail is sent via the capital, the Post said it has developed a major redistribution system to transfer 10 to 20 tons of international mail a day to processing plants in the regions.

 [The City Wire](#): This might be the final full year for U.S. Rep. Mike Ross, D-Prescott, in the U.S. House, but he appears eager to continue a fight against U.S. Postal Service plans to close numerous facilities in Arkansas. Ross, who announced in July he would not seek re-election to the U.S. House in 2012, used a Jan. 9 legislative update to outline his efforts to force the USPS to explore cost-cutting alternatives. Conventional political wisdom is that Ross is eyeing a 2014 Arkansas gubernatorial run.


 *At the Postal Regulatory Commission:*

<b>Postal Regulatory Commission</b>	
<b>NOTICES</b>	
FY 2010 Annual Compliance Report ,	
1521–1523 [2012–164]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

 **PostCom welcomes its newest member: [Amazon Fulfillment Services](#)** 333 Boren Avenue N Seattle, WA 98109 represented by **Brad Obert, Senior Transportation Manager**


*January 9, 2012*


 [Wall Street Journal](#): White House Chief of Staff William M. Daley has resigned his post just a year into his tenure and will be succeeded by budget director Jack Lew, senior administration officials said Monday.

 [Uni-Global Union](#): More than 60 representatives of big companies, postal users, postal operators and postal regulators at the invitation of Commissioner Barnier spent one day together to discuss the future needs in the postal industry. UNI Europa Post & Logistics representing postal workers in the forum, had been invited after a personal meeting with Barnier. Commissioner Barnier in his opening speech emphasised the social link that needed to be maintained and the need for territorial cohesion of postal services. He said that now liberalisation of postal services in Europe is a reality it would be the right time to assess, evaluate and make corrections if necessary. He emphasised strongly that reforms won't work without being social responsible. At the meeting he immediately gave the floor to the Trade Union representatives and he showed that he is aware that Trade Unions need to play an important role in the process. In five round tables during the forum, the participants discussed the needs of big and residential customers, business and SMEs perspectives, the role of e-commerce and a sustainable postal market. All of the round tables repeated the fact that high quality, affordable price, reliable, fast and flexible postal services which cover the whole geography of the country are necessary. The users also made a plea for a maximum number of delivery days and to ensure that operators have an efficient "returns" function. Despite the high quality of postal services, there is always space for improvement like delivery of registered letters and parcels, track & trace, or the cross-border delivery is certainly a field which has to be improved.


 [European Commission](#):


- [Study on intra-community cross-border parcel delivery](#)
- [Study on Appropriate Methodologies to Better Measure Consumer Preferences for Postal Services](#)


 [The Independent](#): When did you last get an old fashioned letter? Not one of those tiresome newsletters-plus-family photo that increasingly pass for Christmas cards here (and which, maddeningly, won't even stand up on the mantelpiece) but a real letter, from a friend, relative or lover, with a stamp, a postmark and – unlike email – with privacy guaranteed? The answer, probably, is not for a while. And if so, you will start to understand the desperate plight of the United States Postal Service, the largest mail system on earth, whose origin predates even the Declaration of Independence.

 [BusinessWire](#): Aquilent, the recognized leading provider of Web-based solutions shaping the next generation of technology for the federal government, today announced that it has been awarded a contract to support USPS.com Daily Operations for the United States Postal Service (USPS). This contract builds on Aquilent's 10 year plus support role for USPS.com.

 [Times Online](#): The Postal Department has taken steps to hold back letters and other postal goods that have been sent to Sri Lanka with Pro LTTE stamps, local reports said. Post Master General M K B Dissanayake speaking to a local radio station said that investigations will be carried out as to where these were sent from and to whom they were directed to. Pro LTTE stamps will be removed from them and the relevant letters and parcels will be sent to the intended receivers.

 [Post & Parcel](#): India Post is looking to improve its air links with different parts of the Indian subcontinent, in a new agreement with national airline Air India. The postal operator has signed a memorandum of understanding with the government-owned airline to build on its "Logistics Post Air" express parcel distribution service.


 [Truth-out.org](#): Whatever caused the financial woes of the USPS, there is another way to mitigate the crisis than slashing employee benefits and customer services. In a December 21, 2011, article, Tim Fernholz suggested that instead of focusing on cuts, the post office should approach the problem from a business perspective and find a new way to make money. One way to keep the USPS alive, he says, is for it to include basic banking services in its product line, providing a "public option" in banking.


 **WJBD:** Democrat U.S. Senator Dick Durbin made a stop in Centralia Monday to discuss jobs, unemployment, and the United States Postal Service Consolidation study on the Centralia Processing Facility. Senator Durbin met with Centralia Mayor Tom Ashby, City Manager Dan Ramey, and the Centralia Councilmen to discuss what's happening in the community.





The U.S. Postal Service Office of Inspector General invites you to comment on the following “Pushing the Envelope” blog topic:


**Postcode and Geocodes – Changing the Address System?** Traditional addressing systems have generally offered an effective means to identify pickup and delivery locations. Recent technological innovations related to digital mapping have led some to consider adopting an addressing system based on geocodes. Would the adoption of geocodes improve the current address system? Share your thoughts on our [blog](#).


 **Target Marketing:** According to Epsilon Targeting's 2011 Channel Preference Study, "The Formula for Success: Preference and Trust," 60 percent of U.S. consumers and 64 percent of Canadian consumers enjoy checking their mailboxes each day, signaling an emotional connection with direct mail. The study, which polled 2,226 U.S. consumers and 2,574 Canadian consumers, also reveals that 50 percent of U.S. respondents and 48 percent of Canadian respondents pay more attention to postal mail than email.

 **Target Marketing:** It has been said you should never underestimate the value of a good first impression. That's not only true with in-person introductions—it's also true in direct mail. There are typically three main components of a direct mail piece: the message, the creative, and the offer. In most direct marketing campaigns, your first impression is made by the images and you choose the rest of the creative to support your message. Before your target audience reads a word of text in your mail piece or postcard, their eyes will focus on the images they contain. Too often, these images are the same overused stock photos that appear in hundreds of other direct marketing pieces—images. Because of their ubiquity, these images fail to grab attention or break through the clutter.


 **Target Marketing:** The always-on, always-up digital culture that has been so readily adopted by younger Americans is having an impact on direct mail, according to Mintel Comperemedia, a firm that provides competitive intelligence services. The firm reports that direct mail volume to consumers from life, health and property/casualty insurers is down 11 percent in Q3 2011 compared to Q3 2010.

 **MyRecordJournal:** Connecticut Color Inc. processes about 6 million advertising pieces of mail a month at its plant on Pomeroy Avenue for national clients, including Home Depot and BJ's Wholesale Club. The volume is so large, a representative from the U.S. Postal Service's processing center in Wallingford spends between 10 and 15 hours per week certifying Connecticut Color's mail before it's sent to other network distribution centers, said company President Rick Herr. But the U.S. Postal Service is considering closing the center and others nationwide to save costs as it struggles with declining mail volume. A recent study showed the U.S. Post Office would save about \$23.7 million by closing the Wallingford center and eliminating close to 300 jobs. "Absolutely, this would impact us," Herr said. Herr fears delays getting postal personnel to the plant, that may now have to come from a Hartford processing and distribution center.


 **Worcester Telegram:** A flood of red ink has swept through the U.S. Postal Service in recent years, producing annual operating losses measured in the billions of dollars. In response, the USPS has worked to reduce costs and improve efficiency, but its efforts simply cannot keep pace with a historic change in how Americans meet their communication needs. Closures and deep cuts are inevitable, and must take place as soon as practically possible.


 **Altavista Journal:** The mail, already slow by today's electronic standards, could become even slower under sweeping changes proposed by the U.S. Postal Service. Scheduled to begin this spring, the changes would virtually eliminate any chance of first-class mail arriving the next day, postal officials said, and also would mean delays for newspapers and magazines.





 **Businesslife:** The Jersey Competition Regulatory Authority (JCRA) has agreed that Jersey Post may increase stamp prices in 2012. The existing price control on Jersey Post ended in December and the JCRA had proposed a one-year extension. The decision follows a 28 day consultation which has now closed. The proposal to allow Jersey Post to raise prices follows the announcement by the UK Treasury that it is to remove Low Value Consignment Relief (LVCR) for imports to the UK from the Channel Islands from 1 April 2012.

*January 8, 2012*


 **Business Daily Africa:** Postal Corporation of Kenya's fortunes dipped further in the three months to September as increased Internet use and widespread use of mobile phones reduce the need to post letters. Communications Commission of Kenya (CCK) data shows that delivery of letters has been on a downward trend with 20.5 million letters sent in the quarter to September compared with 31.6 million in a similar period last year.


 **Daily Mirror:** Sri Lanka's postal authorities have decided to defy rules and regulations stipulated by the Universal Postal Union (UPU) when dealing with letters and parcels with stamps bearing the emblem of the LTTE and the image of its late leader, officials said yesterday. Already, there are reports that members of the pro-LTTE Tamil diaspora have issued personalised stamps bearing the emblem of the beleaguered LTTE in France, Britain and Canada. First, it was reported in France, and the issue was taken up diplomatically. According to the UPU Treaty, stamps of member nations are accepted for the entire international route of mailing.


 **DMM Advisory: IMb™ Services Update. PostalOne!® Release 29.0 Update —** *PostalOne!*® Release 29 successfully deployed to production on January 8, 2012. Identified known issues, with business workarounds as applicable, are posted on [RIBBS®](#) under the [Major/Minor Release Schedule](#) tab/[January 2012 Release/Release Known Issues](#). **Reminder - Test Environment for Mailers (TEM) —** Facility Access and Shipment Tracking (FAST®) Release 19.0 and *PostalOne!* Release 29.0 will deploy to the Test Environment for Mailers (TEM) on Monday, January 9, 2012. FAST TEM will be unavailable from 8 a.m. through 12 Noon CST and the *PostalOne!* TEM will be unavailable from 4 a.m. through 4 p.m. CST.

 **FedBusOpps.gov:** "U.S. Postal Service Sources Sought Notice Network Optimization" The U.S. Postal Service announced, in September 2011, a number of proposals designed to significantly reduce its operational costs. One proposal under consideration is a study to redesign the mail processing and transportation network. This study may result in consolidation of processing centers from 461 mail processing facilities to approximately 200 facilities. As a part of the review and planning stage, it is important to understand the sources available in the transportation and distribution industries that can meet the potential future demands. The purpose of this sources sought notice is to solicit responses from interested suppliers to determine which are capable of providing potential transportation management services to the U.S. Postal Service. If the Postal Service moves forward with the consolidation, the suppliers may be required to route trucks to transport mail from processing and distribution centers to post offices within a broad service area. The supplier also may be required to provide a cross-dock distribution hub between facilities to consolidate mail for distribution to down stream offices. The service requirements will include the critical entry times (CETs) and dispatch of value (DOV) times for processing and distribution centers (P&DCs), Mailers, and the Administrative Offices (AOs). The day-by-day estimated volume of mail to be transported also will be provided as a tool for the suppliers to determine the labor and vehicle requirements for the service. Suppliers may be required to load and unload vehicles when requested by postal officials. The number and type of vehicles required will be determined by the suppliers based on the estimated volumes in the future service requirements. The suppliers will be required to have readily available sufficient stand-by equipment to perform all transportation requirements, to permit vehicle maintenance, and to prevent delays in emergencies such as mechanical failures and poor weather conditions.


*January 7, 2012*


 [San Francisco Chronicle](#): \$1.4 billion. That's how much money the U.S. Postal Service paid FedEx to deliver mail via cargo jets in fiscal 2010. FedEx carries express, priority and first-class mail on its planes, making the company both a partner and rival to the Postal Service. Now that the agency is looking to slash its budget, airfreight is seen as a place to cut. Sending fewer packages by plane could reduce the payments to FedEx by about \$400 million a year, according to SJ Consulting Group.

 [News.az](#): New projects are implemented in Azerbaijan for raising the quality of postal services by Azerpocht. According to sources from the Ministry of Communication and Information Technologies, e-postal services are also among them. This service will help the prompt delivery of a letter from one address to another.

 [The Star](#): Pos Malaysia will continue to offer the 50 sen flat rate for the mailing of Chinese New Year cards throughout the country. Group chief executive officer Datuk Khalid Abdol Rahman said the offer was in line with the 1Malaysia aspiration and encouraged people to send greeting cards to their family and friends. "The rate is 16 to 28% cheaper compared to an ordinary 50gram mail," he said.

 [At the Postal Regulatory Commission](#): **Postal Regulatory Commission NOTICES** New Postal Products , 1089–1090 [2012–145] [[TEXT](#)] [[PDF](#)]

 [Wall Street Journal](#): Federal Reserve officials this month will begin detailing their plans for short-term interest rates, a move that could show that the central bank's easy-money policies will remain in place for years and give the economy a boost.


 [Highland Community News](#): The Postal Regulatory Commission has recommended that the U.S. Postal Service take another look at its approach to closing post offices, supporting many criticisms made by National Newspaper Association in its fall 2011 testimony.

 [Attention Postal One! Users:](#)


- **REMINDER: PostalOne!® Release 29.0 Deployment** will require an extended maintenance window from 8 p.m. CST on Saturday, January 7, 2012, through 10 a.m. CST Sunday, January 8, 2012. During this maintenance window, PostalOne!® and eDoc submission via Mail.XML® and Mail.dat® — will be unavailable.
- **Test Environment for Mailers (TEM)** — PostalOne! Release 29.0 will deploy to the Test Environment for Mailers (TEM) on Monday, January 9, 2012. PostalOne! TEM will be unavailable from 4 a.m. through 4 p.m. CST.


 [At the Postal Regulatory Commission](#):


- [Docket No. RM2012-3](#): *Institutional Cost Contribution Requirement for Competitive Products* "Notice of Proposed Rulemaking to Evaluate the Institutional Cost Contribution Requirement for Competitive Products"
- [Docket No. N2012-1](#): "United States Postal Service Notice of Scheduling of Technical Conference In Relation to Testimony of Witness Emily Rosenberg"


 [Department of State](#): "A Message from Dennis Delehanty, U.S. Candidate for Deputy Director General Post at the Universal Postal Union"


**January 6, 2012**


 [At the Postal Regulatory Commission](#): Postal Regulatory Commission Chairman Ruth Y. Goldway this week announced [the start of Nanci E. Langley's term as Vice Chairman of the Commission](#), succeeding Commissioner Mark Acton.


 [PR- USA.NET](#): MailCallOnline.com announces the launch of its web-based greeting card service. Customers choose a card from a selection of special occasion and holiday-theme greeting cards, insert a personal message and MailCallOnline.com sends it to their friend or loved one on the date of their choosing—postage included. For \$2.50 a card, MailCallOnline.com helps families stay in touch with often out-of-sight populations such as the armed forces, the elderly, and the incarcerated.


 [Post & Parcel](#): Turkish Postal Service PTT is extending its network of automated teller machines, signing up manufacturer Wincor Nixdorf to provide 600 new units.


 [BtoB](#): The U.S. Postal Service has been granted permission to allow postage credit billing to direct mailers rather than requiring postage prepayment. In a decision this week, the Postal Regulatory Commission granted the USPS' request that it provide credit lines to direct mailers that enter into a negotiated service agreement with it, giving them the ability to pay postage via Automated Clearing House (online) methods. Currently, direct mailers pay upfront into an account for anticipated postage.

 [Post & Parcel](#): The new relationship between Brazil's Post and Telegraph Company (ECT) and the country's largest bank, Banco do Brasil, has gotten off to a roaring start. Just four days after taking over from rival Bradesco in running ECT's Postal Bank from the start of this month, Banco do Brasil has seen more than 30,000 new accounts opened by postal customers. On the first day of the new five-and-a-half year contract, the Postal Bank performed more than 270,000 transactions, the bank said, as it reported that transfer of operations was a "total success".

 [Bloomberg](#): FedEx Corp., the delivery company that is both a partner and rival to the U.S. Postal Service, may see a federal mail- flying contract drop by more than 27 percent in 2013 as the agency restructures. Revenue from carrying Postal Service express, priority and first-class mail in FedEx cargo jets may shrink to less than \$1 billion annually once the current agreement expires and a new accord is negotiated, according to Satish Jindel, president of SJ Consulting Group Inc. in Sewickley, Pennsylvania. A Postal Service goal of saving \$2.1 billion a year isn't reachable "without making some changes in the way they move things," Jindel said in a telephone interview. That is "likely to result in a reduction of the number of packages that they will need transported by air."

 [Courier, Express, and Postal Observer](#): The December Jobs report reported today showed that 200,000 jobs were created in December and the unemployment rate dropped to 8.5%. This was better news than most forecasters expected and stock futures jumped on the news. The detailed industry data clearly shows that **the postal market drove jobs growth**. If you look at the jobs growth on an unadjusted basis, **the industry added 89,400 jobs in December** of which 85,900 were generated in the private sector. This larger jobs figure illustrates the scale of the challenge that FedEx, United Parcel Service and the Postal Service have in expanding their workforce during the holiday season in order to serve the peak demand in business to consumer parcel shipments. The significant growth in jobs associated with delivering mail and parcels does not fully describe the impact that the postal market had in the improving job pictures. The Postal industry has long touted its importance in the economy. **The December jobs growth shows how maintaining its health is needed to keep the recovery on track.**

 [The Joplin Globe](#): If the U.S. Postal Service closes the mail processing center in Springfield, jobs in Southwest Missouri will be forfeited and delivery standards will no longer be acceptable. And a mail delivery system that's already battling to keep pace in the electronic world will become even more obsolete. Hardly a winning business model, is it? Yet, that's how USPS managers are attempting to address a service-based operation — by taking away the service.

 [Labor Notes](#): The push to dismantle the U.S. Postal Service's distribution and delivery network is a scheme by corporate privatizers to crush the largest organized workforce in federal employment, pick apart a trusted government service, and grab the most profitable parts of the business for their own enrichment. Consider that tens of millions of Americans used to bank their money in the Postal Savings System until it was abolished in 1966 because of pressure by the banking industry. Despite a drumbeat of media myth-making to the contrary, the Postal Service is still very busy. Letter carriers deliver 170 billion pieces of mail each year. The Postal Service is at the center of this country's \$1.3 trillion mailing industry. Rural communities, the elderly, and many Americans who do not live online still rely on mail delivery and pickup.



The latest issue of the [PostCom Bulletin](#) is available online. In this issue:

- Review FINAL USPS Folded Self-Mailer & Un-Enveloped Mailpieces Mailing Standards Reserve your Webinar seat now at: <https://www1.gotomeeting.com/register/155878697>
- The Postal Regulatory Commission has concluded that the Postal Service, if it wishes to pursue its Exigency Request, must complete the submission of its entire case to the Commission. This is in response to the November 7 filing by the Postal Service indicating it would proceed with the Exigency Request, the November 14 filing by a group of mailers, including the Association for Postal Commerce, and finally the November 21 filing by the Postal Service of two witness statements.
- The Postal Regulatory Commission has analyzed the Postal Service's Retail Access Optimization Initiative, a program that identifies more than 3,650 post offices, retail annexes, stations, and branches for possible closing. The Commission has evaluated the Postal Service's presentation and the evidence submitted by interested members of the public, and finds that the Retail Access Optimization Initiative is likely to affect service on a nationwide basis. The primary Commission finding is that notwithstanding its name, the Retail Access Optimization Initiative is not designed to optimize the retail network.
- The Postal Service published its unaudited November results with the Postal Regulatory Commission. USPS lost \$1.3 billion in November 2011. The Postal Service's controllable operating income for the month was \$40 million. The loss is due to the Postal Service Retiree Health Benefit Fund prepayment of \$925 million and a workers compensation adjustment of \$369 million.
- The Postal Accountability and Enhancement Act requires the Postal Service to submit an Annual Compliance Report (ACR) 90 days after the close of its fiscal year, which runs from October 1 - September 30. The ACR demonstrates that all postal products during fiscal year 2010 comply with all applicable requirements of Title 39.
- The USPS on December 29, 2011, submitted to the Postal Regulatory Commission (PRC) its FY 2011 Annual Compliance Report (ACR), included in which was its FY 2011 Service Performance Report. The USPS as part of the report offers reasons why its service performance targets were not met in many product categories and its mitigation plans.
- According to the Courier, Express, and Postal Observer, "with the end of the year at hand, the Courier Express and Postal Observer brings out its crystal ball and makes its predictions for 2012. As with all forecasts made on this website, the predictions are for entertainment purposes only, they are not designed to encourage illegal betting on the future of the industry."
- For the most part, mailers cheered when the U.S. Postal Service announced "Second Ounce Free" for bulk-mailed First Class letters. But guest columnist Robert W. Mitchell points out below that the pricing strategy is unlikely to be profitable for the Postal Service, is seemingly unfair to some mailers, and does not follow good pricing practices.
- According to the Courier, Express, and Postal Observer, "yesterday, Dead Tree Edition, gave Congress the John Adams award for how useless members of Congress in finding a real solution to the Postal Service's financial problem. He notes that Congress deserves this award because not only has Congress been useful, some of the legislative changes members have proposed and appear likely to be part of any postal legislation passed this year could make the problem worse not better. I would argue that a more appropriate award would have been the Mark Twain award who looked at Congress as a mix of idiots and petty criminals."
- PRC publishes annual report. USPS files FY2012 Integrated Financial Plan. Senator Collins' statement on PRC's opinion on Post Office closures. PRC approves shipping services price change. USPS submits monthly IMb progress report. Postal woes spell opportunity for online banking and bill pay. Senator Carper to host postal telephone town hall. Lots of newspaper deals, but not much hope. Dead Tree hands out the John Adams award. Gamefly complaint has been reinstated. Rolando: Issa misleads on postal service. PostCom's newest members.
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Don't miss PostCom's workshare discounts charts at the end of this bulletin.

Hey! You've not been getting the weekly PostCom Bulletin- -the best postal newsletter anywhere...bar none? [Send us by email](#) your name, company, company title, postal and email address. Get a chance to see what you've been missing.



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**Reuters:** Text-messaging has long been a big-time profit generator for U.S. mobile operators, but they now risk losing these profits as consumers find cheaper ways to communicate. SMS -- short message service -- is no longer all the rage, but it still generates an estimated 12 percent of service revenue for U.S. operators. Now, with many consumers turning to low-cost alternatives like iMessenger, BlackBerry Messenger and Facebook's mobile messaging service, operators like Verizon Wireless, AT&T Inc and Sprint Nextel risk losing a steady, superbly profitable source of income. Some European carriers have already seen texting alternatives hurt their financials.

**Auctionbytes:** In an effort to expand the availability of its services while pressing ahead with deep budget cuts, the U.S. Postal Service is preparing to begin trials of a new automated kiosk system for shipping and receiving packages. Dubbed gopost, the lockers will enable postal customers to receive packages securely, as well as offering a drop-off point for outgoing parcels. The Postal Service is currently conducting technical tests of gopost kiosks in seven locations in Northern Virginia, according to USPS spokeswoman Patricia Licata, who emphasized that the program is in a very preliminary stage.

**Heraldnet:** [Now that the U.S. Postal Service's proposed cuts and facility closings have been postponed until spring, and are being challenged by the Postal Regulatory Commission, perhaps some thoughtfulness can be included in the process. Offering worse service to save an organization from bankruptcy is not good business. Even if every American sent a first-class letter every day starting today, it wouldn't dent the \\$14.1 billion in operating losses expected this year. The sale of stamps and the shipping of boxes can't ever keep pace with funding pensions.](#)


**Government Executive:** Postal reform legislation could move quickly in both chambers when lawmakers return to work later this month. The House Oversight and Government Reform Committee, which approved a postal reform bill in October 2011, plans to file its report on H.R. 2309 in a matter of days, Ann Fisher, director of public affairs and government relations at the Postal Regulatory Commission, said during a meeting Thursday. Ali Ahmad, a spokesman for the House committee, confirmed that a report would be filed soon. Fisher also said Senate Majority Leader Harry Reid, D-Nev., is eager to move that chamber's postal reform legislation early in the second session of the 112th Congress. The Senate Homeland Security and Governmental Affairs Committee approved its postal bill in November. The House officially convenes Jan. 17, and the Senate returns to work Jan. 23. "The Postal Service can become profitable again if Congress passes comprehensive legislation to provide us with a more flexible business model so we can respond better to a changing marketplace," Postmaster General and Chief Executive Officer Patrick Donahoe said in previous statements. "To return to profitability we must reduce our annual costs by \$20 billion by the end of 2015. We continue to take aggressive cost-cutting actions in areas under our control and urgently need Congress to do its part to get us the rest of the way there." **[EdNote: Keep that mark in mind -- \$20 billion by the end of 2015. Thus far there is no legislative proposal that has been introduced thus far, which if enacted, would get the Postal Service to that end.]**


January 5, 2012


**At the Postal Regulatory Commission:** The Postal Regulatory Commission has an exciting employment opportunity for [a highly motivated, highly skilled person with extensive and varied experience in consumer relations and communications.](#)


**Business News Daily:** The U.S. Postal Service's decision last month to eliminate next-day delivery of first-class mail may cause a cash-flow crunch for small businesses by making it harder for them to collect quickly from their customers, new research shows. But, experts say, there are steps that companies can take to avoid taking a hit to accounts receivable when the post office makes it change.





 **Gulf News:** Emirates Post plans to expand its services throughout the country, Abdullah Mohammad Al Ashram, the Emirates Post chief executive officer, told Gulf News. Emirates Post, the sole provider of postal services in the UAE, has an extensive network of 140 post offices and offers over 55 products and a number of other services. "Emirates Post will be able to deliver to and collect mail to customers who live in villas or apartments anywhere in the UAE by having a personal box fitted to their compound wall from this year," Al Ashram said. For the first time, residents will have a cost-effective system through which mail will be delivered directly to their homes, Al Ashram said.


 **National Newswire Service:** Postal reform legislation could move quickly in both chambers when lawmakers return to work later this month. *[EdNote: I wouldn't be holding my breath waiting for Congress to actually pass something, if I were you.]*


 **The Union Star:** The mail, already slow by today's electronic standards, could become even slower under sweeping changes proposed by the U.S. Postal Service. Scheduled to begin next spring, the changes would virtually eliminate any chance of first-class mail arriving the next day, postal officials said, and also would mean delays for newspapers and magazines.


 **PRNewswire:** SourceLink, a top 5 largest privately held CRM/Direct Marketing Agency and top 3 GPO Supplier, announced today the launch of a mobile app that works in conjunction with their proprietary mail tracking tool, MultiTrac™. The app has been developed for the Android and is available now in the Android marketplace free for all MultiTrac™ users. There are plans to release an app for the Apple platform in the first half of 2012.


 **DirectMarketing IQ:** To survive in direct mail, you need a few tricks up your sleeve for improving results when time is short and the budget is lean. Here are 12 quick, easy and cheap testing ideas.


 **Target Marketing:** As the nation's banks and financial firms emerge from the wreckage of the financial crisis, they are working out how best to lend to people with tarnished credit. Despite the surge, direct-mail solicitations remain far below pre-crisis levels.

 **4-Traders:** Stamps.com® (Nasdaq:STMP), the leading provider of USPS to over 400,000 customers, today announced that it has launched PC Postage Version 9.0 software. Version 9.0 adds many new time-saving features that will allow e-commerce sellers to build more efficient mailingshipping operations. Now shippers can automatically print packing slipshipping labels separately when using the Batch printing feature. In addition, e-commerce sellers can insure their packages up to \$10,000 in value to protect their shipments. The software download is available for free to newexisting customers.

 **The Multichannel Content Blog:** Print catalogs: Taboo? Are they "obsolete" and "old-fashioned"? Or "a unique opportunity to engage at new levels while enhancing your online activities"? The role of the print catalog continues to evolve in the omnichannel marketing environment. It isn't dead yet, and it certainly isn't taboo.

 **Finex tra:** By extending its service offering in the self-service sales channel and installing new ATMs, the Turkish postal service (PTT) wants to win new customers.

 **ERR News:** Postal service Eesti Post received international mail shipping bags from the UK on January 4, in which 72 envelopes had been torn open. According to the company, the tampered envelopes were all regular maxi letters mailed from the UK before the Christmas holidays.

 **Air Cargo World:** Despite recently approved free-trade agreements with Colombia, South Korea and Panama, only 24 percent of small- and mid-sized businesses in the U.S. are currently engaged in international trade, a UPS study found. And while this may seem like good business practice, it's actually riskier than the alternative, according to a UPS press release. UPS' "Perceptions of Global Trade" study, which surveyed more than 1,000 SMBs, discovered that many of these businesses refrained from exporting goods due to the bleak economic outlook. But this is actually faulty logic, UPS International President Dan Brutto explained.



[Now hear this: "This Week In Postal".....the latest podcast posted now!](#) (Link corrected.)

**[MtStandard](#)**: The U.S. Postal Service needs to work toward balancing their books while fulfilling their mission of delivering mail to homes, businesses, hospitals and schools throughout the United States, including in our rural areas. Recently, under the banner of fiscal responsibility, the USPS has targeted more than 650 post offices for closure, including 85 in Montana, all in small, rural communities in our state. No one suggests the Postal Service shouldn't tighten their belt. In fact, they should consider eliminating post offices where it makes sense, in places where alternate delivery options are readily available and affordable or where other post offices exist within a short distance. Unfortunately, the closure list the USPS made public has all the signs of being developed within the urban-centric confines of Washington DC with little input from rural America. Fully twelve communities in a five-county region of northern Montana have been targeted as places where a postal presence is no longer needed, according to the Postal Service. From Loma to Zortman and from Highwood to Hingham, residents of these communities, and the surrounding area, would no longer have access in their community to the services of a post office. Closing these facilities would mean not just the loss of a postal presence in the impacted community, but in most cases a drive of dozens of miles to a post office.

**[New York Times](#)**: Along with the residents of other tiny towns across the country, from Challenge, Calif., to Economy, Ind., the people of Fox learned last summer that their post office was being studied for possible closing by the United States Postal Service. It was one of the more than 3,600 deemed by the postal authorities to have too little a workload — less than \$27,500 annual revenue is one such measurement — or to be too close to another office to justify keeping open by an agency that is billions of dollars in debt and facing a steeply and steadily declining revenue stream. The response, here as elsewhere, has been swift. Letters have been sent, petitions drawn up. People have taken day trips to their representatives' offices, bringing so much political pressure that Congress persuaded the Postal Service last month to declare a moratorium on the closings until May.


**[Dead Tree Edition](#)**: For the most part, mailers cheered when the U.S. Postal Service announced "Second Ounce Free" for bulk-mailed First Class letters. But guest columnist Robert W. Mitchell points out below that the pricing strategy is unlikely to be profitable for the Postal Service, is seemingly unfair to some mailers, and does not follow good pricing practices.


**[At the Postal Regulatory Commission: Docket No. MC2012-1](#)**: On December 20, 2011, the Postal Service filed a notice pursuant to 39 CFR 3020.90 and 3020.91 concerning a classification change related to negotiated service agreements (NSAs). The Commission accepts the classification changes described in the Postal Service's Notice with the clarification that to the extent the option is available in NSAs it must be presented clearly. Description of classification change. The Postal Service proposes to clarify that it may offer alternative postage payment methods for customers of market dominant and competitive NSAs. Id. at 1. Changes would only apply to customers that sign an NSA with the Postal Service which includes a customer-specific postage payment term. The Notice includes proposed revisions to the Mail Classification Schedule (MCS). Id. at 3. The classification changes would become effective on January 5, 2012.


**[Satori Software](#)**: Satori Software has announced the immediate availability of an Unlimited Walk Sequence processing add-on for its Bulk Mailer® desktop mailing software. Now, for one flat annual price, mailers can append Walk Sequence data to all their mailing lists, which makes it possible to achieve greater postal discounts. Walk Sequence data enables a list to be sorted into the order of an individual postal carrier's route. Mailers can increase discounts on qualified high-density mailings by at least 4.2 cents per letter and up to 15 cents per flat. Because the service is accessed within Bulk Mailer, incorporating Walk Sequence into daily mailing preparation processes requires few changes to existing settings. Processing turnaround is fast — generally 15 minutes or less.


**[Kansas City Business Journal](#)**: Plans by the U.S. Postal Service to do away with next-day delivery of first-class mail could prove costly for America's large companies. A new report released by REL Consulting, a division of Miami-based The Hackett Group, suggests the lag time created as a result of the cuts could cost a typical large U.S.

company up to \$100 million a year by making it harder to quickly collect payments from customers. Kansas City-area companies such as Hallmark Cards Inc. and DST Systems Inc. have been paying close attention to USPS actions.


 [Direct Marketing News](#): The 2012 campaign season is already heating up, and while politicians will be buzzing about their social media and digital marketing tactics, direct mail is a stalwart for political campaign marketing that isn't going anywhere. With the cost of postage going up, expect political direct mail pieces to be smaller this year than in year's past.

 [Post & Parcel](#): Finland's Itella Group has sold its printing, enveloping, scanning and archiving business Itella Information A/S to the Danish IT and print services company KMD. The Finnish postal company is in the process of cutting EUR 100m from its operating costs over the next years as it faces increased competition and declining mail volumes.

 [Federal News Radio](#): The Postal Service's recent decision to delay the closing of hundreds of mail processing centers and thousands of local post offices until May has given critics plenty of time to question the agency's strategy to climb out of the red. "The way that they frame the problem and the language they use have actually created a sense of dismay among the biggest mail users and may not be as helpful to them as a somewhat less-emotional presentation of their situation," Postal Regulatory Commission Chairman Ruth Goldway told Federal News Radio. The Postal Service's prediction that it would end fiscal 2012 with a \$14.1 billion loss if it did not receive help from Congress was "a little inaccurate," because it included billions of dollars in pension-fund payments that it delayed from last year, she said. "The key for all of us will be to look at the cash flow of the Postal Service, rather than the big dollar amounts that they say they're losing," she said. "We want to make sure it has enough cash to pay its contractors and employees, and buy the gasoline it needs to deliver mail to people."

 [Huntington News](#): Citing a recent study that found overly optimistic savings projections and an insufficient attention to community needs, U.S. Rep. Nick Rahall (D-W.Va.) Tuesday called on the Postal Service to go back to the drawing board on its efforts to close and consolidate postal facilities in southern West Virginia.


*January 4, 2012*


 **Robert Croce** (a member of the Board of Directors of the Association for Postal Commerce) has been named Valassis Vice President, Government Relations, effective Jan. 1, 2012. He joined Valassis in 1998 after holding positions in local, state and federal government where he served for over 10 years as Chief of Staff to a member of Congress. Building on his extensive governmental experience and Washington D.C. contact network, Robert was instrumental in expanding Valassis' impact and influence on Capitol Hill, the U.S. Postal Service (USPS) and the Postal Regulatory Commission (PRC). *Congratulations, Bob!*





 *Attention Postal One! Users:*


- **REMINDER: PostalOne!® Release 29.0 Deployment** will require an extended maintenance window from 8 p.m. CST on Saturday, January 7, 2012, through 10 a.m. CST Sunday, January 8, 2012. During this maintenance window, all USPS® web services accessed through the Business Customer Gateway — including PostalOne!®, Facility Access and Shipment Tracking (FAST®), Mailer ID, Program Registration, and eDoc submission via Mail.XML® and Mail.dat® — **will be unavailable.**
- **Test Environment for Mailers (TEM)** — PostalOne! Release 29.0 will deploy to the Test Environment for Mailers (TEM) on Monday, January 9, 2012. PostalOne! TEM will be unavailable from 4 a.m. through 4 p.m. CST.
- **PostalOne! Release 29.0 Webinars:** The first informational webinar on Release 29 will be held for mailers on January 5, 2012. Complete webinar information, including times and log on information, will be posted on RIBBs® under Intelligent Mail Services.


 [AllAfrica.com](#): Along with the introduction of new information technology system to deliver and receive messages and packages, the National Postal Service is providing standard and speedy service, according to the Acting head of the Institution, Mr. Asmelash Gebreyesus. He explained that the new system introduced last year has made vital contribution in controlling and following up messages and deliveries of packages through the internet, in addition to enabling beneficiaries to follow up the delivery of packages and messages.


 [Washington Times](#): The U.S. Postal Service has quietly sought to "immunize" itself from Privacy Act challenges to its address-correction service, a program that gives credit, marketing and data- service providers access to updated name and address information for tens of millions of Americans. Postal officials say the program helps reduce costly undeliverable mail that can clog up the mail stream, but its failure to obtain consent to sell customers' information is raising alarm bells from within and outside the agency. A Postal Service legal memo obtained by The Washington Times proposes pursuing legislation to "immunize the current address correction services from any challenge under the Privacy Act or Section 412."


 [Vermont Public Radio](#): Vermont's congressional delegation and governor Shumlin are expected to attend a public meeting on the future of the postal office in White River Junction. The U.S. Postal Service is looking to close 3,700 post offices nationwide and 250 mail processing centers, including the one in White River Junction. The \$3 billion in cuts announced in early December would slow first-class mail service, ending next-day deliveries of stamped letters.


 [Daily Times](#): Following the private carriers services, the ministry for Postal Services is also considering the delivery of mail within 24 hours across the country, sources in the ministry told Daily Times here on Tuesday.


 [VOCM](#): Plans by Canada Post to install what the corporation is calling temporary mail boxes in the St. John's area this winter are not sitting well with the postal union. Local CUP-W spokesman Craig Dyer says local members were not consulted on the matter, which Canada Post claims is a health and safety issue for their workers.


 [CEP News](#) (Courier-Express- Postal), published by the [MRU Consultancy](#), has reported that:


 Swiss Post and French La Poste plan to merge their cross-border international letter mail business in a joint venture. The new company, which will be an equal subsidiary of the two postal operators should become one of the global key players in this sector.


 The possible removal of subsidies to Belgian bpost (CEP- News 51/11) could lead to mass redundancies. According to information of daily news »De Tijd« (28.12.) bpost could axe up to 5,000 jobs, should the EU Commission declare the subsidies bpost received in the past as illegal.


 Austrian Post's has got trouble with some of its subcontractors. In the course of a raid of the financial police in a parcel hub in Vienna, it appeared that one fifth of the 103 controlled drivers were illegally employed.

 French La Poste's board passed the budget for 2012 just before the end of the past year. In the official statement La Poste predicted revenues of around 21bn euros. Market observers deem this forecast to be very conservative as La Poste recorded a turnover of 10.8bn euros in the first half-year 2011 (CEP-News 34/11). In 2010 La Poste reported a turnover of 20.9bn euros. Moreover La Poste remained also conservative concerning their earnings forecast.

 PostNL and the union BvPP negotiated terms of a new labour agreement for PostNL's some 17,000 mail carriers.


 German Telekom and TNT Post want to co-operate in the future. Business journal »Wirtschaftswoche« (22.12.) reported that the two companies will jointly offer digital and physical mail services to major customers.


 Deutsche Post and the union ver.di struck a first agreement in the currently running collective negotiations.


 The legal dispute between franchisees of UPS' store chain Mail Boxes Etc. (MBE) and the integrator, which started in 2003 has reached its final stage. In December the U. S. Court of Appeals, 9th Circuit, decided that the claimants failed to provide evidence that the conversion into UPS Stores had a negative impact on their business.



The [MRU](#), founded in 1992, is the only consultancy in Europe, which has specialised in the market of courier-, express- and parcel services. For large-scale shippers and CEP-services in particular, the MRU provides interdisciplinary advice for all major questions of the market, as there are for example market entry, product design, organisation, and EDP. *To learn more about the stories reported above, contact CEP News. (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)*

 [From the Federal Register: Postal Regulatory Commission NOTICES New Postal Products](#) , 304–305 [2011–33681] [[TEXT](#)] [[PDF](#)] 305–306 [2011–33712] [[TEXT](#)] [[PDF](#)]


 [New York Times](#): With sales rising to a record \$35.3 billion in November and December — a 15 percent increase from a year ago, according to the research service comScore — online retailers are celebrating. There is another less obvious beneficiary of the e-commerce boom: the two major package delivery companies, United Parcel Service and FedEx. And even now, thanks to wrong sizes, awkward gifts and ill-considered purchases, the companies are riding a holiday wave.


 [Express](#): The number of complaints about postmen putting "Sorry, you were out" cards through doors when people were at home has soared in the last two years, it emerged yesterday. Many customers claimed postmen had not even rung the doorbell before leaving the cards – called P739 forms – to speed up their postal rounds and make the job easier. Last year 32,000 people complained to Royal Mail about being left a form when they were in – a 14 per cent rise since 2009.


 [Attention Postal One! Users: REMINDER:](#)

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- **Test Environment for Mailers (TEM)** — PostalOne! Release 29.0 will deploy to the Test Environment for Mailers (TEM) on Monday, January 9, 2012. PostalOne! TEM **will be unavailable** from 4 a.m. through 4 p.m. CST.


*January 3, 2012*


 [American Banker](#): Impending service slowdowns at the post office could provide a boost to bankers. What spells a retreat by the Postal Service could represent an opportunity for purveyors of online banking and bill payment. That, in turn, will increase the importance of marketing the benefits of online bill payment. For banks and other financial service firms, the shift to online transactions holds a double-barreled opportunity: the prospect of cutting costs and increasing customer loyalty, given the likelihood that those who set up payments through a given institution are likely less inclined than stamp-lickers to move their accounts. More than one-third of consumers said they would be less likely to switch banks as a result of their online bill pay experience.


 [m.logistic s](#): Mobility solutions are proving to be the key to reducing costs and improving customer service in the notoriously competitive and demanding parcels delivery sector.

 [Inc.](#): What can you learn from the fate of USPS? That your business must evolve or face extinction.




 [Financial Post](#): Skype, text messaging, online bill payments, e-cards and online advertising have curtailed consumers' reliance on Canada Post. But while the world of communications is undergoing a drastic digital change, an affordable Canadian postal system is essential for the survival of many Canadian businesses, particularly small entrepreneurs, a clutch of local business owners say. "My business would not exist without the postal system because couriers are outrageously expensive," said Becky Stone, the co-owner of the Hudson, Que.-based Organic Quilt Company. Her firm's two online stores ship to customers around the world and the firm also imports many of the supplies it uses in its creations from the United States. Ms. Stone said the brokerage fees charged by courier firms that ship across the U.S. border are too steep for her home-based business to absorb, leaving Canada Post her only option.


 [Newark Post](#): Sen. Tom Carper (D-Del.) will hold a telephone town hall meeting to hear questions, comments and concerns from Delawareans, including U.S. Postal Service employees. Sen. Carper will answer participants' questions and share his thoughts on a range of topics, but he will focus primarily on the U.S. Postal Service's ongoing financial challenges, the Postal Service's recent cost-cutting initiatives such as the proposed closing of the Hares Corner processing facility in New Castle, as well as the urgent need for postal reform and what it means for Delawareans. The call will begin at 6:30 p.m. on Wednesday, January 11.

 [Post & Parcel](#): "Brazil's postal service set targets to improve universal access."

 [Post & Parcel](#):

- Parcel pick-up network expanded in Poland
- Algeria Post to develop national address database
- CorreosChile expands post office network
- China Post opens cross-border parcel link to Kazakhstan

 [New York Times](#): After the holiday party comes the hangover for retailers: handling millions of returns this week. With a Christmas season that has seen record e-commerce sales coming to a close, returns should hit an all-time high on Tuesday for United Parcel Service. The delivery company expects to handle more than 550,000 returns on Tuesday, a record, and up almost 8 percent from a year earlier. Several other days during the first week of 2012 will also top half a million returns, UPS said.

 [Media Daily News](#): The last three months of 2011 brought a sudden flurry of deals in the newspaper industry, with a number of fair-sized metropolitan and regional dailies trading hands. But the increased pace of deal-making doesn't reflect improved fundamentals for newspaper publishing, which is expected to suffer another round of losses in 2012.




The U.S. Postal Service Office of Inspector General invites you to comment on the following: This week's "Pushing the Envelope" blog topic:


It is time once again for the OIG's top 10 list of postal stories for 2011. We looked over the headlines of the last year and pulled together what we think are the most significant stories. If you think we missed one, let us know! Share your thoughts and vote for your top story on our [blog](#). New audit projects have been started on our website:


- [Customer Complaints – 12RG021MS000](#). Postal Service business and residential customers register issues or complaints using a variety of mechanisms including 1800-ASK USPS, the OIG hotline, PRC Customer Advocate, and their respective members of Congressional. The Postal Service's ability to effectively collect, analyze, and respond to customer complaints will be key to promoting positive customer experiences and growing its customer base.
- [Postal Vehicle Service Transportation: Nationwide – 12XG005NL000](#). This audit will focus on PVS transportation routes and will focus on improving operations from a headquarters perspective. PVS Postal Service transportation includes both nationwide network transportation between cities and major facilities as well as delivery transportation between local post offices and neighborhood delivery and pickup points. Network transportation using Postal Service vehicles and employees is called PVS. Management typically


assigns PVS vehicles and personnel to Postal Service network facilities, such as network distribution centers or P&DCs in or near metropolitan areas. PVS operations are normally conducted within 50 miles of the 154 Postal Service facilities with PVS operations. PVS drivers travel about 150 million miles every year. Because PVS operations are local, they are managed at the facility level under guidance from district, area, and headquarters transportation officials.


- [U.S. Postal Service Present Network Optimization Initiatives – 11WG006CI001](#). This audit will evaluate the U.S. Postal Service network optimization initiative to streamline the mail processing network.

 [Consumer Postal Council](#) "International Postal Update"


 [The American Interest](#): Continued government interference is not solving the Postal Service problem, it is exacerbating it. In the long run, more real jobs will be lost as a result. More congressional meddling and more contradictory mandates (stop losing money! keep loss making offices open!) cannot save the USPS. Rather, for the Postal Service to survive, it will need to adapt to the new reality in which it finds itself by providing services that Americans actually seek, and pruning those offerings for which people aren't willing to pay.


 [Courier, Express, and Postal Observer](#): Yesterday, Dead Tree Edition, gave Congress the John Adams award for how useless members of Congress in finding a real solution to the Postal Service's financial problem. He notes that Congress deserves this award because not only has Congress been useful, some of the legislative changes members have proposed and appear likely to be part of any postal legislation passed this year could make the problem worse not better. I would argue that a more appropriate award would have been the Mark Twain award who looked at Congress as a ix of idiots and petty criminals. The situation the Postal Service is now appears to confirm Twain's assertion that Congress is just a bunch of idiots or petty criminals. No other logical answer explains why . . . .


 [Courier, Express, and Postal Observer](#): The last minute surge of Rick Santorum illustrates the power of mail and what happens when that power is removed. In particular, the nature of the need for a new print message delivered at the last minute with a reduction of delivery days due to the holiday illustrates how adding a day to the service standard and/or ending Saturday delivery will affect advertising and in particular campaign advertising once reforms currently proposed by the Postal Service are enacted. This should be something members of Congress should think about.


 [Economic Times](#): The government's plan to tap into India's vast postal system to reach out to the unbanked population by utilising offices across the country as banks is expected to take some shape this year as the proposal has been sent to the Finance Ministry for its nod.


*January 2, 2012*

 [Post & Parcel](#): Spain's Correos has increased its postage rates to add a euro-cent to the price of the domestic letter, a near-3% rise. The postal service said commercial letters and cards that have postage paid by franking machines will see rates rising from 0.35 to 0.36 euros, a 2.86% increase.


 [Post & Parcel](#): Russian ministers have approved plans by Russian Post to push for new agreements with foreign postal operators in order to speed up delivery of international mail. Deputy communications minister Naum Marder met with Russian Post representatives last week at the international postal exchange in Moscow to discuss the plans. The key will be persuading foreign postal operators to ship mail bound for Russia to an international postal exchange in the territory nearest the final destination, rather than merely to Moscow.


 [The Baltic Course](#): The head of logistics division of Estonian Post Ansi Arumeel stated that the postal company will start providing services in Latvia and Lithuania in the first half of 2012.


 [WFMJ](#): Five hundred jobs could be moved out of downtown Youngstown if the U.S. Postal Service closes its processing center there. The Postal Service says it's losing money and proposes moving distribution offices here and New Castle to Pittsburgh. Most of the jobs would be transferred, but about 100 workers could lose their jobs.


 [ERR](#): Eesti Post continued to sell off real estate last year, albeit at a slower pace, and failed to close sales about half the time.


*January 1, 2012*

 [Dead Tree Edition](#): **The John Adams Award**: "I have come to the conclusion that one useless man is called a disgrace; that two are called a law firm; and that three or more become a Congress!" Adams is quoted as saying in the musical 1776. 2011 was the year that the mainstream media and general public started realizing how useless and damaging Congress' oversight of the allegedly independent U.S. Postal Service has been. Up for the award were the scores of Congress members who floated various "reform" proposals that mostly seemed designed to make matters even worse. The winner is Rep. Robert Aderholt (R-AL), whose proposed legislation would place such restrictions on USPS as allowing only 10% of its downsizings and post-office closings to occur in rural areas. Just what we need – even more Congressional micromanaging of the Postal Service. **The Adams Award runner-up** trophy goes to Sen. Claire McCaskill (D-MO), who said we should stop closing postal facilities and just get people to write more letters. Let's see, if we could persuade every American adult to mail one additional letter per month, it would be freakin' miraculous – and barely dent the Postal Service's budget deficit.

 [Courier , Express, and Postal Observer](#): **The Postal Service appears to have done a good job in designing their version of the parcel locker. goPost** is visibly attractive. It is large but the choice of contrasting colors has the effect of making it look less massive than it probably is. The design should help advance acceptance of the concept.

 [Financial Times](#): Sleeping bags and mattresses are stacked up in the news room of Liberazione where journalists are staging a new year occupation to save their communist daily – one of perhaps 100 titles facing closure as Mario Monti's government of technocrats implements stringent cuts in public subsidies for Italy's newspaper industry. The smaller titles point out that the mainstream newspapers – such as Corriere della Sera and La Repubblica – continue to benefit from indirect subsidies, such as VAT waivers on copies sold by subscription and reduced postal delivery costs.

 [Mankato Free Press](#): The troubled U.S. Postal Service's six-month moratorium on closing facilities won't necessarily mean a six-month reprieve. The moratorium means none will be shuttered before May 15, but that doesn't stop the agency from continuing preparations for closings.

 [Direct Marketing News](#): The embattled U.S. Postal Service (USPS) faces a host of new challenges, several of which threaten to directly impact marketers. However, many who rely on direct mail say that in spite of the tumult, they'll wait and see how things pan out before altering marketing strategy.