



## Association for Postal Commerce


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### Postal News from July 2010:

*July 31, 2010*

 [Government Executive](#) has noted that "The Senate Appropriations Committee and the House Financial Services and General Government Subcommittee on Thursday **approved spending bills that include provisions requiring the U.S. Postal Service to maintain a six-day delivery schedule.**"

 According to [KnoxNews](#), "Congress must put our money where its mouth is (not a new task for Capitol Hill) and either make up the Service's ever-increasing fiscal shortfall or take the first step toward tearing up the old model in favor of one that fits the 21st century. That probably means closing one's eyes and spinning the wheel, hoping five-day delivery is approved."

 [Dead Tree Edition](#) has reported that "The **U.S. Postal Service declined** The White House's suggestion that it **conduct a pilot test of five-day delivery**, according to a document made public this week."



#### **From the Federal Register: Postal Regulatory Commission**


- Meetings; Sunshine Act , 45173–45174 [2010–19033] [\[TEXT\]](#) [\[PDF\]](#)
- New Postal Products , 45174 [2010–18804] [\[TEXT\]](#) [\[PDF\]](#)
- 45175–45176 [2010–18821] [\[TEXT\]](#) [\[PDF\]](#)
- 45176–45177 [2010–18858] [\[TEXT\]](#) [\[PDF\]](#)
  - 45174–45175 [2010–18876] [\[TEXT\]](#) [\[PDF\]](#)





[Reuters](#) has reported that "United Parcel Service Inc.said on Friday that the Canada Council of Teamsters has ratified a five-year labor agreement with UPS."




The [Atlanta Business Journal](#) has reported that "United Parcel Service Inc. invested \$86 million to expand its package sorting and delivery facility in Portland, Ore. Read more: UPS opening new packaging/sorting facility in Oregon."


 [The Telegraph](#) has reported that "By 2016, the Royal Mail is likely to have deleted county names from the official Postcode Address File that is used by thousands of private companies and public bodies. They are being removed because the postal service now only needs the house number, street name and the postcode. It means the letters and parcels people receive from companies or official bodies will no longer feature the county name in their postal address."

 In a letter to the editor of the [Washington Post](#), NALC President Frederic Rolando wrote that "The Postal Service has been backed into a corner by a multibillion-dollar overpayment into the Civil Service Retirement Fund and a congressional mandate that it prefund its retiree health benefits on an accelerated schedule. Since 1971, the Postal Service has made as much as \$75 billion in overpayments into its federal retirement fund. If that money were returned to the Postal Service, it could be used to meet the requirement to prefund retiree health benefits. This unnecessary requirement, which forces the agency to pay a 75-year liability in a 10-year time frame, has turned Postal Service profits into losses in two of the past three years."

 [Trading Markets](#) has reported that "As expected, Congress passed the 15th extension of a bill to reauthorize Federal Aviation Administration programs. The House approved the extension late Thursday night; the Senate followed suit this morning. The extension postpones final action on a controversial measure affecting Memphis-based FedEx Corp."

*July 30, 2010*

 In commenting in the [Henderson Gleaner](#) on the Postal Service's exigency request, postal Governor Ellen Williams wrote that "The new pricing, which must be approved by the Postal Regulatory Commission, would add less than 13 cents a month to the average American household's budget and would not go into effect until Jan. 2, 2011 — almost two years since the Postal Service last raised first-class mail rates. If approved, the price changes would generate \$2.3 billion for the last three quarters of the 2011 fiscal year (January to September) and an estimated \$3 billion for the full 12 months of fiscal year 2012. Even with the new pricing, the Postal Service still faces a dismal financial situation. As Postmaster General John Potter noted in March, a number of initiatives need to be pursued simultaneously. These initiatives are similar to what private businesses examine."

 **DMM Advisory: IMb™ Services Update.** The USPS® has processed more than 24 BILLION Full-Service mailpieces since May, 2009. **REMINDER: Retirement of FAST® Web Services (July 31, 2010):** As a reminder, FAST Web Services (Mail.XML® 4.0) will be retired on July 31, 2010. All customers have migrated to either FAST Mail.XML 8.0 or FAST Mail.XML 6.0.



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

- The Affordable Mail Alliance ("Alliance") filed a motion with the Postal Regulatory Commission (PRC) to dismiss the exigency rate request made by the U.S. Postal Service (USPS) on the grounds that the USPS had failed to satisfy the "extraordinary or exceptional circumstances" required by the Postal Accountability and Enhancement Act of 2006 (PAEA). The Affordable Mail Alliance (of which the Association for Postal Commerce is a member) is a coalition of over 700 large and small businesses, nonprofit organizations and associations of mailers that together account for a majority of the mail sent in the United States.
- Mailers weren't alone in expressing their unhappiness with the Postal Service's exigency postal rate increase filing. So also was one of the key architects of the Postal Accountability and Enhancement Act of 2006, Sen. Susan Collins (R-ME).
- The U.S. Postal Service released its First-Class Mail Incentive Program Data Collection Report with the Postal Regulatory Commission. The program generated \$18 million in contribution on 212 million incremental pieces, with participating customers earning \$15 million in rebates.
- The U.S. Postal Service Office of Inspector General (IG) has released its report, "Audit Report - Fiscal Year 2009 Standard Mail Volume Incentive Program," in response to a request from the Postal Regulatory Commission (PRC). It found that revenue and volume increases that were reported for the Summer Sale may be misleading and some expenses were not tracked.
- According to Rag Content, "maybe Congress needs to start looking to the Governors for some answers instead of the PMG, and maybe, just maybe, the Governors will start looking at the company they keep."
- Experian vice president Steve Lopez has asked "what does Congress think about the recent USPS filing to the PRC of an exigent rate increase?"
- This week, the U.S. Postal Service filed its Explanation of Cost Reductions, Other Programs, and Corporatewide Activities with the Postal Regulatory Commission in Docket R2010-4, Exigent Rate Case.

The document lays out the major programs and management initiatives expected to be active during FY2010 and FY2011.

- Dead Tree Edition has told its readers that "The head of the Postal Service's Intelligent Mail program apparently took umbrage yesterday at criticisms of the program's system outages, but methinks he protesteth too much."
- Exigency increases will nip direct mail growth in the bud. Alliance asks Carper to join Collins in opposing exigency case. Too much said already? PMG picks new chief inspector. Newspapers decry exigency. MPA not thrilled with USPS either. FedEx earnings up. DHL moves to help SMEs go international. More on Bernstock. A sale?? Surely everyone loves a sale. Notice from the USPS. Chaffetz introduces bill designating 12 postal holidays.
- An update on notices from the Postal Service regarding a scheduled plant closure.
- An update on postal rules and notices published in the Federal Register.
- An update on business before the Postal Regulatory Commission.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews

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



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

The [BBC](#) has reported that "The Pensions Regulator is opposing a crucial plan to pay off the £10.3bn deficit in the Royal Mail pension scheme over 38 years. The pension scheme's trustees have struck the deal with the company. Royal Mail says it will continue to make "substantial" extra payments to clear the deficit. But the regulator says it has "substantial concerns about both the deficit figure and other aspects of the agreement".

[PrintWeek](#) has reported that "Finishing equipment manufacturer Pitney Bowes has launched an enveloping line that features no envelopes."

The [Hounslow Chronicle](#) has reported that "Royal Mail delivery lorries are being blamed for churning up part of Hanworth Road and disturbing residents' sleep. Householders living near the Jubilee Mail Centre on Godfrey Way are gathering a petition to demand a cut in the number of heavy goods vehicles going past their homes. The campaign is being led by pensioner Shakundla Joshi, who said the number of lorries going to and from the site has increased dramatically over the past year."


The [Comox Valley Record](#) has reported that "The Canadian Union of Postal Workers (CUPW) says recent mail delivery delays are causing customer service for mail delivery to decrease in the Comox Valley. Part of the Postal Charter says that mail must be delivered five days a week to all customers, but in some parts of the Comox Valley mail delivery has been delayed for up to two consecutive days due to inadequate staffing levels, according to Nancy Dodsworth, Courtenay local president of CUPW."


The [Postalnews blog](#) has posted an item from the National League of Postmasters: "We are in receipt of a July 28, 2010, letter from Postal HQ stating effective immediately, all hiring, promotions and placement of non-bargaining employees at Headquarters, Areas and Districts are suspended until further notice. Selections received by COB 07/30/2010, will be processed by HR Shared Services but the postings have been placed on hold. We are communicating with Headquarters for more information, updates will be provided as they become available."





***From the Federal Register: Postal Regulatory Commission NOTICES*** New Postal Product ,


44993–44994 [2010–18701] [\[TEXT\]](#) [\[PDF\]](#)

 According to [Scripps News](#), "That birthday card from Grandma with the \$20 bill tucked inside could be a thing of the past, thanks to your government. It seems that the U.S. Postal Service raises the cost of a postage stamp every few weeks. That means fewer people are using the mails. That means the Postal Service can't meet its budget, so it raises the cost of the regular-mail stamp again. There's something wrong with this scenario."

 From [Phoenix New Times](#): "Cremated Remains of Phoenix Woman -- Lost by U.S. Postal Service -- Recovered"

 The [Deseret News](#) has reported that "Rep. Jason Chaffetz, R-Utah, says if his new legislation is adopted, it could save the U.S. Postal Service hundreds of millions of dollars in fuel and operations costs. The legislation Chaffetz introduced Thursday would give the U.S. postmaster general the authority to declare 12 mail holidays — an average of one a month — each year. On those days, no delivery would happen, though mail would continue in transit, similar to Sundays."

 **FLASH! THIS JUST IN!** The [APWU](#) does not like the motion to dismiss the exigency case advanced by the Affordable Mail Alliance. Film at 11.

 The [APWU](#) has reported that its members that an arbitrator has denied APWU's grievance on the USPS Two-Tour Initiative.

### **At the Postal Regulatory Commission:**

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- **CP2010-69** Order No. 505 - Order Approving Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69410/Order505.doc>  
<http://www.prc.gov/docs/69/69410/Order505.pdf>
- **CP2010-70** Order No. 505 - Order Approving Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69410/Order505.doc>  
<http://www.prc.gov/docs/69/69410/Order505.pdf>
- **CP2010-67** Order No. 504 - Order Approving Functionally Equivalent Global Plus 1A Contracts Negotiated Service Agreement  
[http://www.prc.gov/docs/69/69409/Order\\_No\\_504.doc](http://www.prc.gov/docs/69/69409/Order_No_504.doc)  
[http://www.prc.gov/docs/69/69409/Order\\_No\\_504.pdf](http://www.prc.gov/docs/69/69409/Order_No_504.pdf)
- **CP2010-71** Order No. 503 - Order Approving Global Expedited Package Services 3 Negotiated Service Agreement  
<http://www.prc.gov/docs/69/69394/Order503.pdf>  
<http://www.prc.gov/docs/69/69394/Order503.doc>
- **MC2010-28** Order No. 503 - Order Approving Global Expedited Package Services 3 Negotiated Service Agreement  
<http://www.prc.gov/docs/69/69394/Order503.pdf>  
<http://www.prc.gov/docs/69/69394/Order503.doc>
- **CP2010-84** Order No. 502 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69390/Order\\_No\\_502.doc](http://www.prc.gov/docs/69/69390/Order_No_502.doc)  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.pdf](http://www.prc.gov/docs/69/69390/Order_No_502.pdf)
- **CP2010-85** Order No. 502 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69390/Order\\_No\\_502.doc](http://www.prc.gov/docs/69/69390/Order_No_502.doc)  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.pdf](http://www.prc.gov/docs/69/69390/Order_No_502.pdf)
- **CP2010-86** Order No. 502 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service

Agreements [http://www.prc.gov/docs/69/69390/Order\\_No\\_502.doc](http://www.prc.gov/docs/69/69390/Order_No_502.doc)  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.pdf](http://www.prc.gov/docs/69/69390/Order_No_502.pdf)

- **CP2010-87** Order No. 502 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements Link:  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.doc](http://www.prc.gov/docs/69/69390/Order_No_502.doc)  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.pdf](http://www.prc.gov/docs/69/69390/Order_No_502.pdf)
- **CP2010-88** Order No. 502 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.doc](http://www.prc.gov/docs/69/69390/Order_No_502.doc)  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.pdf](http://www.prc.gov/docs/69/69390/Order_No_502.pdf)
- **CP2010-89** Order No. 502 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements Link:  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.doc](http://www.prc.gov/docs/69/69390/Order_No_502.doc)  
[http://www.prc.gov/docs/69/69390/Order\\_No\\_502.pdf](http://www.prc.gov/docs/69/69390/Order_No_502.pdf)
- **MT2009-1** Collaborative Logistics Market Test - Fourth Quarterly Report Link:  
[http://www.prc.gov/docs/69/69389/Fourth%20Quarterly%20Report%20\(Q3.2010\).pdf](http://www.prc.gov/docs/69/69389/Fourth%20Quarterly%20Report%20(Q3.2010).pdf)


July 29, 2010

***Looking for Someone With . . . .***

*(1) Thirty-three years experience in Database Marketing and List Processing; (2) Strong leadership, organizational, interpersonal, and project management skills; (3) Demonstrated skills working with Direct Marketing vendors and software; (4) Superior negotiation and contract management experience and budgeting skills; (5) Strong knowledge of merge/purge, demographic and lifestyle overlay data; (6) Detailed understanding of postal address and email address quality; (7) Advanced understanding of data profiling, ETL, and*

*BI*


*Well, [there's someone just like that waiting to hear from you.](#)*

 **Hellmail** has reported that "The Communication Workers Union is urging the UK coalition government to stand by its commitment to establish a Post Bank."




**At the Postal Regulatory Commission: R2009-5** First-Class Mail Incentive Program Data Collection Report - Revised Excel Data Files

- <http://www.prc.gov/docs/69/69381/Cover%20Letter%20Redux.pdf>
- <http://www.prc.gov/docs/69/69381/FCM%20Incentive%20Analysis.xls>
- <http://www.prc.gov/docs/69/69381/FCM%20Incentive%20Analysis.PRC.Meth.xls>

 The **BBC** has reported that "Jersey's postal workers are threatening to go on strike if compulsory redundancies are made."




**Logistics Manager** has reported that "Deutsche Post DHL has slashed its invoicing costs by 88 per cent after deploying an e-invoicing system from OB10."

 The **Irish Times** has reported that "An Post "can and will thrive as a publicly owned institution", according to Minister for Communications Eamon Ryan. Opening a new An Post museum in the GPO that traces the history of the postal system as part of the history of the State, Mr Ryan also said that with new EU directives: "We're going to have to . . . open up our postal system to more competition. I think that's very healthy."


 **IP&E** has reported that "The trustee of the Royal Mail Pension Plan has reached an agreement with Royal Mail on funding that will involve "substantial contributions in excess of the current level". [Ed Note: A bit of irony here.


*The UK is trying to get Royal Mail to do more to cover its pension obligations. Here in the States, those "obligations" have been much more than satisfied and the USPS is simply trying to get the excess payments back.]*

 The [BBC](#) has reported that "The Irish postal service has sacked a rural postmistress for not following security procedures during an armed robbery."

 The [Washington Post](#) has taken note that:


- [Sen. Jon Tester](#) (D-Mont.) said Wednesday that senators who oversee the U.S. Postal Service's budget will block a proposal by the head of that agency to drop Saturday mail delivery. Tester said in a statement that he had persuaded the Senate financial services appropriations subcommittee to oppose five-day mail delivery. He said that eliminating Saturday deliveries would not produce the major savings that Potter forecasts, while it would surely be a hardship on people living in rural areas.
- By the time the U.S. Postal Service announced plans to raise rates earlier this month, [an unusual alliance of customers](#) was in place to oppose it. The Affordable Mail Alliance includes more than 700 publishers, direct-mail companies, nonprofit groups and other mailers that fear the economic impact of proposed increases.

 The [Chicago Tribune](#) has reported that "Mabel Bink's family never wanted her cremated in the first place. Now her remains are missing — lost in shipment somewhere between Phoenix and Chicago — and her relatives fear she'll never have a proper burial. A U.S. Postal Service official said records show the remains were processed in Phoenix and supposedly arrived at O'Hare International Airport on a commercial flight earlier this month. But there's been no sign of the package."


 The [Detroit News](#) has reported that "The Smithsonian has given its stamp of approval to Sen. Carl Levin's philatelic collection. Levin was one of five Capitol Hill lawmakers chosen by the National Postal Museum to have his stamp collection on display today and Friday in the Rayburn House Office Building near the U.S. Capitol. Levin, described by a staffer as "a very serious and active stamp collector," will have portions of his large collection on display along with selections from collections of four House members. They'll be accompanied by exhibits encouraging kids to get involved in stamp collecting, and information about the National Postal Museum's own collections. No word yet, though, on whether Sen. Levin supports the proposed rate hike in the works by the U.S. Postal Service."


 **From the Federal Register: Postal Regulatory Commission NOTICES** New Postal Products , 44819-44820 [2010-18575] [\[TEXT\]](#) [\[PDF\]](#)

 [Today Online](#) has reported that "Mainboard-listed Singapore Post said its first quarter net profit grew 3.2 per cent on year to \$40.7 million. Its revenue came in at \$138.2 million, a 13.5-per-cent increase from the same period last year. SingPost attributed the growth to improved performance in the mail and logistics segments."

 [Dow Jones](#) has reported that "Brazilian President Luiz Inacio Lula da Silva on Wednesday fired the director of the country's postal service. Radio and television reports indicated that Lula was dissatisfied with the postal service's performance. Brazilians endured a long period of delays in package delivery earlier this year, due to postal service administrative problems. Although profitable, the service's profit margin dropped in 2009 to its lowest level in several years."

*July 28, 2010*










 The [Associated Press](#) has reported that "Sen. Jon Tester says the lawmakers who oversee the budget of the post office will block a proposal to reduce mail deliveries to five days a week. The Montana Democrat said eliminating Saturday deliveries would be a hardship on people living in rural areas without producing major savings for the Postal Service."

 [Rag Content](#) has told its readers that "Among the highest ranking members of senior management are people who worked in government relations for the Postal Service while this law was being passed. They had to be aware of the circumstances Senator Collins is referring to, so why did the Postal Service choose to move forward with an exigency case? What is even more frustrating is that there are at least two postal employees who leading up to passage of PAEA worked on the hill. One is now the Vice President of Pricing! This begs the question - how could the USPS choose to move forward with an exigency case? Where were these managers in the decision making process? Did they speak up or go along with the decisions being made?"

### **Mailers' Technical Advisory Committee (MTAC)**


From Stephen Kearney, MTAC co-chair: "Expanding products and services to serve the needs of a changing customer base — growing revenue — is a major element of the Postal Service's long-term survival plan, Envisioning America's Future Postal Service. The PMG wants to tap into the experience and knowledge of his partners in MTAC. He's inviting all of you to participate in an afternoon of idea generation during our August meeting. We consider this innovation session vital and well within the overall mission of MTAC."

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

-  In the dispute surrounding the new outline of the postal law in India which began in 2005, privately owned service providers were able to push through their major claims.
-  Considerable security concerns have been raised against De-Mail, the service competing with E-Postbrief which will be launched in a few months.
-  Of all things: Swiss Post is accused of money laundering.
-  The postal union obviously has prevailed in the conflict concerning the closure of post offices in Austria.
-  Poczta Polska intends to make drastic cutbacks in the years to come. Up to 1,400 smaller post offices of the around 8,500 post offices will be closed in the context of a restructuring programme. As a result 8,000 of currently some 97,000 jobs at Poczta Polska will be axed.
-  The investigations of the Italian cartel authority whether Poste Italiane is obstructing competition continues.
-  Deutsche Post admitted problems with the launch of its 'E-Postbrief' (CEPNews 28/10). The huge demand causes delays in connection with the activation of client's accounts.
-  Swiss people are only modestly interested in electronic mail services.
-  Ukrainian Ukrposhta remains on the rise.




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

 One of [Sky News'](#) bloggers has reported that "The trustees of Royal Mail's pension scheme will this week write to members to confirm the company's £10.3bn pension deficit and outline a new long-term funding agreement, I have learned. The letter to more than 400,000 pension scheme members could be sent as soon as today, I am told. It will detail for the first time what I revealed last month: that Royal Mail's retirement scheme deficit has trebled since its last valuation, lending credence to ministerial arguments that without an injection of private investment, the company faces a bleak future."

 **From the Federal Register: Postal Regulatory Commission RULES** New Postal Products , 44138–44140 [2010–18407] [\[TEXT\]](#) [\[PDF\]](#) **NOTICES** New Postal Product , 44292–44293 [2010–18540] [\[TEXT\]](#) [\[PDF\]](#)


 **At the Postal Regulatory Commission:**

- **R2010-4** [Exigent Rate Case Rate Adjustment Due to Extraordinary or Exceptional Circumstances](#)
- **CP2010-78** Order No. 501 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69339/Order\\_No\\_501.doc](http://www.prc.gov/docs/69/69339/Order_No_501.doc)  
[http://www.prc.gov/docs/69/69339/Order\\_No\\_501.pdf](http://www.prc.gov/docs/69/69339/Order_No_501.pdf)
- **CP2010-79** Order No. 501 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69339/Order\\_No\\_501.doc](http://www.prc.gov/docs/69/69339/Order_No_501.doc)  
[http://www.prc.gov/docs/69/69339/Order\\_No\\_501.pdf](http://www.prc.gov/docs/69/69339/Order_No_501.pdf)
- **CP2010-80** Order No. 501 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69339/Order\\_No\\_501.doc](http://www.prc.gov/docs/69/69339/Order_No_501.doc)  
[http://www.prc.gov/docs/69/69339/Order\\_No\\_501.pdf](http://www.prc.gov/docs/69/69339/Order_No_501.pdf)
- **CP2010-81** Order No. 501 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69339/Order\\_No\\_501.doc](http://www.prc.gov/docs/69/69339/Order_No_501.doc)  
[http://www.prc.gov/docs/69/69339/Order\\_No\\_501.pdf](http://www.prc.gov/docs/69/69339/Order_No_501.pdf)
- **CP2010-82** Order No. 501 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69339/Order\\_No\\_501.doc](http://www.prc.gov/docs/69/69339/Order_No_501.doc)  
[http://www.prc.gov/docs/69/69339/Order\\_No\\_501.pdf](http://www.prc.gov/docs/69/69339/Order_No_501.pdf)
- **CP2010-83** Order No. 501 - Notice and Order Concerning Filing of Six Additional Global Expedited Package Services 3 Negotiated Service Agreements [http://www.prc.gov/docs/69/69339/Order\\_No\\_501.doc](http://www.prc.gov/docs/69/69339/Order_No_501.doc)  
[http://www.prc.gov/docs/69/69339/Order\\_No\\_501.pdf](http://www.prc.gov/docs/69/69339/Order_No_501.pdf)


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 **From the Federal Register: Postal Regulatory Commission RULES** New Postal Products , 44138–44140 [2010–18407] [\[TEXT\]](#) [\[PDF\]](#) **NOTICES** New Postal Product , 44292–44293 [2010–18540] [\[TEXT\]](#) [\[PDF\]](#)

 **At the Postal Regulatory Commission:** [Exigent Rate Case Rate Adjustment Due to Extraordinary or Exceptional Circumstances Docket No. R2010-4](#)

 [Hellmail](#) has reported that "Poste Italiane is introducing a new, more responsive delivery service in order to meet the increasing demand by domestic customers and small business for later and more flexible deliveries. The new delivery service, backed by unions, will see times extended to as late as 8pm, better meeting the needs and habits of customers, and improving quality in the face of greater competition. The plan will see revised working hours for postal workers too, with the delivery of priority mail, registered and commercial running from Monday to Friday from 8.00hrs until 16.00hrs and a 14.00hrs to 20.00hrs premium delivery service."

*July 27, 2010*


 According to [Dead Tree Edition](#), "The head of the Postal Service's Intelligent Mail program apparently took umbrage yesterday at criticisms of the program's system outages, but methinks he protesteth too much."


 **For one day, Monday, AUGUST 23rd, the Los Angeles NDC will be CLOSED.** Please advise drop shippers of the following:





- Closure is due to major facility work that will suspend ALL electrical power between 0500 and 1700 hours.
- Only a hand full of maintenance engineers will be on-site during that time.
- Systems start up will begin sequentially after 1700 hours and will take a few hours to complete.
- All mail processing types; parcels, bundles, trays, sacks, bedloads are affected.
- FAST Appointment Slots will be adjusted to prevent PVDS appointments for that date (8/23).
- Options for drop ship mail entry:
  - Saturday, 8/21 (expanded appointment slots)
  - Sunday, 8/22 (expanded appointment slots)
  - Tuesday, 8/24 (expanded appointment slots)
- DNDC mailings can NOT be diverted to other Los Angeles basin processing centers.
- Mailers are asked to plan their production and logistics to the LA NDC for Monday, 8/23 as if it were a widely observed postal holiday.


Local mailers and major shippers in the California area will be contacted by LA NDC and Area/District BSN. Please contact James Moran Jr., Los Angeles NDC on 323.729.4143 or [jmoranjr@usps.gov](mailto:jmoranjr@usps.gov) if you have any questions or need additional information regarding this matter.


 [The Telegraph](#) has noted that "Royal Mail said that there were 1,065 injuries sustained by postmen on bicycles during 2008/9, a 14 per cent increase on the year before. It increasingly wants postmen to ditch the traditional bicycle in favour of driving a van, pushing a trolley or a combination of both, now that more and more people send books, DVDs and other bulky goods through the post."


 [The Courier, Express, and Postal Observer](#) has reported that "Occupations at the Postal Service represent four of the top 31 occupations in the Federal Government in May according to the Occupational Employment Statistics Program data released today. These figures represent career, non-career, full-time, part time, casual, and temporary jobs at the Postal Service and may differ from figures that the Postal Service presents based upon differences in definition of occupations by the Postal Service and the Department of Labor. "


 [iStockAnalyst](#) has reported that "according to a study conducted by AmericaEconomia Intelligence for Visa, e-commerce in Latin America experienced explosive growth of 39.2% during 2009, reaching a value of \$21.7 billion. Given the generally poor standard of delivery networks in the region, there is an opportunity for integrators and logistics firms to make gains in the market by offering high-quality services."


 [As the Baltic Review](#) has noted, "The board of directors of the Polish postal services has approved General Director Andrzej Polakowski's restructuring plans, which are to prepare the company for the full liberalisation of the Polish postal market in 2013 and provide for the axing of 8,000 jobs."


 [The Indian Press Information Bureau](#) has reported that "Project Arrow has been launched with objective of modernizing the post offices and making visible, tangible and noteworthy differences in the Post Offices' operations that matter to "Aam Aadmi". The project envisages upgradation of Post Offices in urban and rural areas both in terms of upgrading and enhancing the quality of service in 'core areas' and improving the 'look and feel.' The project aims at creating a conducive and friendly work environment both for the staff and the customers visiting the Post Offices, providing all IT enabled services through secure connectivity, improving the service quality levels in the core business areas e.g. Mail delivery, Remittances both electronic and manual and Postal Savings Scheme."


 According to the [Express and Star](#), "The postal system has developed over a long period of time and provides vital facilities for efficient communication, with a wide range of roles and services. In recent years, it has had to adapt to changes in the ways by which we communicate and send goods. The terms mail and post are used for anything sent through the postal system. Hundreds of millions of items are collected and delivered around the world every day. Governments are usually involved in ensuring that an efficient national postal network is in operation in their country, although private companies may operate some services in addition to the state-run arrangement."

 [ZDNet](#) has noted that "For those who do a lot of direct mail, or send out lots of customer communications, the elimination of Saturday delivery and pick up is an important consideration in your document management plans. Saturday is actually one of the days big mailers like, since people are more likely to be home and the mail has a greater impact than when it arrives on weekdays. And a lot of people pay bills on Saturday. For that reason, many big mailers have suggested eliminating Tuesdays or Thursdays, which are slower mail days. But the Postal Service has decided on Saturday."


 The [Memphis Business Journal](#) has reported that "FedEx Corp. is anticipating sunnier skies ahead, increasing its earnings expectations and planning to restore its 401(k) match for employees in 2011. Read more: FedEx increases earnings outlook, will restore 401(k) match."

 [Overnight Prints](#) has reported that "Direct mail is a robust marketing medium, with formats ranging from postcards to brochures, each with its own benefits. Now, the United States Postal Service is focusing on the sales potential of catalogs with a new initiative. The campaign emphasizes the value of using catalogs to drive customers to businesses' websites. According to the report, shoppers that receive direct mail from a company tend to spend more money per purchase. Direct mail recipients buy, on average, 4.1 items and spend \$80 with a company, which is 0.8 items and \$9 more than consumers who receive nothing. Companies that specifically used catalogs saw an even greater revenue lift, with customers spending nearly \$20 more per purchase. The USPS asserts that catalogs have the greatest influence on prospective customers, with 70 percent visiting companies' web pages after receiving one." [EdNote: How sad. Such a wonderful market-developing effort undercut by a truly stupid and self-defeating exigency postal rate increase case.]

 The [News Journal](#) has reported that "A group of 700 businesses, nonprofit organizations and associations is asking Sen. Tom Carper to help prevent another rate hike by the U.S. Postal Service. The Affordable Mail Alliance opposes the proposed increase for sending first-class mail, standard mail, periodicals, package services and special services. Carper, D-Del., heads a Senate subcommittee that oversees the Postal Service. "This is not just a rate increase on postal businesses -- it is also a rate increase on hundreds of millions of everyday Americans across the country who use the mail, work for businesses that use the mail, or depend on help from charities that use the mail," the group wrote in a Monday letter to Carper and other key members of the Senate Homeland Security and Governmental Affairs Committee....Sen. Susan Collins of Maine, the top Republican on the Homeland Security and Governmental Affairs Committee and author of the 2006 postal reform law, issued a statement Monday supporting the alliance's motion to dismiss the proposed rate hike. She said the proposed increases aren't justified and would further drive down mail volume and revenue."

 [minonline](#) has reported that "in min's exclusive interview with Postal Regulatory Commission Chair Ruth Goldway recently, she seemed inclined to agree with the assessment that magazines actually have been underpaying for a number of years. Goldway pointed out that periodical rates had fallen behind years ago. in covering that actual costs of processing the mail. "On the face of it now, this 8% increase that they are presenting is something that is justified," she told us. "We completely disagree with her apparent conclusion that magazines are underpaying," James Cregan, evp government affairs, MPA tells minonline. "If the case proceeds to the evidentiary stage we will present ample evidence that Chairman Goldway's apparent conclusions are not supported by the evidence. We are confident we will prevail." As we reported in minonline online on July 12, Chairman Goldway acknowledges that a more thorough evaluation of the costs of handling magazines is underway. "We may get different information," she told us, and Goldway expected the issue of periodical costs to be hotly contested. "But the bottom line is that the requirements for now of the law mean that the Postal Service and the Postal Regulatory Commission are supposed to make sure that periodicals cover their cost."


 [Trading Markets](#) has reported that "UPS Canada announced today a new savings program available for eBay PowerSellers in Canada. The program provides PowerSellers with cost-effective solutions to enhance the services they provide their end customers."


 From [PR Newswire](#): "Effortel, the mobile virtual network operator and enabler, today announced that it has been selected by the Israel Postal Company (Israel Post) as the lead consultant in its plans to launch mobile services via its network of more than 700 retail outlets. Effortel is tasked with defining the market proposition, business planning


and modelling and identifying a suitable technology platform and operations partner. The project completion will see Israel Post create one of the country's first mobile virtual network operators (MVNO)."




**From the Federal Register:** Postal Regulatory Commission NOTICES New Postal Product , 44029–44030 [2010–18314] [[TEXT](#)] [[PDF](#)]

 [Finanzen](#) has reported that "Royal Mail Group Limited, the national postal service of the United Kingdom, has signed a six-year IT contract with Capgemini UK plc ("Capgemini"), a subsidiary of Capgemini group (Paris:CAP), one of the world's foremost providers of consulting, technology and outsourcing services, in a move which aims to transform its business and consumer online services, help to reduce its annual website IT costs and support expansion and diversification into a wide range of new web-based business opportunities without the delays and expense of traditional IT. The contract is for cloud computing, a technology breakthrough which enables IT-on-demand to be piped into an organization as a 'smart utility' on a money-saving pay-as-you-go basis. The new technology can be quickly and easily reconfigured to support RMG in launching new business ventures and bringing new services to market as quickly as possible. Areas seen as strong candidates for expansion and diversification at Royal Mail Group (RMG) include services for personal and small or medium business customers, and high-quality, innovative parcel delivery services to meet the needs of the UK's boom in online shopping. The new technology will also empower RMG to keep pace with the emerging technologies and media being adopted by today's consumers." [EdNote: Given some of the problems the USPS has encountered with FAST, PostalOne!, IMb, and other whiz-bang postal digital developments, some would describe USPS postal systems as "fog computing." Oh yes, and when systems go down, they apologize for any "inconvenience."]

 [NZ City](#) has reported that "Business New Zealand chief executive Phil O'Reilly believes the 10 cent postage hike will have a marginal impact on businesses. On October 1 the cost of sending a regular sized letter will rise from 50 to 60 cents. Mr O'Reilly says while mail is not quite the central feature of New Zealand life it once was, it still plays an important role in business. However Mr O'Reilly says post's popularity will inevitably dwindle as businesses increasingly turn to alternate forms of communication." [EdNote: Another bleepin' genius.]

 [Home Media Magazine](#) has reported that "GameFly July 28 will be cross-examined by lawyers from the U.S. Postal Regulatory Commission regarding the by-mail video game rental service's allegations that mailers from Netflix and Blockbuster By-Mail receive preferential treatment resulting in fewer broken discs."


 [International Business Times](#) has reported that "The global freight business is poised to continue their strong recovery and two giants of the industry, United Parcel Service and FedEx, are feeling pretty confident."





### **At the Postal Regulatory Commission:**


- **CP2010-66** Order No. 500 - Order Approving Additional Global Expedited Package Services 2 Negotiated Service Agreement  
[http://www.prc.gov/docs/69/69294/Order\\_No\\_500.doc](http://www.prc.gov/docs/69/69294/Order_No_500.doc)  
[http://www.prc.gov/docs/69/69294/Order\\_No\\_500.pdf](http://www.prc.gov/docs/69/69294/Order_No_500.pdf)


*July 26, 2010*


 [Reuters](#) has reported that "**An upbeat outlook from FedEx**, coupled with encouraging home sales, lifted U.S. stocks on Monday, keeping the S&P 500 above 1,100 for a second day and suggesting the rally could last. FedEx Corp raised its outlook, boosting its stock by 5.6 percent. The news from the package delivery and business services company validates the optimism of those who believe the economic recovery is less fragile than recently thought." See also the [Wall Street Journal](#).


 According to the [Philadelphia Daily News](#), "Benjamin Franklin, who created America's first mail service in 1775, would be ashamed by what his mail child has become. While the U.S. Postal Service is no longer funded by the federal government, it's so shot-through with uninterested drones you'd think it was."


 [Intelisent](#) has noted that "In case yesterday's unscheduled FAST outage wasn't a good enough example of instability with the required Full Service Intelligent Mail systems, the USPS comes through again today with another example. FAST is up and running, however the issue of the day is now PostalOne!. In order to qualify for Full Service, electronic documentation is required. Not being able to use the system forces mailers to Plan B. However, it should be a comfort to users that the USPS is sorry for the inconvenience."


 [Russia Today](#) has reported that "Russia's Post Office gets fined for late deliveries."

 The Postmaster General has selected Guy Cottrell to be the 38th Chief Postal Inspector of the U.S. Postal Inspection Service, effective Aug. 1. Prior to this position, Guy served as Deputy Chief Inspector at headquarters where he had oversight of national security programs.

 The [Citizens Tribune](#) has reported that "A postal price increase is a bad idea at a bad time for newspapers, subscribers and the entire mailing industry. The National Newspaper Association has joined the fight to halt the Postal Service's "exigent" price increase filed July 6 with the Postal Regulatory Commission. The price increases include a 2 cent hike on the first-class stamp, but a much more serious increase for the mailing of newspapers and magazines. The increase will also affect churches, community organizations and labor groups that use nonprofit mail. It will affect businesses that use the mail for communications and advertising. It will affect catalog companies that send packages in the mail. It will affect everyone."

 [Air Cargo World](#) has reported that "Commenting in the company's latest Sustainability report Bob Stoffel, UPS senior vice president, said: "This new goal for the next decade is an important milestone in UPS's continuing dedication to finding and using new technology and processes that help us meet our customers' needs in a sustainable way." In 2009 UPS drivers logged 77.3 million more miles than in 2000 while reducing fuel consumption by 3.2 million gallons. This complements the UPS goal of reducing its airline carbon footprint 42 percent by 2020 from a base line of 1990. The airline represents 53 percent of the company's global carbon footprint. Last year UPS gave \$97.6 million to several charities; the UPS Foundation expanded its focus on humanitarian aid and disaster relief by providing financial support, in-kind transportation and logistics expertise, and the company deployed 245 new "green" vehicles running on compressed natural gas, adding to a fleet of nearly 2,000 alternative fuel vehicles."


 [American Breaking Headline News](#) has reported that "In the times of electronic gadgets and electronic mails being delivered at the click of a mouse, the postal department is struggling hard to keep up. There are a series of decisions that have been taken by the department that have been raising the ire of the public. The two of the most talked about decisions in the recent times are the plans to cancel deliveries on Saturday and to have higher rates imposed on delivering periodicals. In a separate statement Nina Link, president and CEO of the Magazine Publishers of America, that is one of the members of the coalition, said that "This is a major step in MPA's fight against the USPS' unlawful attempt to shatter the price cap. MPA supports all efforts by this unprecedented alliance of the mailing community to continue to litigate aggressively. We hope the Postal Regulatory Commission grants the motion without delay."


 According to the [Post Star](#), "The United States Postal Service is studying the operation of its post office in the village, and whether services should be consolidated with its Glens Falls site to save money. Maureen Marion, public affairs specialist with the postal service, said the study will determine, among other things, whether mail carriers from Hudson Falls should pick up mail at Glens Falls to deliver it in the village. The study will also review whether customers should travel to Glens Falls rather than Hudson Falls to pick up packages. "We made no decision," she said."


***Can you believe it? In one fell swoop, the USPS has managed to do what no one else has been able to do. It unified the business mailing community in a most unprecedented manner.***


[U.S. Senator Susan Collins](#), Ranking Member of the Senate Homeland Security and Governmental Affairs Committee and author of the landmark postal reform law, the Postal Accountability and Enhancement Act of 2006, issued a statement today in support of the Affordable Mail Alliance's Motion to Dismiss the U.S. Postal Service's proposed rate increases. She said in part, "'As the author of the 2006 postal reform law, I completely agree with the Affordable Mail Alliance that the Postal Service's proposed exigent rate increases are not justified under law. "Let me be clear. The authority to increase rates under an exigent case can only be used in extreme and unforeseen instances - such as terrorist attacks, natural disasters, and other events that would cause significant and substantial disruptions in service. The law was not meant to be used to remedy poor economic performance or to offset an ongoing marketplace trend, such as the increased use of electronic over traditional mail."

 [Finance & Commerce](#) has reported that "MoneyGram International expanded its international agent network again by signing agreements with national post offices in Kazakhstan and Moldova."

 [The Pulse](#) has reported that "The national leaders of different unions have united to protest against Correos de Chile (the Chilean mail service), who for 14 years have not raised their employees salaries. The company's base salary is CLP\$200,000 for mailmen and CLP\$212,000 for postal operators. The four representative unions will meet with Correos de Chile this Thursday to try to reach an agreement. Postal Worker Union president Jaime Romero said that if Correos de Chile fails to comply with their demands, they will be forced to start a legal strike to begin on August 2."

 The [Washington Post](#) has noted that "A new group representing some of the nation's largest mailers is asking federal regulators to dismiss the U.S. Postal Service's requests to raise postage rates beyond the rate of inflation. The USPS asked the Postal Regulatory Commission this month for permission to raise rates beyond the rate of inflation. By law, the mail agency can ask to do this if it can prove "exceptional or extraordinary circumstances" that require the increase. But the Affordable Mail Alliance -- representing more than 700 companies, nonprofits and trade associations -- said the request is unjustified." See also [Folio](#).

 The Direct Marketing Association has chosen Lawrence M. Kimmel, former Chairman and CEO of Grey Direct Global Network, as its next president and CEO.

 [Sen. Susan Collins](#) (R-ME) has gone on record saying that she shares mailers' "frustration with how the Postal Service has handled its current economic challenges." She said further:

**I agree...that the exigent rate case filing is not justified under the terms of the 2006 Postal Accountability and Enhancement Act (PAEA). Rather than help restore postal solvency, an exigent rate increase will worsen the decline in mail volume and revenues. I have expressed repeatedly my strong concerns to the Postal Service that **reducing service and increasing prices are not the means to raise mail volume and restore fiscal balance. In fact, these steps are likely to erode further the Postal Service's customer base.**** Raising the rates for catalogs by more than five percent will cause some businesses to reduce their mailings and to direct more of their customers to websites for information about their products. This is exactly the wrong direction, and the Postal Service should be looking at initiatives that will increase volume, not drive it away.

I recognize that pricing increases have a considerable impact on your businesses. This is why I included mechanisms in the PAEA to help provide predictability and stability to pricing. Specifically, the PAEA provided the Postal Service pricing flexibility while requiring, for market-dominant products, that the Postal Service live within an inflation-based rate cap. These protections were designed to promote increased demand from the mailing community and to support long-term planning.

The law does include some flexibilities to help the Postal Service adjust to its changing needs, including carrying unused rate authority into future years and the ability to file an exigent rate case with the Postal Regulatory Commission. **The law...provides the Postal Service with the**

**authority to initiate an exigent rate only when there are extraordinary or exceptional circumstances** that have caused significant and substantial declines in mail volume or increased operating costs in such a manner that the Postal Service could not reasonably be expected to adjust in the normal course of business. By "extraordinary or exceptional circumstances," I meant a terrorist attack or a natural disaster as my April 2007 letter to the Postal Regulatory Commission explained.

As the author of the PAEA, **I can unequivocally state that the law does not provide for an exigent rate case based merely on poor economic circumstances or on increased utilization of electronic or other alternatives to traditional mail.** Neither of these circumstances are exceptional nor extraordinary as required by the law. As then-**Postal Rate Commission Chairman George Omas** stated in a hearing before the Committee on Governmental Affairs in 2004, **"...exigent increases are limited to extraordinary circumstances, and are not appropriate simply because revenues are misestimated or cost reduction programs are not as successful as planned. These types of events are normal in business, and postal management must be expected to adjust to normal business fluctuations."** The PAEA adopted this standard.



The [Affordable Mail Alliance](#) (AMA) today called on the Postal Regulatory Commission to **dismiss the Postal Service's rate hike proposal** filed on July 6, 2010. AMA's motion argues that the rate hike violates the cost controls Congress put in law to protect consumers and that the Postal Service needs to cut costs and modernize rather than raise rates an average of ten times the rate of inflation. Senator Susan Collins (R-ME), an author of the 2006 law, has already said the proposed increases do not qualify for an exception under the standards established by Congress. The AMA noted that businesses large and small and individuals across America have tightened their belts, cut their spending, and made painful choices due to accommodate challenging times. "Now the Postal Service expects customers to pay the price for its refusing to do what its customers had to," the AMA said. "For our organizations, **the Postal Service's unwillingness to do its part will mean the loss of thousands of additional jobs, further cuts to pay and benefits.** This is an issue about investing for possible future growth or paying higher taxes in the form of higher postal rates. At this time of a shaky economic recovery, this is **the functional equivalent of a tax increase on every American** postal customer, whether individual or business. [A copy of the Alliance's PRC filing has been posted on this site.](#)

***This Day in Postal History: Jul 26, 1775: U.S. postal system established On this day in 1775, the U.S. postal system is established by the Second Continental Congress, with Benjamin Franklin as its first postmaster general. Franklin (1706-1790) put in place the foundation for many aspects of today's mail system.***


**FedEx** [FedEx Corporation](#) today announced that it expects earnings to be in the range of \$1.05 to \$1.25 per diluted share for the first quarter ending August 31, up 81% to 116% from \$0.58 per diluted share a year ago. The company's previous guidance for the quarter was \$0.85 to \$1.05 per diluted share. For the full year, FedEx expects earnings per diluted share of \$4.60 to \$5.20, up from \$4.40 to \$5.00, which reflects the current market outlook for fuel prices and a continued moderate recovery in the global economy. The company reported earnings of \$3.76 per diluted share last year. [EdNote: *That's how Fedex deal with and recovered from its fiscal travails. The USPS, on the other hand, expects its customers to help bail it out with a larger than inflation "exigency" rate increase.*]





A new report recently has been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, please contact Wally Olihovik at 703.248. 2201, or Agapi Doulaveris at 703.248.2286. [Fiscal Year 2009 Standard Mail Volume Incentive Program \(Report Number FF-AR-10-196\)](#). The Postal Service reported both volume and revenue increases


resulting from the **FY 2009 Summer Sale**. However, the processes used to calculate the reported increases may result in misleading reported revenue and volume impacts.


- This week's "[Pushing the Envelope](#)" blog topic: **Cast Your Vote via the Postal Service?** The Postal Service, named one of the most trusted government agencies, already plays a role in the voting process. Opponents and supporters both make strong cases on the topic of using the mail for voting. This week's blog looks further in-depth at voting by mail and a greater role the Postal Service can play during elections. Share your views and cast your own vote at <http://blog.usps.oig.gov/>


 [Media Daily News](#) has reported that "One of the largest magazine publishers in the world is poised to begin a major strategic reorganization, beginning with a number of moves and new responsibilities in its top management. Conde Nast -- which publishes Vogue, Vanity Fair, Wired, and The New Yorker -- will be realigned to **give it a renewed focus on digital media**, including speedier deployment of new technologies, as well as broader contact with consumers loyal to its magazine brands."


 The [Wall Street Journal](#) has reported that "Campaigning for the Republican U.S. Senate nomination in Colorado, Ken Buck has harsh words for the voters he is trying to woo. Americans have demanded more from the federal government than it had means to provide, he says. Now it is time to cut—deeply. His "expect less" approach seems to be working. **Mr. Buck has called for privatizing the U.S. Postal Service.**"


 [Polish Radio](#) has reported that "The Polish Post is expected to save 1.7 billion zloty (420 million euro) thanks to a restructuring programme due to take place between 2010-2015. **8,000 postal employees are expected to be laid off following the closure of around 1,400 post offices across the country.** Some post offices may be downgraded to so-called postal agencies, which make money from commission gained from services and sales. However, the result of the restructuring may mean that post offices may simply disappear from many smaller towns nationwide."

 [Transport Intelligence](#) has reported that "DHL has launched a comprehensive international trade initiative in the US to help small and medium-sized enterprises (SME's) overcome the challenges they face when performing business globally. Announcing that development last week, the global logistics company said it offered networking events, website resources and a recently-expanded US operational network to help SME's take advantage of DHL's international expertise. "SME's are a dynamic and fast-growing part of the US economy, employing tens of millions of workers and according to the US Government creating the majority of new private sector jobs within the past 15 years," stated DHL."

 In an article written for Mailing Systems Technology, Experian vice president [Steven Lopez](#) wrote that "A question that's top of mind for many mailers who went through the Postal Accountability Enhancement Act of 2006 (PAEA) is, what does Congress think about the recent USPS filing to the PRC of an exigent rate increase? Here are some things to consider on the legality of the filing (not the rates themselves) that Congress may weigh in on."

 [Dead Tree Edition](#) has reported that "A proposed U.S. tax credit for "green" printing that was unveiled this week could lead to some interesting arguments among environmentalists, printers, paper mills, and print-buying organizations."


 The [Otago Daily Times](#) has reported that "It will cost 60c to send a domestic letter by standard post from October 1, New Zealand Post said today. The increase of 10c was needed maintain the postal network in the face of rising costs, NZ Post said." See also [Radio New Zealand](#) and the [New Zealand Herald](#).

 [Japan Today](#) has reported that "Postal life insurance benefits were not paid out to policyholders in some 267,000 cases totaling 35.2 billion yen before the start of the postal privatization process in October 2007, Japan Post Insurance Co said. The total included about 80,000 cases in which payments fell short of due amounts by 7.1 billion yen, according to the insurance arm of Japan Post Holdings Co. In addition, 28.1 billion yen was not paid out in


some 187,000 cases due to policyholders not claiming payments. Of the total unpaid amount, 29.6 billion yen has already been paid to policyholders concerned, Japan Post Insurance said."


*July 25, 2010*


*Looking for a good book? Pick up "Morning Miracle" by Dave Kindred -- Doubleday.*


 From [Helium.com](http://Helium.com): "How the Internet has affected the US Postal Service"

 The [Financial Express](http://Financial Express) has reported that "A new regulator on the cards for India Post and private courier firms would fix the tariffs for their services. The government has comprehensively re-drafted an earlier Bill on postal regulation with a view to bringing the entire communication industry under a regulatory regime similar to the one for the telecom sector."


 As [WBZ](http://WBZ) has noted, "U.S. Postal Inspector Michael Desrosiers has investigated numerous criminal cases leading to hundreds of convictions over his 14 years on the job in Maine. Virtually all of them resulted in guilty pleas. In one case, a judge found the defendant guilty. His first case to go to a jury trial ended the same way last week — with a conviction."


 **At the Postal Regulatory Commission:** The Postal Regulatory Commission, a federal agency, has an opening for a highly motivated, highly skilled person with experience in the field of law and the public interest. Full particulars on the position are located on this page: [http://www.prc.gov/PRC-DOCS/EMPLOYMENT/Attorney Administrator final\\_1152.pdf](http://www.prc.gov/PRC-DOCS/EMPLOYMENT/Attorney Administrator final_1152.pdf).

 The [Courier, Express, and Postal Observer](http://Courier, Express, and Postal Observer) has noted that "Most postal stakeholders are please that the House Subcommittee on the Federal Workforce, the Postal Service and District of Columbia approved H.R. 5746, "the U.S. Postal Service CSRS Obligation Modification Act of 2010." However, anyone who listened to the arguments against the bill made by Congressman Jason Chaffetz (R-UT) would quickly see that this bill could quickly become part of the partisan fodder that infests nearly all legislation in Congress. Even though the Democratic majorities in the full committee make it likely that the bill could reach the House floor, there are potential landmines in the legislative process that could still derail its passage."

 The [Capital Times](http://The Capital Times) has noted that "a Sun Prairie startup company has launched a unique web-based product that lets direct mail users update their own mailing lists to eliminate old or duplicate addresses. TEC Mailing Solutions in April rolled out "MailListCleaner.com," a do-it-yourself address checking service available over the Internet. EC allows customers to do-it-themselves in minutes by uploading their own mailing list to MailListCleaner.com. For as little as \$50 depending on the size of the list, the TEC site will check for duplicate addresses or invalid street names. Higher levels of service provide forwarding addresses for people that might have moved. "The site was designed to help small businesses or non-profits with as few as 100 records or companies with millions of addresses," says TEC President Brian Euclide."

*July 24, 2010*

 [Uni Global Union](http://Uni Global Union) has reported that "Law 4016 creating the National Direction of Post in Paraguay (DINACOPA) was published in La Gaceta Oficial, (The Official Gazette) on July 14th. Now universal post will be regulated by an independent body according to the rules of the Universal Postal Union (UPU)."

 The [News Leader](http://The News Leader) has told its readers that "The plan to end Saturday mail delivery is hardly welcome news, but it could be particularly painful for rural customers who live far from post offices and depend on letter carriers for government checks, prescription medicines and parts for farming equipment."

 According to the U.S. Postal Service's [Office of the Inspector General](http://Office of the Inspector General):





The Postal Service reported both volume and revenue increases resulting from the FY 2009 Summer Sale.<sup>1</sup> However, the processes used to calculate the reported increases may result in misleading reported revenue and volume impacts. While the Postal Service used actual, verifiable mailing data in many cases, the additional data essential to calculations supporting the reported increases is less precise. These data included various assumptions related to mail thresholds,<sup>2</sup> negotiated mail volumes based on customer input, and incomplete or unconsidered employee cost data. Postal Service outsiders — including the PRC’s public representatives<sup>3</sup> — have also questioned the Postal Service’s methods for calculating reported revenue and volume increases. The public representatives found that using methods more closely aligned with those initially considered by the PRC in approving **the Summer Sale suggests the Postal Service may actually have lost money on the FY 2009 program.**

A Postal Service official stated that the benefits gained from conducting incentive programs like the Summer Sale outweigh their potential financial uncertainties. The official said the Summer Sale program should be viewed as an investment in the future of the Postal Service, creating long-term customer satisfaction and building its reputation. While these goals are commendable, **a stated objective of the FY 2009 Summer Sale was to increase revenue and volume. It is uncertain whether the Postal Service achieved that objective.** We believe the Postal Service needs solid data and complete cost information in order to make well-informed decisions on the programs it initiates or conducts, particularly considering the critical financial predicament it is currently facing.


Overall, the Postal Service did not always have independent, reliable, and complete data upon which to calculate the \$24.1 million in net revenue contribution and increased volume resulting from the FY 2009 Summer Sale....As a result, the Postal Service provided \$67.8 million in rebates to customers who exceeded the established threshold volumes<sup>5</sup> that may have been inaccurate. We consider the \$67.8 million to be assets at risk.

The PRC’s public representatives found that using the PRC’s method for “loyalty growth,” **the Summer Sale lost \$39.6 million of revenue. This is in contrast to the Postal Service’s reported \$24.1 million net revenue growth.**

 [Reve](#) has reported that "Thanks to an agreement with the municipality of Pisa, a pilot program for mail delivery through electric vehicles will be launched in the Tuscan city. Enel and Poste Italiane are launching their joint collaboration program to develop electric mobility and to achieve a “zero emissions” level of atmospheric pollutants. The two companies have signed a memorandum of understanding to test innovative services, combined with designing offers aimed at the public to encourage alternative forms of mobility. The municipality of Pisa – a pilot city, along with Rome and Milan, in the e-mobility Italy project launched by Enel and smart, as well as the location of Enel’s research center – is hosting an initial trial on the use of electric vehicles in performing mail delivery services in the historic city center."


 According to the [Pittsburgh Tribune](#), "New reporting about Robert Bernstock's conduct during his two years as the U.S. Postal Service's president of shipping and mailing reinforce the apparent -- and appalling -- disregard with which he and the postal service viewed proper business practices. In light of this new reporting, the U.S. attorney in Washington should at least review its decision not to prosecute -- and the postal service must ensure that such unacceptable ways of doing business exited, for good, along with Bernstock."

 **From the Federal Register:** Postal Regulatory Commission NOTICES New Postal Product , 43581–43582 [2010–18163] [[TEXT](#)] [[PDF](#)]

 According to the [Los Angeles Times](#), "Opposition to an otherwise innocuous reauthorization bill from the Federal Aviation Administration is showing up around the web. The United Parcel Service of America is being accused of lobbying Congress to grant the international corporation a government bailout. Much of the backlash seems to have been scared up by FedEx, the largest competitors of UPS. FedEx launched the multi-million-dollar

online campaign last month, backed by a website called BrownBailout.com -- "brought to you by FedEx Express," reads a statement on the site's footer. It's easy to see why the company is staging a campaign in opposition. The bill sort of targets FedEx."

*July 23, 2010*


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


### **At the Postal Regulatory Commission:**


- **CP2010-75** Order No. 499 - Notice and Order Concerning the Addition of Priority Mail Contract 25 to the Competitive Product List  
[http://www.prc.gov/docs/69/69278/Order\\_No\\_499.pdf](http://www.prc.gov/docs/69/69278/Order_No_499.pdf)  
[http://www.prc.gov/docs/69/69278/Order\\_No\\_499.docx](http://www.prc.gov/docs/69/69278/Order_No_499.docx)
- **MC2010-30** Order No. 499 - Notice and Order Concerning the Addition of Priority Mail Contract 25 to the Competitive Product List  
[http://www.prc.gov/docs/69/69278/Order\\_No\\_499.pdf](http://www.prc.gov/docs/69/69278/Order_No_499.pdf)  
[http://www.prc.gov/docs/69/69278/Order\\_No\\_499.docx](http://www.prc.gov/docs/69/69278/Order_No_499.docx)
- **RM2010-9.** [Public Representative Motion For Issuance Of Information Request And Adjustment To Procedural Schedule.](#) "The Postal Service has utilized inconsistent methodologies for the evaluation of pricing incentive programs, such as those filed in Docket No. R2009-3 and Docket No. R2010-3 (the Postal Service has not filed a proposed methodology for the incentive program filed in Docket No. R2009-5). Order No. 469 at 6. The Initial Comments of the Postal Service do not clarify how it proposes volume growth before the incentive period should be calculated, just that it should be calculated.... **The Postal Service has proposed a different method for the contribution analysis of each pricing incentive program to date.**"





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

 The [Hanover Eagle](#) has reported that "The U.S. Postal Service will be closing its West Jersey Processing & Distribution Center on South Jefferson Road in Whippany by January and will shift employees among some of its other large facilities, the post office noted July 1. The change will require the transfer of the 309 people who work in Whippany, George Flood, a spokesman for the post office, said in a press statement. The closure will shift their responsibilities to the postal service's Northern New Jersey Metro center in Teterboro, as well as the Kilmer plant in Edison."

 The [Wall Street Journal](#) asked its readers: "What do you need to send invoices by email so that they are recognized by the tax office? Not necessarily an electronic signature, no. In Poland, you need to print your electronic invoice and make the paper look like it came in an envelope. Fold and unfold a few times, and there's the low-tech answer to the Polish government's suspicion of things digital."

 According to [GreenBiz](#), "Green roofs, green buildings and an energy management system has put the U.S. Postal Service (USPS) on the fast track to its 2015 energy reduction goal."

 [BtoB](#) has reported that "The U.S. Postal Service continues to come up with incentive programs to increase commercial mailings. Its latest will offer postage rebates to companies that increase their saturation and high-density mailing volume next year. The program, to run throughout 2011, will rebate 22% of regular saturation-mail postage, and 12% of regular high-density mail postage, on all mail pieces that exceed 2010 volume by 5%." *[EdNote: Don't get too excited. This "sale" comes AFTER the USPS raises these rates through its exigency filing. Yessir. Raise the price, then give a bit back for a short period of time, then hope the "wows" will come in.]*

 The [Rapid City Journal](#) has reported that "The South Dakota Newspaper Association board is opposing the U.S. Postal Service's proposal to eliminate Saturday mail delivery, saying the loss will harm the newspaper business by keeping news from subscribers longer and interrupting established advertising and news-gathering cycles."



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

- Several members of the House Committee on Government Reform have introduced the "United States Postal Service's CSRS Obligation Modification Act of 2010...to amend the provisions of title 5, United States Code, relating to the methodology for calculating the amount of any Postal surplus or supplemental liability under the Civil Service Retirement System.
- Rep. Gerald Connolly (D-VA) (a member of the House postal oversight subcommittee) has written the PMG to "to express my concerns with the Postal Service's proposed exigent rate increase."
- As the Courier, Express, and Postal Observer has noted, "In its conference call discussing its 2nd Quarter 2010 results, UPS explained that the growth in its profitability this quarter reflected the fact that while volumes grew slightly, both labor hours and miles driven were down. The decline in the use of labor and transportation assets reflected a more streamlined network than what existed a year earlier. The streamlining put downward pressure on the total work hours of its Teamster employees. The Postal Service has not been as aggressive as financial conditions warrant in streamlining regional and area management."
- According to the Federal Times, "postal experts say that gesture is illustrative of the way agency leadership ignored warning signs about Bernstock, which were detailed in an Office of Inspector General report released June 29. And observers say the Postal Service's zeal to infuse the agency with a more businesslike approach led it to blur the lines between how the government does business and how the private sector operates, and resulted in a double standard for management."
- The DeadTree Edition said that "the U.S. Postal Service denied yesterday that its workforce is bloated or overpaid in a message to mailers explaining its position on the proposed exigent rate increases."
- USPS BOG to meet in open session on August 5. How the USPS can save itself. Direct mail ad revenue is on the rise. ABM: How new USPS periodical content rules will affect publishers. Postal Service worksharing outgrows its intention. PRC approves address management classifications changes. New MTAC workgroup. USPS to hold free webinar on catalogs. September shines brighter for monthly magazines this year. USPS posts update to business plan. NPR interviews APWU President. Searching for postal innovation (and a few billion) with Ruth Goldway. Wrinkles found in Postal Service pact. The next financial crisis (the stamp bubble?)
- Some excerpts from local news features.
- An update on notices from the Postal Service regarding rule changes.
- An update on postal rules and notices published in the Federal Register.
- An update on business before the PRC.
- A review of postal news from around the world.
- PostCom welcomes its newest member.
- Postal previews

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 The [Wall Street Journal](#) has a piece on "The Complicated Economics of a Postal Increase."


 [Politix.com](#) has reported that "The new postal affairs minister, Ed Davey, has said that Post Office Ltd is "not for sale" at the first meeting this parliamentary session of the all-party parliamentary group on Post Offices. Davey announced that he has secured £180m from the Treasury for the Social Network Payment next year. This funds the non-commercial elements of rural post offices and is an improvement on the previous figure of £150m. Davey insisted that Royal Mail is in a "precarious position" and that the "status quo is [not] tenable", suggesting that part-privatisation is still very much on the table, as per the coalition's programme for government. However, the Royal Mail and Post Offices are two very different organisations and the latter will remain in public ownership."


 According to an opinion piece published in the [Washington Post](#), "The debate over potential changes at the U.S. Postal Service is like a fight over the dessert bar on the Titanic. Raising first-class postage rates and eliminating Saturday delivery won't matter much when the Postal Service hits the iceberg. And USPS will do just that, soon, unless there is a reimagining of its mission. If the government is to remain in the delivery business, it must develop a workable plan for the digital age."





 [BisNow](#) has reported that "Two weeks ago, the USPS proposed raising the cost of first-class stamps from 44 cents to 46 cents. We reported that, to fight the hike, a coalition of associations, non-profits and businesses called the [Affordable Mail Alliance](#) was formed. Alliance of Nonprofit Mailers executive director Tony Conway (spokesperson for the group) has the lowdown on the rapidly-expanding coalition and what it means for the non-profit sector."




 [WTVB](#) told its viewers that "There will be minimal impact on the customer. That's the promise of the U.S. Postal Service which is moving outgoing mail processing and distribution operations from Tupelo to Memphis. By October first, Tupelo mail will be sorted, postmarked and delivered from Memphis."

 [The Financial Times](#) has reported that "Royal Mail is likely to be partly or wholly in private hands within two to three years, giving it freedom to escape the Treasury's control and raise money to invest, according to the minister in charge of privatising the service."

 [The Mail](#) has reported that "Royal Mail should not be sold to a foreign company, the leader of the country's 12,000 post offices warned yesterday. The Government has pledged to seek 'an injection of private capital into Royal Mail', which could lead to 100 per cent of the company being sold to a foreign rival, such as German giant DHL or Dutch postal firm TNT. But George Thomson, general secretary of the National Federation of Sub-Postmasters, said Royal Mail should be kept under British control." See also [The Telegraph](#).


 [Hellmail](#) has reported that "Pitney Bowes has introduced a range of mail accounting tools giving businesses at every level essential budget and performance management reporting against mailing activity."


 The [Wall Street Journal](#) has reported that "United Parcel Service Inc.'s second-quarter profit jumped 90%, driven by Asian trade and what the company said was a moderate but steady U.S. recovery. UPS boosted its full-year profit forecast to between \$3.35 and \$3.45 a share, from \$3.05 to \$3.30. The company's stock was up 5.8% Thursday afternoon on the New York Stock Exchange at \$63.48, its highest level since late May. Other U.S. shipping companies have forecast a return to the typical, fall peak shipping season after the global recession sapped strength in recent years. **Chief Financial Officer Kurt Kuehn** said UPS was more confident about its outlook than earlier in the year, although he **largely credited internal restructuring and cost cutting**, rather than broader economic changes."

### **At the Postal Regulatory Commission:**


- **CP2010-76** Order No. 498 - Notice and Order Concerning the Addition of Priority Mail Contract 26 to the Competitive Product List  
[http://www.prc.gov/docs/69/69272/Order\\_No\\_498.doc](http://www.prc.gov/docs/69/69272/Order_No_498.doc)  
[http://www.prc.gov/docs/69/69272/Order\\_No\\_498.pdf](http://www.prc.gov/docs/69/69272/Order_No_498.pdf)
- **CP2010-77** Order No. 497 - Notice and Order Concerning the Addition of Priority Mail Contract 27 to the Competitive Product List  
[http://www.prc.gov/docs/69/69273/Order\\_No\\_497.doc](http://www.prc.gov/docs/69/69273/Order_No_497.doc)  
[http://www.prc.gov/docs/69/69273/Order\\_No\\_497.pdf](http://www.prc.gov/docs/69/69273/Order_No_497.pdf)
- **MC2010-31** Order No. 498 - Notice and Order Concerning the Addition of Priority Mail Contract 26 to the Competitive Product List  
[http://www.prc.gov/docs/69/69272/Order\\_No\\_498.doc](http://www.prc.gov/docs/69/69272/Order_No_498.doc)  
[http://www.prc.gov/docs/69/69272/Order\\_No\\_498.pdf](http://www.prc.gov/docs/69/69272/Order_No_498.pdf)
- **MC2010-32** Order No. 497 - Notice and Order Concerning the Addition of Priority Mail Contract 27 to the Competitive Product List  
[http://www.prc.gov/docs/69/69273/Order\\_No\\_497.doc](http://www.prc.gov/docs/69/69273/Order_No_497.doc)  
[http://www.prc.gov/docs/69/69273/Order\\_No\\_497.pdf](http://www.prc.gov/docs/69/69273/Order_No_497.pdf)

*July 22, 2010*

 [The Digital Home](#) has reported that "**Netflix is working on a streaming service for Sony's PlayStation 3, similar to that of the Xbox 360, that won't require a disc**, CEO Reed Hastings said in a statement (PDF) to investors Wednesday. According to Hastings, Netflix will "be launching a major new version of our Sony PS3 user interface which doesn't require a disc, and is dynamically updated continuously with the latest Netflix UI improvements." Hastings didn't provide many details on the service, which will launch at some point before the company's next earnings call in October, but it sounds like it will work similarly to Netflix on the Xbox 360. Rather than insert a disc, users need only to go to the Netflix service, sift through content, and play a movie or television show."

 [WFSB](#) has reported that "The United States Postal Service said its drivers can't make left-hand turns, which is why it is denying home delivery to some people who live on a busy street in Goshen. The post office said it's too

dangerous for the postal carrier to make any sort of left-hand turns. Neighbors said it's tough for them because they have to cross the road to get to their mailboxes, then cross back."


 Canada Post has posted on its web site an "overview is a notice of the service changes scheduled for January 17, 2011. Details on these initiatives can also be found by visiting the Canada Post website at [canadapost.ca/notice](http://canadapost.ca/notice).


 **At the Postal Regulatory Commission:** CP2010-66 Public Representative Comments in Response to United States Postal Service Filing of An Additional Global Expedited Package Services 2 Negotiated Service Agreement


- <http://www.prc.gov/docs/69/69260/PRCommentsCP2010-66.pdf>
- <http://www.prc.gov/docs/69/69260/PRCommentsCP2010-66.doc>


#### **Press Releases:**


- One year after officially opening its first green roof in midtown Manhattan, the Postal Service announced it continues to [exceed its energy savings targets](#), placing the agency more than two thirds of the way to achieving its goal to reduce energy use by 30 percent by 2015.
- The U.S. Postal Service and the [National Technical Information Service](#) (NTIS) have agreed to jointly provide fulfillment, information management services and customer maintenance to federal agencies to enable them to serve the needs of their departments.


 According to [APWU President William Burrus](#), "It does not take a genius to look at the true picture of postal finances and conclude that despite the diversion of hard-copy communication and the worst recession in 60 years, the Postal Service has performed admirably. The deficits of 2007 and beyond directly correspond to the future healthcare funding obligation, period." *[Finally! Something on which we both agree. So why the exigency case?]*


 From [PRWeb](#): "The United States Postal Service in Hawaii has selected the online community of designers at Prova.fm to crowdsource the design of a "Season's Greetings from Hawaii" logo to be printed on the Hawaii Priority Mail Large Flat Rate Boxes. A new design contest via Prova's online platform was created to satisfy the Post Office's marketing, branding, and advertising needs."


 As the [Courier, Express, and Postal Observer](#) has noted, "In its conference call discussing its 2nd Quarter 2010 results, UPS explained that the growth in its profitability this quarter reflected the fact that while volumes grew slightly, both labor hours and miles driven were down. The decline in the use of labor and transportation assets reflected a more streamlined network than what existed a year earlier. The streamlining put downward pressure on the total work hours of its Teamster employees. In addition to streamlining its network, the total complement and work hours of Teamster employees, UPS also made major strides in cutting layers of management by eliminating a significant portion of its district and regional management. Elimination of middle management reflects the fact that UPS's standards based management approach and strong information technology platform allows fewer managers to manage more territory and employees effectively. The Postal Service, even though it has reduced work hours and employees, has not been able to get ahead of the curve in streamlining either its facility or transportation network. The Postal Service has not been as aggressive as financial conditions warrant in streamlining regional and area management."


 [Transport Topics](#) has reported that "UPS Inc. said Thursday its second-quarter profit jumped 71% on stronger international shipments, and the company boosted its full-year earnings outlook."


 According to the [Winnipeg Free Press](#), "Online grocery shopping is largely failing to deliver."


 [World Radio Switzerland](#) has reported that "The public prosecutor in Solothurn has filed a complaint of money laundering against the postal service there. The authorities accuse Post Finance of having allowed a deposit of 4.6 million francs to go to the sole member of the board of directors of a company called BE Creativ-Service."


 [Folio](#) has reported that "Earlier this month, the United States Postal Service issued new rules covering supplements to periodicals, product samples in periodicals, and "novelty pages," which are said to be effective by September 7. According to David Straus, American Business Media's Washington counsel and postal expert, the promising of the changes, for b-to-b publishers, is the elimination of the requirement that supplements must have 25 percent non-advertising content. "That rule has caused many problems ... especially when the supplement had a single sponsor and/or was prepared by a third party," Straus wrote recently in an e-mail to ABM members. "With the elimination of this requirement, your advertising sales people ought to be able to sell more supplements and bring in significant new revenue."


 [BGR](#) has reported that "enTourage announced three major deals with publishers that will bring thousands of new book titles to its dual-screen eDGe ereader. Targeting the higher education market, the trio includes Cengage Learning which publishes a wide variety of educational content under brands such as Delmar, Heinle, and more, O'Reilly which offers over 1,000 titles in technology and programming, and the University of Chicago Press which has over 1000 academic titles in the sciences, humanities, and social sciences. With these agreements, enTourage is making a play for the academic market and is hoping to succeed where Amazon and its Kindle DX failed."


 [DCI](#) has reported that "Brazilian exports by post hit a record in the first half of this year, adding \$ 127 million. Shipments of products to other countries through the Company Brazilian Postal and Telegraph Company (ECT) and other operators in the first six months of this year already equals 62.1% of the amount achieved in the whole year of 2008 when we obtained the best result of exports simplified by the postal network. In June, foreign sales reached U.S. \$ 21 million, representing a 53% increase over the same period of 2009."


 [Hoy](#) has reported that "Ecuadorians living in the Valencia Region (Spain), 47 000, according to data from January 2010 the National Statistics Institute will enjoy a new postal service to send money to "price extremely cheaper than through private companies and "fast" in about fifteen minutes, to Ecuador. This agreement, signed by the Spanish Minister of Public Works, Jose Blanco, director general of the UPU, Edouard Dayan, will provide its customers with a service of international money transfers in few minutes with Mail Money."

 [Analytiqa](#) has reported that "DHL Global Forwarding will be investing further in the African region to bolster its established position in Sub-Saharan Africa. The Company also confirmed that Sub-Saharan Africa has been integrated into one region with South Asia Pacific under leadership of Amadou Diallo, with the head office in Singapore. DHL intends to leverage the expertise built in Singapore in sectors such as Oil and Energy, Life Science, Automotive, Technology and Aid and Relief logistics to strengthen its operations in Africa. Having opened dedicated operations in all important African economies over the last few years, DHL Global Forwarding has committed to further invest and grow its human resources, finance and sales and marketing teams to support further growth in the region."

 The [Florida Times Union](#) has reported that "An overflowing mailbox and the dread of seeing the postal worker is a daily nightmare for two Jacksonville residents. Sharon Harper and her husband still receive junk mail and magazine subscriptions in their daughter's name 22 years after she died in a car accident in 1988. Angela Harper was 12 years old and never lived at her parents' current address. The worst part, Harper said, is the type of mail being sent. She was regularly receiving stacks of bridal magazines, working mother publications, college inquiries, vacation guides, information on fertility clinics and credit card applications. Harper said it was a cruel, daily reminder of their loss. But the odd thing, she said, was the mail didn't start coming until 2004. "We cried a lot and were angry," Harper said. "We didn't know why this was happening at first." After contacting each of the companies that sent them mail, she learned that **someone was deliberately doing this**. And after years of following an endless paper trail and countless phone calls explaining her situation, she said they finally received some justice.

 From [PRWeb](#): "Data Services, Inc., a leading supplier of US, Canadian, and International data processing and enhancement services, today announced that it has completed the first of its two-phase international address hygiene software update. In addition, Data Services has also announced its new status as a full United Kingdom National Change of Address (UK NCOA) licensee."

 [Printing Impressions](#) has reported that "BCC Software, a BÖWE BELL + HOWELL company and a leading developer of postal and data-quality technology solutions that optimize client communications, announces the promotion of Christopher Lien to BCC President. He replaced BCC founder and former President K. Jon Runstrom, whose retirement took effect June 30."

 [Overnight Prints](#) has reported that "Mintel Comperemedia recently reported that direct mail volumes are on the rise, a sign that many businesses are renewing their marketing efforts after the economic recession caused many to focus on customer retention rather than acquisition. Now, it seems this trend toward direct mail marketing will continue. A recent report from research firm MagnaGlobal indicates that direct mail will account for \$19.17 billion in advertising revenue during 2010. This figure makes direct mail the top revenue generator tracked by the firm. This indicates mailers defy the general slowdown of other forms of direct media, including Yellow Pages, directories, and lead generation. During 2008 and 2009, the category rose sharply, with direct media collectively accounting for more than 25 percent of ad revenues in the United States. However, in the first quarter of 2010, many of the sub-sectors showed slower-than-anticipated growth." *[EdNote: There's a cure for that. Hit 'em all with an unnecessary and unjustified exigency rate increase--just as the Postal Service has planned.]*

*[EdNote: Look at the two meetings noticed below. Notice particularly that the Postal Regulatory Commission is opening up its meeting electronically over the internet, and the Governors aren't. Why is that?]*

#### **POSTAL SERVICE Board of Governors (Meeting Notice)**

Dates and Times: Wednesday, August 4, 2010, at 10 a.m.; Thursday, August 5, at 8:30 a.m. and 10:30 a.m.

Place: Washington, DC, at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, SW., in the Benjamin Franklin Room.

Status: Wednesday, August 4 at 10 a.m.--Closed; Thursday, August 5 at 8:30 a.m.--Open; and at 10:30 a.m.--Closed.

Matters to be Considered: Wednesday, August 4 at 10 a.m. (Closed)

1. Strategic Issues.
2. Pricing.
3. Financial Matters.
4. Personnel Matters and Compensation Issues.
5. Governors' Executive Session--Discussion of prior agenda items and Board Governance.

Thursday, August 5 at 8:30 a.m. (Open)

1. Approval of Minutes of Previous Meetings.
2. Remarks of the Chairman of the Board.
3. Remarks of the Postmaster General and CEO.
4. Committee Reports.
5. Quarterly Report on Financial Performance.
6. Quarterly Report on Service Performance.
7. Tentative Agenda for the September 21-22, 2010, meeting in Washington, DC.

Thursday, August 5 at 10:30 a.m. (Closed--if Needed)

1. Continuation of Wednesday's closed session agenda.



 **POSTAL REGULATORY COMMISSION** (Meeting notice)

TIME AND DATE: Wednesday, August 4, 2010 at 11 a.m.

PLACE: Commission hearing room, 901 New York Avenue, NW., Suite 200, Washington, DC 20268-0001.

STATUS: Parts of this meeting will be open to the public. The rest of the meeting will be closed to the public. The public session will be podcast.


MATTERS TO BE CONSIDERED:


PORTIONS OPEN TO THE PUBLIC:

1. Review of postal-related congressional activity.
2. Report on international activities.
3. Review of active cases.
4. Report on recent activities of the Joint Periodicals Task Force and status of the report to the Congress pursuant to section 708 of the PAEA.
5. Report on public comments and rate and service inquiries.
6. Report on vacancies and positions recently filled.

PORTIONS CLOSED TO THE PUBLIC:

7. Discussion of pending litigation.
8. Discussion of confidential personnel issues involving recruitment.
9. Discussion of contracts involving confidential commercial information.

 **WBOC** has reported that "Employees at the mail processing and distribution plant in Easton are calling the delay about the decision to possibly close the plant "a step in the right direction." News of the delay comes after months of public outcry over the possible closure of the processing plant. The U.S. Postal Service was studying the possible closure as a way to cut costs and improve efficiency by having the mail on Maryland's Eastern Shore and in parts of Delaware processed in Baltimore, a move postal employees say would delay service."

 **NEMS360** has reported that "The U.S. Postal Service confirmed today it will move Tupelo's mail processing operations to Memphis despite stiff opposition from local postal employees, as well as city, regional and state officials."




From the House Subcommittee on Federal Workforce, Postal Service, and the District of Columbia. The following bill was marked up:

H.R. 5746, the United States Postal Service's CSRS Obligation Modification Act of 2010, introduced by Chairman Stephen F. Lynch (MA-09). **The bill directs OPM to utilize a different actuarial methodology to allocate CSRS retirement benefit liabilities between the United States Postal Service and the Federal government in accordance with the recommendation of an independent actuarial firm hired by the Postal Regulatory Commission** as required by section 802(c) of the Postal Accountability and Enhancement Act. Under this revised methodology, **the Federal government's portion of an individual's CSRS annuity will be based on the CSRS benefit accrual formula and the conventional individual's "high-3" average salary.** This legislation will ensure that OPM uses a methodology to apportion the benefit liabilities that is recognized and codified by the Financial Accounting Standard Board. **H.R. 5746 was approved by a recorded vote of 8-1, after being amended.** In reference to the passage of H.R. 5746, Subcommittee Chairman Stephen F. Lynch stated, "Even if the bill is not perfect, it is a positive first step and good starting point that addresses the CSRS funding issue."

*July 21, 2010*

## **At the Postal Regulatory Commission:**

- **CP2010-72** Order No. 494 - Notice and Order Concerning Request to Add a New Product to the Competitive Product List  
[http://www.prc.gov/docs/69/69254/Order\\_No\\_494.doc](http://www.prc.gov/docs/69/69254/Order_No_494.doc)  
[http://www.prc.gov/docs/69/69254/Order\\_No\\_494.pdf](http://www.prc.gov/docs/69/69254/Order_No_494.pdf)
- **CP2010-73** Order No. 495 - Notice and Order Concerning Filing of Additional Global Expedited Package Services 3 Negotiated Service Agreement  
[http://www.prc.gov/docs/69/69255/Order\\_No\\_495.doc](http://www.prc.gov/docs/69/69255/Order_No_495.doc)  
[http://www.prc.gov/docs/69/69255/Order\\_No\\_495.pdf](http://www.prc.gov/docs/69/69255/Order_No_495.pdf)
- **CP2010-74** Order No. 495 - Notice and Order Concerning Filing of Additional Global Expedited Package Services 3 Negotiated Service Agreement [http://www.prc.gov/docs/69/69255/Order\\_No\\_495.doc](http://www.prc.gov/docs/69/69255/Order_No_495.doc)  
[http://www.prc.gov/docs/69/69255/Order\\_No\\_495.pdf](http://www.prc.gov/docs/69/69255/Order_No_495.pdf)
- **MC2010-29** Order No. 494 - Notice and Order Concerning Request to Add a New Product to the Competitive Product List  
[http://www.prc.gov/docs/69/69254/Order\\_No\\_494.doc](http://www.prc.gov/docs/69/69254/Order_No_494.doc)  
[http://www.prc.gov/docs/69/69254/Order\\_No\\_494.pdf](http://www.prc.gov/docs/69/69254/Order_No_494.pdf)


 **Hellmail** has reported that "Guernsey Post may have to shed more jobs as a further fall in mail volume of 16%, a legal battle with the Office of Utility Regulation, and higher prices charged by the Royal Mail make for difficult trading conditions."

## **DMM Advisory: IMb™ Services Update.**


- **PostalOne! Server Patching (July 25, 2010):** The *PostalOne!*® production and Testing Environment for Mailers (TEM) application servers will have security patches applied during the scheduled maintenance window of 4:00 a.m. through 8:00 a.m. (CDT) on Sunday, July 25, 2010. The *PostalOne!* system (including FAST® OPS web services) will be unavailable for internal and external users during this period.
- **Retirement of FAST Web Services (July 31, 2010):** FAST Web Services (Mail.XML® 4.0) will be retired on July 31, 2010. All customers have migrated to either FAST Mail.XML 8.0 or FAST Mail.XML 6.0.
- **Mail Data Quality Reports Outage (August 1, 2010):** Mail Data Quality Reports will be unavailable on Sunday, August 1, 2010, from 4:00 a.m. – 12 Noon (CDT) due to a system upgrade. There will be no additional outage/impact to the *PostalOne!* system.
- **FAST Release 14.3.0 and Scheduled Outages (August 15-16, 2010):** FAST Release 14.3.0 will deploy to the production environment on Sunday, August 15, 2010. Updated [release notes for FAST 14.3.0](#) are available on [RIBBS®>Site Index A-Z>FAST/Surface Visibility>Important Links>FAST Release Notes](#). The FAST Production system will not be available from 4:00 a.m. through 8:00 a.m. (CDT) on Sunday, August 15, 2010. FAST Release 14.3.0 deploy to the TEM on Monday, August 16, 2010. The FAST TEM system will not be available from 8:00 a.m. through 12 Noon (CDT) on Monday, August 16, 2010.


## **Mailers' Technical Advisory Committee (MTAC)**


The Mailers Technical Advisory Committee (MTAC) has created a new work group, [MTAC Work Group \(WG\) # 137](#), on Full Service Feedback. Its purpose is to "Address issues and improvements in Full Service electronic documentation and mail quality reports and assessment feedback."


 **Hays Free Press** has reported that "January 2, 2011 will be a day that businesses, churches, non-profit groups – anyone using the U.S. Postal Service – dreads. Unless the Postal Regulatory Commission (PRC) puts a stop to this, all of our rates will be going up – at a time when most businesses are holding the line, trying to keep their heads above water, having to make salary cuts and laying off workers. But the postal service has not done anything like that. There have been no layoffs. There have been no salary cuts. This postage rate increase comes at a bad time, and


Congressman Lloyd Doggett, who represents Hays County, said he is signing on to a bill that would eliminate the requirement for the USPS to prepay its retiree health benefit fund."


 The U.S. Postal Service is offering a free webinar highlighting catalog industry "best practices." Delivered by industry expert Lois Brayfield, President of J. Schmid Associates, this webinar is designed to provide customers with smart and imaginative solutions on how to increase loyalty, response and average order value with catalogs. To participate in this webinar, [please register](#).


 [The Local](#) has noted that "Experts cited serious security risks on Wednesday in Germany's new De-Mail system, which is set to let users send official letters and documents over the internet starting next year. The government aims to use the system to banish the need to use printed pages for sensitive material such as letters and documents to lawyers, banks and government officials. Though it's not set to go into full effect until 2011, major German email providers began registering customers earlier this month ahead of final government approval. The problem lies in how servers must briefly decrypt documents for processing, he said, likening the process to a letter opened at least twice and then placed in a new envelope on the way to its destination."


 As the [Havelock News](#) has noted, "Given that most Americans have access to a car, it has been suggested that the service create drive-through mail stores where mail would be retrieved and postal services would be combined with other services such as vehicle registration and fast-food. Home delivery would be an extra-cost option under this scenario. Instead of transformation though, **the postal service has its proverbial head in the sand** (and Congress, too, which has to approve any major changes to postal services) asking this month for yet another rate increase of first class letters from 44 cents to 46 cents. This in the midst of increasingly fewer letters being mailed."


 According to [Hellmail](#), "There is massive dissatisfaction amongst consumers who have to collect what Royal Mail didn't deliver. Almost half allege that they've been misled by postmen who leave "sorry you were out" cards rather than even try to deliver parcels."


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


 The slight decline of French La Poste's revenue in 2009 was already known since March this year. However the recently published annual report reveals that this is only half the story. While La Poste faced a decline in the traditional postal sectors, its banking business was the only unit which reported growth.

 Spanish Correos plans to establish an alternative network for money transfers together with nine Latin American postal operators.


 Deutsche Post launched its 'E-Postbrief' last week.

 There are three providers for paperless secure delivery of electronic documents in Austria already. While the Federal Computing Centre (BRZ) and Austria Post focus on the delivery of governmental mail the first private provider postserver.at focusses on companies. All providers send an e-mail when the customer got mail. The document itself is kept in a secure online 'P.O. Box' on the provider's server.

 Russian Post shall be turned into a joint stock company.

 FedEx Ground, the integrators parcel unit has been the company's largest growth driver last year.


 The revenues of online grocery stores show an upward trend in Switzerland.


 Lithuania plans to part-privatise some of the 300 state owned companies to reduce the national deficit.





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


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


 [DM News](#) has reported that "The US Postal Service is targeting e-commerce merchants with an integrated marketing campaign emphasizing the potential of print catalogs. The effort includes direct mail, webinars, instructional DVDs and web banner ads." [EdNote: *It would be a great idea if postal prices weren't about to rise.*]


 The [Le Mars Daily Sentinel](#) has told its readers that "To be sure, the Postal Service is allowed to increase rates beyond inflation when an "exigency" occurs. It argues to the Regulatory Commission that recession+Internet competition equal exigency. But when the law was written, USPS had just suffered an attack of anthrax in the mail, which could have shut down the entire system. That is the sort of "exigency" that Congress had in mind, not an inability to control the cost of service. **Newspapers and many other employers in our communities have had to cut wages, benefits and hours of employees during this recession.** These are painful and harsh. **But the Postal Service has done no layoffs.** It has passed along wage increases during the recession. It must get serious about controlling its costs."


 [Techcentral](#) has reported that "Electronic invoicing solutions provider OnePosting is teaming up with TICo, a supplier of postal fulfilment services, to address the growing market for fully integrated invoicing services. OnePosting customers can post invoices onto a secure online portal where OnePosting handles the entire billing process, from notifying customers that there is activity on their account to automatically linking proof of delivery dockets with invoices. Bills are dispatched either online or by post, depending on the customer profile."


 According to the [Kennebec Journal](#), "No one would mistake today's U.S. Postal Service as a customer-driven business. In most places, **the service in Postal Service has vanished.** Indeed, as technology improved and made delivery of the mail easier and faster, service got slower and less accommodating. If the Postal Service were allowed to fail, it would be long gone. **Businesses that reduce customer service and hike prices to stave off bankruptcy are already bankrupt and destined to fail.** I'm not pleased to give up Saturday delivery. The publications I receive by mail are important to my work, and I wouldn't be able to get them the entire weekend. They will also be more expensive. Newspapers like this one, magazines, and other publications delivered by mail will pay 8 percent more when the new hike takes effect."


 The [Press Gazette](#) has reported that "The Advertising Standards Authority has censured the Daily Mail, The Sunday Telegraph and The Sun over "misleading" ads for reader offers. The paper's publisher, News Group Newspapers, admitted to the ASA an "error had occurred with the advertised postage costs...the advertised charges were significantly higher than the actual cost of postage".


 In keeping with the consultation arrangements agreed with Jacques Cote, Chief Operating Officer, Canada Post Corporation, and the NAMMU executive, Richard Jokiel, A/General Manager, Product Development and Management, Transaction Mail, has provided guidance information for NAMMU members. For more information, contact [executive@nammu.ca](mailto:executive@nammu.ca).


 The [Marshfield Mail](#) has told its readers that "**The National Newspaper Association**, to which this newspaper belongs, **has joined the fight to halt the Postal Service's "exigent" price increase** filed July 6 with the Postal Regulatory Commission (PRC). The price increases include a 2-cent hike on the first-class stamp, but a much more serious increase for the mailing of newspapers and magazines. The increase will also affect churches, community organizations and labor groups that use nonprofit mail. It will affect businesses that use the mail for communications and advertising. It will affect catalog companies that send packages in the mail. It will affect everyone."


 As the [Courier, Express, and Postal Observer](#) has noted, "On July 21st at 1:30 pm, the House Federal Workforce, Postal Service and District of Columbia Subcommittee of the Oversight and Government Reform Committee will hold a mark-up of H.R. 5746, United States Postal Service's CSRS Obligation Modification Act of 2010."


 [GreecePost](#) has told its readers that "News that the U.S. Postal Service is looking to hike stamp prices again brought with it the usual chorus of groans: Didn't they just raise rates? How much higher can they go? Nobody's keen on the notion of another 2-cent increase, likely to begin a mere 18 months after the last boost went into effect. But what else is the Postal Service to do? There is one more solution the Postal Service has suggested, but it's one it can't accomplish by itself. Considered independent since 1971, it doesn't draw any tax dollars for its operations, but still has to take its marching orders from Congress and a presidentially appointed board of directors. **The lawmakers in the equation need to sign off, after delaying repeatedly, on a proposal to lift a bizarre 2006 mandate on retirement benefits.**"


 According to the [Huffington Post](#), "By winning a fist full of Tour de Frances, Lance Armstrong allegedly perpetrated a great fraud upon our federal government. It's this simple: because Armstrong and others allegedly did what top cyclists have done for decades -- sport and blood doping -- they gave the Post Office a fantastic return on their sponsorship dollars. I have a simple question. Who gave the Post Office license to fund a pro cycling team for half a decade? It makes about as much sense as the Coast Guard sponsoring billionaire Larry Ellison and sailing's America's Cup. Or the FBI Director Robert Mueller sponsoring the NFL's Washington Redskins. Just how many millions were wasted on this sporting spree? More than you'd imagine. Over the years, the Post Office has diverted countless millions to lots of pet teams and sports sponsorships, finding it an effective scheme for federal officials to collect the graft of free tickets and celebrity hang time. During the cycling years, the Post Office even paid \$3.7 million to the New York Yankees."


 According to [LibCom.org](#), "Postal worker Roy Mayall describes the reality of Royal Mail's much-heralded 'modernisation', and the upcoming further 'deregulation' of the postal sector."


 [MetroNews](#) has reported that "The Nova Scotia town of Antigonish is supporting efforts to save postal call-centre jobs in the community. Canada Post announced plans in April to privatize half of its call-centre volume by 2011 and gradually eliminate all of the Crown corporation's external call-centre service. A union official told Antigonish town council Monday the move would cost about 20 term jobs at the local philatelic centre by year's end, with the eventual elimination of 70 jobs."


 [The Guardian](#) has reported that "The minister in charge of privatising Royal Mail has warned unions opposed to the plan that taking further industrial action would be "self-defeating". Ed Davey also said there would be no government bailout of Royal Mail's estimated £10bn pension fund deficit without selling off the company. The Communication Workers' Union remains staunchly opposed to the sell-off plan and is co-ordinating a national campaign against it."

 [North Fort Myers Neighbor](#) has noted that "The U.S. Postal Service and Hallmark have introduced a new line of postage-paid greeting postcards. The postcards use Intelligent Mail barcode (iMb) technology, allowing customers to buy them with pre-paid postage-also referred to as "Alternative Postage Payment." The postcards come in packs of eight. There are two sets, each with eight unique designs. The sets are available in 2,000 Hallmark Crown Stores across the country."

 [DelmarvaNow.com](#) has reported that "The U.S. Postal Service has decided to delay from August until at least January a decision on whether it will close the Eastern Shore's sole mail processing hub in Easton, according to three Maryland lawmakers."


 [Hellmail](#) has reported that "The Ukraine Cabinet has approved a forward going plan to increase total revenues of the Ukraine postal service (Ukrposhta) to \$4867.3m USD - 3.4% more than in 2009. The net income target from sales of goods and services is \$3609.0m - 6.0% more than last year. The plan centres on increasing revenues across the range of services provided with particular attention being paid to increasing mail volume and other business services, including international shipments and priority items."

 [9News.com](#) has reported that "The man arrested for allegedly sending white powder to many government offices is expected to plead guilty to related charges in Colorado and Alabama, 9Wants to Know has learned."

 The [Madison Daily Leader](#) has told its readers that "**The prospect of losing Saturday delivery from the Postal Service is a huge concern for Americans**, and we should fight to retain it to better serve America."

 **At the Postal Regulatory Commission:**

- The **July 23, 2010 technical conference** will begin at **9:30 A.M.** in the Commission's Hearing Room and **will focus on pricing**, including **workshare discounts of First-Class Mail letters and parcels, Standard Mail letters and parcels, and Package Services**. The Postal Service should have technical experts available to answer questions that may be raised by Commission staff or the public. It would be helpful if the Postal Service could be prepared to address, to the extent possible, any relevant questions in Chairman Information Requests that have been issued to date even if formal replies are not due until a later date.
- The **July 27, 2010 technical conference** will begin at **9:30 A.M.** in the Commission's Hearing Room and **will focus on pricing of Periodicals, other flats products and the flats strategy** presented in USPS-R2010-4/9 - Operations Plans for Flats (Public Version). The Postal Service should have technical experts available to Postal Regulatory Commission Submitted 7/20/2010 4:07:40 PM Filing ID: 69237 Accepted 7/20/2010 Docket No. R2010-4 - 2 - answer questions that may be raised by Commission staff or the public. It would be helpful if the Postal Service were prepared to address, to the extent possible, any relevant questions in Chairman Information Requests that have been issued to date even if formal replies are not due until a later date.

 [Rep. Gerald Connolly](#) (D-VA) has written to Postmaster General John Potter and said:


I am writing to **express my concerns with the Postal Service's proposed exigent rate increase**. As you know, I am not opposed categorically to price increases for Postal Service products, and in fact support granting the Postal Service greater legislative authority to maximize profits on some products over which it enjoys a monopoly. However, **I am deeply concerned about your two pronged approach to the Postal Service's financial challenges: Cut service and raise prices.**


Cutting service will only weaken the Postal Service's competitive advantage, your expansive network of retail outlets. Far from being a liability, this network offers the Postal Service the ability to deliver more products at lower prices than any other communications firm. Similarly, raising prices in a vacuum could contribute to a self reinforcing cycle of declining revenue and volume. If it is possible to raise prices on some products for which customers have no practical alternative that may be financially advisable. However, this exigent rate increase proposal could push customers to other means of communication.


Instead of pursuing another proposal that will reduce Postal Service volume and revenue in the long run, **we should work together to relieve the Postal Service of retirement prefunding obligations and address the \$75 billion CSRS overpayment in order to buy time with which we could establish a comprehensive plan for the Postal Service's business model in the digital millennium.** There is no substitute for this new business model, but pursuing a litany of service cuts and price increases will circumscribe the Postal Service's future options to enhance revenue and volume.


A copy of Congressman Connolly's letter has been [entered in the record at the Postal Regulatory Commission](#).

*July 20, 2010*

 **PostCom welcomes its newest member: [Satori Software, Inc.](#)** 1301 5th Avenue, Suite 2200 Seattle, WA 98201-2676 Contact: **Jessica Formoas** Director of Marketing


 [CNN Money](#) has a piece on the Forever Stamp and "How I learned to love postal rate increases."

 [Federal News Radio](#) has reported that "worksharing is a form of outsourcing. Presorting, transporting and processing the mail is handled by the mailers, not the Postal Service. The idea is that the Postal Service would save on work expenses, while the mailers who participate in worksharing would get discounts. Mohammad Adra is the Assistant Inspector General, Risk Analysis Research Center in the Office of Inspector General at the Postal Service. His office found that worksharing has grown within the Postal Service so much that the program might need to be changed."

 The [Federal Times](#) has reported that "When U.S. Postal Service General Counsel Mary Anne Gibbons found out that Robert Bernstock, the agency's former top marketing executive, had used his staff to work on his personal business affairs, she reportedly "covered her ears" and said she didn't want to talk about it. Postal experts say that gesture is illustrative of the way agency leadership ignored warning signs about Bernstock, which were detailed in an Office of Inspector General report released June 29. And observers say the Postal Service's zeal to infuse the agency with a more businesslike approach led it to blur the lines between how the government does business and how the private sector operates, and resulted in a double standard for management. "Obviously it's see no evil, hear no evil, speak no evil," said Gene Del Polito, president of the Association for Postal Commerce. "What has happened was totally avoidable and inexcusable. It calls into question whether the Postal Service chain of command is appropriately functioning. If [Gibbons] knew, why was there no follow-up?"

### **At the Postal Regulatory Commission:**

- CP2010-69 Order No. 493 - Notice and Order Concerning Filing of Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreement <http://www.prc.gov/docs/69/69206/Order493.pdf>  
<http://www.prc.gov/docs/69/69206/Order493.doc>
- CP2010-70 Order No. 493 - Notice and Order Concerning Filing of Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreement <http://www.prc.gov/docs/69/69206/Order493.pdf>  
<http://www.prc.gov/docs/69/69206/Order493.doc>
- MC2010-27 Order No. 493 - Notice and Order Concerning Filing of Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreement <http://www.prc.gov/docs/69/69206/Order493.pdf>  
<http://www.prc.gov/docs/69/69206/Order493.doc>
- R2010-4 POIR-2 - Presiding Officer's Information Request No. 2  
[http://www.prc.gov/docs/69/69209/POIR\\_2.pdf](http://www.prc.gov/docs/69/69209/POIR_2.pdf)  
[http://www.prc.gov/docs/69/69209/POIR\\_2.docx](http://www.prc.gov/docs/69/69209/POIR_2.docx)
- USPS Report on PRC Rate and Service Inquiries for June 2010  
[http://www.prc.gov/docs/69/69205/Service Inquiries June 2010.pdf](http://www.prc.gov/docs/69/69205/Service%20Inquiries%20June%202010.pdf)

 **DMM Advisory: Updated Federal Register Notices .** The following Federal Register *notices* are available on the Postal Explorer® website at [pe.usps.com](http://pe.usps.com). Please review and note the deadline for comment periods on the proposed rules.


- **Content of Periodicals Mail.** We are updating "content requirements" on materials eligible for mailing at Periodicals prices with authorized Periodicals publications. This final rule, pending publication, may be implemented at the mailers' convenience, and will be incorporated into the September update of the DMM®.
- **Address Management Services. Elimination of the Manual Card Option for Address Sequencing Services.** We published this proposed rule to eliminate the manual cards option for Address Sequencing service. Customers are encouraged to comment on or before August 18, 2010.
- **New Standards for Domestic Mailing Services.** We filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC), effective in January 2011. This proposed rule provides the mailing standards that would accompany the new prices in 2011. Customers may comment on or before August 9, 2010.
- **International Mail: Proposed Changes in Prices and Fees.** We filed a notice of mailing services price adjustments with the Postal Regulatory Commission, effective in January 2011. This proposed rule provides the mailing standards that would accompany new prices in 2011. Customers may comment on or before August 9, 2010.





**PostCom Members!! The latest issue of PostCom's [PostOps Update](#) has been posted on this site.**


In this issue:


- USPS Requests Jan. 2011 Price Increase
- Overview of the USPS' Proposal
- Categories with Greater Than "Average" Price Increases
- PostCom Price Comparison Charts
- Beyond the Prices...
- First-Class Mail
- Standard Mail
- Package Services
- Periodicals
- Special Services
- Other Changes

 [Media Daily News](#) has reported that "The rising tide doesn't necessarily lift all boats, especially if they've sprung a leak. That seems to be the message behind the recent advertising forecast updates from ZenithOptimedia and Magna Global. They may be optimistic about the prospects for many traditional and digital media, but newspapers will continue to sink. The Internet, by contrast, will enjoy strong sustained growth, with global spending jumping from \$61.3 billion in 2010 to \$82.7 billion in 2012." *[EdNote: As for mail? Well....the future of mail is now in the Postal Regulatory Commission's hands.]*

 [Dead Tree Edition](#) has told its readers that "**The U.S. Postal Service denied yesterday that its workforce is bloated or overpaid** in a message to mailers explaining its position on the proposed exigent rate increases. "It's being suggested that we wouldn't be in this fix if management had dealt with a bloated, overpaid postal workforce," said the e-mail sent to members of Postal Customer Councils, which was nearly identical to an item posted on USPS's Web site. But the message didn't explain why the law has a price cap if the Postal Service can just violate that cap by saying, "Gee, we can't make our budget." Mailers know what happens in their own organizations if they're not making budget and sales are decreasing -- and it ain't a price increase." *[EdNote: Hmmm. Not bloated or overpaid. How does this square when the PMG has said differently? This may also mean the binding arbitration will be far from the "get tough" approach that the USPS needs to survive.]*


 [Advertising Age](#) has reported that "Ad pages in magazines' crucial September issues -- vital particularly for fashion and beauty monthlies -- are giving many publishers something to sing about. AP Publishers are reporting they have sold many more ad pages in this year's September issues than they did last year, when monthly magazines saw ad pages plunge an average of 23.6% from the September before that, according to the Media Industry Newsletter. But September issues matter a lot, not only because advertisers -- particularly in fashion, jewelry, accessories and watches -- frequently use them to introduce campaigns."

 The [Evening Star](#) has reported that "The Essex Federation of Small Businesses (FSB) claims Royal Mail is letting down small businesses two years on from a review of the services offered by the postal company. A spokesperson for the FSB, which aims to promote and protect the interests of small businesses, said that while firms remain loyal to Royal Mail, the company is not delivering an acceptable service. A poll of more than 1,200 FSB members found that 94% of people want a UK-wide postal service and six in 10 want to continue to receive mail deliveries six days a week."

 According to [The Consumerist](#), "The US Postal Service insists on mandatory upselling at counter windows. I brought a package into the USPS office in Port Chester, New York, and stated as clearly as possible, "I would like to send this the cheapest way possible. No upsell please." There were 14 people behind me, and one open window. The clerk's response? "Would you like to send that Express Mail?" I explained that I had just said I didn't want to do anything other than send it the cheapest way possible. She told me they "have" to ask that. I completed the transaction and asked to speak to a manager (thereby making sure I didn't slow down the line). He told me it is "part of the script" and that they are "secret shopped" and "lose points" if they don't read it. There are many reasons why




the U.S. Postal Service is in trouble. I think forcing people to listen to an upsell effort, when they have preemptively told you they are not interested, thereby slowing down the line for everyone else, is one of them."

 [Hellmail](#) has reported that "Alliance Healthcare, the leading international provider of pharmaceutical wholesale and member of Alliance Boots, has selected imail to send more than 6,000 letters each month to business and residential addresses across the UK. The company is using UK Mail's innovative hybrid mail solution to streamline the mail operation within two of its UK businesses, Alliance Healthcare (Distribution) Ltd and Central Homecare, to lower overheads, reduce administrative requirements and enhance the service provided to customers."


### **From the Federal Register:**


- **Postal Regulatory Commission NOTICES** New Postal Products , 42171–42172 [2010–17613] [\[TEXT\]](#) [\[PDF\]](#)
- **Postal Service RULES** Content of Periodicals Mail , 41989–41991 [2010–17459] [\[TEXT\]](#) [\[PDF\]](#)

 The [Digital Home](#) has reported that "Netflix is bringing its streaming service to Canada, the company announced on Monday."


**Mailers' Technical Advisory Committee (MTAC)** USPS this month is reaching out to e-tailers with a campaign showcasing how printed catalogs can dramatically increase online sales. The campaign, "Getting Started in Catalogs," includes an instructional DVD and a free live webinar series that show how catalogs — when used as an extension of a company's Internet-shopping portal — can increase online purchases. The DVD features testimonials from widely recognized companies such as Dell and Zappo's, businesses that became leaders by adding catalogs to their marketing mixes. The first of the 3 free webinars will be tomorrow, with tutorials on catalog production and the smartest and most cost-efficient ways to produce a catalog. Additional webinars will be held July 28 and Aug. 24. Follow-up support from USPS sales personnel also will be available for customers. Please remind your fellow PCC members and local retailers about the campaign. Customers interested in growing their businesses through the use of catalogs can [click here](#) to learn more about the catalog campaign, order the free DVD and register for upcoming webinars. We all know catalogs are a proven medium for driving transactions and increasing customer loyalty. We want to be sure every retail business owner knows that as well. *[EdNote: Wanna increase catalog business? Don't raise postal rates beyond the rate of inflation. And you don't need a webinar for that.]*


*July 19, 2010*


 From [Marketwire](#): "PostNet, an international network of locally owned businesses, has experienced positive results from its focus on serving as the "Neighborhood Business Center" in the more than 300 communities its franchisees serve every day. Mid-year sales successes validate PostNet's continued commitment to helping their customers grow their businesses by serving as the local resource for all of their design, print, copy and shipping needs. As PostNet celebrates its 17-year anniversary, PostNet has evolved from a pack-and-ship, postal franchise to a full-service business center, with digital quick-printing services, graphic design and copy services. Offering a wide range of products, with a focus on consultative, personal service, has been well-received by PostNet customers and provided a positive lift for the brand in sales."


 [Hellmail](#) has reported that "The Communication Workers Union said today it was saddened by the announcement that up to 90 jobs will be lost from Jersey Post over the next 18 months. The postal union has secured a voluntary

approach to any redundancies and the possibility of new positions opening in the near future and will continue to work in partnership with the company at this difficult time." See also the [BBC](#).

 The [Sentinel Source](#) has reported that "The U.S. Postal Service wants to raise the price of mailing a letter to 46 cents — a 2 cent increase that, subject to approval, will take effect in January. Prices for other mailings, such as periodicals, advertising and packages, also would be increased. Continuing to raise rates eventually will take its toll on consumers, and especially on businesses that rely on the U.S. mail as an essential component of their operations. Maine Sen. Susan Collins has made exactly this point — that the higher and higher rates go, the more and more businesses will switch from the mails to other means to connect with customers — whether to issue bills, or to send out catalogs or circulars. Collins has said she will urge the Postal Rate Commission to reject the latest hike. Instead the senator wants the Postal Service to limit any increases to the cost of living. Clearly, the Postal Service's business model is unsustainable. Demand is not going to increase, especially with price hikes. The only plausible solution is to dramatically curtail the amount of service and to continue cutting labor costs."


 From [PRNewswire](#): "Authentidate Holding Corp. has sold its former headquarters in Schenectady for \$2.4 million. Read more: Authentidate sells former Schenectady HQ - The Business Review (Albany). Authentidate, based in Berkeley Heights, N.J., provides authenticating software for the health care industry. It has a patent pending on the U.S. Postal Service's electronic postmark."

 *You're invited to attend MAILCOM Las Vegas, September 26-28 at the Riviera Hotel. The annual fall conference features timely seminars, workshops, and certificate programs to keep you up to speed on all things mail. Check out the program at [www.mailcom.org](http://www.mailcom.org). Register today and save \$100 off the registration fees. (The early-bird discount ends August 2.)*

 From [National Public Radio](#): "For decades, the U.S. Postal Service has provided many communities of color with a reliable career option with steady benefits. But proposed budget and service cuts -- including eliminating Saturday deliveries -- threaten the livelihoods of many career postal workers. To get a sense of how communities of color will be affected by these proposed cuts, host Michel Martin speaks with William Burrus, president of the American Postal Workers Union."



The Postal Service has posted online its "[JULY 2010 Update from the U.S. Postal Service](#)."

 According to the [Lake Placid News](#), "Poor upper management — those who call the shots at "Postal Headquarters" in Washington — led to a downward spiral of customer service, which ultimately led to a loss of confidence in the "Postal brand." But that was just the beginning of the end."



### **At the Postal Regulatory Commission:**


- **MC2010-25** Order No.490 - Order Approving Classification Changes Related to Address Management Services  
[http://www.prc.gov/docs/69/69137/Order\\_No\\_490.docx](http://www.prc.gov/docs/69/69137/Order_No_490.docx)  
[http://www.prc.gov/docs/69/69137/Order\\_No\\_490.pdf](http://www.prc.gov/docs/69/69137/Order_No_490.pdf)
- **R2010-4** Public Comment on Rate Increase  
<http://www.prc.gov/docs/69/69167/rateincrease.pdf>
- On **June 30, 2010**, the Postal Regulatory Commission released an independent actuarial report on the allocation of the costs of Civil Service Retirement System (CSRS) benefits paid to former Post Office Department employees. The report was prepared in response to a request from the U.S. Postal Service in accordance with the Postal Accountability and Enhancement Act. The Commission would like to invite all interested members of the mailing community and postal employee organizations to a **briefing** at which **The Segal Company**, the independent actuarial firm that performed the analysis and prepared the report, will discuss the report and be available to respond to questions. This briefing for the postal community is intended to be open and inclusive. Please feel free to share this invite with colleagues you believe may be


interested. **Date & Time:** Monday, August 16 10:00 a.m. – 12:00 p.m. **Place:** Hearing Room Postal Regulatory Commission 901 New York Avenue, NW Suite 200 Washington DC 20268





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


**Making "Sorry We Missed You" a Thing of the Past.** UPS and FedEx frequently attempt residential deliveries when customers are not home. After a series of failed delivery attempts, these companies return the packages to their local distribution centers, forcing customers to travel to these remote locations to collect their packages. What if the Postal Service offered residential customers a service allowing them to use their local Post Office™ as an alternate delivery address? [Link here to the blog.](#)


 [Hellmail](#) has told its readers that:


 After [Hellmail contributor Tim Nestved's look](#) at the upshot of the proposals for the sale of some part of Royal Mail, we also have David Stubbs speaking on BBC Radio last week telling a more honest picture about Royal Mail than we're seeing from government. The continued manipulation of the market in favour of a few greedy businesses to suck the life out of Royal Mail, the best state-owned (and that means you and I, collectively, all of us together, folks) business that ever was.


 [Romanian Post SA CN](#) this month launched an initiative to encourage more children to read. So far the operator has gathered over 15,000 books in 350 urban post offices. The scheme has been called "A book opens a new world".

 The [Slovenian Press Agency](#) has reported that "Ales Hauc, the boss of national postal company Posta Slovenije, believes the time is not right for forming a Slovenian logistics holding. He told Monday's edition of daily Dnevnik that such a move does not make sense in a time when the companies that would comprise the holding are drowning in red figures."

 [International Business Times](#) has reported that "Labour leadership contender Ed Balls has received a boost to his campaign after he was given the support of the Communication Workers Union, the union which represents postal workers and staged a series of strikes last year against changes made by management at Royal Mail."


 As the [Argus Leader](#) has noted, "critics of ending Saturday delivery say the pain would fall disproportionately on rural residents, who live farther away from post offices and rely more than urban and suburban areas on mail delivery for their medicines, their products and their correspondence and have few alternatives."

 The [New York Times](#) has a piece on the "Stamp Bubble." "The Postal Service is just awaiting the O.K. from the Postal Regulatory Commission to increase the price of first-class postage by 2 cents, to 46 cents, next Jan. 2. But the service plans to keep selling the forever stamps at the old rate right up to the day it raises the price. That is as close as one gets to a free lunch. Buying the stamps at the old price and selling at the new one would bring a 4.5 percent return at a stroke. Not bad when a one-year Treasury bill yields 0.31 percent. And if a \$4,500 gain on a \$100,000 investment doesn't seem life-changing, think of the rewards to a bank with a billion to invest. Many would unleash economic Armageddon for less."

 The [Washington Times](#) has reported that "When the U.S. Postal Service's top marketing officer agreed to hire Goldman Sachs nearly two years ago without a written contract, top executives inside postal headquarters scrambled to make the unauthorized deal square with postal procurement rules. But the no-bid contract they eventually awarded to Goldman Sachs was backdated and was for the wrong kinds of services: The company was hired under a banking services agreement, but Goldman Sachs' postal work didn't have anything to do with banking, records show. And the idea to hire the banking giant came from a top former postal executive who also served on the board of directors for a company where Goldman Sachs was a big investor. In trying to fix a \$1.5 million deal that already generated misgivings, officials may have only added to the list of problems that remain under review by the Postal Service's office of inspector general even after the contract's expiration. Mr. Bernstock resigned before a report last

month cited his failure to disclose his outside financial relationships and his handling of contracts to former business associates. The report suggests that even in the top reaches of postal headquarters, some were privately questioning Mr. Bernstock's methods at a time when the former corporate chief executive was being praised for bringing a businessman's mentality to the Postal Service. But these same officials rarely openly challenged Mr. Bernstock."

*July 18, 2010*


 According to the [Joplin Globe](#), "A postal price increase is a bad idea at a bad time for newspapers, subscribers and the entire mailing industry."


 The [Daily Mail](#) has reported that "More than 13,000 Post Offices providing postal services across the country are facing different problems due to lack of required infrastructure and other facilities. The existing infrastructure of these post offices need to be further improved as most of the rural areas people and specially students are dependent on these post offices."

*July 17, 2010*



**[Now hear this: "This Week In Postal".....the latest podcast posted now! "Hither and yon."](#)**

 According to the [Marietta Times](#), "The reality is that e-mail, UPS, FedEx and other services, as well as the slow economy, have hit the postal service hard, and it is strapped by the ongoing mandate to provide six-day delivery to every address in the nation. It's a luxury of a time past, and it's a luxury the postal service cannot afford. The postal service is not taxpayer supported, receiving no direct tax subsidies from the federal treasury, and must be able to pay its own bills and stand as much on its own two feet as possible. Federal budgetary gamesmanship in the form of allowing the postal service to miss a pension fund payment, has delayed the tough decisions for a time, but the decisions are now staring the postal service in the face. The numbers are serious, and would send private industry to making radical choices or finding partners or buyers. Unless the postal service is permitted to make changes in its basic services to reflect the needs of the nation today, the time will come when this former federal agency won't be able to pay its bills and another federal bailout will be looming, a bailout the government cannot afford on the heels of the bailouts it already couldn't afford. The time has come to cut and change postal services."

 [Hellmail](#) has reported that "The Federation of Small Businesses (FSB) is concerned that the Royal Mail has not addressed problems diagnosed two years ago which it says are affecting the service received by small firms."




**[From the Federal Register: Postal Service PROPOSED RULES](#) Address Management**


Services: Elimination of Manual Card Option for Address Sequencing Services , 41790-41792 [2010-17460]  
[\[TEXT\]](#) [\[PDF\]](#)




[Global Atlanta](#) has reported that "United Parcel Service Inc. and TheEntrepreneurschool.com will hold a free four-hour seminar July 27 in Atlanta aimed at teaching small and medium-sized companies how to sell abroad. "We'll be teaching you everything you need to know about importing and exporting," Jim Beach, one of the founders of the TheEntrepreneurschool.com, told GlobalAtlanta. Mr. Beach and the website's other co-founder, Chris Hanks, who also heads the entrepreneurship program at the University of Georgia's Terry College of Business, will lead the program. There will be instruction in how to get business partners overseas, how to finance imports and exports and getting products listed on foreign Internet search engines, said Mr. Beach. The seminar will be held from 8:30 a.m. to 12:30 p. m. at the Metro Atlanta Chamber, 235 Andrew Young International Blvd. In downtown Atlanta. For more information or to register, go to [www.ups.com/seminar](http://www.ups.com/seminar)."

 The [Daily Mail](#) has reported that "Post Offices are to be transformed into 'mini-banks' in an attempt to breathe life into the struggling network. Everybody in Britain who has a current account with any bank should be able to use

the Post Office for all basic transactions, the Government will say today. These will include withdrawing cash, checking your balance, and paying in cash or a cheque."

 [TMCNet](#) has reported that "The Phoenix, Arizona-based business interaction networks company Axway has announced that International Postal Corporation or "IPC (News - Alert)," an association of 24 postal operators, has successfully migrated from Axway's legacy product AMTriX to the Axway Business-to-Business integration or "B2Bi" solution. Axway B2Bi solution is based on Synchrony platform. IPC, which handles over 80 percent of all mail delivered in the world, expects the implementation to monitor and upgrade the quality of their electronic data interchange or "EDI" services, while providing a seamless customer experience to end users. AMTriX system had worked well for years. The change is made to meet the increase in EDI transactions, company officials said. "


 [MIN Online](#) has asked its readers:


Is the Internet slowly but surely strangling the Postal Service? Is the recession? No one seems to know for sure, but the USPS claimed both culprits were behind its growing budget shortfall and the need for significant rate increases, including an 8% hike for periodicals that, with Postal Rate Commission approval, would take effect in January. Already, the Magazine Publishers of America and other major USPS users have formed the Affordable Mail Alliance, and the first pointed critiques have included the USPS's lack of significant budget cuts. .. Will the campaign do any good? Only if the Alliance can effectively argue the facts, says PRC chairman Ruth Goldway in exclusive min interview. "What matters is the evidence that we have presented to us in a case. If [the Alliance] can provide some independent information--if it can provide us with something different from what the Postal Service has [provided us] or that really justifies their case, then that could make a big difference. Political posturing [alone] doesn't make a difference in the role of the Commission."

The PRC has the authority to approve USPS proposals, modify the rates or send the proposal back to the Service for more options. Unfortunately for publishers, Goldway thinks that the +8% periodicals rate is among the easiest to justify because the category has fallen behind the legal requirement that each class of mail covers the attributable costs of delivery. "Periodicals have been a class of mail that in the last several years has gone below water as we say. On the face of it now, the 8% increase that the USPS is presenting is something that is justified." Goldway says that there are other ways of funding the financial shortfall the USPS is projecting without raising rates, but they involve Congressional action.

"If for some reason we can get Congress to reallocate that \$50 billion to the benefit of the Postal Service, it may be possible to give it significant amounts of financial relief and we don't need a rate increase so that they can plan for the future. Then, we won't need a rate increase and won't need to cut service. But we don't know if that is possible."

While Goldway acknowledges the reality of the USPS financial plight, she is also reluctant to give the Service more of the flexibility it continues to request. "They just say: 'Let us alone. Don't regulate us. Give us the monopoly and don't make us answerable for rates or for service and we'll figure something out.' "And I think people are a bit skeptical about that. I keep asking to give us something specific. Show us new retail models. Or present some specific ideas of product that you'd really like to offer. And the Regulatory Commission is always supportive of their new ideas when we get them. We [just] don't get very many."

 [Pittsburgh Business Times](#) has reported that "FedEx Ground, the Pittsburgh-area subsidiary of FedEx Corp. in Memphis, is leading all of the company's segments in growth, according to the parent company's recently released annual report."

 [LegalNewsline](#) has reported that "Massachusetts Attorney General Martha Coakley announced on Wednesday that her office has recovered more than \$3 million for workers in a settlement with FedEx Ground. FedEx Ground

allegedly misclassified drivers as independent contractors, resulting in underpayment to Massachusetts in payroll taxes, worker's compensation and unemployment insurance."


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


### **At the Postal Regulatory Commission:**

#### **RM2010-9 "Estimating Volume Changes from Pricing Incentive Programs"**

- Comments of the Saturation Mailers Coalition and Valassis Direct Mail, Inc.  
<http://www.prc.gov/docs/69/69111/VDM%20Cmts-RM2010-9.pdf>
- Comments of Pitney Bowes Inc.  
[http://www.prc.gov/docs/69/69119/PB%20Comments%20\(RM2010-9\).pdf](http://www.prc.gov/docs/69/69119/PB%20Comments%20(RM2010-9).pdf)
- Initial Comments of the United States Postal Service Concerning Methods to Estimate Volume Changes Caused by Pricing Incentive Programs Link: href="http://www.prc.gov/docs/69/69125/RM2010-9%20USPS%20INITIAL%20COMMENTS.pdf"><http://www.prc.gov/docs/69/69125/RM2010-9%20USPS%20INITIAL%20COMMENTS.pdf>

**CP2010-72** Notice and Request of the United States Postal Service Concerning Global Expedited Package Services--Non-Published Rates <http://www.prc.gov/docs/69/69126/MC2010-29%20CP2010-72.pdf> **MC2010-29** Notice and Request of the United States Postal Service Concerning Global Expedited Package Services--Non-Published Rates <http://www.prc.gov/docs/69/69126/MC2010-29%20CP2010-72.pdf> **CP2010-67** Order No. 491 - Notice and Order Concerning Filing of Functionally Equivalent Global Plus 1A Contracts Negotiated Service Agreement Link: [http://www.prc.gov/docs/69/69136/Order\\_No\\_491.doc](http://www.prc.gov/docs/69/69136/Order_No_491.doc) [http://www.prc.gov/docs/69/69136/Order\\_No\\_491.pdf](http://www.prc.gov/docs/69/69136/Order_No_491.pdf) **CP2010-68** Order No. 491 - Notice and Order Concerning Filing of Functionally Equivalent Global Plus 1A Contracts Negotiated Service Agreement Link: [http://www.prc.gov/docs/69/69136/Order\\_No\\_491.doc](http://www.prc.gov/docs/69/69136/Order_No_491.doc) [http://www.prc.gov/docs/69/69136/Order\\_No\\_491.pdf](http://www.prc.gov/docs/69/69136/Order_No_491.pdf) **CP2010-71** Order No. 492 - Notice and Order Concerning Filing of Additional Global Expedited Package Services Negotiated Service Agreement Link: <http://www.prc.gov/docs/69/69130/Order492.doc> <http://www.prc.gov/docs/69/69130/Order492.pdf> **MC2010-26** Order No. 491 - Notice and Order Concerning Filing of Functionally Equivalent Global Plus 1A Contracts Negotiated Service Agreement Link: [http://www.prc.gov/docs/69/69136/Order\\_No\\_491.doc](http://www.prc.gov/docs/69/69136/Order_No_491.doc) [http://www.prc.gov/docs/69/69136/Order\\_No\\_491.pdf](http://www.prc.gov/docs/69/69136/Order_No_491.pdf) **MC2010-28** Order No. 492 - Notice and Order Concerning Filing of Additional Global Expedited Package Services Negotiated Service Agreement Link: <http://www.prc.gov/docs/69/69130/Order492.doc> <http://www.prc.gov/docs/69/69130/Order492.pdf>

 The [Associated Press](#) has reported that "Maryland lawmakers are demanding answers from the U.S. Postal Service about a proposal to transfer mail processing services from Easton on Maryland's Eastern Shore to Baltimore."

 The [Orlando Sentinel](#) has reported that "Faced with a decline in the volume of mail, the U.S. Postal Service has announced it is considering a consolidation of the Daytona Beach mail processing plant with the Lake Mary facility. The Daytona plant is the centralized sorting facility that receives mail from and distributes mail to zip codes beginning with 321. That covers all of Volusia County, much of Flagler and Putnam counties, and portions of Lake and Marion counties. Postal officials will study the potential consolidation over 60 to 90 days and will announce a decision when the study is complete."

*July 16, 2010*

 Several members of the House Committee on Government Reform have introduced the "[United States Postal Service's CSRS Obligation Modification Act of 2010](#)...to amend the provisions of title 5, United States

Code, relating to the methodology for calculating the amount of any Postal surplus or supplemental liability under the Civil Service Retirement System." In introducing the bill, Rep. Stephen Lynch (D-MA), Chairman of the Subcommittee On Federal Workforce, Postal Service, And The District Of Columbia told his colleagues:

the "United States Postal Service's CSRS Obligation Modification Act of 2010," is intended to remedy a unfair and inequitable methodology for allocating the Postal Service's share of Civil Service Retirement System (CSRS) retirement benefit liabilities for employees that provided service to this country under both the Post Office Department and the independent United States Postal Service.

According to a January 2010 report by the United States Postal Service's Office of Inspector General (USPS-OIG), the Postal Service paid more into the Civil Service Retirement and Disability Trust Fund than it would have paid if a more equitable methodology were used to allocate CSRS retirement benefit liabilities between the Federal government and the United States Postal Service.

As a result of the USPS-OIG report's findings, the Postmaster General of the United States Postal Service submitted a request, in accordance with section 802(c) of the Postal Accountability and Enhancement Act, to the Postal Regulatory Commission (PRC) calling for an independent and objective review of the methods used to allocate benefit liabilities between the Postal Service and the Federal government under generally accepted actuarial practices and principles. The independent actuarial firm hired by the PRC, The Segal Company, determined that the current methodology used by the Office of Personnel Management (OPM) for allocating such retirement benefits between the United States Postal Service and the Federal government follows an antiquated methodology that fails to incorporate current actuarial best practices and accounting standards as recognized and codified by the Financial Accounting Standard Board.

Accordingly, to remedy this unjust treatment, this legislation I am introducing today directs OPM to update and modernize the actuarial methodology to be used in allocating CSRS retirement benefit liabilities between the United States Postal Service and the Federal government in accordance with The Segal Company's recommendation. Under this approach, the Federal government's portion of an individual's CSRS annuity will be based on the CSRS benefit accrual formula and the conventional individual's "high-3" average salary. By utilizing this methodology, this legislation will ensure that OPM is using modern actuarial practices and accounting standards to apportion the benefit liabilities that are codified by the independent Financial Accounting Standard Board under FASB ASC 715.



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


- This week the USPS Office of Inspector (IG) has released its report, "Assessment of Worksharing." The white paper examines current worksharing discounts and how it affects mail volume, as well as all participants within the mailing community.
- The U.S. Postal Service has released the latest edition of its Household Diary Study survey, a multi-year market research study of mail that is received by and sent from American households. The recently released study covers household-mail trends during the Postal Service's Fiscal Year (FY) 2009, running from September 29, 2008, through September 27, 2009. PostCom presents highlights from the 2009 study.
- Dead Tree Edition told its readers that "the Postal Service claimed once again last week that it loses money on Standard flats mail, just five days after kicking off a huge discount program on – guess what? – Standard flats mail. The claim that Standard flats is "under water" was repeated in the USPS's request for "exigent" rate increases. How can the Postal Service claim on one hand that rates for Standard flats should be raised at least 16% while on the other hand justifying temporary discounts of up to 30% on that same type of mail?"


- PostCom has made some revisions to its price comparison charts distributed last week. In addition, PostCom provides clarification concerning current prices found on the USPS' web site as compared to the proposed prices published by the USPS on its Postal Explorer web site and those contained in the USPS' exigent price request filed at the Postal Regulatory Commission (PRC) on July 6, 2010.
- The Courier, Express, and Postal Observer has noted that the "Globe and Mail has reported that the Montreal Gazette is eliminating its Sunday paper. This decision leaves the Montreal metropolitan area without a Sunday paper. The Saturday paper, which already has the week-in-review and other features that are commonly found in Sunday papers in the United States will pick up those features that are now published on Sunday. The decision to end the Sunday paper also reflects a far different competitive market in Canada for the delivery of saturation advertising than is found in the United States."
- Rag Content has asked the question: "what will happen to the nation's postal system if the Postal Service does not make its required payment on September 30?"
- PRC Chairman should recuse herself. USPS, Commerce Dept expand strategic partnership. APWU President speaks out against large mailers. USPS still studying plant consolidation. Gamefly endangered by postal increases. More ways to avoid mail. USPS fined by OSHA for safety and health violation. Private sectors takes another postal hit. Pittsburgh paper happy to see Bernstock gone. Also unhappy about Bernstock. Mail marketers burned by exigency rates. PRC Chairman - - no sympathy here. What we need here is competition. Postal creativity needed.
- An update on postal rules and notices published in the Federal Register.
- Postal Regulatory Commission update.
- A review of postal news from around the world.
- Postal previews


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 The [Daytona Beach News-Journal](#) has reported that "The U.S. Postal Service has begun an expanded Area Mail Processing feasibility study at the Bill France Boulevard plant in Daytona Beach as it considers consolidating some operations there with the Mid-Florida center in Lake Mary. The Postal Service had put the study on hold in April." [EdNote: HmMMM. An effort to save costs and improve productivity put on hold....An effort to raise customers postal rates given the fast track. Yes sir, that's "honest, efficient, and economical" management.]

 The [Daily Review](#) has reported that "The county's 911 re-addressing project, which eliminates rural route addresses, has been completed in less than half of Bradford County. However, the chairman of the Bradford County commissioners said he hopes the project will be completed by the end of this year. The limited number of staff at the U.S. Postal Service's Harrisburg office, which has to approve the new addresses for ongoing 911 re-addressing projects around the state, has slowed down the pace of the project in the area, Bradford County officials said. "We are dependent on the post office's approval (of the new addresses)," Mark Smith, chairman of the Bradford County commissioners, said at the commissioners' meeting on Thursday. "So that's really the only thing that has held us back. We're pretty well set with the contractor (MSAG Data Consultants) to move ahead as soon as the post office gives us the go-ahead on each region's addresses."

 [Pacific Business News](#) has reported that "When Tony Yamada and his two partners formed their business 11 years ago, they sold their games, toys and trading cards primarily on eBay, and their source of shipping was the U.S. Postal Service. But Yamada said that as the cost of postage has gone up and its reliability down, his company has switched to other means for getting its goods to customers. Today, Ideal 808 Inc., which does business as Toylynx, uses UPS and FedEx as well as the Postal Service to fill orders from its Honolulu office. Read more: USPS buffeted by technology, weak economy - Pacific Business News (Honolulu)."



[Politics.co.uk](#) has said that "New figures show small firms stay loyal to Royal Mail but services need improvement Royal Mail is still not delivering in its service to small businesses two years on from a review into the postal service."

According to the [Fay Observer](#), "No surprise in this story: The U.S. Postal Service is still in a financial mess. Cost-cutting hasn't helped. Nor have postage rate hikes. The rate hike won't have much impact on typical consumers, but it may be devastating to many nonprofits, which depend on mailers for fundraising. But the bigger concern is whether the Postal Service can be saved. And more specifically, whether its managers are capable of saving it."

[Dead Tree Edition](#) has told its readers: "What a difference a month makes! More than 92% of the comments submitted to the Postal Regulatory Commission in June regarding the number of mail delivery days favored six-day delivery. It wasn't just postal employees who came to the defense of six-day delivery; most of the support came from people who identified themselves as customers, according to a summary the PRC released today. More than one-fifth of those who supported six-day delivery said the overfunding of pensions and the so-called pre-funding of retiree health benefits should be corrected before service is reduced. Another 357 people made comments falling into the category of "Reduce Exec compensation/mgt levels/reorganize". The most commonly mentioned concerns regarding elimination of Saturday delivery had to do with prescription medicines and increased unemployment."



The [National Association of Major Mail Users](#) (NAMMU) has reported that:

(1) The Government of Canada recently increased Canada Post's external borrowing limit to \$2.5 billion from \$300 million in order to facilitate financing of Postal Transformation. Net proceeds of any bond offering will be used primarily in the modernization plan which is expected to generate \$250 million in annual cost savings by 2017. As Canada Post is an agent of the Government of Canada, the bonds will be obligations of Canada Post and the Government of Canada.

(2) The departure of Moya Greene to take over the leadership role of Royal Mail, has sparked renewed media interest in postal business and privatization. Britain's new Conservative-Liberal Democrat coalition government is readying a plan to sell off up to 49 per cent of Royal Mail. Interviews before her departure, stress an acknowledgment of the decline in physical volumes, but a very positive attitude about post offices. Ms Greene thinks the future lies in e-post, a super-secure electronic mail service that doesn't travel over the Internet. She sees a future "where every Canadian household has a mailbox outside their door to get the newspaper and inside their home they have an electronic box called e-post." She acknowledges postal services will likely be smaller, employ fewer people and likely be privately owned.

(3) From a NAMMU perspective, business mailers agree that a review every five years – and possibly every three years should more serious volume erosion demand significant policy changes – is advisable. NAMMU President, Kathleen Rowe noted that NAMMU members' requirements are evolving, with many moving invoices to electronic delivery. "Our priority is to make physical mail as efficient, innovative and eco-friendly as possible, ensuring it integrates well with other media applications our members use or are testing."


(4) According to the 2010 Digital Influence Index released by Fleishman-Hillard, Canadians love the Internet but don't quite trust it. The research indicates Canadians are comfortable on-line – they lead the world in using it to stay connected to friends and family – they are also considerably more cautious and demonstrate less trust in the Internet than do people in other countries. A second study reported in The Gazette June 30th, says on-line savvy Canadians are comfortable with paying their bills on the Internet, but they don't want to read financial statements on a computer – they like holding the bills in their hands.

*The following is from a postal employee who responded to the Editor's comment on postal worker idle time:*

We sit idle on the clock because management orders us to do so. There are employees asking to leave without pay and they are not allowed to go. There is work for us to perform. I know, I have

documented the amount of mail sitting and waiting for management to put the clerks back on the floor. The Union has filed grievances to stop this behavior and they are all held pending a national decision from POSTAL MANAGEMENT. The reason they will not let the employees that want to leave the building go home is because there is work that needs to be done and if they let those employees go home the mail won't be moved. It's not the Unions causing the problem. It's the beancounters in headquarters who have no idea of how the mail actually gets from one place to another. They look at reports and make stupid decisions. If you want your postal rates to go down trim USPS Headquarters. While there are fewer craft employees the number of people employed at headquarters has increased. Go to your local post office and talk to a window clerk if you want the real scoop on the USPS. Stop beating up the people that do move your mailings and that actually care that it gets moved properly.

*Sounds like something the Postal Service's Inspector General should explore.*

 **Print CEO** has reported that "Canadian Printer, a leading printing industry trade publication in Canada, has announced that it will no longer be producing print editions. Instead, the publication will maintain an online presence and distribute bi-weekly e-newsletters to its readership. The company's intent is to publish one printed edition annually highlighting innovations in print. The magazine industry as a whole is struggling to find the right business model in the Internet age. Electronic Publishing and Graphic Arts Monthly are examples of two industry trade publications in the U.S. that have ceased operations altogether."

*July 15, 2010*



A new report has been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, please contact Wally Olihovik at 703.248. 2201, or Agapi Doulaveris at 703.248.2286. [Southern Maryland Processing and Distribution Center \(Report Number NL-AR-10-006\)](#) The Southern Maryland P&DC could more effectively manage Postal Vehicle Service transportation processes and schedules, thereby reducing driver workhours as well as associated fuel use and damage claims.

#### ***At the Postal Regulatory Commission:***


- CP2010-64 Order No. 489 - Order Approving Additional Global Expedited Package Services 2 Negotiated Service Agreements  
[http://www.prc.gov/docs/69/69093/Order\\_No\\_489.doc](http://www.prc.gov/docs/69/69093/Order_No_489.doc)  
[http://www.prc.gov/docs/69/69093/Order\\_No\\_489.pdf](http://www.prc.gov/docs/69/69093/Order_No_489.pdf)
- CP2010-65 Order No. 489 - Order Approving Additional Global Expedited Package Services 2 Negotiated Service Agreements  
[http://www.prc.gov/docs/69/69093/Order\\_No\\_489.doc](http://www.prc.gov/docs/69/69093/Order_No_489.doc)  
[http://www.prc.gov/docs/69/69093/Order\\_No\\_489.pdf](http://www.prc.gov/docs/69/69093/Order_No_489.pdf)
- CP2010-69 Notice of the United States Postal Service of Filing a Signed Global Plus 2A Negotiated Service Agreement  
<http://www.prc.gov/docs/69/69096/MC2010-27,%20CP2010-69%20Agreement.pdf>
- MC2010-27 Notice of the United States Postal Service of Filing a Signed Global Plus 2A Negotiated Service Agreement  
<http://www.prc.gov/docs/69/69096/MC2010-27,%20CP2010-69%20Agreement.pdf>
- C2009-1 POR-26- Presiding Officer's Ruling Establishing Date for Cross-Examination of GameFly's Institutional Witnesses  
[http://www.prc.gov/docs/69/69076/POR\\_26.doc](http://www.prc.gov/docs/69/69076/POR_26.doc) [http://www.prc.gov/docs/69/69076/POR\\_26.pdf](http://www.prc.gov/docs/69/69076/POR_26.pdf)


- N2010-1 POR-17- Presiding Officer's Ruling Modifying Procedural Schedule  
[http://www.prc.gov/docs/69/69075/POR\\_17.doc](http://www.prc.gov/docs/69/69075/POR_17.doc) [http://www.prc.gov/docs/69/69075/POR\\_17.pdf](http://www.prc.gov/docs/69/69075/POR_17.pdf)


*[EdNote: You know...for a regulator that supposedly presents significant "obstacles" to the Postal Service, the PRC sure does a lot of approv'in' of USPS proposals. Makes you wonder. What's the big problem with the Commission?]*


## **Mailers' Technical Advisory Committee (MTAC)**


**From USPS Sr. V.P. Customer Relations Stephen Kearney:** "With the exception of some minor modifications, the mailing standards governing contents of a publication eligible for periodicals pricing have not changed since 1995. A lot, however, has happened in 15 years. We've seen dramatic changes in lifestyles, customer preferences, ways of doing business and technology. During the past year, USPS and the periodicals mailing industry have been discussing changes needed in content standards. The team saw its hard work rewarded this past Tuesday, when the [Federal Register](#) final rule updating the standards was posted on Postal Explorer. Effective Sept. 7, 2010, the current advertising limitation on loose supplements — except for separately addressed loose supplements with a mailing of unwrapped copies of an issue of a bound periodicals publication — is removed. In addition, the updated standards revise the regulations on multi-layer pages, providing publishers more latitude in page design. The standards on protective covers and attachments also have been updated for consistency with past rulings. Finally, provisions concerning the mailing of products and product samples have been simplified.


 [Rag Content](#) has told its readers that "The postal fiscal year is quickly drawing to a close. September 30 will be here before we know it and so will a \$5.6 billion bill from the U.S. Treasury to the USPS. Some have dubbed this annual bill as a "stamp tax" that is unfairly assessed to all mail users. There has been no legislative activity to date in FY2010 to deal with this payment. So what does this mean for the Postal Service? The Postal Service, in its current financial predicament, will not be able to make its required payment on September 30. Congress has two options – relieve the Postal Service once again in its appropriation bill at the last minute or do nothing. What would happen to the USPS if it did not make its retiree health benefit payment at the end of this fiscal year?" *Anyone actually know?*


 According to [Nikkei](#), "Japan Post Holdings Co.'s mail arm said Thursday that delivery delays in its Yu-Pack package service have been resolved and its operations are back to normal."


 **At the Postal Regulatory Commission:** The pdf file of the [June PRC Public Inquiry Database](#) is now posted on the PRC home page.

 According to one writer to the [News Journal](#), "A recent article on the proposed postal rate increase illuminated two points of interest. As pointed out, the cost of print advertising delivered by mail is a worthwhile expenditure for Ryan German to grow his business, Cafe Gelato. No business throws away money on advertising that doesn't get results. Second, a distorted image of the postal service's financial status is being reinforced to the public. If Uncle Sam repaid \$75 billion that was overpaid to the federal retirement system, the postal service would be about even. That buys the time needed to overhaul legislative constraints preventing the postal service from competing in the open market of delivery service. When you're in the service business, you don't cut service to save money, you grow the business to increase revenue. The Postmaster General needs to be investigated as to why he is misleading the American public and sabotaging an institution as American as apple pie."

 The [Sacramento Bee](#) has reported that "Yuba County officials announced that a website has been established to allow residents and businesses to talk about how their mail delivery has been affected by the U.S. Postal Service's decision to close its Olivehurst sorting facility. The new forum, [www.checkyourmail.freeforums.org](http://www.checkyourmail.freeforums.org), is intended to give residents in Yuba and seven other counties previously served by the Olivehurst facility a chance to talk about the differences, positive or negative, that they notice in mail delivery, according to a county news release."


 The [Norway Post](#) has reported that "The Norwegian mail service Posten Norge has been fined NOK 102 million (EUR 12.9 mill) by the European Free Trade Association (EFTA)'s watchdog ESA for breach of EEA competition rules. The Authority has concluded that Posten Norge infringed Article 54 of the EEA Agreement by abusing its dominant position in Norway between 2000 and 2006."


 [More on the hard-copy magazine conversion to digital.](#) [Advertising Age](#) has reported that "The iPad edition of O, The Oprah Magazine that's expected in the fourth quarter will let users buy e-books and read them within the app itself, according to Hearst Magazines executives detailing the publisher's plans for the iPad and iPhones for the rest of the year. Esquire's iPad app edition is expected to be available starting with the September issue, on sale in August, and will be "more ambitious" than the iPhone edition that's already available."


 The [Peoria Journal Star](#) has told its readers that "There is one more solution the Postal Service has suggested, but it's one it can't accomplish by itself. Considered independent since 1971, it doesn't draw any tax dollars for its operations, but still has to take its marching orders from Congress and a presidentially appointed board of directors. **The lawmakers in the equation need to sign off, after delaying repeatedly, on a proposal to lift a bizarre 2006 mandate on retirement benefits. Look, this is an easy fix worth \$3.5 billion a year or more, and there's been no valid reason offered as to why Congress hasn't followed through on it.** That lawmakers have sat on their hands here should be cause for irritation from every American who has ever used a stamp and is frustrated with all these increases."


 [Hellmail](#) has reported that:


- [Virtually all European postal operators](#) have been dabbling in digital and hybrid mail systems to a larger or lesser degree and in some cases the technology has already been introduced for communications between national and local authorities, but the switch from traditional to digital mail has always tended to be targeted at business. Deutsche Post however, is taking a bolder move and encouraging all of its postal customers to sign up to "E-Postbrief" which signals a significant shift in real terms, from traditional to semi and wholly digital postal services. With the volume of stamped mail in fairly rapid decline now, and broadband internet not only increasing in speed but also finding wider acceptance by even the oldest members of the population, the move towards digital mail looks set to accelerate in the years ahead. None of this will provide much cheer for postal workers already fighting mail centre closures across the European Union, but the change is both logical and prudent. All operators are now trying to establish themselves as leaders in the digital mail business with field trials running just about everywhere, and whilst the leap from traditional post to digital was never going to be an overnight thing, postal operators are very much aware that they either have to adapt or lose business to rival digital services.
- In a letter to the Telegraph today, [Clare Gilmartin, managing director of eBay UK has warned](#) the Royal Mail that it must focus on delivering an improved service for e-retailers and customers. She said that with growth in online sales expected to rise by almost a third over the next ten years, it must be able to deliver. Currently at the centre of controversial plans to privatise part or all of Royal Mail letters business, the company is facing a rapid decline in stamped mail as it restructures its distribution network to make the business more efficient and help it compete with rival operators for mail sortation. She said the appointment of former Canada Post CEO Moya Greene (after the departure of Adam Crozier) could provide an opportunity to lay the past to rest.


 The [Tribune-Democrat](#) has told its readers that "The next time you see an American flag flying half-staff on a U.S. Postal Service facility, it just might signify the further demise of our nation's once-proud post office. As most businesses do when times get tough, it's looking to increase the cost of its products. In this case, that means boosting, among other things, the price of first-class stamps, something it has done every year since 2006. But unlike in the case of many other businesses, it isn't that simple. A price increase won't stop the bleeding. What will, it now seems obvious, is beyond anyone's immediate grasp. "There is no one single solution to the dire financial situation that the Postal Service faces," Postmaster General John E. Potter said. "These proposed rate adjustments are moderate and part of a fair and balanced approach to insuring mail service for all Americans well into the future." Is he kidding? Every American will be affected in one way or another by the increases, whether by mailing a letter or package, or by paying costs passed along by those businesses facing rising costs to mail or ship their products. At what point the bleeding might stop, if ever, is anyone's guess."


 The [Courier, Express, and Postal Observer](#) has noted that the "Globe and Mail has reported that the Montreal Gazette is eliminating its Sunday paper. The decision to end the Sunday paper also reflects a far different competitive market in Canada for the delivery of saturation advertising than is found in the United States."

 [Dead Tree Edition](#) wants to know: "The Postal Service claimed once again last week that it loses money on Standard flats mail, just five days after kicking off a huge discount program on – guess what? – Standard flats mail. The claim that Standard flats is "under water" was repeated in the USPS's request for "exigent" rate increases: "To fully close the coverage gap, Standard Mail Flats prices would need to increase by 16 percent," wrote James M. Kiefer, a USPS pricing economist, in a statement submitted to the Postal Regulatory Commission. The discounts – up to 30% for some pieces sent by large mailers – are part of the second annual Summer Sale on Standard mail. The sale's discounts are the same for Standard flats -- mostly catalogs and retail circulars that are not in carrier-route bundles -- as for "profitable" categories like Standard letters. The Postal Service decided to take "a cautious approach" and only increase Standard flats rates by 5.1%, Kiefer said, because "increasing postage prices too much at this vulnerable point could force catalog mailers to cut their customer lists." Some mailers in the category (especially low-volume mailers of lightweight pieces), however, would get rate hikes rivaling the 8.0% average for Periodicals. In any case, how can the Postal Service claim on one hand that rates for Standard flats should be raised at least 16% while on the other hand justifying temporary discounts of up to 30% on that same type of mail?"

 According to the [Daily Mail](#), "Royal Mail's income from customer penalty fees soared by 50 per cent after it created mass confusion by changing the way it charges for letters. The organisation moved to a regime of charging based on size rather than the simple system of sticking on a first or second class stamp in August 2006. Many customers who put an ordinary stamp on a letter or Christmas card found it was not being delivered as expected. Subsequently, millions received unexpected warning notices telling them that a letter with underpaid postage would have to be collected from a sorting office. These customers not only had to cover the underpaid postage, often just a few pence, but they were also hit with a £1 administration charge. Consumer groups have long suspected that the charge was far too high and amounted to blatant profiteering."

 [The Japan Times](#) has reported that "Japan Post Holdings Co. said Wednesday that about 34,000 nonregular group employees have applied for examinations to become regular employees later this year. Of about 200,000 nonregular Japan Post group employees, some 65,000 who meet certain conditions have been allowed to make such a bid since mid-June through June 30, after then postal reform minister Shizuka Kamei called for such a change to stabilize employment in the group."

 The [Times Colonist](#) has reported that "Mr. Thomas will lead the day-to-day records center operations for Swiss Post Solutions in Washington, DC. In addition, he will join Swiss Post Solutions' Best Practices Group, a team comprised of the company's most experienced and knowledgeable managers. The Best Practices Group meets regularly to discuss operational and industry information and issues to ensure that the Swiss Post Solutions' records management operations meet the highest standards and provide exceptional service levels to company clients. Mr. Thomas has managed both records and business intake departments for several Top 100 law firms in Washington, DC and Chicago, and most recently was the Firmwide Records Manager for Sutherland, Asbill, and Brennan LLP. In addition to his records and business intake experience, Mr. Thomas has also specialized in managing complex information management projects and developing people to their fullest potential."

 [The Examiner](#) has reported that "Minnesota Majority, a conservative watchdog group, has found that at least 341 convicted felons in largely Democratic Minneapolis-St. Paul voted illegally in the recent Senate race between comedian Al Franken, a Democrat, and his Republican opponent, then- incumbent Sen. Norm Coleman. The final recount vote in the race, determined six months after Election Day, showed Franken beat Coleman by 312 votes. MN Majority president Jeff Davis claims to have unearthed thousands of suspicious registrations in the state's voter records. Minnesota Majority says that in order to find voters living at "vacant addresses," it used the United States Postal Service Delivery Sequence File (DSF2) to determine address verification. According to Anchor Computer, a company that sells DSF2 database system, the software is designed to reduce the mailing costs associated with undeliverable mail."


 [Hellmail](#) has reported that:


- [Labour candidates](#) campaigned on a platform of not selling Royal Mail, and once elected, the government changed position, pushing for a partial sale. Liberal-Democrat candidates campaigned on a platform for a variation of a partial sale, and once elected, that part of the government has moved ever closer to pushing

for a full sale. The Conservatives campaigned on a platform of a full sale, and have pushed for a full sale, but not changing their position after being elected does not imply, nor mean, their view of postal reforms is the correct one. It merely demonstrates their position did not change after being elected. Make no mistake, a sale merely generates funds in exchange for ownership rights, and it does not solve anything else. Given the valuation of Royal Mail and its financial obligations, even a full sale will likely generate, at most, roughly half of the funds necessary to clear Royal Mail's debt obligations. Thus, a full sale will transfer ownership, as well as, the many other issues facing Royal Mail, but it does not solve any of the issues. Broader ownership will likely only complicate postal reform processes, and then there is the issue of postal union national industrial action (IA) if any sale is approved.

- At today's [AGM of UK Mail Group plc](#), Chairman Peter Kane announced the following Interim Management Statement covering the period 1 April 2010 to 30 June 2010. "We have made a satisfactory start to the financial year, with trading performance in line with management expectations. Group revenues were up some 1% compared to the same period in the previous year. Our Parcels business continued to grow its revenues, aided by early signs of an easing in the pricing environment. The launch of our Retail Logistics service within this division is progressing well and we now have our first active customers for this service.

*July 14, 2010*


 The [Maryland Gazette](#) has noted that "Residents in a handful of communities along the Baltimore City line could finally see an end to their long-running identity crisis. County Executive John R. Leopold said he met yesterday with three officials from the U.S. Postal Service about a frequent complaint he hears from residents of the 21225 and 21226 ZIP codes. Those areas include Brooklyn Park, which borders the Brooklyn neighborhood of Baltimore, and Stoney Beach, Orchard Beach, Greenland Beach, Clearwater Beach, Chestnut Hill Cove and Carvel Beach next to Curtis Bay. Though they're in the county, each community listed in postal addresses as Baltimore City. This means residents of those communities - about 10,000 in each, Leopold said - are saddled with higher insurance rates and lower home values. "I've been working on this for 25 years," said Leopold, a former state delegate from Pasadena. But now, he thinks he's finally made some headway. Yvette Singh, a spokeswoman for the Baltimore District, said a final decision is pending at Postal Service headquarters in Washington, D.C. She did not know when a decision would be made."


 The [Courier-Express](#) has told its readers that "The United States Postal Service must be going insane. How else to explain the most recent announcement? The deliverer of much of the mail in our fair country intends to seek another 2-cent increase in the cost of first-class stamps, plus sundry other extortionate increases in the cost of other classes of mail - with no change in its profligate, superfluous and anachronistic six-day weekly delivery schedule, even though the Internet has made that schedule as irrelevant as equine hitching posts along city streets? Insanity, it has been said, consists of doing the same thing over and over again, while expecting different results."


### **At the Postal Regulatory Commission:**


- CP2010-64 Public Representative Comments in Response to United States Postal Service Filing of Two Additional Global Expedited Package Services 2 Negotiated Service Agreements
- Link: <http://www.prc.gov/docs/69/69040/PRCommentsCP2010-65.pdf>
- <http://www.prc.gov/docs/69/69040/PRCommentsCP2010-65.doc>
- CP2010-65 Public Representative Comments in Response to United States Postal Service Filing of Two Additional Global Expedited Package Services 2 Negotiated Service Agreements
- Link: <http://www.prc.gov/docs/69/69040/PRCommentsCP2010-65.pdf>
- <http://www.prc.gov/docs/69/69040/PRCommentsCP2010-65.doc>
- R2010-4 POR-1 - Presiding Officer's Ruling Scheduling Technical Conference
- Link: [http://www.prc.gov/docs/69/69044/POR\\_1.pdf](http://www.prc.gov/docs/69/69044/POR_1.pdf)
- [http://www.prc.gov/docs/69/69044/POR\\_1.doc](http://www.prc.gov/docs/69/69044/POR_1.doc)
- CP2010-66 Order No. 488 - Notice and Order Concerning Filing of Additional Global Expedited Package Services 2 Negotiated Service Agreement
- Link: [http://www.prc.gov/docs/69/69046/Order\\_No\\_488.doc](http://www.prc.gov/docs/69/69046/Order_No_488.doc)


- [http://www.prc.gov/docs/69/69046/Order\\_No\\_488.pdf](http://www.prc.gov/docs/69/69046/Order_No_488.pdf)
- MC2010-25 Reply of the United States Postal Service to Comments of the Public Representative in Response to Order No. 483
- Link: <http://www.prc.gov/docs/69/69045/DelType%20-%20Reply%20to%20PR%20Comments.pdf>
- 


 According to [The Northwestern](#), "The U.S. Postal Service continues to study a plan that would move its Green Bay mail processing operations to Oshkosh. The postal service has been studying since September the possibility of eliminating the outgoing mail functions of the Green Bay processing plant. Under the plan, the duties would be shifted to the Oshkosh plant. It would mean the elimination of local jobs and no more Green Bay postmark on outgoing mail unless specifically requested by customers. The postal service has said the Oshkosh plant is better suited for expansion and is closer to Milwaukee, which could speed transportation of mail to other points around the nation. [EdNote: It seems the USPS takes longer to study the potential closing of a plant than it does a decision to raise rates after a significant downturn in business. Go figure....]"


 The [FinChannel](#) has reported that "Roughly half of American Adults think postage stamps cost too much, and they're willing to sacrifice a day of delivery to keep the cost of stamps down. A new Rasmussen Reports national telephone survey finds that 49% of Adults believe the cost of stamps is already too high, even as the U.S. Postal Service hopes for a two-cent hike in the cost of a first-class stamp in January. Only five percent (5%) feel the cost of stamps is too low. Forty-two percent (42%) say stamp prices are about right. Sixty-eight percent (68%) would rather see mail delivery cut from six days to five days a week to avoid an increase in stamp prices." [EdNote: Too bad nobody told them the Postal Service intends to do both -- reduce services and increase postal prices.]


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


 The post remains the market-dominating firm in the Swiss CEP market. The activities report of Switzerland's regulatory authority PostReg shows that Swiss Post still has a market share of over 99% for addressed domestic mail.


 A serious disagreement has become apparent between Deutsche Post and the regulatory authority over the question of sales tax liability concerning business letters which was introduced at the beginning of July.


 The change of government in Hungary in April now affects Magyar Posta, too. At the end of June CEO Ildikó Szüts was dismissed. This is even more surprising given the fact that Magyar Posta reported a good result even in the crisis-ridden year of 2009.


 The cat-and-mouse game to create uniform tariff and working conditions for privately owned mail service operators in Germany continues.


 Swiss Post's electronic mail is fit for the holidays.


 China Post plans to list its express and logistics unit. Daily news »China Daily« (09.07) reported this with reference to company insiders. China Postal Express & Logistics Corporation, which was founded at the end of June as a merger of China Post's subsidiaries EMS Corporation and China Post Logistics Co Ltd, would be the country's first listed express company.


 Deutsche Post's entry into e-commerce business, which was already announced in March, will start soon. On Monday, July 19, the shopping platform meinpaket.de will launch its services. Similar to Amazon, customers may choose from a wide array of products there. The delivery will be completely carried out by DHL. The post wants to create a 'totally new online marketplace'.

 FedEx is allowed to compete with Swiss Post from August 1 on. The regulatory authority announced that the ministry awarded Federal Express Europe, Inc, (Delaware USA) a licence to forward letters and parcels above 50 gramme.

 Saudi Arabia wants to become one of the world's leading transport and logistics hubs over the next 10 years.


 Swiss postal minister Leuenberger has announced his resignation at the end of this year. With 15 years in office Leuenberger is Switzerland's longest-serving minister.


 Postal services in India are paralysed since Tuesday this week. All of India Post's 500,000 employees went on an indefinite strike, 'till all our demands are met', said a union's spokesman.

 Deutsche Post plans to expand in Latin America. In addition to international services the expansion of the domestic logistics business would be attractive too.



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

 The [New York Daily News](#) has reported that "A U.S. Postal Service computer tech is being probed for peddling \$500,000 worth of stolen government equipment on eBay - and using the money to buy Knicks tickets."

 From [Hellmail](#): "Copenhagen - PostExpo 2010 Opens In October."



**From the Federal Register:**


#### Postal Regulatory Commission


##### NOTICES


Postal Rate Changes ,

40853–40855 [2010–17056]

[\[TEXT\]](#) [\[PDF\]](#)

 According to [Gizmodo](#), "Now that the iPad has captured 22% of the eBook market in its first 60 days, authors are clamoring to get their books into the iBookstore. What most are finding out is that publishing on the iPad is no simple task. Where Amazon has had 3 years to make publishing eBooks on Kindle a snap, Apple is just now clunking up to speed. The publishing process on iPad is almost not worth it, until you weigh in the fact that the iBookstore is now available on over 3 million iPads and all iPhones with the new iOS4-that's a potential audience of over 40 million people. That's right, it's not just eBooks on the iPad anymore, it's seamless distribution through the iPhone, too. Add to this a major push by Barnes and Noble and Borders to build their own eBookstore platforms and your eBooks could reach over 100 million readers."

 [Newsweek](#) has asked: "How is this possible, for a company that's basically the entertainment branch of the United States Postal Service? Having grown along with the proliferation of cheap DVD players into the nation's homes, Netflix is now betting its future on yet another sea change in the way Americans get their movies, one that runs directly counter to the product the company is best known for. In May the company published a corporate strategy presentation online that predicted DVD shipments would begin to shrink in as soon as four years as consumers turn to broadband Internet service to deliver more and more of their entertainment needs."

 The [Daily Mail](#) has reported that "It is one of the most annoying letters that can arrive on your doormat. The red and white card from the Royal Mail saying that it could not deliver a package because nobody was at home. But yesterday the company revealed plans to make life a little easier for hard-working families who love online shopping - but are never at home to open the door for the postman. From today, more than 200 delivery offices will extend their opening hours up to 8pm to make it easier to pick up a package."


 The [President of the American Postal Workers Union](#) has told his members:

The APWU often criticizes the cozy relationship between large mailers and postal management, but we understand that without the major mailers there would be insufficient mail volume to




maintain the Postal Service's national network and to employ 600,000 workers. "Non-household mail" enables us to fulfill our obligation to serve the American people. Unfortunately, commercial mailers have been permitted to influence postal management beyond the scope of their contribution. While direct mail accounts for an ever-increasing share of mail volume, its contribution to USPS revenue is a pitiful 20 percent. But the voice of the average citizen, who pays 44 cents postage per letter, is drowned out by those who have access to USPS decision-makers. The APWU has frequently found fault with the major mailers and some unions for championing "postal reform," which resulted in the Postal Accountability and Enhancement Act of 2006 (PAEA). History will reflect that this legislation — with its onerous requirement that the USPS must pre-fund more than \$5 billion of future retiree healthcare liabilities annually for 10 years — has caused immeasurable damage to the Postal Service. The result has been the degradation of service to the public through facility consolidations, station-and-branch closings, reduced service, and mail delays caused by the need to reduce expenses to satisfy this requirement. One of the most disturbing aspects of the unhealthy relationship between the USPS and major mailers is the mailers' reaction to the Postal Service's recent request for a rate increase under the "exigency provisions" of the PAEA. These provisions allow the USPS to increase postage above the rate of inflation. The influential mailers have formed an organization, the Affordable Mail Alliance, for the sole purpose of denying the Postal Service the opportunity to increase revenue in response to the pre-funding obligation that the mailers imposed. Included in their near-hysterical reaction to the increase is the refrain that the Postal Service is raising rates "again."

*[EdNote: Well, the last I checked, it wasn't mailers who were sitting idle in holding rooms refusing to do work because contract agreements said they didn't have to. Talk about "immeasurable" damage. And, the last I checked, those who pushed for PAEA ultimately included the USPS and postal employee groups. It wasn't PostCom who was sitting at the White House on the day of PAEA's presidential signing. At the time of PAEA's enactment, the chairman of PostCom, Vincent Giuliano, was strenuously objecting to the health pre-funding provision. Oh yes, I also remember it was the Postal Service's mantra that it could live (as it claimed it always had done) within the bounds of inflation. The APWU President's sense of historical revisionism is without equal. ]*

 The [Wall Street Journal](#) has reported that "FedEx hopes to use its growing fleet of long-range 777s to win business from competitors like United Parcel Service Inc. in the lucrative market for international package delivery, and to cater to the rising middle classes in India, China, and Brazil, which increasingly want the latest product delivered to their door within a day or two."

**QUESTION OF THE DAY:**

*How is that the Postal Regulatory Commission knows how to stream open hearings via audio over the web but the Governors of the Postal Service don't?  
One would have thought that the "A" in PAEA would be enhanced by making hearings truly public via the web.  
Maybe the PRC needs to teach them how it's done.*

 The [Wall Street Journal](#) has reported that "GameFly Inc. is collecting more money than ever from its videogame rental service, but the company's on-again, off-again relationship with profitability has left it with a lingering deficit as it prepares to go public. The company also faces **a pair of long-term obstacles** that it says could hurt its profitability. It says it has no plans to offer alternative means of delivery--such as downloads--to its subscribers, so **it relies on the U.S. Postal Service** to get games to its customers. **The Postal Service, meanwhile, is expected to raise its rates** in the future, which would directly increase GameFly's costs." *[EdNote: Good grief! With a business "partner" like the USPS, who needs competition?]*


 **At the Postal Regulatory Commission:** The PRC Web Site has posted new documents.


- **CP2010-66** Notice of United States Postal Service Filing of Functionally Equivalent Global Expedited Package Services 2 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal


<http://www.prc.gov/docs/69/69012/CP2010-66 GEPS 2 Notice.pdf>  
<http://www.prc.gov/docs/69/69012/Public Workpapers CP2010-66.xls>  
<http://www.prc.gov/docs/69/69012/New Settlement Charge CP2010-66.xls>


- **CP2010-67** Notice of the United States Postal Service of Filing Two Functionally Equivalent Global Plus 1A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69030/Global Plus 1A Notice.pdf>
- **CP2010-68** Notice of the United States Postal Service of Filing Two Functionally Equivalent Global Plus 1A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69030/Global Plus 1A Notice.pdf>
- **CP2010-69** Notice of the United States Postal Service of Filing Two Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69031/Global Plus 2A Notice.pdf>
- **CP2010-70** Notice of the United States Postal Service of Filing Two Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69031/Global Plus 2A Notice.pdf>
- **MC2010-26** Notice of the United States Postal Service of Filing Two Functionally Equivalent Global Plus 1A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69030/Global%20Plus%201A%20Notice.pdf>
- **MC2010-27** Notice of the United States Postal Service of Filing Two Functionally Equivalent Global Plus 2A Contracts Negotiated Service Agreements  
<http://www.prc.gov/docs/69/69031/Global Plus 2A Notice.pdf>

*July 13, 2010*

 **BarentsNova** has reported that "Russian Post considers reincorporation into a joint-stock company to be more investors-friendly. Referring to the report compiled by the inter-departmental commission and submitted by Russian Minister of Communication to Vladimir Putin for consideration, rbc.ru publishes the intentions of Russian Post (national postal operator) to turn into a joint-stock company (JSC) from its present status of a federal unitary enterprise (FGUP). The legal form of the postal operator is not attractive for investors; it seriously hinders its development, reads the report. New JSC form would attract investments from Vnesheconombank and private investors (through development of express mail services, internet purchases, retail, etc). Still the transformation process may take up two years, since that will require relevant adjustments into the law on postal services that currently bans privatization of federal postal assets."


 **Hellmail** has reported that "Royal Mail announced today that it is to add almost a quarter of a million extra hours a year to the opening times of its busiest delivery offices. It said the extended hours would make it easier for people to receive items they have ordered online or from a catalogue. The £2.6 million investment will see the hours of around 650 delivery offices - almost half of Royal Mail's UK-wide network of 1,400 sites - extended to 8pm on Wednesday evenings and 2pm on Saturdays to make the collection of items even more convenient for people who are not at home during the day."


 **RoadTransport** has reported that "TNT Post UK is on the hunt for a new distribution centre (DC) as part of its 2010 investment programme, which also includes a 25% increase in the size of its workforce. The Royal Mail rival says the growth agenda is to ensure that it "maintains its position at the cutting edge of the postal market".


 **Advertising Age** has reported that "Forget click-to-buy online strategies. The Apple iPad is ushering in swipe-to-buy. While magazine reading and entertainment viewing are getting the early consumer buzz on the iPad, the real play for brands may be as an e-commerce platform. Commerce and on-the-go buying has been successful on the iPhone, but the small screen size and limited visuals have shortchanged many efforts. The iPad brings the capability for better graphics and video, a touch screen for an experience more akin to catalog shopping, social networking, an easier way to swipe or touch to buy, and even cost saving and green appeal with the use of less paper for weekly flyers and catalogs."


 **At the Postal Regulatory Commission: Postal Regulatory Commission NOTICES** New Postal


Products , 39992–39993 [2010–17005] [\[TEXT\]](#) [\[PDF\]](#)

 [The Local](#) has reported that "Major German email providers are readying themselves for the new De-Mail system that will let users send letters and documents over the web that are just as legally binding as printed material delivered by post. The aim is to banish the need to use printed pages for sensitive material such as letters and documents to lawyers, banks and government officials. The system will be secure and carry the same legal weight as printed documents." *[EdNote: The U.S. Postal Service has found a better way. Anger your customers by raising rates through extraordinary rate proceedings.]*


 [Foster's Daily Democrat](#) has told its readers that "The U.S. Postal Service wants to raise the price of a mailing a letter to 46 cents — a 2 cent increase that, subject to approval, will take effect in January. Prices for other mailings, such as periodicals, advertising and packages, also would be increased. The public is not up in arms quite simply because so many have turned to other alternatives. And that is why the USPS price-hike strategy, which has been tried seven times this decade, has failed to stop the budgetary bleeding. The problem goes beyond a slack economy. Continuing to raise rates eventually will take its toll on consumers, and especially on businesses that rely on the U.S. mail as an essential component of their operations. Maine Sen. Susan Collins has made exactly this point — that the higher and higher rates go, the more and more businesses will switch from the mails to other means to connect with customers — whether to issue bills, or to send out catalogs or circulars. Collins has said she will urge the Postal Rate Commission to reject the latest hike. Instead the senator wants the Postal Service to limit any increases to the cost of living."

 [Trend](#) has reported that "Azerpocht, the Azerbaijani national postal operator, started to provide financial services to the population, Azerbaijani Communications and IT Ministry Postal Communications Department Head Novruz Mammadov said. Mammadov said today the banking services are available at post offices."


 [Occupational Health & Safety](#) has reported that "OSHA has cited the U.S. Postal Service for workplace safety violations related to electrical hazards found at its Processing and Distribution Center in Capitol Heights, Md. Proposed penalties total \$272,000. The agency made the announcement six days after the Department of Labor filed an enterprise-wide complaint against USPS for electrical work safety violations. That July 6 complaint, which marked the first time OSHA has sought enterprise-wide relief as a remedy, asked the Occupational Safety and Health Review Commission to order USPS to correct electrical violations at all its facilities nationwide. "These citations and sizable fines reflect the Postal Service's failure to equip its workers with the necessary knowledge and skills to safely work with live electrical parts," said Assistant Secretary of Labor for OSHA Dr. David Michaels. "The Postal Service knew that proper and effective training was needed for the safety of its workers but did not provide it."


 As [The Scotsman](#) has noted, "a major rival to Royal Mail yesterday announced plans to expand its workforce by a fifth and bolster its regional presence. TNT Post, which currently handles some 280 million items a month, is also planning to invest £3 million in sorting and processing technology. It expects to have more than 1,000 employees in the UK following the recruitment drive. TNT has a network of five regional offices and will extend this to cover a new hub in Northern Ireland in the autumn. It is also looking for a central distribution hub to increase its capacity. The Dutch-owned firm entered the UK market six years ago. It expressed an interest in buying a stake in Royal Mail last year under plans to part-privatise the postal operator, which were later scrapped."


 [ZDNet](#) has noted that "Australia Post has charged into e-services through a new streamlined postage deal with eBay as well as the launch of a new mobile website and iPhone app. The renewal of Australia Post's "Future Ready" program, which is meant to restructure the way Australia Post does business, will also see the company backing new e-service offerings. The program aims to re-structure Australia Post into four new business units: postal services, retail services, express distribution services and a dedicated e-services department. Australia Post's CEO, Ahmed Fahour, said that Future Ready will allow Australia Post to do everything it does in the physical world in a digital space."


 The [News-Herald](#) has come to the following conclusion about the Postal Service: "The fact that it continues to lose billions of dollars or projects that it will — coupled with ever-developing advances in technology and its


everyday use — we believe an argument can be made that the USPS' business model is outdated. All of which tells us a bigger fix is needed. We don't have the answer, nor do we expect there will be a "magic bullet" that solves all the U.S. Postal Service's problems, but we urge agency officials to start rethinking the USPS' approach to doing business. If this process has already started to some degree, then we urge them to double their efforts. Raising rates and cutting expenses may help the U.S. Postal Service's bottom line but doesn't appear to be a long-term answer, and a U.S. Postal Service that faces "a serious risk of financial insolvency" and can't pay its bills is something — one way or the other — we can't afford."


 According to [Hellmail](#), "By granting Royal Mail unconditional Quality of Service (QoS) relief in 2007, Postcomm set the precedence for QoS relief anytime Royal Mail suffers QoS failures related to its modernisation effort (i.e., that which Postcomm describes as 'transformation activity'), especially where Industrial Action (IA) is concerned. Furthermore, the aforementioned precedence, along with the methodology Postcomm uses to pre-screen and evaluate a QoS Relief Application (QoSRA), opens the door to potential manipulation and abuse of the process by applicants."

 The [Atlanta Journal-Constitution](#) has reported that "Nearly 200 Pitney Bowes employees in Atlanta will lose their jobs, the mail processing and information technology firm announced Monday, apparent victims of U.S. Postal Service consolidation. Workers for the Stamford, Conn.-based company's Government Solutions division process mail and containers at the postal service's Surface Transportation Center on Fulton Industrial Boulevard. The contract for 184 Pitney Bowes workers expires Sept. 8."


 From [WebWire](#): "The Center for Environmental Innovation and Leadership's featured podcast this week is an interview with the U.S. Postal Service's (USPS) vice president of sustainability, Sam Pulcrano. Mr. Pulcrano discusses USPS' green initiatives as well as specific projects that will meet the mandates of President Obama's Executive Order 13514. EO 13514, issued last November, requires federal agencies to reduce energy use, conserve resources and make all operations, processes and facilities more efficient."


 [Business News](#) has reported that "BÖWE BELL + HOWELL and Gunther International today announced an agreement whereby Gunther International will offer its customers disaster recovery and overflow services available through BBH. The BBH facilities offer secure mail-production services, from data management, printing and verification to induction by the U.S. Postal Service."


 According to the [New Republic](#), "The post office plans to raise stamp prices again. The usual groans about government inefficiency are sure to follow. But the post office doesn't get the credit it deserves. The post office bests the private sector in another way: It's actually put the money aside to pay for its workers' retirements. The post office is socking away about \$5.5 billion a year in order to finance health care that its workers won't use for decades; these payments are the primary reason it's losing so much money. And a recent report even suggests that an accounting error resulted in the post office putting away far more money than will be needed." *[EdNote: Good points....In fact, I suggest that the Postal Service look to the New Republic to provide all of the revenue it's seeking from its exigency request....Idiots!]*

 From the perspective of the [Pittsburgh Tribune](#), "At least Robert Bernstock no longer is president of shipping and mailing for the U.S. Postal Service. An executive who reportedly did outside business on USPS' dime, steered no-bid contracts to former corporate buddies and had postal staff make arrangements for private travel is no asset -- especially to such a financially strapped organization. In what little time he had for actual USPS work, he helped prior employers Vlastic Foods and Scotts Miracle-Gro land no-bid contracts. The U.S. attorney's office in Washington has declined to prosecute. That won't help to assuage taxpayers' ire. Bernstock's personal gains while at USPS came at the expense of transparency, efficiency and proper priorities. With a top manager like that, it's no wonder USPS is a fiscal train wreck."


**July 12, 2010**

 [The Hill](#) has reported that "The community pharmacists' lobby is downplaying the effect that U.S. Postal Service cuts would have on patients' access to drugs. The National Community Pharmacists Association (NCPA) argues this week that the consequences if the USPS ends Saturday service have been exaggerated by other pharmacy groups."

 [Uni Global Union](#) has noted that "FNPT UMT members took sit in protest action against what they say is Dh 4.33 million that was awarded to 66 postal managers in Morocco without any objective justification. The Executive Bureau of the FNPT UMT Morocco have decided to undertake a national protest strike of 24 hours at the office of Morocco Post on Friday 16 July accompanied by a sit-in outside the main station in Rabat to protest against the flight of public money."

 [DM News](#) has reported that "Marketers and catalogers that rely on the mail to reach consumers decried the US Postal Service's proposed "exigent price increases," saying the rate hikes would have drastic negative financial repercussions for their 2011 operational and marketing plans. Some organizations said **they will cut back on the number of mailings or pieces they send**, while others promised to switch some programs to other forms of advertising, including e-mail, telemarketing and print periodicals. Some mailers said **they will move more aggressively to the Internet**. International Masters Publishers, Publishers Clearinghouse and other continuity shippers face an especially brutal postage increase because they use the entire spectrum of mailing services. They use Standard Mail for acquisition of new customers or club members; invoicing of customers via First Class Mail; and product fulfillment, often sent as non-machinable flat mail (**about a 38% increase**) or Standard Parcels (**23.3% average increase**)."

 **At the Postal Regulatory Commission:** Postal Regulatory Commission Chairman Ruth Goldway will be featured on [C-SPAN tomorrow at 9 a.m.](#)

 [Bloomberg Businessweek](#) has reported that "The U.S. Postal Service and the Commerce Department said they will work to help small and medium-size businesses ship exports through the post office's international services, which include a FedEx Corp. partnership. The joint effort is aimed at contributing to President Barack Obama's campaign to double U.S. exports while helping the mailing agency as it struggles with declining volume and revenue." See also the [PRNewswire](#).



From the Office of the Inspector General:

- A new report recently has been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, please contact Wally Olihovik at 703.248. 2201, or Agapi Doulaveris at 703.248.2286. [Assessment of Worksharing \(RARC-WP-10-005\)](#). Worksharing is a form of outsourcing where mailers perform activities for the U.S. Postal Service, such as processing or transportation, in exchange for price reductions. For more than 30 years, the Postal Service has offered workshare discounts to mailers, but it has inspired strong views from both proponents and opponents. To some, worksharing liberated the Postal Service's supply chain to the private sector, increasing efficiency, growing mail volume, and allowing the Postal Service to tailor pricing to its customers' needs. To others, worksharing exposed the Postal Service to revenue risks, provided subsidies to big mailers, and sacrificed postal jobs to unfair competition. The Office of Inspector General's Risk Analysis Research Center undertook an independent assessment of worksharing. The assessment found that in many ways worksharing has been a resounding success in the United States and a model for other posts in other countries to emulate. Yet, there are still problems to be addressed and opportunities to be explored. The results appear in a recently released [white paper \[link\]](#). Some of the key findings are:

- Worksharing has rapidly grown to dominate the Postal Service's business and today represents over 80 percent of mail volume.

- The Postal Service provided \$15 billion worth of discounts for work that saved \$14.8 billion in avoided costs in fiscal year 2008.
- The Postal Service's ability to retain earnings may create an incentive to set discounts to be less than the Postal Service's avoided costs, especially in areas where discounts greatly exceed mailer cost.
- The Postal Service's worksharing program is recognized as the largest, most sophisticated, and most transparent in the world

The time is right for the Postal Service, the Postal Regulatory Commission, and the stakeholder community to reexamine and reevaluate certain principles supporting worksharing in order to prepare it for the next 30 years.

- This week's "Pushing the Envelope" blog topic:


**[New Business Mail Acceptance and Verification Process — Friend or Foe?](#)** The Postal Service has designed and implemented new business mail acceptance procedures and requirements in an effort to comply with the Sarbanes Oxley Act. What do you think of the new procedures?


- New Audit Projects opened: (Please share any information you may have that would help with these audits currently in progress by clicking on the links below): **[10XG045DR000 -- Follow Up Audit - Mgmt of DPS Increases - City Delivery](#)**. The objective of this audit it to determine whether management implemented initiatives in fiscal year (FY) 2009 would achieve the target goal of 95 percent Delivery Point Sequencing by the end of FY 2010.

**[Minonline](#)** has reported that "Despite organized resistance to the U.S. Postal Service's proposed 8% rate increase for periodical postage, **the magazine industry may need to adjust to the new reality of pricing, suggests Postal Regulatory Commission Chairman Ruth Goldway**. While periodicals face the stiffest rate hikes among the classes of mail addressed by the USPS plan, "On the face of it now, this 8% increase that they are presenting is something that is justified," Goldway says in an exclusive interview in next week's issue of min. As the PRC is about to start its 90-day evaluation of the USPS proposal, Goldway says periodicals have fallen behind in covering the actual costs the USPS incurs in handling the class of mail. "The law does require that each class of mail in aggregate cover its attributable costs," says Goldway. "It does have to pay for what it costs to actually process the mail on the machines and deliver the mail to people's homes. And periodicals have been a class of mail that throughout the 90s has just barely covered its institutional costs and in the last several years has gone below water as we say." It is the industry's case to prove that rates shouldn't rise considerably now to make up for this shortfall, she says. A more thorough evaluation of the costs of handling magazines is underway, "and we may get different information," she says. "But **the bottom line is that the requirements for now of the law mean that the Postal Service and the Postal Regulatory Commission are supposed to make sure that periodicals cover their cost.**"

**[NewsCenter1](#)** has reported that "Many agencies across the United States are trying to save money, and it's no different for the Postal Service. But **some members of South Dakota's congressional delegation say the Post Office should not cut Saturday service or implement a \$0.02 increase on stamps**. Senator John Thune says the post office should look to cut overhead and day-to-day operational costs first. Herseth Sandlin says many South Dakotans rely on six-day service to get much needed medications and other important packages, especially those folks in rural areas."

**[Hellmail](#)** has reported that "TNT Post said last week it was on track to expand its UK workforce by a fifth, increase its regional presence and invest significantly in its operations by the end of the year. The expansion which will take TNT Post's staff to more than 1000 employees across the UK. The company which has recently been reaccredited by Investors in People, will introduce new roles across the business - from client managers to administrative and operational staff in the postal depots. New roles will also be created across TNT Post's national van fleet which is to be centralised to provide flexibility of coverage across the country."


 According to the [Lansing State Journal](#), "**the real problems with the Postal Service are actually concentrated on Capitol Hill**. Congress, after all, tells the service to provide six days of mail delivery, whether that's a good business practice or not. Congress requires the service to "pre-fund the \$5.4 billion needed for its retired worker health benefits, rather than coming up with it on a pay-as-you-go basis, as other federal agencies do," reports the Washington Post. Members of Congress also tend to squawk when talk turns to closing post offices with light traffic. But what is the Postal Service to do, when 26,000 of its 32,000 post offices lose money, as the Christian Science Monitor reports? The service projects it could absorb more than \$200 billion in losses by 2020. **That's evidence of a broken business model** - something to rebuild, not tinker with."


 The [Wilmington News Journal](#) has reported that "in a hearing last month in Chicago, businesses like Caremark and Euromarket Designs, Inc., which owns Crate&Barrel, opposed both measures. Euromarket Designs said **a postage increase in 2007 forced the company to mail fewer catalogs**. The last postage hike was in May 2009. Art Sackler, executive director of the National Postal Policy Council, which advocates for bulk mail users, said fee hikes and service cuts aren't long-term solutions for the Postal Service, which relies solely on postage fees for revenue. "To increase [postage] would be counterproductive," said Sackler, who thinks the Postal Service needs to downsize its operations to save money. **There are mailers who use it who can't afford it and do have alternatives to the mail.**"


 **At the Postal Regulatory Commission:**

Date	Time	Event
07/14/2010	09:30 AM	Hearing on Postal Service's direct case for Docket No. N2010-1 in the Commission's Hearing Room
07/16/2010	09:30 AM	Hearing on Postal Service's direct case for Docket No. N2010-1 in the Commission's Hearing Room
07/19/2010	02:00 PM	First Technical Conference R2010-4 in the Commission's Hearing Room
07/20/2010	09:30 AM	Hearing on Postal Service's direct case for Docket No. N2010-1 in the Commission's Hearing Room
07/21/2010	09:30 AM	Hearing on Postal Service's direct case for Docket No. N2010-1 in the Commission's Hearing Room
07/22/2010	09:30 AM	Hearing on Postal Service's direct case for Docket No. N2010-1 in the Commission's Hearing Room
07/23/2010	09:30 AM	Second Technical Conference R2010-4 in the Commission's Hearing Room
07/27/2010	09:30 AM	Third Technical Conference R2010-4 in the Commission's Hearing Room


**July 11, 2010**


 [FM World](#) has reported that "Swiss Post Solutions has won a four year contract to provide invoice processing services to ELFS Shared Services NHS (ELFS). ELFS provides accounting, payroll and financial and business systems services to NHS organizations. Swiss Post Solutions will provide automated and paperless invoice processing services which ELFS use for more than 250,000 supplier invoices."


 [The Guardian](#) has reported that "Royal Mail is ripe for public ownership. It could become the People's Post, owned by everyone in Britain and controlled by its employees."


 [Analytiqa](#) has reported that "Siemens has become a global partner of the DHL Innovation Initiative and from now on will support DHL with comprehensive know-how and modern technologies. The driving force of this initiative is the DHL Solutions & Innovations (DSI) unit, which is responsible for all the Group's research projects and innovations in the global DHL network. Siemens and DHL want to further improve the performance of the

SmartTruck, the intelligent delivery vehicle that is already run by DHL in Berlin, by using intelligent traffic management systems as part of a dynamic route planning."

The [Orange County Register](#) has reported that "To deal with its problems, the USPS has proposed eliminating Saturday delivery, saving \$3 billion a year; although the PRC says the savings would be \$2 billion. The proposed stamp-rate increase would bring in an estimated \$2.3 billion for the first nine months of 2011. **"Only with a government service would you increase prices and decrease customer service in the face of declining demand for your service,"** Tad DeHaven told us; he's a federal budget analyst at the Cato Institute and next month will publish a research paper on the USPS. What's needed, he said, is competition – ending the USPS's monopoly on first-class mail. UPS, FedEx and other services can compete on delivering packages, but not on first-class mail. "Other countries, especially in Europe, are starting to liberalize their postal services. In the United Kingdom, they're selling shares in Royal Mail," that country's postal service. He said **there are two choices**. First is **subsidization by Congress**, meaning taxpayers would be forced to underwrite a bloated government bureaucracy. The other choice is **privatization**, bringing to bear the efficiencies and innovation of the marketplace."

The [Wall Street Journal](#) has reported that "One likely policy impact from Sunday's vote: Odds have dropped for expanding the role of Japan's sprawling national postal system in the country's financial-services market. That would cheer the U.S. and Japanese financial industries, which have criticized the proposal as creating unfair government competition against domestic and foreign private firms."

The [Indian Express](#) has reported that "Over 3.2 lakh letters, 42,000 speed posts and 6,000 money orders that are distributed in the city per day, will not reach their destination on time as more than 2,000 employees of the city postal department join the nationwide indefinite strike beginning Tuesday. Over five lakh postal employees across the country, including 3,700 from the district, are going on an indefinite nationwide strike pressing for 18 demands."


The following is an extraordinary letter to the editor of the New York Times from long-time postal sage Murray Comarow:

The Postal Service's proposal to switch to five-day delivery is complex and controversial. ["Sides Form Over Threat to Saturday Mail Service," 7-6-10] Congress has therefore directed the Postal Regulatory Commission to study the issue; its recommendations are expected in October.

But Ruth Y. Goldway, the Commission's Chairwoman, apparently has already made up her mind. The article quotes her as saying, ""The Postal Service in fact should be expanding its accessibility and delivery capability to meet those needs. The long-term future of the Postal Service may be limited by their interest in reducing service today."

She is certainly entitled to her opinion, but it is safe to say that Congress expected a serious, credible study leading to recommendations by the PRC's five presidentially-appointed commissioners. This shoot-from-the-hip comment by Mrs. Goldway is not exactly new and tends to undermine confidence in the Commission.

I don't know how the other four commissioners feel about Mrs. Goldway's pre-emptive remarks; perhaps the Times should ask them. I'd guess they would rightly say, "No comment until we report to Congress."

According to the [Marietta Times](#):

The dishonest arrogance of some in the Washington power elite is breathtaking. Robert Bernstock, formerly paid \$232,500 a year as the U.S. Postal Service's president of shipping and mailing, is a case in point.

At the same time Bernstock was on the government payroll in a full-time job, he received more than \$250,000 in fees for serving on corporate boards, The Washington Times reported last week.



Postal Service officials approved the arrangement, claiming Bernstock used personal time and vacation days to take care of his outside business interests.


Not true, according to a report by the Postal Service Office of Inspector General. Investigators there found Bernstock devoted time he was being paid by taxpayers to his outside interests. He even used Postal Service employees and property for a business he owned.


Neither Bernstock nor Postal Service officials would comment to the Times about the report. Bernstock no longer is employed by the Postal Service. No action was taken against him as a result of his alleged misbehavior.


Tuesday, the Postal Service announced it wants to raise the price of first-class stamps by 2 cents to 46 cents. Too bad the president of shipping and mailing didn't spend more time figuring out how to cut costs.

*[EdNote: Customers of the Postal Service should not be required to pay for postal management excesses.]*


**July 10, 2010**


 [The Hindu](#) has reported that "Aimed at making lives of postmen more comfortable, the Department of Posts on Friday introduced solar-powered postal delivery rickshaws. Launching the pilot project here, Minister of State for Communications and Information Technology Sachin Pilot said initially 10 environment-friendly 'Soleckshaw' would run in Ajmer (Rajasthan) and gradually these modern postal-delivery vehicles would be introduced across the country. Developed jointly by the Council of Scientific and Industrial Research (CSIR) and Kinetic Motors, 'Soleckshaw' are pollution-free rickshaws that run on inexpensive solar battery."


 [The International News](#) has reported that "Minister for State for Postal Services Abdul Raziq Afreedi has said that efforts were on to make available online all post offices in the country in order to upgrade postal services of Pakistan, in accordance with international standards."

 [TameBay](#) has reported that "Royal Mail have just launched a new microsite – Royal Mail International Business, aimed at helping businesses sell internationally, either from or to the UK. They highlight on main reasons for expanding a UK business internationally – The relative weakness of the pound. On eBay simply adding shipping options to existing eBay UK listings is working well for many sellers, although specifically listing on eBay.com, eBay.de and other countries will increase sales even further."


 [From the Federal Register: Postal Regulatory Commission NOTICES](#) Postal Classification Change, 39710 [2010–16868] [\[TEXT\]](#) [\[PDF\]](#)

 According to the [Catholic News Service](#), "It couldn't come at a worse time. That's the message coming from Catholic and other charitable organizations, magazine and newspaper publishers and direct mailers in response to the postal rate hikes proposed by the U.S. Postal Service for next year. "If the rates increase 5 to 10 percent, some organizations have already guesstimated that their income would go down at least 10 percent," said Franciscan Sister Georgette Lehmuth, president and CEO of the National Catholic Development Conference."

 [WGRZ](#) has reported that "Some residents of the towns of Wales and Holland recently got letters from the Postal Service stating that rural delivery service would be curtailed for some customers because the mail carrier's vehicle could not navigate the shoulders of the road. They have not been paved as yet and now there is an offset with the paved road surface.

 The [APWU](#) has affirmed that "The 2010 rate adjustments proposed by the Postal Service are not a response to declining mail volume caused by the recession, or the diversion of hard-copy mail to electronic forms. This


adjustment is to pay the future healthcare bill." [EdNote: That's about all the APWU got right. It gets so few things right these days.]

 According to [Dead Tree Edition](#), "The Postal Service believes it can achieve significant savings by having letter carriers spend their entire shift delivering mail while other employees take over the carriers' mail-preparation duties. The idea is to split the role of letter carrier into two different jobs -- casers who would take on any mail sorting now done by carriers and deliverers who would strictly deliver the mail."

### **At the Postal Regulatory Commission:**


- RM2010-9 Initial Comments of the Public Representative Concerning Methods to Estimate Volume Changes Caused by Pricing Incentive Programs Link: [http://www.prc.gov/docs/68/68915/RM2010-9 PR INITIAL\\_COMMENTS.pdf](http://www.prc.gov/docs/68/68915/RM2010-9_PR_INITIAL_COMMENTS.pdf)
- Postal Service Active Employee Statistical Summary (HAT Report), Pay Period 13, FY 2010  
[http://www.prc.gov/docs/68/68920/Letter-HAT\\_Rpt-PP13-FY2010.pdf](http://www.prc.gov/docs/68/68920/Letter-HAT_Rpt-PP13-FY2010.pdf)  
[http://www.prc.gov/docs/68/68920/PS\\_Active\\_Employee\\_Statistical\\_Summary\\_PP13FY2010.pdf](http://www.prc.gov/docs/68/68920/PS_Active_Employee_Statistical_Summary_PP13FY2010.pdf)
- On-Roll and Paid Employee Statistics (ORPES), June 2010, Pay Period 13 Fiscal Year 2010  
<http://www.prc.gov/docs/68/68921/Letter-ORPES-June2010-PP13-FY2010.pdf>  
[http://www.prc.gov/docs/68/68921/ORPES\\_JUNE\\_PP13\\_2010\(2\).pdf](http://www.prc.gov/docs/68/68921/ORPES_JUNE_PP13_2010(2).pdf)
- Quarterly Statistics Report, Quarter II, FY2010  
<http://www.prc.gov/docs/68/68922/Letter-QrtlyStatsRpt-QtrII-FY2010.pdf>  
[http://www.prc.gov/docs/68/68922/OSR\\_FY10QT2\\_2.pdf](http://www.prc.gov/docs/68/68922/OSR_FY10QT2_2.pdf)


*July 9, 2010*

 [The Motley Fool](#) has asked: "Will These Companies Get Stamped Out? Netflix's bottom line will certainly take a hit, but only in the short term. More of its customers are switching to its streaming video instead of its movies by mail."




**[Now hear this: "This Week In Postal".....the latest podcast posted now! "Mad as hell!!!"](#)**

 According to [Peoples World](#), "Faulty Postal Service deficit projections are feeding the frenzy to stop Saturday deliveries." [EdNote: Hell, they're costing private sector folks their businesses, their jobs, their benefits, their families' security.]

 [Media Daily News](#) has reported that "As cell phones achieve something approaching ubiquity, growing numbers of U.S. adults are using mobile devices to access the Internet, according to the Pew Internet & American Life Project. which recently released its "Mobile Access 2010" report based on survey performed in May. Specifically, Pew found that 38% of U.S. adults who own a mobile device use it to access the Internet -- up from 25% in April 2009. This represents substantial penetration of the U.S. population overall, as Pew revealed that 82% of the U.S. adult population owns a mobile device."



**Press Release:** The Postal Service has been named one of the 40 Best Companies for Diversity in the July issue of [Black Enterprise](#) magazine.

 [TheStockMasters](#) want to know: "All the news lately around Netflix is around their "groundbreaking" deal with Relativity Media, allowing them to release major theatrically released films owned by Relativity will be licensed directly and exclusively to Netflix for streaming to its subscribers during the "pay TV window." What investors should be looking at is the financials. Netflix, which is currently trading at 56 times earnings, is going to take a big hit due to the postage increase. The company ships an average of 2 million DVDs each day and said, it's "willing to

take our share of the sacrifice to ensure a stronger, more viable United States Postal Service." **Two cents on two million DVDs a day comes to \$14.6 million a year. That's more than 10% of what Netflix will make this year.**

## MAILERS OPPOSE USPS EXIGENCY REQUEST

The U.S. Postal Service has filed an exigency rate increase request with the Postal Regulatory Commission. An historic coalition of mailers, the [Affordable Mail Alliance](#), has banded together to *oppose* the Postal Service's request and to urge the Postal Regulatory Commission to find that the USPS has failed to demonstrate it faces the kind of "extraordinary or exceptional circumstances" provided within the Postal Accountability and Enhancement Act of 2006.

The Association for Postal Commerce is a supporting member of the [Affordable Mail Alliance](#).

We also have posted a page of important information on our sister site -- [AmericaPost.com](#) - information that makes clear by why PostCom supports the Alliance and opposes the Postal Service's exigency request.

[AmericaPost](#)<sup>®</sup>



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

- The Postal Service has proposed a major change in its rate structure through an exigent rate case. The general and postal press have focused on 1) the rate increases themselves with particular attention to the impact on First Class single piece mail; and 2) the exigent process itself, a rate setting process that is being used for the first time. Mailers have organized a major effort to stop the changes through a new group the Affordable Mail Alliance. With only 90 days to press their case mailers have a major challenge in their effort.
- The Congress Research Service (CRS) has published a new paper for Congress titled "The U.S. Postal Service's Financial Condition: Overview and Issues for Congress." The report provides an overview of the Postal Service's financial condition, recent legislation to alleviate its financial challenges, and possible issues for the 111th Congress.
- According to NALC President Frederic Rolando, "What is at stake here is finding a long-term, common sense solution to the financial problems plaguing the Postal Service. The answer does not reside with penny-wise, pound-foolish service cuts, as proposed by the USPS. Of the options under consideration to solve the Postal Service's financial crisis, the smartest solution is to reform the congressional mandate to massively pre-fund future retiree health benefits."
- The USPS Office of Inspector General (IG) has released its "Audit Report - First-Class and Standard Mail Workshare Discounts." The self-initiated audit looked to determine whether the USPS bases its First-Class Mail (FCM) and Standard Mail (SM) workshare discounts for presort letters on current cost inputs.
- On June 29, 2010, the U.S. Postal Service Office of Inspector General (OIG) released a report on its investigation into the dealings of Robert Bernstock, USPS's President of Mailing and Shipping Services. OIG investigated 11 separate allegations. Some were quite serious, such as steering sole source contracts to former colleagues. Some were remarkably trivial, such as using his official position to obtain a restaurant reservation. This article examines what can be gleaned from the OIG report on how the highest levels of postal management interact and make decisions. This article also examines the possible impact of the investigation on future noncompetitive purchases.
- The USPS as part of its exigency price increase filed at the PRC earlier this week, included a detailed update on its flats strategies which laid out its plans in the areas of transportation, mail processing and post office operations and delivery to reduce costs and improve efficiency for flats products.

- The USPS Office of the Inspector General (OIG) earlier this week released its report on the results of its self-initiated audit on the Flats Sequencing System (FSS). The OIG reported that although the Northern Virginia District delivery units have seen improvements and cost reductions from FSS, some issues were identified including machines unavailable for several months, and processing issues that negatively impacted delivery operations.
- The Institute for Research on the Economics of Taxation (IRET) has published a Congressional Advisory paper titled "The Postal Service Asks To Eliminate Saturday Delivery; Congress Still Has Questions." The paper examines the main developments since January 2009. It concludes that "... Congress does not appear willing to permit the Postal Service to eliminate Saturday delivery." The IRET said that "members want to see the PRC's advisory opinion first and many hope to get past the November election without doing anything controversial."
- Dead Tree Edition has told its readers that "A couple of years ago, postal officials were telling catalog and magazine publishers that the Flats Sequencing System would dramatically lower the Postal Service's costs of handling our mail. Now it's not so clear whether the \$1.4 billion investment in Phase of the huge FSS machines will even pay off. And that's a major annoyance to magazine publishers, who were singled out today for an extra-special exigent rate increase today because the Postal Service can't get its costs of handling flat mail under control."
- Collins blasts USPS rate request; says will urge rejection. PRC establishes address management docket. PRC sets hearing schedule for 5-day case. USPS and Commerce expand international partnership. Rep. Connolly wants the USPS to re-imagine. Sen. Carper to introduce legislation. USPS will miss yet another opportunity. Time to change monopoly rules? UPS chief added to federal advisory board. US News: time for Congress to act. Catalogers have reason to be ticked. USPS has some mending to do. Tough times ahead for print.
- An update on DMM Advisories issued by the U.S. Postal Service.
- An update on postal rules and notices published in the Federal Register.
- An update on proceedings before the Postal Regulatory Commission
- A review of postal news from around the world.
- A review of recent reports released by the U.S. Postal Service's Office of the Inspector General.
- Postal previews.

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**PostCom Members! Please note, a [revised set of postal price comparison charts](#) has been posted on this site.**


The [Big Fat Marketing Blog](#) has reported that "The filing, which calls for an average 5.6% hike across the board, looked strikingly similar to the rate cases it used to file under the system that prevailed before the Postal Accountability and Enhancement Act (PAEA) of 2006. That act was supposed to guarantee small annual rate increases based on the rate of inflation. But even that "modest" increase was not enough. The postal service had the brass to slip in a proposal to hike the rates for small standard mail parcels by a whopping 23.3%. Funny, but in the last increase in 2009—which averaged 3.8% across the board—the rates for standard mail parcels increased 16%. <http://directmag.com/directmail/standard-mail-rates-rise-0211/index.html>. Couldn't the USPS think of something different?"

[Exchange](#) has reported that "Canada Post Corporation announced its intention to issue up to C\$1 billion in long-term debt, consisting of two series of bonds with terms up to and including 30 years. Net proceeds of the offering will be used primarily to finance the company's "Postal Transformation" modernization program."

 The [Phoenix Business Journal](#) has reported that "Businesses that depend on mail delivery are urging the Postal Regulatory Commission to reject a proposed increase in postal rates. The Affordable Mail Alliance -- a coalition of businesses, nonprofit organizations and consumers -- contends the rate increases would make the Postal Service's financial problems even worse by causing more customers to stop using mail. "This proposed rate increase amounts to another tax imposed on Americans at a time when the economy can least afford it," said alliance spokesman Tony Conway, who also is executive director of the Alliance of Nonprofit Mailers. "Consumers everywhere will pay more for the letters and packages they need to send. Struggling businesses -- large and small -- will suffer, and even more jobs will be lost." Publishers, printers, paper manufacturers and marketers would be hit hardest by postal rate hikes, the alliance contends."

 The [Gazette Herald](#) has reported that "COMPLAINTS about the postal service in our region have fallen for the second successive year while the amount of compensation paid out has been slashed. Newly-released figures show for 2009/10 there were 7,047 complaints to Royal Mail from the YO postal area, which resulted in £61,732 being paid out. This compares with last year's figures of 8,976 complaints and compensation totalling £104,699. Of this year's complaints total the vast majority -- 3,126 -- relate to lost items for which the Royal Mail paid out £42,361 in compensation. Of the other complaints, 707 were about delays which resulted in payouts totalling £4,432. The YO postal area covers all of York, most of North Yorkshire and much of East Yorkshire."

 [Post & Parcel](#) has reported that "Finnish operator Itella has bought the Estonian arm of SmartPost, the company that created a parcel network in the eastern European country. SmartPOST has said the deal will allow them to expand in foreign markets, concentrating on the development of parcel terminal software and hardware whole solutions. The parcel terminal network created in Estonia over the past two years will be owned by Itella, who will also become the holder of the SmartPOST brand in Estonia and the new employer of six company employees. The company providing the service will be called OÜ Itella SmartPOST."

 The [Washington Post](#) has reported that "The Labor Department said the USPS may have serious electrical work-safety violations at all of its 350 processing and distribution centers. "The safety violations increase the risk of injury from electrical shock, including electrocution," the department's statement said. Labor's solicitor filed a complaint Tuesday with the Occupational Safety and Health Review Commission, asking it to compel USPS compliance with electrical safety standards at all of its facilities. The complaint followed the discovery of numerous, similar violations in postal buildings by the department's Occupational Safety and Health Administration. A department statement said this is the first time Labor has sought "enterprise-wide relief as a remedy." **The complaint says that the USPS has known "for many years" of its failure to comply with OSHA's electrical safety-related work practices standards.** OSHA has imposed \$2.9 million in penalties for violations at 21 postal facilities."



***From the Federal Register:***


## Postal Service

### PROPOSED RULES

International Mail:

Proposed Changes in Prices and Fees, 39475–39477 [2010–16799] [\[TEXT\]](#) [\[PDF\]](#)


New Standards for Domestic Mailing Services, 39477–39492 [2010–16810] [\[TEXT\]](#) [\[PDF\]](#)


 [Media Daily News](#) has reported that "While magazine publishers are still determining how to make money from online advertising, **there's no question that they have succeeded in establishing online sales channels for print magazine subscriptions**, according to a new survey from the Magazine Publishers of America. Specifically, the MPA found that online sales now account for 24% of all new magazine subscription sales. That's almost double the 2006 figure of 13%, and up from 17% in 2007, 21% in 2008 and 22% in 2009. Overall, online sales channels account for 13% of all subscriptions -- both new and renewed -- this year. Among the survey's other findings: magazine-branded Web sites accounted for 43% of all new subscription sales, and 93% of Internet subscriptions come directly to magazine publishers. *[EdNote: Oh great....And with the Postal Service's decision to hike mail rates, magazine publishers will be moving even more business to the web. So much for needing the Postal Service to "bind the nation together."]*


 Here's a quote from a USPS executive published by [Logistics Management](#). It's a beaut.


*"We are facing this problem because of a massive drop in mail volume and the fact that the bulk of our costs are fixed by laws, contracts, or regulations. Our operating flexibility is severely limited right now. Our network is expanding by a million delivery points every year, and we are subject to a lot of legal requirements that limit our ability to reduce service commensurate with the decline in demand."*


*Okay, okay. Let's see. The USPS is losing mail volume, so the way to gain that volume back is to raise prices. Right? Wonderful logic, don't you think? Okay, okay, "our costs are fixed by...contracts." Are we expected to believe that those contracts happened without USPS participation or complicity? Gimme a break. Okay, okay, "we are subject to a lot of legal requirements." You're a government agency with a statutory monopoly, for cryin' out loud! You want to be rid of both, go private and leave your governmental binky at home. Does anyone over there actually listen to what they're saying?*


 [Air Cargo World](#) has noted that "UPS has expanded its carbon neutral shipping program to 35 countries and territories across Europe, Asia and the Americas. The integrator's initiative allows customers to pay a small fee to calculate and offset the carbon emissions associated with their shipments. UPS became the first small package carrier in the US to introduced such a program last fall, aiming to build on its legacy of sustainable business practices. The extended offering, including a contract version for customers who want to offset the carbon impact of all their shipments, will be available from July 12."

 According to [Folio](#), "Incoming ABM president and CEO Clark Pettit faces some steep tasks representing an industry that had one of its worst performing years ever in 2009, all while undergoing a fundamental transition to the business model—a transformation in which no one has really figured out all the answers yet." [EdNote: I guess the only question is: Will any future business model for magazines factor in the Postal Service, or has this exigency request proven once and for all that the USPS is showing magazines the door>]


 From [PRWeb](#): "Microscan, a global technology leader for track, trace and control solutions, announces expanded capabilities in the QX Hawk imager, the world's highest performance barcode imager for multi-purpose code reading and identification applications. Expanded capabilities include the new X-Mode 3.0 firmware upgrade, more accessory options, and a new CCD version. As the first barcode imager to be designed with fully integrated liquid lens technology, the entire QX Hawk system is optimized for both superior image clarity and infinite focus capacity. The result is a robust barcode imager that combines superior barcode reading with autofocus to deliver unmatched flexibility to read 1D and 2D barcodes in any orientation, either up close or at great distances."


 [Newsfactor](#) has reported that "BlueTie, the leading provider of email hosting and collaboration solutions for small to mid-sized businesses and service providers worldwide, supporting more than 230,000 businesses and millions of users under its current paid distribution model, has integrated RPost's Registered Email® and secure Encrypted email services into its web-based business email platforms. With RPost's value added outbound messaging services now included within BlueTie's business email platform, BlueTie and RPost set a new standard for hosted business email."


 [Japan Today](#) has reported that "Japan Post Service Co said Thursday it will pay up to 300,000 yen per parcel in compensation if the recent delays in delivery caused damage to package contents or if the parcels got lost. The company also said it will reimburse the shipping fees in full if the parcel's delivery was delayed by two days or more from the designated delivery date."


 According to [HDTV](#), "Two announcements in recent weeks spell big trouble in the future for DVD rentals. Sales of movies and TV shows on DVDs have been declining steadily for the past five years, which is not good news for Hollywood. However, DVD rentals have held fast, slipping only a tad a couple of years ago, and then recovering as Redbox "buck-a-night" rental kiosks have spread all over the country's grocery and drug stores. The dominant player in DVD rentals is, of course, Netflix, who is implementing a multi-year strategy to wean customers away from polycarbonate discs and get them to stream movies instead over broadband connections. By Netflix' own reckoning, DVD rentals will peak by 2013, and then start a slow decline towards extinction by the end of the decade. They may want to move that timetable up a bit. The U.S. Postal Service just announced a hike of 2 cents in the cost


of first-class postage, to take effect early next year. According to today's M&E Daily, "...Janney Capital media and entertainment analyst Tony Wible ...estimated that a (Postal Service) rate hike could add between \$18 million and \$30 million to Netflix's physical distribution expenses in 2011." That's a real game-changer! In a New York Times article from July 2, Netflix' DVD operations head Andrew Redich was quoted as saying, "Big rate increases will absolutely squash business and will absolutely slow growth for a company like Netflix." Make no mistake about it – Netflix wants to move away from physical disc distribution to streaming, which would eliminate a ton of back-office expenses and staffing problems. The Postal Service announcement will likely hasten that move, which is not good news for DVD or Blu-ray manufacturers and distributors." [EdNote: I find it incredible that no one at the Postal Service can see that this company is fighting a Dunkirk-like holding action as it moves its troops aboard ships so it won't lose the war. Hell, doesn't anybody over there watch The History Channel?]


 The [Toronto Star](#) has noted that "After running Canada Post for five years, chief executive Moya Greene takes over the Royal Mail July 15. Greene, who has held executive positions in both the public and private sectors, shares some thoughts about the prospects for postal services."


 [People's Daily Online](#) has reported that "China Post, the official postal service of China, is planning to list the shares of China Postal Express & Logistics Corporation, its express and logistics unit, in Shanghai or Shenzhen next year."

 **At the Postal Regulatory Commission:** The Commission has appointed James Waclawski, an attorney, as the Public Representative in the exigency docket. Anyone should feel free to contact him regarding issues in the case. Contact info is on the commission's website.


 According to the [Journal Standard](#), "The postal system is broken and it needs to be fixed. The agency cannot continue to generate substantial deficits indefinitely, and aggressive steps need to be taken to put the service back on the road to profitability. That's not a message that consumers, businesses, or political leaders want to hear. Higher costs can result in businesses laying off workers and fixed-income seniors making difficult choices. It's past time the U.S. Postal Service revised its mission and business model. Demand is not going to increase, especially with price hikes. The only plausible solution is to dramatically curtail the amount of service and to continue cutting labor costs. The Postal Service has been set up to survive on its own. If it can't, then it needs to alter the mission. A price hike could actually hasten the day of reckoning. We recognize, especially in the largely rural region of Northwest Illinois, that the Postal Service is a vital service. Internet connections are not as consistent or speedy as metropolitan areas, and the elderly depend on the service. But the current frequency of service cannot be sustained without a direct subsidy, which isn't justified. In today's world, the Postal Service needs to tailor delivery to those who truly value it."

 [Radio Iowa](#) has reported that "The cost of mailing a letter is expected to go up a few pennies next year. Iowa Senator Chuck Grassley, a Republican, says the U.S. Postal Service is struggling as its mail volume drops, with losses projected of seven-billion dollars next year. Grassley says one suggestion continues to come up, that of cutting back mail delivery by one day a week. Grassley says, "I would take a look at businesses that are dependent upon six-days mail delivery and whether or not doing away with Saturday delivery would have a negative impact on those businesses doing their business." While some have suggested Saturday delivery be eliminated, Grassley says he's also seen a study indicating the better day to cut would be Tuesday, at its mail volume is smallest. "The postal service is what the word service means, it's a service," Grassley says."

 [News4Jax](#) has reported that "Within the next 90 days, a Postal Regulatory Commission will decide whether stamp prices should go up 2 cents. If the increase is approved, the new rate of 46 cents per stamp would go in effect Jan. 2. Some people are unhappy about the proposal. "If people don't have jobs, they can't buy anything -- stamps, houses, food," one local resident said. "Raising prices are something you don't want on anything, anything. People can't afford it," another local said."

 The [Stafford County Sun](#) has reported that "The Postal Service wants to raise its rates again, in order to bring in more cash. It seems that every time we turn around, postal prices increase. Although it's a sign of the times — cuts have had to be made everywhere in all sorts of fields and businesses, and the result in this case is a proposed rate

increase — it seems as if the Postal Service is seeking to increase again too easily. Instead, officials should take another look at their budget to see if there is a way to avoid this increase yet again."

 The [UN News Centre](#) has reported that "Haiti is now back on the global postal grid, with a new United Nations-backed processing centre having been unveiled earlier this week capable of processing mail from all over the world."

*July 8, 2010*



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

- The U.S. Postal Service filed its exigency price request this week with the Postal Regulatory Commission (PRC). The Postal Service is proposing an average increase of 5.6 percent, with an implementation date of January 2, 2011. The USPS plans to announce its competitive price increase later this year to be implemented at the same time. This exigent price request is not structured as an across-the-board increase.
- The Association for Postal Commerce provides some questions and answers that explain more explicitly why PostCom opposes the USPS' exigency request.
- The Affordable Mail Alliance, an unprecedented coalition of Postal customers, is today calling on the Postal Regulatory Commission to reject the United States Postal Service's new proposal to increase postal rates by ten times the rate permissible by law. The new coalition includes charities, large and small businesses, American household names and the customers who use the Post Office every day – customers that will suffer if USPS successfully raises rates again.
- Listed here are just some of the facts about this exigency case that are being shared by the Affordable Mail Alliance (of which PostCom is a supporting member.)
- According to Dead Tree Edition, "If the U.S. Postal Service wants publishers to mail more efficiently, you wouldn't know it from the exigent rate increases it requested today."
- Sen. Susan Collins says the USPS is heading in the wrong direction.
- The USPS as part of its exigency price increase filed at the PRC earlier this week, included a detailed update on its flats strategies which laid out its plans in the areas of transportation, mail processing and post office operations and delivery to reduce costs and improve efficiency for flats products.
- According to Rag Content, "an exigency price case should not be a combination of classification and structural changes paired with a price increase. The Postal Service has muddied the water by including both."
- It is more than extremely disappointing to see the disregard the Postal Service has shown in the filing of this exigency request when it comes to servicing the needs and interests of its customers. What we have here is an example of bureaucratic narcissism at its worst (hurray for me, the hell with you). A case in point? The manner in which the Postal Service has sought to "realign" rates for parcels under a pound.
- **POSTCOM EXIGENCY POSTAL RATE COMPARISON CHARTS**

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[MPBN](#) has reported that "The Maine senator is blasting the U.S. Postal Service for proposing more rate hikes and says she'll urge an independent commission to reject the request. Maine Sen. **Susan Collins is blasting the U.S. Postal Service for proposing more rate hikes.** Collins says the rate increases, which range from four percent to 23 percent, are not justified. She says **the agency's strategy of increasing postal rates threatens its viability.** "I am incredulous that the Postal Service has filed for such sweeping increases," she says. "The law that I wrote, the Postal



Reform Act, in 2006, said that the Postal Service should limit its increases to the cost of living." Collins says in this recession, there has been no increase in the cost of living. She says the Postal Service should instead cut its costs. Otherwise, she says, the agency will lose more business to competitors, forcing further rate hikes. The proposed increases will now be considered by the independent postal rate commission, which has 90 days to act on the request. **Collins says she plans to urge the commission to reject the increase requests.**"

 As the [Norwich Bulletin](#) has noted, "The U.S. Postal Service is seeking permission to raise the price of a postage stamp to 46 cents, a 2 cent increase that, if approved, will take effect in January. Prices for other mailings, such as periodicals, advertising and packages, also would be increased. If the postal service is to continue, and we believe it should, there will need to be other innovative steps taken besides merely increasing rates each year."

 The [American Postal Workers Union](#) (APWU) has told its members that "This has been an extremely busy year, as we respond to the postal policies and decisions triggered by the recent decline in mail volume. Despite a modest improvement in the economy, advertising mail has not yet rebounded. Coupled with the diversion to electronic messages, the recession has reduced mail volume to 1994 levels. A recent independent actuarial report [PDF] released by the Postal Regulatory Commission (PRC) concluded that the Postal Service has overpaid the Civil Service Retirement System in the amount of \$50 to \$55 billion, and suggested an "adjustment" in favor of the USPS. If approved by OPM, this adjustment could relieve most of the financial pressure on the Postal Service. The APWU Legislative and Political Department, in concert with other postal unions and the mailing industry, is making the case that this overpayment should be used to offset the pre-funding obligation and relieve the Postal Service from the annual payment....In years past, when we were confronted with changes of this magnitude, there were opportunities to mitigate the effect on employees through union-management cooperation. Unfortunately, it seems those opportunities no longer exist: The Postal Service's Labor Relations Department has been relegated into a forum for preparing cases for arbitration — not settlement. It seems management has no interest in reaching agreements on contract interpretation and application, so the union's only option has been to initiate grievances for a growing list of disputes. Postal management appears to have made a conscious decision to apply the most draconian interpretation of contractual terms and to await the decision of an arbitrator years in the future."

 The [National Association of Letter Carriers](#) has issued the following press release in response to proposed measures to solve the USPS' budget deficit, including rate increases and cutting Saturday delivery:

"What is at stake here is finding a long-term, common sense solution to the financial problems plaguing the Postal Service. The answer does not reside with penny-wise, pound-foolish service cuts, as proposed by the USPS. Neither is it to be found by making false and misleading claims about postal labor costs to avoid a postage rate increase, as some mailers are now doing. Of the options under consideration to solve the Postal Service's financial crisis, the smartest solution is to reform the congressional mandate to massively pre-fund future retiree health benefits.

"The Postal Service is mandated by law to meet an aggressive pre-funding payment schedule of future health benefits for retirees. No other American entity in the public or private sector is required to pre-fund retiree health benefits. The Postal Service has already set aside more than \$35 billion, enough to cover retiree health benefits for 15-20 years.

"Additionally, the Postal Service has been overcharged by \$50-\$75 billion for benefits Civil Service Retirement System (CSRS) benefits, according to the findings of both the USPS Office of the Inspector General and the Postal Regulatory Commission. Without these burdens, the Postal Service would have been profitable in three of the past four years. If these burdens were eliminated altogether, the Postal Service would be able to pay down its outstanding operational debt and focus on strengthening and adapting its business model.

"The Postal Service has reviewed its operations repeatedly over the past three years and has reacted quickly to the changing economic landscape. Jointly with the NALC, it has evaluated and adjusted letter carrier routes four times in the past 18 months. These hard-nosed reviews have saved the Postal Service over a billion dollars and have significantly reduced its workforce while it

reached record levels of productivity. Indeed, the Postal Service now employs nearly 100,000 fewer career employees than it did before the recession began."





The U.S. Postal Service Office of Inspector General invites you to comment on the following: **Special mid-week "Pushing the Envelope" blog topic:**

- **Is the Price Right?** What are your thoughts on the Postal Service's proposed exigent rate increase announcement this week? Is it a good idea or should other revenue and cost reduction opportunities be explored first? We are interested in hearing your thoughts. [Link here to the blog.](#)

**New Report.** A new report has recently been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, please contact Wally Olihovik at 703.248. 2201, or Agapi Doulaveris at 703.248.2286.

- **[Consolidation of Lima Processing and Distribution Facility Mail Operations into the Toledo Processing and Distribution Center.](#)** Report Number NO-AR-10-007). A business case exists to support consolidating the Lima Processing & Distribution Facility's (P&DF) mail operations into the Toledo Processing & Distribution Center (P&DC). Specifically, we found that: Sufficient capacity exists at the Toledo P&DC to process the Lima P&DF's mail volume; Customer service should be maintained; No career employees will lose their jobs; Processing efficiency should improve; and Prior consolidation of the Lima P&DF's Saturday outgoing mail volume into the Toledo P&DC over the past 6 years has produced favorable results.

 **Press Release:** "The Postal Service and Department of Commerce are expanding a partnership established in 2008. By working in cooperation to engage small and medium-sized enterprises interested in expanding into new markets, the doorway to exporting will become easier than ever for small and medium-sized companies in the U.S. The Commerce Department, with its network of trade specialists posted in 109 U.S. cities and at 128 U.S. embassies and consulates in 77 countries, and the Postal Service, with its unparalleled access to communities across America and ability to serve as a gateway to the globe, together represent a significant resource for domestic companies seeking new markets as a pathway to growth.:"

 **Federal News Radio** has reported that "The Postal Service is in serious debt. The Inspector General for USPS found \$75 billion dollars in overpayments that would go a long way in helping get USPS back to black but Virginia Congressman Gerry Connolly (D) believes that can't happen unless OPM or Congress steps in. "What the Postal Service has to do is look toward a 21st century business model that makes sense. By reducing service and raising rates, they put themselves on a death spiral. They drive a lot of current customers frankly to the competition," Connolly said. "I think we have to re-imagine the Postal Service. It is an important niche that the Postal Service actually has, so instead of reducing service from six to five days a week, the Postal Service ought to be looking at a 24-hour model like the competition," Connolly said."

 From the office of [Sen. Susan Collins](#) (R-ME):


The U.S. Postal Service today announced plans to seek approval for a wide array of rate increases, filing its request with the Postal Regulatory Commission (PRC). In response, Senator Susan Collins issued the following statement on the USPS proposal:

"As the principal author of the 2006 postal reform act, I am disappointed that the Postal Service is seeking rate increases that far exceed the rate of inflation, averaging between four and six percent and for one class of mail as high as 23 percent. Only when the Postal Service can demonstrate 'exceptional or extraordinary circumstance' does the law allow for rate increases that exceed the rate of inflation. The Postal Service cites as one factor justifying the exigent rate case 'continued movement toward electronic alternatives' despite that trend being neither unexpected nor


extraordinary.


“The Postal Service’s proposal could actually worsen the erosion in its customer base. Raising the rate for catalogs by more than five percent will cause some businesses to reduce their mailings of catalogs and to direct more of their customers to websites for information about their products. The Postal Service’s plans to hike rates so substantially as well as to cut services may well produce a death spiral of fewer customers and ever declining volume, exactly the wrong direction.”


[EdNote: Thank God someone in Congress actually gets it.]

 **At the Postal Regulatory Commission:** The [commission has issued the tentative schedule](#) for hearing the exigent rate case filed by the Postal Service in Order 485 attached below and copied here for your ready reference:


- July 6, 2010 Exigent Request filed.
  - July 19, 2010 First Technical Conference (topics to be determined), to start at 2:00 p.m.
  - July 23, 2010 Second Technical Conference (if needed).
  - July 27, 2010 Third Technical Conference (if needed).
  - August 5, 2010 Deadline for filing suggested questions to be asked of the Postal Service during the public hearing. 39 CFR 3010.65(c).
  - August 10-12, 2010 Public Hearings.
  - August 17, 2010 Deadline for filing initial comments. 39 CFR 3010.65(f).
  - September 2, 2010 Deadline for filing reply comments. 39 CFR 3010.65(g).
  - October 4, 2010 Deadline for Commission determination. 39 CFR 3010.66.
- 
- N2010-1 Transcript of Chicago, Illinois Field Hearing Held on June 21, 2010
  - Link: [http://www.prc.gov/docs/68/68858/Hearing\\_06-21-2010.pdf](http://www.prc.gov/docs/68/68858/Hearing_06-21-2010.pdf)
  - N2010-1 American Postal Workers Union, AFL-CIO, Notice of Intent to Conduct Oral Cross Examination of United States Postal Service Witness Joseph Corbett
  - Link: <http://www.prc.gov/docs/68/68862/N2010-1%20APWU%20Not%20Cross%20Corbett.pdf>


 On 24 June 2010 the Board of Directors of the Hungarian State Holding Company appointed **István Kalmár** as **Chairman of Magyar Posta Zrt.**, and **Pál Schmidt** as **Chief Executive Officer** of the company. The position of Deputy CEO, Business is held by Dezső Varga, and the position of Chief Financial Officer is held by Attila Rajnai. István Kalmár (59) is an electric engineer and information technology specialist. He has been co-owner and managing director of companies engaged in information technology. Between 1997 and 1998 he was the expert of large infrastructural investments at Magyar Fejlesztési Bank (Hungarian Development Bank). Pál Schmidt (36) has graduated at the Budapest University of Economic Sciences, specialised in international relations, but he has also studied at the Passau University and at the Thames Valley University of London.


 According to the folks at [Rag Content](#), the Postal Service has made a hell of a mess by filing not an exigency case but a combo case. "**An exigency price case should not be a combination of classification and structural changes paired with a price increase. The Postal Service has muddied the water** by including both. In projecting its revenues and contribution from the filing, it has included both the price and classification changes. What is the revenue and contribution earned from the exigent price increase? Whatever revenue is left over from the forecasted \$3 billion should be filed separately before the Commission as a classification / structural change. **The Commission has created rules for that purpose and should be used instead of “throwing” both together.**"


 [Media Daily News](#) has reported that "Advertiser optimism toward their media spending, which bottomed out a year ago, continues to rise and is now at the highest relative point since a well regarded research company began tracking it three years ago. Nearly a third (32%) of ad executives now expect to increase their ad spending over the next 12-months, marking the greatest percentage since Advertiser Perceptions Inc. (API) began asking that question


in the spring of 2007." [EdNote: Of course, the Postal Service will have killed its chance to enjoy the benefits of a recovery by raising rates through its exigency request. How stupid....]


 According to the [Portland Press Herald](#), "What's really going on is that time has passed the postal service by. As one competitor noted, it is a system built to handle 300 billion pieces of mail a year that is currently handling 170 billion. That seems like a lot, but considering that package and message delivery services like FedEx and UPS handle more, and could certainly pick up letter delivery as well, the postal monopoly seems more than a bit antiquated. With a business model that has fallen prey first to the fax machine and then to e-mail as well as its parcel competition, **the USPS is fighting a losing battle. Given a fresh infusion of cash, it could hang on for a while, but what's the point? Free it (and others) to compete, and it will either find a working business model, or not.** That's the modern way -- and the American one."

 The [Armenian News Network](#) has reported that "'Haypost Trust Management", the Trust Manager of Haypost, initiated a new phase of modernization and introduction of new services into Armenia's national postal operator "Haypost". An official from the "Haypost Trust Management" told Armenpress that apart from the traditional postal services offered in the branches, postbanking services as well as fax, photocopy, printing and internet services will be available to the public."

 *Just in case you missed it:* From [Sen. Thomas Carper](#) (D-DE), "later this year I will be introducing comprehensive legislation to help address many of the long term financial challenges facing the Postal Service."

 The Congressional Research Service has posted a new paper on "[The U.S. Postal Service's Financial Condition: Overview and Issues for Congress](#)."

 The Institute for the Research on the Economics of Taxation has posted a paper on "[The Postal Service Asks To Eliminate Saturday Delivery; Congress Still Has Questions](#)."

 Postal news from [Hellmail](#):

- [DA Systems Appoints New Marketing Manager](#)
- [Mail Handling International Sets Sights On The Skies](#)
- [Viv Stanshall - Sometimes You Just Can't Win](#)
  - [TNT Europe Express Service Prices To Increase](#)

 **From the Federal Register:**

**Postal Regulatory Commission**

**PROPOSED RULES**


Periodic Reporting ,





39200 [2010-16531]

[\[TEXT\]](#) [\[PDF\]](#)

**At the Postal Regulatory Commission:** The Postal Regulatory Commission has extended its notice of availability for its announced position of [Attorney Administrator For The Public Representative Process](#).


 [GlobalAtlanta](#) has reported that "President Obama has named United Parcel Service Inc. Chairman and CEO Scott Davis to a board of 18 executives who will advise the president on his plan to double U.S. exports over the next five years."

 According to [Home Media Magazine](#), "A day after the U.S. Postal Service formally requested 7% to 8% fee increases for mailing DVDs, books and magazines, among other proposals, one of its largest customers — Netflix — has surprisingly come out in favor of the proposed rate hike. The postal service July 6 said it wants to increase the cost of a first-class stamp to 46 cents from 44 cents. The nation's mail carrier spends more than \$20 million annually hand-sorting DVD mailers, with costs expected to increase to \$30 million by 2009, according to a published report. The service manually sorts disc mailers for Netflix, Blockbuster Express, GameFly and other by-mail subscription services since sorting machines can't process them. "Because these mail pieces are not machine-able, the postal service pays significant additional labor costs to manually process them," said Tammy Whitcomb, the deputy assistant inspector general for revenue and systems, in a recent report by The Washington Times."

 [Editor & Publisher](#) has reported that "For newspapers, the proposed changes in postal rates are either a very bad thing or not so bad at all, depending almost entirely on what kind of newspaper is looking at the rates. "It's a mixed bag for newspapers generally," says the Newspaper Association of America's senior vice president of public policy, Paul Boyle. "Periodically really get slammed with an 8% increase, so any newspaper that's mailing its product is not going to be pleased." On the other hand, the Postal Service is increasing the rate for most newspaper TMC (total market coverage) products weighting four ounces will go up by 4%, lower than the increase for standard mail, he notes. And because of complaints from the newspaper industry, the rates for the high-density mail rate that newspapers generally use for their TMCs was revised downward last July. Those products will now also become eligible for the USPS's volume incentive program, which rebates money if a certain volume of mailing is exceeded. Previously that had been available only to saturation mailers, mostly direct mail companies. Some newspapers with lower circulation do use saturation mail, but barring high-density from the rebate program effectively shut out metros."


*July 7, 2010*


*Thought for the Day: With these exigency increases, the U.S. Postal Service is in a race with irrelevance....Irrelevance is winning.*


 **At the Postal Regulatory Commission:** The PRC Web Site has posted new documents. You are receiving this email based on your PRC notification rule(s). PRC Daily Listing Page: Go to <http://www.prc.gov/prc-pages/daily-listing/default.aspx?docketpart=Dailylisting&docketid=07/07/2010>. If the hyperlink does not appear in your window, copy and paste the link into your browser's address bar. To modify your notification preferences, go to <http://www.prc.gov/prc-pages/misc/doc-alert/default.aspx>


**Rule: Daily listing**

- C2009-1 Motion of the United States Postal Service to Maintain Its Direct Testimony (Under Seal)  
Link: <http://www.prc.gov/docs/68/68806/Motion%20Under%20Seal%20DC.pdf>
- C2009-1 Motion and Application of the United States Postal Service for Non-Public Treatment of Materials  
Link: <http://www.prc.gov/docs/68/68809/NP%20App%20%5BDirect%20Testimony%5D.pdf>
- C2009-1 Notice of the United States Postal Service Regarding the Filing of Its Direct Testimony Under Seal  
Link: [http://www.prc.gov/docs/68/68808/Not\\_Fil\\_Testimony\\_Under\\_seal.pdf](http://www.prc.gov/docs/68/68808/Not_Fil_Testimony_Under_seal.pdf)

 According to [U.S. News](#), "The post office isn't obsolete yet, but it will be soon if Congress continues with business as usual. And if Congress can't fix the postal service, it's a grim indicator of its ability to rein in the national debt, curtail runaway entitlement spending, or get the economy back on track. **Members of Congress will posture and fulminate and provide just enough cover for the postal service to muddle through for another year.** Then we'll have the same charade over the next underfunded government program, and the one after that. The check, unfortunately, is not in the mail."


 [Philanthropy Today](#) has reported that "Charities and businesses that rely heavily on mailings are banding together to fight a proposed increase in postal rates."


 [Multichannel Merchant](#) has reported that "Catalogs have good reason to be upset with 5.1% hike proposed in the exigent rate case the U.S. Postal Service filed July 6. But it's the small parcels that are really getting hammered once again. In the filing with the Postal Regulatory Commission, the USPS proposed an average price increase of 23% for Standard parcels (those weighing less than 16 oz.). In the 2009 postal rate hike, standard rate parcels increased an average of 16%, vs. a 2.3% increase for catalog mail."


 The [Federal Times](#) has reported that "After citing electrical hazards at 16 postal facilities since October, the Labor Department filed a complaint this week to order the U.S. Postal Service to fix problems at some 350 processing and distribution centers nationwide."





**PostCom Members!!** Here are the [PostCom exigency rate comparison charts](#) for the recent USPS exigent price filing.


 The [Courier, Express, and Postal Observer](#) has reported that "Yesterday the Postal Service proposed a major change in its rate structure through an exigent rate case. The general and postal press have focused on 1) the rate increases themselves with particular attention to the impact on First Class single piece mail; and 2) the exigent process itself, a rate setting process that is being used for the first time. Mailers have organized a major effort to stop the changes through a new group the Affordable Mail Alliance. With only 90 days to press their case mailers have a major challenge in their effort to argue that: 1. the conditions necessary for invoking the exigent process had not been met; 2. the rate increases proposed are too large; and 3. the changes in individual rates result in rates that are not fair and reasonable and do not meet the pricing objectives in postal law. Given the limited amount of time available for the proceeding, the level of discovery, expert testimony, and cross-examination in this proceeding will be limited. While the procedural schedule is not yet out, the Commission will likely need around 20 to 30 days to review evidence and write its opinion which compresses the first nine months of a traditional rate case into a 60 to 70 day period."

 The [Florida Times-Union](#) has noted that "The U.S. Postal Service is less than thrilled with the coverage afforded to the change-of-address story involving Citizens Property Insurance Corp. Citizens said a fraudulent change-of-address was completed for its Jacksonville headquarters, something that put the personal information of thousands of policy holders at risk. The U.S. Postal Service said that's simply not the case. Joseph Breckenridge, a spokesman for the Postal Service, said the story has been overblown."


 According to [Media Daily News](#), "It's not getting any easier for print publications to be, well, print publications. Tuesday brought another ominous development, in the form of a proposal from the U.S. Postal Service for a dramatic new increase in postal rates. The potential increase compounds a number of negative trends, including rising costs for ink and paper, just as some magazine publishers were seeing signs of hope for a tentative recovery." *[EdNote: Yup. Ben Franklin would be appalled.]*


 The [New York Times](#) has noted that "Last year, we wrote that Twitter was considering e-commerce as one of its revenue models. On Tuesday it unveiled its first foray into selling products. The company announced @earlybird Exclusive Offers, which will be time-sensitive deals on products and events that will appear on the @earlybird Twitter account. People can follow that account to get access to the deals." *[EdNote: Great....The USPS stiffens its customers with higher costs for marketing by mail and Twitter offers businesses an attractive and cost-efficient alternative.]*

 [USA Today](#) has reported that "Maine Sen. Susan Collins, the ranking Republican on the committee that oversees the agency, said, "The Postal Service's plans to hike rates so substantially ... may well produce a death spiral of fewer customers and ever declining volume." *[EdNote: She's got that right!]*

 According to [Xconomy Seattle](#), "Earth Class Mail was built on the notion that businesses which receive a lot of important documents through old fashioned snail mail may benefit from the services it has to offer. The Seattle-based company, founded in 2004 by former head, now board chairman, Ron Wiener, develops software that digitizes incoming mail, allowing companies to manage their post electronically and avoid being inundated with


envelopes and packages. For those of you out there who think this sounds a whole lot like e-mail, it's a little more complicated than that. Postal items handled through Earth Class are imported into a digital database where customers can access it and choose to have items scanned and saved for company records. Once in the database, the documents can be forwarded to another address, securely shredded and recycled, stored in a digital lockbox, or opened and visually streamed on the spot. New chief executive officer Sarah Carr, who joined Earth Class as COO in 2008 and took over the top job after Wiener stepped down in September, says the software is essentially a "business process outsourcing" service. She describes it as both a convenient filing system and time-saving tool for companies looking to save time."

 The [Insurance & Financial Advisor](#) has reported that "U.S. Postal Service and other investigators are probing who fraudulently filled out a change-of-address form for Citizens Property Insurance, causing checks for payment from policyholders in June to go to a Hialeah, Fla., apartment, not the state's property insurer of last resort."

 [MINOnline](#) has noted that "From catalog makers to magazine publishers and direct mailers, the battle is now joined over the proposed rate increases for U.S. mail. American Media, Condé Nast, ESPN, Hearst, the Magazine Publishers Association, Publishers Clearinghouse and Time, Inc. are among the scores of companies that have formed the Affordable Mail Alliance this week. The group is trying to appeal to the Postal Regulatory Commission to reject the United States Postal Service's request for substantial increases in the mailing rates both for standard postage and bulk and magazine rates. The new coalition is not mincing words in its disdain for the USPS proposal. In its inaugural statement, the group questioned USPS sincerity in asking for the increase to remain solvent, given the service's lack of resolve in cutting its own costs. "USPS has done little to improve its business model," the Alliance says in a statement. "For example, the average USPS employee is paid substantially more than comparable private sector jobs. In 2009, USPS volume went down 13%, but labor costs only went down 1%. Because of work force issues, many USPS employees are under-used or sit idly, forcing consumers to subsidize them." The alliance says that increasing rates will only drive customers away from the mail service and further undermine the economics of the service."


 In a press release, [Sen. Thomas Carper](#) (D-DE) said:

"Today's announcement by the Postal Service underscores the serious financial crisis they are currently facing. Like many other businesses, the Postal Service is looking at every option available to them to raise revenue and cut costs. I don't think it should be Congress' role to critique every business decision made by the Postal Service, rather I think it would be most constructive to allow the Postal Service to exercise the discretion we have given them to make the hard choices necessary to remain financially viable. I do share the concerns of businesses and consumers who worry that **this rate increase** will force them to cut back on their use of the Postal Service and I hope the Postal Service has given this concern due consideration when weighing this choice. Unfortunately it seems like this **will be one of many painful choices the Postal Service will have to make in the near future in order to right their fiscal house and adequately address the fiscal challenges they are facing**. I think my efforts, and those of my colleagues, can be best spent giving the Postal Service all the tools they need to make these difficult, but necessary, business decisions. That's why later this year I will be introducing comprehensive legislation to help address many of the long term financial challenges facing the Postal Service."


 The [Washington Post](#) has reported that "the Postal Service will face stiff resistance from a new coalition called the Affordable Mail Alliance, formed in the past week to represent hundreds of nonprofits and corporations, including magazine publishers and catalog mailers, such as kitchen retailer Williams-Sonoma. The group said it wants the agency to rein in labor and operations costs before raising rates."


 [SwissInfo](#) has reported that "The head of the Postal Services Regulation Authority says that Swiss Post should not reduce any more of its basic services."


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


 The French audit court admonished La Poste for its inefficiencies. Referring to a confidential report the daily newspaper »Le Figaro« (01.07) disclosed, that the audit court criticised that the concern hasn't been sufficiently modernised despite investments of 3.1bn euros in the last 7 years. Especially the delivery quality, with a figure of 85% (D+1), is on a low level and 'significantly lower than in other countries', the report reads.


 A study on behalf of the Postal Regulatory Commission (PRC) revealed the surprising conclusion that the U.S. Postal Service has overpaid its pension accounts by 50bn to 55bn US dollars.


 Swiss Post will benefit from the prosperous business of its financial services unit in the current year, too. In a Swiss television programme (02.07) Swiss Post CEO Bucher said that PostFinance 'is doing well in the first half year, too'. And he added, 'the profit will be higher than last year, although we realised a record profit last year'. He also announced that the division will be transformed into a public limited company 'at the end of 2011 or the beginning of 2012'.


 Russian Post's top management is under massive suspicions of corruption.


 Korea Post announced ambitious growth plans for the next ten years.


 The integration of Japan Post's Yu-Pack service and Nippon Express's domestic parcel business (CEP-News 49/09) lead to significant service disruptions.


 'Deutsche Post should become the logistics industry's iPhone'. Deutsche Post's CEO Frank Appel said this in an interview with daily »FAZ«.

 The Russian railway company RZD lately competes with CEP-services on the route Moscow to St. Petersburg.

 Deutsche Post does not expect freight volume to decrease significantly despite negative economic headlines.


 The lower house of Netherland's parliament plans to examine the workload and labour conditions at TNT Post.


 Given a profit of around 5m euros in 2009 the postal unions argued against a privatisation of Correos de Chile.

 The Service Postal Mexicano (SePoMex) has arrived in the digital world. On Monday this week the Mexican post announced that a variety of online products and services is offered on the new website [www.correosdemexico.com.mx](http://www.correosdemexico.com.mx).



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

 [DM News](#) has reported that "The US Postal Service unveiled details of its proposed "exigent price increase" on July 6. Direct marketing and mailing industry trade groups immediately vowed to fight the price increase. Catalog mailers will see their postage prices increase by 5.1% on average on January 2, 2011, if the US Postal Service's proposal to raise prices above its statutorily imposed price cap is approved by its regulator, the Postal Regulatory Commission (PRC). The Postal Service said it would file an application for the price changes on July 6, drawing the ire of direct marketing and other industry groups. Other direct mailers would see price increases of about 5%, although companies that mail Standard Mail Parcels (packages weighing less than a pound) would get hit with a 23.3% price increase. The First Class Stamp's price would go up 2 cents to 46 cents. The Affordable Mail Alliance, a new coalition of mailers, said July 6 that it would fight the filing on the grounds that it is unlawful."


 The [Salt Lake Tribune](#) has reported that "A proposed 2-cent increase to the price of a first-class stamp could prompt direct-mail advertisers, nonprofits and low-income advocates to cut budgets or look for other ways of communicating. "We'll continue to do what we have been, to look more to electronic media to get our word out," said Annette Royle, president of Utah's chapter of the National Multiple Sclerosis Society. While an occasional





mailer might hit the society's target market perfectly, Royle said nonprofits can't operate in the red and might have to reduce their use of the federal agency's services."


 According to [Dead Tree Edition](#):

- A couple of years ago, postal officials were telling catalog and magazine publishers that [the Flats Sequencing System](#) would dramatically lower the Postal Service's costs of handling our mail. Now it's not so clear whether the \$1.4 billion investment in Phase I of the huge FSS machines will even pay off. And that's a major annoyance to magazine publishers, who were singled out today for an extra-special exigent rate increase today because the Postal Service can't get its costs of handling flat mail under control. I'll admit that it's a bit unfair to use the word "boondoggle" in reference to FSS because that word implies that there was no logic to the investment other than as a giveaway to the contractor, Northrop Grumman. But the Postal Service is playing into the hands of the nay-sayers and conspiracy theorists by not being more forthcoming about its struggles with the FSS machines. The machines do seem to be saving money, especially in delivery operations, but are the savings enough to justify the huge capital investment?
- [If the U.S. Postal Service wants publishers to mail more efficiently](#), you wouldn't know it from the exigent rate increases it requested today. The average proposed rate increase both for Periodicals as a whole and for the large "Outside County" subcategory is 8.04%. But it's closer to 9% for many mailers who are engaged in co-mailing and other practices that reduce costs for both publishers and the Postal Service. That's because the Postal Service wants to slap one of the highest increases, 9.0%, on the Basic Carrier Route rate -- the amount charged for each piece in a carrier-route bundle. But for somewhat less efficient bundles ("5-digit automation machinable"), the piece cost would only increase 5.8%. For most publishers, those two rates represent the majority of their postage costs. More than 61% of the Postal Service's revenue from the "Outside County" subcategory comes from these two rates. But despite the Postal Service's complaints that some Periodicals rates are way out of line -- for example, that publishers pay only a fraction of the costs for bundles and sacks -- it is proposing almost no realignment of Periodicals rates. The Postal Service's plan goes to the Postal Regulatory Commission, which could do its own restructuring of Periodicals rates -- if it even decides that an exigent increase is legal and justified.


 As [Hellmail](#) has noted, "Many of us have a love-hate relationship with junk mail, but increasingly as mail volumes fall, direct marketing has become a vital revenue stream for postal operators."


 According to the [WallStreetPit](#), "Over the last 90+ years, the average retail price of gasoline has increased about 11.7 times, from 25.5 cents per gallon in 1919 to a projected \$2.98 per gallon in 2011, according to annual gas price data from the EIA. That's slightly less than the projected 12.9 time increase in the Consumer Price Index from 1919 to 2011 (see EIA data), meaning that the real price of gas has fallen over this period. Over the same period, the price of a first-class stamp in the U.S. has increased 23X, from 2 cents in 1919 to 46 cents in 2011 starting next year if the rate increase is approved (historical stamp price data available here). That means that first-class stamps have gone up in price at about twice the rate of both gasoline prices and overall consumer prices in general. The chart above compares stamp prices, retail gas prices and the CPI using an index that is equal to 100 in 1919 for all three series, and includes the CPI index from 1919-2011, also equal to 100 in 1919. If stamp prices had increased over time at "only" the rate of gas prices, a first-class stamp would only cost only about 24 cents today instead of 44-46 cents. **If stamp prices had increased at the same rate as consumer prices in general, stamps today would cost about 26 cents.**"

 As the [Nonprofit Times](#) has noted, "As the nonprofit community determines just how much they might see postal rates increase next year, it's clear that Standard Mail Parcels will get hit with the largest increases -- 23 percent -- under an exigent rate case filed by the United States Postal Service (USPS). The Affordable Mail Alliance -- a coalition of mailers, publishers, printers and associations -- will ask that the PRC not grant the Postal Service a rate hike above the cap on the Consumer Price Index (CPI), less than 1 percent last year, as spelled out in the Postal Reform Act of 2006. "Never before in the history of the Postal Service has its entire customer base joined as one in passionate opposition to a rate proposal," said James Cregan, executive vice president for government affairs at the Magazine Publishers of America (MPA). "Usually we've spent rate cases fighting about whose ox is being gored," he said, but the coalition of the entire mailing community is growing as word of the rate hike gets out. "We firmly believe this filing is unlawful, bad economics and bad public policy," said Cregan."

 [CBS News](#) has reported that "Just hours after the United States Postal Service (USPS) announced that it would seek a number of rate increases, opponents of the proposal created the Affordable Mail Alliance in an attempt to fight the plan. According to their website, the newly formed organization is a coalition of charities, small businesses and customers who use the post office everyday--all of whom are "customers that will suffer if USPS successfully raises rates again."

 As [Marketplace](#) has noted, "Postal Service's budgeting may backfire."

 According to [Slate](#), "Higher postal rates are good for the economy, businesses and consumers, and the environment."

 [BeforeItsNews](#) has noted that "The US Postal Service today announced that it will raise postage rates yet again, this time to 46 cents for a first class stamp. The rates will also rise for periodicals and parcels by 8% and 23% respectively. This is the seventh rate increase in the last decade. Put simply, **the increasing cost of postage is only inceniting consumers to look elsewhere for shipping.**



The following reports recently have been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, please contact Wally Olihovik at 703.248. 2201, or Agapi Doulaveris at 703.248.2286.

- **[City Delivery Efficiency Review – Los Angeles District \(Report Number DR-AR-10-006\)](#)**. The Los Angeles District was not operating at peak efficiency and could reduce city delivery operating costs. Our benchmarking comparison determined the Los Angeles District used approximately 26 minutes more per day than the national average for each carrier route, as compared to the standard for that route.
- **[Facility Energy: Metering Technologies \(Report Number DA-AR-10-006\)](#)**. The Postal Service is effectively using time-of-use (TOU) metering technologies to conserve electricity at its Processing and Distribution Centers (P&DCs). Only three out of 144 P&DCs (or 2 percent) do not have but are eligible for TOU metering.
- **[First-Class and Standard Mail Workshare Discounts \(Report Number MS-AR-10-003\)](#)**. The Postal Service generally bases workshare discounts for First-Class Mail (FCM) and Standard Mail presort letters on current cost inputs — either annually updated data (such as that obtained from the Management Operating Data System (MODS) and Web End of Run databases) or data the Postal Service’s Special Studies group collected during fieldwork conducted in FY 2008. However, the Postal Service has not updated some of the inputs since FY 1995, and they may not be representative of current operating conditions.
- **[Flats Sequencing System Operational Issues – \(Report Number DR-AR-10-005\)](#)**. Northern Virginia District delivery units have improved delivery operations with the Flats Sequencing System (FSS). These units’ improvements contributed to a 6-month cost reduction of \$196,271 as well as a reduction of 79 city routes and a proportionate number of delivery vehicles. However, we identified several FSS machines that were unavailable for several months and processing issues that negatively impacted delivery operations.
- **[Grievance Settlements and Payments \(Report Number HR-AR-10-003\)](#)**. Management controls over grievance settlements and disbursements need to be


strengthened. We found that grievance payments were often not supported by adequate documentation and, as a result, we identified at least \$27.8 million in unsupported questioned costs. We also found that oversight of the grievance settlement process was not consistent among the districts and that union representatives received grievance payments to which they may not have been entitled.


This week's "Pushing the Envelope" blog topic:


- **Workforce Flexibility – Would it Work for the Postal Service?** The Postal Service has fewer part-time employees than any other international postal operation. Would increasing the number of part-time postal employees make the Postal Service more flexible in the face of declining mail volumes, seasonal fluctuations, and market volatility. [Link here to the blog.](#)


**New Audit Project opened:** (Please share any information you may have that would help with this audit currently in progress by clicking on the link below):

- **10RG022MS000 - Electronic Postmark Program License Fees.** Our objective is to determine whether officials collect all the Electronic Postmark program license fees. [Link to this audit project.](#)


 [WSBT](#) has noted that "A group [the Affordable Mail Alliance] opposed to a postal rate hike says it's "another tax imposed on Americans at a time when the economy can least afford it."


 [WTVM](#) has reported that "The main branch of the Columbus Post Office on Milgen Road is hopping during the lunch hour. Crowds into and out of the building, a constant flow of mail. But some are hopping mad about the price increase proposed by the United States Postal Service today. The most visible change is a two cent increase in the price of an individual stamp, from 44 cents to 46 cents. "I find it ridiculous. Anything I mail has got to be out of state and for the price I pay for the product that I'm sending to my daughter in San Diego, I'm paying double that price just to mail it to her," one Columbus resident said. That is a growing sentiment from regular patrons at the main branch."

 [Publishing Executive](#) has noted that "A new coalition of over 100 magazine publishers, printers, paper producers and other groups has formed in opposition to the rate hikes. Entitled the Affordable Mail Alliance, the coalition has questioned the legality of an exigent rate hike under current circumstances. Under the Postal Act of 2006, if the Postal Service wants to increase prices above the rate of inflation, exceptional or extraordinary circumstances must be demonstrated. According to America Post, a website maintained by Affordable Mail Alliance member the Association for Postal Commerce, the most recent recession is not a qualifying circumstance. "Economic cycles have their ups and downs...this is part of life in a country that has a free-market economy. In fact, the circumstances the Postal Service faces today are similar to those faced by businesses across America," reads a question and answer brief posted on its website."

 **At the Postal Regulatory Commission:** "The Postal Regulatory Commission [has] received proposed rate changes for market dominant products, averaging about 5.6 percent, filed by the Postal Service to take effect on January 2, 2011. This is the first time the Postal Service has claimed that extraordinary or exceptional circumstances justify an increase that exceeds the cost of living under the Postal Accountability and Enhancement Act of 2006 (PAEA). Under the PAEA price cap, the Postal Service currently has less than 1 percent room to raise market dominant prices. "This „Exigency Case“ requires the Commission to act on critically important issues involving fundamental interpretations of the 2006 law under which the Postal Service and the PRC operate, and the financial health of the mailing industry. This is the first request for an emergency rate increase since that law was enacted, and developing a balanced record for decision will pose serious challenges."

July 6, 2010

 A full discussion of extraordinary and exceptional circumstances giving rise to the exigent Request can be found in the Statements of [Joseph Corbett](#) and [Stephen Masse](#). The requested specific rate increases are discussed in the Statement of [James Kefer](#).


 The U.S. Postal Service has filed its exigency price increase with the [Postal Regulatory Commission](#). In its Request, the Postal Service proposes exigent prices representing an aggregate increase of approximately 5.6 percent, and provides six months notice for implementation of new prices on January 2, 2011. It said that "the circumstances affecting the Postal Service are "extraordinary" and "exceptional." The USPS goes further to say that "without authority to increase rates beyond current limitations, the Postal Service would be confined to an increase based on the change in the Consumer Price Index since the last general increase in market dominant rates in early 2009 -- 0.578 percent -- which would allow for an increase of little more than *one-half of one percent*. This would prevent the Postal Service from making discernible progress towards closing the multi-billion dollar shortfall between projected expenses and projected revenues for FY 2011, currently estimated at approximately \$7 billion. It would also severely impede the Postal Service's progress toward the goal of reducing the substantial amount of debt accumulated over the last several years, an amount expected to approach \$13.2 billion by the end of the *current* fiscal year, FY 2010."


The table below shows the average percent change for each market-dominant product.

Exigent Price Change Percentage by Mail Class	
Class	Percent Change
First-Class Mail	5.417
Standard Mail	5.616
Periodicals	8.035
Package Services	6.700
Special Services	5.225





Here are the [USPS proposed prices](#) for January 2, 2011.

 **DMM Advisory: Postal Service to Seek January 2011 Price Change.** As outlined in the Postal Service's action plan presented on March 2, price changes are one of a series of solutions that we are pursuing to become financially sound. Later today, we will file with the Postal Regulatory Commission (PRC) a price change proposal for our Market Dominant products, which includes First-Class Mail®, Periodicals, Standard Mail®, Package Services and Special Services. If approved as proposed, the new prices would take effect on January 2, 2011 – almost two years since the Postal Service™ last raised prices for Market Dominant products. We are seeking an average price increase of 4 to 6 percent for the majority of Market Dominant products. The prices we are proposing can be viewed online on Postal Explorer® at [pe.usps.com](http://pe.usps.com). Click on the links in the left frame under “\*New\* Jan. 2, 2011 Proposed Pricing Information.” The PRC has 90 days to review and make a final ruling on the filing. The PRC can accept or reject all price requests or modify the prices as it deems appropriate.

 [Business Week](#) has reported that "The Postal Service is using a legal provision that lets it propose rate increases greater than the rate of inflation under "exceptional or extraordinary" circumstances, Kearney said. The average proposed rate increase is 5.6 percent, compared with inflation of 0.6 percent, he said. Mailers of catalogs, magazines and newspapers are prepared to fight the rate increase, James Cregan, executive vice president of government affairs for the Magazine Publishers of America, said in an interview before the announcement. The group's members include Time Warner Inc. and Meredith Corp. "Wrong On Law" "The Postal Service is wrong on the law, wrong on


the economics, and wrong as a matter of public policy,” Cregan said. The increase will drive away profitable mail, heading the service toward a “death spiral,” Cregan said." Also see [Wall Street Journal](#), [Washington Post](#), and [WSBT](#).


 The [Washington Post](#) has noted that "[The Affordable Mail Alliance, a new coalition representing more than 100 businesses and nonprofits opposed to price hikes](#)," said it will tell regulators that USPS should make deeper cuts before raising rates. Tony Conway, an alliance spokesman, said the Postal Service's delivery network "is a system that's built to handle about 300 billion pieces of mail and they've got about 170 billion and it's set to decrease. It's basically twice as big as it needs to be. It's that excess capacity and costs that are creating the need in their minds to do this." The price hike is part of a far-reaching package of proposed reforms sought by the Postal Service to close an anticipated nine-figure budget gap in the next decade. Officials want Congress to end required prepayments for retiree health benefits and want to end mail deliveries on Saturdays. But reform efforts are complicated this year by the midterm elections and other economic concerns."


 The U.S. Postal Service briefed the mailing community this morning on its proposed exigency price filing. Here is the [presentation](#), the USPS' exigency price [fact sheet](#) and a summary of that briefing. Price changes for the majority of products and services fall between 4 percent and 6 percent. These products and services account for about 90 percent of Market Dominant revenue. The Postal Service Board of Governors approved the recommendation for prices for all 18 Market Dominant products. Products outside the range include Periodicals (8 percent), Standard Mail Parcels (23 percent) and Media/Library Mail (7 percent). The increases above the average are intended to improve the financial performance of products that currently do not cover costs while limiting the impact on customers. Other highlights from the price filing include:

- FCM stamps would increase to 46 cents. A new Forever Stamp image will be available in October.
- FCM postcard prices would increase 2 cents to 30 cents.
- Periodicals would receive an 8 percent increase.
- Recommended increase for catalogs is 5.1 percent.
- Standard Mail parcels would increase about 23 percent.

The PRC has 90 days to review and make a final ruling on the filing (on or about Oct. 4). The PRC can accept or reject all price requests.


 [USPS Press Release](#) on its exigency price filing: The proposed changes, if approved, will raise about \$2.3 billion for the first nine months of 2011. Postmaster General John E. Potter said he does not want customers to bear the burden of dramatic price increases. Instead, Potter announced in March that pricing would be one in a series of solutions the Postal Service is pursuing to become financially sound.


 [Federal News Radio](#) has reported that "under law, the post office is generally limited to increases no more than the rate of inflation - 0.9 percent for the year ended in May. However, the agency is allowed to seek a larger increase in unusual circumstances."


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


- **Plant-Verified Drop Shipment (PVDS)—Nonpostal Documentation**  
We revised [705.15.2.14](#) which clarifies the use and purpose of PS Form 8125, *Plant-Verified Drop Shipment (PVDS) Verification and Clearance*, as well as other documents that mailers' nonpostal transportation providers (carriers) may present at the time of induction.
- **Revenue Deficiency**  
We revised [604.10.0](#) and [608.8.0](#) to incorporate the new Headquarters manager, Revenue Assessment and Control (MRAC) into the assessment and appeal procedures governing shortages in fees or postage.

- **Business Reply Mail Online Application Option**  
We revised [507.9.3.2](#) and [507.9.5.2](#) to eliminate the option to obtain a Business Reply Mail® (BRM) permit online. Additionally, the electronic version of PS Form 6805, Qualified Business Reply Mail (QBRM) Application, will also be removed.
- **Restricting the Mailing of Replica or Inert Explosive Devices**  
[601.12.5](#) was added to implement a new standard restricting the mailing of replica or inert explosive devices, such as simulated grenades that are not dangerous but bear a realistic appearance to explosive devices, by Registered Mail™ service only.
- **Deposit of Stamped Mail Over 13 Ounces sent to APO, FPO, and DPO Destinations—Clarification and Update**  
We deleted [703.2.1.7](#) and revised [703.2.3](#) to clarify the deposit of items bearing only postage stamps sent to APO, FPO, and DPO destinations.
- **2010 Standard Mail Incentive Program (aka 2010 Summer Sale)**  
We revised [709.2.0](#), applicable to the Standard Mail® Volume Incentive Program that ended on September 30, 2009, with new standards describing the 2010 Standard Mail Incentive Program.
- **Treatment of Cigarettes and Smokeless Tobacco as Nonmailable Matter**  
We revised [503.6.0](#), [601.11.0](#), and [608.8.0](#) to describe new standards pertaining to the mailing of tobacco, cigarettes and smokeless tobacco.

 The [Associated Press](#) has reported that "**the Postal Service wants to raise rates to bring in more money.** The boost comes as no surprise. Postmaster General John Potter said March 2 that a rate increase would be necessary for the agency, which does not receive tax funds for its operations. While that change will be the most visible, rates for other types of mail will also go up, raising concern among business groups and nonprofit organizations. Under the law, the post office is generally limited to increases no more than the rate of inflation - 0.9 percent for the year ended in May. However, the agency is allowed to seek a larger increase in unusual circumstances. Potter said in March he planned to take that step. The proposal drew a prompt complaint from the mailing industry. "Consumers everywhere will pay more for the letters and packages they need to send; businesses - large and small - will suffer and even more jobs will be lost," complained Conway, who was designated spokesman for the [Affordable Mail Alliance](#), a coalition of businesses, charities and other mailers formed to oppose the increase."


 [Computing.co.uk](#) has reported that "Royal Mail has developed a free web site analysis tool to enable online retailers to improve their customers' buying experience and reduce shopping cart abandonment. The self-serve Delivery Promise Tool offers free analysis of any online retail web site from a shopper's point of view and takes just 15 minutes to complete. The service has been developed with e-commerce experts and provides advice on themes such as web site navigation, the buying process, delivery options and information through to the post-purchase experience. Online retailers using the service will receive a detailed report highlighting any area of the site that is not proving to be as effective as it should, as well as recommendations on how each site can improve its service."


 The [Mainichi Daily News](#) has reported that "The government has ordered Japan Post Service Co. to give a detailed explanation on the cause of the delay of some 320,000 parcels shipped via the domestic "Yu-Pack" mail service. Minister of Internal Affairs and Communications Kazuhiro Haraguchi summoned Japan Post Service President Shinichi Nabekura to the ministry on July 6, ordering him to submit a report on the delivery glitch by the end of this month. The ministry will decide whether to impose an administrative sanction on the company, such as a business improvement order, after the report is filed."

 The [Economic Times of India](#) has reported that "Global money transfer and banking operations of the country's postal department are being scanned by the Enforcement Directorate and other agencies for suspected terror-financing and Hawala-like transactions. At present, there are no other official channels, besides the pure banking route, to transfer or receive money from abroad. The Department of Posts had started this service in association with US-based Western Union Financial Services in April 2001 and customers can send or receive money from 205 countries."


 The [Times of Malta](#) has reported that "Communications Minister Austin Gatt told Parliament yesterday that the postal service in Malta would have to undergo a restructuring process so that it would be able to face new challenges


once the EU directive regulating the postal service and liberalising the market came into force in January 2013. Under the directive, there could be more than one universal provider."


 The [New Statesman](#) has noted that "Magazine publishers say the proposed increase in postage costs will make a "tremendous difference" to their business. The Magazine Publishers of America says it will take legal action against the move, which makes a "tremendous difference" to their business."


 According to [Hellmail](#):


- [Austerity Measures Likely To Depress Postal Industry](#)
- [Royal Mail - Hooper Report Unlikely To Find Anything New](#)

 One [Congress.org](#) letter writer has asked: "How is it that the US Postal Service Office of Inspector General (USPS OIG) cannot get Robert F. Bernstock prosecuted? The OIG has gathered enough evidence on this Postal Official to send it to the District Attorney and yet the case was turned down? Why?"


 The [Ottawa Citizen](#) has reported that "Canada Post Corporation has put a name and a dollar figure to its dramatic modernization plan, announcing it intends to raise up to \$1-billion to help fund its "Postal Transformation." The struggling Crown corporation said it will issue two series of bonds with terms of up to 30 years." See also the [Ottawa Business Journal](#).


 The [Japan Times](#) has reported that "The communications ministry will consider taking disciplinary action against Japan Post Service Co. over its delay in delivering a massive number of parcels, officials said Monday. Any penalties will deal a major blow as the firm struggles to move back into the black."


 The [New York Times](#) has reported that "As federal regulators consider a proposal to cut most Saturday postal deliveries, the business community is sharply divided about the consequences of switching to five-day service."


 The [National League of Cities](#) has reported that it had "sent a letter to Postmaster General John E. Potter this week urging him to consult with local officials if he proceeds with closing post offices to reduce costs."


**July 5, 2010**


 [Dead Tree Edition](#) has reported that "The U.S. Postal Service's failure to address some inconvenient questions will hurt its chances of winning approval for several controversial measures, including the rate increase it will request tomorrow. The questions include "What about the Bernstock fiasco?", "Why are you offering discounts on a product that loses money?", and "Why do you hope attrition will eliminate excess employees, then discourage people from retiring?" Various sources report that the USPS will file for unprecedented "exigent" rate increases tomorrow of roughly 5% for most mail, with even higher price hikes for such allegedly money-losing products as Periodicals and Standard flats. Along with the elimination of Saturday delivery, reversal of overpayments to a pension account, and elimination of so-called pre-funding of retiree health benefits, that will give postal officials an ambitious slate of proposals requiring Congressional or regulatory approval."


 [Postal Technology International](#) has reported that "Canada Post has announced it has been chosen as one of Canada's Best 50 Corporate Citizens for the second year in a row by Corporate Knights magazine. The recognition is a testament to the company's dedication to social programs, environmental initiatives and community involvement."


 [Trend](#) has reported that "The Central Bank of Azerbaijan (CBA) issued a license to provide financial services to the Azerpocht national postal operator, the bank reported July 5. Azerpocht's new charter was approved and new rules are being developed to issue the license. The Azerpocht Baku Branch and several offices are also authorized to provide financial services. Meanwhile, phased licensing is underway for the company's other branches and divisions."


 [Computerworld](#) has reported that "There are a number in the industry that contend it won't be long before the core business of telecommunications - voice - is free. In fact a recent study showed the decline to be faster than the core business of the postal industry."


 The [New York Times](#) has reported that "Magazine publishers are preparing to go to war with the United States Postal Service over an emergency rate increase that the postmaster general is expected to ask for on Tuesday. The prospect of paying higher postage rates is distressing to many magazines at a time when they are still trying to stabilize their businesses. Publishers say that any increase will force them to absorb the cost or to raise newsstand and subscription rates, neither of which they are eager to do."


 [Uni Global Union](#) has reported that "Canadian postal union CUPW unanimously changed the two-decade old boycott of private postal outlets and franchises because organizing is the best way to protect members."


 The [Postalnews Blog](#) has rightly noted that "Dead Tree Edition has an interesting post on Quad/Graphics, which, with its recent acquisition of Worldcolor, describes itself as the "second largest print and multimedia provider in the world". Quad begins trading on the New York Stock Exchange Tuesday, the same day the USPS plans to announce plans for an "exigent" rate increase, with, according to the blogger, "the biggest blows aimed at the magazine and catalog customers who have been central to Quad's and Worldcolor's business".

 The [Moscow Times](#) has reported that "President Dmitry Medvedev promised to "bonk some heads" at the Russian Post after a businessman from the Far East questioned the fairness of the way the state-run postal company conducted business with some of its suppliers. This is not the first time Russian Post is being accused of unfair bidding practices. Mishin backed his claims by citing an investigation by Vedomosti, which published in January an extensive article on the peculiarities of the postal service's bidding system. "Since [Alexander] Kiselyov became head of Russian Post, only three companies have generally been allowed to participate in electronic auctions for packaging suppliers — MSPC, Prom-Snab and Norden Dom," Konstantin Natovich, founder and CEO of Real Plus, said in a phone interview Friday. All three companies are affiliated with Russian Post's management and sell overpriced products of inferior quality, which amounts to a major money-laundering scheme, representatives of both Virni M and Real Plus told The Moscow Times. Russian Post faces a fine if the suppliers prove their case."

 The [Chicagoist](#) has reported that "The low income home energy assistance program is a \$4.5 billion federal funded strategy to assist impoverished families by paying their energy bills. However, an Illinois U.S. Postal Service employee earning \$80,000 per year reported zero income and received \$840 for her energy bills. "Times are tough and I needed the money," she told investigators in the GAO report. She saw "long lines" of applicants and wanted the "free money."

 The [Japan Times](#) has reported that "Japan Post Service Co. is lagging on parcel deliveries because the merger of its delivery operations with Nippon Express Co. last week has overwhelmed it with packages."


 The [Washington Post](#) has reported that "For more than a year, FedEx and its bitter shipping rival, United Parcel Service, have been engaged in one of the fiercest lobbying battles in recent memory, with millions of dollars spent on advertising, Web sites, grass-roots organizing and other tactics more commonly seen in political campaigns. The reason for all the excitement? An obscure, 230-word provision that would require FedEx Express to comply with the same labor laws as UPS, making it easier for the International Brotherhood of Teamsters and other unions to organize. The no-holds-barred battle has become the main sticking point in spending legislation for the Federal Aviation Administration, which is limping along on short-term funding while House and Senate negotiators wrangle over the proposal. The latest 30-day extension was approved by both houses last week."


 According to the [Associated Press](#), "If FedEx loses its special status under a measure now before Congress, its employees could more easily unionize. That in turn could drive up costs for the Memphis, Tenn.-based company, forcing it to trim services in rural areas where costs are highest and profit margins thinnest, said shipping industry expert Satish Jindel. UPS, which says it merely wants a level playing field, dismisses warnings of potential service cuts as fearmongering meant to bolster FedEx's bid for special treatment. But Overstreet's loyalties are clear. He says Corporate Air "bleeds purple" — FedEx's brand color — as a contractor delivering FedEx packages to 23 cities





on 290 flights a week. If Congress sides with UPS, Overstreet warns he could get pinched out of business. He said the result would be rural medical clinics, farmers and others in remote areas losing a key provider of the goods they need to operate. "They (FedEx) will have to reconsider going by air," Overstreet said. "The farmer or rancher who needs that part to fix his tractor is not going to get it. They will be delayed by another day."

### *July 4, 2010*


 [Expansion](#) has reported that "In 2004, former Court of Competition Postal imposed the largest fine to date business in Spain for abuse of dominant position in the postal market. The penalty was increased to 15 million euros. Six years later, after a long and complex trial, the Supreme Court has decided to keep the charge at a key moment for the sector, as the Government is obliged to fully open the market from next January 1, 2011, without there are guarantees for the reform of monopolistic conditions change post. The one fact has escaped the public company, which in 2009 lost two billion euros, full payment of the fine. The Supreme Court in a ruling issued on June 8 reduced the penalty to 8.1 million euros."


 The [International News](#) has reported that "Senate Standing Committee on Postal Services Friday asked the government to allocate sufficient funds for the ministry of Postal Services to enable it computerise its record and to take steps for bringing about more improvement in the services being offered by Pakistan Post."


 The [Honolulu Star-Advertiser](#) has reported that "A U.S. Postal Service proposal to eliminate Saturday mail delivery could save an estimated \$3 billion annually but would put people such as Maui resident Steve Hornbuckle at risk of missing critical mail service. Hornbuckle is HIV positive and a diabetic. He depends on mail delivery of 11 different types of medications from the mainland to arrive on time to his out-of-the-way home in Maui's Waihee Valley. "Sometimes the deliveries come right down to the wire," Hornbuckle said. "By losing another day, that definitely impacts me."


 [Direct](#) has reported that "Mailer groups expect the U.S. Postal Service to file a case for an exigent postal rate increase Tuesday."


### *July 3, 2010*

 [Yahoo! News](#) has reported that "Newspapers worldwide are being forced to reinvent themselves for the Internet age -- and will be watching closely the success of two experiments launched in London."


 According to the [Courier, Express, and Postal Observer](#), "Amazon offers same day delivery in seven cities with orders placed in most cities before 10:30 am. Barnes and Noble offers same day delivery in Manhattan. The growth of this same-day market is limited by both demand and the cost of home/business delivery relative to the cost of the item sold. Same day delivery is of interest to Amazon and other internet-only retailers because they compete with companies like Best Buy and Sears that offer on-line sales with store pick-up. Having a lock-box at least as close to a consumer's home as the nearest Best-Buy or Sears store would allow them to expand their same-day service to smaller cities at the same time they lower the cost of shipping those items."


 [Brighthand](#) has reported that "Smartphone users are more likely to make mobile purchases if a product or service advertisement is placed within phone applications. And iPhone owners may be the most receptive to these mobile ads. 40% of the people who download and use mobile applications consider the embedded ads relevant and useful when making purchase decisions, according to a survey conducted in April 2010 of more than 1000 smartphone owners in the U.S. 70% of those surveyed believe mobile ads are a fair price to pay for getting a free application, even though the ads may interfere with their enjoyment of the apps, notes the research."


 [Analytiqa](#) has reported that:


 From Monday 5th July [DHL will operate a new flight from Dublin](#) providing enhanced transatlantic services with 24 hour express delivery from Ireland to the US and Canada. The new

next day delivery service, to the US, will reduce the time it currently takes to deliver packages to the US from Ireland by utilising DHL's enhanced intercontinental air network. This latest investment in the DHL Express Ireland business further strengthens DHL's position as the world's leading international express delivery company and underlines the importance of the Ireland-US trade-lane to the DHL network.

 [Asia Pacific of the National University of Singapore](#) (NUS), announced the establishment of the S\$3.0 million Sustainable Supply Chain Centre of Asia Pacific (SSCCAP). A first for the region, the initiative will be a best practice hub and intellectual property engine to drive sustainable supply chain development in the Asia Pacific region.


 The [Wall Street Journal](#) has reported that "Miami-based cargo carrier Arrow Air Inc. sought bankruptcy protection Wednesday, one day after canceling its flights and terminating hundreds of employees. The company is preparing to shut down its operations entirely unless it can find a purchaser to rescue it from bankruptcy. Arrow Air is no stranger to the Chapter 11 process, having emerged from bankruptcy under a reorganization plan in June 2004. The company, which provides cargo services among the U.S., South and Central America and the Caribbean, operated a fleet of seven aircraft up until a few days ago and counted the U.S. Postal Service and U.S. Department of Defense among its 3,500 customers."

 From [PR-USA.net](#): "The world's largest inkjet systems printer, DST Output ([www.dstoutput.com](http://www.dstoutput.com)), recently unveiled Wrap Envelope technology, a first-of-its-kind process for printing, wrapping and finishing high-volume, First-Class Mail® packages in a high-speed production environment. Wrap extends major mailers' customer marketing efforts with dynamic messaging that can be applied to the front, back and inside of the envelope."


 [Hellmail](#) has reported that "The government has indicated it wishes to sell off a 49% stake in Royal Mail. Investors and businesses around the world have now started looking at this opportunity. What will they want to ask Royal Mail before deciding whether to pursue the opportunity of taking a 49% stake? Postal and logistics Consulting Worldwide, a company made up of professionals who have worked extensively within the industry, has pulled together 10 key questions that any serious investor would want to ask if they had them in the dragon's den."

#### **From the Federal Register: Postal Regulatory Commission**


- **RULES** Service Performance Measurement , 38725–38745 [2010–16178] [\[TEXT\]](#) [\[PDF\]](#)
- **PROPOSED RULES** Periodic Reporting Exceptions , 38757 [2010–16304] [\[TEXT\]](#) [\[PDF\]](#)304] [\[TEXT\]](#) [\[PDF\]](#)


 According to the [Postalnews Blog](#), "One of the periodic reports the USPS files with the Postal Regulatory Commission is a spreadsheet showing historic volume trends for the various classes of mail. The USPS updated their spreadsheet with 2009 fiscal year data, and it's worth taking a look at the numbers to remind ourselves that regardless of how the CSRS and retiree health benefits issues are resolved, the USPS faces tough times ahead...."

"Aside from the obvious rise and subsequent drop in total volume, a couple of items stand out:  
\* Volumes began to grow more rapidly when workshare discounts were introduced  
\* The vast majority of volume growth in the 80's, and all of the growth in the 90's came from workshared volumes  
\* Total first class volume peaked in 2001 with 103.6 billion pieces  
\* Workshared first class volume peaked in 2007 at just under 50 billion pieces  
\* Single piece volume peaked twenty years ago, in 1990, and has been dropping ever since  
\* Workshared volume has constituted the majority of first class mail since 2003- last year 58.3% of first class was workshared."

 One letter writer to the [Washington Times](#), Wayne L. Johnson Commander, Navy Judge Advocate General's Corps (retired), has noted that "During the investigation into the activities of Robert F. Bernstock, former president of shipping and mailing for the U.S. Postal Service, attorney Mary Anne Gibbons told investigators she thought there were two sets of rules governing the so-called de minimus policies on the use of postal equipment for outside

activities ("Postal boss was not sent packing," Web, News, Thursday). Ms. Gibbons said she believed there was one rule for hourly employees and another for executive employees such as Mr. Bernstock. The investigation noted, however, that there is only one set of rules and it applies to all USPS employees, big and small. None may use government time, equipment and/or personnel to operate outside businesses. Considering the quality of Ms. Gibbons' legal advice to Mr. Bernstock as well as her failure to report the ethics violations immediately to the inspector general, the postal service should fire her for incompetence and malfeasance. But the real problem lies with the postal service's senior management. Perhaps we should consider having United Parcel Service or FedEx take over or replace our postal service. That could be a start to trimming our deficit."

 [The Star](#) has reported that "Snail-mailers may be becoming a rare breed in the cities but people who still use the post office were upset when they were asked to pay more for their postage."

 The [Courier, Express, and Postal Observer](#) has told its readers that "The Postal Service's parcel delivery business have a limited competitive advantage in serving customers that send three types of shipments. Items under 2 or 3 pounds shipped to households. These customers either ship these items themselves or use a consolidator like FedEx Smart Post. Items shipped to rural areas and in particular rural households. Infrequent shippers who find retail services offered by the Postal Service more convenient or lower in cost. The Postal Service serve these markets because they have a competitive advantage due to its ability to deliver light weight items cheaper over the last mile than FedEx or UPS could using its own contractors or employees and due to the advantages that its retail footprint offers both in terms of selling parcel delivery services or offering pick-up of parcels that were not delivered because no one was at home. Unfortunately for the Postal Service these advantages are tenuous. Postal Service competitors are now exploring secure alternative delivery options for households that reduce delivery costs per package by eliminating delivery to the home itself and more importantly eliminating multiple delivery attempts when no one is home when the first attempt is made."


## Mailers' Technical Advisory Committee (MTAC)


The Mailers Technical Advisory Committee has formed new workgroups:


- [FAST User Group](#)
- [Electronic Verification System \(eVS\) / Product Tracking System \(PTS\)](#)

 ***At the Postal Regulatory Commission:*** The Postal Service's [2009 Household Diary Study](#) has been posted on the Postal Regulatory Commission website.


*July 2, 2010*


 The [Postalnews Blog](#) has pointed out that the Washington Times story on Bernstock "highlights USPS counsel's role in Bernstock scandal."

 According to [Rep. Stephanie Herseth Sandlin, D-S.D.](#), "I can't support the recent proposal by the U.S. postmaster general to eliminate Saturday mail delivery. America's confidence in the postal service is rooted in the concept of six-day-a-week, universal service that I experienced growing up - and in the knowledge that no matter where you live, the mail will be delivered. As you know, many seniors and veterans receive their prescription medications through the mail and delivery of those medications often occurs on Saturdays when people are more likely to be home to accept these packages. That is one reason why Saturday deliveries play a particularly important role in our state. I, along with 194 of my House colleagues, am a co-sponsor of a bipartisan resolution urging the postal service to do everything it can to continue six-day mail delivery."

 [CNET](#) has reported that "Zap's founder and director of research and development, Gary Starr says the future is here, all we have to do is plug in. The U. S. Postal Service has contracted with Zap for the design and development of an electric version of the Grumman Long Life Vehicle, the light transport truck exclusively used by the USPS. The day I visited Zap, the LLV was on a rack with a technician under the hood; its classic design was unmistakably familiar. USPS operates about 142,000 of these trucks. And, as Starr pointed out, the trucks are driven relatively

short distances and then parked over night. The trucks also spend a lot of time in idle. Automotive technician Aubre Decker works on a USPS mail truck, converting the classic gas-powered vehicle to electric. Zap is one of five companies selected to build a prototype gas-to-electric conversion of the LLV. Once finished, the truck will be road-tested in Washington D.C."

 [San Francisco Weekly](#) has reported that "The Wall Street Journal, which for a week has been rumored to be preparing a Game of Shadows-style story detailing doping allegations against seven-time Tour de France champion Lance Armstrong, announced in Friday's paper that it plans to release just such an article as the tour kicks off Saturday. Food and Drug Administration special investigator Jeff Novitzky, famed for his work on the Barry Bonds BALCO case, is investigating charges leveled by disgraced former Armstrong teammate Floyd Landis claiming the **the duo's U.S. Postal Service-sponsored cycling team doped during the years of Armstrong's Tour wins.** Thursday the Associated Press quoted Armstrong saying the accusations don't faze him."

 The [Courier, Express, and Postal Observer](#) has reported that "The Postal Service will announce the price changes that will be included in its exigent rate case on Tuesday July 6, 2010. The Postal Service will then file the rate changes with the Postal Regulatory Commission shortly thereafter. The Postal Regulatory Commission will have 90 days to review these rates. The rules regarding written comments on the Postal Service's proposal in an exigent rate increases define the 3 issues that will like be the focus of the PRC's decision on the proposed rates. They are: (1) The sufficiency of the justification for an exigent rate increase; (2) The adequacy of the justification for increases in the amounts requested by the Postal Service; and (3) Whether the specific rate adjustments requested are reasonable and equitable. As this will be the first exigent rate case, it would not be surprising if any decision is taken to court regardless of whether the PRC approves the Postal Service's proposed rates as they are presented, modifies the proposed rates or rejects them."



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


- This week the Postal Regulatory Commission (PRC) submitted its report to Congress, the Office of Personnel Management (OPM) and the U.S. Postal Service on the allocation of the Civil Service Retirement System (CSRS) benefits paid to former Post Office employees. The PRC found “. . . an adjustment of \$50-\$55 billion in favor of the Postal Service would be equitable.”
- The Federal Times has reported that "the U.S. Postal Service's former top marketing executive repeatedly used government staff -- and at least two business associates he hired with sole-source contracts -- to manage his personal finances and outside business interests, according to a new report. Robert Bernstock, who resigned June 4, admitted to Office of Inspector General investigators that he had used postal resources and staff to handle his personal business while on the agency's time. The report, released today, said his use of Postal Service employees and property to conduct personal business was improper."
- The Postal Service published its unaudited May results with the Postal Regulatory Commission. USPS lost more than \$642 million in May 2010. This brings the year-to-date to \$2.9 billion.
- The USPS on June 25, 2010, filed with the Postal Regulatory Commission (PRC) a request for semi-permanent exceptions from periodic reporting of service performance measurement for various market-dominant services. The Postal Service requested semi-permanent exceptions for Standard Mail High Density, Saturation, and Carrier Route Parcels, Inbound International Surface Parcel Post (at UPU Rates), hard-copy Address Correction Service, various Special Services, Within County Periodicals, and various negotiated service agreements. The PRC has opened a docket to review the USPS' request and comments are due to the PRC by July 16, 2010.
- Postmaster General John Potter has announced four officer assignments within Operations.
- At the joint Senate-House hearing, the issue of funding the Postal Service's retiree health care obligation was raised by every witness. There is near unanimity among all non-governmental stakeholders on this issue.
- According to Rag Content, George Santayana's statement that "Those who don't remember the past are condemned to repeat it" is something the USPS needs to keep in mind. It's time for the Postal Service to get its house in order.


- Donna Hanbery, who serves as executive director of both the Saturation Mailers Coalition and the Alliance of Independent Store Owners and Professionals, is of the opinion that the postal news of late has more the sound of a really bad soccer match.
- USPS not good for your health? Riding the rails. UPS reduces districts. UPS-FedEx war heats up.
- An update on DMM Advisories issued by the U.S. Postal Service.
- An update on postal rules and notices published in the Federal Register.
- PRC investigates volume estimates from incentive programs.
- A review of postal news from around the world.
- Postal previews


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





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 The [Daily Sun](#) has reported that "The Postmaster- General of the Federation, Mallam Ibrahim Baba, on Thursday revealed that no fewer than 1,708 scam, letters containing various fake foreign cheques and other negotiable financial instruments worth \$17,279, 047.01, have been intercepted by officials of the Nigeria Postal Service (NIPOST) between October 2009 and March this year."

 The [Memphis Business Journal](#) has reported that "A key component to meeting the initiative's goals of doubling exports and adding 2 million new jobs will be carried out by global shipping companies FedEx Corp., United Parcel Service Inc. and the U.S. Postal Service. The increased focus on exporting is expected to create new resources and opportunities for businesses already dabbling in foreign markets. The relationship between the federal government's exporting agencies and FedEx could be an added bonus for companies in FedEx's own backyard. Suresh Kumar, an assistant secretary of commerce and director general of the U.S. and Foreign Commercial Service, says shippers like FedEx will play a vital role in identifying companies that have some export experience but would like to expand. Targeting that low-hanging fruit is the only practical way to meet the goals in the quickest fashion, Kumar says."

 The [Associated Press of Pakistan](#) has reported that "The Senate Standing Committee on Postal services has asked the government to allocate sufficient funds for the ministry of Postal Services to enable its computerize record and to take steps for bringing about more improvement in the services being offered by Pakistan Post."

 According to the [Fairbanks Daily News-Miner](#), "Postal regulators are denying a request to hold public hearings in Hawaii and Alaska on a proposal to eliminate Saturday mail delivery. Postal Regulatory Commission Chairwoman Ruth Goldway wrote Wednesday in a letter to Hawaii Sen. Daniel Akaka that the commission isn't able to schedule another hearing in Hawaii after holding seven hearings in continental U.S. cities. Akaka and Hawaii Sen. Daniel Inouye said in a statement Thursday they're disappointed in the commission's decision because mainland hearings "bear little relevance to the concerns of the people of Alaska and Hawaii" because residents depend on mail delivery for basic and necessary items. Goldway invited Akaka to testify at commission hearings in Washington later this summer."

 The [Korea Times](#) has reported that "Korean card issuers may soon break into a sweat as the country's monopolistic postal service with huge cash reserves and a nationwide network has decided to enter the credit card industry in the not-so-distant future. Korea Post President Namgung Min disclosed the ambitious scheme during Wednesday's press conference held to celebrate the 10th anniversary of the postal service's privatization."

 Well, according to the folks at [Intelisent](#), the Postal Service is about either shoot itself in the foot or shoot its customers with rules governing full service ACS.

*July 1, 2010*



[Press Release](#): "When it comes to safeguarding personal information, Americans continue to trust the U.S. Postal Service above all other government agencies. For the sixth consecutive year, the Postal Service has been named the "Most Trusted Government Agency" by the premier privacy trust study in America."

[Government Executive](#) has reported that "The U.S. Postal Service overfunded its pension accounts by \$50 billion, because of the way in which its obligations have been calculated, according to a new audit. The Office of Personnel Management is responsible for determining the Postal Service's contribution to its pension accounts. The report found that OPM's calculations were appropriate based on 1974 legislation, but PRC is recommending the agency adopt more "modern methods" of allocating funds. USPS Inspector General David Williams earlier this year reported that the agency had overpaid its CSRS fund by \$75 billion. Although the agency could use the funds to pay off its Treasury debt and benefits obligations, adjustments to pension allocations are prohibited by law until 2015 and would require congressional action to change."



From the office of [Sen. Lisa Murkowski](#): "U.S. Sens. Lisa Murkowski, Mark Begich, Daniel Inouye and Daniel Akaka today expressed their disappointment that the Postal Regulatory Commission is unable to schedule field hearings in Alaska and Hawaii on a Postal Service proposal to reduce mail delivery to five days a week. The Commission has held hearings in seven cities in the Lower 48 on the proposal. In a letter last month to Ruth Y. Goldway, Chairman of the Commission, the senators said that mail delivery is different in Alaska and Hawaii, and that information gleaned from hearings in the Lower 48 "will bear little relevance to the concerns of the people of Alaska and Hawaii." The lawmakers had asked the Commission to hold hearings in Alaska and Hawaii. The Commission, which is reviewing a cost savings proposal by the Postal Service that would eliminate Saturday delivery, informed the senators this week that it would not hold hearings in Alaska and Hawaii, but invited the lawmakers to testify at commission hearings in Washington, D.C., later this summer."



According to [Rag Content](#), "Those who don't remember the past are condemned to repeat it." The George Santayana quote is one the Postal Service needs to follow to get its house in order. It can no longer talk about a future Postal Service, it must become one."



As the [Washington Post](#) has noted, "As the U.S. Postal Service looks for ways to close a nine-figure budget gap, it may have just found \$50 billion. Or maybe \$75 billion. It depends on who you ask. This much we know: Over the course of many years, USPS and its predecessor, the U.S. Post Office Department, overpaid the Civil Service Retirement System by billions of dollars. The Postal Service inspector general said in January that the mail agency forked over about \$75 billion extra, while the Postal Regulatory Commission -- an independent, government-backed body -- said Wednesday that the figure is closer to \$50 billion. Either way, the news delights postal bosses and sympathetic lawmakers by providing more proof that the agency has overpaid its obligations to retirees and should be spared future payments."




From [FederalNewsRadio](#): "Those here in DC may have heard the horrible case of Vanessa Pham, a young woman who was murdered. Her body was found on Sunday. The connection to the federal workforce: Pham's mother is a postal worker — and family friends let me know that the family is having struggling financially to make ends meet. Friends have established a memorial fund to raise money for the funeral and burial costs. Contributions may be sent to: Navy Federal Credit Union, Vanessa Pham Memorial Fund, P.O. Box 3100, Merrifield, VA 22119-3100"




PC World has reported that:


- [Toshiba](#) said it expects the educational PC market to grow in coming years as a result of a new Japanese government policy to provide digital textbooks for all elementary and junior high school students by 2015.
- [When it comes to broadband](#), I'm a socialist. Why? Because broadband service in the United States is currently provided by a cableco/telco duopoly, and, as such, is slower and more expensive than in most of the developed world, studies show. Because I don't believe the FCC can fix that lack of competition within the current regulatory framework, despite the ambitious goals set forth in its National Broadband Plan.


Because a reasonably-priced alternative to cable or telco broadband might be just the thing to bring competition to the industry and spur U.S. broadband cost and quality to world-class levels. Because our connectedness increasingly dictates our economic standing in the world: Broadband is as important to us as the interstate highway system--a public works project--was to Eisenhower-era America.


 [AMEInfo](#) has reported that "Dubai's Roads and Transport Authority (RTA) has signed a one-year agreement with DHL to provide postal services through the post system known as Packstations at Dubai Metro stations. RTA will allocate space at the stations to install DHL's parcels and documents postal system initially at Khalid bin Al Waleed station and Deira City Centre station. The service is set to cover other metro stations later on, RTA said."


 The [Financial Times](#) has reported that "Lloyds Banking Group is to close the last 265 of its Halifax agency outlets as it presses ahead with the integration of its HBOS acquisition made 18 months ago. The restructuring will see the desks of Halifax agents disappear from estate agencies and mortgage brokers across the country. That is being offset by a beefed-up agreement with the Post Office, allowing customers to deposit money as well as withdraw it at post offices."


 The [Arizona Daily Star](#) has reported that "An unknown number of Pima County property owners could be hit with late fees and interest charges as a result of a county decision not to let the post office forward their tax bills to their new address."

 [iStockanalyst](#) has reported that "Today marks the beginning of the end for the Postal Service's processing center and its more than 80 jobs. Following the Cincinnati district's decision to close the Hanthorn Road plant and consolidate operations with Toledo, the transition starts today and continues at least through the fall. Mail originating in a 458 zip code will now be trucked to Toledo for postmarks, Postal Service spokesman David Walton said. The mail will then be brought back to Lima for sorting by address for carriers. By October, the equipment at the Lima facility will be moved to Toledo, Walton said. The closing will be largely finished when the equipment leaves, but won't be complete until January. **In 2009**, the Postal Service announced it was studying closing the Lima plant. The decision brought swift and loud opposition from the community, including informational pickets from the employees union, a task force and hundreds of people who spoke at a public hearing."


 [Hellmail](#) has reported that "UK Mail has joined the leading European distribution network Eurodis, as a shareholder, in a strategic new agreement designed to extend service offerings to brand new markets overseas. The exciting alliance will allow UK Mail to provide its parcels and palletised goods customers with the similarly sophisticated range of delivery solutions that they enjoy in the UK, across Europe. UK Mail will exclusively provide collection and delivery services for the UK and Ireland and the linehaul that connects it to the Eurodis network."


 The [Washington Post](#) also has noted that "A 64-page report by the Postal Service Office of Inspector General found that Robert F. Bernstock, former president of mailing and shipping services, clashed with Postal Service attorneys over whether he could conduct outside business by using agency computers, e-mail and staff. Postmaster General John E. Potter later permitted him to forward a limited number of e-mails from his personal accounts to his agency e-mail, the report said. Bernstock also used office telephones to conduct teleconferences and other meetings related to his private business holdings and instructed staffers to conduct private work for him, investigators found. He received an \$85,000 hiring bonus when he joined the agency in June 2008 and an \$85,000 retention bonus for fiscal 2009. Potter permitted him to continue serving on five private and public company boards, including Nutrisystem and City Barbeque, a company he co-owned. Bernstock made more than \$270,000 in cash and other compensation from the boards in 2008."


 The [Consumer Postal Council](#) has noted that "The deadline for European countries to comply with the European Commission's Third Postal Directive, which requires the majority of them to open their postal markets to competition, is just six months away."


 [Air Cargo World](#) has reported that "The World Customs Organization (WCO) and The International Air Cargo Association (TIACA) have signed a Memorandum of Understanding (MoU) to improve cooperation. TIACA wants more efficient Customs and border practices for air cargo shipments in order to facilitate trade and economic growth

and to capitalize on air cargo's key competitive advantage of speed. The WCO has agreed to attend relevant TIACA meetings to discuss its objectives and will provide technical committee responses to submissions from TIACA on specific customs/air cargo issues."

 [ARN](#) has reported that "Finland has become the first country in the world to force its ISPs to treat broadband like postal services and telephone connections. From July 1 onwards, every citizen will get access to a reasonably-priced connection with a minimum speed of 1Mbps."

 [The Star](#) has reported that "Former Pos Malaysia chairman Tan Sri Adam Kadir will testify before the Public Accounts Committee today following his comments that the company suffered RM546mil losses."

 The [Federal Times](#) has reported that "the struggling U.S. Postal Service should be spared between \$50 billion and \$55 billion in projected long-term pension obligations, according to an outside actuary's report submitted today to Congress by the Postal Regulatory Commission. The report, produced by The Segal Company, was intended to provide an independent look at the allocation of Civil Service Retirement System costs between the Postal Service and its predecessor, the U.S. Post Office Department. The Office of Personnel Management had reckoned the postal service's share at \$198 billion as of last September. OPM also received a copy of the Segal report today and will now have to give its response to the commission, Congress and the Postal Service. An OPM spokesman could not be reached for comment late this afternoon. But Segal's conclusion was welcomed by Sen. Tom Carper, a Delaware Democrat who chairs a federal financial management subcommittee whose purview includes the Postal Service."

 The [Washington Times](#) has reported that "The former \$232,500-per-year president of shipping and mailing for the U.S. Postal Service regularly worked on outside corporate business while in the office, even enlisting his postal staff to schedule meetings and arrange for his private travel, postal investigators have found. Robert Bernstock also helped steer millions of dollars in no-bid postal contracts to former business associates he knew from his days as a top executive at companies such as pickle producer Vlasic Foods and lawn care giant Scotts Miracle-Gro, according to a new report by the office of inspector general for the U.S. Postal Service and contract records. In December, postal officials said he used personal time and vacation days to conduct business involving his directorship positions at Nutrisystem and Pantry Inc., a convenience store chain. The inspector general's office concluded otherwise. Postal officials declined to comment on findings in the inspector general's report."