



## Association for Postal Commerce

"Representing those who use or support the use of mail for Business Communication and Commerce"

**"You will be able to enjoy only those postal rights you believe are worth defending."**

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### *Postal News for June 2015*

*June 30, 2015*

#### POSTAL/FEDERAL NEWS

##### *Attention Postal One! Users:*

- **PostalOne!® Release 41.1.2.0 Production Deployment-** PostalOne! Release 41.1.2.0 will deploy on Tuesday evening June 30, 2015 between 5:00PM CT and 8:00PM CT. This release includes fixes to known PostalOne! issues. The PostalOne! system will remain available during the deployment time. There will not be a mandatory Mail.dat® client download required. Release notes for PostalOne! Release 41.1.2.0 can be found on [https://ribbs.usps.gov/intelligentmail\\_schedule2015/releaseoverview2015.cfm](https://ribbs.usps.gov/intelligentmail_schedule2015/releaseoverview2015.cfm).
- **PostalOne! Release 41.1.2.0 Deployment to Test Environment for Mailers (TEM)** will also occur on Tuesday evening June 30, 2015. The PostalOne! TEM environment validation will occur on Wednesday morning July 1, 2015 between 09:00AM CT and 11:00AM CT.

##### *Postal Regulatory Commission:*

- **RM2015-7 United Parcel Service, Inc.'s Motion For Extension of Time to File Reply Comments and For Other Relief**  
<http://www.prc.gov/docs/92/92644/UPS%20Motion.pdf>

##### *Federal Register: Postal Service NOTICES Product Changes:*

- Priority Mail and First-Class Package Service Negotiated Service Agreement , 37315 [2015–15989] [\[TEXT\]](#)
- Priority Mail Negotiated Service Agreement , 37315 [2015–15990] [\[TEXT\]](#)

**Office of the USPS Inspector General: An Uber Good Idea?** -- Uber, the technology company that matches car service to rider, has successfully disrupted the entrenched taxi industry. And now pundits are wondering what might be next for the successful upstart. Recent news articles in Marketwatch and Forbes say it could be the package delivery industry. Even if this Uber scenario is just a notion, it reminds us that package delivery has become an attractive and competitive business. As consumers do more of their shopping online, everything from groceries to pharmaceuticals to clothing is being delivered to homes and businesses. Traditional package delivery companies find themselves competing with new entrants such as Deliv (sometimes called the Uber of the retail world) and Postmates, a company that operates a network of local couriers. And, don't take your eye off Amazon.com. It is reportedly testing an Uber-like app that would let it use regular people to deliver packages.

## DOMESTIC NEWS

**[PostalConsumers.org](#)**: **Universal Postal Service in Major Economies --- New Edition Updated June 2015** This report outlines major dynamics and strategies characterizing universal service across the world's largest postal markets, comprising 96 percent of global postal revenues, and 70 percent of domestic mail volume, with an emphasis on how they can be expected to impact consumers.

**[Direct Marketing News](#)**: In an attempt to cross over into the realm of digital marketing channels, the U.S. Postal Service will introduce an email preview of what's in people's mailboxes in New York this fall. Called Real Mail Notification (RMN), it will offer direct mailers interactive options to allow people to click through to websites or make purchases directly via email. A test of RMN among 6,600 users in Northern Virginia earlier this year elicited response rates of 5.9% to direct mail pieces that were engaged with by only 0.5% of non-subscribers. Nine out of 10 users surveyed said they would continue to use RMN were it offered on a permanent basis and that they would recommend it to their friends. Mailers wanting to take part in the New York pilot will be happy to know that the Postal Service is offering interactive options in RMN free of charge, and may continue to do so if all goes as well as planned. The Postal Service is looking at the service more as a mail volume-builder rather than a profit center.

**[Digital Trends](#)**: In the ultimate victory for environmental activists, Google is planning to spend \$600 million on a server farm that will span a whopping 350 acres of land in NE Alabama, near Huntsville, and will ultimately be 100 percent powered by green energy.

**[American Postal Workers Union](#)**: The APWU has taken the Postal Regulatory Commission to court, challenging the commission's decision to dismiss its complaint that the Postal Service is failing to meet service standards. The union filed the [Petition for Review](#) on May 29 in the District of Columbia Circuit Court of Appeals and submitted a [Statement of Issues to be Raised](#) on June 18. In dismissing the APWU's allegations of system-wide service failures, the PRC concluded that service standards are simply "expectations," and, as a result, the commission could not compel the Postal Service to adhere to them. The appeal challenges those assertions.

## INTERNATIONAL NEWS

**[AutoBlog](#)**: Norway's postal service has ordered a bunch of zero-emissions vehicles, but they're not exactly zero emissions. Posten Norge has placed an order for almost 300 Renault Kangoo Maxi Z.E. electric utility vans, Inside EVs says. What's interesting is that the vans are equipped with diesel-powered heaters, for it does get cold up there, and the mail has to be delivered regardless of weather conditions. The fuel use to keep the drivers warm might add up to two liters a week in the cold. Not exactly the same as the emissions from a smoking tailpipe of an old Mercedes-Benz 300D, but still. Posten Norge says any additional acquisition costs associated with the van will be repaid via lower refueling costs

**GLOBAL**: Some nuggets from the June 2015 issue of [Postal Technology International](#):

- According to the *IPC Global Postal Industry Report*, non-mail revenue represented 54.7% of the industry revenue base in 2013.
- Of that 54.7%, parcels and express, financial services, logistics and freight accounted for 47.9% of revenue, with postal retail, information services, and telecommunications comprising the remaining 6.8%.
- One business area that is proving fruitful for posts to explore is *fulfillment*. The rise in e-commerce has prompted posts to begin offering full supply chain services for some online retailers, from storage and inventory to delivery and returns.
- Another area is *self-service*, in the form of kiosks where customers can buy products and send letters and parcels without requiring any assistance from staff.
- Diversification is the best strategy to drive long-term financial performance and sustainability for postal organizations.
- Posts need to defend their core mail business and must build their parcel capabilities.
- Three areas for diversification: (1) retail, (2) logistics, and (3) value-added services.

- While most agree that a universal service obligation is essential, the question remains as to whether the USO is still fair in an increasingly competitive postal market, and how incumbent posts can change and improve their business models to meet customer demands.
- The Postal Operations Council of the UPU has approved the placement of advertising on the reverse side of envelopes for international services, coming into force in January 2016.
- The postal industry today is all about diversification, and players who have neither the ambition nor mindset to reach beyond flagging lettermail volumes and domestic markets will likely perish within this new global marketplace.
- Traditional revenues have become subject to greater competition, making it essential for operators to explore sectors that will ensure they remain profitable.
- Areas to consider: information technology for parcel data, facilitating delivery and optimizing cross-border e-commerce, and merchandise return services.
- Expect growth in robotic applications for loading and unloading processes.
- Although sorting and warehousing processes are fully automated and optimized, their efficiency is reduced by neglected processes in the yard, such as waiting times for trucks and shunting vehicles, a lack of transparency and cumbersome processing of paper forms.

**UNITED KINGDOM:** [\*The Telegraph\*](#): Julius Reynolds' brainchild is a glorious example of 21st-century collaboration and consumption. In a fluid online age where we're constantly making friends and travelling the globe, it's astounding that nobody has thought of the idea before. Sendy, his new peer-to-peer delivery app, lets users connect with people travelling to their desired destination, cutting out postage fees and allowing the traveller to make a bit of extra cash in the process. How it works is that you sign up, choose what you want to send and where, and other Sendy users make you a delivery proposal. You choose the best and pay (thanks to escrow) only when your item has been delivered. Sendy is based on Mr Reynolds' belief that "most human beings can be trusted". The app also has a rating system similar to Airbnb and eBay's, so anybody untrustworthy is quickly weeded out.

**GERMANY:** [\*WhatTheyThink\*](#): Bell and Howell, a leading provider of solutions and services for communications and commerce technology solutions, hosted the first Bell and Howell Forum with its partner Postcon Germany at its production site in Griesheim/Frankfurt from June 25 to June 26. With a focus on the market of private postal services companies in Germany, the organizers put together a varied program over two days. The participants were able to gain new impressions about the current and future developments in the national postal market, which were presented by Bell and Howell staff and guest speakers. The guest presentations were given by the decision makers of some of Germany's largest private postal companies and network partners.

**CAMBODIA:** [\*The Phnom Penh Post\*](#): State-owned postal service Cambodia Post launched a point-to-point van service yesterday, to tap into the rising demand for passenger transportation, in a bid to increase its revenue from domestic services. Director General of Cambodia Post Ork Bora said the new passenger van service will capitalise on the rising number of passengers in Cambodia, as well as supplement its postal services. "The van service is not only to serve passengers but also to make our Express Mail Service faster," he said.

**GERMANY:** [\*Post & Parcel\*](#): Deutsche Post and trade union Ver.di have agreed to return to the negotiating table on Friday after four weeks of strikes by postal workers in Germany. The union said yesterday that industrial action will continue until an agreement is made, claiming that about 32,000 workers are currently on strike across Germany.

**JAPAN:** [\*Wall Street Journal\*](#): Japan Post Holdings Co. plans to apply Tuesday to list itself and its banking and insurance units on the Tokyo Stock Exchange in three deals that together would amount to one of the biggest share sales ever by a Japanese state company. Here are some key takeaways.

**June 29, 2015**

**POSTAL/FEDERAL NEWS**

***Postal Regulatory Commission***

- **R2013-11 PostCom, MPA et al.-LR-R2013-11R/1** - Workpapers Supporting Calculation of the Postal Service's Contribution Losses  
<http://www.prc.gov/docs/92/92638/15-06-29%20PostCom,%20MPA%20et%20al.%20LR-R2013-11R-1.xlsx>
- **R2013-11 Notice of Filing of Library Reference by PostCom, MPA [and 8 other mailer associations]**  
<http://www.prc.gov/docs/92/92634/15-06-29%20PostCom%20MPA%20NotLibRef.pdf>

## DOMESTIC NEWS

***LifeHacker***: Sick of walking over to the mailbox only to find it empty? Adafruit has a guide for building a system where you'll get notified when the mail arrives. The system here uses a couple XBee's pieces, the Flora, and a bunch of other random parts. When all is said and ton, a magnet triggers a switch that lights up, then sends a message to you telling you that you've got mail. It's a pretty complicated solution for something that isn't a huge problem, but it's fun nonetheless.

## INTERNATIONAL NEWS

**CHINA: *WomenOfChina***: The 'Postal Parcel for Mothers' project has benefited around 560,000 impoverished mothers and families over the past three years, according to a video and telephone conference held in Beijing on June 26. Since it was launched by the foundation in May 2012, the project has received over 78 million yuan (U.S. \$12.56 million) in donations from different sectors and delivered around 560,000 parcels in 10,660 villages among the country's 31 provinces, autonomous regions and municipalities, including Inner Mongolia, Sichuan, Qinghai, Yunnan and Tibet. The variety of parcels has expanded from daily necessities to include domestic necessities and warm clothing. The project has also expanded its target group from impoverished mothers to children, from families to schools, giving full play to its characteristics of being small but effective, cheap but beneficial, and fully playing its role in conveying social care and promoting people's livelihoods. The scheme has made active efforts in improving impoverished mothers' living conditions and quality of life.

**HUNGARY: *Budapest Business Journal***: Hungarian state-owned postal company Magyar Posta has started offering personal loans, the company confirmed to Hungarian news agency MTI today.

**CANADA: *Canadian Lawyer Magazine***: As Canada Post Corp. proceeds with its five-year plan to phase out door-to-door mail delivery in favour of community mailboxes, it is facing a Charter challenge from its major union, the Canadian Union of Postal Workers, joined by several seniors organizations. The plaintiffs claim that only the federal government, not CPC, has the authority to make this decision, and they argue the decision discriminates against the elderly and the mobility-challenged. No court hearing has yet been held.

**AUSTRALIA: *The Conversation***: The announcement by Australia Post that it will shed around 2,000 jobs over the next three years comes on top of fairly steep increases in the price of basic stamps from 60 cents to 70 cents last year. The cause of Australia Post's problems is well understood. The rise of digital communication has led to a decline in letters being delivered with consequent financial losses in its letter business. The decline in letters this year has apparently exceeded expectations and losses are higher and expected to be around A\$500 million. They are threatening to swamp profits from the parcel business and Australia Post is indicating a company wide loss for the first time in over 30 years. Australia Post is not alone in facing these challenges.

*June 28, 2015*

## DOMESTIC NEWS

***New York Times***: Few methods beat email for sending communication blasts, getting a note in front of a far-flung sales prospect or employer, or attaching pictures and documents. Too bad about the downside: You may not sound your smartest. New research shows that text-based communications may make individuals sound less intelligent and employable than when the same information is communicated orally. The findings imply that old-fashioned phone

conversations or in-person visits may be more effective when trying to impress a prospective employer or, perhaps, close a deal.

**Reuters:** A federal appeals court said a U.S. Postal Service regulation banning firearms on postal property is constitutional, and reversed a lower court ruling that would have let people keep weapons inside their vehicles in post office parking lots.

## INTERNATIONAL NEWS

**PHILIPPINES:** **Manila Times:** Ombudsman Conchita Carpio-Morales has filed graft and malversation charges against 10 Philippine Postal Corporation (PPC) officials and employees at the Sandiganbayan for allegedly running away with P8.2 million.

**AUSTRALIA:** **The Sydney Morning Herald:** "Four graphs that show why Australia Post is in so much trouble." Posties' baskets have been getting lighter and lighter for years as people abandon the art of letter writing and instead turn to email and social media. There's every chance your grandma sent you a text message on your last birthday instead of posting a card, while even engagement party invitations are now sent via Facebook. More than 90 per cent of letters posted in Australia are now from businesses or governments, according to a government-commissioned report released by The Boston Consulting Group last year, and much of that correspondence is going online too.

*June 27, 2015*

## POSTAL/FEDERAL NEWS

**Office of the USPS Inspector General:** **[Do You Use Postal Service Market Dominant Billing Determinants for Periodicals?](#)** Billing determinants are spreadsheets U.S. Postal Service employees manually produce to report volume and calculated revenue for every Postal Service price in the five market dominant classes of mail: First-Class Mail, Periodicals, Standard Mail, Package Services, and Special Services. The Postal Accountability and Enhancement Act (PAEA) requires the Postal Service to produce an Annual Compliance Report (ACR) within 90 days after the end of each fiscal year. The ACR presents an analysis of costs, revenue, pricing, and quality of service for all products. Billing determinants are presented in the ACR as a part of the process to develop cost avoidance estimates, which the Postal Service uses to set workshare discounts. The Postal Service uses billing determinants to ensure price adjustments do not exceed the price cap, based on the Consumer Price Index, for each market dominant class of mail. Given the manual preparation and complexity of the spreadsheets, there is a risk of data entry errors. How do you use billing determinants for Periodicals? Have you ever noticed discrepancies in the Postal Service's billing determinants for Periodicals? Do you have any concerns about the Postal Service's billing determinants for Periodicals?

**Federal Register:** **Postal Regulatory Commission NOTICES** New Postal Products, 37030 [2015–15908] [[TEXT](#)] 37030–37031 [2015–15909] [[TEXT](#)]

## INTERNATIONAL NEWS

**EUROPEAN UNION:** **Reuters:** FedEx has asked the European Union's competition regulator to approve its 4.4-billion-euro (\$4.9 billion) bid for Dutch rival TNT Express, the U.S. package delivery service company. The deal, which will combine FedEx's air fleet with TNT's sizeable European road network, will extend FedEx's reach in competition with United Parcel Service and Deutsche Post. FedEx submitted its request to the European Commission on Friday.

*June 26, 2015*

## POSTAL/FEDERAL NEWS

### *Postal Regulatory Commission:*

- **R2013-11** Initial Comments of **Association for Postal Commerce, MPA-The Association of Magazine Media** [and 8 other parties] on Remand [\[PDF\]](#)
- **R2013-11** Comments of **American Postal Workers Union, AFL-CIO** [\[PDF\]](#)
- **R2013-11** Comments of the **Greeting Card Association** and the **National Postal Policy Council** [\[PDF\]](#)

[Federal Register](#): **Postal Regulatory Commission NOTICES** New Postal Products, 36860–36861 [2015–15700] [\[TEXT\]](#)

### DOMESTIC NEWS

**Politico**: Claire McCaskill (D-Mo.) unloaded on her Senate colleague Bernie Sanders on Thursday, saying the Vermont independent is far too liberal to make it to the White House. "I think that the media is giving Bernie a pass right now," McCaskill said in an interview on MSNBC's "Morning Joe." "I think they are not really giving the same scrutiny to Bernie Sanders that they're giving to, certainly, Hillary Clinton and the other candidates." "Any other candidate that had the numbers that Hillary Clinton had right now would be talked about as absolutely untouchable," she said. "I think Bernie is too liberal to gather enough votes in this country to become president, and I think Hillary Clinton is going to become a fantastic president." Sanders said McCaskill's comments were a first for him. "This is the first time I've had a colleague attack me," Sanders said in an interview with New Hampshire's WADR radio station later on Thursday. "You'll have to ask Senator McCaskill why." *[EdNote: Welcome to the beginning of the 2016 political season.]*

### INTERNATIONAL NEWS

**ITALY: Post & Parcel**: Nexive, PostNL's postal business in Italy, has launched a new digital-physical communications service for small businesses. The new Multi Formula Self service offers to help SMEs comply with new national regulations requiring electronic invoicing. Nexive, rebranded last year from TNT Post Italy, said the new offering also helps it respond to the evolution of the postal market, where digital delivery services are forecast to grow by nearly 50% up to 2019. The company said the simplicity of the Multi Formula Self service will allow even the smallest businesses to improve the management of their communications, without the need to pay for software licenses or the need to manage different suppliers. Through a single point of contact, businesses can upload files, process them and deliver them as required — either in physical letter form, or as email or electronic invoices.


**NIGERIA: Punch**: The Nigeria Postal Service on Thursday announced the revocation of the licences of 10 courier operators and the shutdown of four others for operating illegally.

**INDIA: YourStory**: what makes India Post, seen by many as a relic of a bygone era, so attractive to these online portals? India Post's network of post offices in India is incomparable. None of the private courier or logistics firms can even come close say experts and e-commerce firms. "India Post has an unmatched network that is critical for the growth of e-commerce in India," says Ashish Chitravanshi, Vice President of operations at Snapdeal. A view echoed by Amazon.in. "Through India Post's extensive network, Amazon India is able to service over 19,000 pin-codes through 140,000 post-offices across all 35 states and union territories in India," says Samuel Thomas, Director of transportation at Amazon India. This network covers about 25,000 pin codes, while even large private courier companies like DTDC reach only about 10,000.

**AUSTRALIA: Perth Now**: Australia Post workers are bracing for up to 1900 jobs to go as losses spiral beyond \$1.5 billion in the group's letters business, it can be revealed. The postal service has tipped \$190 million into a pot to pay for voluntary redundancies as the letters division continues to bleed cash. Most job cuts are expected in the major cities. Chief executive Ahmed Fahour is telling staff this morning that Australians are abandoning mail at an unprecedented rate, underscoring the need for reform.

*June 25, 2015*

 **PostCom Members !! The latest issue of the PostCom Bulletin is now available online.** 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. See what you've been missing.

 **PostCom Members!!** August MTAC Review Join us for a webinar on Aug 25, 2015 at 2:00 PM EDT. Register now!<https://attendee.gotowebinar.com/register/2455352768756013825> Join PostCom's MTAC representatives on Tuesday, August 25 as they provide an overview of the activities and insights from the August 2015 MTAC meeting. Presented by: Justin A. Krawczyk, Postal Consultant, FedEx SmartPost Jerry Faust, Vice President Print & Distribution, Time, Inc. Bob Rosser Director Postal Affairs, Products and Services, IWCO Direct **This webinar is for PostCom member companies only.** After registering, you will receive a confirmation email containing information about joining the webinar.

## POSTAL/FEDERAL NEWS

**Roll Call:** After all the infighting, after all the threats and bad blood caused by Oversight and Government Reform Chairman Jason Chaffetz stripping Mark Meadows of his subcommittee gavel, Meadows is staying put. In a joint news release, Chaffetz announced that he was keeping Meadows in his role as chairman of the Government Operations Subcommittee. Chaffetz said a number of people had asked him to reconsider his decision.

### USPS Industry Alert: PostalOne! Release 41.1.2 Production Deployment

- **PostalOne! Release 41.1.2 Production Deployment** - PostalOne! Release 41.1.2 will deploy on Tuesday evening June 30, 2015 between the hours of 5:00PM CT and 8:00PM CT. This release includes fixes to known PostalOne! issues. The PostalOne! system will remain available during the deployment time. There will not be a mandatory Mail.dat® client download required. Release notes for PostalOne! Release 41.1.2 can be found on: [https://ribbs.usps.gov/intelligentmail\\_schedule2015/releaseoverview2015.cfm](https://ribbs.usps.gov/intelligentmail_schedule2015/releaseoverview2015.cfm)
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**Federal Register:** Postal Regulatory Commission *PROPOSED RULES* Periodic Reporting, 36498 [2015–15579] [\[TEXT\]](#)

### Postal Regulatory Commission:

- **USPS Preliminary Financial Information (unaudited) May, 2015**  
<http://www.prc.gov/docs/92/92597/2015.6.24%20May%202015%20Report%20to%20the%20PRC--Attachment.pdf>  
[http://www.prc.gov/docs/92/92597/Letter%20USPS%20PFI%20May2015\\_20150624145229.pdf](http://www.prc.gov/docs/92/92597/Letter%20USPS%20PFI%20May2015_20150624145229.pdf)
- **National Trial Balance, May 2015 (FY2015); and Statement of Revenue and Expenses, May 2015 (FY2015)**  
[http://www.prc.gov/docs/92/92598/Letter%20NTB-SRE%20MayFY2015\\_20150624145042.pdf](http://www.prc.gov/docs/92/92598/Letter%20NTB-SRE%20MayFY2015_20150624145042.pdf)  
[http://www.prc.gov/docs/92/92598/National%20Trial%20Balance%20-%20Redacted,%20%20May,%202015%20\(FY%202015\).xls](http://www.prc.gov/docs/92/92598/National%20Trial%20Balance%20-%20Redacted,%20%20May,%202015%20(FY%202015).xls)  
[http://www.prc.gov/docs/92/92598/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20May,%202015%20\(FY%202015\).xls](http://www.prc.gov/docs/92/92598/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20May,%202015%20(FY%202015).xls)

## DOMESTIC NEWS

**Reuters:** The top executives of many a corporate giant must feel like the fictional character Gulliver, waking up to find themselves under attack from modern-day Lilliputians, small start-up companies which overwhelm their established rivals with new technologies. The old powers of market incumbents - massive scale, control over

distribution, brand power, millions of customer relationships - are no longer seen as the obstacles they once were to agile rivals with innovative business models. A new survey finds business leaders believe four out of 10 top-ranked companies in their industries worldwide won't survive the next five years. They blame the accelerating change in technology, shifting business models and a need to merge to cut costs in order to ensure they don't become footnotes in someone else's corporate history. "Not just lone companies, but entire industries are being side-swiped by these effects," said James Macaulay, co-author of the study, which polled 941 business leaders from a dozen industries in the world's 13 biggest economies.

**Law Street:** The financial issues of the U.S. Postal Service have massive effects on our country from the thousands of employed postal service workers to everyday citizens receiving and sending mail. An increase in stamp prices severely affects businesses that allocate a certain amount of their budgets to sending out materials. All in all, it is a national issue. With certain actions already in place, the USPS saw a \$569 million revenue increase in the 2014 fiscal year. This by no means offsets the deficit, but it proves innovative ideas can make a difference. With any luck, revisions made to the 2016 fiscal budget will provide promising results.

**eCommerceBytes:** The USPS has been rolling out self-service kiosks in post offices around the country since 1999, but did you know the kiosks have generated over \$5 billion in revenue as customers increasingly use the automated machines for retail transactions? Many readers likely have their packages picked up by a shipping carrier, but if you find yourself headed to the post office with some packages, you might be interested to learn that kiosks are more than glorified stamp dispensers - and most are available 24 hours a day.

**The Detroit News:** The U.S. Postal Service is a steady fixture in every American's life. From the post office on Main Street to the postal worker who has delivered mail to our houses for 25 years, the U.S. Postal Service has been a dependable entity in our daily lives. Recently, a bipartisan group of senators, including Gary Peters, D-Bloomfield Township, met with Postmaster General Megan Brennan to discuss a long list of Postal Service complaints. At the top of the list was lagging delivery times that are continuing to get worse. As part of the evaluation process, Peters and the group maintain that declining postal standards and the consolidation of mail processing facilities is negatively impacting rural communities across their states.

**Roll Call:** The punishment from GOP leadership over a procedural vote didn't start with Mark Meadows — and it might not end with him either. The two-term North Carolina Republican is the latest conservative to face retribution for voting on June 11 against the rule to bring trade legislation to the House floor, joining 33 other Republicans in a major sign of defiance that embarrassed leadership. First, three conservatives — Reps. Trent Franks of Arizona, Steve Pearce of New Mexico and Cynthia M. Lummis of Wyoming — were booted from the whip team. Now, Oversight and Government Reform Chairman Jason Chaffetz of Utah has taken Meadows' Government Operations Subcommittee gavel. Leaders may have thought making an example out of Meadows — perhaps the most mild-mannered member of the bomb-throwing House Freedom Caucus — was the best of any number of noisy, conference-shaking options. But in a half-hour sit-down interview with CQ Roll Call Monday morning, Meadows made it clear he wasn't going quietly. He's taking his moment in the spotlight to tell multiple news organizations something has to change — and it could start with Speaker John A. Boehner and his lieutenants. Chaffetz has publicly taken sole responsibility for the decision, though Meadows told CQ Roll Call he suspected there was more to it than that.

**Daily Caller:** Customized Delivery is part of a larger effort by the USPS to find new sources of revenue through expanded service offerings, including same-day delivery. The Postal Regulatory Commission (PRC) approved a two-year market test of the program last October, but capped annual revenues at \$10 million until its financial feasibility could be evaluated, according to 21st Century Postal Worker. Despite the PRC's backing, though, opponents of Customized Delivery argue the forthcoming expansion was approved without adequate data from previous test runs, and warn the USPS could end up losing money on the program while undermining private sector competitors. "This announcement comes on the heels of unanswered questions about previous attempts at grocery delivery service, a quarterly loss of \$1.5 billion, and a plan to spend \$6 billion on a new fleet of trucks," David Williams, president of the Taxpayers Protection Alliance, points out in a blog post. "Instead of trying to compete with the private sector to deliver groceries and buy new trucks," he contends, "the USPS needs to get their fiscal house in order and focus on their core mission: delivering mail."



**Direct Marketing News**: Same-day delivery options are now must-haves for retailers, both brick and click. Google, Amazon, the U.S. Postal Service, and even Uber are getting into the game. But one deliverer whose name may not be familiar, by design, today moved a step closer toward its goal of being the biggest same-day option for retailers nationwide. Deliv, which partners anonymously with retailers to move the goods, has announced the acquisition of Chicago competitor WeDeliver to take ownership of same-day delivery in that market. Deliv is now operational in eight markets spanning the country from Los Angeles to Houston to New Jersey. "Two-day delivery for retailers has become the norm, but retailers are feeling the need to respond to Amazon and its same-day delivery option," says Deliv VP of Marketing Ingrid Bekkers. Deliv currently services Bloomingdale's, FootLocker, Macy's, and Williams-Sonoma, along with hundreds of local merchants.

## INTERNATIONAL NEWS

**ITALY: Satellite Today**: Poste Mobile, the mobile operator of Poste Italiane Group, has selected Eutelsat Communications to provide broadband services to 300 post office locations through its Ka-Sat satellite. The first 120 locations are expected to have satellite connectivity by the end of 2015 with the additional 180 post offices to follow in 2016. Post offices will have download speeds of up to 22 Mbps and upload speeds of up to 6 Mbps, improving postal, insurance and banking services to the public as well as back-office operations. The agreement will enable Poste Italiane offices located beyond terrestrial broadband to provide the public with the same level of service as branches in major population centers. Staff will also gain improved office IT and telecommunications services that will benefit their customers. Furthermore, Poste Italiane has successfully tested additional public and back-office services through Eutelsat that can be rolled-out in the future. These include public Wi-Fi access in post offices, security surveillance options and videoconferencing facilities.

**FINLAND: Postal Technology International**: Finnish postal operator Posti is to add 100 new service points to its network over the next few years, taking the total number to 1,500. Cooperation negotiations have been completed, covering 98 of Posti's outlets, with the aim of renewing and improving the accessibility of the postal operator's services. A total of 21 outlets will be managed by Posti, while negotiations will be held concerning the remaining 77 outlets, which are to be transferred to partners between 2015 and 2018. The number of Posti service points will be increased by 100 over the next few years, with the total growing to 1,500.

**RUSSIA - CHINA: WantChinaTimes**: Russia is going to launch a China-Russia express rail line for postal services to shorten the package delivery time between the two countries, reports China's state newswire Xinhua. Dmitry Strashnov, CEO of Russian Post, suggested the creation of an online mechanism for people to report the contents of their packages instead of physically taking them to the post office, which will reduce delivery time to just 14 days. If this can happen, Strashnov said cross-border postal services will increase tenfold. Russia has great potential for e-commerce as 70% of the public use the internet but the internet only accounts for 2%-3% of retail sales.

*June 24, 2015*

## POSTAL/FEDERAL NEWS

**Postal Regulatory Commission**: Representatives of the Postal Regulatory Commission and the Postal Service Board of Governors met on June 23, 2015 to share information of interest concerning the operations of both organizations. This session was limited to the sharing of information for the purpose of familiarizing each entity with the operations of the other organization, such as reporting on the status of major initiatives. Pending (or anticipated) postal matters before the Commission were not discussed, nor did deliberations or decisional matters take place during this session.

## DOMESTIC NEWS

**The Boston Globe**: Anyone who has lived in an apartment complex has probably encountered that pile of delivery boxes tucked behind the front desk, waiting for residents to claim their latest haul from Amazon. Entrepreneurs are betting there's a promising business hiding in that heap of cardboard. A growing number of companies, including the Medfield startup Package Concierge, are seeking to outfit apartment buildings with banks of high-tech lockers that

can serve as a mail drop for packages. Apartment managers are spending an increasing share of their time wrangling with deliveries. Residents can have trouble getting their packages if a building doesn't offer concierge service after typical working hours, said Georgianna Oliver, founder and chief executive of Package Concierge.

**Wall Street Journal:** E-commerce made it a breeze for a shopper to buy something from the other side of the country. Now, retailers and delivery companies are making it just as easy for shoppers to buy something on the other side of the world. FedEx Corp., United Parcel Service Inc. and other global delivery companies are banking on cross-border shoppers who believe geography is no object when it comes to finding what they want.

**Great Falls Tribune:** Now, we undoubtedly have different means for many types of information sharing through the Internet. While many may rely on email and other Internet-based communications platforms, most still use the mail to send birthday cards or pay the mortgage and a myriad of other purposes. Additionally, rural America still lags behind more urban areas in Internet use, which only makes the USPS that much more important in many areas of the country. Unfortunately, the U.S. Postal Service seems to be increasing service and product offerings in metropolitan centers like San Francisco, Washington, D.C., and New York, while they are shutting down mail processing facilities and decreasing service in other areas. In truth, USPS service standards have steadily deteriorated over the last three years. An example is the elimination of overnight delivery for local first-class mail that would arrive the very next day. Even worse, according to the USPS, first-class mail, which is supposed to reach its recipient within 3-5 days, failed to meet this standard for over one third of all mail delivered in the first seven weeks of 2015.

## INTERNATIONAL NEWS

**FRANCE: Post & Parcel:** La Poste Group has selected Paris-based software firm Weborama to provide a data management platform to digitise its advertising and customer data system. The project is part of the transformation of the French national postal operator and should allow La Poste to take better advantage of its direct mail reach, while providing advertisers with better and more targeted access.

**GERMANY: Post & Parcel:** German union Ver.di has said indefinite strike action has expanded to 31,000 employees at Deutsche Post as the conflict entered its third week. The industrial action began after a sixth round of negotiations with the country's universal postal service provider failed on 2nd June. Ver.di said the dispute over wages and working conditions for 140,000 public employees at Deutsche Post has affected mail and parcel delivery activities and also mail and parcel sorting centres.

**GERMANY - UNITED KINGDOM: Tamebay:** There have been postal strikes in Germany which yesterday escalated to 31,000 workers downing tools and it's starting to impact ecommerce sellers in the UK. Deutsche Post posties have been engaged in regular walkouts and work to rule since the 8th of June and millions of letters and, more importantly for sellers, parcels haven't been delivered. The issue is Deutsche Post plans to hire thousands of workers in sister companies on different terms to the collective Deutsche Post agreement deal with the German trade unions. The strikes are to go on indefinitely with no end in sight. This of course won't affect sellers who are using couriers to deliver packages, although it's still worth keeping an eye on as their volumes may increase as companies switch from mail to courier. It is however likely to affect merchants who despatch parcels via Royal Mail.

**FRANCE: PressTV:** French postal employees have gone on a strike after authorities unveiled a plan for fresh job cuts within the postal services. La Poste is a state-run company. Now it's facing pressure to allow more private players into the market. Labor unions say the employees should not pay the price for the competitive atmosphere the government is trying to create.

*June 23, 2015*

## POSTAL/FEDERAL NEWS

**USPS Office of the Inspector General:** *Undeliverable as Addressed Costs More than You Think* -- Undeliverable as addressed (UAA) mail is a clunky name for a big problem: Mail not reaching its intended recipient because the address is incorrect, incomplete, or illegible. UAA mail is costly to both the Postal Service and its customers – about

\$1.5 billion a year for the Postal Service and \$20 billion for the mailing industry, according to a report we issued last month. But the costs of UAA go beyond just returning, destroying, or forwarding undeliverable mail. For mailers, there are direct costs, such as printing and postage, and indirect costs, such as lost opportunities. Despite concerted efforts by the Postal Service and mailers to reduce UAA mail, it actually increased by 2.1 percent to a total of 6.6 billion pieces from fiscal years 2011 to 2014, our report notes. We found the Postal Service's strategies to reduce UAA have been ineffective because of how complex the address verification process is and because mailers have to abide by conflicting laws and regulations. For example, companies in the financial and insurance industries are legally required to send mail to the last known address even if Postal Service systems indicate a change of address has been submitted.

**Federal Register**: **Postal Regulatory Commission PROPOSED RULES** Periodic Reporting , 35898–35899 [2015–15361] [[TEXT](#)]

## DOMESTIC NEWS

**Associated Press**: An employee of the U.S. Postal Service in western South Dakota has been indicted on a theft of mail charge. Authorities are accusing Daniel Newman, of Rapid City, of embezzling letters, post cards, packages, bags and other mail between November and March. Authorities say Newman stole money, gift cards and other items contained in the mail he embezzled.

**Wall Street Journal**: Business keeps getting better for third-party-logistics companies. Revenues for U.S. 3PLs, which provide services ranging from booking truck drivers to managing warehouses, rose 7.4% to \$157.2 billion last year, according to data from Armstrong and Associates, a research firm. Driving the growth was an improving U.S. economy and a shortage of capacity in a few key areas, notably trucking, said Dick Armstrong, president of Armstrong and Associates. "More companies are outsourcing logistics than we've seen in many years," Mr. Carlier said. "As business has increased, customers are saying they need to increase their warehousing as they build up their inventories. But rather than build for themselves, they're looking to third-party providers. Rather than go through the challenge of hiring drivers, they're outsourcing."

## INTERNATIONAL NEWS

**BERMUDA: Today In Bermuda**: The Bermuda Post Office (BPO) would like to advise the public that it will introduce a rate change and modernization of its postal products on July 1st, 2015 for local and international letter mail, parcels and International Data Express (IDE). The BPO has not issued a rate increase on the majority of its products since 2000. However, given the increased global costs for doing business, rates must be adjusted to reflect these trends. Local postage rates are used to calculate the terminal dues that Bermuda earns as revenue for delivering mail from postal services in other jurisdictions. Terminal dues are an important source of income for all postal administrations, including the BPO. Stamp sales and terminal dues represent 74 percent of the BPO's annual revenue which underscores the need for a rate increase.

**TAIWAN: Taipei Times**: Like postal services worldwide, Chunghwa Post loses money on mail delivery. However, its other products and services are proving valuable. The 199-year-old Chunghwa Post has undergone significant changes since it was established in China in 1896 as the Great Qing Post. Renamed in 1912 after the founding of the Republic of China, it began offering banking and insurance services in the 1930s. In recent years it has begun selling micro-insurance to blue-collar workers, offering free fruit delivery for farmers and much more, adding services that have helped the company turn a profit at a time when the postal services of other nations are hemorrhaging money.

*June 22, 2015*

## POSTAL/FEDERAL NEWS

**Politico**: House Oversight and Government Reform Chairman Jason Chaffetz has stripped North Carolina Rep. Mark Meadows of his subcommittee chairmanship, just days after he defied leadership on the House floor by voting against a party-line procedural motion.

## DOMESTIC NEWS

***Business Insider:*** Last week, the Federal Aviation Administration (FAA) stated in a congressional hearing that regulations for commercial drones will be finalized and put in place within one year. Almost immediately after, Amazon said that as soon as these regulations are implemented, they will be ready to launch their drone delivery system, reports the Daily Mail. The company wants to bring packages to Prime members within 30 minutes of an order placement. Amazon already holds patents for drone delivery, including a system that will bring packages to a person's current location as opposed to a stored shipping address.

***Wall Street Journal:*** A shrinking supply of boxcars—once the ubiquitous symbols of U.S. railroads and a rolling bellwether for the economy—is causing a freight-hauling crunch for industries that continue to use them. The number of boxcars in service in North America fell by 41% in the past decade to slightly less than 125,000 last year as 101,600 cars were scrapped and only about 13,800 replacement were added. That downsizing accelerated a decadeslong shift by railroads to more specialized railcars and intermodal carriers that allow shipping containers to hop from trucks to trains. While the transition has worked fine for many shippers, paper manufacturers, lumber producers and other companies that rely heavily on boxcars to protect and move heavy shipments say the fleet has declined so much that they're struggling with a boxcar shortage. Paper and building products maker Georgia-Pacific LLC. has had to periodically slow production at some paper mills, and idled one mill for a short time recently when it couldn't obtain boxcars to move its paper. The paper industry accounted for half of the 1.25 million boxcar loads in North America last year.

## INTERNATIONAL NEWS

***SINGAPORE: Post & Parcel:*** Singapore Post has sold off three printing and mailing businesses as it continues to position itself with more of a focus on e-commerce. SingPost said on Friday that it will sell a 90% stake in its hybrid mail business DataPost Pte Ltd to Hong Kong-based Jing King Tech Solutions Ptd Ltd for about S\$39.3m (\$29.5m USD). The sale comes following last month's divestment of SingPost's Novation Solutions Ltd and DataPost (HK) Pte Ltd for S\$24.4m (\$18.3m USD). All three of the businesses being sold are involved in secure printing, document management and transactional mail printing services. SingPost will retain a 10% stake in the DataPost business, intending to continue its use of the business on behalf of its customers.

***NEW ZEALAND: Wellington Scoop:*** Tomorrow New Zealand Post will continue its removal of road side post boxes. This is privatisation by stealth says the Postal Workers Union. At the same time that NZ Post is quietly engaged in the removal of many of its road side post boxes and reducing its delivery service, private mail company DX Mail is steadily building up its own postal delivery network.

***UNITED KINGDOM: The Guardian:*** Households could be sent marketing material routinely through the post based on their online shopping activity if a trial between Royal Mail and a big retailer takes off. Royal Mail said the plan was similar to advertising that already happens online whereby internet shoppers are shown ads based on their recent shopping history. The company is working with an unidentified retailer to run a similar system, already in operation, using physical mail. If an online shopper puts an item in their basket but does not complete the purchase this triggers a letter or brochure to the customer's home encouraging them to buy the product.

***June 21, 2015***

## DOMESTIC NEWS

***Los Angeles Daily News:*** A proposal last week to go to postal voting here made by California Secretary of State Alex Padilla is . . . to get more of us voting in the first place. "California ranked 43rd in voter turnout nationally for the 2014 General Election," a Padilla press release said. "This problem cannot be ignored." It is a dismal statistic indeed, and we understand the handwringing about it, having done some of it ourselves. The secretary would like to see a voting system based on Oregon's in which the state of California would send ballots to every registered voter, who could then either mail them back, drop them off or use an old-fashioned voting machine at one of the (far fewer) remaining polling places. In the end, we think democracy is better served by encouraging people to vote, and

we have faith they won't do so capriciously. The proposal is a sound experiment, and we look forward to its implementation.

**Dead Tree Edition:** Postal workers may begin early-morning delivery of groceries for Amazon in the New York metropolitan area by the end of this month. The U.S. Postal Service filed a statement with the Postal Regulatory Commission on Thursday saying it "intends to expand the Customized Delivery market test to the New York City metropolitan area, on or shortly after June 29, 2015."

## INTERNATIONAL NEWS

**Daily Mail:** The Government announced earlier this month that it is to sell its remaining stake in Royal Mail. The move, apart from raising much needed money, is aimed at enabling the postal giant to compete in what is a fiercely competitive market. Here, The Mail on Sunday looks at the best options for sending a parcel – whether it is popping into the post office, finding a cut-price courier or even learning from carrier pigeons.

*June 20, 2015*

## POSTAL/FEDERAL NEWS

**Federal Register:** Postal Regulatory Commission *RULES* Mail Classification Schedule , 35573–35575 [2015–15198][[TEXT](#)]

## DOMESTIC NEWS

**National Association of Postmasters:** The Executive Boards of NAPUS and the League decided to name their successor consolidated organization the "United Postmasters and Managers of America (UPMA)".

## INTERNATIONAL NEWS

**TAIWAN: Focus Taiwan:** Taiwan's 119-year-old postal service Chunghwa Post has undergone significant changes in recent years. From simply delivering mail when it was first founded in China in 1896, and to offering banking and insurance services starting in the 1930s, its services have now expanded to selling micro-insurance to blue collar workers, offering free delivery of fruits for farmers, and much more. And unlike postal services operating in the red in other countries, due to increased use of e-mail and a decline in traditional mail, Chunghwa Post has been making a profit in recent years.

**ARMENIA: Panorama.am:** National Assembly of Armenia today passed in the first reading a bill on amendments to the 2006-2007 State Property Privatization Program, with 61 votes in favor, 22 against, and 16 abstentions. The bill was drafted due to the inclusion of Haypost Company in the 1st list of companies in which the state has a stake. The privatization of Haypost CJSC national postal operator is expected to help attract private investment, increase financial flows, modernize the company and develop postal services.

*June 19, 2015*

## DOMESTIC NEWS

**Forbes:** An initial public offering (IPO) of the United States Postal Service (USPS) could realize some US\$40 billion (c.£25.23bn) despite a number of significant obstacles lying in the way of such a corporate action. But heaven forbid could the Americans learn anything from UK's privatization of Royal Mail?

**Post & Parcel:** The United States Parcel Service (USPS) has claimed that rolling back mail delivery service standards to 2012 levels – as envisaged by an amendment to the FY2016 Financial Services Bill which was approved the US Congress Appropriations Committee on Wednesday (17 June) – would cost \$1.5 billion annually.

"[The] House Appropriations Committee vote to roll back mail delivery service standards to 2012 levels is financially and operationally indefensible, and the Postal Service strongly encourages the Congress to remove this requirement," said Sarah Ninivaggi, a USPS spokeswoman. "The Postal Service simply cannot afford costly, legislatively-mandated inefficiencies that undermine our viability as a self-funding entity." Ninivaggi added that requiring USPS to "forego vitally necessary future cost savings would be highly disruptive to our operations and our employees — and to our business customers who have already invested in and otherwise adapted to our current service standards."

**Postal Technology International:** Pitney Bowes has announced the completion of its acquisition of Borderfree, a global e-commerce solutions provider.

**Government Executive:** A House committee on Wednesday advanced a measure to reinstate U.S. Postal Service delivery standards from 2012, which would effectively halt any of the agency's desired facility closures. The provision was attached as an amendment to the financial services and general government appropriations bill after being introduced by Rep. Chaka Fattah, D-Pa., formerly the head Democrat on postal issues. The amendment would restore the delivery standards in place in 2012, meaning most first-class mail not leaving a city would have to be delivered overnight. The Postal Service previously reduced the amount of mail it delivered overnight and shifted a substantial amount of mail from a two-day delivery standard to a three-to-five day range. Overall, USPS downgraded its delivery standards for about 28 percent of first-class mail. USPS cited those changes as necessary to enable it to consolidate facilities and rely less heavily on air delivery. The agency shuttered 141 processing facilities in 2012 and 2013, and had begun closing an additional 82 in 2015 before it suddenly decided to cancel those plans last month. The slower mail delivery and corresponding consolidations have generated controversy and have proved major sticking points in delivering comprehensive reform to the agency.

**GlobeNewswire:** Command Security Corporation has announced the notification by the U. S. Postal Service ("USPS") of their decision regarding the previously announced contract award. On December 31, 2014, Command Security Corporation ("Command Security" or the "Company") received notification of the award of the USPS contract under Solicitation No. 2B-14-A-0078, valued at approximately \$250 million over a ten year term of service. The contract provides for security services at 50 USPS locations in 18 states, Puerto Rico and the District of Columbia, valued at approximately \$20 million per year, as well as the operation of the two USPS National Law Enforcement Communication Centers (NLECC) at Dulles International Airport, Virginia and in Ft. Worth, Texas, valued at approximately \$5 million per year. The award includes a four year base contract and three two-year options.

## INTERNATIONAL NEWS

**UNIVERSAL POSTAL UNION: Post & Parcel:**The Universal Postal Union has told members it will undergo a "fundamental review" to respond better to member countries' requirements. The Swiss-based UN-affiliated agency supporting the global network of universal postal service providers made the pledge at a conference organised by its regional satellite, the Pan African Postal Union, at the start of the month. UPU director general Bishar Hussein said the organisation needed to change to cope with the changing needs of postal administrations in Africa as they adapt to changing communication trends among their customers.

**NORWAY: EV Fleetworld:** Norwegian postal service, Posten Norge, has purchased 300 electric delivery vehicles for its fleet, aiming to have them in service within the next 12 months. Set to be deployed nationwide, the new vehicles will be used for mid-length routes and urban deliveries, and are expected to save millions of krone per year in operating costs.

**EUROPE: Postal Technology International:** More consumers are opting for tracked delivery when shopping online – the result of retailers offering a greater variety of affordable options. Paul Galpin, managing director, P2P Mailing, examines this trend and highlights the importance of meeting the delivery service needs and expectations of today's customers. Previously, when shopping online, consumers were limited in their choice of delivery service. The options broadly divided into two categories: standard delivery services which offered no tracking; or more express alternatives which offered faster delivery and gave the customer visibility of the progress of their order – but at a

cost. However, in the past couple of years this situation has started to change. Retailers and their delivery service providers have realised that as online shopping continues to grow, customers are becoming more discerning when it comes to exercising their purchase power. In particular, delivery is playing a big role in that decision. Our research shows that experiencing delays or delivery problems just twice or more would convince 87% of people to switch to another supplier

**PORTUGAL:** [Post & Parcel](#): Portugal's CTT Group has appointed banking sector veteran Luis Pereira Coutinho to launch its planned postal bank.

**EUROPE:** [Wall Street Journal](#): The largest U.S. logistics companies are preparing for a boom in spending on specialty drugs that require temperature-controlled shipping by investing in so-called cold-chain infrastructure. On Thursday United Parcel Service Inc. announced it is building a health care distribution center in the Netherlands, just a month after opening an air freight facility at the Amsterdam Airport Schiphol dedicated to health care shipments. . The announcement comes in the same week that Deutsche Post DHL AG released a white paper that said pharmaceutical manufacturers face an "exponential growth in the need for temperature assured distribution and handling of materials, from active ingredients to finished products."

*June 18, 2015*

## POSTAL/FEDERAL NEWS

### [USPS Industry Alert:](#)

- **USPS Shipping Products and Services Webinar Series June 23, 2015, 11a.m. EDT – Returns** Join us as the Postal Service continues to host its series of informational webinars on a variety of products and services. The webinars will focus on service enhancements, features, benefits, how to get started, and onboarding information to acquire the knowledge and skills to effectively use the service. Tuesday, June 23, 2015 at 11a.m. EDT – Returns  
USPS Return Service offers a variety of ways for customers to return items to merchants. There are options based on the weight and urgency of the return, as well as options to return using pre-printed labels and Merchandise Return labels. Speaker: Karen Ward, Manager, Shipping Solutions Participant information is provided below: Tuesday, June 23, 2015 (11:00 a.m. EDT)  
Attendee Information: US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 17345168 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=eeabaab4093296a8fa74d2aa3129b5201> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <http://usps.webex.com> Event Number: 999 427 799
- The latest issue of "[Mail Spoken Here](#)" has been posted on this site.

**[Federal Register](#):** Postal Regulatory Commission *NOTICES* Rate Adjustment Remand , 34937–34939 [2015–14965] [[TEXT](#)]

**[House Committee on Appropriations](#):** "Appropriations Committee Approves Fiscal Year 2016 Financial Services Bill" Including the following from Rep. Fattah – An amendment to restore mail delivery standards to the July 1, 2012 level. The amendment was adopted on a vote of 26-23.

### [Office of the USPS Inspector General:](#)

- [Workshare Discounts for Automated Mail Processing](#)

**Background.** The U.S. Postal Service uses workshare discounts to increase its operational efficiencies. It offers these discounts to mailers for mail preparation and distribution activities it would otherwise have to perform. The Postal

Regulatory Commission approves the discounts. The Postal Accountability and Enhancement Act of 2006 states that workshare discounts should not exceed the costs the Postal Service avoids when mailers perform these preparation and distribution activities. For the Postal Service to realize the full benefits of workshare discounts, worksharing must align with its mail processing operations. Our objective was to review workshare discounts related to automated mail processing to identify those that may no longer be valuable to the Postal Service. We also reviewed opportunities for new workshare discounts to encourage network efficiency.

**What The OIG Found.** Some workshare discounts for automated mail processing no longer benefit the Postal Service's processing network. Recent changes to the network offer an opportunity to re-evaluate discounted rates and potentially add new workshare discounts. Specifically, we identified workshare discounts for sorting mail into carrier route delivery point sequencing that duplicate Postal Service functions. As a result, we estimate a revenue difference of \$438 million annually for mail volume that was processed in the same manner but received different rates. We also identified obsolete or unnecessary discounts and product prices that could be eliminated. Specifically, unnecessary workshare discounts exist in the current Flats Sequencing System pricing schedule. This may add complexity to the pricing structure that could deter mailers from establishing or expanding relationships with the Postal Service. There may be opportunities for new workshare discounts that reflect current network operations. For example, mailers suggested the Postal Service could consider discounts to encourage increased participation in the Seamless Acceptance program. This program automates bulk mail acceptance and verification using data provided by mailers and gathered during mail processing. Increased participation may reduce costs associated with mail verification by business mail entry unit personnel. The Postal Service could lose opportunities to grow revenue, partner with mailers, and gain operational efficiencies if it does not update workshare discounts periodically to reflect current network operations.

**What The OIG Recommended.** We recommended management work with the Postal Regulatory Commission to periodically review existing workshare discounts for opportunities to eliminate obsolete discounts. We also recommended management periodically evaluate potential workshare discounts and add those where opportunities for greater efficiency exist.

- [U.S. Postal Service's Delivering Results, Innovation, Value, and Efficiency Initiative 30 – Achieve 100 Percent Customer and Revenue Visibility](#)

**Background.** In fiscal year (FY) 2011, the U.S. Postal Service established 36 Delivering Results, Innovation, Value, and Efficiency (DRIVE) initiatives to improve its business strategy. DRIVE aims to reduce the reported \$20 billion gap between revenue and expenses by FY 2016 through bold, aggressive initiatives with measurable outcomes. DRIVE 30 – Achieve 100 Percent Customer and Revenue Visibility has six projects designed to increase customer visibility to 95 percent and product visibility to 76 percent for meter revenue by FY 2017. The Postal Service uses customer visibility to improve its sales and marketing efforts by identifying the owner of a mailpiece. Through product visibility, it obtains mail class revenue information about metered mail, which identifies products customers are using. Our objective was to determine whether DRIVE 30 used established DRIVE project management processes.

**What The OIG Found.** DRIVE 30 managers did not follow established project management processes. Specifically, two roadmaps had gaps of more than 2 to 3 months between milestone dates. Based on the DRIVE Governance Guide, milestone dates should be no more than 6 weeks apart. When milestones are



too far apart, it is difficult to effectively monitor and detect risks to the schedule and to demonstrate progress. In addition, 83 changes, additions, or removals to project milestones were made in the Technology Management Office System without completing the required change request form. The Meter Product Visibility goal of a 2 percent improvement per year is not bold and aggressive, as it is not based on any activities that would improve the project goal beyond past performance. These issues occurred because the Strategic Management Office did not ensure DRIVE governance requirements for DRIVE 30 were followed. As a result, executive-level managers could make less informed decisions because they cannot accurately evaluate project goals. There is no guarantee that key planning considerations have been taken into account before the change occurs. Additionally, the initiative lead and roadmap owner did not identify new activities to improve meter product visibility. Instead, DRIVE 30 managers used this roadmap as a placeholder for monitoring, which is contrary to the purpose of DRIVE. As a result, visibility may not improve beyond what would occur through normal business activity.

**What The OIG Recommended.** We recommended management require initiative leads and roadmap owners to implement milestones at 4- to 6-week intervals and complete all appropriate forms when making changes to project goals. We also recommended management ensure that DRIVE goals are bold and aggressive.

- [Market Dominant Billing Determinants: First-Class Mail](#)

**Background.** Billing determinants are spreadsheets that U.S. Postal Service employees manually produce to report volume and revenue for each price in the five market dominant classes of mail, including First-Class Mail. The Postal Service primarily obtains this data from its published price list and the Revenue, Pieces, and Weight codes. The Postal Accountability and Enhancement Act requires the Postal Service to produce an Annual Compliance Report within 90 days of the end of each fiscal year. The report analyzes costs, revenue, pricing, and quality of service for all products. The Postal Service uses billing determinants to ensure price adjustments do not exceed the price cap for each market dominant class of mail. Given the manual preparation and complexity of the spreadsheets, there is a risk of data entry errors. Our objective was to assess the completeness and accuracy of the data used in market dominant billing determinants for First-Class Mail.

**What The OIG Found.** We did not find any issues with the completeness of billing determinants but opportunities exist to improve the accuracy of the Postal Service's billing determinant calculations. Specifically, there were errors in fiscal year (FY) 2013 and FY 2014 First-Class Mail® billing determinants resulting from inconsistent accounting of mail volume due to reclassifications and calculations we could not verify. As a result, the Postal Service incorrectly calculated a combined \$156.8 million in revenue for FYs 2013 and 2014. Although these errors did not impact compliance with 2015 price cap requirements, there is a risk that future billing determinant calculation errors could. Overall, these errors occurred because the Postal Service did not establish strong controls over the billing determinant calculation process. Specifically, the Postal Service did not have documented repeatable processes to guide in the preparation of billing determinant spreadsheets and did not conduct quality reviews of billing determinants prior to publication. Recently, the vice president, Pricing, stated that Finance employees have begun reviewing billing determinant calculations for accuracy.

**What The OIG Recommended.** We recommended the vice president, Pricing, file corrected FY 2013 and FY 2014 billing determinants with the Postal Regulatory Commission; develop procedures to ensure billing determinants are produced using documented, repeatable processes; and establish a quality review process. The current process, with the amount of judgement required and the tight timeframes, would be difficult to automate; however, as business processes change, opportunities for automation may increase and should be pursued.

*Attention Postal One! Users:*

- **PostalOne!® Release 41.1.1.0 Production Deployment-** PostalOne! Release 41.1.1.0 will deploy Thursday, June 18, 2015 from 5:00 PM CT through 9:00 PM CT. This release includes updates to existing functionality and database maintenance activities. This release will not require an extended maintenance window but users may experience brief interruptions during this period. Please note, there will not be a mandatory Mail.dat® client download required for this deployment.
- **PostalOne! Release 41.1.1.0 Deployment to Test Environment for Mailers (TEM)** will occur on Thursday, June 18, 2015 as well. The PostalOne! TEM environment will not be available between 5:00 PM and 7:00 PM CT. TEM validation will occur on Friday, June 19, 2015 between 9:00 AM CT and 11:00 AM CT.

## DOMESTIC NEWS

**MarketWatch:** Legacy delivery companies like FedEx Corp. and United Parcel Service Inc. played a huge role in the decline of the U.S. Postal Service, but it's time for them to pay the piper--technology has brought them face-to-face with their own competitive threat: Amazon.com Inc., Uber and other startups. Mobility, brought upon by the proliferation of smartphones, apps and connected devices, has created a climate of instant gratification and given way to a fast-growing market for on-demand delivery services, such as Postmates. The millennial generation is much less loyal to legacy brands than generations past. Data shows consumers are hungrier for better, faster and more transparent services--from shipping to cable--and don't much care who provides it.

**WindowBook Press Release:** Window Book, Inc. is pleased to announce the release of their latest breakthrough technology, PostalWeb, which improves the efficiency of mailing operations by automating the transfer of PostalOne!® documents and data back to the mailer. Mailers can now use PostalWeb to automate retrieval of unpaid and finalized postage statements from PostalOne!. In addition, mailers can also automatically receive Barcoded Confirmation Pages, which can be scanned by USPS acceptance personnel, and important postage statement data in an XML format. This data can be used by both mailers and mail owners to automate entry of postage data into internal systems. In addition to automated document and data distribution, PostalWeb has an innovative eDoc dashboard which is mobile friendly and provides a unique view of e-doc submissions that has been designed for mailers.

**Washington Post:** Federal charges unsealed Wednesday allege that, far from being Santa's helpers, three employees of the Postal Service were real grinchers during the 2013 Christmas season. The three postal workers face charges of conspiracy to commit mail fraud and mail fraud, according to the criminal complaint, and two of the three are charged with receipt of stolen mail.

**USA Today:** Mike Glenn, executive vice president of FedEx, who on a conference call to discuss the company's latest earnings report, also addressed a key question about a long-term threat to the entrenched shipping giants: the emergence of technology companies as competitors. For example, ride-sharing service Uber is hoping to make shipping a core part of its business as it ramps up its national network. And retailing giant Amazon.com is also considering a mobile app that would offer to pay individual customers to deliver packages, according to a Wall Street Journal report. But FedEx's Glenn doesn't seem too concerned. Without mentioning Uber or Amazon by name, Glenn brushed off the prospect of a big new techie competitor, saying the "extremely capital intensive" nature of constructing a shipping network and the "sophisticated information technology" required to run the business are major obstacles to new entrants.

**PRNewswire:** *American Postal Workers Union President Mark Dimondstein* -- Today's vote by the House Appropriations Committee to approve an amendment to restore postal service standards is an important step forward for postal employees and our customers – large and small. The bipartisan vote was 26-23. Postal workers have been fighting the drastic cuts in service that management implemented unilaterally on Jan. 5. Today's committee's vote is a vivid example of how the demands of postal workers reflect the people's demand for good postal service. The amendment would rescind the lower service standards – which have wreaked havoc on mail delivery – and restore the standards that were in place on July 1, 2012. If enacted, it would require postal management to restore overnight mail delivery within cities and towns, and the 2- and 3-day delivery standards that were wiped out in January.

## INTERNATIONAL NEWS

**ARMENIA:** [News.am](#): The proposal to privatize Armenia's National Post Service has been introduced in Armenia's parliament. The bill on including the national postal operator Haypost CJSC in the privatization list was introduced by Arman Sahakyan, Head of State Property Management Department adjunct to the Government of Armenia. Currently the operator is under the confidential management of 'HayPost Trust Management' company, which is controlled by the Argentinean-Armenian billionaire Eduardo Eurnekian.

**AUSTRALIA:** [The Australian](#): Ahmed Fahour has just a couple of years to start implementing the changes he plans for Australia Post. The 49-year-old has been chief for five years and says 10 years is long enough for anyone to run an organisation. It has been a tough few years for the former banking executive who in March reported a 56 per cent drop in first-half profit to \$98 million from \$222m a year ago. Always keen to present the right image, Fahour let it be known he and other executives would forgo bonuses this year amid the rationalisation, and at a personal cost to Fahour of about \$2.5m. With its traditional mail delivery business disrupted by the internet's capacity to provide alternative communication, Australia Post must move fast to reinvent itself. Fahour says the organisation's biggest assets are its capacity to become the delivery van for the internet, and its image as a trusted provider of services. Australia Post has been thrown a lifeline with the federal government's decision to deregulate the price of stamps — providing a boost to cash returns. Its booming parcels division is a plus. But it will need a more radical overhaul in the next few years.

**INDIA:** [Business Insider](#): After Amazon, Flipkart and Snapdeal are planning to join hands with India Post for a one-day delivery system to areas where private courier services are yet to reach. So, is e-commerce shipping becoming a great business opportunity for India Post which has seen tremendous loss in this digital age? What is in it for e-tailers is crystal clear to all. India Post being one of the best in the country enjoys a very high confidence of the consumers. So it will solve a really big problem for most of the companies who are not able to find a good solution to reach out to the smaller cities of the country.

*June 17, 2015*

## POSTAL/FEDERAL NEWS

### *Postal Regulatory Commission:*

- PI2015-1 Order No. 2544 - Interim Order Concerning Service Performance Measurement Systems for Market Dominant Products  
<http://www.prc.gov/docs/92/92552/Order%20No.%202544.docx>  
<http://www.prc.gov/docs/92/92552/Order%20No.%202544.pdf>

[Federal Register](#): **Postal Service NOTICES** Meetings; Sunshine Act , 34715 [2015–14949] [[TEXT](#)]

[USPS Link](#): The Postal Service has taken new steps to strengthen its business practices and reduce program costs under the Sarbanes-Oxley (SOX) accounting law. USPS began transitioning most SOX functions to the Deloitte & Touche consulting firm June 8, part of a broader effort to simplify its SOX organizational structure. The Postal Service also created a revenue assurance unit to ensure USPS collects the appropriate amounts due. About 95 Postal Service headquarters employees will be affected by this transition.

## DOMESTIC NEWS

[NASDAQ](#): FedEx Corp. said it is boosting its capital spending by 7% to \$4.6 billion, with the entire increase going toward its ground segment as it tries to keep up with the boom in online shopping.

[Digital Journal](#): A new, national online mailing service allows businesses to send real invoices from their computer through the U.S. Mail, one or all at a time. The ease and speed of the service has resulted in saved time and faster

receivables for many companies. Postalocity.com is a new online service that purports to be "the easiest way to send real mail, ever."

**eCommerceBytes**: Members of Congress turned their attention this week to an issue that's long been a source of frustration for online sellers. They heard from a panel of experts, including Amazon's top policy official, about the imbalance in shipping fees that puts U.S. merchants at a competitive disadvantage against foreign retailers, particularly those from China. Paul Misener, Amazon's vice president of global public policy, told members of a House subcommittee that U.S. sellers suffer under what he called a "frustrating" and "completely unnecessary and illogical" system whereby Chinese firms can ship low-weight orders to American buyers at significantly cheaper rates than are available to domestic sellers. "The clear losers are American businesses selling to American consumers, and these are many of the sellers through our website. The clear winners are foreign sellers selling to American consumers. They get a terrific benefit," Misener said. "It's a big deal for our seller customers, and we're looking out for them. We're going to be fine either way, but this kind of imbalance for our seller customers is illogical," he added.

**UPS Newsroom**: UPS Capital, a subsidiary of UPS, which provides supply chain financial, insurance and payment services, today announced the acquisition of Parcel Pro, the leading independent logistics provider to the jewelry, wristwatch and collectibles industries.

**Investors.com**: Vantiv, Inc., a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, announced today that it has been selected by the United States Postal Service to provide a full suite of omni-channel payment solutions. Vantiv's processing services will support the efficiency, scale and functionality required for the large volume of retail visits to Postal Service locations nationwide as well as those to usps.com. "With the rapid evolution taking place in payments, there is a need in the marketplace for highly flexible, scalable and easily integrated solutions that can meet the dynamic demands of a large retail customer base," said Royal Cole, group president of merchant and financial institution services at Vantiv. "This contract with the Postal Service is another example of how the strength of Vantiv's omni-commerce solutions, innovative capabilities and service leadership is helping us win new clients." The agreement includes a full suite of payment solutions, including Vantiv's innovative risk and data security solutions designed to help protect customers' sensitive data and deter the use of fraudulent credit cards. Vantiv's encryption and tokenization technology helps protect customer data at the point of entry as well as data held for use in reconciliation, chargeback processing and other functions such as recurring payments.

**The News Tribune**: It took an inexcusable 10 years and at least nine formal complaints by women for action to finally be taken against a Tacoma mail carrier dubbed the "stalker mailman." But it wasn't the U.S. Postal Service that finally responded appropriately to complaints it received; it was the Tacoma Police Department – after a woman reported in 2014 that carrier Robert Taitano had entered her home without permission and asked if she were married. The USPS has given no reason for why it didn't report Taitano to authorities, only saying that it had "vigorously" investigated allegations. But it has denied News Tribune requests to see copies of the complaints or paperwork on any investigations of those complaints. Nor will the Postal Service say whether Taitano is still employed, on administrative leave or delivering mail. However, the TPD investigation cites an October USPS report showing Taitano to be on administrative leave at that time. Is that still the case, or is he back on the job? Is he being paid? No one's talking.

**The Ledger Independent**: Residents of Augusta have been given a reprieve on paying their water, gas, garbage and sewer bills this month. Though the reason is not known, the bills took longer than usual in the U.S. Postal Service care, before being delivered, city official said on Tuesday.

**eNewsChannel**: SmartKiosk today announces their new technology designed to reduce the cost of incarceration. Taxpayers across the country are spending Billions of dollars annually to house and provide services to incarcerated people in U.S. jails and prisons. Drugs and other contraband smuggled through the postal mail has hit epidemic levels. Letters, envelopes, stamps, photos and all other items mailed, are soaked in odorless, colorless, highly potent drugs and poisons. Unable to detect drug tainted mail, it is hand delivered by Deputies to inmates much like dealers on the street. Maintaining security and control is beyond challenging and expensive. SmartKiosk announces their no cost solution. The world's first patent pending, postal mail elimination system for corrections.

## INTERNATIONAL NEWS

**UNITED KINGDOM:** [\*Invezz\*](#): Royal Mail is facing the threat of restrictions on raising postage prices as part of a wide-ranging inquiry by Ofcom. The communications watchdog yesterday announced that it would conduct a "fundamental review" of the postal group following the withdrawal of its main rival Whistl from the direct delivery letter market. Ofcom said it was concerned that in the absence of national competition, Royal Mail might fail to make itself more efficient, threatening the UK's universal postal service in the long run. One of the options considered by the regulator is to introduce additional controls on the prices Royal Mail charges for its service.

**UNITED KINGDOM:** [\*Interactive Investor\*](#): Royal Mail's current pension scheme costs the postal giant about £400 million a year, but the charge to the profit and loss account is over £600 million. That's confusing broker UBS, which believes that in the long-run this situation is "unsustainable". "We believe the most likely option is closure of the Defined Benefit scheme, which should result in upgrades to earnings (although cashflow will be less affected)," writes analyst Dominic Edridge. "However, the reaction of workers and the union to a closure would need to be watched, with a new labour deal required next year." Pensions are such a big deal for the valuation of Royal Mail because of the importance of cashflow generation. The gap between pension cash costs and the accounting charge has widened from £72 million last year to an estimated £255 million in 2016. This is because a deal with pension trustees allowed a surplus to be created and the scheme to remain open until March 2018. The P&L cost assumes the scheme remains open and has risen in line with interest rates.

**ROMANIA:** [\*Business Review\*](#): The Romanian National Postal Company (Romanian Post) announced a net profit of EUR 4.16 million (RON 18.7 million) for the first four months of 2015, as a direct result of an increase in income of 3.1 per cent compared to the same time frame of last year. After five years of financial loss, the Romanian Post has closed 2014 with a net profit of EUR 5 million (RON 22.8 million) and continued the ascending trend throughout 2015.

**FINLAND:** [\*Helsinki Times\*](#): Expectations formed in the world of online shopping turned into reality or disappointment at the outlet of Posti in Töölö on Tuesday. Posti confirmed after wrapping up its consultative negotiations on Tuesday that 77 of the 98 postal outlets it currently operates will be shut down and the services transferred to partner companies by the end of 2018.

**FINLAND:** [\*Post & Parcel\*](#): Finland's Posti Group has unveiled a new three-year strategy aiming to boost profitability given the "sharp" decline in mail volumes. The national postal operator has pledged to defend its letter, magazine and direct mail delivery business despite the trend towards digital alternatives. At the same time, Posti will look to reinforce its position as one of the largest package and logistics players in Finland, while also pushing to be a major logistics operator in Russia.

**INDIA:** [\*Indian Retailer\*](#): Leading online marketplaces Flipkart and Snapdeal could follow in Amazon's footsteps and join hands with India Post's Bengaluru chapter to provide same-day delivery for customers in the city according to a senior official in the postal department. The technology capital is the first city where India Post began delivering packages to customers of online marketplace Amazon on the day an order is placed.

**TAIWAN:** [\*Transport Intelligence\*](#): FedEx Express and 7-ELEVEN, a global convenience store chain, have announced a collaboration under which FedEx extends its services to more than 5,000 7-ELEVEN stores across Taiwan. This brings the total number of FedEx retail service points in Taiwan to more than 6,300 together with the more than 1,300 FedEx Authorized Ship Centers at Chunghwa Post offices, Eslite Bookstores, Kodak Express stores and Sir Speedy centres. The partnership means that FedEx customers are now able pick up packages from 7-ELEVEN's network at their convenience at no additional charge.

**UNITED KINGDOM:** [\*Daily Mail\*](#): Shares in Royal Mail fell to its lowest level since the start of the year this morning after Ofcom announced a 'fundamental review' of the way it regulates the group to make sure it continues to carry out its universal service. The communications watchdog said the review was prompted by the withdrawal of rival Whistl from the 'direct delivery' service, leaving Royal Mail with no competitor in that market.

**FINLAND:** **YLE**: Finnish mail service company Posti announced on Tuesday that cooperation negotiations are now complete, and that 319 of its employees would be laid off due to the closure of 77 Posti shops. The company said its decision was motivated by a need to "renew and improve the accessibility" to its services.

*June 16, 2015*

## POSTAL/FEDERAL NEWS

**Senate Committee on Homeland Security and Governmental Affairs**: The Committee has approved the nomination of David Shapira to be a Governor of the U.S. Postal Service Board of Governors. Mr. Shapira is Chairman, Chief Executive Officer and President of Giant Eagle, Inc, a \$10 billion company with nearly 40,000 employees.

### ***Postal Regulatory Commission:***

- RM2015-6 Order No. 2543 - Order Adopting Final Rules on Changes and Corrections to the Mail Classification Schedule  
<http://www.prc.gov/docs/92/92546/Order%20No.%202543.docx>  
<http://www.prc.gov/docs/92/92546/Order No. 2543.pdf>
- Semiannual Report of the PRC Inspector General  
<http://www.prc.gov/sites/default/files/oig-reports/SARC2015-1.pdf>

### **Office of the USPS Inspector General:**

- **It's the Thought that Counts** -- Talk about getting inside the customer's head. That's what we did – quite literally – in our most recent research and resulting white paper, Enhancing the Value of Mail: The Human Response. The insights should help companies better understand the effectiveness of physical advertising mail, particularly as compared to digital ad mail. We partnered with Temple University's Center for Neural Decision Making to study people's responses to physical and digital media in the consumer buying process, including memory of products advertised and intent to purchase. But instead of just using surveys, which rely on people's stated or conscious preferences, we also monitored people's bodies and brains to understand their subconscious response. Known as neuromarketing, this rigorous scientific method uses technologies like eye tracking, heart-rate measurement, and MRIs to measure a person's subconscious responses to various stimuli, often revealing preferences people don't even know they have. The results could help companies improve their marketing strategies and also help the U.S. Postal Service better understand the effectiveness of ad mail, one of its most profitable products. Ad mail accounted for over \$20 billion — or 31 percent of total revenue — in fiscal year 2014.
- **Enhancing the Value of Mail-The Human Response** -- The Postal Service Office of Inspector General (OIG) worked with Temple University's Center for Neural Decision Making to study people's responses to physical and digital media in the consumer buying process, including memory of products advertised and intent to purchase. But instead of just using surveys, which rely on people's stated or conscious preferences, we also monitored physiological and neurological activity to understand the subconscious response. Known as neuromarketing, this rigorous scientific method uses technologies like eye tracking, heart-rate measurement, and MRIs to measure a person's reaction to various stimuli. Our study builds on work done by the U.K.'s Royal Mail showing physical media generates greater activity in certain parts of the brain than digital media. The results revealed some distinct neurological and physiological responses to digital and physical media.

**House Committee on Government Reform and Oversight - Subcommittee on Government Operations** The House postal subcommittee will hold a hearing on Fair Competition in International Shipping on June 16, 2015 2:00 pm in Room 2154 of Rayburn House Office Building. The following persons will be testifying before the subcommittee:

- **Robert Taub**, Acting Chairman, Postal Regulatory Commission

- [Randy Miskanic](#), Acting Chief Information Officer and Executive Vice President, United States Postal Service
- [David Williams](#), Inspector General, United States Postal Service
- [Nancy Sparks](#), Managing Director, Regulatory Affairs, Federal Express Corporation
- [Paul Misener](#), Vice President of Global Public Policy, Amazon .com
- [Robert Faucher](#), Acting Deputy Assistant Secretary, Bureau of International Organization Affairs, US Department of State

[A summary of points made at the hearing have been posted on this site.](#)

## DOMESTIC NEWS

***Wall Street Journal:*** Amazon Inc is developing a mobile application that would pay ordinary people, rather than courier companies, to deliver packages en route to other destinations, the Wall Street Journal reported on Tuesday. Amazon would enlist brick-and-mortar retailers in urban areas to store the packages, likely renting space from them or paying a per-package fee. The service is known internally as "On My Way."

***Wall Street Journal:*** United Parcel Service Inc. is telling dozens of retailers it intends to do away with big discounts on oversize packages this holiday season and, in the case of some retailers, year round, according to people familiar with the matter. The move could hit consumers hard—forcing them to get their items at a store or absorb some of the shipping charges of more than \$57.

***ComputerWorld:*** Of all of the digitization projects in the industry, the most significant might be the one being tackled by the U.S. Postal Service. As an entity, the USPS is getting hit from all sides, with new technologies and competitors impinging on all the things we used to rely on the post office for. Letter writing has already been usurped by email and texting. Online alternatives seem poised to kill off bill paying by mail. Postal executives see digitization as their salvation. But can anything save the USPS at this stage?

***Lexology:*** The first Board of Contract Appeals to fully enter the digital age is the Postal Service Board of Contract Appeals, which recently issued new rules on electronic filing. Although the PSBCA hears claims against the agency that provides U.S. Mail, that method of filing will no longer be allowed (absent permission). The Postal Service, however, is not a Luddite agency and has embraced modern technology in running its business. Effective July 2, 2015, PSBCA filings must be made electronically unless permission to submit physical filings is requested and obtained. The website for electronic filing is <https://uspsjoe.newdawn.com/justiceweb>. Online filers must use this exact web address. Omitting the initial "https://" – or the final "justiceweb" – results in an error message. To assist users, the Board has created a PSBCA tutorial on electronic filing.

***The Press Enterprise:*** Decisions by FedEx and Amazon to build distribution and fulfillment centers reflect an acceleration of the logistics industry in the Inland region. Warehousing and trucking companies seeking lower rent and land prices have come Inland from coastal counties for at least 20 years. The migration slowed when the recession began. Now, e-commerce is changing the mix.

***GCN:*** The U.S. Postal Service is looking for a way to attach sensors to mail so customers can track their packages in near real time. In a recent request for information, USPS described a system in which a sensor can be placed on or within a mailed item to provide location tracking via Bluetooth, radio-frequency ID, near field communication, cellular or Wi-Fi protocols. The system would also feature an interface for displaying collected data.

## INTERNATIONAL NEWS

***INDIA: Economic Times:*** When did you last remember a postman knocking at your door? Even though it's hard to recall such an incident, your friendly neighbourhood postman may now appear at your doorstep more often, delivering a book or a gadget bought on an ecommerce portal. The department of posts now delivers more than two lakh ecommerce parcels daily, double of what it used to a year ago, according to a national estimate. "Ecommerce

fulfillment (shipping) is a big business opportunity for us," said Ashok Kumar Dash, chief postmaster general (Maharashtra Circle), India Post. "Associations with ecommerce portals are likely to go up in the coming days, and the quality of delivery in farflung areas will be crucial." For India Post, the new-age business is going to be a key revenue driver with phenomenal rise in daily mailing volumes as it is increasingly looking at associations with entities such as Amazon, Flipkart, Snapdeal and YEP, a move aimed at revenue generation for the 200-year old straggler."

***The Rakyat Post:*** While the advent of digital technology has revolutionised the way people communicate today at lightning speeds, traditional ways of communications such as postal services or snail mail are declining less than expected. Despite the adoption of email, instant messaging and such, Pos Malaysia Bhd head of mail product management Mohd Zaki Nasir believes Malaysia has a sustainable snail mail culture. "It's a worldwide trend, in other countries, where snail mail has declined. It has been the same here as well but our decline is not as bad as the ones in US or UK as we maintain a strong number of people using mail."

**UNITED KINGDOM:** ***BusinessWire:*** Research and Markets ([http://www.researchandmarkets.com/research/k5k4lw/courier\\_and](http://www.researchandmarkets.com/research/k5k4lw/courier_and)) has announced the addition of the "Courier & Express Services Report 2015" report to their offering. This report examines the UK courier and express services industry, focusing on services provided both within and outside the scope of a universal service obligation (USO). This covers a range of mail products, including letters, parcels and other items with high value-to-weight, delivered via inter-model transport throughout the UK. In recent years, with the rise of online services, the courier and express services industry has changed significantly. The traditional market for letters and similar items has diminished dramatically over the last few decades, due to the increasingly prevalent use of online communications. However, lost value in this sector has at least partly been offset by the rapid growth of the e-retail market, which has resulted in annual growth in the volume of package and parcel deliveries.

**UNITED KINGDOM:** ***The Guardian:*** Royal Mail could be made to accept further controls on stamp prices as part of an inquiry announced by the communications watchdog. Ofcom said it would carry out a complete review of how it regulates Royal Mail to make sure the company maintains its obligation to deliver to all parts of the country. The regulator decided to undertake the review after Whistl, Royal Mail's only national competitor for direct delivery of letters, pulled out of the market. See also [The Financial Times](#)

**IRELAND:** ***Irish Times:*** The new postal location code system will be launched in early July when 2.2 million homes and businesses in the State will be assigned individual codes, the Department of Communication has confirmed. The new system, called Eircode, will become live immediately after the enactment of the Communications Regulation (Postal Services) Amendment Bill 2015.

**June 15, 2015**

## **POSTAL/FEDERAL NEWS**

***Office of the USPS Inspector General:*** Today the Postal Service Office of Inspector General (OIG) issued a new white paper titled [Enhancing the Value of Mail: The Human Response](#). This new paper is the latest in an U.S. Postal Service Office of the Inspector General series that explores mail's effectiveness and opportunities to make print valuable. The OIG collaborated with Temple University's Center for Neural Decision Making to study people's responses to physical and digital media in the consumer buying process, including memory of products advertised and intent to purchase. But instead of just using surveys, which rely on people's stated or conscious preferences, we also monitored physiological and neurological activity to understand the subconscious response. Known as neuromarketing, this rigorous scientific method uses technologies like eye tracking, heart-rate measurement, and MRIs to measure a person's reaction to various stimuli. The full results, summarized by the OIG, could help companies improve their marketing strategies and also help the Postal Service better understand the effectiveness of ad mail.

## **DOMESTIC NEWS**



**Postalnews.com**: [In a joint letter to the Department of Labor](#), Postal Union Presidents Paul V. Hogrogian (NPMHU), Fredric V. Rolando (NALC), Mark Dimondstein (APWU), and Jeanette Dwyer (NRLCA) object to the department's unjustified proposal to reduce workers' compensation benefits. The four Union Presidents call on the Obama administration and the Department of Labor to withdraw its current proposal for FECA reform and work with the Unions and Congressional allies to fashion sensible legislation.

**WatchDog.org**: Double dipping is usually frowned upon. An article published by The Inquisitr News tells the story of a former postal worker who double dipped from two government programs and received more than \$365,000 for his illegal efforts. The story states that the former postman lied about a lower back injury to the Social Security Disability Insurance Benefits program and also to the Department of Labor Office of Workers' Compensation Program. (He even went as far as to walk with a cane to prove that he was injured.) As a result, the man received \$365,831.50 in benefits that he did not deserve. Not only was he double dipping from two government programs, but he also was earning an income by preparing immigration paperwork and tax returns for hundreds of customers from a backyard office. (Apparently, he used his extra income to go fishing, dancing and sledding. He also took a few vacations to Hawaii, Canada and the Philippines.) After a multi-year investigation into payments received over five years, the former postman was arrested for bilking the government programs by collecting benefits at the maximum value allowed.

## INTERNATIONAL NEWS

***FINLAND***: **Globe Newswire**: Posti Group has specified its strategic goals and focus areas for 2015 – 2017. Posti aims to be the number one choice for its customers as the provider of postal and logistics services in 2018. The most important financial target for Posti is to maintain good profitability. The Board of Directors of Posti Group has specified the company's strategic goals for 2015 - 2017. They are targeted at renewing Posti and improving profitability in new services.

***KENYA***: **Biztech Africa**: Kenya's leading online mall, Jumia, has partnered with Posta Kenya to allow its customers to pick up items they purchase on the website from Post offices across the country.

***MALAYSIA***: **Free Malaysia Today**: The Health Ministry is conducting the screening of baggage including postal and courier packages at all entry points of the country to prevent the entry of banned medicines. Screening at the country's entry points would be conducted by the ministry's pharmacy enforcement officers with the cooperation of the Customs Department and courier agents such as Pos Malaysia.

*June 14, 2015*

## POSTAL/FEDERAL NEWS

***Attention Postal One! Users: PostalOne!® Release 41.1.0.0 Production Deployment*** -- Has been completed and verified. Note there is a mandatory Mail.dat® client download required. Release notes for PostalOne! Release 41.1.0.0 can be found on [https://ribbs.usps.gov/intelligentmail\\_schedule2015/releaseoverview2015.cfm](https://ribbs.usps.gov/intelligentmail_schedule2015/releaseoverview2015.cfm).

## DOMESTIC NEWS

**Washington Post**: There are obscure but important issues in Washington, and then there's the reform of worker compensation for federal employees — where the importance-to-obscure ratio is especially high. The federal government spent \$2.8 billion compensating employees, including U.S. Postal Service workers, who make up by far the largest group of workers' comp claimants, for work-related illness and injury in the year ending June 30, 2014 (the most recent year for which data exist). Unquestionably, this is a vital government responsibility, but the law governing federal workers' comp has not been fundamentally revised in four decades — and there is mounting evidence, presented most recently in a report from the Postal Service's inspector general, that the program operates much less efficiently than it could or should.

*June 13, 2015*

## DOMESTIC NEWS

**Augusta Free Press**: As recent TV ads have been telling us, the United States Postal Service has recently started delivering some mail on Sunday in what most chalk up to an effort to stay one step ahead of United Parcel Service and Federal Express. But while Sunday delivery may be convenient for consumers, environmental leaders worry that adding an extra day causes an unnecessary waste of fuel and carbon emissions. Though this service has been implemented too recently for any concrete statistics on its increase of greenhouse gas emissions, the USPS has several other initiatives already in process that can, at the very least, perhaps help to offset the environmental impact of this new increase.

*June 12, 2015*

## POSTAL/FEDERAL NEWS

*At the Postal Regulatory Commission:*

- **The Postal Regulatory Commission today issued Order No. 2540, establishing Docket No. R2013-11R to consider issues on remand related to the exigency surcharge. All comments and other documents must be filed under this docket. The Commission declined to acknowledge USPS is entitled to more money, and they declined to extend the duration of the surcharge for now. The Commission also suspended the requirement that the Postal Service file a 45 day notice of intent to remove the exigent rate surcharge pending further review of the case and issuance of its order. Initial comments are due at the Commission no later than June 26, 2015. Reply comments are due at the Commission no later than July 6, 2015.**
- **Postal Regulatory Commission**: Job Vacancy Notice Vacancy Number: PRC 10-15 Open: June 12, 2015 Close: July 16, 2015 Position Title: Secretary and Chief Administrative Officer Grade: PRC-8 Salary Range: \$129,805 - \$158,600
- **Docket No. RM2014-5 -- Price Elasticities and Internet Diversion**

The Commission issues this Notice of Inquiry after review of comments filed by six parties<sup>1</sup> and consideration of the discussion at the technical conference held August 13, 2014, <sup>2</sup> to afford all interested persons an opportunity to respond to questions relating to price elasticities and Internet diversion. Respondents are urged to fully support their responses with quantitative information. Responses to the questions may be filed under seal as applicable and are requested by August 28, 2015.

- RM2015-9 Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal One) [http://www.prc.gov/docs/92/92540/Pet%20Prop%20One-PIHOP\\_BRAF.pdf](http://www.prc.gov/docs/92/92540/Pet%20Prop%20One-PIHOP_BRAF.pdf)  
<http://www.prc.gov/docs/92/92540/Table%201.Prop.1.xlsx>  
[http://www.prc.gov/docs/92/92540/Table%202\\_Prop.1.FY2014%20Public.xls](http://www.prc.gov/docs/92/92540/Table%202_Prop.1.FY2014%20Public.xls)  
[http://www.prc.gov/docs/92/92540/Table%203\\_Prop.1.Q2YTFY2015%20Public.xls](http://www.prc.gov/docs/92/92540/Table%203_Prop.1.Q2YTFY2015%20Public.xls)

*Office of the Inspector General: Workshare Discounts for Automated Mail Processing --*

**Background.** The U.S. Postal Service uses workshare discounts to increase its operational efficiencies. It offers these discounts to mailers for mail preparation and distribution activities it would otherwise have to perform. The Postal Regulatory Commission approves the discounts. The Postal Accountability and Enhancement Act of 2006 states that workshare discounts should not exceed the costs the Postal Service avoids when mailers perform these preparation and distribution activities. For the Postal Service to realize the full benefits of workshare discounts, worksharing must align with its mail processing operations. Our objective was to review workshare discounts

related to automated mail processing to identify those that may no longer be valuable to the Postal Service. We also reviewed opportunities for new workshare discounts to encourage network efficiency.

**What The OIG Found.** Some workshare discounts for automated mail processing no longer benefit the Postal Service's processing network. Recent changes to the network offer an opportunity to re-evaluate discounted rates and potentially add new workshare discounts. Specifically, we identified workshare discounts for sorting mail into carrier route delivery point sequencing that duplicate Postal Service functions. As a result, we estimate a revenue difference of \$438 million annually for mail volume that was processed in the same manner but received different rates. We also identified obsolete or unnecessary discounts and product prices that could be eliminated. Specifically, unnecessary workshare discounts exist in the current Flats Sequencing System pricing schedule. This may add complexity to the pricing structure that could deter mailers from establishing or expanding relationships with the Postal Service. There may be opportunities for new workshare discounts that reflect current network operations. For example, mailers suggested the Postal Service could consider discounts to encourage increased participation in the Seamless Acceptance program. This program automates bulk mail acceptance and verification using data provided by mailers and gathered during mail processing. Increased participation may reduce costs associated with mail verification by business mail entry unit personnel. The Postal Service could lose opportunities to grow revenue, partner with mailers, and gain operational efficiencies if it does not update workshare discounts periodically to reflect current network operations.

**What The OIG Recommended.** We recommended management work with the Postal Regulatory Commission to periodically review existing workshare discounts for opportunities to eliminate obsolete discounts. We also recommended management periodically evaluate potential workshare discounts and add those where opportunities for greater efficiency exist.

**Federal Register: Postal Regulatory Commission NOTICES New Postal Products, 33572 [2015–14315] [TEXT]**  
33572–33573 [2015–14320] [TEXT]

## DOMESTIC NEWS

**Save the Post Office:** The APWU therefore interprets the court's ruling to mean that "the Commission must suspend the current mechanism for removing the exigent rate.... To proceed with removal of the exigent rate based on the invalid low estimate would be a contempt of the D.C. Circuit's order." The APWU also endorses the Postal Service's view that the court has "invited the Commission to revisit its 'new normal' analysis." That indicates the union supports even a larger additional contribution than the \$1.2 billion, which the Postal Service considers the minimum.

**Reuters:** Parcel delivery service FedEx Corp said it would record a \$2.2 billion non-cash pretax charge related to a change in the way it accounts for pensions.

**RealClearPolicy:** The U.S. Postal Service's latest financial results have been released. They are not good. The news was not all bad. The USPS has \$6.1 billion in cash. Five years ago, the agency had less than \$1 billion in cash, putting it on the brink of insolvency. The service also earned \$1 billion more revenue in the first half of fiscal year 2015 than it did in the same period last year. Alas, a temporary increase in the price of postage, not increased mail volume, is to thank for this development. Congress designed the USPS to be financially self-sufficient, but it's clearly struggling to live up to that goal. To address these serious financial issues, the service should leverage its real-estate portfolio. According to the agency's inspector general, the USPS owns 8,600 properties with a market value of \$85 billion. The Postal Service could tap those assets by executing leaseback agreements, wherein the property is sold to a private buyer who then rents the space back to the USPS. If properly executed, leasebacks could be a win for everyone. The Postal Service gets much needed cash and can shift responsibility for building and property maintenance costs to a private owner. Local and state government benefit because the federal property

becomes taxable private real estate. Private entrepreneurs gain a business opportunities. And the public does not have to see more postal facilities closed.

***The Weekly Standard:*** *Kevin R. Kosar, the director of the Governance Project at the R Street Institute, a free-market think tank.* -- Postal banking is not a solution. It will not improve the USPS's financial condition. Nor does there appear to be much demand for such services. Those seeking a quick fix to the postal service's many problems would do well to look elsewhere. Postal banking is less a solution than a bad penny.

***eCommerceBytes:*** The agency in charge of overseeing the US Postal Service went on the defensive this week after receiving harsh criticism for the role it plays. The USPS Office of Inspector General (OIG) published a post explaining its mission and its accomplishments in what appeared to be a response to an attack by bankers. The Independent Community Bankers of America said, "The OIG's office should cease playing the role of business consultant to USPS and instead focus on evaluating and improving USPS' existing programs - which is the traditional role of an Inspector General." Interestingly the USPS wasn't enthusiastic about the OIG's suggestion that it expand banking services either. It called the OIG report "misleading and incomplete," according to the Contra Costa Times, which quoted a USPS June 3rd statement that said its "core function" was delivery, not banking. In its June 8th post, the OIG wrote, "Our mission is to help maintain confidence in the postal system and improve the Postal Service's bottom line through independent audits, investigations, and research." And, it wrote, "Our efforts focused on identifying ways to make the Postal Service more efficient, reduce its strategic and financial risk, and lower its cost of doing business."

***KSTP:*** Minnesota Sen. Al Franken has sent a letter to the Postmaster General to discontinue the rerouting of mail parcels from northeast Minnesota to the Twin Cities. In April, the Postal Service began rerouting mail from northeast Minnesota. Mail that used to be canceled at the Duluth Processing Center is now trucked to Eagan. That's where the mail is canceled and trucked back into Duluth. Franken says that he has received many complaints that mail is being delivered at rates that are unacceptable. He says there have been reports of newspapers being delivered 10 days late and medicine delivered after it has expired.

## INTERNATIONAL NEWS

***CANADA:*** : Ontario Superior Court Justice Alan Whitten has declared that the City of Hamilton's bylaw which sought to regulate the placement of Canada Post's community mailboxes is "inapplicable and inoperative". In a judgement released yesterday (Thursday, 11 June), Justice Whitten ruled that Canada Post is entitled to make decisions which have a direct bearing on its financial viability and it should be able to do so "untrammelled as it were by interference from those who do not share their power nor jurisdiction in such specific areas of competence."

***SPYGHANA:*** : The Ghana Postal and Courier Services Regulatory Commission has encouraged courier service providers to consider insuring their property and cargoes to alleviate the effect of losses in disasters.

***AUSTRALIA:*** ***Lexology***The Australian federal and state governments are embarking on major asset privatisation programs, with the first assets about to hit the market. The privatisation programs are being boosted by federal government incentives to state governments, which recycle the proceeds into infrastructure under an Asset Recycling Initiative, as well as the infrastructure needs of a growing Australian economy. These included assets in the energy, transport, health, defence, communications, government services and postal sectors.

***POLAND:*** ***Radio Poland:*** InPost, the second-largest postal operator, intends to become Poland's largest e-commerce operator in the next few years.

***UNITED KINGDOM:*** ***Postal Technology International:*** Parcel carrier DPD has partnered with parcel shop operator Duddle to include its 34 stores as part of the carrier's UK-based click and collect network.

***UNITED KINGDOM:*** ***Postal Technology International:*** First-time parcel delivery is a hot topic for postal operators and parcel and express companies. Recipient choice is emerging as the main theme for increasing first-time delivery rates, and was the subject of a session at the E-BISS International Postal Delivery Benchmarking

Workshop held on June 1-3 in Vienna, Austria. A number of postal operators have introduced the concept of delivery to a 'safe place' when the customer isn't home to receive a parcel. Delivery to an unattended address poses challenges for parcels that require a signature on delivery.

*June 11, 2015*

## POSTAL/FEDERAL NEWS

### *Postal Regulatory Commission:*

- **R2013-11 Response of [Association for Postal Commerce \[and 10 Other Parties\]](#) to the Motion of the United State Postal Service to Suspend Exigent Surcharge Removal Provisions of Order No. 1926 and to Establish Remand Proceedings**  
<http://www.prc.gov/docs/92/92530/15-06-11%20PostCom%20et%20al>.

The undersigned mailer parties submit this response to the June 8 motion of the United States Postal Service ("USPS" or "Postal Service") to suspend the exigent surcharge removal provisions of Order No. 1926 and to establish remand proceedings. The motion should be denied. The Postal Service has grossly misstated the proper scope of the case on remand. The court has remanded the case for the Commission to perform a single task: recalculate the exigent rate surcharge without the "count once" limitation. Slip op. at 15- 17, 20. The Commission has no obligation to reopen the record for relitigation of any other issues, and nothing in the court's opinion suggests otherwise. Indeed, if the Commission were to reconsider any of the other aspects of Order No. 1926 raised in the Postal Service motion, constitutional and administrative due process would require that the record be reopened to consider still other issues that support reducing the maximum allowed contribution from the exigent surcharge. The Postal Service should not be allowed to cherry-pick the issues for reopening. The resulting proceeding would likely be more protracted and costly, and ultimately less profitable for the Postal Service, than a remand proceeding limited to the "count once" issue.

- **R2013-11 Comments of American Postal Workers Union (APWU), AFL-CIO in Support of Postal Service Motion to Suspend Exigent Surcharge Removal Procedures**  
<http://www.prc.gov/docs/92/92532/APWU%20Comments.pdf>

### *USPS Notice to Postal One Users:*

- **PostalOne!® Release 41.1.0.0 Production Deployment-** PostalOne! Release 41.1.0.0 will deploy on Sunday, June 14, 2015. This release includes new business functionality, updates to existing functionality, and database maintenance activities. This release will require an extended maintenance window and as such the PostalOne! system will not be available from June 14, 2015, 4:00 AM through 10:00 AM CT. There will be a mandatory Mail.dat® client download required. Release notes for PostalOne! Release 41.1.0.0 can be found on [https://ribbs.usps.gov/intelligentmail\\_schedule2015/releaseoverview2015.cfm](https://ribbs.usps.gov/intelligentmail_schedule2015/releaseoverview2015.cfm).
- **PostalOne! Release 41.1.0.0 Deployment to Test Environment for Mailers (TEM)** will occur on Sunday June 14, 2015 as well. The PostalOne! TEM environment will not be available between 4:00 AM and 8:00 AM CT. TEM validation will occur on Monday, January 25, 2015 between 9:00 AM CT and 11:00 AM CT.

***Federal Register:*** Postal Service NOTICES Product Changes: Priority Mail Negotiated Service Agreement , 33304–33305 [2015–14247] [[TEXT](#)]

## DOMESTIC NEWS

[San Jose Mercury News](#): Calling last month's U.S. Postal Service Inspector General report recommending new banking services at the post office "misleading and incomplete," USPS said in a June 3 statement that its "core function is delivery, not banking." Rather than investing in new functions such as financial services, USPS said that it is expanding existing services, such as same-day and Sunday mail delivery. USPS said the report failed to account for the postal service's higher "fixed institutional costs." Most postal service employees work under union contracts. Moreover, USPS says the IG paper focused on revenues, rather than profit margins and potential losses, arguing that profit margins on the kinds of services it might offer are low. Nonetheless, USPS did not entirely close the door on the concept of postal banking. "To the extent our research concludes that we can legally provide additional services at a profit and without distracting from our core business, we will move forward," the statement said.

[American Postal Workers Union](#): Representatives of the APWU and USPS held an introductory meeting with officials of the Federal Mediation and Conciliation Service (FMCS) on June 9 to begin mediation on a new collective bargaining agreement.

## INTERNATIONAL NEWS

**AUSTRIA/UNITED KINGDOM:** [SHD Logistics](#): Direct Entry Solutions (D.E.S.), the mail distribution specialist and owner of PacketPort, the parcel delivery service, is delighted to announce the launch of an ETOE (extraterritorial office of exchange) operation with Austrian Post in the United Kingdom.

**UNITED KINGDOM:** [Reuters](#): Britain has raised 750 million pounds (\$1.2 billion) by selling half of its 30 percent stake in Royal Mail, it said on Thursday, adding it saw no reason to keep any holding in the postal service that was wholly state owned until 2013. Business Secretary Sajid Javid said the sale represented good value for taxpayers. "Royal Mail has demonstrated that it can thrive in the private sector," he said. "It now has the ability to access the funds it needs to ensure that it has a sustainable future and can adapt to the changes in the postal market. "The Government sees no policy reason to keep its remaining stake in Royal Mail."

[Reuters](#): Japan Post Holdings Co Ltd is in talks to start an asset management joint venture with Sumitomo Mitsui Trust Bank and Nomura Holdings Inc to sell mutual fund products at post offices, sources with the knowledge of the matter said. The state-owned postal giant's banking unit has been considering setting up an asset management company that develops and sells financial products for retail customers at post offices, said the people, who were not authorized to discuss the matter publicly.

*June 10, 2015*

## POSTAL/FEDERAL NEWS

### [Office of the Inspector General](#):

- [Supply Management's Rapid Renegotiation Initiative](#) -- In fiscal year (FY) 2009, faced with significant reductions in mail volume and revenue and limited borrowing authority, the U.S. Postal Service began an effort to renegotiate contracts with over 218 of its largest suppliers. This Rapid Renegotiation Initiative (RRI) identified cost savings the Postal Service could pursue in these contracts to improve its financial position. Our objective was to determine whether the Postal Service's RRI met its goal of \$1 billion in immediate and short-term cost savings and assess the program's impact on long-term operational costs.

**What The OIG Found.** We could not determine whether the RRI met its immediate and short-term cost savings goal or assess its long-term impact because the Postal Service did not track the results of this initiative or determine the long-term effects on contract costs. Less than a year into the RRI, the Postal Service combined the initiative with the existing and ongoing Supply Chain Management Impact program but did not identify what savings resulted from the RRI . . . . The Postal Service will not be able to measure the long-term effects of the RRI because the actual savings resulting from the RRI were never tracked. The Postal Service needs to track results for all cost saving initiatives to determine whether they are effectively meeting their goals.

**What The OIG Recommended.** We recommended management track actual results for all future cost saving initiatives to measure the impact of those initiatives on individual contract spend.

- [Area Mail Processing Consolidations:](#)

**What The OIG Found.** The AMP guidelines provided sufficient instruction for justifying consolidations, and required analysis and disclosure of the impact on delivery service standards. Also, we analyzed 60 Phase 2 consolidations approved in 2012 and 2013 and determined they were cost justified and all yielded cost savings. Our projection of the savings for the 45 consolidations that have not started is \$253.1 million, about \$60 million less than the Postal Service's estimate of \$311.8 million. However, the process should be more transparent. . . Improved transparency could result in better acceptance of consolidations and improved stakeholder relations.

**What The OIG Recommended.** We recommended the vice president, Network Operations, update the AMP guidelines to include guidelines for determining a timeframe for implementing an AMP consolidation once a feasibility study is approved, define the term "substantive change," and require weekly updates of the public notification website.

[Senate Committee on Homeland Security and Governmental Affairs:](#) *Statement of Ranking Member Tom Carper -*

Today, the U.S. Senate Committee on Homeland Security and Governmental Affairs held the hearing, "Nomination David S. Shapira to be a Governor, United States Postal Service Board of Governors." We're considering this nomination at what is a very challenging time for the Postal Service. But as Albert Einstein said, 'in adversity, lies opportunity.'

"The Postal Service operates at the center of a massive printing, delivery, and logistics industry that employs millions of people. Even as First Class mail is lost to other forms of communication, the future is promising for the Postal Service in a number of other ways. Advertising mail is still a popular and effective option for mailers. Millions of people still look forward to receiving a wide range of magazines in the mail every week. E-commerce and package delivery are booming, making the Postal Service a vital partner for businesses large and small. Even the Postal Service's traditional competitors rely on it to carry items the last mile to rural communities around the country.

"I look forward to talking to Mr. Shapira today about what he thinks needs to be done to address the ongoing challenges facing the Postal Service and to hear about the skills and experience that he will bring to the Board. As a leader of a \$10 billion company with nearly 40,000 employees, Mr. Shapira will bring a unique business perspective to the Board of Governors that is very much needed.

"If confirmed, Mr. Shapira and the four other Board nominees pending before the Senate would double the size of the current Board. I see a real opportunity here with this new injection of talent to make significant progress towards strengthening our Postal Service.

*Federal Register:* Postal Service NOTICES Meetings; Sunshine Act , 32995 [2015–14240] [\[TEXT\]](#)

## DOMESTIC NEWS

[Poynter:](#) The Moberly Monitor-Index, a Monday through Friday newspaper in Moberly, Missouri, will switch from newspaper carriers to delivery via the U.S. Postal Service in July. The Monitor-Index joins a growing number of small dailies that are using postal delivery as a cost-cutting measure, said Max Heath, postal chairman for the National Newspaper Association. The cost of postal delivery can be half the cost of using carriers who drive a delivery route, he said.

**The Motley Fool:** Amazon has foregone short-term profits in favor of building its business for the future. The online retail giant has also worked to ship as fast as possible, offering same-day delivery in parts of the country and Sunday delivery as part of a unique deal with the U.S. Postal Service. Speed has not been the only area Amazon has pushed on. The company also recently announced free shipping for anyone on products that weigh less than eight ounces and cost less than \$10. Money has been no object in the retailer's quest to improve its shipping process. The company is betting that by investing in shipping and perfecting the fulfillment process, it will create a huge barrier to competition.

**Watertown Daily Times:** John. M. McHugh took his first government job on Nov. 1, 1971, when he went to work for then-Watertown City Manager Ronald G. Forbes as an administrative research aide. Now more than 43 years later, he is planning to leave his job as secretary of the U.S. Army. He never shirked other congressional duties, overseeing an evaluation and then restructuring of the U.S. Postal Service. Mr. McHugh always represented the middle of the political road. John McHugh was the recipient of highest honor conveyed by the Association for Postal Commerce -- *The J. Edward Day Award*, which is given in recognition of extraordinary service rendered to the entire postal industry and the nation.



*[EdNote: John McHugh was one of the finest and most honorable members of Congress with whom this writer has ever had the pleasure to know. He was an extraordinary chairman of the committee and subcommittees which oversaw the Postal Service, and labored tirelessly for ten years to bring about enactment of a postal reform bill that was a very long time in coming. His local newspaper characterized him as someone who "always represented the middle of the political road." These days, those who stand in the middle of the political road simply get run over by those on the left or those on the right. Congressional times . . . they have changed . . . not always for the better.]*

**Direct Marketing News:** The U.S. Postal Service (USPS) yesterday filed a petition with the Postal Regulatory Commission (PRC) asking that the removal of the 4.3% exigent surcharge be delayed until at least \$1.2 billion more in rates are collected from mailers. Its action followed a decision handed down last week by the D.C. Circuit Court of Appeals that denied USPS's petition that exigency be extended indefinitely, yet ruled that the PRC should reassess the amount of time needed to arrive at the so-called "new normal" annual mail volume.

## INTERNATIONAL NEWS

**UNITED KINGDOM:** **The Guardian:** The government has begun selling the taxpayer's remaining stake in Royal Mail, in a move expected to raise about £775m and halve the government's remaining 30% holding in postal service. In an announcement made after the stock market closed on Wednesday evening, the Department for Business Innovation and Skills (BIS) said it would place about 15% of the company's shares with City institutions overnight. On Wednesday night, in a move that seemed to strengthen the government's argument, logistics group Whistl, which had been trialling the only competitor to Royal Mail in terms of delivering mail directly to the door – confirmed its intention to close down its letter delivery service.

**OMAN:** **Times of Oman:** With the launch of Oman Post Company's new version of its services to enhance the communication system in the country, the postal services have made a huge leap in the Sultanate. With this new postal service, the Oman Post Company aims to keep pace with the economic development in the Sultanate. Since its launch, after the issuance of the Royal Decree No. 482005, the Oman Post Company introduced several new services in the Sultanate.

**EUROPE:** **Post & Parcel:** Postal chiefs speaking yesterday at the World Mail and Express Europe conference argued that the concept of the universal service operator (USO) remains important, but needs to be updated to take into accounts changes in customers' needs and new technology. Koen van Gerven, the CEO of Belgium's incumbent operator bpost, told delegates that "mail is part of our legacy which we cherish" and the last mile delivery remained a cornerstone" of the business, but he maintained that "mail volume decline and budget constraints of government urge for a less rigid and more realistic framework" for the universal service definition.



June 9, 2015



**PostCom Members!! The latest issue of PostCom's Postal Executive Summary is now available online.**



**We are pleased to introduce our newest PostCom member: Wilén Direct represented by Tom Glassman, Manager of Postal Affairs.**

## POSTAL/FEDERAL NEWS

### Office of the Inspector General: Who We Are and What We Do

Sometimes it can be confusing to keep track of who does what in this postal world. The U.S. Postal Service has a wide range of stakeholders, including a few entities with oversight responsibilities. We, the Office of Inspector General (OIG), are one of those entities. Every 6 months, as required by Congress, we publish a report of our work and activities for that period. We recently published our spring Semiannual Report to Congress, or the SARC as we affectionately call it. Our efforts focused on identifying ways to make the Postal Service more efficient, reduce its strategic and financial risk, and lower its cost of doing business. Among the reports featured in this semiannual report are audits on revenue protection and Sunday delivery of parcels; a management advisory on city carrier compensation costs; and white papers on a wide range of topics, including the Postal Service's universal service obligation. During this period, we issued 74 audit reports, management advisories, and white papers. We completed 1,955 investigations that led to 370 arrests and nearly \$1.4 billion in fines, restitutions, and recoveries, \$10.7 million of which was turned over to the Postal Service.

**Postal Regulatory Commission:** The Postal Service has moved that the Postal Regulatory Commission expeditiously implement remand proceedings and suspend the current mechanism for exigent surcharge removal, which is premised on the \$2.776 billion estimate from Order No. 1926 that the court has now determined to be flawed.

- **R2013-11 Motion of The United States Postal Service to Suspend Exigent Surcharge Removal Provisions of Order No. 1926 and to Establish Remand Proceedings**  
<http://www.prc.gov/docs/92/92508/Count.Once.Eliminated.xlsx>  
<http://www.prc.gov/docs/92/92508/Mot%20Suspend.Surcharge%20Removal.pdf>

## DOMESTIC NEWS

**Daily Journal:** Federal prosecutors say a 32-year-old Augusta, Maine, man was sentenced to four years in prison for his role in conspiracy to steal mail.

**NewsOn6:** Three Tulsa area U.S. Post Office employees were indicted by a federal grand jury last week for stealing mail.

**International Falls Journal:** *Congressman Rick Nolan -- Under the guise of consolidation and saving money, the Postal Service is executing a major nationwide policy change – a deliberate plan to shift from the overnight delivery we've had for decades to something closer to a week and more – without the approval of Congress or the president. Congress needs to call a nationwide halt to a wave of post office consolidations that could be a death nil for the U.S. Postal Service as we know it.*

**Forbes:** "America's Toughest Turnaround: Megan Brennan's Mission To Save The Postal Service" Making a huge investment in updating an aging fleet when the Postal Service is bleeding red ink and facing tough contract negotiations with its unions inevitably brings up talk of making difficult cuts, consolidations and challenging sacred postal traditions. Cutting Saturday delivery has come up in the past and was quickly shot down. Brennan is loath to discuss five-day service because "it's a very contentious issue and I'm trying to build consensus on other issues."

**Dead Tree Edition:** Despite news reports to the contrary, the only thing clear about Friday's appeals court decision on postal rates is that the U.S. Postal Service won and mail-dependent industries lost. Sure, the Postal Service didn't get everything it asked for – namely, making the 4.3% exigent surcharge permanent. But a ruling that is likely to bring in more than a billion dollars, at the expense of mailers, can hardly be called a loss for the USPS. The Postal Service has said that the additional amount [to which it is entitled] is a minimum of \$1.2 billion. That's the equivalent of about 8 months of the current 4.3% surcharge. And postal officials will argue for a much larger amount.

**Publishing Executive:** D. Eadward Tree has cautioned mailers to prepare for *The Season of Roller Coast Postal Rates*.

## INTERNATIONAL NEWS

**NEW ZEALAND:** **Stuff:** The thought of NZ Post flying an international actor to Auckland to shoot a flashy new advert has left a sour taste for posties facing mass layoffs. The ad features veteran British actor Charles Dance, who plays Tywin Lannister in Game of Thrones, delivering a monologue about NZ Post services in a hipster barbershop. But posties say that, with up to 300 jobs being axed this year, and 100 next year, the ad is in poor taste.

**PAKISTAN:** **The News:** The postmen of the federal territory are still deprived of summer uniform or any sort of uniform for the past many months. The central leader of National Organisation of Postal Employees (NOPE) CBA, Zaigham Gardaizi while talking to The News said that the representatives of the employees of his department altogether reject the meager ad hoc relief of 7.5 percent announced in the recent federal budget. Gardaizi said the postmen deputed in post offices of Islamabad are still deprived of their uniforms. He said even the available uniforms, in most of cases, are poorly-fitted and out of size. They are also not being given petrol for conveyance which is another major issue and needs attention of the authorities concerned.

**TRINIDAD AND TOBAGO:** **Trinidad Express:** Postal workers are appealing to Chief Personnel Officer (CPO) Stephanie Lewis to intervene and fast track their request for an "18.5 per cent increase to their basic salary". They are also appealing to both Lewis and Public Utilities Minister Nizam Baksh to intervene and speed up their negotiations before Parliament is prorogued on June 17.

*June 8, 2015*

## DOMESTIC NEWS

**Courier-Post:** An alleged effort to mail cocaine to a Camden home was foiled with help from a K9 and high-tech investigative tools, federal authorities said Monday. Among other tactics, a court record says, investigators planted a device in the package to alert them when it was opened. They also put a powder inside the parcel that identified a suspect who allegedly handled it.

**Globe Newswire:** BCC Software has announced the addition of Eric Narowski as Chief Financial Officer. In this role, Eric will lead the BCC Software finance team.

**KTICRadio:** Package theft is typically thought as a high-profile crime during the holiday season, but it turns out that summer is the other high season for theft. Summer months are "super common" for people to go on vacation and forget to hold their mail, Lt. Zach Perron with the Palo Alto, California Police Department told ABC News. Perron

added that package thefts are "really difficult" for the department to catch after they occur. Police say to keep packages safe, request a signature for delivery, or have them sent to a workplace or neighbor if away from home.

**FEDWeek:** Senate advocates of reviving an attempt to reform the Postal Service continue to hold briefings to build a coalition in favor of legislation, but concerns of legislators representing rural areas might prove to be a stumbling block. Sens. Jon Tester, D-Mont., and Heidi Heitkamp, D-N.D. have asked USPS to conduct an in-depth study of rural mail delivery and how it compares with urban delivery; asking for such studies is a common means of slowing down legislative efforts on grounds that an informed decision can't be made until the results are in. They said that since 2011, two-thirds of Montana's mail processing facilities and one-third in North Dakota have been closed, increasing delivery times for first-class mail and virtually eliminating overnight mail delivery in much of the region.

**Washington Post:** U.S. firms added 280,000 employees to their payrolls, the Bureau of Labor Statistics said, more than analysts had predicted. Behind that big number, though, was a troubling question: if more people are working, why isn't the economy getting much larger? It certainly appears as though American workers are getting less done -- and as they become more inefficient, more of them are needed to keep the economy moving at the same pace.

**Save the Post Office:** *"More on the Appeals Court's exigency case decision."*

**Lloyd's Loading List:** FedEx is further reducing its air capacity in order to reduce costs and improve utilisation, profits and yields, and also modernise its aircraft fleet, retiring 15 older planes earlier than originally planned. Over the last two years, the integrator has been working to push more of its lower-yielding 'international economy' express shipments from its own air capacity onto less expensive third-party air cargo capacity bought from commercial scheduled air freight carriers.

## INTERNATIONAL NEWS

**CANADA:** **MetroNews:** The head of the union representing Canada's postal workers says Canada Post's sick leave regime should be seen as a cautionary tale for other federal public servants. Mike Palecek, national president of the Canadian Union of Postal Workers, spoke Monday at a union rally outside the prime minister's office. At issue is the federal government's omnibus budget bill, which unions argue gives the government a right to unilaterally impose a new sick leave regime for public servants.

**GERMANY:** **The Local** The union's message, Palecek told Metro in an interview, was that Canada Post should serve as a red flag for public service unions currently negotiating sick leave provisions with the federal government. : Members of service workers' union Verdi at Deutsche Post made good on threats to walk off the job on Monday, announcing an indeterminate strike that will hit deliveries across Germany.

*June 7, 2015*

## POSTAL/FEDERAL NEWS

### ***NEW UNITED STATES POSTAL SERVICE PROCUREMENT PROJECTS:***

- **Radio Frequency Identification (RFID) Feasibility Study**  
[https://www.fbo.gov/index?s=opportunity&mode=form&id=db43d5ab00a330767775b1a6faf54c51&tab=core&\\_cview=0](https://www.fbo.gov/index?s=opportunity&mode=form&id=db43d5ab00a330767775b1a6faf54c51&tab=core&_cview=0)  
The USPS seeks to identify if RFID could introduce a more passive scanning process and increase Surface Visibility (SV) scan compliance to assist the organization to achieve the goal of 100% product visibility (PV).
- **Peak Air Transportation and Ancillary Services**  
[https://www.fbo.gov/index?s=opportunity&mode=form&id=7f32d7d1f73c6ceede3e1c12387b1396&tab=core&\\_cview=0](https://www.fbo.gov/index?s=opportunity&mode=form&id=7f32d7d1f73c6ceede3e1c12387b1396&tab=core&_cview=0)  
The United States Postal Service is seeking to purchase air transportation, ground handling and deicing

services for the peak offshore operation as well as a peak west coast to east coast operation. The dedicated offshore operation will provide point-to-point air transportation service, defined as segment transportation between Memphis, Tennessee (MEM), and the following destinations: Anchorage, Alaska (ANC), Honolulu, Hawaii (HNL) with a diversion into Los Angeles, California (LAX) on the return trip into MEM, and San Juan, Puerto Rico (SJU). The ANC aircraft maybe required to divert into Seattle (SEA) during the return trip back into MEM. Additionally, the LAX leg on the return trip from HNL may be removed and the aircraft would go straight to MEM. The dedicated west coast to east coast operation will provide point-to-point air transportation service, defined as segment transportation from two separate locations, one being between LAX and MEM, while the other is between San Francisco, California (SFO) and MEM.

- **Extended Capacity Delivery Vehicles**

[https://www.fbo.gov/index?s=opportunity&mode=form&id=46d40ccea26ecd4c7715d98bd8deab2a&tab=core&\\_cview=1](https://www.fbo.gov/index?s=opportunity&mode=form&id=46d40ccea26ecd4c7715d98bd8deab2a&tab=core&_cview=1)

The United States Postal Service is issuing Solicitation No. 3D-15-A-0129 for the purchase of Extended Capacity Delivery Vehicles. This solicitation is separate from the USPS Next Generation Delivery Vehicle (NGDV) and the USPS Intermediate Walk-In Body Delivery Truck requirements.

- **Alternative Funding Models for the Universal Service Obligation: The European**

**Experience** [https://www.fbo.gov/index?s=opportunity&mode=form&id=374184d53230e9af368ca73b41db0e1a&tab=core&\\_cview=1](https://www.fbo.gov/index?s=opportunity&mode=form&id=374184d53230e9af368ca73b41db0e1a&tab=core&_cview=1)

The United States Postal Service Office of Inspector General (OIG) intends to award a contract to a supplier who possesses comprehensive knowledge and expertise with the funding approaches of universal service obligation in the European Union (EU). The purpose of this contract is to find a contractor able to support RARC by providing a report discussing the universal service obligation funding approaches in the EU. The report should include a comprehensive analysis of what is currently allowed under the law, what is being used, what is working, what is not working, what are the risks, opportunities, and tensions in the EU's universal service obligation funding approaches. The report should include four to six country case studies from advanced countries that are relevant to the United States.

- **Lease of Light Trucks for Parcel/mail Delivery**

[https://www.fbo.gov/index?s=opportunity&mode=form&id=19d95d137dc86f33e2eefbe603c6cad&tab=core&\\_cview=0](https://www.fbo.gov/index?s=opportunity&mode=form&id=19d95d137dc86f33e2eefbe603c6cad&tab=core&_cview=0)

The U.S. Postal Service has an anticipated need to lease approximately 500 to 1,500 light truck (generally Class 1 & 2 vehicles) for parcel and mail delivery. Lease term will be 1, 2 or 3 years. Vehicle types the USPS is seeking are Dodge Tradesman, Nissan NV1500, Ford E-150 and E250 cargo vans; Mercedes Sprinter, Dodge Promaster 1500, Ford Transit. These are examples of the type of vehicles that are required.

- **AFSM Camera Modernization**

[https://www.fbo.gov/index?s=opportunity&mode=form&id=030b917bf0a33f7e91a06abf2d8c0a24&tab=core&\\_cview=0](https://www.fbo.gov/index?s=opportunity&mode=form&id=030b917bf0a33f7e91a06abf2d8c0a24&tab=core&_cview=0)

The U.S. Postal Service (USPS) is considering new technology sources to replace the existing, end-of-life, image capture and image processing equipment (OCR technology) on the Automated Flat Sorting Machine (AFSM). The anticipated contract for the work to be performed under this request for information (RFI) is an Indefinite Delivery/Indefinite Quantity (IDIQ) type agreement. The IDIQ is expected to have a minimum of one hundred and fifty (150) AFSM systems and a maximum of approximately five hundred (500) AFSM systems updated with new technology. The deployment of the AFSM represented a significant milestone in the Postal Service's ability to efficiently increase the volume of flats sorted to the carrier route, thereby reducing the manual distribution requirements in processing facilities and in delivery units. Currently, the USPS has approximately 511 AFSM systems in service. Because the AFSM continues to process more flat mail than any other distribution platform, we have continued to seek operational and efficiency improvements. One of these improvements includes upgrading the current OCR technology which consists of an image capture device (camera) and image processing computers. The camera is known as the Accusort AV 1222 Flat Scanner Camera. The image processing computer systems were developed by Siemens and Datalogic (Accusort). This announcement is for identifying sources of potential replacements for the AFSM OCR technology.

**Washington Post**: The U.S. Postal Service will have to roll back a portion of its largest rate increase in 11 years after a federal court ruled that the higher postage prices in place since January 2014 can't be permanent. The U.S. Court of Appeals for the District of Columbia Circuit ruled that the emergency rates should not become permanent. The aftereffects of the recession have become "the new normal," the ruling said — and the Postal Service must adjust to that reality. "The Commission sensibly concluded that the statutory exception allowing higher rates when needed to respond to extraordinary financial circumstances should only continue as long as those circumstances, in fact, remained extraordinary," Circuit Judge Patricia Ann Millet wrote on behalf of the appeals court. "The Commission permissibly reasoned that just because some of the effects of exigent circumstances may continue for the foreseeable future, that does not mean that those circumstances remain 'extraordinary' or 'exceptional' for just as long."

## INTERNATIONAL NEWS

**UNITED KINGDOM: Daily Mail**: A row has erupted over a Commons decision to stop using Royal Mail to deliver letters to MPs from their constituents – and hand the contract to a private firm. Until now, correspondence from MPs' constituency offices has been sent to the Palace of Westminster via Royal Mail. Last year the Commons received more than two million letters. But the job has been taken over by the DX Group, provoking a furious reaction from unions and Labour MPs.

*June 6, 2015*

## POSTAL/FEDERAL NEWS

**Federal Register: Postal Service NOTICES** Product Changes: Priority Mail Negotiated Service Agreement, 32419 [2015–13877] [[TEXT](#)] 32419 [2015–13879] [[TEXT](#)]

## INTERNATIONAL NEWS

**UNITED KINGDOM: The Telegraph**: Banks and City pension funds are to get preferential treatment in the £1.5billion sale of Royal Mail, leaving private investors empty-handed, The Telegraph can disclose. The sale of the Government's remaining 30 per cent stake in Royal Mail was unveiled in the House of Commons by George Osborne, as part of a bid to raise £4.5billion by March next year. Whitehall sources said the Government was likely to offer the shares at a small discount to the market price large City institutions to keep the costs of the flotation down. The banks and City investors will then be able to sell on the shares to small private investors at a profit.

*June 5, 2015*

## POSTAL/FEDERAL NEWS

**USPS Statement on Court Decision**: The U.S. Postal Service is gratified that the United States Court of Appeals for the District of Columbia Circuit reversed a key aspect of how the Postal Regulatory Commission (PRC) measured volume losses caused by the Great Recession. The continuation of the exigent pricing surcharge is critical to the Postal Service's financial health, as the Commission recognized in its 2014 Financial Analysis which acknowledged the significant importance of the exigent rate surcharge that was implemented in January of 2014 in the increase in Total Market Dominant revenue for FY2014. We look forward to exploring other issues with the PRC on remand in accordance with today's court order.

**Sen. Thomas Carper**: Sen. Tom Carper (D-Del.), Ranking Member of the Homeland Security and Governmental Affairs Committee, released the following reaction to the United States Court of Appeals for the District of Columbia Circuit exigent ruling:

"It's no secret that the U.S. Postal Service continues to face serious financial challenges that threaten its future and long-term growth. Nearly two years ago, the Postal Regulatory Commission

(PRC) put into place a temporary emergency surcharge on postal rates to help the Postal Service make ends meet. Since then, this increase in rates has served as a life preserver for the struggling Postal Service and has helped the institution keep its head above water as it continues to lose money. I agree with today's decision by the U.S. Court of Appeals for the District of Columbia Circuit to remand the rate determination to the PRC, and call on the body to reexamine how the emergency rate was calculated. Regardless of what the PRC ultimately decides, piecemeal efforts like this, while helpful, are not enough on their own to fundamentally fix the Postal Service's severe financial problems. I believe the best way to help the Postal Service gain a sustainable financial footing is through comprehensive postal reform legislation. I will continue to work with my colleagues in Congress, the Administration, and stakeholders to fix the serious, but solvable challenges facing the Postal Service."

### *Office of the Inspector General:*

*How Can the Postal Service Best Manage Building Occupancy Costs?* The U.S. Postal Service needs to keep track of all the costs that contribute toward its overhead and groups them according to function. One of these groups, called Cost Segment 15, Building Occupancy, covers expenses for renting and leasing facilities (space provision); fuel and utilities (space support); communications; and improving facility-related working conditions and maintenance. Once these costs are calculated, they are incorporated into the Annual Compliance Report (ACR). The ACR is produced within 90 days after the end of each fiscal year and it presents an analysis of costs, revenue, pricing, and quality of services for all postal products and services.

In 1999, the Postal Service surveyed approximately 750 out of 35,000 Postal Service facilities to calculate a nationwide average of square-footage regarding space use. This data was first used and introduced to the Postal Regulatory Commission in 2005. The Floor Space Survey plays a pivotal role in Cost Segment 15 by providing a national average of square footage data for Postal Services facilities. This data is used to help calculate the attributable costs for rents, fuels, utilities, and other space-related costs that vary within a Cost Segment 15. In this review, we are evaluating the accuracy of space-related costs found in Cost Segment 15.

(1) As plants close and new equipment is deployed, less facility space is used. How can the Postal Service collect data that reflects these changes? (2) Outside of the Floor Space Survey, are there other methods the Postal Service should consider to collect and maintain square-footage data for its operational facilities? (3) The Floor Space Survey process is costly and time consuming. Are there any automated processes the Postal Service could use to collect facility square-footage data?

*Mailers Technical Advisory Committee:* Notes and presentations from the May MTAC meeting are now posted on the [MTAC website](#) listed under [MTAC Notes and Presentations, 2015](#). The next MTAC meeting will be held on August 11 and 12.

*U.S. Court of Appeals for the District of Columbia:* The Court of Appeals has released its ruling on the Postal Service's contest of the PRC's exigency decision.

"Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds."<sup>1</sup> But a bad economy might. Or so the Postal Service worried when the recent recession caused mail volumes—and thus Postal Service income—to plummet precipitously. Citing exigent economic circumstances, the Postal Service sought a 4.3% rate increase from the Postal Regulatory Commission.

The Commission agreed that the recession that started in 2008 was an "extraordinary or exceptional circumstance" that warranted some rate increase, but the Commission only permitted the Postal Service to recover \$2.8 billion in lost revenue. The Commission reasoned that, by 2011, the Postal Service should have adjusted to a "new normal" business environment in which mail volumes appeared to be permanently lower than their pre-recession

levels. The Commission also concluded that lost mail volumes could only be counted in the first year they occurred, even before the "new normal" arrived.

The Postal Service says the Commission's decision did not go far enough; mailer industry groups say the Commission went too far; and the Commission says it got the order just right. We hold that the Commission's "new normal" determination is reasonable, but its rule that lost mail volumes should be counted only once makes no sense on this record. We therefore grant the Postal Service's petition for review in part. Finally, because the Commission's econometric analysis was well within the wide bounds of agency expertise, we deny the separate petition for review filed by representatives of the mailing industry.

We grant the Postal Service's petition for review in part, vacate the "count once" portion of the Commission's order, and otherwise deny the petition. We also deny the Mailers' petition for review. The case is remanded for proceedings consistent with this opinion.

**Postal Regulatory Commission:** Postal Regulatory Commission Inspector General has issued his Semi-Annual Report: [http://www.prc.gov/sites/default/files/oig-reports/SARC2014-2\\_3938.pdf](http://www.prc.gov/sites/default/files/oig-reports/SARC2014-2_3938.pdf)

**Federal Register:**

Postal Regulatory Commission	
NOTICES	
New Postal Products ,	
32185–32186 [2015–13686]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
32186 [2015–13714]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
32186–32187 [2015–13751]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

## DOMESTIC NEWS

**Associated Press:** A federal appeals court has upheld a temporary rate hike in the price of sending mail, but says the U.S. Postal Service can't make the increase permanent.

**The Hill:** FedEx warns of 'protectionism' in foreign airline subsidy fight. FedEx is siding with Middle Eastern airlines in a fight over foreign flight subsidies that has roiled the U.S. aviation industry. Unions that represent parts of the U.S. airline industry have alleged Middle Eastern airlines like Qatar Airways, Etihad Airways and Emirates Airlines received more than \$42 billion in subsidies since 2004. They say the payments violate the spirit of the Open Skies agreements between the U.S. and the governments of Qatar and the United Arab Emirates, which own the airlines. Memphis, Tenn.-based FedEx said in a comment that was filed with the departments of Transportation and State on Wednesday that the U.S. carriers' arguments are protectionist.

## INTERNATIONAL NEWS

**CANADA:** **Canada NewsWire:** A paper presented by the Canadian Union of Postal Workers researchers today shows conclusively how Canada Post's cutbacks are creating expensive problems, including costs for municipal residents and health care. The paper, "The Implications of Converting Home Mail Delivery to Community Mailboxes: The Canadian Experience," was prepared for the 23rd Conference on Postal and Delivery Economics, held this week. "The truth is that Canada Post's cuts are costing Canadians plenty," said Mike Palecek, National President of the Canadian Union of Postal Workers (CUPW).

**UNITED KINGDOM:** **Forbes:** Henry VIII, founder of Britain's 500-year old Royal Mail, might be turning in his grave at news that this venerable institution is about to see the UK Government sell its remaining 30% share in the

already part-privatized postal firm with a £5 billion (US\$7.69bn) market capitalization. But are the shares a buy, hold or sell? Royal Mail certainly has a long and proud history. However, it needs to invest significantly and innovate faster. Sumner-Rivers cites examples where it needs to develop its offering more, which includes 'Click & Collect' access points, 1-hour delivery slots and pro-active SMS notifications. "It's pretty hard to see how Royal Mail can go it alone and fund all of these urgent improvements," he contends. Ironically the parcels market that Parcel Hero operates in is booming due to the growth of internet e-commerce. Yet the same technology has effectively sounded the proverbial death knell for the traditional service that the Royal Mail once delivered.

**UNITED KINGDOM: Common Space:** George Osborne's plans to sell off the government's remaining stake in the Royal Mail could put the six-day postal guarantee at risk. That's according to opposition politicians and trade unions who fear that the further privatisation will lead to a reduced service in rural, less affluent areas. Now the most recent announcement has intensified fears that the Universal Service Obligation (USO), which ensures a six-day postal service to anywhere in the country, could be under threat. (See also [The Wall Street Journal](#))

**UNITED KINGDOM: Daily Mail** Postal workers threatened to strike last night after George Osborne announced the sale of the Government's remaining stake in Royal Mail. In a surprise move, the Chancellor said he hoped to raise £1.5 billion in the sell-off to help pay off the national debt. But unions yesterday warned of industrial action by thousands of staff unless pay and conditions are protected when the firm is fully privatised.

*June 4, 2015*

## POSTAL/FEDERAL NEWS

**USPS Postal One! Alert: PostalOne! Release 41.0.5.0 Production Deployment** – PostalOne! Release 41.0.5 will deploy on Thursday, June 4th 2015 between 5:00pm CT and 8:00pm CT. This release includes new business functionality, updates to existing functionality and database maintenance activities. Please note this release may incur brief service interruptions as part of the implementation process but is expected to remain online during the duration of the deployment. Additionally, there will be a mandatory client download enforced at the end of the deployment window. This client will replace currently supported versions 41.0.0.1 and 41.0.4.1. Release notes for PostalOne! Release 41.0.5.0 can be found on [https://ribbs.usps.gov/intelligentmail\\_schedule2015/releaseoverview2015.cfm](https://ribbs.usps.gov/intelligentmail_schedule2015/releaseoverview2015.cfm) .

**USPS Industry Alert: USPS Shipping Products and Services Webinar Series June 9, 2015, 11a.m. EDT** – Extra Services Join us as the Postal Service continues to host its series of informational webinars on a variety of products and services. The webinars will focus on extra services enhancements, features, benefits, and information to acquire the knowledge and skills to effectively use the services. **Note: the "Returns" webinar originally scheduled for June 9, 2015 has been rescheduled for June 23, 2015.** Tuesday, June 9, 2015 at 11a.m. EDT – Extra Services USPS Extra Services offers mailers enhancements to include with their shipments such as insurance, return receipt, USPS Tracking, proof of delivery including the recipient's signature, and specific handling options. On May 31, 2015, the United States Postal Service implemented changes to domestic extra services based on customer feedback and need. The changes are designed to simplify the complexity of the services and provide ease of use for our customers. Please join us to learn more about our extra service offerings and the recent changes. Speaker: Alia Mcphail, Product Development Specialist Suzanne Newman, Product Development Specialist, Sr.

## DOMESTIC NEWS

**National Postal Museum:** The world's most famous and valuable stamp, the British Guiana One-Cent Magenta, is now on display at the Smithsonian's National Postal Museum. Prominently showcased in the museum's William H. Gross Stamp Gallery, the stamp will be on display until November 2017, the longest and most publicly accessible showing ever. No postage stamp is rarer than the sole-surviving example of the British Guiana One-Cent Magenta. In January 1856, British Guiana issued a small number of one- and four-cent stamps for provisional use while the postmaster waited on a shipment of postage from England. Multiple copies of the four-cent stamp have survived, but the one-cent stamp now on display at the museum is the only one of its kind in the world. It generates headlines and breaks records every time it sells. It is the only major rarity absent from the Royal Philatelic Collection owned by



Queen Elizabeth II. "The British Guiana is the rarest of the rare," said Allen Kane, director of the museum. "Having recently sold for almost \$10 million, by sheer size and weight, it may very well be the most valuable single object in the world today." The National Postal Museum is devoted to presenting the colorful and engaging history of the nation's mail service and showcasing one of the largest and most comprehensive collections of stamps and philatelic material in the world. It is located at 2 Massachusetts Ave. N.E., Washington, D.C., across from Union Station. The museum is open daily from 10 a.m. to 5:30 p.m. (closed Dec. 25). For more information about the Smithsonian, call (202) 633-1000 or visit the museum website at [www.postalmuseum.si.edu](http://www.postalmuseum.si.edu).

**BusinessWire**: The U.S. Postal Service today announced that GIS has been selected as one of just 16 winners in its 2014 U.S. Postal Service Supplier Performance Awards program. This marks the second time in five years that the Postal Service has chosen GIS for a Supplier Performance Award. GIS, which processed over 600,000 background checks for the U.S. Postal Service in 2014 alone, received the Supplier Excellence Award. The award recognizes Postal Service contractors for high level of performance in supporting the Postal Service during 2014.

**eMissourian**: The news came last Friday from Sen. Claire McCaskill's office. The U.S. Postal Service announced that it had indefinitely postponed the closing of 68 mail processing centers. A group of U.S. senators, including Sen. McCaskill, following a Roundtable on Rural Mail before the Senate Committee on Homeland Security and Government Affairs, asked for a one-year moratorium on postal closings until the impact of the closing is fully understood. Sens. Jon Tester, D-MT, and Heidi Heitkamp, D-ND, along with Sen. McCaskill, were among the leaders in the battle to keep the postal processing centers open. Missouri's other U.S. senator, Roy Blunt, also has been out front in this fight to ensure better rural mail delivery.

**Digital Journal**: Mail delivery is lagging and many businesses and consumers depend on the timely delivery of their mail but the trend in a slowdown continues. The postal system in the United States just isn't operating as smoothly as it once was in the country that was the first to revolutionize such a system, though we are a far cry from the days of horseback delivery. As more postal centers and mail delivery processing centers close across the United States due to budget shortfalls for the United States Postal Service (USPS), mail delivery times are lagging behind and businesses are the first to be strained by such circumstances, though homeowners and taxpayers are impacted as well.

**Federal News Radio**: Mobility is at the center of nearly everything the U.S. Postal Service does as part of its mission. That's why the roll out of advanced mobile devices is so critical to the organization. Randy Miskanic, the Postal Service's acting chief information officer, said the new devices will let carriers and other employees operate in a real-time environment, where decision-making data is pushed out, and mission-data is collected and provided back to management.

**Washington Post**: A man who flew a gyrocopter through some of America's most restricted airspace before landing at the U.S. Capitol says his employer, the United States Postal Service, is taking steps to fire him. Doug Hughes said Wednesday the agency intends to fire him for "unacceptable conduct" in the wake of his April 15 flight to call attention to campaign finance reform. A grand jury indicted Hughes on six charges that carry up to 9½ years in prison.

**KDAL610**: At a rally last week in Duluth, Congressman Rick Nolan joined postal workers in protesting the decision to begin moving mail processing from Duluth to the Twin Cities. Nolan says he has called on Postmaster General Megan Brennan to reverse the decision that is causing delays in local mail delivery and many complaints by area businesses and customers. Nolan says the nationwide consolidation is a deliberate plan to shift from the overnight delivery that we have had for decades do something closer to a week or more. He says congress needs to call a halt to the consolidations which could be the end to the U-S Postal Service as we know it.

## INTERNATIONAL NEWS

**UNITED KINGDOM:** **London Evening Standard**: Chancellor George Osborne has announced that the government will start selling its remaining 30% shareholding in Royal Mail. The taxpayer's stake is currently worth around £1.5 billion and the proceeds from its sale will be put towards paying down national debt. Further detail on the form of

the sale to be announced in due course, the Treasury said. When Royal Mail reported its full-year results last month it said the market was much different than it had expected when it floated. It is facing stiff competition from rivals including DPD, Yodel and Hermes, which have all added capacity and Amazon, which has launched its own courier network, is also a growing threat. Its boss Moya Greene said the collapse of City Link and Whistl's decision last month to pull out of doorstep deliveries in three UK cities shows that business was "very hard". At the time of its IPO, the former state-owned postal operator had expected growth of 4% a year in the parcels market, largely as a result of the acceleration of online shopping, but now it is forecasting total market growth of 1% to 2% for the next two years.

**UNITED KINGDOM:** [Post & Parcel Asia Pacific](#): Today sees the official launch of [Marketforce's Post & Parcel Asia Pacific Conference](#) which will be held on 18th & 19th November 2015 in Hong Kong. Hear from a global line-up of industry leaders from across the Asia Pacific region as well as senior executives from across Europe and North America. A packed agenda will cover the key challenges facing the delivery sector, including the opportunities of the Asian e-commerce boom, collaborating in cross-border trade, and operational developments in response to changing volumes.

**UNITED KINGDOM:** [Postal Technology International](#): The latest issue of [Postal Technology International](#) is now available online.

**UNITED KINGDOM:** [UKIP](#): UKIP Deputy Leader Paul Nuttall MEP: "It is rarely mentioned in the media but three EU Postal Services Directives lie behind the destruction of the Royal Mail.

**AUSTRIA:** [Post & Parcel](#): Austrian Post has bought a 60% stake in an Internet portal for special offers and retail promotions, for an undisclosed amount. The postal operator said that Aktionsfinder attracted almost 1m visits per month on average during 2014. Buying a controlling stake in the business will help Austrian Post expand its capabilities in the digital world, while also making more use of the company's delivery business.

**CANADA:** [MetroNews](#): Canada Post says the switch to community mailboxes in Hamilton is going ahead as planned, despite a recent claim by the postal workers' union that the plan to end door-to-door delivery in Hamilton is on "indefinite hold." Canada Post spokesperson Jon Hamilton told Torstar News Service Wednesday that "there's been no change in direction in Hamilton," and that the installation of community mailboxes has gone uninterrupted since it began in April. "We continued to install boxes today, and conversion will happen this summer," Hamilton said.

**FRANCE:** [Bike](#): Two years ago Cycleurope displayed the first prototype of its Hydrogen bike. Now it's no longer science fiction as the French postal service 'La Poste' has started testing 12 of the bikes for future general use.

**ISLE OF MAN:** [MENAFN](#): The underlying trend within postal markets globally has been one of declining volumes over recent years. As mail volumes decline the pressure on reducing all costs increases. Delivery costs represent the largest single element of cost. They are also the most time consuming and complex to analyse. It is against this background that the Isle of Man Post Office invested in the RouteSmart™ software from Integrated Skills Limited (ISL). The RouteSmart™ software has been applied to varying types of routes – conventional walking routes urban and rural driving routes with combined product delivery and street box collection. As Mike describes: "The outcomes have been as expected proving the scope for improved productivity realistic delivery spans and spread. The integration with maps makes it much easier to assess the impact of adjusting deliveries as there is an immediate visual with the relevant information being available by cluster of calls or thoroughfares. The estimated savings generated by use of the software is in the region of £80k per full review of duties and work plans.

**NEW ZEALAND:** [Stuff](#): NZ Post want other businesses to do business on their behalf. New Zealand Post general manager for retail distribution, Tracey Berry, said the company is committed to offering full services in both suburbs, including Kiwibank ATMs and post boxes. New Zealand Post is working with a business broker to find local businesses that can host the same services from these locations, or within their own businesses.

**UNITED KINGDOM:** [BBC](#): The government's remaining 30% stake in the Royal Mail is to be sold off to help pay down the deficit, George Osborne has said. He said the shares would be sold when ministers could be sure they would get value for money.

*June 3, 2015*

## POSTAL/FEDERAL NEWS

**Federal Register: Postal Regulatory Commission NOTICES** New Postal Products , 31624–31625 [2015–13412] [\[TEXT\]](#) 31624 [2015–13413] [\[TEXT\]](#)

## INTERNATIONAL NEWS

**INDIA:** [Financial Express](#): Department of Post has signed a deal with CMS Info Systems to personalise over 15 million debit cards for India Post savings account holders. The deal, valued at Rs 30 crores, is estimated to be completed in the next three years. These debit cards will be Rupay enabled. The postal department currently covers a base of approximately 100 million account holders in India, and is in the midst of a phased deployment of ATMs across the country, to better its service.

**UNITED KINGDOM:** [Reuters](#): Britain's postal operator Royal Mail on Wednesday named joint TUI AG chief executive Peter Long as its new Chairman, replacing Donald Brydon who will depart in September. Long, who has over 20 years experience in FTSE 100-listed companies, will join Royal Mail's board in June and will succeed Brydon as Chairman on Sept. 1.

**THAILAND:** [Bangkok Post](#): Starting today, senders of parcels are required to show their ID cards or passports as part of state-owned Thailand Post's measures to prevent use of postal services for drug smuggling. Waraporn Chaitiamwong, manager of Thailand Post's organisational communications section, said on Wednesday that parcel senders are now required to present their ID cards or passports if they are foreigners to postal counter officials.

*June 2, 2015*

## POSTAL/FEDERAL NEWS

### **USPS Postal One!:**

**PostalOne!® Release 41.0.4.1 and 41.0.5 Attention PostalOne!® Users** – An unplanned PostalOne! Release 41.0.4.1 will be deployed today (at 2 pm Central) to resolve a system performance issue with electronic data submission. This release will not require an outage and the application will remain online during the deployment. An optional Mail.dat® client download will be available. This client will not auto-update, but is recommended to resolve slow performance seen in Mail.dat update submissions. Additionally, scheduled patch Release 41.0.5 is planned for Thursday, June 4, 2015, at 5 pm Central. This release will not require an outage and the application will remain online during the deployment. A mandatory Mail.dat client download will be required after the release.

**Mail.dat® and Mail.XML™ Supported Versions** – As a reminder, the following electronic documentation (eDoc) file versions are supported for new file submissions with a postage statement mailing date on, or after, May 31, 2015:

- \* Mail.dat 14-2 (14.2.1.6 errata)
- \* Mail.dat 15-1
- \* Mail.XML 16.0
- \* Mail.XML 17.0

Effective June 2, 2015, Mail.dat version 14-1 is no longer supported. Mailers submitting 14-1 mail.dat data will receive error messaging and will need to update their version. Additional information can be found in the May 2015 Technical Specifications and Guides on RIBBS at: [https://ribbs.usps.gov/intelligentmail\\_schedule2015/releases/may2015/techspecs.cfm](https://ribbs.usps.gov/intelligentmail_schedule2015/releases/may2015/techspecs.cfm) or by contacting the *PostalOne!* Help Desk at [800.522.9085](tel:800.522.9085)

**Postal Regulatory Commission:** PRC public meeting (June 2015) [webcast recording](#) [List of active cases](#) before the PRC.

**Federal Register:** Postal Service *RULES* Rules of Practice: Postal Service Board of Contract Appeals , 31303–31305 [2015–13167] [[TEXT](#)]

**USPS RIBBS:** The USPS has been providing many new/updated documents on its [RIBBS page, under Updates](#). Two to take note of: (1) Guide to Postage Assessment 5/28 (2) Door Not Accessible (DPV) 5/29

## DOMESTIC NEWS

**TechCrunch:** Everyone has, at some time or another, experienced the frustration that comes from missing a delivery – that is, coming home only to find a delivery notice stuck to your door. A company called Doorman is trying to solve this problem by allowing customers to schedule their own deliveries as late as midnight, seven days a week. Now Doorman has \$1.5 million in seed funding to continue to grow its business, and is also now launching its first API. The API will allow partners to integrate Doorman's scheduling functionality directly into their own websites and applications.

**Inside Climate News:** The nomination of Marie Therese Dominguez, President Obama's pick to lead the federal agency that oversees pipelines, was greeted with surprise and uncertainty by pipeline safety experts. Carl Weimer, executive director of the watchdog group Pipeline Safety Trust, said he hadn't heard of Dominguez before the nomination, and knew nothing about her track record in the pipeline sector. Weimer said he would reserve judgement until after her confirmation, and said he hoped she would speed the passage of several pipeline safety rules currently lingering in regulatory limbo. Richard Kuprewicz, a pipeline safety expert with 40 years' experience, also called Dominguez an "unknown." Kuprewicz is the president of Accufacts, a consulting firm based in Redmond, Washington. "No matter what she does, she'll be criticized from either side," he said. "That's just the nature of the beast."



**Wall Street Journal:** It's been three years since U.S. inflation hit the Federal Reserve's 2% target, according to new data from the Commerce Department. The personal consumption expenditures price index, the Fed's preferred inflation gauge, rose just 0.1% in April from a year earlier, the lowest level since October 2009 and a little softer than the 0.3% reading in February and March. April 2012 was the last time the inflation rate was on target. That's the longest such stretch of sub-2% inflation since the 1960s. Excluding the volatile food and energy categories, prices climbed 1.2% in April from a year earlier, a slight downshift from the 1.3% reading the prior four months.

## INTERNATIONAL NEWS

**AFRICA: Sudan Vision:** The African Union has announced full commitment and readiness to support the postal sector to contribute in the economic and social development in the continent.

**IRELAND: UTV:** More than 2.2 million homes will receive their unique Eircode over the coming weeks. However, there are concerns that a mistake with the codes could lead emergency services in the wrong direction. The company behind Eircodes says those fears are unfounded.

**IRELAND:** [\*Post & Parcel\*](#): Irish parcel carriers are expecting significant growth in volumes in the next few years, thanks to soaring e-commerce. But, in a new report commissioned by postal regulator ComReg, research warned of ever increasing expectations of senders and recipients. Investing in new technology has been helping retailers and carriers keep pace with these expectations. But, some carriers reported that strong competition in the sector is affecting their growth, particularly with consumers expecting increasing levels of service for "very low prices".

**NEW ZEALAND:** [\*Otago Daily Times\*](#): Hundreds of posties will lose their jobs when mail delivery days are slashed next month, but just one compulsory redundancy is expected, New Zealand Post chairman Sir Michael Cullen says. However, the Postal Workers Union says many posties will leave unwillingly. Many are on fixed-term contracts and ineligible for redundancy. About 300 posties are expected to be out of the job next month, followed by another 100 in the next couple of years. "This is an employer which is in the process of one of the biggest reductions in labour in the history of New Zealand government agencies. "When you've got the number of letters going down 10% a year, you can't keep on carrying the same number of people in jobs," Sir Michael said.

**UNITED KINGDOM:** [\*Mediatel Newslite\*](#): The Royal Mail is to trial a programmatic offering as it seeks new ways to complement digital media. Working with a mail producer, media agency and a small group of clients who invest in multiple media channels - all un-named - the UK's third-largest media-owner says it will kick-off the experiment "imminently" with a roll-out potential of a few months. The trial has been set up to see how online tracking cookies can be matched with postal data to target "high value prospects" with a physical ad rather than through online display or email advertising.

*June 1, 2015*

## DOMESTIC NEWS

[\*Direct Marketing News\*](#): Is it possible that the U.S. Postal Service, the channel that makes targeted direct mail possible, is in need of its own geographically direct strategy? That's the conclusion of a report released by the Office of the Inspector General of USPS titled "Declines in U.S. Postal Service Mail Volume Vary Widely Across the United States." With the wide-ranging locales and lifestyles of America as its subtext, the report poses questions worthy of debate: Is single-piece First Class Mail (FCM SP) usage still vital in certain sections of the country? And should the ever-reviving Postal Service be looking into geographic segmentations of its operations, services, and marketing? That may well be the case. Still, postal illuminati wonder if the Inspector General's office may have been a tad cavalier in arriving at the conclusions it drew from regional disparities. Jody Berenblatt, senior advisor at Grayhair Software, is of the opinion that the OIG's report is not actionable. "How do you know that we've hit the bottom in the decline of First Class Mail?" she asks. "It's still declining. The only way you know for sure that you've hit bottom is in hindsight, when you're already past it."

[\*Washington Post\*](#): President Obama's administration, with support from House Republicans, is pushing reductions to workers' compensation for federal employees — to the consternation of fellow Democrats and his union allies. Like the Obama administration, Rep. Tim Walberg (Mich.), the Republican chairman of a House Education and the Workforce subcommittee, cited "concerns" that workers' comp benefits "are too generous and can discourage an employee's return to work." The changes proposed by the Labor Department would save Uncle Sam money, but at the cost of cutting future payments to most workers injured on the job. But nowhere in the department's recent statement to the House workforce-protections subcommittee did the agency provide evidence to back the administration's concern about "disincentives" for the return to work.

## INTERNATIONAL NEWS

**POLAND:** [\*Post & Parcel\*](#): Polish postal company InPost says it has entered the courier business in its home country, for both individual and business customers. The company, part of Integer.pl Group, had previously provided parcel collections via its self-service locker terminals and some local courier messenger services. But it says now it is launching courier services to deliver parcels either to the door or to parcel lockers, delivering across Poland. Services will include guaranteed next day delivery before 12pm and 5pm. Around 98% of parcels will make it to a parcel locker the day after they are shipped, the firm claims.

**SINGAPORE:** [\*TodayOnline\*](#): When inventory comes through the doors of Singapore Post's (SingPost) new logistics hub in Tampines, which will open in the second half of next year, its workers will have relatively little to do — although up to 100,000 packages may pass through the facility daily. This is because almost every step, from the sorting of goods according to categories and their storage in the second and third storeys of the 5.14ha facility to picking up items for orders, packing them and transferring packages to ships, will be fully automated. The first-of-its-kind building in South-east Asia is an integral part of SingPost's plans for its quest to rule the e-commerce market in the region — the reinvention by the nearly 200-year-old national postal service was picked up and featured in a report last week by The International New York Times.