





Association for Postal Commerce


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Postal News from May 2010:


May 31, 2010


 The [Associated Press](#) has reported that "Japan's lower house passed a key government bill late Monday to scale back the privatization of the postal system effected following the 2005 election, amid increasing political speculation in the run-up to an upper house election expected in July." See also [Nikkei](#)

 [Postal Technology](#) has reported that "The DHL Innovation Center has been integrated into the newly established DHL Solutions and Innovations unit and received the addition of a hands-on lab. Many products trialled at the centre are now in day-to-day operation. This includes the DHL SmartTruck, an intelligent delivery vehicle currently in use for DHL Express in Berlin. It coordinates deliveries, integrates pick-ups, takes account of traffic jams and automatically charts the best route. The Smart Sensor Temperature, also developed at the Innovation Center, monitors the temperature of shipments and is suited to the pharmaceutical, life sciences and food industries."

 [Gov.bw](#) has reported that "The postal sector plays a pivotal role in national development and contributes to the attainment of the United Nations Millennium Development Goals, says the Universal Postal Union (UPU) regional coordinator for Southern and East Africa, Ms Gladys Mutyavaviri. She was speaking during the ninth Southern African Postal Operators Association (SAPOA) general meeting in Kasane recently. She said the role played by the postal sector covers facilitating communication within the country and with the rest of the world and contributes to the economy through postal revenues. It also facilitates trade through movement of goods and alleviates poverty through employment creation, money transfer and micro finance services."


 [Infocera](#) has reported that "Indian post administration is planning to use its Twitter account to follow and learn about the complaints and improvements suggested by the followers. This step is breakthrough and inspiring initiative for any administration machinery in India to become more democratically open minded and people-friendly."


 The [Associated Press](#) has reported that "The Postal Service says a feasibility study supports moving mail processing currently handled at an Easton plant to Baltimore. The study says cutting 54 jobs at the Easton site would save \$3.4 million a year."


 The [Business Standard](#) has reported that "Adoption of information and communication technology (ICT) by post offices in different countries has contributed to inclusive growth and more responsive governance besides giving the postal sector a competitive edge, according to a study by the International Telecommunication Union (ITU) and the Universal Postal Union (UPU). The study report, released at the World Telecommunication Development

Conference (WTDC) being held here from Monday, also states that the use of ICT by posts has led to the growth of e-commerce and mobile commerce. The studies were carried out in eight countries including Bhutan, Botswana, Brazil, Italy, Korea, Saudi Arabia and the Russian Federation, which were at various stages of development. They reveal that while success is rooted in the inherent strengths of the postal enterprises, ICT-based projects have, in turn, enriched and enabled them to improve the quality of their services and introduce new value-added activities.


May 30, 2010


 [Analytica](#) has reported that "DHL has announced a US\$10.0 million investment by its freight forwarding division to establish a logistics and warehousing facility in the upcoming Free Trade Warehousing Zone (FTWZ) in Tamil Nadu. DHL Global Forwarding will be the first global logistics company to operate a facility within the FTWZ that offers customers the benefits of a duty free zone with high quality infrastructure."

 [MENA-FN](#) has reported that "DHL officials placed Jordan among the most growing markets worldwide even though the growth last year was a minimal 1 per cent. Gary Kemp, DHL managing director for the Middle East, North Africa and Turkey (MENAT), said the Kingdom was among few countries that achieved growth in 2009, which he described as a "tough year" for all economic sectors as a result of the global financial crisis. Kemp made the remark during an interview with The Jordan Times on the sidelines of DHL MENAT area meeting which concluded late last week on the eastern shore of the Dead Sea where managers of 23 countries convened to discuss the company's performance and plans."


 The [Detroit Free Press](#) has told its readers that "the Detroit Free Press and the Detroit News soon will be available for premium home-delivery in some areas by independent newspaper carriers on Monday, Tuesday, Wednesday and Saturday, making home delivery available all seven days. The service is expected to start in about a month in limited locations in metro Detroit and will expand over time. We're taking this step for two reasons: First, the U.S. Postal Service is seeking to stop mail delivery on Saturdays. We have 4,500 same-day mail subscribers in the metro area who pay a premium rate to receive the newspaper, and we've been looking for a way to continue to meet those subscribers' needs. And most important, we want to respond to all of our customers who have told us they want seven-day home delivery -- and value it enough to pay for it."


May 29, 2010

 [PC World](#) has reported that "E-reader sales are expected to peak at 14 million units in 2013, before falling by 7 percent in 2014 as the segment faces increased competition from a wide range of consumer electronic devices, according to a new report. Research from Informa Telecoms & Media (ITM) claims the decline will be driven by a shift away from dedicated e-readers toward other multifunction device types, notably mobile phones and tablet-form-factor computing devices."


 *Here's an interesting read by [Jeff Jarvis](#) on the BuzzMachine. It's about the FTC's efforts to "save" journalism, while in reality only trying to save the old and entrenched. When you read it, think of postal. Feel free to insert the names of any in Congress or from any federal agency as a substitute for references to the FTC. With a little imagination, it can be enough to scare the daylights out of anyone who believes our nation's postal system needs a re-do that truly reflects the changes by which America communicates and does business.*


 In an opinion piece for the [Buffalo News](#), Rep. Oberstar has all but declared open war on Fedex and Fred Smith.


 The [FARS News Agency](#) has reported that "Iran and Ukraine signed a 12-article Memorandum of Understanding (MoU) on postal cooperation. The MoU that is in line with the expansion of communications between the Islamic Republic of Iran and the east European state of Ukraine, was signed by Managing Director of the Iran's Post Company Mohammad Hassan Habibian and the caretaker of Ukraposhta, the national postal service of Ukraine in Kiev."

 According to [Overnight Prints](#), "The United States Postal Service is faltering. Mail rates are down significantly and the company just announced it would be merging several internal groups to reduce costs. While many

businesses that rely on direct mail marketing see that as a bad thing, they may want to consider turning lemons into lemonade in this situation."


 [The Telegraph](#) has reported that "One in eight first class letters has been arriving late over past year, Royal Mail says."


 [ABS-CBNNews](#) has reported that "With more and more people preferring to text and e-mail, the postman finds himself with lesser mail, and lesser employee benefits as a result."


 The [President of the National League of Postmasters](#) has told his members that "One particularly disturbing development is the thought that the Postal Service is overstaffed by 30%. That is a fascinating idea as almost universally, Postmasters are running offices that are seriously understaffed. Certainly, there are still plants out there that have hundreds of extra employees, but, by and large, associate offices do not have that luxury. Along with the thought that we are overstaffed by 30%, is the concept that we have 30% too many post offices. While it is an established fact that closing the 10,000 smallest post offices would save only about a half of one percent of the Postal Service's operating budget, the thought persists that we need to close these offices because they are unprofitable."

 **From the *Federal Register*: Postal Service:**

- [Restricting the Mailing of Replica or Inert Explosive Devices](#), 30300–30301 [2010–12887]
- [Revisions to the Requirements for Authority To Manufacture and Distribute Postage Evidencing Systems](#), 30309–30310 [2010–12883]

 [Hellmail](#) has reported that "Royal Mail today blamed severe winter weather and industrial action for failing to meet performance targets in the latter part of 2009. The operator achieved a performance level of 78.9% for next-day delivery of first class mail compared to a target of 93.0% as strike action followed by plummeting temperatures affected services."

 [Press Release](#): "RPost sued Swiss Post and Swiss Post Solutions for activities that infringe several RPost patents and RPost's federally registered "REGISTERED E-MAIL" trademark. The suit attracted the interest of legal experts around the world; private law suits against foreign governments are rare enough. A suit against a foreign government agency for infringing an U.S. patent was a legal first."

 According to the [Asahi news service](#), "The way the ruling coalition has been trying to railroad its postal reform bill through the Diet makes us wonder if it has any respect for constructive parliamentary debate. The postal reform bill would reverse that process. The ruling camp's haste is unseemly and sloppy. The bill is riddled with problems that could threaten the health of the nation's financial system."

May 28, 2010

Albert Einstein once said "The definition of insanity is doing the same thing over and over again and expecting different results".



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

- According to PostCom President Gene Del Polito in a letter to the members of the Association for Postal Commerce, the one "issue that is more important for us as an industry to address than any other, it would have to be getting Congress to address the mess associated with the Postal Service's overpayment by \$75 billion on its Civil Service Retirement System obligations and the Postal Service's pre-funding of its retiree health insurance obligations. For people who are not wholly familiar with these issues, the matter can be enormously confusing."

- The Postal Regulatory Commission (PRC) on May 26, 2010, issued Order No. 465 establishing final rules concerning the Postal Service's periodic reporting of service performance measurements and customer satisfaction. With few exceptions, the PRC's order adopts its previously proposed rules, which require that the USPS separately report service performance for each market dominant product, rather than by mail class as it does today. The PRC also ordered that reporting for some products further be broken out, by service standard groupings or by Destination Entry versus End-to-End mail within a market-dominant product. The PRC ordered the USPS to achieve full compliance with all reporting requirements by the filing date of the FY 2011 Annual Compliance Report, and laid out a process by which the USPS can ask the PRC for approval of temporary or semi-permanent exceptions to the reporting requirements.
- The U.S. Postal Service, once the centerpiece of American commerce and communications, is fighting for its life. The Urban Institute's Nancy Pindus scans the Postal Service's varied benefits and asks, What are Americans willing to pay or give up to keep it afloat?
- According to postal commentators Ian Volner and David Levy, "The famous inscription on the main post office in Manhattan proclaims that the gloom of night and nasty weather will not stay USPS from the swift completion of its appointed rounds. The current outlook is certainly dark and gloomy. But USPS may yet continue its appointed rounds if we unshackle it from its burdensome mythology and shun quick fixes that fix nothing."
- Fedex contractors scrambling to meet new rules. UPS pilot furlough goes forward. Looking to trim print and postal expenses. PB looking 'over there.' APWU Prez unhappy again.
- An update on postal rules and notices published in the Federal Register.
- An update on business over at the Postal Regulatory Commission.
- A review of recent reports released by the U.S. Postal Service's Office of the Inspector General.
- A review of postal news from around the world.
- Postal previews.

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Press Release: "In partnership with the National Center for Missing & Exploited Children (NCMEC) and the U. S. Postal Service, Valassis, one of the nation's leading media and marketing services companies, distributes pictures of missing children as part of its Have You Seen Me?® picture program. The program reaches more than 100 million households each week in the mail, the newspaper and online at redplum.com and valassis.com. Launched on May 24, 1985, the program is the largest and most successful public/private effort of its kind in the nation. Of the more than 2,000 children featured, more than 1,100 have been recovered through photo distribution programs like ours. Of the 400 "picture programs" nationwide, the Have You Seen Me?® program is currently responsible for 87% of the leads called in to NCMEC. According to NCMEC, photos are the No. 1 tool that parents and law enforcement officials have in their search for missing children."


CNN has reported that "Hundreds of shoppers lined up for hours in nine countries around the world as Apple's new iPad became available for sale on Friday. How much this new segment becomes a "game changer" is still to be seen, analysts say, but it is generating excitement among a diverse set of industries, including application designers, book publishers and news media organizations. Many are even saying that the iPad could be seen as the saviour of the newspaper industry. [EdNote: Yeah, in about the same way that the iPad will save the Postal Service.]


 [Kyodo News](#) has reported that " The ruling bloc led by the Democratic Party of Japan on Friday railroaded through a House of Representatives committee a bill to scale back the postal system's privatization. The ruling bloc's action to send the bill to the full lower house for a vote on Monday came after only one day of deliberations on the measure at the committee and angered opposition parties."

 [NZ News](#) has reported that "US auction site eBay announced a partnership on Friday with China Post and the US Postal Service in a new bid to re-establish itself in China, where the market is dominated by homegrown rival Taobao.com. Under the plan, eBay hopes to woo Chinese merchants by developing shipping programs that make it easier for them to sell to US consumers, eBay officials said at a signing ceremony in Shanghai. "The collaboration will make the most of the advantages of the three while helping expand profits," Jeff Liao, eBay's Greater China chief executive and head of Asia-Pacific cross-border trade, told reporters. The partnership centres on an express delivery service to the US that will be run by China Postal Express and Logistics Corporation, part of China Post, and which will include online tracking systems, eBay said."

 [BigPond](#) has noted that "From June 28 the cost of a basic postage stamp will rise from 55 to 60 cents. The Australian Competition and Consumer Commission (ACCC), which has responsibility for approving any price hikes to postal services, has given the green light to the increase after rejecting a similar request last year. ACCC Chairman Graeme Samuel says the previous increase was rejected due to concerns Australia Post's costs were not falling in conjunction with a decrease in demand for traditional services."

 According to [Marketwatch](#), "Authentidate Holding Corp. announced that it received a deficiency notification from the Nasdaq Stock Market dated May 26, 2010 as the result of Authentidate not complying with the \$1 minimum closing bid price requirement of Nasdaq Listing Rule 5550(a)(2) during the consecutive 30 business day period from April 13, 2010 through May 25, 2010. This notification has no effect on the listing of the company's common stock at this time."

 The [Copenhagen Post](#) has reported that "After an agreement was reached between the government and opposition parties, not only are Danish postal rates set to rise dramatically but the level of service consumers can expect from Post Danmark will be reduced. Post Danmark, who have experienced a massive drop in the amount of mail being sent, will bump up the price of standard letters from 5.50 kroner to 8 kroner. At the same time, about a million Danish house owners will be forced to move their mailboxes from their main doors to the nearest pavement or property boundary line in order to shorten postal routes. It is predicted that the price hike which will also affect second class mail – known as B-economique – and packages will boost Post Danmark's budget by over 100 million kroner, while the company can save a similar amount by cutting back on its service commitments. One proposal to cut costs involves the laying off of hundreds of postmen and women."


 Postal news from [Hellmail](#):


- [New UK Postal Regulatory Framework Proposal](#)
- [Home Delivery Network Changes Name To Yodel](#)
 - [Czech Post To Clamp Down On Money Laundering](#)




Your issue of The Prescott Report awaits you at www.PrescottReport.com. In This Issue:

- At the UPU Global Address Summit, Dan Rutenberg of Collinson Group on list hygiene and controlling international undeliverable mail
- At the Direct Marketing Club of New York City, Rappleaf brings us social media data to use for targeting and segmenting - and it's a bit nervous-making. Why.
- From the UPU comes ". Post", the super-secure domain that the Internet could have been. Find out why you'll want to be there.
- Social Media on the Ropes - online behavioral marketing and self-regulation - the book isn't finished. A look at three different codes.

 The [National Association of Major Mail Users](#) has told its members that "According to an announcement released today by Marc Courtois, Chairman of the Board, Canada Post, Moya Greene has resigned her post effective July 14, 2010, in order to accept the position of Chief Executive Officer with the Royal Mail in the United Kingdom. Mr. Courtois wished her every success in her future endeavours and said she leaves Canada Post extremely well placed to face the future. He added: "Among Moya's accomplishments are the \$2-billion Postal Transformation program; the significant increase in annual Employee Engagement scores; and other improvements in safety, on-time delivery, reduced absenteeism and increased automation. These improvements have led, despite the declining use of traditional mail and a recession in 2009, to five consecutive profitable years since her arrival at Canada Post." In the short term the Canada Post Board of Directors will work as quickly as possible to appoint an interim Chief Executive Officer, and also launch a full-scale search in collaboration with the Government of Canada for a new Chief Executive Officer." See also the [Daily Mail](#).

 **From the Federal Register:** Postal Service [Business Reply Mail Online Application Option](#), 29893–29894 [2010–11869]

 **DMM Advisory:** PostalOne! Release 25.0.0 will deploy on November 7, 2010. The key features of this release are:

- Deploy a process for verifying Intelligent Mail Full-Service electronic documentation.
- Fees will be charged by Full-Service ACS Billing for ACS records when the same record was provided more than 60 days prior for Full-Service Periodicals and more than 95 days prior for Full-Service Standard Mail and Bound Printed Matter.
- Full-Service ACS Billing will also charge for records delivered when Full-Service Service Type Identifiers are in the barcodes but they do not match the eDoc. In this case, the fees are chargeable for all classes of mail.

Details on this release are available in the [Release Notes](#) on [RIBBS Intelligent Mail Services>Latest News](#).

Guides and Specifications Updates: To support the current release through [PostalOne! Release 25.0.0](#) on November 7, 2010, the following guides are updated and available for review at [RIBBS>Intelligent Mail Services>Guides & Specs](#) under Important Links

- [eDoc Process: A Guide for CPP Customers](#)
- [Postal Service Mail.dat Technical Specification](#)
- [Postal Service Mail.XML Technical Specification for Postage Payment & Reporting \(eDoc\)](#)
- [Postal Service Mail.XML Technical Specification for Appointment Scheduling \(FAST\)](#)
- [Postal Service Mail.XML Technical Specification for Profiles & Full-Service Feedback](#)

FAST® Guides Updates: To support FAST release 14.2.0 on May 23, 2010, the following guides are updated and available at [RIBBS>Site Index A-Z>FAST/Surface Visibility>FAST Information>FAST Resources>User Guides](#) under Important Links:


- [FAST Customer User Guide](#)
- [FAST Customer Origin Entry User Guide](#)


May 27, 2010





A new report has been posted recently on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov/>). If you have additional questions concerning the report, please contact Agapi Doulaveris at


703.248.2286. [Federal Express - Transportation Agreement - Northeast Areas](#)


 The [Atlanta Journal-Constitution](#) has reported that "The U.S. Postal Service says it's shutting down the mail processing center in Columbus and moving the work to Macon."


 According to Venable LLP's Ian Volner and David Levy in a recent article for [Federal Times](#), "the first step in slicing away the gloom that envelops the Postal Service is to let go of the romantic myths that have too long swaddled it. USPS can no longer afford to preserve an oversupply of undersized offices that the public admires in the abstract but is no longer willing to pay for."


 The [DM Bulletin](#) has reported that "Royal Mail has revamped its National Change-of-Address (NCOA) offering by expanding the service to incorporate more responsive data. The new NCOA service will be backed using full change-of-address data gleaned from 34 million consumer records, giving users greater accuracy, as well as insight into people moving house. The improvements were made after Royal Mail consulted the data industry. The organisation worked with data professionals to create two systems – NCOA Suppress and NCOA Update."

 A writer for the [Urban Institute](#) has asked: "Are electronic communications, bill paying, and banking killing the U.S. Postal Service (USPS)? If so, what's really at stake? Far more than Saturday mail delivery is up for grabs."

 The [Financial Times](#) has reported that "Market conditions rather than politics may pose the biggest obstacle to a successful part-privatisation of Royal Mail, industry and City figures said yesterday as Moya Greene, chief executive of Canada Post, emerged as frontrunner to be the postal operator's next chief executive. Ms Greene, 56, who would be Royal Mail's first female and first non-British boss, is on a final shortlist of two or three to succeed Adam Crozier, who left for ITV in April. A decision, which must be approved by Vince Cable, business secretary, could come within a week or two."

 [CNN](#) has reported that "France braced for more fallout Thursday from the government's efforts to solve the country's debt problems, with thousands of people striking and protesting around the country. Public sector workers, some transport workers, teachers and postal workers walked off the job Thursday."

 [TheNews.pl](#) has reported that "Polish Post hopes to save 1.6 billion zloty over the next five years thanks to a new corporate strategy that aims to prepare the company for the liberalisation of postal services in Poland. The postal services market in Poland is to be fully opened for competition in 2013, as foreseen by an EU directive. Polish Post will then lose its monopoly on postal services for letters up to 50 grams."

 **From the Federal Register:** Postal Service "[Treatment of Cigarettes and Smokeless Tobacco as Nonmailable Matter](#)," 29662–29671 [2010–12869].





The U.S. Postal Service Office of Inspector General has started a new audit on the following project: [10XG039NO000 - Capping Report on PIVMS](#) was started to summarize the results of our audits of the PIVMS and to determine whether the U.S. Postal Service should continue implementation of the system.

Comments and suggestions on other ongoing audit projects can be made by visiting the Audit Project page at http://www.uspsoig.gov/audit_project.cfm.

May 26, 2010


You're thought for the day: "If you always do what you've always done, you'll always get what you've always gotten."

 According to [Hellmail](#), "French postal operator La Poste is to increase postage charges by an average of 1.6% from 1 July this year."

 According to [Trail Rossland News](#), "In this high tech age, there is something wonderful about receiving hand-written mail, knowing that somebody took the time to sit down and put something on paper to be carried by hand to


the mailbox. What email and fax have in speed, the postal system makes up for in charm and personal touch. However, as we are becoming more conscious of the carbon footprint left by our luxuries, it's becoming increasingly clear that eliminating non-essential postage is an easy place to cut back. Canada Post becoming a less efficient operation by trucking our local mail all over the province for sorting."


May 25, 2010


 [Land Line](#) has reported that "Nearly 12,000 independent contractors for FedEx Ground, including many OOIDA members, are still reeling from the company's recent news that they must comply with new business standards or lose their contracts. On May 20, FedEx President and Chief Executive Officer David F. Rebolz sent a letter to all of FedEx's independent contractors stating the company will only contract with entities that "are corporations established under state law and not, for example, an LLC, LLP or sole proprietorship." They will also have to be "in good standing with the state(s) in which they do business and classify personnel who provide services for them as employees. Independent contractors leased to FedEx have 180 days, beginning May 20, to "satisfy the standards" outlined in the letter. According to its August 2009 quarterly report to the Securities and Exchange Commission, FedEx Ground is "involved in approximately 50 class-action lawsuits, including 29 that have been certified as class actions, several individual lawsuits and approximately 40 state tax and other administrative proceedings that claim the company's owner-operators should be treated as employees, rather than independent contractors."


At the Postal Regulatory Commission:


- The Postal Regulatory Commission has posted on its web site the transcripts from its field hearings on five-day delivery which occurred at [Las Vegas, NV](#) and [Sacramento, CA](#).
- [The Postal Regulatory Commission has adopted final rules in Docket RM2009-11](#) establishing Postal Service periodic reporting requirements for service performance and customer satisfaction. The new rules direct the Postal Service to provide quarterly service reports for each market dominant product and an annual report on aspects of service performance and customer satisfaction. The periodic reports will provide the Commission with useful data to evaluate the Postal Service's performance under the Postal Accountability and Enhancement Act (PAEA) and assist it in carrying out other regulatory functions, such as examining universal service issues and the interrelationship between rate and service changes.


 [APWU President William Burrus](#) has criticized a decision by the USPS Office of Inspector General (OIG) to exclude postal unions from providing input into a recently-announced audit of postage workshare discounts. The OIG plans to interview a range of "stakeholders," including mailers' representatives — who are the beneficiaries of the discounts — Burrus noted. [In a May 21 letter to the Inspector General](#), Burrus said that he did not believe the exclusion of the unions was an oversight, since the announcement of the audit followed so closely a May 12, 2010, House Subcommittee hearing on the subject of workshare discounts. During the hearing, the APWU criticized postal management and the OIG "for turning a blind eye to the abuses," he wrote.


 The [Financial Times](#) has reported that "Postman Pat is still angry. The crippling effect of the UK mail strike on the British economy last October has not been enough to dissuade politicians from raising the issue of a privatisation of Royal Mail. In turn, the Communication Workers Union wasted no time on Monday launching a campaign to lobby against a sale. Its concern is predictable. A privatisation will almost certainly mean job losses and cuts in other areas. But suggestions that privatisation would damage service levels are scaremongering."

 According to [Mintel](#), "Direct mail volumes in the banking and investment industries grew markedly during the first quarter of this year, suggesting such sectors are looking to boost their marketing outreach as the economy recovers."

 The [Washington Post](#) has reported that "Thousands of pieces of undelivered mail and ads from the early 1990s have been found in a shed in Michigan, and a former postal worker is now charged with stealing mail."

 [Business Week](#) has reported that "The new U.K. coalition government will sell a stake in Royal Mail Group Ltd., the national postal service, something the previous Labour government failed to do in the face of union opposition. The move was announced to Parliament today in a speech by Queen Elizabeth II, written for her by Prime Minister David Cameron and his government. The Department for Business said in a statement that Post Office Ltd., which maintains outlets across the U.K., will stay state-owned. "My government will modernize the Royal Mail, in partnership with employees, and will ensure it benefits from private-sector capital and disciplines," the queen told both houses of Parliament at the formal opening of the body."

 According to one writer for the [Modesto Bee](#), "Reducing service and ending one of the advantages we have over our competitors are not going to help make us solvent. It's the start of a downward spiral of reduced service leading to reduced mail volume, leading to more reduced service and so on. Going from six- to five-day delivery is about ending the post office as we know it."


 Postal news from [Hellmail](#):


 [Austrian Post Notes Difficult Start To 2010](#)


 [Post Office Outreach Needs Fine-Tuning](#)

 [Royal Mail Sale Will See No Real Winners](#)

 [Lithuanian Postal And Courier Preliminary Market Data Shows Decline](#)

 The [Los Angeles Times](#) has reported that "After cashing a postal money order, David Lipin tried using one of the eight \$100 bills at the gas station and was nearly arrested. Even the Secret Service couldn't help him replace the bogus bills. A business inadvertently gives you counterfeit money — are you stuck with it? In most cases, yes. But what if that business happens to be a branch of the federal government? Los Angeles resident David Lipin found himself asking this question the other day after he cashed a \$1,000 Postal Service money order at a West Hollywood post office."

 [WDRB](#) has reported that "Dozens of United Parcel Service pilots are out of work Sunday night. UPS furloughed 54 pilots as part of a company-wide effort to cut costs. The lay-offs could several years and affect as many as 300 pilots by 2011. Fewer UPS pilots will be in the skies above Louisville for at least a year, but it could several years before they're all back in the air. UPS furloughed 54 pilots, between 20 to 30 in Louisville, because business for the parcel service has been down and costs have risen. The company says it has too many pilots and not enough routes to use all of them. By the end of this year, the number of laid off pilots will climb to 170, by 2011, the number will be 300. "They told us this was going to be laid off for more than 5 years. We never believed that but that's what the company said," said Captain Robert Thrush, Independent Pilots Association."


 [PanArmenian](#) has reported that "Haypost CJSC and Haypost Trans Management company signed an agreement on cooperation with the French national operator – La Post. Under the program, the Armenian postal operator will be equipped with more modern and efficient technologies that will allow implementing higher quality postal and related services, the press service of Haypost reported. A group of experts of the French postal operator will arrive in Armenia soon to develop the program and Master Plan that will be followed by effective investments and implementation."





The latest blog entry has been posted on the U.S. Postal Service Office of Inspector General's Internet site "Pushing the Envelope." The public, mailers, postal employees, and other stakeholders are invited to weigh in on the online discussions taking place. To view the site, visit <http://blog.uspsoig.gov/>. **Can the Postal Service Further Consolidate the Area and District Administrative Office Structure?** Over the past 18 years, the Postal Service has reorganized its field structure at least three times. Should Postal Service consider further changes to its area and district administrative offices?


May 24, 2010


 **PostCom Members!** *The [presentations from the May MTAC meeting](#) have been posted on this site.*


 [Poynter Online](#) has reported that "The CEO of Meredith Corp., which publishes Ladies' Home Journal, Family Circle and other titles, told analysts last week that consumer migration to e-reader editions could save the company \$60 million annually in printing costs. Lacy told analysts the publisher spends about \$150 million annually on paper, \$80 million in printing costs and \$80 million for mailing. If audience migration to an e-reader allows 20% of that \$310 million to be trimmed, 'that could really be meaningful to us from a financial point of view.'"


 From [WebWire](#): "Bolton-based Parcel2Go, which has grown to be one of the UK's largest delivery companies, has announced record turnover figures of £11.6 million."


 The [UK Press Association](#) has reported that "A fresh battle over the future of the Royal Mail has been raging after postal workers warned of industrial action against Government plans to sell a stake in the business. The Communication Workers Union (CWU) set itself on a collision course with the Conservative/Lib Dem coalition by vowing to campaign against privatisation plans. The union said it believed a Bill on selling a stake in the Royal Mail will be included in the Queen's Speech, warning it would not be supported by the public. Delegates at the union's annual conference in Bournemouth rejected the "discredited" policy of the previous government and decided to campaign for a wholly publicly-owned Royal Mail. Deputy general secretary Dave Ward said: "If we need to take industrial action to defeat privatisation to secure our members' pensions and jobs, we will not hesitate to do it."


 According to [Veterans Today](#), "The time has come for postal employees to start flexing their political muscle. The record is clear. The United States Postal Service has been abusing, bullying, and robbing their employees blind all over the country for years now, and with complete impunity. So it's time for both Postmaster General John E. Potter and Inspector General David C. Williams to go. By overlooking the blatant corruption that has been clearly evidenced on their watch, they could both easily be charged with malfeasance at the very least. The U.S. Postal Service is, literally, running a "plantation" under Potter. "

 [Information Week](#) has reported that "U.S. consumer spending at online retailers has reached double-digit growth for the first time in two years."

 [Postal Technology International](#) has reported that "Vanderlande Industries has won the contract to deliver a new parcel sorting system to MTN, part of the Italian logistics and express courier company Log Service Europe Group. Within Log Service Europe, MTN is responsible for express service operations. The new system will be located in Monticelli, 80km south-east of Milan."

 [Associated Press of Pakistan](#) has noted that "The Public Accounts Committee (PAC) of the National Assembly Monday took notice of alleged embezzlements and misappropriations in the Ministry of Postal Services and its allied departments and asked the concerned Principal Accounting Officer to take effective steps in bringing back the money to the national exchequer."


 According to [The Guardian](#), "The postal market is already part-privatised. The solution being offered by Hooper and Cable to the devastation that this is causing to jobs and the service is to force yet more privatisation on us. Another possible reason might be that the current management of the Royal Mail is so spectacularly bad that we need a new management structure to be brought in to sort things out. This is certainly the case, as any postal worker will tell you. The record of the current management has been a disaster both for Royal Mail staff and for its customers."


 [Wall Street Journal](#) has reported that "Pitney Bowes Inc. made mechanical postal meters mostly for the U.S. market when Murray Martin joined the firm as an office-technology specialist in 1987. Today, Mr. Martin is chairman and chief executive officer, and the \$5.6 billion company has more in common with Google Inc. than your local post office. Armed with a massive database of customers' spending habits, Pitney Bowes has been transformed into a full-service business solutions giant, helping marketers with targeted mailings and promotions. Mr. Martin has also turned the company's focus overseas. As recently as a decade ago, business from outside the U.S. accounted for


less than 10% of Pitney Bowes' revenues. Today, that figure sits at 30%, and in another decade, Mr. Martin is looking to draw 50% of his revenue from overseas."





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 [PaidContent.org](#) has reported that "While Yahoo executives are preparing to discuss the company's partnership with Nokia at a Monday morning press conference, other parts of the organization are also looking to outside alliances to extend its reach into local advertising. In a conversation with paidContent, Lem Lloyd, Yahoo's VP of channel sales, said the company would be working with direct marketer Valassis on attracting local telcos to the online ad space, as these companies still tend to focus on affiliate TV stations and direct mail."


 [Hellmail](#) has reported that "The Lithuanian Communications Regulatory Authority (CRA) has published preliminary figures for first quarter market data across the postal and courier services sector. Revenue across postal and courier services in the first quarter (compared with 2009), fell 9.7 percent. and amounted to 52.7m Lt. Postal services market revenue decreased by 10.3 percent. - From 26.2m Lt in 2009, to 23.5m Lt. The Courier services market declined by 9.2 percent - from 32.1m Lt in 2009 to 29.2m Lt. The universal service provider Lithuanian post, saw revenue fall by 16.3% compared with 2009 and proceeds from the postal and courier services, decline by 10%, from 27.3m Lt in 2009 to 24.5m. There was a 5.8% decrease in income from the universal postal service - from 22.5m Lt in 2009 to 21.2m in the first quarter of 2010."

 [Marketing Week](#) has asked: "Would a privatised Royal Mail better serve direct marketers?"


 [Hellmail](#) has reported that "The Communication Workers Union has launched a fresh offensive against plans by the UK coalition government to restart a partial sell-off of the Royal Mail, abandoned by Lord Mandelson under Labour, after failing to find a suitable investor. The CWU argues that the interests of consumers and business are best served by keeping Royal Mail wholly publicly owned although the union itself is experiencing a shrinkage in membership due to job losses in the communications sector. It could prove equally challenging for the union to maintain a prolonged campaign opposing privatisation, particularly if it means counting on its members to return to industrial action for extended periods. Support for any strike action and support from the general public could be more difficult to rely on this time around, and a reduced membership as well as budget constraints within the union, could stretch the CWU to breaking point."


 [Washington Post](#) has reported that "The U.S. Postal Service has tapped Arlington-based GridPoint to help the agency reduce its energy use by supplying a technology designed to centrally manage energy consumption from remote locations. The company said the deal, which is worth up to \$28.8 million, marks GridPoint's largest contract with the government to date."


 The [Toronto Star](#) has reported that "The federal government is introducing new measures to step up scrutiny of the thousands of tonnes of air cargo carried by Canadian airlines each day — and plug what has been a major gap in Canada's aviation security. While passengers and their luggage have faced more and more security screening in the face of terror threats —including full-body scans — cargo shipped in the belly of passenger jets undergoes little scrutiny at all. But that is expected to change under new initiatives to be announced Monday by Transport Minister John Baird at Air Canada's cargo facility at Pearson International Airport."


 [Transport Intelligence](#) has reported that "TNT Post has taken a step in implementing its e-commerce strategy by acquiring the e-retail specialist, Kowin. This transaction will strengthen TNT Post's capabilities as a major service provider in the growing online market. Parties agreed not to disclose the financial details of the transaction."

 [AllAfrica.com](#) has reported that "The Eritrean Postal Service is striving to strengthen its activities through introducing modern electronic equipments."


 [The Japan Times](#) has reported that "Democratic Party of Japan kingpin Ichiro Ozawa on Sunday endorsed a bill to scale back the planned privatization of state-owned Japan Post Holdings Co., increasing the likelihood the legislation will pass through the Diet in the current session."


 [Globes](#) has reported that "Israel Postal Company will be the first non-bank entity in Israel to issue Visa cards."


 From [PRNewswire](#): " The American Council of Life Insurers (ACLI) praised joint efforts by the U.S. and E.U. governments to resolve a long-standing disagreement with the Government of Japan over its preferential treatment of Japan Post Insurance, and again urged Japan to live up to its commitments under the General Agreement on Trade in Services (GATS). Frank Keating, President and CEO of ACLI said, "We appreciate the unparalleled cooperation between the U.S. and E.U. governments to forcefully raise the international community's longstanding concerns over the preferential treatment for Japan Post Insurance. In particular, we would like to thank U.S. Ambassador to the WTO Michael Punke and the USTR team for their strong leadership of the recent joint U.S.—E.U. talks with Japan in Geneva on this issue. We hope the talks will lead to a speedy resolution of the international community's outstanding concerns."


 [The Telegraph](#) has reported that "The coalition Government is facing the threat of industrial action by postal workers, with a union revolt against plans to sell off parts of the Royal Mail. A motion to be submitted to the annual conference of the Communication Workers Union (CWU) in Bournemouth tomorrow suggests that "all means possible" should be used to protect jobs against the threat of privatisation." See also [The Express](#) and the [Financial Times](#).


May 23, 2010


 [ThisIsMoney](#) has asked: "Will anyone want to buy Royal Mail?"

 [The Independent](#) has reported that "Sir Richard Hooper, the brain behind Lord Mandelson's plans for a part-privatisation of the Royal Mail, has been approached by the new coalition Government to refresh his 2008 report. Lord Mandelson's successor as Business Secretary, the Liberal Democrat Vince Cable, wants to honour his party's election pledge to sell a 49 per cent stake in the Royal Mail. The rest would be shared between Government and postal workers. This goes further than Lord Mandelson's idea, which was to offload 30 per cent."


 [Kyodo News](#) has reported that " A bill to scale back the planned privatization of state-owned Japan Post Holdings Co. appears likely to pass through the Diet during the current sitting as ruling party powerbroker Ichiro Ozawa vowed Sunday to make it happen."


 According to the [Pueblo Chieftain](#), "he U.S. Postal Service should never go to a five-day week. It is hard to imagine the nation is even faced with the thought of such a disservice to the public."


 [Dead Tree Edition](#) has reported that "Flat Sequencing System machines are handling about 9% fewer pieces of mail than originally planned but are still proving to be worth the investment, a postal official said this week. Low mail volumes, not mechanical problems, are causing the 12 machines that are up and running to handle about 255,000 pieces per day rather than the 280,500 target in the original plan."


 [Federal Daily](#) has reported that "The U.S. Postal Service's campaign to drum up support for a switch to five-day delivery service may be a prime example of USPS shooting itself in the foot, according to one union representative."


May 22, 2010


 The [Minneapolis Star-Tribune](#) has reported that "Many Americans are upset by the U.S. Postal Service's request to discontinue Saturday deliveries. But unless we want taxpayers to finance its growing operating deficit, this and other changes are necessary for the Postal Service to continue to meet its mandate to provide mail service."


 [Analytica](#) has reported that " DHL is to build a 15,000 m2 integrated distribution centre in ICD Song Than, Binh Duong province. Construction of the multi-user warehouse is expected to be finished in Q4 of this year."


 The [Financial Times](#) has reported that "Plans to part-privatise Royal Mail will be included in the Queen's Speech on Tuesday, despite ministers having yet to agree how much of the state-owned postal operator should be sold off, government insiders said yesterday. The Con-Lib coalition will exclude the post office network from the sale, mirroring the approach adopted in the Labour administration's failed legislation to partprivatise Royal Mail. Ministers also intend to offer a - as yet unspecified - tranche of shares to Royal Mail employees, in a bid to soften workforce resistance to the deal. But the Communication Workers Union yesterday signalled it would resume the bitter battle to prevent the part-privatisation it waged against the earlier plan of Lord Mandelson, the former business secretary."

 The [Indianapolis Star](#) has reported that "A Greenwood postal worker who sold stamps and then kept the cash for herself has pleaded guilty to theft and avoided jail time, federal authorities said. The Greenwood post office's losses totaled \$14,845 from January 2009 through April 2009 and an additional \$4,563 in July, postal investigators found."

 [Yahoo! Finance](#) has reported that "An analyst upgraded shares of FedEx and UPS to "Buy" on Thursday, predicting shares of the two parcel delivery companies still have more room to grow as the global economy recovers." [EdNote: Makes you wonder how they'd rate the Postal Service if it were a stock corporation.]

 The [Japan Times](#) has reported that "Postal reform minister Shizuka Kamei said Friday the U.S. should take a "calm" approach to government plans that will allow state-owned postal companies to expand their businesses."

 The [Las Vegas Sun](#) has reported that "The Federal Aviation Administration on Wednesday proposed a \$1.6 million civil penalty against FedEx Corp. for allegedly failing to revise its maintenance program for airplane loading containers."

 The [Wall Street Journal](#) has reported that "FedEx Corp. (FDX) has notified its estimated 12,000 independent contractors nationwide that they soon must comply with some new business standards to continue as delivery drivers. The use of independent contractors by FedEx's ground division has long been the target of complaints and legal action by critics, who contend the delivery giant has improperly classified employees to save money. Under the standards FedEx issued this week, its independent contractors must be incorporated under state law instead of being organized as partnerships, sole proprietorships or similar designations. The standards also include a requirement that independent contractors treat their personnel as employees. The requirements are "in response to recent concerns by several states," according to a letter FedEx sent to its independent contractors Thursday."

May 21, 2010



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

- The Postal Service published its unaudited March results with the Postal Regulatory Commission. USPS lost more than \$381 million in March 2010. This brings the year-to-date to \$1.9 billion.
- Nearly on the heels of finally releasing its Quarter 1 FY 2010 service performance results for market-dominant products – which were held up due to the cancellation of the regularly scheduled USPS Board of Governors meeting in February – the USPS earlier this week posted the Quarter 2 results which reflect service performance between January 1, 2010 and March 31, 2010. Deputy Postmaster General Pat Donahoe told attendees of this week's Mailers Technical Advisory Committee (MTAC) meeting that

service performance has made a good recovery since the severe weather impacts in February. He also noted that Quarter 3 – which starts the use of live Intelligent Mail barcode (IMb) data in the service performance measurement system – will give the USPS a much more definitive idea of what is happening in the system.

- Senior postal officials this week at the Mailers Technical Advisory Committee (MTAC) meeting updated the audience on the status of the initiatives that comprise the Postal Service's 10-year plan which it laid out on March 2 and has continued to detail to Congress and others.
- USPS chief financial officer Joe Corbett gave the MTAC audience an update on the USPS finances through the end of March 2010 (Q2 FY 2010). For 2010 year-to-date (YTD), revenue is down about \$900 million, Corbett reported, but expenses are down by about \$1.4 billion excluding the retiree health benefits funding.
- One of the main sources of tension between the USPS and its business customers earlier this week at the MTAC meeting is the widespread confusion at postal facilities about SOX compliance and how it changes – or does not change – mail acceptance and verification policies. Mailers and service providers shared their angst with postal officials about how postal facilities are mis-interpreting SOX compliance policies, including holding up mailings, inconsistent acceptance processes, lack of education/training, and inconsistent approvals from USPS personnel.
- Postal officials earlier this week at the MTAC meeting continued to stress that the November 7, 2010, software release to support Intelligent Mail Full-Service will bring with it assessments for additional postage for non-compliance with certain electronic documentation requirements as well as use of address correction data. Businesses responded to the reminder with a reminder of their own: Perhaps with the existing economic environment...now is not the time for the USPS to take a "gotcha" attitude.
- In what may be his last appearance before the USPS' business customers, USPS president of shipping and mailing services Bob Bernstock earlier this week laid out to attendees of the MTAC meeting more details about the Postal Service's revenue growth initiatives including: its Priority Mail Flat Rate Box campaign, Sample Showcase and Online Access.
- The USPS earlier this week announced a strategic realignment that it said would drive revenue growth and achieve its long-term business objectives. Gary Reblin was named Vice President of Shipping Services and will lead the newly consolidated expediting shipping and ground shipping group. Jim Cochrane was named Vice President of Product Visibility and Operational Performance, head of a new group which the USPS said will address the need for it to provide world-class product visibility and continuous improvement.
- According to postal commentator Gene Del Polito writing for Mailing Systems Technology magazine, the Postal Service's belief that it needs an exigency increase is without value. The USPS, he said, has passed up an abundant number of opportunities to avoid many of the straits in which it now finds itself.
- Postal commentator Cary Baer is upset about the most recent nominees for the Postal Service's Board of Governors. He asked: "why does this industry have so little influence over presidential appointments? If candidates with this level of expertise had been nominated for positions on the FTC, the FCC or the SEC, the outcry would have been universal. Yet here we have nary a murmur. It says a lot about this industry, its leadership and perceived relevance."
- USPS to publish bill of lading policy. ACMA white paper on catalogs' social & societal benefits. A shuffling of chairs. UPS to furlough pilots. UPS increases hybrid fleet. Oberstar criticizes FedEx chief.
- An update on postal rules and notices published in the Federal Register.
- A review of recent reports released by the U.S. Postal Service's Office of the Inspector General.
- A review of postal news from around the world.
- Postal previews.

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DMM Advisory: Reminder: FAST WEBINAR. LEARN ABOUT SIMPLIFIED PROCESS FOR SCHEDULING APPOINTMENTS. The Postal Service™ is offering a webinar about the Facility Access and


Shipment Tracking (FAST®) system today, Friday, May 21, from 1 p.m. to 3 p.m. EST. Learn about many benefits of FAST for both drop-shipped and origin-entered mailings, including a simplified process for scheduling and managing appointments, streamlined data maintenance and a reduction in overall appointment wait times. This overview will include a walk-through of the FAST application detailing appointment scheduling procedures and reporting features. The webinar also will outline FAST appointment requirements for Intelligent Mail® Full Service mailers. A question-and-answer session through the "chat room" will follow the FAST presentation. You don't need to register for this webinar. To participate, simply follow the instructions below.

Audio only: Dial 877-512-0764, meeting ID: 2778118

Web conference with audio: (1) Go to: <http://meetingplace5.usps.gov/join.asp?2778118>. (2) After the MeetingPlace window opens, click the phone icon (under the participant list or in the upper right-hand corner). (3) Click Connect Me and validate your phone number, or update your phone number and click Connect Me again. (4) When the MeetingPlace system calls you on your phone, press #1 to join the FAST webinar.

If you have any questions, contact the FAST help desk at <mailto:fast@usps.gov>

 Postal news from [Hellmail](#):

 [CWU Membership Declines Amidst Renewed Royal Mail Sell Off](#)

 [Royal Mail Part Privatisation To Go Ahead](#)


 [Royal Mail Sees Boost In Profits](#)


 [Romania - Biodiversity Philately Exhibition Opens Today](#)


 [Finnish E-Letters Seeing Wider Acceptance](#)


 [Italy And Egypt Begin Work On Postal Service Upgrade](#)


 [Latvian Post Services Are Well Developed According To Audit](#)


 The [Financial Times](#) has wondered: "Are Japanese banks tilting at a giant windmill? In a last ditch effort to stall the expansion of Japan's post office bank, seven financial associations, representing all manner of private sector banks, on Thursday issued a joint statement opposing the government's decision to significantly enlarge the bank's role in financial markets. The private sector banks are fuming at the government's decision to raise the maximum that can be held in an account at the postal bank from Y10m (\$112,000) to Y20m and allow the lender into a wider range of businesses than it has been permitted to engage in so far. They argue that the government's stake, which is currently at 100 per cent, gives the postal bank almost a state guarantee that will encourage depositors to shift their savings out of private banks into the post bank. They are also worried that the post bank, the country's biggest bank by deposits, will encroach on the few profitable areas of banking business in Japan's sluggish economy."


 [Austrian Times](#) has reported that "Post AG bosses said increasing competition by private mail delivery firms and the internet as the main rival for sending a letter led to a decline in earnings in the first quarter of this year. More people than ever using the internet instead of sending letters have had an impact on its business figures, adding that the increasing number of private postal service rivals meant a tougher market situation."


 [The Scotsman](#) has reported that "THERE can be few who are surprised that Royal Mail is facing another attempt at privatisation. It was a campaign issue for both coalition partners and after the progress it has made under the modernisation programme, Royal Mail is ripe for an injection of private capital to take it to its next stage. Another profit reflects the benefits of the difficult but necessary changes that have been introduced and come against a harsh economic climate, a fall in letters posted and a series of strikes. But despite its changed fortunes, it remains one of the more politicised businesses in the UK."

 The [Washington Post](#) has reported that "Shipping giant UPS, which said just last month that the improving economy helped boost its first-quarter profit and its outlook for the year, is preparing to furlough dozens of pilots for the first time ever as part of a long-anticipated cost-cutting move. The company, which has 2,819 pilots, said it simply has more pilots than it needs. It says it tried, but failed, to reach a deal with the pilots union on enough concessions that would have averted the need for furloughs."


 [The Street](#) has noted that "United Parcel Service Inc. added 20 hybrid electric vehicles to its Chicago fleet and 17 to its Washington, D.C. fleet. The 37 new trucks in Chicago and Washington, D.C. are among 200 new HEVs deployed recently to eight U.S. cities. The 200 new trucks will operate in Austin, Houston, Philadelphia, Chicago, Washington, D.C., Long Island, Minneapolis and Louisville. Currently, 50 UPS hybrid electric vehicles (HEVs) are on the road in Atlanta, Dallas, Houston and Phoenix. The hybrid power system combines a conventional diesel engine with a battery pack, and use regenerative braking, where energy from the friction of applying the brakes is captured and returned to the battery as electricity. The HEVs will cut down on fuel consumption by about 35 percent, the company said, equaling about 100 regular UPS delivery vehicles."


 According to [Vanguard](#), "The Bureau of Public Enterprises, BPE, privatised 149 enterprises between 1999 and 2009, the Director-General, Ms. Bolanle Onagoruwa, said in Abuja, Thursday. According to her, the Bureau successfully privatised 40 enterprises from 1999 to 2004; 69 enterprises from 2005 to 2006; 39 enterprises between 2007 and 2008; and one in 2009. Various bills, among them, the Railway Bill, Inland Waterways Bill, Roads Fund Bill, the **Postal Sector Bill** and the Federal Competition and Consumer Protection Bill had been completed and were awaiting the approval of the Federal Executive Council, FEC.

 [Bloomberg](#) has reported that "FedEx Corp. Chief Executive Officer Fred Smith is misleading the public on air-safety legislation and "bought his way" to be covered by a 1996 labor law that helped his company, a House committee chairman said. U.S. Representative James Oberstar, a Minnesota Democrat and chairman of the House Transportation and Infrastructure Committee, rejected Smith's characterization that a labor measure the chairman wrote is holding up aviation-safety legislation. Smith is "peddling a false image" of the bill's status, Oberstar told reporters today on a conference call after meeting relatives of victims in a Colgan Air crash who are pushing for action on the measure. "He ought to be telling the truth rather than misleading the public."

 [The Times](#) has reported that "The starting gun for the multibillion-pound sell-off of the Royal Mail could be fired next Tuesday when Parliament reconvenes for the Queen's Speech. CVC, the private equity house, is believed to be ready to resurrect its plans to bid for a minority stake after the new Government signalled a part-privatisation of the state-owned postal giant."

May 20, 2010

 The [BBC](#) has reported that "The deficit in the Royal Mail pension fund has hit £8bn, according to calculations in the company's latest annual accounts. The figures, by the company's own accountants, are a snapshot of the fund's position. However a full three-yearly valuation of the scheme, due to be published in the next two months, is expected to reveal an even bigger deficit. Sources at Royal Mail suggest it could be as much as £10bn. This could lead to even more money being drained from the business to support the scheme as the company has a legal obligation to make up any deficit, typically over a period of 10 to 20 years. The size of the deficit - the difference between the value of its assets and the assets actually needed to pay pensions now and in the future - is also a huge and unresolved financial headache for the government. "At the moment, the trustees with their actuaries are negotiating the financial repayment schedule the company will have to sign up to," said a source close to the discussions." See also the [Financial Times](#).

 The [BBC](#) has reported that "Controversial proposals to phase out Royal Mail deliveries by bicycle are being opposed by a Devon council. The postal service has announced a nationwide scheme to move from bikes to vans in a bid to improve efficiency. However, Devon County Council has written to the Royal Mail amid concerns the change may lead to the closure of smaller sorting offices. Council leaders are now calling for a meeting with Royal Mail officials to discuss the proposals."




[AR-10-009](#)


- A new 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 the report, please contact Agapi Doulaveris at 703.248.2286. [Modem Security \(Report Number IS-](#)


The U.S. Postal Service Office of Inspector General has started a new audit and invites your comments on the following projects:


- [10YG010CA001 - Contract Management Data Blockbuster Project](#) was started to assess the Postal Service's capability to measure and maintain supplier contract management data to support the contract administration process and to determine if processes and systems are in place to ensure data integrity.
- [10YG019DA000 - Intelligent Mail: Realizing Revenue Assurance Benefits](#) to identify barriers to mailer participation in the full service Intelligent Mail program. In addition, auditors will determine if the Intelligent Mail system is able to ensure the accuracy of mailer postage statements.
- [10XG037NO000 - Review of Color Coding and Mail Condition Reporting](#) at the Austin Texas Processing and Distribution was started to determine if mail was properly color-code and counted based on National Color-Code Policy and webMCRS reporting requirements.
- [10RG015MS000 - Workshare Discounts Exceeding Costs](#) was started to determine whether Postal Service workshare discounts in excess of avoided costs were reasonable.


Comments and suggestions on other ongoing audit projects can be made by visiting the Audit Project page at http://www.uspsoig.gov/audit_project.cfm. You can visit Office of Inspector General's public website at: www.uspsoig.gov.


 [Dow Jones](#) has reported that "Japanese bankers Thursday increased pressure on the government to reconsider its attempt to reverse the privatization of Japan's postal service, ahead of a trilateral meeting with the U.S. and the European Union that could lead to new trade tensions. The talks on Friday at the World Trade Organization in Geneva will be the first at ambassador-level on the issue, and underline the growing concerns among Japan's trading partners over the government's plan to scale back the privatization of Japan Post Holdings. The U.S. and EU insist that the Hatoyama administration's postal reform bill could hamper fair competition with the private sector as Japan Post, a mammoth financial institution, could grow even larger under proposals to expand its offering of financial services. On Friday, U.S. Ambassador to the WTO Michael Punke and EU Charge d'Affaires John Clarke will meet with their Japanese counterpart Shinichi Kitajima to raise their concerns."


 American Postal Workers Union President [William Burrus](#) has made clear that he does not like a recent article in [Mailing Systems Technology](#) magazine on why an exigency increase was not justifiable. He concludes: "The supporters of the PAEA are directly responsible for the precarious financial status of the Postal Service, not reduced mail volume caused by the slumping economy, not the migration of hard-copy mail to computer-driven messages, not the escalation of energy costs. The cause of the Postal Service's dire financial condition is the PAEA. Those responsible for its passage must accept responsibility for the current state of affairs."

 According to Steve Lawson of [Hellmail](#), "There has been much talk that under the Conservatives, Royal Mail would finally be privatised, and more recent rumblings that the new business secretary Vince Cable is looking to revitalise Lord Mandelson's plans to either partially or completely privatise the service. Ambitious certainly, given that to do so would necessitate underpinning the company's growing pension deficit, and there's also the not insignificant matter of finding a buyer or buyers. Mandelson failed to find one, or at least anyone willing to offer enough, and whilst I always felt the Postal Service Bill was put on ice to ease Labour's chances at the General Election, the reality is that Europe is still trying to ease itself out of recession. I doubt that the government will find suitable candidates, at least in the short term."

 The [Press Association](#) has reported that "The Royal Mail increased its operating profit by £83 million in the last financial year to £404 million, a rise of 26%, despite facing a series of strikes by postal workers, the company has announced. The increased profits also came against the backdrop of falling mail volumes, with 13 million fewer letters posted every day than in 2005. The Royal Mail said the latest performance showed the positive impact of continued modernisation in the business and increased efficiency, issues which sparked last year's dispute with the Communication Workers Union."


 [Sharecast](#) has reported that "The new Conservative-Liberal government may face a bruising battle with the postal unions after it made part-privatisation of the Royal Mail one of its main policy objectives. "


 [Hellmail](#) has reported that "The CEO of the Italian postal service, Massimo Sarimi, and the Egyptian ambassador to Italy, Ashraf Rashed, yesterday signed an agreement for economic development, innovation and technological upgrading of the Egyptian postal service. The agreement marks the first phase of the reorganization of Egypt's postal service. The initial phase of the project will last seven and a half months, and forms part of a five-year program."


 The [Associated Press](#) has reported that "Alaska authorities have intercepted packages of liquor and drugs mailed through the U.S. Postal Service to remote communities where alcohol sales are banned. In the northernmost town of Barrow, state troopers, postal inspectors and North Slope Borough police found alcohol and marijuana mailed to five residents during a two-day crackdown."


May 19, 2010


Mailers' Technical Advisory Committee (MTAC) The Postmaster General has announced realignments within two groups — Mailing and Shipping Services and Intelligent Mail and Address Quality (IMAQ). The Expedited and Ground Shipping groups will be merged into a single Shipping Services group reporting to VP Gary Reblin. Jim Cochrane will lead the newly formed group within IMAQ as VP, Product Visibility and Operational Performance.


 [Radio Fiji](#) has reported that "Government is now seeking Expressions of Interest for the reform of Post Fiji Ltd. In a notice today Government called for submissions by interested parties for either complete or partial divestment's of Post Fiji or to manage the company on a contracted basis. Government states that, notwithstanding corporatization, PFL seeks to remodel its business to reflect contemporary and technological changes."


 The [Financial Times](#) has reported that "A resurgence in the use of direct marketing by advertisers helped bolster revenue at UK Mail, one of two main competitors to Royal Mail in the sorting and delivery of letters across Britain."


 [Postalmag.com](#) has noted that at the Dallas field hearing conducted by the Postal Regulatory Commission on the USPS' proposal to reduce days of delivery to five, "Carol Kliewer, Director, Distribution & Logistics, Order Fulfillment, Harland Clarke, and Carol Bald, Postal Operations Manager, Strategic Fulfillment Group both stated, if given a choice, they would rather have five-day delivery than a postal rate increase beyond CPI. After their testimony, Postal Rate Commission Chairman Ruth Goldway delivered some bad news to the Carols. She told them they may not have a choice anyway as the USPS is contemplating/planning both a rate increase and reduction to five-day delivery during the same time frame in 2011."


 [ACMA](#) issues white paper on catalogs' social & societal benefits.


 While the US finance market is still volatile, there are signs that life is starting to become more stable. According to [Mintel Comperemedia](#), a service that provides direct marketing competitive intelligence, direct marketing mail volumes across the banking and investment categories appear to show stability in the first quarter of 2010.


 [InsideBayArea](#) has reported that "Netflix Inc. has decided to chop 160 jobs in Fremont, but the company said Tuesday the reductions are due to its quest to deliver movies in a more cutting-edge way. Netflix built its business on postal deliveries of movies on DVDs to customers. More recently, however, the company has streamed more movies to personal computers and television sets. "Streaming is the future for Netflix," said Justin Patterson, an analyst with the Nashville, Tenn., office of investment firm Morgan Keenan & Co. The dismissed employees will face the pain of job loss in a feeble economy. The cutbacks also underscore how today's accelerated pace of technology also can destroy outmoded work." [EdNote: *But there are no lay-offs or furloughs at the Postal Service. Nice, when you can use an exigency rate increase to cover what you should have saved, but didn't.*]


 [Thomson Local](#) has reported that "Speaking at Marketing Excellence for Small Businesses, an event organised by the Chartered Institute of Marketing, Ms Love said that combining printed marketing material with technology such as augmented reality and QR (quick response) codes can prove highly successful. "Augmented reality is where print jumps off the page and becomes digital – it's a perfect combination of the two," she said."


 [Southtown Star](#) has reported that "No longer will a customer be confused to discover that a Frankfort business at 322 N. LaGrange Road is really at 21122 S. LaGrange Road. A perplexing dual address system in Frankfort is about to become more logical. The village officially reassigned 134 numeric addresses affecting 190 businesses along LaGrange Road, U.S. 30, Laraway Road and Center Road. The switch from Frankfort's old grid system to Chicago's grid is effective June 1, but businesses have until the end of the year to make changes, village planner Jeff Cook said. In the meantime, the postal service and 911 dispatch centers will continue to recognize both addresses."


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


 A continued low demand and declining letter volumes have ruined the starting new year for Posten Norden. Swedish Posten AB's and Post Danmark's parent company reported last week that sales, revenue and earnings declined in the first quarter. Turnover fell by 7% to 1.14bn euros and the operating result sank by 11% to 55.6m euros compared to the first quarter last year.


 Due to its activities in the financial services business Japan Post Holdings Co. recorded an increase in profit despite a decline in turnover.


 Deutsche Post has to tolerate its competitor's mailboxes even in close vicinity to its post offices. Last week the Federal Court of Justice decided that the post has to tolerate its competitors placing mailboxes near its post offices and mailboxes.


 Swiss Post started 2010 with a significant increase in earnings due to Post-Finance.

 In connection with the petition 'For a strong Post' (CEP-News 19/10) the chairman of Swiss union Kommunikation asked Swiss Post to abandon the streamlining of its postal network.


 The Spanish Ministry of Development (Ministerio de Fomento) presented the key points of the new postal law last Friday. The amendment has three major goals: 1. a sustainable high quality universal postal service, 2. protection of the rights of consumers, no matter which provider is used and 3. securing the employees concerning social law and labour law aspects.


 French La Poste will increase postage for standard mail from July 1 on. Last week the French post announced that postage for letters up to 20 grams will increase by two cents to 58 eurocents. This is the sixth markup in eight years. La Poste argues that the new price is still in European average, although the requirements for La Poste's universal service obligation would be one of the highest in Europe.

 Last week Deutsche Post disclosed the name for its online letter. Jürgen Gerdes, chairman of Deutsche Post's Mail division, announced that the new product will be brought to market under the name 'E-Postbrief'.

 Finnish postal service Itella wants to spin-off its domestic postal business into a separate entity.


 'If it is really important, then prefer the post.' This is the new advertising slogan of Austrian Post.

 Deutsche Post might hand over a lion's share of its remaining own branches to its former subsidiary Postbank. A spokesman of Deutsche Post confirmed that there are currently negotiations about the take over of some 270 post offices. But no agreements had been signed yet. If possible, Deutsche Post intends to abandon all of its remaining own 350 post in the first half of the year.

 The British post has presented the Royal Mail E-commerce Engine® on Monday this week. The internet based tool will integrate seamlessly with a retailer's existing processes and includes, inter alia, a webstore, processing sales orders including stock control, returns management and reporting.





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.)*


 Postal news from [Hellmail](#):


- [Free Competition And The Universal Postal Service](#)
- [Royal Mail Media Centre Exceeds Expectations](#)


May 18, 2010


 Have your say at [Canada's 2010 Postal Forum](#). Day 1 sets the stage with the keynote address from the Chief Customer Officer of Canada Post, a new role focused on customer centric issues. Two sets of round tables follow, guaranteed to address your important business topics. You will be ready to relax and network at the welcome reception! Day 2 delivers the big picture from Canada Post and business leaders. Strategic vision, postal economics, pricing strategies, the impact of postal transformation, address hygiene, the 'greenshift', new mail opportunities, mail in the media mix. Join the experts, share your wish list, and add your priorities for follow-through.


 [WPXI](#) has reported that "Two Pittsburgh-area postal workers are accused of tampering with mail. Lisa Strickland, 33, of West Mifflin, was indicted by a federal grand jury. She is charged with destruction of mail and is accused of hiding and not delivering 1,200 pieces of mail. Strickland works out of the Oakland station. In a similar but unrelated case, 38-year-old Rachel Schaar of Munhall is charged with theft of mail. Schaar, who works out of the Washington Processing Center, is accused of embezzling 24 first class letters."


 [WSB-TV](#) has reported that "The postal service has been in trouble for many years," said Tom Schatz with the group Citizens Against Government Waste. "They have not been running it as an efficient business." Schatz pointed to a recent report from the Office of the Inspector General. It showed the postal service spent more than \$792,000 "without justification" on meals in a 5-month period. \$2.9 billion went to vehicle repairs because of an ineffective warranty and reimbursement process. Inspectors also found that of the 117 postal facilities checked for lease rates, 26% paid above the going market rate. "Anybody who did this in the private sector would be gone," Schatz said. "The problem is this sort of blatant waste and abuse of taxpayer dollars." Rachel Clobodien with the National Taxpayers Union said the post office is spending close to \$1 million a week on a practice called stand-by time. It's when employees are paid even when there is no work to be done. "That is about \$50 million a year," she said."

 [Yahoo! Finance](#) has posted a copy of UPS' latest financials.

 "A federal program that subsidizes the shipping of nutritious, perishable foods by air to remote northern communities will be awarded to three retailers instead of Canada Post, [CBC News](#) has learned. The government is expected to make an announcement this week that North West Company, Arctic Co-operatives Limited and La Fédération des coopératives du Nouveau-Québec will be provided with the multi-million dollar subsidy instead of the national postal service, the CBC's Laurie Graham reported."

 The [Memphis Commercial Appeal](#) has reported that "The Postal Regulatory Commission will hold a "field hearing" in Memphis on Wednesday to hear input on whether the U.S. Postal Service should end Saturday operations as a cost-cutting measure. The hearing will be at 1 p.m. in the council chambers at City Hall, 125 N. Main. Memphis will be the fourth city to hold such a hearing, following Las Vegas; Sacramento, Calif.; and Dallas. Future meetings will be in Chicago; Buffalo, N.Y.; and Rapid City, S.D."


 From [PRWeb](#): " TrueShip®, a leading shipping software developer for small and mid-sized businesses, and Express 1®, a partner of the U.S. Postal Service, today announced that Express 1's discount Priority and Express Mail technology has been integrated for use with every download of TrueShip's ReadyShipper. The integration enables the purchase and printing of USPS shipping labels at a reduced rate, delivering a savings on Priority and Express Mail shipments to businesses that would not normally qualify."


 [Peace FM Online](#) has reported that "Investigation conducted by the Ghana Post Company (GPC) Limited, has uncovered huge embezzlement of funds by some of its staff, with one person having embezzled GH¢85,000."


 Postal news from [Postal Technology International](#):


- [CPCR and SmartPOST sign deal](#)
- [US Postal Service gets closer to sustainability goals](#)
- [FedEx launches EarthSmart](#)


- [Deutsche Post creates 700 jobs](#)
- [News in Brief](#)

 The [Dallas Morning News](#) has reported that "The loss of Saturday mail delivery might not mean much to city dwellers with Internet access. But members of the Postal Regulatory Commission heard Monday in Dallas that small Texas towns, where fewer people have high-speed Internet access, might feel the pinch. Business owners, local government officials and postal workers showed up at Dallas City Hall to offer their opinions on the U.S. Postal Service's strong push to eliminate Saturday delivery."


 [Hellmail](#) has reported that "CFH Docmail has launched a service specifically for members of the Federation of Small Businesses. FSB Print and Mail has been officially approved as a Member Service, and was launched at the campaigning group's recent annual conference in Aberdeen. FSB Print and Mail will bring all the benefits of hybrid mail direct to FSB members."

 **From the Federal Register: Docket Nos. CP2010-48 and CP2010-4.** The Commission is noticing a recently-filed Postal Service filing to add new Global Expedited Package Services 2 products to the Competitive Product List. This notice addresses procedural steps associated with the filing. Comments are due: May 19, 2010."

 [Hellmail](#) has reported that "The Spanish Ministry of Development said on Friday that the government was committed to a quality universal postal service and upholding the rights of users and workers but that to ensure the viability of public postal services, a funding mechanism needed to be established. The Spanish postal service is struggling with mounting debts and recently reported a fall in mail volume of 9.6%. Last month, postal workers in Spain protested against plans to partially privatise Correos and to shed some 3,000 jobs."

 [NBC DFW](#) has reported that " PRC Chairwoman Ruth Goldway said postal service could suffer if Congress passes the measure. "Mail that was mailed in Dallas on a Friday that could be delivered on Saturday or Monday will now be delivered on a Monday or Tuesday," she said. "And you won't be able to drop your mail in on Saturday and get it delivered in two days. It will be three days, so there will be service problems that we have to look at."

May 17, 2010


 According to [Trefis](#), "Netflix, an online movie rental company and one of the largest corporate customers of the US Postal Service (USPS), could potentially face pressure on its margins if USPS implements currently planned changes in its operations. Such pressures could spell additional downside to the \$82 Trefis price estimate for Netflix's stock. Although consumers are increasingly shifting away from physical DVDs to streaming films online, the majority of the movies delivered by Netflix to its customers are still physical DVDs. With Saturday delivery being eliminated, Netflix's subscribers will have to face two continuous days of no service (including Sunday). As Saturday is one of the prime movie watching days, there could be some dissatisfaction among Netflix's subscribers if they don't receive films they were expecting for the weekend."





The latest blog entry has been posted today on the U.S. Postal Service Office of Inspector General's Internet site "Pushing the Envelope." The public, mailers, postal employees, and other stakeholders are invited to weigh in on the online discussions taking place. To view the site, visit <http://blog.uspsoig.gov/>.


- **What Do You Think of the Priority Mail Advertising Campaign?** To increase overall package revenue and market share, the Postal Service launched a highly-integrated, national marketing campaign in May 2009. Overall, do you consider the campaign effective?
- A new 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 this report, please contact Agapi Doulaveris at 703.248.2286. [Management of Mail Transport Equipment – Eastern Area \(Report Number NL-AR-10-004\)](#). The Eastern Area's effectiveness was limited over the management and control of Mail


Transport Equipment (MTE). Although management identified the Eastern Area as a "deficit" MTE Area that often experienced MTE shortages, area and local officials did not always ensure there were adequate controls over inventory and accountability processes required by the Postal Operations Manual.


 According to postal commentator [Gene Del Polito](#), "It has been said that the business model of the Postal Service is broken. Broken, it may be. It wasn't, however, the customers of the Postal Service who broke it, and they shouldn't be held accountable to fix it."


 [Post & Parcel](#) has noted that "Use of direct mail and/or catalogues to market directly to consumers drives more than \$556bn in US sales annually. That is a lot of business, about one third of the total \$1.7 trillion in annual US sales generated by all direct advertising channels. By contrast, direct response advertising on the internet, including search, combined with email and mobile marketing, still makes up less than 30% of total direct channel sales. However, the digital channels are growing rapidly, with marketing to mobile devices leading the way at an expected 45% growth rate. Direct marketing has grown exponentially with the growth of the internet, a trend that will certainly continue as mobile networks carry on with the current evolution of smartphone and e-reader apps that we see taking hold in almost every walk of life. With all this technical progress has come greater competition, especially as traditional retailers have become more proficient in the technical precepts of direct marketing. This trend will intensify over the next five years and with it will come greater and more adept use of email and short messaging to keep communication personal, timely and relevant."


 According to [Cargonews Asia](#), "FedEx is flexing its muscles in Taiwan following a commercial agency deal with Chunghwa Post, Taiwan's postal service authority last week. Under the agreement, FedEx will add approximately 1,000 service points to its network in Taiwan, effectively covering 95 percent of the country. FedEx International Priority service will be made available in phases at more than 1,000 Chunghwa Post outlets, which will be established as FedEx Authorised Ship Centres, a development that is poised to benefit customers from more than 95 percent of postal delivery zones in Taiwan."


 According to [Bernama](#), "It is now common knowledge that postal services worldwide are suffering from a steady decline in the conventional mail volume since the advent of e-mail. Couple that with the escalating fuel prices, inflation plus a desperate need to re-adjust postal workers' salary, and Pos Malaysia will have to do all it can to stay afloat."


 [Global Atlanta](#) has reported that "Atlanta-based United Parcel Service Inc. is shipping tons of donated vegetable seeds to Haiti free of charge as the island nation struggles to recover from a devastating earthquake in January."

 From [PRWeb](#): "L2, the Campaign Technology People, today announced the latest release of Fuse, its software-as-a-service (SaaS) platform for multi-channel marketing. The new release has an enhanced graphical interface and full integration with InDesign, which runs natively within the product to easily add interactivity and animation. Fuse also features Social Media and quick response (QR) coding, as well as techniques to for cross-media delivery, including mobile device short message services (SMS), personal URLs (PURLs), email and direct mail with automated USPS coding. With new cross-media capability, Fuse provides a low-cost, high-value service addition for printers and creative agencies needing to grow business."


 According to the [Manila Bulletin](#), "State-run Social Security System (SSS) authorized the Philippine Postal Corporation (PhilPost) to enroll its members under a new identification system through data capture stations that the postal service agency will set up all over the country."


 [The Baltic Course](#) has reported that "The Ministry of Finance hopes that the residents of rural areas would be able to exchange kroons into euros in the offices of Estonian Post (Eesti Post) in the beginning of 2011."


 [Post & Parcel](#) has reported that "China Post has launched a new B2C website, www.11185.com.cn, as a part of its technological advancement."

 The [Memphis Commercial Appeal](#) has reported that "The Teamsters and UPS are out to get most FedEx Express workers shifted to a labor law that FedEx officials believe would jeopardize the company's famed reliability."


May 16, 2010


 The [Japan Times](#) has reported that "Japan, the United States and the European Union will hold talks on May 21 in Geneva to discuss "level playing field concerns" regarding anticipated changes to Tokyo's postal privatization plans, the Office of the U.S. Trade Representative said."


 The [Independent](#) has reported that "MaltaPost p.l.c. registered a pre-tax profit of €1.86m (2009: €1.92m) for the six months ended 31 March, 2010, and €1.18m profit after tax as compared to €1.14m for the corresponding period last year, representing an increase of 3.5 per cent. The competitive environment and outlook for the company continues to be determined to a substantial degree by the effect that e-substitution is having on traditional mail volumes and the impact on its main source of revenue. However, the general decreasing trend of the traditional mail market continues to be substituted by increases in international inbound mail as a result of growth in internet mail-order. Increasing local and international competition, especially in the packets and parcel business, means that the company must continue to strive for excellence in all its operations, maintain high levels of customer service and adapt its products to meet client requirements. MaltaPost said it intends to further diversify the business into low cost financial services and the provision of bespoke back office processes."


 [Kuensel Online](#) has reported that "Bhutan has received the C level (bronze) certificate in the field of international postal service quality management from the universal postal union (UPU), a first in the history of postal services in the country."

May 15, 2010


 According to [The Nation](#), "The Postal Service's economic turbulence has fostered the fantasy that it is no longer necessary in an age when "warp-speed Internet" is constantly juxtaposed against "snail mail." Americans do not often talk about the Postal Service as a crucial underpinning of the democratic infrastructure, but we should. At a time when 35 percent of all Americans and 50 percent of rural residents have no broadband Internet access at home, the Postal Service is universal. The businesspeople who run the USPS these days, though they may want to save the service, are so fixated on the bottom line that they cannot see the public good. So they have proposed a process of downsizing that could lead to the dismemberment of what should be understood as a core civic institution."


 The [News Tribune](#) has reported that "Winlock Postmaster Kenneth Goodwin will not face charges of attempted child rape after his arrest in a Lewis County Sheriff's Office Internet sting, Prosecutor Michael Golden said. Instead, the 51-year-old Toledo resident will be charged with patronizing prostitution, a gross misdemeanor that will be processed in Lewis County District Court, Golden said. In addition, Goodwin could face more serious federal charges pending an investigation by the U.S. Postal Inspection Service, Golden said. Goodwin was arrested May 7 after he allegedly arrived at a predetermined meeting place off Rush Road in Napavine in search of sexual encounters with at least one person. Detectives posed as a 13-year-old girl and a 33-year-old woman on the online classified advertising site Craigslist, according to the Sheriff's Office. Golden said it appears Goodwin thought he was meeting the 33-year-old Friday and that he didn't have direct communication with the detective posing as a 13-year-old, nor did he say he sought sex with a minor."


 The [PressRepublican](#) has reported that " Postal service veteran arrested after six-month surveillance over complaint of missing gift card A mail carrier for the U.S. Postal Service has been suspended after he was allegedly caught stealing mail from his Plattsburgh route. Authorities say Gregory J. O'Connell was arrested earlier this month after a six-month surveillance operation reportedly found that the 52-year-old Plattsburgh man was involved in the repeated theft of gift cards and other pieces of mail."

 The [Philadelphia Inquirer](#) has reported that "Love letters, checks and gift cards, as well as hundreds of packages, are among 20,000 pieces of mail that have been arriving very late - in some cases years late - at addresses in the Bustleton area, zip code 19115. The items, dating as far back as 1997, were found April 28 in the home of an


unidentified letter carrier being sought by authorities, according to Special Agent Scott Balfour of the U.S. Postal Service Office of Inspector General. "It doesn't appear that any money was stolen or any gift cards," Balfour said. "It appears it was merely delayed or not delivered."


 [Hellmail](#) has reported that "CFH announced today that it has extended its range of print and post services with the introduction of Docmail Instant, its first pay-as-you-go product. Docmail Instant allows customers to create their mailing using just one single screen on their desktop, either uploading a letter as a Word or Adobe document (pdf), or creating it using the on-line text editor. Once compiled, the letter can either be sent to a list, or to a single address, payment is taken, and the letter is printed and posted by Docmail."


 [Invertia](#) has reported that "Correos will remain as the only company providing the universal postal service, according to the draft law to regulate this service and the rights of users and the postal market. The universal postal service includes managing the delivery of letters, postcards and packages up to 10 kilos in weight, both regular and certified. The law also provides for joint financing system that ensures sufficient resources post to cope with the costs it will entail the provision of this service. The financing fund shall be financed with contributions from all operators in the postal market presence and contributions of the State."

 [Nikkei](#) has reported that "Japan Post Holdings Co.'s group net profit rose 6.5% to 450.2 billion yen in the year ended March 31 as profits from financial operations made up for losses in its postal business."

May 14, 2010

 [PocketNow](#) has noted that "According to The New York Times, cell phone owners are using their phones less, despite the continuous growth in cell phone adoption as land lines decline, for voice calls and instead are turning to their phones more for added features, such as text messages, Internet, and other data-centric applications. According to the Times, "And for the first time in the United States, the amount of data in text, e-mail messages, streaming video, music and other services on mobile devices in 2009 surpassed the amount of voice data in cellphone calls, industry executives and analysts say." Now, cell phone voice data accounts for less than half the traffic handled by wireless cellular towers, with text messages and Internet data comprising the over fifty percent of traffic."

 [Jersey Insight](#) has reported that "One of the postal companies bidding for a licence to distribute bulk business mail says the consultation period should not be extended any longer. Christopher Bee, CEO of HubEurope, says any delays in addressing island companies' needs for more options could be a 'disaster' for the economy."

 According to the [BBC](#), "Some 20,000 pieces of mail - many more than a decade old - have been recovered from a postman's garage in the US city of Philadelphia. Tubs of undelivered letters were discovered in April when the US Postal Service worker missed several days of work and managers visited his home. The FBI said it took more than three postal vans to remove the mail, some of which dated back to 1997."



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

- The House subcommittee with postal oversight took on the Postal Service's pricing system at a recent hearing, taking a deeper dive into the complex issues surrounding worksharing discounts, cost-coverage of products and exigent rate increases. The hearing covered new territory for the subcommittee, which historically has focused its attention on operational, service issues and financial challenges facing the USPS.
- A summary of key points raised in the testimony presented by witnesses at the House postal subcommittee hearing on worksharing discounts and product pricing.

- Postmaster General John Potter today accepted the resignation of Robert F. Bernstock as president of Mailing and Shipping Services, effective June 4. Bernstock will pursue opportunities in the private sector.
- The U.S. Postal Service Office of the Inspector General (OIG) has issued its report on an audit of Move Update Program and investigations (Project Number 09YG036SA000). The objectives of the review were to assess internal controls over the Move Update Program and determine if the Postal Inspection Service conducted Move Update investigations according to U.S. Postal Service policies and procedures.
- Announcing a new MTAC workgroup. USPS extends EMD use. Customs bill introduced. IDEAlliance offers postal briefing. NALC food drive outstanding success. USPS sustainability report. A new postal podcast. FSS machines shuffled again -- but do they work?
- An update on DMM advisory notices published by the Postal Service.
- An update on postal rules and notices published in the Federal Register.
- An update on proceedings and dockets over at the Postal Regulatory Commission.
- A review of recent reports released by the U.S. Postal Service's Office of the Inspector General.
- A review of postal news from around the world.
- Postal previews.
- From the mailbag.

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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According to the [Los Angeles Times](#), "Many Americans are upset by the U.S. Postal Service's request to discontinue Saturday deliveries. But unless we want taxpayers to finance its growing operating deficit, discontinuing Saturday delivery and other changes are necessary for the Postal Service to continue to meet its mandate to provide mail service."


[NewsChief](#) has reported that "By most comparisons, their businesses are worlds apart. But global retailer eBay and small businessman Grady Hesters of Auburn, Calif., shared a common goal this week: protesting a U.S. Postal Service proposal to drop Saturday deliveries."

Postal news from [Post & Parcel](#):

- [World Mail & Express Europe Conference](#). Leading industry figures will be jetting into Copenhagen next month for the World Mail & Express Europe Conference. The event, which will take place on the 16 & 17 June at the Radisson Blu Scandinavia Hotel, boasts a comprehensive list of high-end speakers, who will deliver presentations on the key challenges that face the industry today and tomorrow. A stimulating two-day programme will follow an interactive technology seminar, and the prestigious 11th World Mail Awards, which kicks-off the proceedings on June 15.
- [World Mail Awards](#). Post&Parcel can firstly reveal which industry operators are on the glory trail as the shortlist for the World Mail Awards 2010 is announced. The shortlist had a particularly global feel, as nominees from Europe, the Americas, Asia and Australasia all featured heavily. The event, organised by Triangle Management Services, will take place on the evening of 15 June, in Copenhagen, Denmark, prior to the World Mail & Express Europe Conference on 16 & 17 June. Australia Post leads the way with five nominations this year, with Korea Post, Swiss Post, Post Danmark, Posten Norden and InPost among the companies battling it out for two Awards on the night. It also promises to be an exciting ceremony for LibanPost (Transformation & Innovation) and MaltaPost (Security & Quality) as they wait to see if they have prevailed in their respective categories. The Awards will be presented by Danish media personality Annette Heck at a black tie dinner at the Radisson Blu Scandinavia Hotel.

From the Federal Register:

- [Docket No. PI2010-3](#): The Commission is seeking comments relevant to management of an anticipated exigent postal rate case. It has scheduled a technical conference for a public discussion based on the submissions. Comments are due: June 9, 2010; technical conference will be held: June 16, 2010.
- [Docket No. MC2010-24](#): The Commission is establishing a docket to consider the Postal Service's proposed nonpostal services Mail Classification Schedule language. It solicits comments to assist in this task. Comments are due: June 4, 2010. Reply comments are due: June 18, 2010.


 [CBS3](#) has reported that "Checks, bills and even a college acceptance letter from 2007 were among 20,000 letters found inside the garage of a Philadelphia postal carrier."

May 13, 2010





Two new 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.

- [Automated Package Processing System Equipment Maintenance Opportunities \(Report Number DA-AR-10-003\)](#)
- [Move Update Program and Investigations \(Report Number SA-AR-10-001\)](#). **The Postal Service did not establish a sufficient method to evaluate compliance with Move Update standards at acceptance until 2009, 12 years after Move Update began. Additionally, compliance standards are not clear and consistent.** The tolerance level established at mail acceptance is high, but if the Postal Inspection Service establishes noncompliance, there is zero tolerance, regardless of the extent of actual damages to the Postal Service. To complicate matters further, if a mailer enters into settlement negotiations with the Postal Service, actual damages, mailer intent, and goodwill are considered in determining the liability. **These control weaknesses and inconsistent treatment of compliance issues have resulted in significant revenue at risk for the Postal Service, mailer frustration, and mailer concerns regarding a negative impact on their brand.**


 President Obama has nominated Paul Steven Miller and Dennis J. Toner to serve as members of the Postal Service Board of Governors.


- [Paul Miller](#), whose career spans the academic, public and private sectors, is the Henry M. Jackson Professor of Law at the University of Washington School of Law. A former EEOC commissioner, he is an expert in workplace and employment law and served as a Special Assistant to the President in the Obama White House. He has been nominated to the remainder of a 9-year term expiring in 2016.
- [Dennis Toner](#) is a 30-year veteran of Capitol Hill, where he last held the position of Deputy Chief of staff for then-Senator Joseph R. Biden. In addition to launching his own business, Horizon Advisors, he served as Finance Director for Biden for President and Citizens for Biden. Toner, who has considerable expertise in public policy and political affairs, has been nominated to serve the remainder of a term expiring in 2012.


 The [Guernsey Press and Star](#) has reported that "THE regulator's decision to go out to consultation on its plans to change postal law to allow competition has been described as unacceptable by a leading opponent. Deputy Dave Jones (pictured) wrote to the Office of Utility Regulation last week urging it to calm regulatory activities until after Commerce and Employment had finalised its review of the current system. He was surprised the OUR was pressing ahead with its plan to open up the postal market."


 [Advertising Age](#) has reported that "The magazine business may soon have a way to do more with Facebook than engage fans and promote its brands. Synapse, a Time Inc. division that sells subscriptions for many publishers, is

collaborating with Alvenda, a company that builds e-commerce applications, to introduce a system letting Facebook users buy print magazine subscriptions without leaving the site or even the Facebook news feed. The system, which Alvenda expects to make live in July or August, will also allow Facebook users to expand those blurbs of magazine content that are now common in the news feed into full articles, complete with advertising -- again without leaving the news feed, much less Facebook itself."


 According to the [Financial Times](#), "The Post Office has boosted the first-time buyer market with the launch of a number of best buy 90 per cent loan-to-value mortgages, available from tomorrow. The new range includes a best buy two-year fixed rate at 5.45 per cent and a five-year fix at 5.99 per cent. Both deals come with a fee of £999. The lender is also offering a three year fixed-rate at 5.99 per cent and a lifetime tracker at 5.49 per cent - bank base rate plus 4.99 per cent. Alongside the new 90 per cent loan-to-value range, the Post Office has launched a number of 85 per cent loan-to-value deals as well as a new fee free five-year fixed rate mortgage for existing homeowners who want to remortgage."


 [Business Times](#) has reported that "Pos Malaysia Bhd still has several catalyst to boost its share price, inspite of the ongoing issue of it possibly buying the remaining stake in troubled air-freight courier provider, Transmile Group Bhd. OSK Research, in its note today, said the national postal service firm would benefit from the unveiling of its strategic partnership that would take up the 32 per cent share owned by Khazanah Nasional Bhd, the government's investment arm."

 The [Atlanta Journal-Constitution](#) has noted that "Opeoluwa Adigun started stealing other people's identities even before she got to the United States, authorities said. While still in Nigeria, Adigun took the name of Mary Afolabi, another Nigerian citizen, before coming to America. Adigun used that to get a fake passport, Social Security card and become a U.S. citizen before launching on spree of identify thefts with another person. On Wednesday Adigun and Gabriel Onyekaba, 32, both of Marietta, were indicted before a federal magistrate on multiple charges of conspiracy and identity theft, the U.S. Attorney's office said. Adigun was also charged with immigration, Social Security, and passport fraud. Adigun is accused of using a fake name to take a job as a mail carrier in the Hiram Post Office, the U.S. Attorney's office said. She then started stealing personal information from more than 80 people along her mail route and, along with Onyekaba, used that information to open up bank accounts, obtain loans and get credit cards, the U.S. Attorney's office said."


 As [Dead Tree Edition](#) has noted, "A Congressional panel is slated to get an earful today from a publishing-industry expert about the U.S. Postal Service's "automation refugees" and inaccurate accounting of Periodicals-class costs. "It is likely . . . that Periodicals Mail fully covered its short-run attributable costs—the proper measure of attributable costs during periods of excess capacity—in 2009 and made a positive contribution to Postal Service finances," Jim O'Brien, Time Inc's vice president of distribution and postal affairs, says in a prepared statement for the House Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia."

 The [Times of Malta](#) has reported that "MaltaPost has reported a pre-tax profit of €1.86 million for the six months up to the end of March, down slightly from the profit of €1.92 million made in the same period last year. Profit after tax was €1.18m, from €1.14m in the previous year. The company said the general decreasing trend of the traditional mail market was continuing to be substituted by growth in international inbound mail as a result of e-shopping. It said that increasing local and international competition in the packets and parcel business meant that it had to strive for excellence in all its operations. The company said it intends to diversify the business into low-cost financial services and the provision of bespoke back office processes."


 From [Enhanced Online News](#): "Even with the advent of the Internet and online communications, research still suggests that more than 75 percent of marketers use direct mail strategies. The latest Blue Paper™ and Podcast from promotional products retailer 4imprint, entitled Direct Mail Marketing, explores why this tried-and-true strategy has made marketing efforts successful for many businesses and what benefits such strategies hold."

 The [Tundra Drums](#) has reported that "Four rural communities have been picked to become bypass mail hubs in a move that aviation industry leaders are calling odd. The recent announcement by the U.S. Postal Service made Savoonga a postal hub effective May 1 and named Chevak, Hooper Bay and Togiak as potential new mail hubs for

bypass mail. The change was announced in a special meeting with air carriers by the Postal Service on April 27 in Anchorage. According to the announcement, Savoonga will become a regional hub along with Nome in the Norton Sound, Seward Peninsula region. Gambell will now be serviced by the Savoonga hub instead of Nome. The move is part of an agenda to reduce the cost of delivering bypass mail, according to Steve Deaton, a mail network operations specialist with the Postal Service."

 Postal news from [Hellmail](#):


- [Posten Norden - Letter Volume Decline Continuing](#)
- [Latvian Post Drives Tree Planting Initiative](#)
- [Estonia Post Switches To Electronic Invoices](#)
- [Post Office Offers Mortgages](#)


 The [BBC](#) has reported that "Despite repeatedly promising spending cuts, Spanish Prime Minister Jose Luis Rodriguez Zapatero has always shied away from drastic reforms. This week, everything changed. Jose Luis Rodriguez Zapatero is no fan of unpopular policy announcements. The cuts announced on Wednesday are deep. Some are also deeply controversial - including a 5% cut in public sector pay, starting in June. Salaries will then be frozen for 2011. Spain's trade unions have expressed anger at the move, saying the government had promised not to touch wages in its bid to rein in spending. Postal worker Azucena had been out collecting signatures to protest against funding cuts to the postal service when she learned that her own wages would be falling. "We only earn 1,000 euros a month, so this cut will affect us a lot," she says. "We will really have to reduce our spending now. They put taxes up too, so it's a serious loss."


May 12, 2010



Announcing a new MTAC workgroup: [MTAC Work Group \(WG\) # 136](#). The Address Change Services (Traditional ACS, One Code ACS, and Full Service ACS) are important tools for complying with Move Update requirements as well as a best practice for address quality. In order to fully and effectively leverage these essential services, industry seeks to expand and enhance the data returned via ACS. Anyone interested in participating in this workgroup should contact: [Kai Fisher](#).

 The [Federal Times](#) has reported that "the U.S. Postal Service's top marketing executive, who is under investigation for awarding nearly \$5.9 million in controversial no-bid contracts to his former business associates, will resign June 4. Postal Service Inspector General David Williams is investigating Bernstock's role in steering millions of dollars in consultancy and website modernization contracts to people he worked with in the private sector. Federal Times reported in January that Bernstock had directed more than \$1.3 million in sole-source contracts to consultants Richard Sorota, Lynne Alvarez and Kimberly Wolfson. Bernstock had worked with all of them previously when he was an executive at Scotts Miracle-Gro, Vlastic and Nutrisystem."


 From the U.S. Postal Service National Customer Support Center: "The Postal Service will extend the support of the EMD function within the Confirm service until the enhanced "Start-the-Clock" capability is deployed. The Postal Service is developing the capability to provision "Start-the-Clock" information for workshare mailings. This capability exists for Full Service mailings today and will extend to non Full Service mailings as well. The Postal Service will provide sufficient advance notification on the details of this capability via the Federal Register Notice process to include the retirement date of the EMD function."

 Congressman Bill Owens planning to introduce legislation in the coming weeks to increase the Customs De Minimis level from \$200 to \$1000 that I thought you may find of interest. Please review the attached Dear Colleague and legislative text and let me know if our office can add your organization to a growing list of public supporters, which currently includes the Express Association of America (FedEx, UPS, DHL, TNT) and the American Association of Exporters and Importers. If you have any questions, please feel free to contact Adam Elias Legislative Assistant Congressman Bill Owens (NY-23) 2366 Rayburn House Office Building Ph: (202) 225.4611 Fax: (202) 226.0621



Press Release: "US Postal Service...NEW Developments & Insights: Risks & Opportunities to Your Business Find Out at the June 16th 90-Minute Briefing! If you're a publisher, catalog mailer, printer, fulfillment house, or logistics provider, this is a MUST ATTEND event. Hear the scoop about current and upcoming developments of the US Postal Service from industry

insiders in a single, hard hitting, 90 minute session. The session – FREE to members of IDEAlliance and P3 Network – provides an overview of the developments and insights discussed at the three-day IDEAlliance Print Distribution 2010 conference, held in early May. The US Postal Service changes will have significant impact on your business – both risks and opportunities. NOW is the time to become aware...and prepare!

 The [BBC](#) has reported that "Guernsey's basic postal services should be protected as competitors start operating in the island, the industry regulator has said. The Office of Utility Regulation is asking postal companies for their views on how to license the local market. It wants to set up a fund, paid by new entrants to the marketplace, which if needed would support Guernsey Post's obligation to provide basic services."



Here is some of the testimony that will be delivered at tomorrow's House postal oversight hearing on worksharing and mark-ups.


- Testimony of [John Waller](#), Director of Office of Accountability and Compliance on Behalf of the Postal Regulatory Commission.
- Testimony of [Maura Robinson](#), Vice President of Pricing, U.S. Postal Service.
- Testimony of [Lawrence Buc](#) in behalf of Magazine Publishers of America, the Direct Marketing Association, Parcel Shippers Association, the Alliance of Nonprofit Mailers, the National Postal Policy Council, the National Association of Presort Mailers, and the Association of Postal Commerce.
- Testimony of [William Burrus](#), President, American Postal Workers Union.
- Testimony of [James O'Brien](#), James O'Brien Vice President, Distribution and Postal Affairs, Time Inc.
- Testimony of [Michael Riley](#).
- Testimony of [Hamilton Davison](#), Executive Director, American Catalog Mailers Association.


A summary of the testimony at today's [House postal subcommittee hearing](#) has been posted on this site.





Press Release: Postmaster General announces leadership change: Bernstock to leave USPS in June. "Postmaster General John Potter today accepted the resignation of Robert F. Bernstock as president of Mailing and Shipping Services, effective June 4. Bernstock will pursue opportunities in the private sector." See also the [Washington Post](#).


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


 Due to its savings policy Deutsche Post was able to increase its profit significantly on rising turnover in the first quarter 2010. CEO Frank Appel stressed that Deutsche Post group has broadly improved its performance. This is proven by the result.


 Correos plunged into the red last year. Last Friday the Spanish postal service reported a 4.8% decrease in turnover (2.19bn euros) and a negative after tax result of 2m euros. These results were a direct consequence of the economic crisis and an acceleration of electronic substitution, according to Correos.

 Saudi Post hopes for additional business by launching an electronic marketplace.

 Deutsche Post has started brokering subscriptions for so called e-papers. The website 'Leserservice-ekiosk.de' lists digital editions of German and international newspapers and magazines. Visitors are redirected by links to the publishers webpages or directly to the chosen e-paper.


 Apparently several bidders are interested in taking over Croatian parcel service CityEx doo.


 Siemens has received an order from China Post to equip the new Nanjing China Post Air Express and Logistics Hub.


 Around one third of Japan Post's nonregular employees will receive permanent employment contracts in connection with the already announced restructuring.





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.)*


 [Fox30 WAWS](#) has reported that " Food collected for charities in the mail carriers annual food drive has passed a billion pounds. The National Association of Letter Carriers said results from just over 400 union branches across the country show last Saturday's "Stamp Out Hunger" drive collected 19.7 million pounds of food for donation to local food banks. That means that in the 18 years it has been operating the mail carriers have collected more than 1 billion pounds of food. And nearly 1,000 locals have yet to report on this year's collection."


 [Rediff](#) has reported that "The post office management is now getting bolder by the day and big brothers in the government have given it permission to spend Rs 2,000 crore (Rs 20 billion) in the next two years to bring in an IT revolution. All post offices will be linked, a core banking solution will be installed and pre-paid cards will be introduced with which you will be able to send money from anywhere to any post office through your cellular phone. All that the person at the other end will have to do to get instant credit is have a savings bank account with his post office. For that last leg of the operation to be completed, the post office's savings bank operations will have to be transformed. That can happen in only one way - by converting the financial services operations of the postal department into a proper bank, giving it a banking licence."

 The [Mainichi Daily News](#) has reported that "A rift has emerged between Foreign Minister Katsuya Okada and Minister of State for Financial Services and Postal Reform Shizuka Kamei over the planned postal reform legislation. Kamei harshly criticized the Foreign Ministry by describing it as "an outpost of the U.S. Department of State" during a press conference on Tuesday, following a request by the ministry to amend the postal reform bill.

 [Post & Parcel](#) has reported that "Continued cost reductions stabilised Posten Norden's operating earnings despite continued poor demand, the company said upon releasing its Q1 2010 results."


 From [openPR](#): "National postal administration service to provide a managed customer management and billing platform to municipalities across Portugal."


 [Intelisent](#) has told its readers: "I am very frustrated with the USPS and a serious lack of customer service and attention. I have been working diligently behind the scenes, going through all the proper USPS channels in order to try and compromise and resolve the EMD dilemma. The dilemma is that the USPS keep trying to eliminate EMD, a process that works for Confirm customers, one that Confirm customers have invested in and utilize in mail tracking, and one that current Confirm subscribers have already paid for. There is no reason being given (actually, there are about a dozen reasons the USPS has given, all refuted) aside from "because we said so" type-reasoning. EMD was scheduled to be "replaced" by the USPS in May of 2009. No replacement was available at that cut off date, so after intense pressure from the Confirm customers, EMD was given a reprieve until November 2009. This was extended again, when no alternative was presented. Last official notice from the USPS Confirm department came out in March, 2010, at which time EMD was extended through May 14, 2010. No communication has come from the Confirm department since."

 [Hellmail](#) has reported that "Deutsche Post DHL has announced that whilst it had seen an increase in revenues for the first quarter of 2010 with respect to its freight and express divisions, traditional mail saw little change from 2009, an area which was continuing to see increased substitution with electronic media."

 **From the Federal Register:** Docket No. CP2010-47. "The Commission is noticing a recently-filed

Postal Service request to add a Global Direct Contracts 1 (MC2010-17) negotiated service agreement to the Competitive Product List. This notice addresses procedural steps associated with the filing."

 From [Business Wire](#): "FedEx Office (formerly FedEx Kinko's), an operating company of FedEx Corp., has announced the selection of Kim Dixon as executive vice president and chief operating officer (COO), effective June 1, 2010. In this role, Dixon will lead and oversee the company's global retail and print operations."



 [The agenda for the May 18-20 meeting](#) of the Postmaster General's Mailers Technical Advisory Committee has been posted on this site.


 Be sure to check out the program on the [Southern California Public Radio web site](#) on the Postal Service. Guests:


- Don Smeraldi, spokesperson from the Postal Service
- Ruth Goldway, Chairwoman of the Postal Regulatory Commission
- A. Lee Fritschler, Professor of Public Policy at George Mason University; he served as the Chairman of the U.S. Postal Rate Commission from 1979-1981 and recently published a "Study of Universal Postal Service and the Postal Monopoly"


 **At the Postal Regulatory Commission:** The USPS' preliminary unaudited financial information has been posted on the [PRC web site](#).


May 11, 2010

  From [Business Wire](#): "UPS and P&T Express have established UPS Vietnam as a joint stock company to expand UPS's footprint and better serve customers in Vietnam. Through the joint stock company, UPS will invest in new facilities in key commercial and industrial centers across Vietnam to widen access to growing intra-Asian capability and connect to the global UPS network. UPS will extend its express pickup and delivery service to 63 provinces in Vietnam and offer later pick-up and cut-off times."


 [Yahoo! Finance](#) has reported that "Pitney Bowes Inc. is planning for growth by emphasizing focused strategic approaches to its two main customer segments. For small and medium-size organizations, which are primarily users of Pitney Bowes's core mailing products, Pitney Bowes is investing in new web-based services to complement existing equipment-based offerings. And for larger enterprises, Pitney Bowes is creating higher-value offerings beyond its core mailing business in areas such as secure transactions, customer communications management, and records and information management."


 **At the Postal Regulatory Commission:** The [transcript for the pre-hearing conference in the Five Day Delivery](#) Docket (N2010-1) is now posted on the Postal Regulatory Commission web site.


 According to the [Wall Street Journal](#), "Shares of mail and logistics giant Deutsche Post AG soared Tuesday after it reported first-quarter sales and earnings that were well above market expectations and confirmed its 2010 outlook. It now expects 2010 adjusted earnings before interest and tax at the upper end of the EUR1.6 billion and EUR1.9 billion range. In 2009, the company's adjusted EBIT was EUR1.5 billion. The company still expects higher sales in 2010 and net profit to rise in step with its operating business and repeated the positive trend is likely to continue in 2011. Deutsche Post, which competes with the likes of TNT NV (00906.AE), FedEx Corp. (FDX) and United Parcel Service Inc. (UPS), expects adjusted EBIT in the mail division to reach between EUR1 billion and EUR1.2 billion and for DHL between EUR1 billion and EUR1.1 billion." See also [Bloomberg](#), the [Journal of Commerce](#), and the [Financial Times](#).

 The [Las Vegas Review-Journal](#) has reported that "Strong dismay over a proposal to eliminate Saturday mail services nationwide was evident during a public hearing Monday held by the Postal Regulatory Commission.

Business owners, community members, letter carriers and postal executives pleaded their cases at Las Vegas City Hall about a five-day postal week to the commission, which oversees the U.S. Postal Service."


 The [Jewish Journal](#) has reported that "The Canadian Union of Postal Workers is refusing to put its stamp of approval on the first-ever postage stamp issued jointly by Canada and Israel."


 The [Postal Journal](#) has posted a piece on the "Framework for Considering the Social Value of Postal Services."

 [Press Release](#): "The U.S. Postal Service released its 2009 annual report on sustainability performance in which Postmaster General John E. Potter credited postal employees for the agency's environmental achievements."



This week, the U.S. Postal Service Office of Inspector General (USPS OIG) launched an Audit Projects section on its website at www.uspsoig.gov/audit_project.cfm. This new section (and new concept) allows visitors to collaborate and share information with USPS OIG auditors while an audit is ongoing. The purpose is to provide an outlet for additional information and resources and to allow interested parties to add value to audits. Visitors are invited to post comments and documents regarding these audits.

 The [Columbo Page](#) has reported that "Sri Lanka Minister of Posts Jeewan Kumaratunga says that all the post offices in the country will be networked and equipped with modern facilities in order to provide a better service to the people. Under the programme, the post offices will be equipped with computers, internet, fax, wire lines and wireless access, the Minister said. The Ministry hopes to obtain new vehicles to deliver mail. Primary focus will be the rural areas under the upgrading of the post offices, the Minister said."


 [The National](#) has reported that "The battle over a law to privatise some state services and industries began to heat up on Sunday with talk of strikes at a protest held before the bill's second reading in parliament."

May 10, 2010



A new has been report posted today on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov/>). If you have additional questions concerning the report, please contact Agapi Doulaveris at 703.248.2286.


- [Capital Metro Area: Delivery Barcode Sorters Equipment Utilization \(Report Number DA-AR-10-002\)](#). Declining mail volumes resulted in decreased utilization of Delivery Barcode Sorters (DBCS) machines in the Capital Metro Area. While mail volumes decline, plants routinely staff and operate DBCS machines unnecessarily using traditional standard approaches. We determined that the Capital Metro Area could have deactivated 55 and 72 DBCS machines during FYs 2008 and 2009, respectively, and still meet service requirements. Deactivating excess DBCS machines would have saved the Capital Metro Area \$3.1 million in mail processing costs and \$6.6 million in maintenance costs during FYs 2008 and 2009.


 From [Marketwire](#): "TeleNav and Sendum today announced the availability of the Sendum PT200 tracking device for Sprint wireless enterprise customers using the TeleNav Asset Tracker platform. The device provides highly accurate location information allowing TeleNav Asset Tracker users to monitor the real-time location of assets, such as high-value packages, cargo or equipment, using a secure, Web-based portal. The combination of Sendum's PT200 tracking hardware with the TeleNav Asset Tracker platform helps organizations involved in shipping, distribution, transportation, law enforcement, equipment leasing or government operations improve the speed and accuracy with which they locate and dispatch equipment and assets."





The latest blog entry has been posted on the U.S. Postal Service Office of Inspector General's Internet site "[Pushing the Envelope](#)." The public, mailers,

postal employees, and other stakeholders are invited to weigh in on the online discussions taking place. To view the site, visit <http://blog.uspsoidg.gov/>. **Can Letter Processing Get Even Better?** The OIG benchmarked operations at Postal Service processing and distribution centers with commercial presort mailers to identify best practices in First-Class Mail processing. What do you think would most improve the Postal Service's processing of First-Class Mail?

 **Smart Money** has reported that "The UPS Board of Directors today declared a regular quarterly dividend of \$0.47 per share on all outstanding Class A and Class B shares. The dividend is payable June 2, 2010, to shareholders of record on May 17, 2010." [EdNote: The USPS Board of Governors has declared a quarterly deficit. Its customers will be expected to pay larger than inflation postal price increases in January 2011. Hmmm. Which board do you think really knows how to run a business?]

 **Domain-b** has reported that "The country's postal department, India Post and the Unique Identification Authority of India (UIDAI) have reached an agreement for the delivery of UID numbers to the citizens, according to a release by the ministry of communications and information technology on Saturday."


 The **Washington Post** has reported that "The man who wants to end Saturday mail delivery is pressed for time. The way Postmaster General John E. Potter sees it, he has less than six months to convince Congress and the nation of the urgent need to retool the U.S. Postal Service for the 21st century. By fall, the Postal Service won't have enough money to make payroll, Potter predicts. But big customers, regulators, lawmakers and organized labor still have to be won over."

 **Japan Today** has reported that "the Japan Post group will award regular worker status to some 65,000 of 200,000 nonregular employees, possibly in November, the president of Japan Post Holdings Co says. The move is aimed at helping to stabilize employment in line with a bill to scale back the planned privatization of state-backed postal services, Jiro Saito said at a press conference."



[Now hear this: "This Week In Postal".....A new kind of postal podcast. Check it out!](#) [Link fixed.]

May 9, 2010

 The **Postal Journal** has posted a piece on the "Framework for Considering the Social Value of Postal Services."



Event: "'The Price Is Right, Or Is It?' An Examination Of USPS Workshare Discounts And Products That Do Not Cover Their Costs'


[Federal Workforce, Postal Service and the District of Columbia Subcommittee](#)


Date: Wednesday, May 12, 2010 At 02:00 PM

On Wednesday, May 12, 2010, the Federal Workforce, Postal Service and the District of Columbia Subcommittee will hold a hearing entitled, "The Price is Right, or is it? An Examination of USPS Workshare Discounts and Products that Do Not Cover Their Costs."


The hearing will take place at 2:00 p.m. in room 2154 Rayburn House Office Building.

[Connect to the Live Webcast](#)


 The **Las Vegas Review-Journal** has reported that "The Postal Regulatory Commission is holding a public hearing Monday to discuss a proposal that would end Saturday mail delivery. The meeting will be from 1 to 4 p.m. at City Hall, 400 Stewart Ave. It is the first of seven hearings nationwide."


 [Hellmail](#) has reported that "Spanish postal operator Correos said last week that a strict cost control regime had helped it contain the effects of a 9.6% drop in mail traffic, resulting in a 4.5% drop in turnover compared to 2008 and end of year loss of 2.0 million after tax."

May 8, 2010

 [Women in Logistics and Delivery Services](#), a professional organization for women in the postal, delivery and logistics industries, welcomes Cathie Black, president of Hearst Magazines, as the speaker at its upcoming luncheon event, sponsored by the Magazine Publishers of America, Newgistics and Worldcolor Logistics. The luncheon is set for Thursday, May 20, at the National Press Club. Ms. Black, author of the best-selling book "Basic Black: The Essential Guide for Getting Ahead at Work (and in Life)," will speak on the topic "The Future of Magazines in a Digital Age." WILDS members and non-members are welcome. (\$35 for members and \$45 for non-members.) Please RSVP to Kathryn Kobe, kathryn.kobe@economic-consulting.com. Payment must be received by May 17."

May 7, 2010


 [Dead Tree Edition](#) has reported that "The U.S. Postal Service announced yesterday that it is putting Flats Sequencing System into five new locations but has still not revealed whether the machines work as intended. Various sources report that the machines have still not met the standards specified in the contract with the manufacturer."

 [The Japan Times](#) has reported that "The president of Japan Post Holdings Co. tried Friday to allay bankers' fears about postal reforms, saying that doubling the deposit cap on postal savings accounts and the benefits paid out by Kampo insurance policies were unlikely to affect their profits."



According to [MySmartTrend](#), "United Parcel Service has the Highest Gross Margin in the Air Freight & Logistics Industry."

May 7, 2010

 [POST-EXPO 2010](#) will be held in Copenhagen, Denmark October 6-8, 2010, and will host over 200 exhibitors and the very latest in new technology and innovation. In a time of increased challenge and development for the industry, POST-EXPO provides the platform for postal companies from across the globe to see the new trends, developments and ideas that will shape the future of the postal sector. POST-EXPO offers visitors, conference delegates and exhibitors an important forum to do business, network with industry colleagues and seek out new opportunities within the international postal industry.



From FedBizOps: The [Postal Regulatory Commission](#) (PRC or Commission) is an independent establishment of the executive branch of the federal government with regulatory oversight over the United States Postal Service (USPS or Postal Service). It is composed of five Commissioners supported by staff from its four operating offices, one of which is the Office of Accountability and Compliance (OAC). OAC is responsible for technical analysis and formulation of policy recommendations for the Commission in both domestic and international matters.

The PRC is seeking research proposals to quantify the social value of postal services. Areas of interest include, but are not limited to, the impact (costs and/or benefits) of the community presence of the Postal Service (post offices, daily delivery to homes, its (competitive) products, etc.) on:

- Community security and public safety impacts of the presence of USPS personnel (i.e., carriers, post offices).
- The benefits in terms of real estate values, increased business, etc. of being located near a post office.

- The role of lower priced postal products, e.g. competitive parcels or expedited services, in keeping the price of these services, including those of competitors, affordable.
- The value of the national street address and ZIP code system to emergency workers, businesses, utilities, researchers, and government.
- Environmental impact of mail delivery.
- Economic impact of providing middle-class jobs in the community.
- Value of providing affordable advertising and fulfillment options to small businesses.
- Civic pride and federal government presence.
 - Linking remote communities commercially and socially with the rest of the Nation.

 **At the Postal Regulatory Commission: Docket No. PI2010-3**

On March 2, 2010, Postmaster General John E. Potter outlined elements of a business plan designed to close a projected gap between Postal Service revenues and costs.¹ Included in the plan was a reference to a possible "modest exigent rate increase" to be effective in 2011. *Id.* The term "exigent rate increase" is commonly used to refer to rate adjustments that are due to extraordinary or exceptional circumstances. Such rate adjustments are expressly authorized by 39 U.S.C. 3622(d)(1)(E).

Following the issuance of the Postal Accountability and Enhancement Act (PAEA), Pub. L. 109-435, 120 Stat. 3218 (2006), the Commission adopted new rules that establish procedures for handling exigent rate cases. Docket No. RM2007-1, October 29, 2007 (Order No. 43). Those new rules (Exigent Rate Case Rules) are contained in subpart E of part 3010 of the Commission's regulations. 39 CFR part 3010, subpart E.

If filed, the potential exigent rate case referred to by the Postmaster General would be the first exigent rate case received by the Commission since passage of the PAEA. While the Commission is confident that its Exigent Rate Case Rules will provide an effective procedural framework for consideration of the currently anticipated case, the Commission believes that it would be prudent to give all interested parties an opportunity to explore and discuss procedural considerations unique to exigent rate cases before the Postal Service files such a case. This belief is grounded in part on the fact that section 3622(d)(1)(E) requires the Commission to issue a decision within 90 days after the Postal Service's filing. Advance consideration of the unique procedural aspects of the proposed exigent rate case may permit early identification of solutions to any potential issues that might otherwise complicate fair and meaningful participation by interested persons.

In light of the foregoing considerations, a technical conference is scheduled for June 16, 2010, beginning at 10:00 a.m. in the Commission's hearing room. The purpose of the conference is to give interested persons the opportunity to discuss procedures for managing the Postal Service's currently anticipated exigent rate case. The proceedings will be transcribed, and a copy of the transcript will be posted on the Commission's website. Further procedures are under consideration and may be announced by further public notice. Finally, the Commission invites interested persons to file proposed topics for discussion at the conference not later than June 9, 2010.

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

- The Association for Postal Commerce has submitted testimony to the Senate Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security (aka "postal subcommittee"). The testimony was prepared in PostCom's behalf by the chairman of its Postal Policy Committee (and former Board chairman), Vincent Giuliano.
- The Board of Governors of the U.S. Postal Service (USPS) met earlier this week for its regularly scheduled monthly meeting. The Governors got an update on USPS finances through quarter two of fiscal year 2010

by Chief Financial Officer Joseph Corbett. The Governors also heard presentations by the USPS' OIG and Consumer Advocate.


- Postal officials speaking earlier this week at the IDEAlliance Print Distribution conference in Clearwater, FL, confirmed that the USPS plans to file for an exigent price increase to take effect in early January 2011.
- USPS senior vice president of customer relations Steve Kearney earlier this week at the IDEAlliance Print Distribution conference presented an abbreviated version of the Postal Service's 10-year plan, which the USPS first presented in early March 2010, and again shared with industry at the National Postal Forum. "Over 100 editorials have been written about our plan," he told the IDEAlliance crowd, "with most favorable to our point of view."
- Postal Regulatory Commission (PRC) Chair Ruth Goldway told attendees of the IDEAlliance conference that the USPS is presenting dire forecasts to scare Congress into allowing the USPS to do the things it has wanted to do for years, such as moving to 5-day delivery, closing retail services and consolidating its network. She urged the IDEAlliance crowd to focus on more positive things like new product development ideas and going back to basics on initiatives such as IMb and FSS. "Panic is not the way to go," she said of the USPS' 10-year plan.
- USPS senior vice president of Intelligent Mail and Address Quality Tom Day today told attendees of the IDEAlliance print distribution conference that the USPS is in the process of building an analytic system which will allow USPS operations to view and drill down into Intelligent Mail Full-Service data to monitor and improve service. The USPS also plans to offer customers access to a modified version of the system which will allow them to view and drill down into their own Full-Service data. Day said the USPS still is deciding how to market the customer access, whether it would be embedded as part of some service offers, or an add-on with a fee associated with it.
- USPS senior vice president of Intelligent Mail and Address Quality Tom Day earlier this week at the IDEAlliance conference announced that the USPS plans to pursue its plans toward implementing a Seamless Acceptance process. He said the USPS is in the process of developing a long-term vision and plans to work closely with its customers on how to implement the program in reasonable phases.
- The Postal Service and industry spent time at the IDEAlliance conference reporting on the current status of Intelligent Mail barcode (IMb) implementation. Looking back a year ago, while some progress has been made, both the USPS and industry panelists agreed, there still are a host of IMb challenges to be resolved.
- USPS senior vice president of intelligent mail and address quality Tom Day once again took the opportunity to remind business customers and service providers that the USPS in May 2011 will retire the POSTNET barcode for automation prices and the PLANET barcode for Confirm. As of May 16, 2011, Day said, Intelligent Mail barcodes will be required for those purposes.
- The U. S. Postal Service today announced that "[i]n response to the continuing decline in flats volume, the Postal Service has revised its deployment of flat sequencing system (FSS) equipment." According to the USPS, the latest plan now calls for a redirect of five additional machines to new sites, including P&DCs in Brooklyn NY, San Francisco CA, Dallas TX, Pittsburgh PA L&DC the FSS Annex in Cleveland, OH. The revised overall deployment plan still calls for 100 FSS machines, now situated at 47 locations versus the 42 locations last indicated by the USPS in its deployment plans.
- According to the Courier, Express, and Postal Observer, "one of the benefits of the 6-day to 5-day proceeding is that it provides an enormous amount of data relevant for trying to understand the Postal Service's strategy to control costs. A recent response by the Postal Service to an interrogatory by Douglas Carlson provides the first nationwide picture of the Postal Service's effort to consolidate sortation on Saturday among fewer facilities."
- Dead Tree Edition has asked its readers: "If FedEx and UPS are so much more efficient than the U.S. Postal Service, how did the USPS manage to beat its private rivals for an exclusive deal with the nation's toughest customer?"
- Rag Content comments on why the Postal Regulatory Commission's five-day proposal schedule is right for the mailing community.
- USPS faces OSHA fines. The more things change . . . the more they remain the same. APWU Prez decries USPS action plan. FedEx--a trusted brand. IMb . . . enough already. IDEAlliance recognizes Galaher and Bryan. Bill of lading issues heats up. PRC posts USPS service performance reports.
- An update on DMM advisory notices published by the Postal Service.
- An update on postal rules and notices published in the Federal Register.
- An update on proceedings and dockets over at the Postal Regulatory Commission.

- A review of recent reports released by the U.S. Postal Service's Office of the 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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 [Wired News](#) has reported that "Amidst the hoopla of the Shanghai World Expo, a little car left on a big journey to Paris running solely on electricity. The Venturi Global Challenge: Shanghai to Paris is a 8,330-mile drive through eight countries in a Citroen Berlingo electrified by Venturi. They're the same folks behind the Fetish electric car. The Berlingo is identical to the EVs headed for La Poste, the French postal service though it has extra batteries to boost its range to 250 miles."

At the Postal Regulatory Commission:

- May 2010 Monthly PRC Public Meeting audio file: http://www.prc.gov/prc-docs/home/whatsnew/Monthly_Meeting_05052010_933.mp3
- Witness List for Sacramento Field Hearing in Docket N2010-1 (Five Day Mail Delivery Proposal) http://www.prc.gov/prc-docs/home/whatsnew/Sacramento%20Witness%20List_934.pdf

 The latest copy of the [National Association of Postmasters of the U.S.](#) electronic governmental affairs newsletter is available on the NAPUS web site.


DMM Advisory: Intelligent Mail Services Update.

- PostalOne!® Release 24.1.0 will deploy on May 23, 2010. This release will address anomalies listed on the [PostalOne! Issues List](#) available on [RIBBS®>Intelligent Mail>Services>Latest News](#), under "Important Links." This release will revise the spoilage functionality for electronic documentation (eDoc) users and improve the Full-Service Data Quality and Verification Reports. Details on this release are available in the [Release Notes](#) on [RIBBS>Intelligent Mail Services>Latest News](#).
- Mail.dat® Client Application: As a reminder, the above release requires that mailers download the Mail.dat client application. The latest Mail.dat application is available for download from the Electronic Data Exchange page, accessible from the [Business Customer Gateway](#).
- FAST® Release 14.2.0 will deploy on May 23, 2010. FAST on-line drop ship customers will now be able to manage the logistics and content information for a recurring appointment shell. On-line drop ship and Origin Entry users will be able to create Origin Entry one-time appointments. For customers utilizing FAST Web Services, there are updates to delivery appointment, delivery content, and query messages for Mail.XML™ 8.0B and 6.0. Details are available in the [FAST Release Notes](#) on [RIBBS>Site Index A-Z>FAST/Surface Visibility>Important Links](#).

Assistance: If you have any questions or problems accessing the [Business Customer Gateway](#), your accounts, or submitting electronic documentation, please call the PostalOne! Help Desk at: 1-800-522-9085. The PostalOne! Help Desk is accessible from Canada at no charge.



At the Postal Regulatory Commission: The Commission is noticing a recently-filed Postal Service filing to [add new Global Expedited Packages Services](#) 2 products to the Competitive Product List. This notice addresses procedural steps associated with the filing. Comments are due: May 10, 2010.

 Postal news from [Hellmail](#):

 [Zumbox Paperless Mail Offers Licence To Global Postal Operators](#)

 [Estonia Post Launches User Friendly Web Site](#)

 [Swiss Post - Ash Cloud No Longer Affecting International Postal Operations](#)


 [Portuguese CTT Reveals Green Credentials Ahead Of Full Market Opening](#)





The [Houston Business Journal](#) has reported that "Gov. Rick Perry, Sen. Tommy Williams (R-TX) and Rep. John Otto (R-TX) are in Stafford Thursday to help welcome 25 hybrid electric vehicles to the United Parcel Service Inc. distribution facility there. The new vehicles are the latest in the expansion of the Atlanta-based company's alternative fuels vehicle fleet expansion, and part of a rollout of 200 new HEVs deployed in seven other U.S. cities: Austin; Chicago, Long Island, Louisville, Minneapolis, Philadelphia and Washington, D.C."

May 6, 2010

*The Association for Postal Commerce will be giving its highest honor
The J. Edward Day Award to the **National Association of Letter Carriers**
for its outstanding contribution to the nation through its annual food drive for the hungry.
The Award will be conveyed at the PostCom Board's upcoming meeting and Reception on
June 8, 2010.
Congratulations NALC and thank you in behalf of a grateful nation.*


 According to the [Phoenix Business Journal](#), "It's time for the Postal Service to take control over what it can, and make the kinds of changes countless businesses have been forced to make as their technology becomes outdated. After a period of pain, it's likely a stronger and more sensible USPS will flourish -- even in the digital age."


 As [Convenience Store News](#) has noted, "The U.S. Postal Service (USPS) earlier this week published a Notice of Proposed Rule to implement the provisions of the PACT Act, which prohibits the mailing of cigarettes, roll-your-own tobacco and smokeless tobacco, according to a report by the National Association of Tobacco Outlets (NATO). USPS will attempt to publish a final rule effective June 29, 2010, which covers the general non-mailability provisions of the PACT Act. The proposed rule states that cigarettes, roll-your-own tobacco and smokeless tobacco cannot be mailed in the continental United States, and any of these tobacco products deposited into the mail are subject to seizure and forfeiture, while the sender is subject to criminal fines, imprisonment and civil penalties. Cigars can continue to be mailed. However, there is an exception to allow these tobacco products to be mailed within the states of Alaska and Hawaii."


 The [American Postal Workers Union](#) has told its members that "Five days after the Occupational Safety and Health Administration (OSHA) issued citations and fines of more than a half-million dollars to the Postal Service for safety hazards in Providence, RI, the agency charged the USPS in Denver with similar violations. The Postal Service willfully exposed workers to serious and potentially fatal hazards, including shock and electrocution, at the Denver BMC, OSHA said. The agency issued additional fines of \$217,000. The safety violations [PDF] in Denver mirror the hazards found at the Providence facility, and support APWU claims regarding the Postal Service's failure to adhere to OSHA electrical safety standards."


At the Postal Regulatory Commission:

- The Postal Regulatory Commission has posted on its site the Postal Service's [Mailing Services Performance Results](#).
- The Postal Regulatory Commission has posted on its site an .mp3 recording (podcast) of the [Gamefly pre-hearing conference](#).
- Also posted is the [schedule of witnesses](#) that will participate at the Postal Regulatory Commission hearing to consider the USPS 6-day to 5-day delivery initiative in Las Vegas, Nevada on May 10, 2010

 During 2009, the worst recession seen in years, the economy and legislative pressure caused issuers to dramatically pull back on offers, and annual mail volume dropped to its lowest levels since 1993. However, during Q1 2010 US households received 481.3 million credit card offers, a 29% increase versus the 372.4 million offers mailed during the same time a year ago, according to [Synovate Mail Monitor](#), the direct mail tracking service from global market research firm Synovate.


 According to [Reuters](#), "Japan Post Holdings Co has decided to restructure a group of affiliated firms by turning some into subsidiaries and liquidating others deemed "superfluous."


 The list of witnesses for the May 12 House postal subcommittee hearing on worksharing cost avoidances and prices versus costs will include: United States Postal Service, Postal Regulatory Commission, American Postal Worker's Union, American Catalog Mailers Association, Larry Buc, SLS Consulting, Jim O'Brien, Time Inc. (Magazine Publishers Association), and Michael Riley, University of Maryland (*the former USPS CFO who has consulted with APWU on the "evils" of mailer worksharing.*)


 *In case you missed it, you can still see the video from yesterday's [Senate Rules Committee](#) hearing on voting by mail. You also can read the letter filed personally by Postal Regulatory Commission Chairman [Ruth Goldway](#), which has been posted on the PRC web site.*


 **DMM Advisory: Two New Federal Register Proposed Rules On Postal Explorer.** We have posted two new Federal Register proposed rules on the Postal Explorer® website at pe.usps.com.

- **Express Mail Next Day Delivery Postage Refund Amendment.** This Express Mail® notice proposes to remove the overnight guarantee postage payment during the timeframe of December 22 through December 25 of each year. This is consistent with industry standards. Comments are encouraged on or before June 1, 2010.
- **Treatment of Cigarettes and Smokeless Tobacco as Nonmailable Matter.** This proposed rule notice pertains to the mailing of tobacco cigarettes and smokeless tobacco, and follows the specific requirements of the Prevent All Tobacco Cigarettes Trafficking (PACT) Act, which restricts the mailability of these products. Comments must be received on or before May 17, 2010.


 According to [Rag Content](#), the Washington Post has reported that the Postal Service was angered by the announced schedule that would be used by the Postal Regulatory Commission to review its proposal to reduce mail service from six days to five. "Although it is a lengthy schedule (with the docket being left open until October 12), the Commission is allowing all interested parties a chance to speak for or against the proposal. Even though the Postal Service has pointed out numerous times that the general public is "for" moving from six-day to five-day delivery, much has changed since this survey was conducted and the circumstances in which the questions were posed."


 [U.S. Sen. Sherrod Brown \(D-OH\)](#) wrote to the U.S. Postal Service (USPS) to urge them to reverse a decision to close the Mail Transport Equipment Service Center (MTESC) in Jeffersonville.

 [Business Week](#) has reported that " The U.S. Postal Service, which has said it may lose \$7 billion this year, narrowed its fiscal second quarter loss to \$1.6 billion. The net loss in the quarter ended March 31 shrank from \$1.9 billion a year earlier, the agency said today in Washington. Mail volume dropped 6.3 percent in the past six months, Chief Financial Officer Joseph Corbett said at the Postal Service's board meeting. The Postal Service, which cut work hours 7.5 percent in the period, has asked Congress for permission to cut Saturday delivery to save money, a proposal being reviewed by the Postal Regulatory Commission. "We cannot sustain those losses," Postmaster General John Potter said at the meeting. "The Postal Service will run out of money next year unless there is legislative change."

 As the [Washington Post](#) has noted, "The annual Stamp Out Hunger drive by the nation's mail carriers will be held Saturday. Letter carriers collect nonperishable food donations from the public as they walk their routes, and the

items are donated to local food banks. Last year the collection totaled a record 73.4 million pounds of food, according to the National Association of Letter Carriers and the U.S. Postal Service."

 **MENA-FN** has reported that "Saudi Post intends to launch an electronic market within a few weeks, said Muhammad Saleh Bantan, chairman of the organization. "This is an important initiative by Saudi Post in order to spread e-commerce applications in the country." Speaking at an international conference in Abu Dhabi, Bantan said the electronic market would feature a number of leading supermarkets in the Kingdom, adding that it would help them reach their clients easily. The e-market will also promote crafts by Saudis and expatriates locally, before targeting overseas markets. Majed Anzan, director of postal operations and supervisor of the e-market, reported a substantial increase in electronic trade in the Kingdom."


 **The CHICOer** has told its readers that "The Postal Service lost \$6 billion last year. It stands to reason that expenses must be cut. We dislike seeing jobs leave the area, but we dislike seeing taxpayer dollars wasted just as much. The plan is to close the Marysville center in October, and move the processing job to West Sacramento, about 50 miles down the road. It's kind of a no-brainer. Two similar plants, doing the work one can handle, just an hour apart. Closing one is exactly the kind of action we'd expect the Postal Service to take to get its budget in line. It was \$6 billion in the red last year. That's a lot of stamps — a lot of more expensive stamps — without cost reductions. We wish Herger and McClintock would drop the chance to beat their chests, and instead save us the money this new study would cost."




Two reports have been posted today on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov/>). [If you have additional questions concerning the report, please contact Agapi Doulaveris at](#)

[703.248.2286](tel:703.248.2286).

- [Certification and Accreditation Process \(Report Number IS-AR-10-008\)](#)
- [Des Moines Network Distribution Center Congressional Request \(Report Number EN-MA-10-003\)](#).
The results of our review do not support the claims of mismanagement asserted in the complainant's letter. Approximately 6 percent of the employees at the Des Moines NDC were on disability or light-duty status at some time during fiscal year (FY) 2010, which was slightly higher than the Hawkeye District average of 5.2 percent, and appeared reasonable. Facility personnel properly used television monitors in authorized locations and management's disposal of parcel sorting equipment appeared reasonable, based on various processing enhancement initiatives from FY 2005 to FY 2009. However, management did not complete required paperwork when disposing of sorting equipment components. As a result, mail processing equipment (MPE) with a replacement cost of \$3 million may be at risk of loss due to inadequate internal controls.


 From **Business Wire**: "FedEx Office (formerly FedEx Kinko's), an operating company of FedEx Corp., has released the results of its third annual Signs of the Times national small business survey, just ahead of National Small Business Week. The study found that small business owners are eager to lead the charge out of the country's protracted recession -- with almost three-quarters (72 percent) saying they will be the driving force behind the U.S. economic recovery in 2010. In fact, 51 percent of the small business owners polled say their businesses have already or will fully recover by the end of this year."


 **Taiwan News** has reported that "FedEx Express, one of the world's largest express delivery companies, and Chunghwa Post, Taiwan's official postal service, announced their commercial alliance yesterday on FedEx International Priority service, which is now provided at 53 major post offices and will extend to 1,000 Chunghwa Post outlets starting July. "This alliance allows us to serve customers in more than 95% of postal delivery zones in Taiwan," said Masamichi Ujiie, Regional Vice President of FedEx Express, North Pacific."


May 5, 2010


At the Postal Regulatory Commission:


- [Docket No. SS2010-1](#). "Pursuant to a request from the Postal Service, the Commission has procured actuarial consulting services to review and provide a report as provided for by section 802(c) of the Postal Accountability and Enhancement Act (PAEA), Pub. L. No. 109-435, 120 Stat. 3250 (2006), not codified; see 5 U.S.C. 8348 note.1 The Segal Company (Eastern States) is engaged by contract executed May 3, 2010, to review and report to the Commission on the fairness and equity of the method used by the Office of Personnel Management to determine the Postal Service's share of Civil Service Retirement System liabilities and matters raised in a recent report of the Postal Service's Office of the Inspector General, The Postal Service's Share of CSRS Pension Responsibility, January 20, 2010."
- [Docket No. MT2010-1](#). "On March 29, 2010, the Postal Service filed notice with the Commission of a proposed market test of an experimental competitive product, Samples Co-Op Box, under 39 U.S.C. 3641.1 In Order No. 434, the Commission noticed the filing and gave interested persons the opportunity to submit comments on whether the Postal Service's filing is consistent with the policies of 39 U.S.C. 3641.2 The Commission finds that the market test meets the requirements of section 3641."

 One writer for [Mailing Systems Technology](#) has said that he has "grown weary of reading articles and news items about the benefits and the successes of intelligent mail barcodes. In almost every piece about Full Service IMB, mailpiece tracking is prominently mentioned as a benefit. Rarely is there any attempt to distinguish the two. To the average reader, it must seem that embracing Full Service intelligent mail is the path to the promised land of tracking your mail. In truth, you can mail pieces bearing the intelligent mail barcode without using the CONFIRM tracking service. And you can use CONFIRM today without an intelligent mail barcode. Also, Full Service Intelligent Mail has never been a requirement for tracking, yet it sure seems so by reading the published material. The Postal Service, vendors, journalists, and consultants are all guilty of associating the trackability of mail with printing an intelligent mail barcode. I include myself in that group. Early on, I didn't make a clear distinction either. But since then I have written pieces and given talks where I made sure my audience understood that mailpiece tracking is a separate service that costs money. It is merely invoked through the IMB and it is certainly not included in the price of postage. This point is rarely made." [*EdNote: Confirm as an alternative? May be. But not if the Postal Service has its way. It'll be Full Service or nuthin'.*]


 The [New York Times](#) has reported that "The Washington Post Company announced Wednesday that it was putting Newsweek up for sale. "The losses at Newsweek in 2007-2009 are a matter of record," Donald E. Graham, the company's chairman, said in a statement. "Despite heroic efforts on the part of Newsweek's management and staff, we expect it to still lose money in 2010. We are exploring all options to fix that problem."


 [Information Week](#) has reported that "IBM CEO Sam Palmisano says American transportation systems are fragmented, wasteful and inefficient and must become "traveler-centric—whether that 'traveler' is a person or a package" to help the U.S. become more competitive in our massively interconnected global economy. Since IBM's "Smarter Planet" initiative includes a major platform for smarter transportation, it's not exactly surprising that IBM's chief executive was calling for increased investment in and increased emphasis on the development of intelligent systems across all facets of transportation infrastructure."


 According to [Yahoo! News](#), "The number of people using mobile broadband to access the Internet is expected to soar from around 400 million today to some 3.5 billion by 2015, Swedish telecommunications equipment giant Ericsson said on Wednesday. Global mobile broadband use in the next five years would leap to the same level as the use of second-generation mobile phone services (voice and text messaging) today. About 3.5 billion people worldwide use such services today, while only about 400 million have access to third generation (3G) mobile broadband services through their phones or laptops, Ericsson told AFP. By 2020, the total number of mobile phone subscriptions worldwide will have jumped to six billion, the company predicted."


 Vincent Giuliano, [chairman of PostCom's Postal Policy Committee](#) has submitted testimony to the Senate Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security in the association's behalf to present a view of the current Postal Service crisis from the perspective of the mailing community, specifically postage rate payers, focusing on the enormous

financial burden imposed on the Postal Service for funding of retiree health benefits, and to underscore the necessity to acknowledge and appropriately reconcile the \$75 billion USPS overfunding of its Civil Service Retirement System (CSRS) pension obligation, as identified by the Postal Service's Office of Inspector General (OIG).

 [WRTF](#) has reported that "Wheeling is losing its outgoing mail processing center, and it's postmark. The U.S. Postal Service has decided to move outgoing mail to Pittsburgh. This news isn't sitting well with the local postal workers union or residents."

 [Press Release](#): BCC Software, a BÖWE BELL + HOWELL company and a leading developer of high-performance mailing technology solutions, will host a Web event next week that will identify and explore the key foundational challenges facing professional mailers, and outline how these challenges can be turned into opportunities. "[What's Next: Keys to Postal Progress](#)," scheduled for 2pm ET Thursday, May 13, will cover the following topics, identified by BCC thought leaders as pivotal in 2010 and beyond: (1) Intelligent Mail®, the new conduit for enhanced customer communication and the essential mailing technology innovation of the 21st century (2) The rising importance of Address Quality, and its value as a cornerstone of mail efficacy (3) How leveraging advances in commingled mailings and new USPS® workshare incentives can reduce postage, improve overall deliverability, and help maintain a competitive edge for growth-minded mailers In this free one-hour session, BCC Executive Vice President **Chris Lien** and Product Manager **Mitch Carpenter** will discuss these industry challenges and how astute printing and mailing professionals can turn them into opportunities for themselves and their clients. ([Register now for the event.](#))


 [Rabble.ca](#) has asked its readers: "Did you know that the Conservative minority government is smuggling certain controversial measures into its upcoming federal Budget Bill C-9? While all eyes are on the Rahim Jaffer/Helena Guergis scandal, some other shady business is getting overlooked. Items that might prove unpopular, exposed to the light of public scrutiny, are being packaged and sold as part of a Budget that is quickly working its way through Parliament. The Conservatives are counting on the opposition's reluctance to have an election to get their Budget approved. But it is essential that the package is opened and its contents handled with care. Among those contents: opening up Canada Post's exclusive privilege to handle letters to international mail corporations. This is the Conservatives' third annual attempt to deregulate international letters. Part 15 of Bill C-9 is the same legislation as Bill C-44, which died with the prorogation of the government last December. Prior to C-44, there was C-14, which died when the 2008 election was called."


 **PostCom update from postal consultant Kathleen Siviter attending the postal distribution meeting of the IDEAlliance**: USPS senior vice president of Intelligent Mail and Address Quality Tom Day today told attendees of the IDEAlliance print distribution conference that the USPS is in the process of building an analytic system which will allow USPS operations to view and drill down into Intelligent Mail Full-Service data to monitor and improve service. The USPS also plans to offer customers access to a modified version of the system which will allow them to view and drill down into their own Full-Service data. Day said the USPS still is deciding how to market the customer access, whether it would be embedded as part of some service offers, or an add-on with a fee associated with it.


Day told IDEAlliance conference attendees that the USPS soon will be announcing a new organizational structure with a dedicated vice president. Among the responsibilities for the new organization will be all product tracking/scanning. "Instead of just talking about the Postal Service becoming a world-class scanning organization, we will have an organizational structure to get that to happen," he said. Day also announced that the USPS plans to pursue its plans toward implementing a Seamless Acceptance process. He said the USPS is in the process of developing a long-term vision and plans to work closely with its customers on how to implement the program in reasonable phases. Lastly, Day said the USPS plans to step up its communications to ensure that customers are reminded that effective May 16, 2011, use of Postnet/Planet barcodes will be discontinued and only use of IM barcodes will be eligible for automation prices.


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


 Once again a major investor called for a split up of Deutsche Post. Michael Gierse, portfolio manager of the investment trust Union Investment, said at the AGM last Wednesday, 'the concern has to be split up into the divisions Deutsche Post and DHL'. He argued that Deutsche Post's mail business is on a 'creeping decline', while there are promising growth areas under the umbrella of DHL.

 Canada Post has improved its profitability in 2009 through drastic cost cutting measures despite declining sales.

 A decline in Itella's core business caused a 5% decrease in total turnover (435.9m euros) in the first quarter 2010.


 Irish An Post slipped into the red again in 2009 due to the weak economic environment.


 According to media reports, Australia Post is on the verge of acquiring Qantas's shares in the express joint ventures Star Track Express and Australian Air Express.

 Austrian Bawag PSK will expand its current cooperation with Austrian Post. On Monday this week it was disclosed that the savings bank will take over 350 post offices and offer banking and postal services under one umbrella.



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 [Sabah Times](#) has asked its readers if they "know that your friendly neighbourhood postman is subsisting on a starting salary of RM610, well below the poverty line? This means they belong among the poor with income below RM700 per month. While many have been quick to complain about the poor level of postal delivery service, they are unaware that these postal workers' salary is even lower than a civil servant of a similar rank – by 19 per cent. This can no doubt contribute to low morale among the postal workers. Meanwhile, those working at the Pos Malaysia counters are earning 25 per cent less than their counterparts in the government sector. This shocking piece of news came to light recently alongside that of Pos Malaysia's impending tariff increase in July. While there are those who bemoan the tariff hike, one needs to understand that an increase in tariff will give these postal workers a long overdue salary adjustment."

 According to [Slashdot](#), "Last April, we discussed news that video game rental service GameFly had complained to the USPS that a large quantity of their game discs were broken in transit, accusing the postal service of giving preferential treatment to more traditional DVD rental companies like Netflix. Now, just over a year later, an anonymous reader sends word that the USPS has responded with a detailed inquiry into GameFly's situation (PDF). The inquiry's 46 questions (many of which are multi-part) cover just about everything you could imagine concerning GameFly's distribution methods. Most of them are simple, yet painstaking, in a way only government agencies can manage."




Smithsonian
National Postal Museum


[Art Daily](#) has reported that "The Smithsonian's National Postal Museum has launched a new Arago featured collection "Remembering the Pony Express" in celebration of the 150th anniversary of the Pony Express. It can be accessed at <http://www.arago.si.edu/flash/?eid=425|s1=6|>.





[Press Release](#): "FedEx Express, a subsidiary of FedEx Corp. and the world's largest express transportation company, has been named a Trusted Brand by readers of Reader's Digest magazine. For the seventh consecutive year, FedEx has won the Gold Award in the overall Asia regional category of the Airfreight/Courier


Service division. FedEx also picked up the Gold Award in the division in seven individual Asia Pacific markets, including mainland China, Hong Kong, Malaysia, Singapore, the Philippines, Taiwan and Thailand."


 [Media Daily News](#) has reported that "Internet radio is burgeoning, according to a new report from SNL Kagan, which predicts more rapid revenue growth. But the big question, as far as media buyers are concerned, is how much of this future growth will come from advertising sales." *[EdNote: About as much advertising as the Postal Service is willing to let walk out of the mailstream because of greater than inflation rate increases, consummate concern about SOX, even when it isn't necessary, and just about all the other anti-business development behaviors that have been in evidence recently. "The business model is broken." Yeah...and we know who's been breaking it.]*


 The [BBC](#) has reported that "The cost of posting letters and parcels in Jersey is to increase - in some instances by more than a quarter. Jersey Post is changing its pricing structure, with charges dependent on size as well as weight. This will increase postal charges by 2% across the board, but some mail will go up by more than 25%."


 The [Wheeling News-Register](#) has reported that "After several months of discussion - as well as a public hearing where more than 100 residents and postal employees voiced strong opposition to the plan - postal service officials announced their decision regarding Wheeling's mail Tuesday. Western Pennsylvania District Manager Charles P. McCreddie said, "We must take action to reduce the size of our mail processing network. "Consolidating operations and placing our people where we need them is necessary if the postal service is to remain viable to provide mail service to the nation," he stated via news release."

 **At the Postal Regulatory Commission:** The Postal Regulatory Commission's [Inspector General](#) has published a report on the PRC's procedures, policies and systems for handling information which is protected under 39 USC 504(g)."

 [Hellmail](#) has reported that "Hybrid mail service Blue Mail Central, said today that it had seen a 35% increase in business when European flights ceased to operate as a result of the volcanic ash cloud from Iceland. The Dutch based company which specialises in sending digital postal mail via the internet and prints and distributes the documents as close as possible to the destination, said it had seen an increase in users as regular mail piled up at airports."

 The [Louisville Business Journal](#) has reported that "United Parcel Service Inc. has linked up with the China-based AliExpress online wholesale marketplace, integrating UPS tracking and shipping technology with AliExpress. AliExpress, run by small business e-commerce company Alibaba.com, lets users customize orders, offering smaller-quantity orders, instant online transactions and an escrow service to protect buyers and sellers. By partnering with Atlanta-based UPS, AliExpress will let customers manage shipping and tracking through UPS shipping technology."

 The [Charlotte Observer](#) has reported that "The U.S. Postal Service said it has found 2,000 missing Social Security checks and planned to deliver them to residents."

 [The Tundra Drums](#) has reported that "The U.S. Postal Service has selected Hooper Bay as a potential bypass mail hub, according to a letter from the agency sent to Hooper Bay residents. The postal service has been considering adding new hubs in rural Alaska to reduce the amount of money it loses on the bypass mail program. Rural communities have lobbied for the right to become bypass hubs, because it could mean new jobs and other benefits."

May 4, 2010

 **PostCom update from postal consultant Kathleen Siviter attending the postal distribution meeting of the IDEAlliance:**


PRC Chair Ruth Goldway today told attendees of the IDEAlliance Print Distribution conference that the Postal Service's proclamation that it will lose \$238 billion over the next 10 years if nothing


changes is an "unsubstantiated figure with no connection to reality." Goldway said the USPS is presenting dire forecasts to scare Congress into allowing the USPS to do the things it has wanted to do for years, such as moving to 5-day delivery, closing retail services and consolidating its network. She urged the IDEAlliance crowd to focus on more positive things like new product development ideas and going back to basics on initiatives such as IMb and FSS. "Panic is not the way to go," she said of the USPS' 10-year plan.


Goldway said that she thinks there is widespread traction in Congress for some fix on the USPS retiree health benefits fund issue. She said if Congress and the mailing community can continue to focus on working that out, it would take the immediate pressure off the Postal Service "and give us time to consider what is needed going forward."


The PRC Chair also discussed the likelihood of the USPS filing an exigent rate case to take effect January 2, 2011. She said the PRC expects the USPS to file something as soon as July 2, which would meet the 90-day advance notice the USPS had committed to giving its customers before a price change, or later if the USPS decides to either shorten that time frame or push the implementation date beyond Jan 2. Goldway confirmed that in an exigent case, the PRC can make changes to the USPS' proposal without the limitations that exist in a price cap case, and noted that in an exigent case the PRC has the final decision -- not the USPS Governors.

Goldway acknowledged, however, that she thinks some kind of exigent case will go forward, but said that dependent on the outcome, someone could sue and "let the courts decide" whether the case meets the intent of an exigent case under the PAEA. She said it is essential that mailers and their associations get involved and determine now the necessary resources to participate in the exigent rate case because "there will be serious, immediate issues on the table" to which industry will need to respond quickly.


 From [University of North Carolina Press](#): "*There's Always Work at the Post Office African American Postal Workers and the Fight for Jobs, Justice, and Equality*." A book by Philip F. Rubio. This book brings to life the important but neglected story of African American postal workers and the critical role they played in the U.S. labor and black freedom movements. Historian Philip Rubio, a former postal worker, integrates civil rights, labor, and left movement histories that too often are written as if they happened separately. Centered on New York City and Washington, D.C., the book chronicles a struggle of national significance through its examination of the post office, a workplace with facilities and unions serving every city and town in the United States."


 [Press Release](#): "The nation's largest annual food drive to Stamp Out Hunger will be conducted Saturday, May 8. On that day, U.S. Postal Service letter carriers will collect non-perishable donations from homes as they deliver mail along their routes. The annual National Association of Letter Carriers (NALC) food drive — held in conjunction with the Postal Service — will help feed families in all 50 states."

 From [Business Wire](#): "Zumbox, Inc. announced today the availability of its Zumbox paperless postal platform as a locally deployable, carrier grade white label software offering for license by postal authorities and commercial entities around the world. As part of the announcement, the company declared its plans for the formation of a subsidiary known as Zumbox Software, Inc. to actively pursue opportunities related to licensing the company's offerings worldwide. Designed for those who wish to quickly go to market with a digital post offering for transactional, government and financial mail, the Zumbox platform has been live as a hosted consumer service in the United States since February of 2009. Zumbox has created a web-based platform that powers the world's first paperless postal system. For every street address, there is a corresponding Zumbox — a digital mailbox — which enables postal mail to be sent as digital files and received online. This new category — paperless mail — represents the first practical alternative, or complement, to traditional paper based postal systems."

 [APWU President William Burrus](#) has told his members that " On March 2, 2010, the Postmaster General released an "Action Plan" detailing the financial challenges facing the USPS in the next 10 years. The news media followed up with scores of news reports and editorials dutifully repeating the PMG's assertion that the USPS is on track to

suffer losses never before experienced in the history of an independent enterprise: A \$238 billion deficit over a 10-year period. Without challenge, this assertion was repeated over and over again as breaking news. We now have the opportunity to put this outlandish projection into perspective: To reach that figure, the Postal Service would have to suffer average deficits of \$23.8 billion each year for the next 10 years. The USPS has never recorded a deficit that high in a single year, making it highly unlikely that it would average that amount annually for the next 10 years. And we begin the count toward this colossal exaggeration this year, when it is estimated that the size of the deficit will be in the range of \$7 billion. That means the Postal Service immediately will be \$16 billion short of the \$23 billion yearly average. Are we to believe that in 2011 the Postal Service will get back on track to reach the "average" by suffering a \$39 billion deficit?"

 The [Times & Transcript](#) has reported that "Canada Post is re-evaluating how it delivers mail in some sections of Metro Moncton, a move the union believes could cost the city another 11 post office jobs."

 The [Spokane Spokesman-Review](#) has reported that "Post Office employees are fighting back against a proposal to allow people to "opt out" from receiving bulk mail. On Monday, the Spokane City Council rejected a non-binding resolution asking the state Legislature to create a registry that would allow people to decline bulk mail. Spokane Postmaster Karen Fairlee and several postal workers testified against the idea, as did a few owners of local print shops."




Postal news from [Postal Technology International](#):


- [An Post reveals profit of Euro 5.7 million](#)
- [SingPost reports good annual results](#)
- [USPS announces winners for delivering solutions](#)





From the Federal Register: Postal Regulatory Commission, New Postal Products:

- 23824 [2010–10362] [\[PDF\]](#)
- 23824–23825 [2010–10399] [\[PDF\]](#)

 the [Wall Street Journal](#) has reported that "Dutch postal and express company TNT NV has reported a bigger-than-expected rise in first quarter net profit, buoyed by higher sales and cost cutting, and echoed competitors' statements that markets look set to improve this year, but added that caution is still warranted. While profits were propelled by a volume recovery at Express and cost savings, it was the company's mail unit -- which is currently being carved out -- that outperformed analysts' expectations as growth outside the Netherlands and at its standard parcel operations offset a decline in its core Dutch market. Chief Executive Peter Bakker said in a statement that although the global economic recovery remains fragile, he assumes a modestly improving business environment in 2010." See also the [Financial Times](#).


 [Logistics Manager](#) has reported that "DHL is to invest \$9 million to strengthen its freight forwarding and supply chain operations in Pakistan. The cash will be used for upgrading warehouses, fleet, offices, IT systems and employee training and development programs."


 The [Kalamazoo Gazette](#) has reported that "the decision has been made to move some mail processing operations from the Kalamazoo Processing and Distribution Center to a similar facility in Grand Rapids. The move comes eight months after a U.S. Postal Service study recommended it." The [Gazette](#) reported further that "about 40 jobs will be affected but officials vow that local mail service won't when some processing operations are moved from Oshtemo Township to Grand Rapids."


 From [PR-USA.NET](#): "CCEOC Inc. announced today that all three FedEx Express Canada Customer Service Centres have achieved the prestigious Contact Center Employer of Choice® designation for 2010. This is the seventh consecutive year FedEx Express Canada, a subsidiary of FedEx Corp., has participated in the program and achieved certification. The Contact Center Employer of Choice® (CCEOC) program has enabled FedEx Express

Canada contact centres to enhance public perception, build exceptional work environments, and attract, retain and engage high-performing, culturally-aligned employees. By targeting the key recommendations outlined in the CCEOC Summary Reporting, FedEx Express Canada has experienced significant stress reduction, increased employee satisfaction, increased customer satisfaction and reduced turnover. As a result of their success, FedEx Express Canada Customer Service Centres have become the global benchmark for measuring FedEx contact centres worldwide."

May 3, 2010

 [Haiti has announced today](#) that it was partially resuming international mail services for the first time since the January earthquake ravaged much of the country's national institutions, including the post office, with support from the United Nations postal union. The Universal Postal Union (UPU), one of the UN's specialized agencies, said it had informed the United States and France that they can now release mail destined for Haiti."

 The [National Association of Letter Carriers](#) has told its members that "every generation of americans faces great challenges, and we somehow always find a way to rise to meet them. Throughout our history, from civil and world wars to depressions and recessions, Americans have never backed down from fighting the good fight. The same is true of the nation's letter carriers. A similar spirit is called for once again from the current generation of NALC members. Our Postal Service faces dire economic conditions, thanks to a perfect storm of a faltering economy and electronic diversion of the mail, not to mention the unfair requirement to overpay into our retiree health benefit fund. But if we stand together and make our voices heard, loud and clear, we can convince Congress that cutting service is not the answer—and that we know the right way to save the Postal Service. We must make them hear us again. That's our fight."

 [Call for the Postal Markets Conference](#). "NEW IDEAS TO MEET THE FUTURE CHALLENGES. Monday September 13th and Tuesday September 14th, 2010. EPFL, Lausanne, Switzerland.

 [EPFL and UPU Conference on 28 April 2010](#). The new Conference series of EPFL and UPU on "Policy and Regulation" brings together industry executives, politicians, regulators and academics. The topic of the 1st Conference is "Politics and Posts - Roles and Relations in the future?". It will take place on Wednesday 28 April during the POC at UPU Headquarter's in Bern, Switzerland. The participation in this Conference is free. We hope that you will join us in making the day's discussions both lively and fruitful. You find the program at: [http://postal-management.epfl.ch/webdav/site/postalleadership/shared/Conference EPFL UP U_280410.pdf](http://postal-management.epfl.ch/webdav/site/postalleadership/shared/Conference_EPFL_UPU_280410.pdf)



A new 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 this report, please contact Agapi Doulaveris at 703.248.2286.

- [Network Security Assessment of the National Customer Support Center \(Report Number IS-AR-10-007\)](#)



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


- **Scheduled Pickup on Demand.** We revised 507.6.0 to standardize the process for scheduled Pickup on Demand service by providing a new service agreement form. Additionally, we authorized PC Postage as an approved method to pay for Pickup on Demand.
- **Change-of-Address Orders for Department of State Addresses - Update.** We revised 507.2.0 and 703.3.0 to authorize Internet Change of Address (ICOA) orders for Department of State personnel when individuals move to, from, or between overseas destinations.

- **APO, FPO, and DPO Mailpieces Bearing a Customs Declaration—Clarification and Update.** We revised 703.2.0 to clarify the correct customs declaration form (PS Form 2976, or PS Form 2976-A) for items addressed to APO, FPO, and DPO locations.




The latest blog entry has been posted today on the U.S. Postal Service Office of Inspector General's Internet site "[Pushing the Envelope](#)." The public, mailers, postal employees, and other stakeholders are invited to weigh in on the online discussions taking place. To view the site, visit <http://blog.uspsoig.gov/>.


- **Should the Postal Service request financial relief from the \$6.8 billion FERS surplus?** During fiscal year 2009, the Postal Service contributed \$3 billion to FERS. As of September 30, 2009, the Postal Service reported a fully funded FERS pension plan that exceeds liabilities by \$6.8 billion. Should the Postal Service continue to pay the legally required contributions to FERS while there is a surplus?


 News from the IDEAlliance postal distribution meeting as reported by PostCom's correspondent, Kathleen Siviter:


- USPS senior vice president of customer relations Steve Kearney today told attendees of the IDEAlliance Print Distribution conference that the USPS has announced its plan to file an exigent price increase for 2011. He reminded customers and service providers at the conference that the USPS will not increase prices in 2010. While Kearney said it would be "suicidal" for the USPS to raise prices "way above" CPI to close the gap between revenues and expenses forecasted over the next 10 years, he reaffirmed the Postal Service's position that all elements of its 10-year plan are actions that need to happen to avoid such increases.
- PostCom Chair Joe Schick, Quad/Graphics, said that the USPS should look at innovative pricing concepts to incent quality mail preparation where the USPS would share the cost savings benefits of high quality mail preparation with printers/service providers responsible for achieving a certain high quality level.
- On more operational topics, Kearney said that the USPS will be meeting next week with an MTAC-organized customer group to further discuss concerns about the USPS' recent policies on refusing to sign customer bills of lading. Kearney said the policy stems from USPS' SOX compliance requirements, but said he is "optimistic" that the USPS can work out a solution with its customers.


PostCom will continue to provide updates on the IDEAlliance conference as they occur, with full coverage later this week in the PostCom Bulletin.


 [Cato@Liberty](#) has noted that "Jim O'Brien, a vice-president at Time Inc. and chairman of the Mailers Council, recently guest-blogged on the U.S. Postal Service's inspector general's web site on the subject of "automation refugees." O'Brien then tells of visiting seventeen mail processing facilities as part of a Joint Mail Processing Task Force in 1998. During those visits he noted that the periodical sorting machines always happened to be down even though the machines were supposed to be operating seventeen hours a day. Although the machines weren't working, manual operations were always up and running. A decade later, O'Brien points out that the situation apparently hasn't changed."


 According to [The Express](#), "tens of thousands of people could lose their right to take part in the General Election after the postal vote system was thrown into chaos. Three days before Britain goes to the polls, many people who registered for a postal vote have still not received their ballot papers."


 [The Star](#) has reported that "a Sheffield Liberal Democrat candidate has slammed Royal Mail - for delivering her election leaflets with British National Party publicity inserted inside."

 The [Wall Street Journal](#) has reported that "Postal and Express company TNT NV Monday reported a larger-than-expected rise in first-quarter net profit on the back of cost savings and a recovery at its Express unit, and said its markets are set to improve this year." See also the [Financial Times](#).


 The [Boston Herald](#) has reported that "The U.S. Postal Service faces more than \$500,000 in potential fines after safety officials say it exposed workers to the possibility of electrocution and other dangerous conditions in a Providence post office. The federal Occupational Safety and Health Administration has issued 12 citations and proposed \$558,000 in fines for alleged safety violations at the Corliss Street facility, an OSHA spokesman said. The Postal Service has 15 days to respond to the citations. A message seeking comment was left yesterday for a postal service regional spokeswoman."


 [Indian Express](#) has reported that "The Department of Posts has launched a New Pension Scheme (NPS) through its head post offices. Any citizen, excluding NRIs between 18 and 55 years of age, can join the NPS and contribute for up to 60 years."

 [Dead Tree Edition](#) has asked: "If FedEx and UPS are so much more efficient than the U.S. Postal Service, how did the USPS manage to beat its private rivals for an exclusive deal with the nation's toughest customer? At last month's National Postal Forum, postal officials were bragging that they had recently negotiated an agreement with Wal-Mart to be its exclusive shipper of prescriptions ordered by telephone. The drugs will be sent via Priority Mail, with Wal-Mart picking up the tab."

 [Hellmail](#) editor Steve Lawson said today that he was concerned that bonus-related delivery targets at Royal Mail could be delivering a poorer service for customers. According to a survey carried out by Which?, around a third 2,200 people asked, said they had received 'while you were out cards', when they were actually at home. Lawson said: "This issue has been raised several times in recent years. Certainly delivery workers now have to operate under much tighter time constraints leaving them little time to wait once they have knocked. However, it would seem a worrying situation if P739 cards are being put through if the item is in fact still in the local delivery office. "Hellmail has looked at this in the past, as well as (in conjunction with the former Postwatch) raised our concern over 'signed for' items being delivered unsigned."

May 2, 2010

 According to the [Courier, Express, and Postal Observer](#), "One of the benefits of the 6-day to 5-day proceeding is that it provides an enormous amount of data relevant for trying to understand the Postal Service's strategy to control costs."


 The [Daily Yomiuri](#) has said: "We hope the government will move ahead with its reform of postal services and related businesses in a way that will make them more convenient for the public and more effective in revitalizing the economy."




At the Postal Regulatory Commission:

- A [scheduling conference will be held](#) the Commission's hearing room at 901 New York Avenue, NW, Suite 200, Washington, DC 20268-0001, beginning at 2:00 p.m. on May 5, 2010.
- The parties shall be prepared to discuss the status of the production of the outstanding e-mails that are the subject of GameFly's discovery requests and a deadline for producing such e-mails as discussed more fully in the body of this ruling.
- The parties shall be prepared to discuss the deadline for Postal Service discovery of GameFly's direct case, the need for a hearing to receive GameFly's evidence, and a date for the filing of the Postal Service's case.
- The parties shall be prepared to discuss any objections that the Postal Service may have to redactions to discovery material that GameFly has been ordered by P.O. Ruling No. C2009-1/17 to serve on the Postal Service.

May 1, 2010

 [Gizmodo](#) has reported that "Apple priced digital downloads lower than CDs. Amazon said a digital book should be cheaper than a paper one. But for the time being, virtual magazines will cost a pretty penny, says Fortune. The

story by Phil Elmer-DeWitt quotes PopSci editor Mark Jannot defending his \$5 an issue current price, and \$30 per year proposed subscription price, both above the going rate for the equivalent paper product."

 [Logistics Manager](#) has reported that " the demand for logistics services is on the increase. Analyst Datamonitor is predicting that the global logistics and express market will grow by 14 per cent over the next three years to some £2.6 trillion."