





Association for Postal Commerce


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Postal News from August 2010:


August 31, 2010


 The [Postalnews blog](#) has reported that "Jerry D. Lane, the former USPS Vice President for the Capitol Metro Area, was found guilty on misdemeanor assault charges in Loudoun County, Virginia District Court on Thursday, and was fined \$300."

 [WNEM](#) has reported that "U.S. Postal Service employees in Saginaw plan to organize an informational picket on Thursday. The demonstration is aimed at informing the public of the benefits of keeping a six-day mail week. According to the Saginaw News, the chief steward for the postal worker's union said federal officials are considering moving all operations out of the city."

 The [Estonian Free Press](#) has reported that "Estonian Minister of Economics Juhan Parts announced that the partial sale of state-owned Eesti Post will not take place happen before March 2011, when the national Elections for the Parliament are due to take place, Bloomberg reports. There is an absence of unity around the issue from the government according to Parts, who also supported the selling postponement to let the future administration take the decision."

 From [Online PR News](#): "Shippers searching for shipping options for are discovering Newgistics. Newgistics has a solid reputation for delivering industry leading results. Shippers' reputations ride on how they deliver. In shipping results are critical. For years Newgistics has supplied competitive shipping options for shippers. If you are looking for a shipping partner, Newgistics is the logical choice. Newgistics is known for quality shipping solutions that reflect well on the reputations of their shippers. For additional information retailers are invited to visit the company web site at <http://www.newgistics.com>."

 From [PR Newswire](#): "Americans hitting the road this Labor Day weekend should consider some advice from the U.S. Postal Service. According to the National Safety Council, nearly 5,900 postal employees have achieved a unique distinction most of us never approach in a lifetime — driving more than 1 million, accident-free miles. No other business comes close."

 **DMM Advisory: IMb™ Services Update. WEBINARS – MIGRATING TO IMb:** To date, mailers have deposited more than 50 billion mailpieces with Intelligent Mail® barcodes (IMb). If you haven't already come onboard, we'd like to remind you that beginning in May 2011, to be eligible for automation discounts on your letter-size and flat-size mailpieces, you'll need to start using the IMb in place of the POSTNET™ barcode. In May 2011, the POSTNET barcode will

be ineligible for automation prices and the IMb must be used to claim automation prices with either the Full-Service option or the Basic option.



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

The [Courier, Express, and Postal Observer](#) has reported that "Based on what is happening in Great Britain, competition in the mail business in the United States could make it easier for advertisers that are hesitant to use mail or other forms of delivery of printed advertising to manage the process. Clearly having multiple delivery companies marketing services could help expand the market. The largest mailers will likely not need the services similar to those that TNT Post and Royal Mail are offering and continue to use the large printers to manage their needs."

From [PR Web](#): "To educate mailers and the postal industry as a whole about the critical changes happening with the United States Postal Service®, Window Book, Inc. has released an informative, 29-page white paper titled, "Intelligent Mail Full-Service: Critical Steps to Understanding and Implementing."

The [Sentinel Source](#) has reported that "Three Republicans are competing for a chance to challenge Democrat John Shea of Nelson for the District 2 seat on the state's Executive Council. Among them: James Adams. He is retired from the U.S. Postal Service, where he acted as the chief of staff to three postmasters general. He says that while in that role he was able to cut \$14 billion from the budget by eliminating redundant high-level positions. Adams says state spending can be reduced by eliminating redundancy and requiring contractors to bid competitively for state contracts. [EdNote: Go get 'em, Jim.]"



[Post & Parcel](#) has noted that "Posten Norden has announced that it has improved its operating earnings through long-term cost adjustments during the first half of 2010."

Postal news from [Hellmail](#):

- This week sees a further step forward in a complete [rebranding of Belgium's main postal provider](#) (formerly La Poste) to bpost NV.
- [Pitney Bowes](#) will reveal innovative ways to automate mail delivery for both public and private Posts at Post Expo, the world's leading annual event for the international postal, express and mailing industry. At the Copenhagen event, Pitney Bowes will unveil the newest addition to its sorting hardware portfolio designed to automate more offline mail handling processes faster and more accurately. Specific details will be announced at the show on Wednesday, October 6, 2010.

From the Federal Register: Postal Regulatory Commission RULES New Postal Products , 53216–53218 [2010–21694] [\[TEXT\]](#) [\[PDF\]](#) **NOTICES** New Postal Products , 53353–53355 [2010–21693] [\[TEXT\]](#) [\[PDF\]](#)

August 30, 2010

The [Associated Press](#) has reported that "For a decade, West Africa's main connection to the Internet has been a single fiber-optic cable in the Atlantic, a tenuous and expensive link for one of the poorest areas of the planet. But this summer, a second cable snaked along the West African coastline, ending at Nigeria's commercial capital, Lagos. It has more than five times the capacity of the old one and is set to bring competition to a market where wholesale Internet access costs nearly 500 times as much as it does in the U.S. It's the first of a new wave of investment that the U.N.'s International Telecommunications Union says will vastly raise the bandwidth available in West Africa by mid-2012."

From [Media-NewsWire](#): "Ronald R. Bassak, and his construction company, Meccon, Inc. admitted in United States District Court today that he and his company paid a U.S. Postal Service contracting officer approximately


\$100,000 in bribes in order to secure contracts for his company. During the investigation, the contracting officer committed suicide at his Westerville home."



*The U.S. Postal Service Office of Inspector General invites you to comment on this week's "Pushing the Envelope" blog topic: **(Postal Employees) Having Problems with Your Time and Attendance Records? The OIG Wants to Hear From You.*** The OIG's Human Resources and Security Team is interested


in hearing from Postal Service employees who might be experiencing problems with their time and attendance records. Take the OIG's survey and share your comments [here](#). The following reports also have been posted today on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov/>). If you have additional questions concerning a report, please contact Wally Olihovik at 703.248. 2201, or Agapi Doulaveris at 703.248.2286.

- City Delivery Efficiency Review – Bay-Valley District ([Report Number DR-AR-10-007](#)).
- Facility Optimization: Chicago District ([Report Number DA-AR-10-009](#)).
- Facility Optimization: New York District ([Report Number DA-AR-10-010](#)).
- Facility Optimization: Northern New Jersey District ([Report Number DA-AR-10-008](#)).

 **DM News** has reported that "Young consumers may live their lives online, but they trust offline marketing pitches more than web-based ones, according to a survey. The poll also found privacy is a concern for all age groups. Thirty-six percent of US households and 38% of Canadians said mail information is more private than e-mail, compared to 29% of US respondents and 35% of Canadians in 2008. However, the study noted that only 25% of respondents are getting more postal mail now than a year ago, while 72% of US households and 66% of Canadians say they're getting more e-mail."


 From the [Courier, Express, and Postal Observer](#):


- The [GDP numbers released last week were disappointing](#). Yet, the numbers for the Postal Service and advertising in general were not that bad. Why is that? It is simply that sales to domestic purchasers -- which include consumers, businesses and the government -- rose 4.3%. An industry that depends on its ability to grow the sales of firms that sell products and services to consumers and business, having customers whose business is growing faster than the economy is good news. So why does the economy seem to be slowing down? The reason is four fold.
- This weekend, the publisher of [Oxford English Dictionary](#) announced that the next edition will be published in [digital format only](#).


 **At the Postal Regulatory Commission:** September 01, 2010 - Notice: Public hearings in Docket C2009-1 are scheduled for Wednesday, September 1 and Thursday, September 2. Both hearings will begin at 9:30 a.m. Links to the audio will be posted here approximately 10 minutes prior to the broadcasts.


August 29, 2010

 **Veterans Today** has asked: "President Obama: Why Are You Allowing Your Postmaster General to Run a Plantation?"

 **CBC** has reported that "Staffing decisions by Canada Post have resulted in unacceptable delays in mail delivery, the union representing letter carriers in British Columbia says. Canada Post hasn't been backfilling employees who become ill or take leave, Ken Mooney of the Canadian Union of Postal Workers told CBC News. "The non-delivery has a ramification on the community, of course, because people depend on GST cheques and family allowance cheques and various other correspondence, and they depend on Canada Post for that service," Mooney said."


 [USA Today](#), the nation's second largest newspaper, announced this week a major restructuring effort designed to address a drop in advertising and circulation and bring it up to speed in today's new world of smartphones and tablets." [EdNote: And the Postal Service is doing . . . what?]

 [Zawya](#) has noted that "The services of Empost, the national courier company, are now available at main post offices across the UAE."


 From [PR Web](#): "She was the only woman, as of 2010, who rose from a clerk in the Georgia Southern College Post Office to Deputy Postmaster General in the United States Postal Service. In an inspiring memoir, MS. DEPUTY POSTMASTER GENERAL, author Jackie A. Strange shares with readers her remarkable achievements and how trusted leadership, courage, and innovations impacted the postal service. Under physical and mental duress, she achieved unprecedented records and saved billions of dollars for the postal service—the largest non-military job in the world with 800,000 employees and a \$32 billion (in 1983 dollars) budget—through innovative programs."





August 28, 2010

 [Reuters](#) has reported that "Deutsche Post, the successor to the German federal postal service, will offer bounties for bugs researchers find in its E-Postbrief secure message service, the company announced this week. The firm, which also operates the DHL overnight delivery service, will kick off a contest in October after it pre-approves research teams that apply for what it's calling the Deutsche Post Security Cup. Each team will be seeded with \$3,000 (\$3,800), but must use their own tools and agree to not touch any private data they come across during their work. The teams must also keep quiet about any vulnerabilities they find until December, when Deutsche Post will award prizes and reveal the bugs it's patched."


 **From the Federal Register: Postal Regulatory Commission NOTICES** New Postal Products , 53002–53003 [2010–21423] [\[TEXT\]](#) [\[PDF\]](#) Product List Transfer , 53003–53004 [2010–21438] [\[TEXT\]](#) [\[PDF\]](#)

 Long-time newspaper postal advocate, Max Heath, wrote in the [Georgetown News](#) that "Members of the National Newspaper Association, which publish about 2,000 community newspapers across America, do the same. I serve as its long-time Postal Committee chairman. That's why I want to respond on behalf of them and other mailing industries in Kentucky to the recent opinion piece printed in many state newspapers by Ellen Williams of Kentucky, member of the United States Postal Service Board of Governors. The United States Postal Service has decided to place an unnecessary burden on Kentucky's families, workers and businesses by proposing a major price increase. Fortunately, Gov. Williams can help stop this, and that's what citizens in Kentucky should be asking her to do, instead of rubber-stamping postal management decisions."

 The [Daily Camera](#) has reported that "The U.S. Postal Inspection Service is offering a reward of \$1,000 for information related to the recent destruction of mailboxes in Boulder. Police believe the mailboxes were damaged with homemade explosive devices. Read more: U.S. Postal Services offers reward for information about destroyed Boulder mailboxes."

 [Hellmail](#) has reported that "Norway Post achieved earnings before non-recurring items and write-downs of NOK 511 million in the first half of 2010 - an increase of NOK 130 million compared to the same period last year, although addressed mail volume fell by 7.4 per cent. The improvement in earnings was achieved despite the half year being affected by declining volumes in the mail and logistics segments, a lower level of activity in the IT market and a strike in the transport sector."

August 27, 2010

 **DMM Advisory: IMb™ Services Update. New FAST Help Desk (August 30, 2010):** As announced in the Facility Access and Shipment Tracking (FAST®) 14.3.0 [Release Notes](#) (August

15, 2010), the Postal Service™ will launch the new FAST Help Desk effective Monday, August 30. The FAST Help Desk will be available to assist with application and operation-related issues by:

- Email at FAST@usps.gov.
- Telephone at 877-569-6614. The FAST Help Desk telephone number efficiently directs calls through a new IVR network to ensure prompt routing of customer inquiries.

The FAST Help Desk hours of operation will be Monday through Friday, 7:00 a.m. to 7:00 p.m. CT. Telephone support will be available outside of these hours including weekends and holidays. If the Help Desk is unable to provide an immediate resolution, a Remedy Ticket will be activated and escalated to the appropriate postal functional entity. All FAST Remedy Tickets will follow the established Issue Resolution Process. The FAST Welcome pages have been updated to reflect the new FAST Help Desk contact information.



A copy of the Postal Service [Customer Relations Department](#) organizational chart has been posted on this site.

The [Parcel Shippers Association \(PSA\)](#) and the [Direct Marketing Association \(DMA\)](#) have asked the Commission to issue a Commission Information Request (“CIR”), seeking information necessary to fully understand the cost, revenue, market and other factual bases upon which the Postal Service’s proposed transfer of Standard Mail Fulfillment Parcels relies.”

Press Release: "Announcing... a revolutionary digital publishing service that helps clients market and distribute print materials in easy-to-read digital editions via e-mail and the Internet using only a standard Web browser! Nxtbook Media — LLC helps publishers provide digital versions of their magazines, catalogs, travel and other collateral. If you want to lower your distribution costs, reach a wider audience and increase advertising revenues, Nxtbook Media will convert your printed magazine into an online magazine, also known as a digital magazine or e-magazine. We can also optimize print catalogs, travel and other collateral materials into digital versions."

[Washington's Blog](#) has noted that "U.S. Postal Service Starts Quoting SDR to Dollar Conversion Rates, and IMF Endorses Replacing Dollars with SDRs."

The [Financial Times](#) has reported that "A Kosovan plan to sell hundreds of millions of euros of state telecom assets has prompted warnings of legal repercussions from Serbia, setting off another skirmish in the former Yugoslavia’s most stubborn ethnic dispute. Kosovo’s ministry of finance and economy has called for pre-qualification bids by September 13 to buy large tranches of shares. The planned 75 per cent sell-off encompasses fixed-line, wireless and mobile communications subsidiaries, while the unreformed, inefficient postal service stays in state hands."



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

- Through newly released memos, the Washington Times has reported that the Postmaster General and top officials gave postal inspectors varying accounts about the decision to allow a top executive to retain his six-figure outside corporate jobs while working full time, earning more than \$230,000 as a vice president of shipping, for the USPS.
- The Postal Service published its unaudited July results with the Postal Regulatory Commission. USPS lost \$764 million in July 2010. This brings the year-to-date loss to \$6.0 billion.
- The Congressional Research Service has released its report - The U.S. Postal Service’s Financial Condition: Overview and Issues for Congress. The report provides an overview of USPS’ financial


condition, recent legislation to alleviate the USPS' financial challenges, and possible issues for the 111th Congress.


- According to the Courier, Express, and Postal Observer, "readers that are expecting an answer to the question in the title will be disappointed. The truth is I do not know. However, I do know that the most recent forecasts, or at least those contained in the exigent rate case are woefully out of date even though they are at worst 6 months old."
- The Affordable Mail Alliance - a growing coalition of non-profits, Fortune 500 companies, small businesses, major trade associations, consumer groups, and citizens representing the vast majority of the mail sent in the United States - today announced the addition of its one thousandth member group.
- Marketers brace for paper cost increase. Digital advertising is being clobbered by traditional media. MTAC forms new workgroup. PRC established docket for SM parcel transfer. Meredith mag puts video in select copies. Latest USPS org chart available. GovDelivery and Zumbox partner to reduce paper mail. FedEx board declares quarterly dividend. APWU President speaks at union's national convention. USPS identifies two key ideas from MTAC symposium. UPS reduces expected number of furloughed pilots. Leaving the mail stream: Verizon.
- An update on DMM Advisories issues by the U.S. Postal Service.
- 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.




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 The [Financial Express](#) has reported that "The government on Thursday approved second phase of modernisation of post offices at a cost of Rs 1,877 crore. As per the decision, all departmental and Grameen Dak Sevak (GDS) post offices in the country will be computerised. The approval has also been accorded for creation of IT infrastructure, including establishment of data centre, networking of the departmental post offices, development of scalable, integrated and modular software for all operations of the postal department. The project will be implemented over a three year period covering till 2012-13."


 The [Wall Street Journal](#) told its readers: "Here's a question: What does a world-leading logistics and mailing company that already delivers 70 million letters a day do for growth? European Pressphoto Agency If you're Deutsche Post AG, the former state-owned German mail authority, you deliver online advertising. Earlier this week, Bonn, Germany-based Deutsche Post acquired nugg.ad AG, Europe's largest targeted online ad platform according to the company for an undisclosed sum. With the purchase, it seems Deutsche Post wants to be king of the online ad market. "The acquisition of nugg.ad is our first step into the online advertising market," Ingo Bohlken, head of marketing for Deutsche Post, told German daily Frankfurter Allgemeine Zeitung. "We want to offer the European advertising market a steady, independent technology platform," he said."


 An [online blog](#) has noted that "The U.S. Postal Service (USPS) already facing a \$420,000 worker endangerment fine for faulty electrical work at a Vermont mail distribution center has now been slapped with a \$350,000 fine for similar violations in New Hampshire. The Occupational Safety and Health Administration (OSHA) says that, just like it did in Vermont, the USPS had knowingly assigned untrained and unqualified workers to perform "troubleshooting and voltage testing on or near live electrical equipment and wiring that had not first been de-energized." "These citations and the sizable fines proposed here **reflect the Postal Service's ongoing knowledge of and failure to address conditions that exposed its workers to the severe and potentially deadly hazards of electric shock, arc flashes and arc blasts,**" said Assistant Secretary of Labor for OSHA Dr. David Michaels in a press


release. The really bad news is that by filing "enterprise-wide" complaints against the USPS for these electrical work safety violations, OSHA is implying that more fines for more violations at more postal facilities could be coming. With the USPS losing another \$3.5 billion in the third quarter of 2010, you have to wonder - but not for long -- **who's going to pay for all this?"**

 [Post & Parcel](#) has reported that "Swiss Post has generated Group profit of 484m Swiss francs for H1 2010 - an increase of 35% year on year. Swiss Post posted good results in all four markets, primarily due to a rise in customer deposits, higher net interest income and the revival of the economy, the company said.

 [The Next Web](#) has reported that "Home video rental giant Blockbuster is reportedly preparing to file for bankruptcy next month as it struggles to cope with competition from Netflix, Lovefilm and Redbox, companies who have revolutionised the rental industry with their postal and on-demand services."


 The [Washington Post](#) has reported that "The Carlyle Group suffered a rare setback Wednesday when one of its portfolio companies, toy supplier Oriental Trading Co., filed for bankruptcy protection, citing heavy debt and higher shipping costs. Carlyle bought Oriental Trading in June 2006, during the heady days of the buyout boom, for \$1 billion. But the heavy debt load, higher postal rates and the weak economy proved too much for the Nebraska firm. **"Dramatically increased postal costs** and the Great Recession took their toll on expenses and revenues at the company," Carlyle spokesman Chris Ullman said. "

 [APWU members](#) vowed to escalate the fight against the Postal Service's plan to eliminate Saturday mail delivery on the fourth day of the union's 20th Biennial National Convention, unanimously approving a resolution to engage in "rallies, marches, and pickets" in concert with other unions and public interest organizations. The declaration also denounced the "force relocation" of postal workers and other USPS attacks."


 According to the [Detroit News](#), "Tuesday's march in Detroit against the proposed ending of Saturday mail delivery should be seen for what it was: an effort to sustain union jobs and benefits even as the U.S. Postal Service hemorrhages billions of dollars trying to sustain what may no longer make sense."





[From the Federal Register: Postal Regulatory Commission NOTICES New Postal Product](#) ,
52786-52788 [2010-21329] [\[TEXT\]](#) [\[PDF\]](#)


 The [Washington Times](#) has reported that "The executive in charge of the U.S. Postal Service's \$13 billion supply-management operation has acknowledged **"cracks in the system,"** saying more than 30 percent of the agency's contracting-officer positions remained unfilled. The statements by Susan Brownell, vice president of supply management, were made earlier this year in a previously undisclosed interview with the Postal Service's Office of Inspector General, which was looking into the award of no-bid contracts by a former top postal executive to his former business associates. The inspector general's investigation, which ended this summer, found that **several of the contracts awarded by the Postal Service's former top marketing officer violated postal policies and procedures.** . . . The Postal Service said it "is not commenting on individual statements made by executives to the inspector general's office during its investigation."


August 26, 2010


 The [Memphis Democrat](#) has reported that "Rural route or street address? The question has been put to rest by the United States Postal Service in the city of Memphis as official addresses for mail delivered within the city limits have been switched over to the city's assigned street address. Memphis Post Master Monica March said the process is ongoing, with most affected residents receiving notification at the end of the July. Gail Bell of the USPS address management systems explained the changes. She said the postal service inadvertently issued rural box numbers in place of city-style addresses assigned by the City of Memphis several years ago. The USPS will continue to deliver mail addressed with the old rural route information for one year. All affected patrons are encouraged to make address changes with all regular mailers as soon as possible over the next 12 months. After that time period all mail sent to the former rural route address will be returned to sender."


 [Business Daily Africa](#) has reported that "The postal and courier businesses are experiencing a decline in the number of letters sent as most Kenyans embrace e-mails and e-commerce, a new report from the industry regulator says. The statistics released by Communication Commission of Kenya (CCK) early this week indicate that the number of letters sent by courier services declined 35.7 per cent from 113,781 during the previous quarter to 73,162 this quarter. During the same period the number of letters sent using postal services fell to 23 million from 25 million letters the previous period. A decline of 9.7 per cent. International incoming letters fell 16.6 per cent from the previous quarter and 25.6 per cent compared to the same period last year."


 The [Wall Street Journal](#) has reported that "French state-owned postal operator La Poste on Thursday said it is in exclusive talks with mobile operator SFR, subsidiary of French media conglomerate Vivendi SA to launch mobile services under the La Poste brand."


 From [PR-USA.net](#): "To facilitate the needs of their international customers MyAddressUS.com has announced the launch of a new updated online package management tool, which provides customers easier international US online purchasing, package management and package forwarding solution."

 [Dead Tree Edition](#) has told its readers that "The Postal Service's sole-source contracts with associates of former executive Robert F. Bernstock had the tacit approval of Postmaster General Jack Potter, according to documents published last night."

 The [Courier, Express, and Postal Observer](#) has told its readers that "The Postal Service filed their July 2010 preliminary financials with the Postal Regulatory Commission and the results raise more questions about its financial viability and its ability to develop realistic financial plans."


 The [Washington Times](#) has reported that "The U.S. postmaster general and his top officials gave investigators varying accounts about the decision to allow a top executive to retain his six-figure outside corporate jobs while working full time, earning more than \$230,000 as a vice president of shipping, for the U.S. Postal Service, records show. Newly released memos of extensive interviews conducted earlier this year by the U.S. Postal Service's office of inspector general with Postmaster John E. Potter and other executives provide a rare look into the operations in the top reaches of the Postal Service. The documents also suggest that executives deferred to their former top marketing officer, Robert Bernstock, even as some inside the agency began raising questions about his outside business interests."


 [Business Daily Africa](#) has reported that "Kenyan companies are adopting electronic funds transfer as a method of paying dividends and other dues to shareholders in a move meant to enhance efficiency and reduce costs incurred in tracking uncollected cheques."


 The [Toronto Sun](#) has reported that "Rules are rules, says Canada Post, even for double-amputee Tom Thompson, who will have to move his mailbox at least 150 feet to comply with new regulations regarding box placement. "I guess it's a safety issue for their drivers," said Thompson, who lives in Simcoe, Ont. "I guess it's not a safety issue for me when I have to wheel through a foot of snow down the road to get my mail." Thompson has lost both legs to complications of diabetes. He says the situation is "nuts" because while he has a Decou Road address, his home and mailbox front onto Willow Wood Drive — a short dead-end street with 11 homes. CUPW has complained that rural delivery is ergonomically unsafe for lone drivers. As a result, many delivery vehicles now carry two people — one to drive and one to fill mailboxes. CUPW has also made an issue of the safety of rural delivery routes." [EdNote: You remember CUPW, don't you. Those are the folks who believe every effort should be made to deliver mail to Gaza (despite the Israeli gunboats), but can't see fit to make mail delivery to a double amputee more convenient.]


August 25, 2010


 **At the Postal Regulatory Commission:** The Postal Service's [Preliminary Financial Information for July 2010](#) has been posted on the PRC web site.

 Press Release: "BÖWE BELL + HOWELL (BBH) today announced the availability of a new service offering that provides small to mid-sized mailers with access to the kind of sophisticated document and data-processing capabilities that are traditionally found only in high-volume production mailers. For more information, contact marketing@bowebellhowell.com or call 1-800-220-3030."


 The [Kansas City Star](#) has reported that "The U.S. Department of Labor intends to fine the U.S. Postal Service Bulk Mail Center in Kansas City, Kan., for "numerous serious and repeat safety violations." The Occupational Safety and Health Administration proposed a \$191,000 penalty after an onsite investigation found hazardous working conditions. Problems cited include "deficiencies in walking/working surfaces, fall protection, sling use, machine guarding, welding and electrical equipment." Also cited were problems associated with "exit routes, eye wash facilities, electrical equipment and hazard communication." [*Hundred thousand here, hundred thousand there. Next thing you know it adds up to real money.*]


 From Canada Post: "[Thomas Schmitt](#), SVP FedEx Solutions is joining Purolator as its new President and CEO. [Louis O'Brien](#), Canada Post, Senior Vice-President and President of the Parcels Line of Business will now be Senior Vice-President, Chief Customer Officer."


 The [Courier, Express, and Postal Observer](#) has asked: "Are the Postal Service's Earnings Forecast Too Optimistic?"


 As the [National Post](#) put it: "It's been too long since we've had a Canadian union do something bizarre. So nice of the Canadian Union of Postal Workers to step up to the plate and demonstrate, for the umpteenth time, the strange obsession Canadian organized labour has with rocking boats. Or in this case, a cargo ship. Isn't it a bit weird that Canadian postal workers are suddenly willing to brave the power of the Israeli Navy to get mail to Gazans when they're so easily deterred getting mail to you and I? If it snows more than a centimetre or two in Toronto, little notices get put into mailboxes announcing that delivery is suspended until safety conditions in front of the house are improved — i.e. the steps gets shovelled. (Of course, postal workers have to risk death on slippery front steps to deliver the warning, but that's just another example of their heroic devotion to duty.) In Moose Jaw, delivery was recently cancelled due to the danger of mean birds."

 "[The U.S. Postal Service's Financial Condition: Overview and Issues for Congress](#)" Kevin R. Kosar Analyst in American National Government July 29, 2010


 The [Affordable Mail Alliance](#) – a growing coalition of non-profits, Fortune 500 companies, small businesses, major trade associations, consumer groups, and citizens representing the vast majority of the mail sent in the United States – today announced the addition of its one thousandth member group.


 The [Washington Post](#) has reported that "FedEx sued New York Attorney General Andrew M. Cuomo, claiming he is overstepping his authority in a state investigation of the company's rates, routes and services. Cuomo notified FedEx in June that his office was investigating the company's insurance policies and coverage for items it ships. His office served a subpoena upon the firm on June 8, 2010, seeking information about FedEx's "rates routes, prices and or services," the company said in its complaint. FedEx has until next week to respond to the subpoena."

 The [Star](#) has reported that "Through rain, sleet and an international blockade, the Canadian postal workers union is serious about getting mail to Gaza. The union is throwing its support behind a coalition of Islamic and human rights organizations planning to steer a Canadian-registered boat through the Israeli blockade of the Palestinian territory this fall. Such a stamp of approval comes after Israel Post halted mail to the area earlier this month. Canada Post wants to be clear: "This effort is in no way affiliated with or supported by Canada Post," the Crown corporation said in a statement."

 The [Associated Press](#) has reported that "Hundreds of postal workers attending their national convention in Detroit marched Tuesday in protest of plans to suspend mail delivery on Saturdays. The Detroit News reports that the blue-

shirted American Postal Workers Union members chanted "Five day, no way" as they walked Tuesday from Cobo Center to Campus Martius. The Rev. Jesse Jackson and U.S. Rep. John Conyers participated."

 [Hellmail](#) has reported that "Consumer Focus Post, the Northern Ireland arm of UK watchdog Consumer Focus, is calling on Royal Mail to be more transparent about the performance of First Class mail delivery between Britain and Northern Ireland. It must also make sure the service meets the UK-wide standard for 93% of first class mail to be delivered the next working day, set by the regulator Postcomm."


 [Bernama](#) has reported that "Pos Malaysia Bhd's earnings in financial year 2011 will grow by 66.4 per cent from financial year 2010 as full contribution from the postal tariff hike takes effect, according to OSK Research."





From the Federal Register: Postal Service.


- Environmental Assessments; Availability, etc.: Mobile Fueling Operations, Nationwide , 52377 [2010–21149] [\[TEXT\]](#) [\[PDF\]](#)
- International Product Changes: United States Postal Service Inbound Competitive Multi-Service Agreements with Foreign Postal Operators , 52378 [2010–21147] [\[TEXT\]](#) [\[PDF\]](#)
- United States Postal Service Inbound Market-Dominant Multi-Service Agreements With Foreign Postal Operators , 52378 [2010–21148] [\[TEXT\]](#) [\[PDF\]](#)
- Transfer of Commercial Standard Mail Parcels to Competitive Product List , 52378 [2010–21146] [\[TEXT\]](#) [\[PDF\]](#)

August 24, 2010

 According to [SmarTrend](#), "the top five companies in the Air Freight & Logistics industry as measured by return on equity (ROE). The ROE is a general indication of the company's efficiency; Investors usually look for companies with ROEs that are high and are growing. United Parcel Service, CH Robinson Worldwide, Expeditors International of Washington, Park-Ohio Holdings, and Atlas Air Worldwide Holdings."

 From [PR Newswire](#): "The U.S. Postal Service is modifying mailing regulations of tobacco shipments from the U.S. to APO/FPO/DPO destinations by expanding shipping options to include Priority Mail service with Delivery Confirmation." See also [Federal Times](#) and [Global Pensions](#).

 From [Federal News Radio](#): "Is there a solution in sight for the Postal Service's debt woes?" Lorie Nelson, the Director of Financial Reporting for the USPS Office of Inspector General, explains how the Postal Service might be able to use at least \$5.5 billion of the \$6.8 billion surplus in the Federal Employees Retirement System."


 The [Courier, Express, and Postal Observer](#) has reported that "Today, Verizon launched a campaign to convince more residential phone customers to both receive their bills electronically and pay electronically. Verizon expects the promotion will increase electronic bill presentment to rise by 250,000. Following the promotion, Verizon will have around 16% of its customers both receiving bills electronically and paying electronically."





At the Postal Regulatory Commission: The [transcript of the PRC Rapid City, SD hearing](#) on the five-day service proposal has been posted on the PRC web site.





The [latest Postal Service headquarters organizational chart](#) has been posted on this site.


 From [Business Wire](#): "GovDelivery, the leading provider of government-to-citizen communication solutions, and Zumbbox, the leader in digital postal mail services, today announced a partnership to aid government agencies and municipalities across the United States in dramatically reducing the financial and environmental costs associated with sending paper mail."


 [AdWeek](#) has reported that "According to Borrell Associates, political ad spending will reach \$4.2 billion this year, double the \$2.1 billion the firm estimated was spent in 2008." [EdNote: Hey. You wanna reach voters? Reach 'em by mail. With less mail in mailboxes today than during elections past, a well-designed ad is sure to catch voters' attention. So . . . exactly what has the Postal Service done to promote mail to electioneering politicians?]


 The Board of Directors of [FedEx Corporation](#) has declared a quarterly cash dividend of \$0.12 per share on FedEx Corporation common stock. The dividend is payable October 1, 2010 to stockholders of record at the close of business on September 10, 2010.


 The [Belfast Telegraph](#) has reported that "The Government has been urged to drop Royal Mail privatisation plans after a new survey of 2,000 people showed most people wanted the postal service to remain publicly-owned. Just one in seven polled by Labour leadership contender Ed Balls and the Communication Workers Union (CWU) said they supported the privatisation plan."


 [DM News](#) has reported that "Direct marketers and catalogers are preparing to face paper cost increases this fall, while also planning for a possible significant postal rate increase in January. Marketers say volatility in the paper market in recent years, due to economic instability, has made it difficult for them to project costs from one year to the next. Many marketers are facing paper price increases of as much as \$3 per 100 pounds this fall, on top of prior hikes in April and July, according to notices from paper mills and industry experts. The increase means a 7% to 10% cost increase for buyers, depending on the mill and type of paper. "This is not good news for catalogers," said Hamilton Davison, president and executive director at the American Catalog Mailers Association. "They're going to get a postage increase that's six-times the rate of inflation and a paper cost increase that is nine times the inflation rate [for the year]."


 [Trading Markets](#) has reported that "Germany-based postal services provider Deutsche Post is acquiring Germany-based online targeting platform nugg.ad to expand its competence as a service provider in the online advertising market. Nugg.ad will continue as independent targeting service provider for marketers and advertising agencies from the company's headquarters in Berlin."


 The [Times of Malta](#) has reported that "MaltaPost has been awarded the World Mail Security Award during the 11th World Mail awards held in Copenhagen, Denmark. The World Mail Awards were conceived as a result of discussions at the internationally recognised World Mail & Express Conferences – the unique forum for industry leaders and key decision makers to discuss strategy."


 [CapitalVue](#) has noted that "Nationwide postal service companies and large-scale express delivery companies generated an operating revenue of 72.84 billion yuan in first 7 months of 2010, up 19 percent year-on-year, reports Yicai.com, citing statistics published by the State Post Bureau. Revenue in July grew 12.8 percent year-on-year to 9.58 billion yuan, according to the State Post Bureau. The shipping volume of nationwide postal service companies and large-scale express delivery companies in the first 7 months of 2010 reached 1.23 billion, up 23.6 percent year-on-year. Express delivery shipping volume in July grew 18.7 percent from year-on-year to 190 million."


 *It isn't only in America . . .* [Hellmail](#) has reported that "TNT Post has lost an appeal against a rejected planning application for a new distribution centre on the outskirts of Derby. The proposed industrial development had originally been rejected by Derbyshire District Council but despite an appeal, the decision to turn down the planning application was upheld by government inspectors, agreeing with Derbyshire District Council that the development would impact on nearby listed buildings."


 [Mlive](#) has reported that "More than 3,000 members of the American Postal Workers Union are expected to march from Cobo Center to Campus Martius in downtown Detroit today in an act of protest against management proposals to end Saturday mail delivery."


 "[APWU President William Burrus](#) told delegates to the 20th Biennial National Convention that the union is "alive and strong." Despite the nation's frail economy, "We can point with pride to the fact that **our members were shielded** from the tragic effects of layoffs and downsizing," he said."

 [Aol News](#) gave a pop quiz -- "Based on Congress' legislative output over the past year and a half, what do you think is the most pressing issue facing the country? The crummy economy? Terrorist threats? Health care costs? The sorry state of education? National defense? Global warming? Immigration? Answer: None of the above. Nope, the biggest problem facing America today is ... the desperate lack of appropriately named post offices."


 According to [Advertising Age](#), the "boom in multigenerational households has wide implications for ad industry."


 [Media Daily News](#) has reported that "Streaming video advertising will see continued big growth -- increasing more than 60% to \$5.6 billion next year."


 [Printing Impressions World](#) has noted that "Against all odds, traditional advertising is perceived by consumers as more informative, entertaining and necessary than online advertising. Of more than 1,200 people surveyed for digital marketing show ad:tech London by Zussi Research, 69 percent believed traditional advertising was relevant to them, compared with 45 percent for online. For the TV target audience—those aged between 25-34-years old—the gap widens further: 81 percent (traditional) vs. 53 percent (online). Worse still for digital marketers, annoyance around advertising on the Web is twice as high online as offline. Comments made were that digital advertising is "ill-structured," "mainly irrelevant" and represents a bigger, unwanted distraction for the consumer, rather than a subtle influence."

 From [Business Wire](#): "Pitney Bowes Inc. has announced it is offering a new tabletop, dual-head tabber system for U.S. mailers. The Pitney Bowes W360 Multifunction Tabber System provides several tabbing applications and stamp affixing in one solution to help mailers meet the latest United States Postal Service (USPS) tabbing regulations and efficiently prepare letter-size self-mailers and booklets for delivery."

August 23, 2010

 [The Observer](#) has reported that "The CID has recommended that James Arinaitwe, the managing director of Posta Uganda, and some of his staff, be prosecuted for abuse of office, influence peddling and nepotism."

 [Government Executive](#) has reported that "In an Aug. 16 report, USPS Deputy Assistant Inspector General for Financial Accountability John Cihota found that a \$6.8 billion surplus in Federal Employees Retirement System contributions is affecting the Postal Service's financial stability and operational efficiency. The report recommended the Postal Service pursue legislative action to adjust its funding requirements until the FERS surplus is reduced. In addition, the Office of Personnel Management should establish a subaccount for USPS' retiree benefits contributions to increase transparency. Such changes would increase cash flow, help the agency cover its expenses and bring its pension funds in line with the private sector. In comments on the report, Postal Service Chief Financial Officer and Executive Vice President Joseph Corbett and Government Relations and Public Policy Vice President Marie Therese Dominguez agreed with auditors' findings, but cautioned that legislative action won't be easy. "It will take a comprehensive educational effort to inform Congress regarding this development," they wrote. "It should be noted that any legislative changes will be challenging due to the crowded congressional calendar and the potential federal budget scoring issues this may trigger."

 The [Ghana Government](#) has announced that "The Government will continue to support reforms and modernisation of Ghana Post, in order to provide greater flexibility in its operations. The Deputy Minister for Communications, Mr. Gideon Quarcoo, gave the assurance at the opening of a five-day Regional Workshop in Accra, for five West African countries on the adoption of new approaches to field support for quality service delivery."

Mailers' Technical Advisory Committee (MTAC)

The Mailers Technical Advisory Committee (MTAC) has established a workgroup (#139) addressing "Start-the-Clock for all Business Mail." The workgroup will develop an approach to calculate and provision start-the-clock information for non Full-Service mail. Among the desired outcomes are: (1) Develop an approach to calculate and provision the start-the-clock for non Full-Service business mail (2) Mail that is entered at USPS

acceptance sites (3) Mail that is drop-shipped (4) Mail that is verified at detached mail units and transported to origin USPS facilities. (5) Leverage the online reports and Mail.XML messages developed for Full-Service to promote an approach to provision start-the-clock information for non Full-Service mail to mail owners and mail preparers. (6) Evaluate the check-in processes at acceptance sites, electronic documentation, mail entry appointment processes and customer supplier agreements to determine optimal approaches for calculating accurate start-the-clock for non Full-Service business mail.



The U.S. Postal Service Office of Inspector General invites you to comment on the following:

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

- **Are They Listening To Me?** Keeping in mind the old saying "none of us is as smart as all of us," this week's blog looks at the Postal Service's system for collecting employee ideas through the eIDEAS program. Is this the best way to encourage and gather employee input? Take our poll and [link to the blog](#) to tell us what you think.


New Audit Projects: Visit our audit project pages at http://www.uspsoig.gov/audit_project.cfm. This week we opened the following new project(s): (Please share any information you may have that would help with this audit currently in progress by clicking on the link below):


- [10XG009NL001 - Connecticut Valley District – Postal Vehicle Service Scheduling and Staffing](#). Our objective is to determine whether scheduling and staffing of Postal vehicle Service (PVS) operations are efficient, effective, and economical.
- [10XG046NO000 - Review of the consolidation of the Houston, TX, Processing and Distribution Center \(P&DC\) into the North Houston P&DC](#). Our objective is to determine if a business case exists to consolidate mail processing operations at the Houston, TX, P&DC into the North Houston, TX, P&DC.
- [10XG050NO000 - Review of Marysville/Sacramento Consolidation](#). Our objective is to determine if a business case exists to support the consolidation of mail processing operations from the Marysville Processing and Distribution Facility (P&DF) to the Sacramento P&DC.





At the Postal Regulatory Commission: The [Buffalo NY Field Hearing Transcript](#) has been posted on the PRC web site.

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


 ***DMM Advisory:*** **IMb™ Services Update. BSA Agreement Revision (November 1, 2010):** The USPS® has revised the online agreement which describes the terms and conditions for the use of USPS computing systems and Business Customer Gateway online services. Existing Business Services Administrators (BSAs) will be required to accept the new agreement between November 1 and December 15, 2010, in order to maintain access to Business Customer Gateway services. For more details and to preview the revised agreement, go to http://ribbs.usps.gov/intelligentmail_gateway/documents/tech_guides/BSA_Agreement.pdf.


 The [Press Association](#) has reported that "The Government has been urged to drop Royal Mail privatisation plans after a new survey showed that most people wanted the postal service to remain publicly-owned. Just one in seven of 2,000 people polled by Labour leadership contender Ed Balls and the Communication Workers Union said they supported privatisation. Just over half of Conservative voters and two-thirds of Liberal Democrats supported a fully publicly-owned Royal Mail."


 According to [Philadelphia](#) magazine, "In its "Action Plan For The Future," the USPS says the post office of 2020 should be able to "maintain current high levels of service and performance." Here's my prediction for the future — if they think the level of service we're getting in 2010 is high, there won't be a post office to complain about in 10 years."

 [The Post](#) has reported that "The government has clashed with the Commission for Communications Regulation (ComReg) after the watchdog attempted to transfer millions of euro from its operating surplus to prop up its ailing pension fund. The Sunday Business Post has learned that the Department of Finance intervened after it emerged that ComReg had transferred €2.5 million from its 2008 operating surplus to help plug a €5 million pension deficit. ComReg also intended to transfer a further €2.5 million from its 2009 surplus to wipe out the pension shortfall completely. The money was due to come from the operating surplus, which would otherwise be transferred to the exchequer. Following government queries, ComReg has agreed to "restore the €2.5 million payments", and the commission is working on an alternative solution to deal with the pension problem."


August 22, 2010


 **At the Postal Regulatory Commission:** The Commission establishes [Docket No. MC2010-36](#) to consider the Postal Service's proposal to transfer commercial Standard Mail Fulfillment Parcels to the competitive product list. Interested persons may submit comments on whether the Postal Service's filing in the captioned docket is consistent with the policies of 39 U.S.C. 3633, 39 U.S.C. 3642, and 39 CFR 3020 subpart B. Comments are due no later than September 17, 2010. Reply comments, if any, are due October 15, 2010.


 [People's Daily](#) has reported that "Companies delivering mail as slowly as their customers want are popping up all over China, in cities like Beijing, Chongqing, Hefei and Hangzhou. The price of the service depends on how long clients want their mail to be held, and a longer period is more expensive."

 The [Green Bay Press Gazette](#) has noted that "This is not the first time the members of the American Postal Workers Union Local 178 have had to make the case to keep U.S. Postal Service functions and their 100 to 150 jobs in Oshkosh. The Postal Service had studied moving Green Bay's outgoing mail function to the Oshkosh plant, but recently scrapped that plan. Union representatives in Oshkosh expressed concern residential and business customers in any ZIP code that begins with 549 could have to deal with later morning deliveries, earlier mail pickups and longer delivery times if a USPS study recommends consolidating Oshkosh operations into Green Bay."


August 21, 2010


 According to [Hellmail](#), "Much has been blamed for Royal Mail's ills including the UK regulator Postcomm, the Communication Workers Union, lack of investment by previous governments, a massive pension deficit, EU policy, competition, management, economic pressures and the growth of electronic media. The latter has undoubtedly hit the Royal Mail the hardest and one that it is still trying to grapple with, but it's really a combination of all these influences that has shrunk the Royal Mail."

 The [Des Moines Register](#) has reported that "Meredith Corp. has found **a new way to use multimedia: a video inside a magazine**. Its August issue of Successful Farming has an insert from Bayer Crop Science. When readers open the page, a video plays a commercial for Votivo, a pesticide that protects crops from nematodes. The video, about the size of a cell phone screen, also plays four other commercials when readers push "play" buttons on the advertisement."

 The [Associated Press](#) has reported that "UPS Inc. is reducing the number of its planned pilot furloughs to about 230 from 300 because of its improving financial condition. The world's largest shipping company was quick to note, though, that "current economic signals remain mixed, and we believe that the recovery will be gradual." It has already furloughed about 109 pilots out of the planned 230. UPS, which has nearly 3,000 pilots, announced the planned furloughs in February."

 There's a very fine remembrance on Sen. Ted Stevens that's been published by the [Anchorage Press](#).

 [Overnight Prints](#) has reported that "While many businesses are increasingly adopting digital marketing practices, new research conducted by Global Industry Analysts indicates that companies are also boosting their ad spend on direct mail marketing materials. As Global Industry Analysts notes, direct mail has numerous advantages over other advertising mediums. The platform has the unique ability to affect consumers' sense of touch, and mailers are also often personalized, maximizing the impact pieces can have on consumers. Additionally, the source claims that customers treat postal mail with higher regard in comparison to other marketing channels. According to the report, the direct mail industry is gaining steady momentum in today's digital world. Global Industry Analysts predicts that global marketing expenditures for postal mail will reach \$25.45 billion in the immediate and near future."

 As the [Injury Board Blog Network](#) has noted, "The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) announced this week that the agency has fined the U.S. Postal Service \$225,000 for safety violations at its Dayton, OH processing center and \$350,000 for safety violations at its Portsmouth, NH processing and distribution center, bringing the total fines to 2.4 million dollars since April 2010."


 **At the Postal Regulatory Commission: Postal Service RULES** Optional Mail Preparation Standards for Flat-Size Mailpieces in FSS Zones , 51668–51671 [2010–20055] [\[TEXT\]](#) [\[PDF\]](#)


August 20, 2010



A new report has been posted today on the *U.S. Postal Service Office of Inspector General* website

(<http://www.uspsoig.gov/>). If you have additional questions concerning this report, please contact Agapi Doulaveris at 703.248.2286. [Territorial Cost-of-Living Allowance \(Report Number FT-AR-10-012\)](#)


 The [Fairbanks Daily News-Miner](#) has reported that "A postal worker who stole \$100 worth of Wal-Mart gift cards from a customer on her mail route received a suspended sentence Wednesday. Brenda Janak, 50, of North Pole, pleaded guilty to one count of second-degree felony theft as part of a plea agreement. In exchange for the plea, prosecutors dropped four additional theft charges and a charge of fraudulently using an access device. She will be on probation for one year, during which she must complete 50 hours of community service and pay restitution to the victim."

 [GhanaWeb](#) has reported that "A female Assistant Postal Officer of the Ghana Post at Suame in charge of the Western Union Money Transfer Service, accused of embezzling GH¢278,555 belonging to the Agricultural Development Bank (ADB), has appeared before a circuit court in Kumasi, charged with stealing."

 **From the Federal Register: POSTAL REGULATORY COMMISSION**

- Meetings DATE AND TIME: Friday, September 10, 2010, at 2:30 p.m. PLACE: Commission conference room, 901 New York Avenue, NW., Suite 200, Washington, DC 20268–0001. STATUS: Open. MATTERS TO BE CONSIDERED: [Consideration and adoption of FY 2012 budget](#).
- Thursday, September 9, 2010 at 10 a.m. to 11:30 a.m., and continuing, as needed, on weekdays during regular Commission business hours, through Friday, October 1, 2010. Closed MATTERS TO BE

CONSIDERED: **Decision in Docket No. R20104**, Rate Adjustment due to Extraordinary or Exceptional Circumstances

 As [ZDNet](#) has noted, "With most businesses Doc's been involved in, when sales go down you make every effort to lower your prices to try to get the volume back up. Combining a decrease in volume with price increases is often a fatal mistake. That's why Doc is concerned about the United States Postal Service and its plan to raise postage rates in response to a lower volume of mail. Higher postage rates will more than likely translate into even lower sales as magazines, catalogers, and other direct-mail users look for ways to cut back on expenses. It surely isn't a given that volume will remain constant. If mail volume is down as much as the USPS is claiming, there may be a systemic problem that eventually has to be addressed: the drop is permanent and volume may not come back. One thing for certain – if prices go up enough, then volume will drop even more and the whole cycle will repeat itself over and over again until only those who absolutely have to will be using the mail as a marketing and communications vehicle. So let's be careful not to price direct mail so high that moving to electronic communications is the only viable option. Doc prefers choice in the marketplace and encourages the USPS to consider the competition very carefully before raising rates as the solution to a budget shortfall. Maybe now is the time to have a big sale!"



Now hear this: "This Week In Postal".....the latest podcast posted now!



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

- The USPS Office of Inspector General (IG) has once again found that the Postal Service is paying more than its fair share of retiree benefit payments owed to the federal government. The latest IG review involved the Federal Employees Retirement System (FERS) and the projected fund surplus as of September 30, 2009. FERS is one component of the Civil Service Retirement and Disability Fund (CSRDF) and the IG said "... at the end of fiscal year (FY) 2009, the [Office of Personnel Management] OPM projected a \$6.8 billion surplus [resulting in a \$5.5 billion adjusted surplus] in the FERS portion of the CSRDF."
- The USPS earlier this week filed a request with the Postal Regulatory Commission (PRC) to transfer commercial Standard Mail Fulfillment Parcels from the market-dominant product list to the competitive product list, where the products would become a lightweight category of Parcel Select if the request is approved. The USPS noted that its request is structured based on the assumption that the PRC would approve the Standard Mail parcel design changes requested in its exigent price increase filing. It said that the transfer would have no impact on the proposed 23.3 percent price increase for this product category, and would allow it to offer customers more comprehensive shipping solutions.
- The Postal Service published its unaudited June results with the Postal Regulatory Commission. USPS lost \$2.5 billion in June 2010. This brings the year-to-date loss to \$5.4 billion.
- The Association for Postal Commerce (PostCom) has filed its comments with the Postal Regulatory Commission (PRC) in the docket concerning the Postal Service's exigency rate increase request.
- The Affordable Mail Alliance submitted further comments to the Postal Regulatory Commission yesterday. The comments focused on last week's hearings at the Commission, where the Postal Service admitted that it is not facing an immediate cash crisis – the original rationale for demanding a rate increase ten times the rate of inflation.
- The Association for Postal Commerce has presented a separate communication to the Postal Regulatory Commission regarding the adversities created by the Postal Service's filing for an exigency request.
- According to the Courier, Express, and Postal Observer, "rates for Postal Services eventually need to reflect market realities and the costs of an efficient operator both capable of and working toward managing operations to cost levels that market realities can support. This requires a better understanding of the value of mail to customers, the elimination of unwarranted retiree expenses, the streamlining of management and contract resources, the speedy restructuring of the network to minimize delivery, processing and transportation costs while still meeting universal service requirements, and elimination of restrictions that prevent the most effective use of human capital, physical and intellectual property assets. The exigent rate case conducted in a vacuum brings us no closer to producing rates based on market realities and may hinder


fixing a number of the serious flaws in the business model and regulatory framework that must be changed."


- The USPS Office of Inspector General (IG) has released its self-initiated audit of the Postal Service's Station and Branch Optimization and Consolidation (SBOC) Initiative. This is the first in a series of retail optimization reviews. The IG identified more than \$2.7 million in funds that could be put to better use related to the untimely discontinuance decisions and missed opportunities to reduce lease costs.
- The U.S. Postal Service Vice President Gary Reblin talked with the mailing industry this week on the changes the USPS is introducing for the January 2011 shipping services price change. The implementation date is set for January 4, 2011. The Postal Service will be offering new cubic pricing - dense products at very competitive prices, and new products in addition to more flat rate products.
- According to the Courier, Express, and Postal Observer, "in his quarterly filing of investment holdings, Warren Buffett announced a new investment by Berkshire Hathaway in a competitor to the Postal Service. That competitor is Fiserv. (FISV) With this investment, Berkshire Hathaway becomes the 6th largest investor in the company."
- As the Courier, Express, and Postal Observer has noted, "in the United States, the policy debate is over how the Postal Service will survive past the end of the fiscal year. In Great Britain and Canada the debate is now respectfully when and if the Post should be privatized. Royal Mail clearly is on a path toward privatization.
- USPS to offer products at Office Depot. Mail handlers accuse Collins of "mischaracterizing." NALC President re-elected. Postal workers told to go voiceless. Siemens wins postal contract. CT paper says USPS isn't in business of cutting costs.
- An update on DMM Advisories issues by the U.S. Postal Service.
- 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.


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 According to [Engadget Mobile](#), "It didn't take long for Visa to react to the three-headed beast of AT&T, T-Mobile and Verizon entering the mobile payments arena. The world's foremost payment processing company has just announced that it's about to start a trial of its contactless payment system in partnership with Bank of America. Kicking off in the New York area this September and lasting through the end of the year, the scheme will most likely involve the MicroSD NFC communicator and In2Pay iPhone case that DeviceFidelity has been developing for Visa."


 From [PajamasMedia](#): "New Zealand: Where the Words 'Profit' and 'Postal Service' Belong in the Same Sentence."


 From [Marketwire](#): "Stamps.com® (NASDAQ: STMP), the leading provider of USPS® postage online and shipping software solutions to approximately 400,000 customers, today announced that Forbes.com has identified it as one of the most trustworthy publicly traded companies."


 According to [The Telegraph](#), "Over the next few months, Royal Mail and the Post Office are set to undergo some of the most radical changes in their 350-year history. The spur will be two major policy announcements: the publication of an updated version of Richard Hooper's 2008 report on the future of Royal Mail, which originally recommended its part-privatisation, and the launch of a new Postal Services Bill by Vince Cable's Department for Business. The challenges to both are vast: pension deficits, funding problems, lower demand. Yet there is another

structural problem which rarely gets a mention – the costly and excessive bureaucracy that threatens to suffocate our national postal service, and prevents Royal Mail from competing effectively."


 [Post & Parcel](#) has reported that "Guernsey Post and the Office of Utility Regulation (OUR) have reached an agreement which it is hoped will end the litigation over increased competition in the Reserved Area."

 [Capital Business](#) has reported that "Four hundred Postal Corporation of Kenya employees are up for voluntary retirement as the company seeks to restructure itself and improve efficiency. Information and Communications Minister Samuel Poghiso says the move is not a retrenchment exercise but measures to make the corporation lean as it makes room to grow its revenues."

 [Mad.co.uk](#) has reported that "TNT Post is expanding the range of data services it offers to direct marketers as the postal company looks to take on rival Royal Mail. The UK's second largest postal company is launching adMail to promote "best practice in data management" through suppression of customer and prospect data against consumer and business data files."

 Postal news from [Hellmail](#):


- [TNT Post Introduces Admail For Promotional Direct Mail](#)
- [Portugese Mobile Phone Users Gain Post Office Location Service](#)
- [Correos Goes Electric In Urban Areas](#)
- [Pitney Bowes Employees Through to the Final of National Sales Competition](#)
- [Top Names For UK Catalogue And Online Retail Conference](#)
- [Leaflets More Effective Than TV, Newspapers Or Web](#)
 - [Eagle Soars High With New Scottish Public Sector Contract](#)

 **From the Federal Register: Postal Regulatory Commission NOTICES** Changes in Postal Rates , 51504–51505 [2010–20666] [\[TEXT\]](#) [\[PDF\]](#) Meetings; Sunshine Act , 51505 [2010–20836] [\[TEXT\]](#) [\[PDF\]](#) New Postal Product , 51505–51506 [2010–20645] [\[TEXT\]](#) [\[PDF\]](#)

August 19, 2010


 **At the Postal Regulatory Commission:**

- CP2010-95 Order No. 517 - Notice and Order Concerning Adding Inbound Competitive Multi-Service Agreements with Foreign Postal Operators to the Competitive Product List and Negotiated Service Agreement
http://www.prc.gov/docs/69/69813/Order_No_517.doc
http://www.prc.gov/docs/69/69813/Order_No_517.pdf
- MC2010-34 Order No. 517 - Notice and Order Concerning Adding Inbound Competitive Multi-Service Agreements with Foreign Postal Operators to the Competitive Product List and Negotiated Service Agreement
http://www.prc.gov/docs/69/69813/Order_No_517.doc
http://www.prc.gov/docs/69/69813/Order_No_517.pdf

 [Advertising Age](#) has reported that "Magazines have been aggressive about pricing their app editions for the iPad so far, charging consumers the full print cover price for the digital editions whether or not they're already subscribers -- and risking a nickel-and-diming image. But People's new iPad app has arrived with a touch that existing subscribers will appreciate: The app is free for them."


Mailers' Technical Advisory Committee (MTAC) The Mailers Technical Advisory Committee has formed a new workgroup (MTAC Work Group # 138) to develop an approach to


streamline the drop shipment process to provide mailers and the Postal Service with an efficient, cost-effective, and streamlined process for mail induction. The goals are to: (1) Develop a paperless drop-ship process that will eliminate the use of paper documents (8125) and manual processes. (2) Develop an approach that promotes participation among the logistics providers to provide accurate electronic information leveraging digital workflow. (3) Leverage infrastructure and technology communications developed under the Full Service program to promote accurate start-the-clock reporting ensuring visibility to mail owners, mail preparers and the Postal Service. (4) Identify automated verification, reconciliation and payment adjustment approaches that minimize human interaction and streamline the mail induction process.


 The [Kenya Broadcasting Corporation](#) has reported that "About 400 employees of the Postal Corporation of Kenya (PCK) will be retired this year in a restructuring process aimed at returning the corporation to profitability. The Corporation, a parastatal under the ministry of Information and Communications, has over 4,000 employees and has been recording losses over the years."





PostCom Members!! Posted on this site is the latest [PostCom Postal Issues Brief](#). This one concerns USPS retirement-related overpayments . . . ALL of them.


 According to the [Wall Street Journal](#), "Most of the job losses at the end of last year took place at the smallest firms, underscoring how small businesses are lagging in the recovery. Businesses with fewer than 50 employees accounted for 61.8% of all job cuts in the private sector in the fourth quarter, the Labor Department reported Wednesday, while they created 54.1% of new jobs. Small companies employ roughly 29% of all workers." *[EdNote: The bulk of businesses within the mailing sector are classified as small businesses. These are the ones that would suffer the most if the USPS' exigency request is approved.]*

 [Reuters](#) has reported that "Thirty-one current and former truck drivers at FedEx Corp sued the U.S. package delivery company on Tuesday, claiming it improperly classifies them as independent contractors rather than employees. The suit is the latest in a long-running dispute between FedEx and some of its truck drivers, who are seeking union representation. Truck drivers at larger rival United Parcel Service Inc (UPS.N) are represented by the Teamsters. The suit, which was filed in U.S. District Court in Boston and seeks class-action status, contends the degree of control FedEx exerts over its drivers -- including setting rules on uniforms and equipment -- amounts to an employer-employee relationship, not a customer-contractor relationship."

 [WBOC](#) has reported that "Maryland Senator Barbara Mikulski toured the Mail Processing and Distribution Facility in Easton. The U.S. Postal Service is trying to decide whether or not to close the facility, and consolidate operations to Baltimore. Many postal workers and residents are concerned over what will happen to the mail delivery on the Eastern Shore if the plant in Easton is closed. Senator Mikulski has been instrumental in making sure the feasibility study being done on the possible closure was thorough. Mikulski, as well as Senator Cardin and Congressman Kratovil, have sent letters to the post master general in regards to the facility's possible closure."

 According to [Editor & Publisher](#), "In comments filed with the Postal Regulatory Commission, the Newspaper Association of America opposes the U.S. Postal Service's proposal to increase rates above inflation -- but supports its plan to extend a volume incentive that would qualify newspaper TMC (total market coverage) products for discounts."

 As [Promotion World](#) has noted, "Even with sky high postage costs, a properly executed direct mail campaign still provides a solid ROI. What? You've bought into the myth that direct mail is dead? You're not alone. And while people are entitled to their own opinions about direct mail, they're not entitled to their own facts. Here are the facts: According to an annual study from the Direct Marketing Association (DMA), spending on direct mail marketing is expected to increase by more than \$1 billion in 2010. Yes, that's billion with a "B". Hmmmm...it would appear that rumors of direct mail's demise have been greatly exaggerated."

 The [Lancashire Evening Post](#) has reported that "Final collection times at some Lancashire post boxes have been slashed by more than an hour. Royal Mail bosses have cut back on final collections at boxes across the PR and LA

postcodes, with some being cut to 4pm. Final collections are usually around 5.30pm. The company says it is to ensure everyone who posts a first class letter can be assured it will arrive the next day. But customers today described the move as “ridiculous.”



From the Federal Register: Postal Regulatory Commission Filing Of Four Additional Global Expedited Package Services and Negotiated Service Agreements , 51292–51293 [2010–20515] [\[TEXT\]](#) [\[PDF\]](#)



The [Northwestern](#) has reported that "American Postal Workers Union Local 178 fight to keep jobs in Oshkosh."



According to the [Jewish Tribune](#), "The reason Israel is not delivering mail to Gaza is, plain and simple, a security issue. There has been negative publicity in Canada recently, led by the Canadian Union of Postal Workers (CUPW), regarding Canada Post's recent announcement that it cannot accept mail destined for Gaza because Israel is not willing to forward it. According to CUPW's web site, "numerous organizations are working together to endorse a Canadian boat to Gaza in the autumn. Others, including Independent Jewish Voices, have supported the idea of getting mail onto the boat." The Jewish Tribune contacted Israel Post and received a quick and clear explanation from the Coordination of Government Activities in the Territories (CoGAT). Spokesperson Major Guy Inbar said, "Mail transferring between Israel and Gaza requires coordination between the Israel Postal Company and the Palestinian Postal Authority, which is in Ramallah. "The mail transferring is delayed these days due to the fact that the Palestinian Postal Authority has not yet appointed a replacement for the chief of mail transferring in the Palestinian Authority, who was arrested by the Israeli security forces, despite calls from Israel towards the Ministry of Civil Affairs in the Palestinian Authority and the chief executive officer of the Palestinian Communications Ministry, to appoint a new representative. "With the appointment of a new representative on the Palestinian side, the mechanism of the coordination of mail transferring will be active again."



[Arab News](#), on the other hand, has reported that "Israel is imposing a postal blockade on Gaza, officials in the Hamas government have claimed, calling on the international community to intervene. Yousef Al-Mansi, Hamas Minister of Communications and Information Technology, called Monday for the Universal Postal Union and international human rights groups to intervene and pressure Israel into allowing mail to enter and exit the Gaza Strip. "For the past four months mail delivery into the Gaza Strip has been disrupted," Jalal Isma'il, Director General of the Gaza Communications Ministry told The Media Line. "Regular mail has been delayed, and government mail has not entered at all." Isma'il said that mail disruptions are not a new phenomenon in Gaza, but have worsened recently."

August 18, 2010




According to the [Courier, Express, and Postal Observer](#), "rates for Postal Services eventually need to reflect market realities and the costs of an efficient operator both capable of and working toward managing operations to cost levels that market realities can support. This requires a better understanding of the value of mail to customers, the elimination of unwarranted retiree expenses, the streamlining of management and contract resources, the speedy restructuring of the network to minimize delivery, processing and transportation costs while still meeting universal service requirements, and elimination of restrictions that prevent the most effective use of human capital, physical and intellectual property assets. The exigent rate case conducted in a vacuum brings us no closer to producing rates based on market realities and may hinder fixing a number of the serious flaws in the business model and regulatory framework that must be changed."





At the Postal Regulatory Commission:


- In comments provided to the Postal Regulatory Commission, the [Association for Postal Commerce](#) noted the adverse impacts that Postal Service's filing for an exigency increase already have had on businesses that use or provide services to users of mail for business communication and commerce. PostCom noted that these adverse impacts will be made considerably worse, if the Postal Regulatory Commission approves the Postal Service's exigency rate request.

- R2010-4 **Affordable Mail Alliance Mailer Impact Statements**
<http://www.prc.gov/docs/69/69792/10-08-18%20AMA%20IMPACT.pdf>
- CP2010-72 Reply Comments of United States Postal Service
<http://www.prc.gov/docs/69/69800/Final%20USPS%20Reply.pdf>
- MC2010-29 Reply Comments of United States Postal Service
<http://www.prc.gov/docs/69/69800/Final%20USPS%20Reply.pdf>
- [Responses of USPS Witness Masse to the Presiding Officer of Docket No. R2010-4: Some highlights.](#) (1) Regarding FSS, for FY2010, the net savings are \$43 million. For FY2011, the net savings are \$242 million. (2) With an additional \$4B RHB pre-funding deferral in Sep 2011, we would have sufficient cash during 2011 under both scenarios. (3) Delivery unit costs grew faster than wages. (4) There are many factors that affect the cost measurements, and it is not necessarily possible to pinpoint the exact causes of changes over time. (4) Regarding flat sequencing, the Postal Service is determined to make the most of the new FSS technology in the face of unprecedented changes in volume. (5) In 2011, we expect 4,500 of the non-bargaining employees affected by the freeze to attrite.

 [Jewish Telegraphic Agency](#) has reported that "Palestinian officials complained to Israel and the international community about the non-delivery of mail to the Gaza Strip. In the Gaza Strip, Yosef al Mansi, the minister of communications in the Hamas-led government, called on the Universal Postal Union and international human rights groups to help end what he called Israel's "postal blockade" of Gaza. Jalal Isma'il, Director General of the Gaza Communications Ministry, said mail disruptions are not new in Gaza, but they have worsened recently. He said for the past four months regular mail has been delayed and government mail has not been delivered. The Coordinator of Government Activities in the Territories, a branch of the Israeli Defense Ministry, said the Palestinian Authority in Ramallah needs to take action."

 Get your sales off on a winning foot in 2011 at MAILCOM Washington, DC March 1-3, 2011 at the Washington Hilton. You're invited to exhibit at the 31st annual convention as it moves to Washington, DC after 30 years in New York City and Atlantic City. The exhibition will be held in Columbia Hall in the Washington Hilton. Just completed in June, Columbia holds 135 booths and 10 conference rooms that open into the hall. Columbia Hall was part of the \$150 million renovation of the legendary Washington Hilton. MAILCOM will feature professional certificate programs, strategic seminars/workshops and three big keynote presentations (watch for announcement). Over 3,000 mail systems executives and managers are expected to participate in Washington. For more information, call Jim Williams at 607-746-7600 or email at jwilliams@mailcom-conference.com.


 [Supply Chain Digest](#) has told its readers that "As the U.S. economy slowly heads back in a positive direction, shippers should expect to see increases in freight rates in the coming months and even years as the recovery is expected to be gradual. Many carriers are reporting high single or low double digit increases in shipments, though keep in mind this is being measured against a very depressed 2009 benchmark. All of this points to now being an excellent time for shippers to negotiate new rates. Many carriers have publicly stated that they expect rates to rise once the economy begins to recover as they cannot haul freight at the microscopic or non-existent margins of today and continue to re-invest in their business over the long haul. Therefore, if you believe that the economy is near to or has reached the bottom, then this is the optimal time to negotiate new rates and lock those rates in for as long as the carrier will agree to, preferably 12 months at minimum."


 According to the [National Postal Mail Handlers Union](#), "The submission from Senator Collins mischaracterizes what occurred during the Congressional debate in 2006, during the 109th Congress. It repeatedly but erroneously states that Congress "adopted the Senate's more stringent . . . standard," and that Congressional action resulted in "the adoption of the Senate exigent rate case standard." Again, with all respect, these descriptions merely reflect the Senator's recollections of the record, and are not accurate."





The [Affordable Mail Alliance](#) – a growing coalition of nearly 1,000 non-profits, Fortune 500 companies, small businesses, major trade associations, consumer groups, and citizens representing the vast majority of the mail sent in the United States – submitted further comments to the Postal Regulatory Commission yesterday. The comments focused on last week's hearings at

the Commission, where the Postal Service admitted that it is not facing an immediate cash crisis – the original rationale for demanding a rate increase ten times the rate of inflation. “Under none of the scenarios projected by the Postal Service will it stop meeting payroll or delivering the mail before... the last day of Fiscal Year 2011,” the Affordable Mail Alliance noted in its comments. “Moreover, the exigent increase, even if approved and implemented exactly as proposed, would not extend the Postal Service’s ability to deliver mail by a single day.” The Postal Service’s revelations at last week’s hearings have also given new force to the concerns of Senator Susan Collins (R-ME), the lead author of the 2006 legislation that now governs postal pricing. In comments filed with the Commission on August 9, she observed that the cause of the Postal Service’s “current financial condition [is primarily] its own failure to sufficiently update its business model to adapt to predictable and natural cyclical changes in the economy and mail usage.” She declared: “The Postal Service’s financial condition is not the result of ‘extraordinary or exceptional circumstances’ required by law to initiate an exigent rate case.”


 The [Austrian Independent](#) has reported that "Workers' union officials are expected to turn their guns on Post AG bosses as details of the firm's controversial austerity plans have emerged. The company – in which the Republic of Austria has a 52.8 per cent stake through state holding company ÖIAG – announced today (Weds) where it planned to shut down post offices. Post AG said 12 branches in Lower Austria, 11 in Styria, nine in the province of Upper Austria, seven in Burgenland, six in Carinthia, six in Tyrol and one in Vorarlberg would stop doing business later this year. The 52 closures are part of the firm's heatedly debated concept of cutting costs by closing 300 offices throughout the year."


 [Media Daily News](#) has reported that "Mobile media will significantly outpace the Internet and other traditional media platforms -- especially in emerging and faster growth economies. Strong mobile growth markets will be in those territories that have a rising financially strong middle class, so called BRIC countries -- Brazil, Russia, India and China." [EdNote: *It's easy enough for Americans to forget that most of the world gains access to the internet via cellphones, not computers.*]

 According to [BizReport](#), "Despite the gigantic reach of social networks, such as Facebook, a study conducted by Harris Interactive for social marketing platform Buddy Media discovered that the way most marketers engage with local audiences was via websites with local content (69%). Only one-third of large companies with revenues of \$100+ million currently use Facebook to reach customers globally due to challenges such as the management of information, ROI measurement and creation of fresh local content. **After websites with local content, print advertising** was the way in which many marketers reached audiences in local geographic markets across the globe (62%) followed by event (59%) and product (46%) promotions, found the survey of 105 global brand managers in the U.S. Just 45% utilized social media fan pages, under a third (30%) used paid social media and only 17% used text messaging."

 The [New York Times](#) has reported that "Every year the administrators at Wisconsin's Beloit College put together a list of information about incoming freshmen that is shared with the school's professors. It's not a list of student names, or the books they'll need to order for class. Instead, professors are told about the “cultural touchstones that shape the lives of students entering college this fall.” So how is the class of 2014 different from previous classes? They're more digital, of course. First and foremost, few entering college this year have ever written in cursive. And this mobile phone generation has “never twisted the coiled handset wire aimlessly around their wrists while chatting on the phone.” They also rarely use e-mail. Why? Because it's just too slow. And you can imagine how much they use snail mail: “rarely.” Another insight that shows how quickly things change is this one: The class of 2014 has “never recognized that pointing to their wrists was a request for the time of day.” They don't own watches and instead use their cellphones to tell the time." [EdNote: *It's your future. Get used to it.*]

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

 Austrian Post's turnover remained almost stable in the first half of 2010 despite a sharp decline in branch network business.

 The French postal market suffered from weak economy in 2009. The largest part of France's letter market is still reserved for La Poste. The most important service providers for cross-border mail - besides La Poste - are the foreign subsidiaries of Deutsche Post, Royal Mail, TNT Post, Belgian bpost, as well as Swiss Post International and the French service provider IMX.

- 🇨🇱 The postal workers strike in Chile has ended after only three days.
- 🇩🇪 The German consumer protection association Stiftung Warentest has made a first rapid test of Deutsche Post's E-Postbrief. The judgement: Deutsche Post 'brought an unfinished product to market', which tantalises it's users with many bugs. The testers complained about 'the bumpy recharging of the credit balance, long loading times and a buggy entry mask' which would put the user off sending electronic letters.
- 🇪🇸 Spanish Correos won a tender arranged by the regional Government of Catalonia against Unipost, Spain's largest private postal service provider.
- 🇬🇧 It has now been revealed that Royal Mail sold its stake in the national lottery operator Camelot in March this year.
- 🇪🇺 The European Commission last week announced the establishment of the European Regulators Group for Postal Services (ERGP). The new body is to facilitate consultation, coordination and cooperation between the independent national regulatory authorities in EU-member states. The ERGP was also established to coordinate the course of action of the national authorities.
- 🇹🇷 In an interview with CEP-News a spokeswoman of union ver.di sharply criticised UPS's course of action in Turkey. According to her 'the big brown machine' would systematically fire employees when they unionise. By now more than 140 employees were laid off in Istanbul, Izmir and Ankara.
- 🇫🇷 The French parcel market saw a slight upward trend in the first quarter of 2010.
- 🇨🇭 Swiss Post's mailmen will support the government in the census for the next six weeks.



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.)*


🇯🇵 [Kyodo News](#) has reported that "Visiting Japanese Financial Services Minister Shozaburo Jimi said Tuesday that a senior U.S. Treasury official voiced concerns about Japan's proposed legislation to scale back the planned privatization of Japan Post."


🇲🇹 The [Times of Malta](#) has reported that "Quality of service targets proposed by the Communications Authority for Maltapost as the universal service provider lay down that 94 per cent of local ordinary mail and 98 per cent of registered local mail has to be delivered within one day."


🇪🇪 [Baltic Business News](#) has reported that "Estonian state owned postal company Estonian Post has announced an international public procurement for acquisition of automated parcel terminals. The company's aim is to purchase within the frame of public procurement in the form of negotiated procedures a complex technology solution."

🇺🇸 The [Huffington Post](#) has reported that "Cutting costs is the byword of our time, but it is not always clear which expenditures are essential and which can be eliminated more painlessly. For instance, a growing number of artists and art galleries are experimenting with getting rid of printed and mailed event announcements and flyers. It is a clear source of savings and allows people to feel ecologically-conscious. In the digital era, too, a paper trail can seem superfluous, and modern, online forms of communication have offered a variety of other ways for people to be in touch. What remains to be seen is if the buying public responds to e-announcements in the same way they do to printed ones."

🇺🇸 According to the [Postalnews blog](#), "USPS Chief Financial Officer thinks Susan Collins is clueless."

 The [Zanesville Times Recorder](#) has reported that "Postal operations in Zanesville are being studied again for possible consolidation."

 The [Stamford Advocate](#) has reported that "Postal officials said Tuesday it is not yet known where the United States Postal Service would relocate two downtown post offices it plans to close as part of nationwide cost-saving measures. Under a plan first made public last week, Postal Service facilities officials said they want to sell the historic post office at 421 Atlantic St. and move out of its leased space in the Ridgeway Shopping Center at 60 Sixth St. Both post offices would be relocated to nearby, smaller locations."

 The [Sri Lanka Daily News](#) has reported that "The Post and Telecommunications Ministry will take speedy action to remedy shortcomings in the Post and Telecommunications sector highlighted by the public and the media to ensure a streamlined postal and telecommunication service to the public. The print media pointed out several issues, shortcomings and draw backs in the Posts and Telecommunications Ministry These issues have to be solved promptly to convert the Ministry into a people friendly and profit earning institution. The Postal Department will be subjected to radical changes so as to convert it into a profitable venture within five years."

 The [Courier, Express, and Postal Observer](#) has told its readers that:


- I am honored that [this blog has sufficient credibility](#) to allow the Postal Service to quote it to support the Postal Service's proposal to move Commercial Standard Mail Parcels to the Competitive Products list. My analysis was limited as I could only use public data. I presume that the Postal Service has better information on the use of the Standard Mail Parcel product by FedEx and United Parcel Service and the proportion of the volume and revenue from this product that is generated by United Parcel Service and FedEx. That information would be far more credible than anything that I could generate and post in this blog.
- In his quarterly filing of investment holdings, Warren Buffett announced a new investment by Berkshire Hathaway in a competitor to the Postal Service. That competitor is Fiserv. (FISV). [Fiserv](#) is not a household name . However, many of the services that it now offers were originally developed by a company called Checkfree that it purchased a number of years ago. Fiserv has expanded those services and has continued to see its volume and revenue grow as consumers shift away from payments by mail. Fiserv's clients include a full range of companies that send bills and receive payments including banks, other financial institutions, retailers, health clubs, and utilities. Fiserv's services that compete with the Postal Service can be found on its page describing its biller solutions



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

- [Federal Employees Retirement System Overfunding \(Report Number FT-MA-10-001\)](#). The Postal Service has opportunities to use at least \$5.5 billion⁵ of the \$6.8 billion in Federal Employees Retirement System (FERS) surplus funds to address its current and future financial condition. We found the Postal Service continues to overfund its retirement obligations and there is no present legislation to resolve surpluses. Further, it is vital that the Postal Service's responsibilities be clearly delineated and separated from those of the rest of the federal government. Although we did not review the current actuarial valuation of the FERS pension liability, we did find that known or future changes to the valuation will impact funding of the FERS pension.
- [Stations and Branches Optimization and Consolidation Initiative \(Report Number EN-AR-10-005\)](#). The Stations and Branches Optimization and Consolidation Initiative is a viable option for the Postal Service to reduce costs in the retail network, but opportunities exist to improve the process. The Postal


Service could have enhanced the planning and management of the initiative by improving communication and coordination with stakeholders and developing accurate and reliable data on its facilities. In addition, the Postal Service needs to raise stakeholders' confidence that it will make decisions in a transparent, equitable, and fact-based manner by integrating a strategic approach (top down) and establishing clear criteria for evaluating discontinuance decisions.

 Press Release: "[BCC Software](#), a BÖWE BELL + HOWELL company and a leading developer of technology solutions that optimize client communications, will be offering free copies of a white paper, "Changing Channels: The New Role of Data in Multi-Channel Marketing" at the [TDWI World Conference](#) August 17-18, held at the Manchester Grand Hyatt Hotel in San Diego, CA. Attendees are encouraged to visit booth 109 to obtain their free copy."

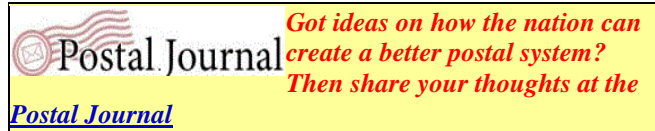
At the Postal Regulatory Commission:

- R2010-4 Comments of the Affordable Mail Alliance (August 17, 2010)
<http://www.prc.gov/docs/69/69753/10-08-17%20AMA%20comments.pdf>
- R2010-4 Initial Comments of American Postal Workers Union, AFL-CIO on the United States Postal Service Exigent Request
<http://www.prc.gov/docs/69/69771/R2010-4%20APWU%20Initial%20Comments%20final.pdf>
- R2010-4 Initial Comments of Time Warner Inc. on United States Postal Service Exigent Request
<http://www.prc.gov/docs/69/69734/TWintCmtsR2010-4.doc>
<http://www.prc.gov/docs/69/69734/TWintCmtsR2010-4.pdf>
- R2010-4 Comments of Halstein Stralberg in Behalf of Time Warner Inc. on Reasons Why the Large Periodicals Rate Increase Proposed in Docket R2010-4 Should Be Denied
<http://www.prc.gov/docs/69/69735/StralbergCmtsR2010-4.doc>
<http://www.prc.gov/docs/69/69735/StralbergCmtsR2010-4.pdf>
- R2010-4 Initial Comments of Valpak Direct Marketing Systems, Inc., and Valpak Dealers? Association, Inc.
<http://www.prc.gov/docs/69/69766/VP%20Initial%20Comments%20final.pdf>
- R2010-4 Responses of the United States Postal Service to Questions from the Bench at the Hearing for Mr. Corbett
<http://www.prc.gov/docs/69/69762/Resp.Aug.10.Homework.pdf> R2010-4 Additional Comments of the Direct Marketing Association Link:
<http://www.prc.gov/docs/69/69763/DMA%20on%20NFMs%20and%20Parcels.pdf>
- R2010-4 Comments of the American Catalog Mailers Assn.
<http://www.prc.gov/docs/69/69760/R2010-4%20ACMA%20Initial%20Comments%20PRC%20.pdf>

[EdNote: According to Valpak, "It can be concluded from these data that the Postal Service's business model, in the hands of exceptionally capable Postal Service management, has proven to be robust in dealing with cyclical changes in the economy, including the worst recession since the Great Depression of the 1930s." But Valpak goes on to say...just don't stiff us. Gimme a break. You think they should be pat on the back? Good! Then be prepared to take their kick in your rump.]

 The [Associated Press](#) has reported that "he top executive at FedEx Corp. saw his total compensation package drop by about 4 percent in the latest fiscal year, an Associated Press analysis shows. President and CEO Fred Smith took home a salary of about \$1.19 million for the fiscal year ending in May, according to a filing late Monday with the Securities and Exchange Commission. That's about 12 percent lower than his 2009 salary of nearly \$1.36 million — the result of FedEx's companywide pay cuts it made when the recession was at its worst point. FedEx announced broad-based cost cuts about halfway through its 2009 fiscal year, which included a 20 percent pay cut for Smith, a 7.5 to 10 percent cut for other executives and a 5 percent cut for thousands of others. The pay cuts were permanent; other benefits including retirement plan contributions and bonuses have been reinstated."

August 17, 2010



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

In this issue:

- IMb Full-Service Usage Continues to Increase
- USPS to Migrate to New FAST Help Desk August 30
- USPS Delays eDoc Non-Compliance Postage Consequences until Jan. 2011
- USPS to Begin Enforcement of IMb Full-Service Address Correction Requirements in November 2010
- Customers Present Revenue/Volume Growth Ideas to USPS
- Mail Acceptance Still a SOX Compliance Issue
- Majority of Mail in Compliance with Move Update
- Full-Service IMb for Mailers Using TMS
- IMb Requirements for Reply Mail in May 2011
- USPS Continues to Pursue Cost Savings Strategies
- MLNA/BCNO Policy Modification
- New Pub 363 to Contain Move Update Official Regs
- SuiteLink Reminder
- Folded Self-Mailers Test Results Still Pending
- Optional FSS Preparation Rules Take Effect Jan. 2011
- USPS Not Pulling Plug on Advance/ ePubWatch Programs...(Yet?)
- New MTAC User Groups and Task Teams
- USPS Lays Out Policy for Mailings with January 2011 Prices



At the *Postal Regulatory Commission*:

- [Presiding Officer's Ruling Scheduling Witnesses](#) - Docket No. N2010-1

Docket No. R2010-4:

(1) The [Association for Postal Commerce \(PostCom\)](#) has filed its comments with the [Postal Regulatory Commission](#) (PRC) in the docket concerning the Postal Service's exigency rate increase request. PostCom told the PRC:

- It urges the Commission to dismiss the Postal Service's filing on the grounds stated in AMA's July 26 motion to dismiss and the further AMA comments filed separately today.
- **The Commission should dismiss this case in its entirety.**
- The Postal Service has **impermissibly comingled changes** in Standard Mail products, rate design, and rate incentives with the unrelated request for additional overall revenues because of supposedly exigent circumstances. The Postal Service has made no attempt to show that the product and rate changes, many of which have never been submitted to the Commission for review, meet the criteria of the Postal Accountability and Enhancement Act ("PAEA") or the Commission's rules.
- The Postal Service has packed into its exigent rate request changes in products and rate relationships that have not heretofore been presented to mailers or reviewed by the Commission.
- **The Postal Service's circumvention of the rules and procedures** specifically established by the Commission for these types of changes has deprived mailers of the opportunity to meaningfully review and comment on the changes, amounting to a denial of due process.
- The Postal Service has eliminated the Standard Mail Not Flat-Machinable/Parcels product, as evidenced by the elimination of the Not-Flat Machinables price category, and added the Marketing Parcels, Fulfillment Parcels, and Regular Marketing Parcels products; has changed the breakpoint for certain letters, effectively

blurring the distinction between letter-shaped and flat-shaped products; has altered the rate relationship between basic ECR and 5-digit automation, presumably to induce migrations of flats between two heretofore distinct subclasses; has eliminated the procedure for allowing rigid flats to mail at automation flats rates; and has heightened the Move Update Performance Based Verification requirement. These changes are far more extensive than the clerical or ministerial changes to the Mail Classification Schedule contemplated by section 3020.90.

- Considering the Postal Service's proposed changes to market dominant products and the rate relationships between these products **not only would violate Congressional intent** and the Commission's own rules, but it also **would contravene the fundamental notions of due process embodied in the Constitution and the Administrative Procedure Act.**
- The Commission should **order the Postal Service to initiate a separate docket for consideration of these changes.** The instant docket should be focused solely on the need for an exigent rate increase for products as they currently exist.

(2) A [coalition of flat mail users](#) has told the Commission that:


- The failure of Periodicals and Standard Mail Flats to cover the costs attributed to them by the Postal Service is primarily a function of the Postal Service's inability to gain control of its operating costs, which have outpaced the rate of inflation for years. Rather than try to price its way out of negative contribution, the Postal Service should focus on reducing its costs.
- The Postal Service has grossly overstated the costs properly attributable to these products by ignoring the effect of excess capacity on cost causation during the period until the proposed rates are raised again. Contrary to the Postal Service's assumption, Periodicals and Standard Mail Flats are not the cause of the large amounts of excess capacity in the operations where they are processed, and in fact cover the attributable costs they actually cause.
- Rather than accept the Postal Service's proposed increases, the Commission should make clear that it expects the Postal Service to focus on bringing its costs in line with inflation.


(3) The [Parcel Shippers Association](#) has told the Commission:


- In this case the Postal Service makes a serious miscalculation visiting excessive "rate shock" on mailers of NFMs/Parcels by unexpectedly increasing prices in an unreasonable and inequitable manner. It professes a "cautious approach"³ with respect to Standard Mail Flats prices, but abandons all caution when it comes to increases for NFMs/Parcels.
- The huge, disproportionate, unexpected increases for NFMs/Parcels are unnecessary, will not materially improve the Postal Service's financial position, and will cause significant economic harm to its customers.
- The Commission should not approve the proposed price increases. Rather it should order the Postal Service to resubmit a reasonable and equitable price schedule with an average increase no more than the largest average "moderate" increase for other products. Reasonable is rational, in accord with common sense, not exorbitant.
- These huge increases are not necessary. They are not required by law. They are not necessary to prepare the product for transfer to the competitive product list. They will not significantly improve the Postal Service's financial situation. They are based on data that inspires no confidence.
- From FY 2008 to FY 2009, NFMs/Parcels unit costs increased by 12 percent. One-third of the cost increase in dollar terms came from a nearly thirty 4 percent increase in city carrier costs, an area where the Postal Service had "material excess capacity."
- From FY 2008 to FY 2009, the level of worksharing in the NFMs/Parcels product increased substantially, reducing unit costs.
- PSA urges the Commission to disapprove the price increases proposed for Standard Mail NFMs/Parcels and order the Postal Service to submit a reasonable and equitable and necessary price schedule for NFMs/Parcels with an 10 average increase no more than the largest average "moderate" increase for other products.


 More on [the Postal Service's proposal to move Standard parcels to the competitive product category](#):

- In fiscal year 2009, the four currently existing Standard Mail parcel categories – commercial Standard Mail Parcels, nonprofit Standard Mail Parcels, commercial Standard Mail Not Flat Machinables (NFM), and nonprofit Standard Mail NFM – collectively had a cost coverage of 75.23 percent.
- Given the somewhat confusing distinction between parcels and NFMs, the Postal Service has also sought in Docket No. R2010-4 to segment its parcel offerings into two main categories – “Marketing Parcels” and “Fulfillment Parcels.” Commercial and nonprofit Standard Mail NFM would become Standard Mail Marketing Parcels, while commercial and nonprofit Standard Mail Parcels would become Standard Mail Fulfillment Parcels.
- Outside of the Postal Service, parcel shipping is a seamless marketplace. The Postal Service’s competitors make no significant distinctions in their parcel offerings based on weight.
- The proposed transfer will allow the Postal Service to provide comprehensive shipping solutions to its customers, including through contracts that cover all parcels regardless of weight.

 [Media Daily News](#) has asked: "Will tablets save the magazine business? Nope. But if the industry's hopes for the iPad and its ilk pan out, digital editions could give the industry a billion-dollar boost in a few years. That's the conclusion of a new study sponsored by Next Issue Media, that's supposed to determine the industry's future, reports All Things Digital. It says iPad magazines and similar stuff will generate \$3 billion in advertising and circulation revenue in 2014, assuming that the market expands beyond Apple to include Google and other competitors. But after you account for print dollars the digital versions will cannibalize, that nets out to \$1.3 billion in incremental revenue." [EdNote: Who knows? The Postal Service soon may have fewer automation-compatible flats to kick around any more.]

 *Seeing the light . . .* After disparaging the Affordable Mail Alliance for its efforts to hold the USPS accountable for its dismal response to the current economic situation, it appears as if the [Greeting Card Association](#) has seen the light. In its filing with the Postal Regulatory Commission, it said that "apart from institutional considerations such as the lag between collective bargaining agreements and movements in the economy and some constraints PAEA imposes, **it is astonishing** that the Postal Service should be asking for any rate increase when 80 percent of its cost structure, i.e. its labor costs, should be stable or falling in a free and open market. **Postal rates should be steady or falling because labor rates should be steady or falling** in this macroeconomic environment. **It is natural to ask why they are not, by comparison with the private sector**, which the Postal Service has been shaped by Congress to emulate since the Postal Reorganization Act of 1970, and even more under PAEA." [EdNote: And why do you think what you believe should have been happening has not happened?]

 *More signs of a digital sea-change . . .* [PhoneArena](#) has reported that "for years now, universities have given their incoming freshmen iPods and laptops as 'Welcome-to-college!' perks. Now, some universities are offering more focused educational tools. At USC Annenberg's school of journalism, students of professor Bill Celis' "Specialized Reporting: Education, Youth and Learning" course will receive Apple iPads, audio recorders, and cameras in order to capture the news when and where they occur. Rather than lug around a full-size laptop dependent on Wi-Fi, students can carry the 1.6 pound iPad which will provide Internet anywhere in range of AT&T's service. The iPad is also coming to the medical sector. Students of UC Irvine's medical school will receive iPads in order to digitally maintain their notes, textbooks, recorded lectures, and even professor-produced podcasts. Even more exciting are the new digital stethoscopes and ultrasound machines which will connect to the iPad, allowing students to compare their recordings with digital libraries, aiding accurate diagnosis."

 [How well is USPS doing to meet its service delivery commitments](#) — internally and with its customers? With the new Service Delivery Calculator (SDC), the Postal Service will soon have more accurate and timely answers to this critical question. SDC is a tool USPS and its customers soon will use to more accurately document service commitments, standards and actual delivery dates for all domestic mail classes.



Now hear this: "This Week In Postal".....the latest podcast posted now! THIS week? More like LAST.

According to [John C. Dvorak](#), writing for PC magazine, "E-mail no longer works as well as snail mail. For whatever reason, I'm more likely to get a hold of a large percentage of the people I need to contact via the post office, rather than e-mail. E-mail is broken. There are numerous people who have given up on e-mail. You can e-mail them all day to no avail. I have a fix. You e-mail me, but you have to pay for me to actually get the message. It's a reverse postal service. I'll gladly take a dollar to read the e-mail. And if you and I are corresponding, the dollar goes back and forth, not costing us anything. On the other hand, spammers and casual people wanting to contact you will have to pay a dollar. If you respond to them, they get the dollar back. If the e-mail is nothing more than, "you suck," you happily keep the dollar. It's the American way! This idea would eliminate all spam and minimize useless e-mail. The only people hurt by this would be newsletter folks, but within the mechanism there could be a "subscribe" flag that would allow a newsletter distributor the ability to send out the flyer without the fee. It's not that hard. The real difficulty would be the creation of mechanisms that would actually be adopted."



Welcome to PostCom Radio

Join PostCom President Gene Del Polito and Postal Consulting Services President Kathleen Siviter in a discussion of some of the key items of note from the most recent meeting of the Mailers Technical Advisory Committee

[Post & Parcel](#) has reported that "As of autumn, Swiss Post will carry out tests on the delivery of letters in the St Gallen region, the city of Lausanne and the Kriens/Sarnen area. The main focus of the tests is the automated sorting of items to individual house letterbox level. The time-consuming manual sorting of items by the postal carrier is thus reduced. The postal carriers' delivery rounds will be adjusted for the tests, meaning that delivery times will change for some customers. However, all customers will receive their mail by the end of the midday period at the latest."

[Automotive World](#) has reported that "Japanese automotive start-up company Zerosports Co has secured an order for 1,030 electric vehicles from Japan Post Service, reports Kyodo News. The postal service company will order 30 vehicles in fiscal 2010 and 1,000 in fiscal 2011."

[Postal Technology International](#) has reported that "Qantas and Australia Post have confirmed the renewal of their partnership in joint ventures Australian Air Express and Star Track Express, in addition to signing a new five-year mail contract with a combined value of US\$100 million per annum."

The [Washington Post](#) has reported that "Despite widespread opposition to closing post offices, the U.S. Postal Service is moving ahead with plans to expand its retail footprint into thousands of Office Depot stores. The nation's second-largest retailer of office supplies has started selling postal products and services at almost 1,100 locations, offering Priority Mail and Express Mail services, Priority Mail flat-rate boxes, and postage stamps. The deal, in the works for more than a year, is the mail agency's first attempt to sell more than postage stamps under someone else's roof."


August 16, 2010





DMM Advisory: USPS Seeks Competitive Edge for Standard Mail Parcels. Today, the Postal Service filed a request with the Postal Regulatory Commission (PRC) to transfer commercial Standard Mail Fulfillment Parcels from the market-dominant product list to the competitive product list. The strategy for Standard Mail small parcels redesign is included in the exigent price case that we filed with the PRC on July 6. The redesign breaks this category of mail into two significant and distinct customer segments; marketing parcels and fulfillment parcels. If the reclassification we are seeking with today's filing is approved, fulfillment parcels would become a lightweight category of Parcel Select.


 **At the Postal Regulatory Commission:**


- **Docket No. MC2010–36**. In accordance with 39 U.S.C. § 3642 and 39 C.F.R. § 3020.30 et seq., the United States Postal Service hereby requests the **transfer of commercial Standard Mail Fulfillment Parcels from the market dominant product list to the competitive product list**. Upon the transfer, commercial Standard Mail Fulfillment Parcels would become a “Lightweight” subcategory of Parcel Select.
- National Payroll Hours Summary Report, Pay Periods 13-16, FY 2010
<http://www.prc.gov/docs/69/69717/Letter-NPH-PP13-16-FY2010.pdf>
<http://www.prc.gov/docs/69/69717/PP14%20FY%202010.pdf>
<http://www.prc.gov/docs/69/69717/PP13%20FY%202010.pdf>
<http://www.prc.gov/docs/69/69717/PP16%20FY%202010.pdf>
http://www.prc.gov/docs/69/69717/PP15_FY_2010.pdf
- Postal Service Active Employee Statistical Summary (HAT report), Pay Period 16, FY 2010
<http://www.prc.gov/docs/69/69716/Letter-HAT-PP16-FY2010.pdf>
http://www.prc.gov/docs/69/69716/HAT_PP16_FY2010.pdf

 From **PR-CANADA**: "Letter Carriers union President Fredric V. Rolando was elected by acclamation to a four-year term as head of the 295,000-member postal union by delegates to the 67th Biennial Convention of the National Association of Letter Carriers, the union announced today."

 **Press Release**: "First-Class® and Standard mailers who seek to improve the effectiveness of their mailpieces and optimize their operations are showing great interest in BÖWE BELL + HOWELL's (BBH) recently introduced BBH® MAILStream™ Inveloper – an innovative system that provides nearly unlimited potential for mailpiece customization. The process behind the MAILStream Inveloper utilizes blank white roll material to create either closed-faced or windowed envelopes for the new patent-pending “Invelope™” format, eliminating the need for traditional envelopes."

 **Postal Technology International** has reported that "Royal Mail's director of corporate and government affairs, Mary Fagan, is leaving the organisation after seven years. Fagan is expected to depart by the end of the year without a new role lined up. A spokesman for Royal Mail said the search for a successor was under way."

 The **APWU** is asking union members to boycott USPS “Voice of the Employee” surveys in order to prevent management from manipulating the results to undercut the union during upcoming contract negotiations.

 From **PRLog**: "Buying Solutions is the national procurement partner for all UK public services and is part of the Efficiency and Reform Group within the Cabinet Office. The four year appointment means that CFH is now able to supply hybrid mail services for public sector contracts throughout the UK."





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


Postal Service as a National Asset. As the financial crisis drags on into its third year, governments are trying to find ways to finance or pay off mounting deficits. Greece plans to sell off part of Hellenic Post as a condition of its financial rescue package. Is this a good strategy? [Link to the blog](#) to tell us what you think.


New Audit Projects: Visit our audit project pages at http://www.uspsoig.gov/audit_project.cfm. This week we opened the following new project(s): (Please share any information you may have that would help with this audit currently in progress by clicking on the link below):


- [10XG013NL002 - PVS Transportation Routes - Suburban Maryland P&DC](#). Our objective is to determine whether Postal Service vehicle (PVS) operations are effective and economical.


 **At the Postal Regulatory Commission:** In a separate communication (and a truly extraordinary one for), the [Envelope Manufacturers Association](#) told the PRC that "we think there is an important precedent here that should not be violated. That precedent is that the Postal Service must operate under the parameters that were set up in PAEA for an important reason; to incentivize the USPS to operate in a businesslike manner. If we want to have our Postal Service here in the future, it must operate its business under these parameters. We cannot return to the previous system of ratemaking. If we allow the United States Postal Service to breach the intent that was put in place in 2006, we believe we do long-term harm to ever operating the Postal Service as a business. We believe that a recession is not an exceptional circumstance under the law as we understand it, and we should not set a precedent for future generations to have to deal with by breaching an important protection for postal customers that was designed to ensure the Postal Service would be here in the future."


 FedEx today announced plans to strengthen the company's international and domestic services across India. FedEx Express, a subsidiary of FedEx Corp. (NYSE: FDX), and the world's largest express transportation company, has launched a new flight from Bengaluru establishing direct connections to Europe and the Middle East and the U.S. With this, Bengaluru becomes the third Indian gateway for FedEx joining Delhi and Mumbai and enhancing FedEx customers' access to the global marketplace. <http://news.van.fedex.com/intl/in?node=16845>


 [TMCNews](#) has reported that "Siemens Industry Inc., Arlington, Texas, won a \$79,986,000 federal contract from the U.S. Postal Service's Supplies and Services Purchasing, Merrifield, Va., for Postal Automated Redirection System software and computer hardware enhancements."

 The [Wall Street Journal](#) has reported that "Office Depot Inc. (ODP) began offering U.S. Postal Service products and services Monday at stores nationwide, saying it had become the first retailer to do so." See also the [Postal Service's press release](#).



 According to the [Courier, Express, and Postal Observer](#), "The expected privatization of Royal Mail and the discussion of privatization of Canada Post illustrate that the decision to privatize is a decision of the government and not the postal operator. While the operator may have the data necessary required to determine whether privatization is possible, and its management may have opinions on the advisability of privatization for the long term viability of the enterprise, the decision is that of the owner of the enterprise, the government involved. Therefore, any examination of privatization would have to be approved by Congress and most likely have the support of the Administration with the lead most likely taken by the Department of Treasury with the support of Departments of Transportation and Commerce and the Federal Trade Commission and the Federal Communications Communication."

 From [PRLog](#): "Royal Mail's announcement that county names are to be completely dropped from their address database has met with a mixed response from marketers and the public – but the controversy 'misses the point' according to address data specialist Postcode Anywhere. County names, removed in 2000 from Royal Mail's complete address database the Postcode Address File (PAF®), are currently still available in the complementary Alias File - which after extensive consultation is to be phased out by 2016."


 The [Federal Times](#) has quoted a Postal Service spokesman who said that ""We believe that our filing with the commission is grounded in law and we're pleased the commission is going forward with the hearings."

 The [Washington Examiner](#) has reported that "An official for the local American Postal Workers Union has been indicted in federal court in Washington on charges of bribing a government official to steer trucking business to his gas station and repair shop. In exchange for the government contracts, prosecutors said Kevin J. Basil handed the government official fast-food restaurant bags of cash, saying, "That's your apple pie."


 [Hellmail](#) has reported that:

 [Austrian Post](#) reports a stable half-year result with improved cash flow but decline in stamped mail due to electronic substitution. Total Group revenues were comparable to 2009 figures.
 [Russian Post](#) said on Friday it is to provide a free parcels service for humanitarian aid to areas of Russia affected by forest fires. At least 50 people are thought to have perished in the fires.

August 15, 2010

 According to [Hartford Business](#), "As a government-sponsored enterprise, the USPS isn't in the business of cutting costs. Its four unions — the American Postal Workers Union (clerks), National Postal Mail Handlers Union, National Association of Letter Carriers (urban carriers), and National Rural Letter Carriers' Association — see to that. It's a bit of an understatement to call postal unions' collective-bargaining contracts "generous." Employees pay a mere 18 percent of their healthcare premiums. Life insurance is gratis. Raises are automatic, not linked to measureable performance improvements. Overtime opportunities abound. Workers' comp is sweet — 75 percent of salary, rather than the 66 percent given to private-sector employees. Contract provisions limit management's ability to relocate workers, assign tasks outside an employee's "craft," and outsource to cheaper providers."


August 14, 2010


 **DMM Advisory: IMb™ Services Update.** *PostalOne!*® Release 24.1.2 will deploy as a maintenance release on Sunday, August 15, 2010, during the scheduled *PostalOne!* 4 a.m. – 8 a.m. (CDT) maintenance window. The release will address issues with Mail.dat postage statements and qualification reports for all container types and correct unit weights, surcharge application to Standard Mail parcel mailing, and single-piece files with multiple segments. Changes also were made to improve performance within the system.

The **Seamless Acceptance and Service Performance (SASP) Release 3.1.06** will deploy on August 22, 2010, to address several issues with eDoc Mail Data Quality reports. The release notes for *PostalOne!* Release 24.1.2 and SASP Release 3.1.06 are posted on [RIBBS](#)® under [Release Notes](#).

PostalOne ! Server Patching: The *PostalOne !* production and TEM database servers will have a database software patch applied during the scheduled 4 a.m. – 8 a.m. (CDT) maintenance window on Sunday, August 22, 2010. The *PostalOne !* system (including FAST OPS web services) will be unavailable for internal and external users during this period.

 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:** 12-Month Average Change in CPI-U Prepared by Postal Regulatory Commission Last Update: 8/13/2010. . . . **1.252%**. . . . not 5.8% not 8% not 23% just **1.252%**

 [Government Executive](#) has reported that "In an interview with Government Executive, USPS Chief Human Resources Officer and Executive Vice President Anthony Vegliante said having a strong workforce succession planning process to identify employees to fill important leadership vacancies is the key to managing the agency's 500 executive and 40 officer positions."

August 13, 2010



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

- The Postal Service released its unaudited third quarter financials for Fiscal Year 2010 which showed a loss of \$3.5 billion for the three months ending June 30, and \$5.4 billion year-to-date loss. It has experienced a negative operating results in fourteen of the last sixteen quarters.
- Senator Susan Collins (R-ME) submitted a letter to the Postal Regulatory Commission (PRC) to comment on the circumstances under which an exigent rate case is authorized under the Postal Accountability and Enhancement Act of 2006 (PAEA). The purpose of the letter, according to Senator Collins, is “. . . to make the congressional intent regarding the provision completely unambiguous as the Postal Regulatory Commission considers the pending the Postal Service request.
- A synopsis of some of the questions and answers posed to postal witnesses at hearings conducted by the Postal Regulatory Commission in the matter of Docket No. R2010-4.
- Dead Tree Edition has told its readers that "the U.S. Postal Service proved this week what mailers have been saying for weeks -- that it is seeking exigent rate increases without first having done everything it can to reduce costs."
- America. The bulwark of free-market economics and capitalism being hamstrung by a postal system that is functioning with all of the certainty of some third-world utility. It's not only enough to make you weep; it's pathetic. It's high time something happen to bring about some very much needed change. And whatever change there might has darn well be for the better. An opinion by postal commentator Gene Del Polito.
- The USPS Office of Inspector General (IG) has released the results of its self-initiated audit of the fiscal year (FY) 2010 PostalOne! outages and how it impacted the Postal Service's operations and revenue collection. The IG considers all \$298 million in late postage as revenue at risk.
- The Postal Service, as well as its customers and regulators, are anxiously looking forward to the Q4 FY 2010 service performance reports – which will be the first quarterly reports to reflect performance using the live Intelligent Mail Full-Service data, rather than the limited data provided by pilot participants. Unfortunately, according to the USPS, the transition to live IMb Full-Service data is not without challenges, and a large percentage of the live IMb data is being excluded from the service measurement system.
- The USPS last week posted its Quarter 3 results which reflect service performance between April 1, 2010 and June 30, 2010. According to the USPS' measurement reports, First-Class Mail service performance improved in all measured categories; Standard Mail service performance improved in all measured categories – including an unexplained jump of over 25 percentage points for end-to-end Standard Mail compared to the previous quarter (and nearly 13 points higher than the same period last year); Periodicals service continued a gradual improvement; and Package Services service performance continued to significantly improve.
- The Postal Service's Innovation Symposium held this week in Washington, DC, was further testament that there is no shortage of ideas on how the Postal Service could grow revenue and volume. In just a few hours, hundreds of business customers were able to brainstorm and produce a slew of ideas on how the USPS could grow. Over 30 of the key ideas were presented to the Postmaster General and senior postal officials at the end of the symposium. While some of the ideas were not new, customers hope the USPS will look at them with the fresh eyes needed in a rapidly changing business and technology environment.
- USPS to delay loss of discount for IMb eDOC non-compliance. USPS publishes optional FSS preparation rules. Rumors of ADVANCE demise premature. Proposed 2011 MTAC meeting dates. More information from MTAC. USPS publishes Move Update Data Collection Report. The dance of legislation? Is the USPS really broke? Global Address Data Association up and running. Direct Mail Dead? Say it ain't so. APWU urges members to support pre-funding reform.
- An update on DMM Advisories issues by the U.S. Postal Service.
- 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.

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At the Postal Regulatory Commission:


- **R2010-4** Volume 3 - Official Transcript of Hearing Held on August 12, 2010 in Docket No. R2010-4 (pages 251-488)
http://www.prc.gov/docs/69/69685/0812_PRC.pdf
- http://www.prc.gov/prc-docs/home/whatsnew/Hearing_R2010-4_08-12-2010--1.mp3


 According to the [Courier, Express, and Postal Observer](#), "Now is the time to start contacting retailers before they realize how serious their need is likely to be. This is particularly true for smaller retailers that have the least sophisticated sales tracking systems that most major chains now have. Now is the time to develop ideas for using the mail to boost sales earlier in the season to reduce the risk that items in the supply chain from overseas suppliers will need to be sold at a large end-of-season discount and begin presenting these ideas to potential customers."


 From [GlobeNewswire](#): "SkyPostal Networks, Inc. has changed its name to SkyShop Logistics, Inc. to better reflect its positioning as a cross border shopping facilitator. Capitalizing on SkyPostal's efficient and low cost international delivery network, SkyShop has developed integrated shopping solutions which allow U.S. merchants to offer their international customers a simplified and cost effective buying experience from the moment of purchase to the cross-border delivery."


 [Channel Online](#) has reported that "Jersey's branch of the Communication Workers Union are petitioning the States to stop proposed cuts to the island's postal service."


 [Inavate](#) has reported that "Posten Norge, Norway's postal service, has installed 1000 induction loop systems throughout its branches. It chose Ampetronic CLD1-CT counter systems as part of a wider programme of upgrades to its counters and retail furniture."

 [DM News](#) has reported that "The US Postal Service needs to play in the digital world, major postal customers told the organization's executives August 11 at the USPS' Innovation Symposium. Attendees recommended the USPS offer electronic services similar to those of Deutsche Post, which is building a trusted platform for businesses and consumers to conduct electronic business. Other customers suggested the USPS offer a PayPal-type service, building off its reputation as a trusted brand to offer secure online bill presentation and payments. Others said the USPS should create secure e-mail addresses linked to physical addresses, which would open the door to a host of hybrid mail services."

 [American Banker](#) has reported that "Israel Postal Company Ltd. plans to offer Visa debit cards in the first quarter of 2011, adding to its existing financial services operations."

 [Packaging Essentials](#) has reported that "Printing Industries of America's members from across the country are **gathering on Capitol Hill next month to oppose an emergency postal rate hike proposal** that would dramatically bust caps on postal rate increases imposed by Congress in 2006."

 From [Canada NewsWire](#): "Following an announcement by Canada Post that Israel Post has suspended mail delivery to Gaza, the union is encouraging people who wish to send mail to Gaza to get their mail onto the Canadian boat bound for the blockaded Palestinian territory."

 [WINK News](#) has reported that "The US Postal Service may have fixed the absentee ballot envelope problem, but for now, all envelopes are being sorted by hand. The envelope barcodes were not being recognized by the sorting


machine and being sent back to the return address. Post Office officials are in the process of redesigning the problem envelopes before the November election."

 The [Louisville Courier-Journal](#) has reported that:

- [UPS is launching a program](#) that allows customers of participating retailers to return merchandise by dropping it in any U.S. Postal Service mailbox or at any post office in addition to thousands of UPS stores and drop boxes. After a return package is dropped off at a Postal Service location, a UPS driver picks it up and the UPS ground network transports it back to the retailer.
- The [U.S. Postal Service](#) announced Thursday that it is changing its policy that effectively banned cigarettes from being mailed to troops in Afghanistan and Iraq. The policy, which took effect at the end of June, was created in an effort to comply with a new federal law aimed at ensuring mail-order cigarette sellers pay taxes and don't send them to minors.



New at the [Postal Journal](#): "Rethinking the Mailbox Monopoly" By John S. White Executive Director, The Association Of Alternate Postal Systems

 **At the Postal Regulatory Commission:** The Postal Regulatory Commission invites press and interested parties to a briefing on the actuarial report of The Segal Company regarding calculation of U.S. Postal Service pension liability for former Post Office Department employees. Questions will be entertained following the briefing.

What: Public briefing on the actuarial analysis of liability related to funding of Postal Service pensions. The Commission report finds that an adjustment of roughly \$50-\$55 billion in favor of the Postal Service would be equitable.

Who: Commissioners and Commission staff The Segal Company representatives

When: 10:00 a.m. Monday, August 16, 2010

Where: Hearing Room, Postal Regulatory Commission, 901 New York Avenue, NW, Suite 200, Washington DC 20268

August 12, 2010

 **At the Postal Regulatory Commission:**

- CP2010-84 Order No. 514 - Order Approving Six Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69671/Order514.doc>
<http://www.prc.gov/docs/69/69671/Order514.pdf>
- CP2010-85 Order No. 514 - Order Approving Six Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69671/Order514.doc>
<http://www.prc.gov/docs/69/69671/Order514.pdf>
- CP2010-86 Order No. 514 - Order Approving Six Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69671/Order514.doc>
<http://www.prc.gov/docs/69/69671/Order514.pdf>
- CP2010-87 Order No. 514 - Order Approving Six Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69671/Order514.doc>
<http://www.prc.gov/docs/69/69671/Order514.pdf>

- CP2010-88 Order No. 514 - Order Approving Six Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69671/Order514.doc>
<http://www.prc.gov/docs/69/69671/Order514.pdf>
- CP2010-89 Order No. 514 - Order Approving Six Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69671/Order514.doc>
<http://www.prc.gov/docs/69/69671/Order514.pdf>
- The transcript for the 1st day of Hearings on R2010-4 http://www.prc.gov/Docs/69/69643/100810_web.pdf
- The transcript for 2nd day of Exigency Case Hearings
http://www.prc.gov/Docs/69/69672/PRC_081110.pdf


FROM TODAY'S HEARING AT THE PRC ON DOCKET R2010-4.

Witness: Frank Neri, USPS (regarding the USPS Flats Strategy)


- The USPS has no projections on savings for FY2011 that will come from its FSS program.
- The flats strategy (as a whole) is still under consideration by Postal Service engineers. There has been no determination thus far that its flats strategy merits moving forward.
- The Postal Service provided no estimates of cost savings from the flats strategy or when they would be actualized.
- There's no decision analysis report yet for reconfigured package and bundle sorters.
- Ultimately, **decisions as to when to run periodicals on automation are made by local facility managers.**
- There's a whole lot of "expectations" by management that may not be actualized in facilities that are provided considerable operational discretion.
- Witness **Neri**, who is in charge of overseeing FSS operations, **has not yet read completely the OIG study** which concluded that the FSS program may be not cost justified.
- **Commissioner Acton and the Chairman felt compelled to recommend that Witness Neri take the time to review the OIG study.**
- Neri said that **he has been aware for about ten years** that the USPS was having cost-efficiency problems with the processing of periodicals and non-carrier route Standard flats.
- Neri said he **does not know** whether any of the programs or concepts that currently under focus by the Postal Service will lead to **any real measurable savings.**
- Chairman Goldway said that there did not appear to be any projected savings associated with the Postal Service's planned strategies.
- Commissioner Blair said he could not discern anything from what the Postal Service has offered that indicates that there is a clear link between the flats program's success or lack of success and its budget allocations.
- Neri said he could not today say definitively whether the flats program was achieving hoped-for savings.
- Neri said that the Postal Service's decision to pay for all 100 FSS machines even though the final determination on savings that could come from the program was due to "contractual procurement obligations."


Witness: James M. Kiefer, Pricing Economist, USPS


- Pricing decisions in this case were developed under "tight guidance" provided by the very top of the Postal Service. There were specific "management directives."
- Most products were to be set around the 5.6% average. Periodicals were to be kept within 10%. Standard parcels were allowed to rise above 20%.


 House postal subcommittee chairman Stephen Lynch told [Wicked Local](#) that "he's opposed to the Postmaster General's plan to save money by eliminating Saturday delivery. He favored closing some post offices to cut costs


instead. Another way to save money would be a online program to let citizens choose which mail gets physically delivered to their homes. "You go on your computer and look at your mail, and you click on what you don't want delivered," Lynch said. "That's the wave of the future."


 [InTheseTimes](#) has a story on "USPS to Struggling Publications: Take a Hike." It said that "a familiar foe is once again threatening the future of many U.S. magazines and newspapers—and it's not the Internet. The U.S. Postal Service's recent proposal to hike postal rates has print publications even more worried about their future."


 *If you're one of those who think the future of ink on paper is bleak, then you've got to take a look at [Timothy McSweeney's evaluation of the printed newspaper as an e-reader](#).*

 [Stuff.co.nz](#) has reported that "A dispute over a Wellington postie's insistence on wearing a blue T-shirt under his uniform has brought NZ Post's uniform policy under question. The Employment Relations Authority (ERA) has criticised New Zealand Post for giving postie Karl Oakes an unjustified written warning after a tiff over a blue sweatshirt and T-shirt he wore while on his rounds. Mr Oakes succeeded in getting a black mark removed from his work record but his behaviour was seen as confrontational by the ERA. He first had a run-in at work because he wanted to wear a blue hoodie instead of the postie uniform." [EdNote: Oh, the "stuff" we worry about.]


 [Azerbaijan Business Center](#) has reported that "The State Program for Development of Communications & Information Technologies 2010-12 (Electronic Azerbaijan) endorsed yesterday by the relevant order of Azerbaijani President Ilham Aliyev says of drastic change in quality of Internet network and telecommunication services in the country. Under the Program, the Ministry of Communications & Information Technologies will take measures on introduction of wideband Internet services will be taken in Azerbaijan in 2010-12. At that, the Program stipulates plans on introduction of universal postal services in the country, upgrade of communication network in the Nakhchivan Autonomous Republic, improvement of services on the basis of modern information technologies."

 The [Washington Post](#) has published a fine piece on the late senator from Alaska, Ted Stevens, who for years was widely recognized as a force with which one had to be prepared to reckon when it came to postal policy in America.


 [Dead Tree Edition](#) has told its readers that "**The U.S. Postal Service proved this week** what mailers have been saying for weeks -- **that it is seeking exigent rate increases without first having done everything it can to reduce costs**. Specifically, it demonstrated that it still has excess career employees – many of whom are eligible for retirement – yet is doing nothing to reduce those numbers. Before the Postal Service is granted rate increases that require bending, if not breaking, the law that governs postal rates, postal executives need to explain why they are discouraging employees from retiring when they should be encouraging early retirement."












 *Editor's Note: When it comes to envisioning the role a postal system in the 21st century, there are some who can forsee ways to use more creatively the assets that already are a part of the American postal system. We commend the following paper to you for your review. "[Offering Sensor Network Services Using the Postal Delivery Vehicle Fleet](#)" by Michael J. Ravnitzky. Mr. Ravnitzky serves on the Postal Regulatory Commission staff. There are [slides that accompany this paper](#), and they can be found on the Postal Regulatory Commission web site.*

 The [Pakistan Observer](#) has reported that "The Public Accounts Committee (PAC) on Wednesday directed the government to approve computerization project of Pakistan Post (PP) to check cases of financial irregularities."

 [KETK](#) has reported that "The U.S. Postal Service says it recently lost \$3.5 billion. Now, they are doing studies across the nation to see which offices they can consolidate to save money. As a result, the downtown post office in Tyler may close. Tyler citizens gather downtown today as they rally to save the post office. As they sign petitions and wave signs, people give several reasons to keep the office open. Several businesses say they rely on the office, and most agree that having a post office downtown is convenient. One person says the other post offices are already congested enough."

August 11, 2010

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

-  The Dutch regulatory authority Opta failed with its initiative to force TNT Post to disclose the USO cost for separate services.
-  E-mail advertising gains more and more importance.
-  Ceska posta closed the first half year 2010 with a operating profit of 24.5m euros.
-  The Brazilian post ECT announced to assign, without bidding, new contracts for the around 1,500 independent postal agencies.
-  Crisis-shaken Latvijas Pasts significantly reduced its losses in the business year 2009.
-  Japan Post's parcel business caused a loss of 112.5m euros in the fiscal year 2009. This is three and a half times worse than last year and its third straight year in the red.
-  The 5,000 employees of Correos de Chile went on an indefinite strike.
-  The German Federal State of Bavaria considers to use Deutsche Post's new E-Postbrief.
-  New Zealand Post Group expects its net profit for the year ended 30 June 2010 to be about break even.
-  According to media reports, GeoPost, French La Poste's express parcel holding, acquired its long-time US partner IBC.
-  UPS is testing parcel deliveries by bike in major German cities.





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.)*



Testifying yesterday at the Postal Regulatory Commission hearing, Corbett admitted that the Postal Service's cash position this year is no worse than in 2009, when the Postal Service did not seek a rate increase of this kind. Corbett went on to describe the sophisticated computer modeling system the USPS has had for 20 years that tracks the decline in mail volume due to diversion to internet communications. When asked why then the Postal Service had no contingency plan for the impending decreases in mail volume, a USPS key argument for needing the rate hike, Corbett replied that the system is used for “looking backward, not forward.”

“Today, we learned that not even the Postal Service’s top managers believe this rate increase meets the standards laid out in the “extraordinary and exceptional” clause in the PAEA,” said Tony Conway, [Affordable Mail Alliance](#) spokesperson and Executive Director of the Alliance of Nonprofit Mailers yesterday at the hearing. “We are encouraged by the tough but fair questioning by the Commissioners and believe that ultimately, they will be convinced that a rate hike ten times the rate of inflation is not justified by law.”

 According to one writer for [Advertising Age](#), “Perhaps print advertising isn't working because much of it isn't really good.”

 [Cliffview Pilot](#) has reported that "The owner of a bulk mail company admitted today that he cost customers \$4.5 million in losses for deliveries never made. Arthur Marino, 61, of Englewood, pleaded guilty in federal court in Newark to running the large-scale wire fraud for seven years through New Tech Direct, Inc."

 **At the Postal Regulatory Commission:** (focus: testimony of Stephen J. Masse, V.P. Finance and Planning, USPS)

- The Postal Regulatory Commissioners started the day by acknowledging the contributions of the late senator from Alaska, Ted Stevens, who died in a plane crash yesterday.
- In response to modest gains in mail volume, largely in quarter one, the USPS' workhours are up compared to plan.
- Twelve FSS machines are operating in five locations thus far. Masse said the USPS is still working on the equipment and fine tuning it.
- Masse told the Commission that, in the near-term, the greatest benefit to the USPS could come from changes to its pre-funding requirements. He said the exigency increase won't be of any help until QII in FY2011, and, even at that, the benefit will be only on the order of \$2 billion.
- Masse said that **the USPS would need to raise prices over one-to-two years by 25%** if the Postal Service were to use the exigency provision to satisfy the USPS' immediate needs.
- The USPS had considered filing an exigent price increase request last year, but demurred because of the recession, and because such an increase wouldn't be the "silver bullet" for meeting the USPS' longer term needs.
- The Postal Service had been operating under the assumption that mail volume would return after the recession.
- Masse said he believed postal customers had received some benefit from the nation's very modest economic recovery. *[His answer came in response to a question from Commissioner Blair as to whether Masse thought that customers would do equally well in the face of a double-dip recession. The implication? They can afford it. It's a matter of "sharing the pain."]*
- Masse implied that the USPS cannot successfully operate under the current law in the face of economic downturns.
- He said "only time would tell" whether the USPS would be back asking for yet another exigency rate increase if the economy were to go sour.
- Masse said that **if the USPS got some measure of relief from Congress, it would not be facing a liquidity crisis through FY2011**. The USPS actually would not be facing a liquidity crisis until 2015.
- Commissioner Blair said that it appeared as if this case was merely "papering over" some other more significant issues before the Postal Service. It would seem, he said, that "extraordinary or exceptional" was going to be the new way of postal life. Masse said that "only time will tell." *[EdNote: Seems as if Senator Collins is correct in her contention that the USPS seems to lurch from one fiscal "crisis" to another, and will continue to do so in the future.]*
- Masse said that **any exigent increases** that might be approved **will remain in place** even at the time of any future PAEA-permitted inflation-based price changes.
- Commission Langley noted that postal forecasts are questionable, since they are based largely on retrospective perspectives, rather than those that are more consistent with changing postal market realities.
- Masse said that the present exigent request is *both* an effort to address an immediate **and a longer-term planning need**.
- Masse acknowledged that **underlying this case is the belief that these prices are what the market is willing to bear**.
- Commissioner Acton said that he had a problem with the Postal Service asking mailers to pay after they've already paid what was required of them to the Civil Service Retirement Fund and the pre-funding of retiree health benefits.
- Masse said that even though rate payers already have paid on these obligations, even if all these payments were appropriately credited, the USPS would still be facing a financial crisis.
- Masse said that **the marketing initiatives the USPS currently has planned would not be sufficient to meet the USPS' financial needs**.

- Employee-related costs still account for 80% of all postal costs. All reductions in career employees have been actualized via attrition. There are now no specific plans for voluntary separation incentives.
- **PRC Chairman Goldway said that it appears as if the USPS has not taken full advantage of all the possibilities afforded by PAEA.** [EdNote: She and her colleagues have absolutely gotten that right.]

Other Business:

- **R2010-4** Response of the United States Postal Service to Question 9 of Presiding Officer's Information Request No. 4
<http://www.prc.gov/docs/69/69635/POIR.4.2nd.Resp.Set.Q.9..pdf>



The [Postal Service](#)TM is revising the Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM®) to provide optional mail preparation standards for flat-size Standard Mail, Periodicals, and Bound Printed Matter mailpieces prepared for delivery within ZIP® Codes served by Flats Sequencing System (FSS) processing. DATES: Effective January 2, 2011.


The [New York Times](#) has reported that "A small group of former magazine journalists and editors, including a former president of Newsweek, plan to publish a weekly digital magazine this fall, seeking to create content specifically for mobile technology. The magazine, called Nomad Editions and created by a New York start-up of the same name, will feature the work of freelance journalists with expertise in a specific area, like surfing or movies. Every Friday, starting in October, subscribers will receive through a mobile application what amounts to a mini-magazine, focused on their area of interest. Each edition is expected to each take 20 to 30 minutes to read."


[Media Daily News](#) has reported that "U.S. media and communications spending is poised for big growth from 2009-2014, according to a new forecast from Veronis Suhler Stevenson, a private-equity firm in the media business. In fact, VSS expects media and communications revenue to grow faster than the economy in general, due largely to the rapid expansion of Internet and mobile media. However, VSS draws an important distinction between media and communications revenues overall, and advertising revenue in particular, predicting significantly lower growth in ad spending. [DM News](#) noted further that "**direct marketing spending and revenue will experience slower growth than other communications sectors.**" Among the significant adverse factors: the prospect of higher postal rates and postal service cutbacks."


[Canada Views](#) has reported that "Congressman Maurice Hinchey (D-NY) today called on the United States Postal Service (USPS) to enter into an agreement with a willing landholder and take necessary steps to ensure funding is in place to begin site development for a new post office in Willow, New York. The current postal facility, which has been housed in a trailer on a rental property for nearly 10 years, must be removed to accommodate the needs of the private property owner. The current location also fails to comply with USPS workplace and Americans with Disabilities Act (ADA) standards. "

The [Star-Telegram](#) has reported that "More letters containing white powder are expected to arrive in the mail this week at various locations in North Texas, an FBI official said Tuesday. Two of them were delivered Tuesday in the region, increasing the total to 21 in the last four days, the FBI said Tuesday. Field tests have indicated that the letters contained cornstarch, according to FBI reports. According to the FBI, they were sent to five churches, two mosques, 13 businesses and one residence. Local hazardous-materials teams have been sent to handle and analyze the letters, authorities said. The FBI and U.S. postal inspectors are leading the investigation, with help from local law enforcement agencies."


[Automated Trader](#) has reported that "Austrian postal service provider Oesterreichische Post AG, or Austrian Post (POST.VI), said Wednesday its second-quarter 2010 net profit fell 8.4% in spite of higher sales and core earnings, as it was dragged down by a higher tax rate. The majority state-owned postal firm reiterated it expects full-year sales to decline by 1% to 2%, as the general migration from letters to electronic post continues to cut into handled domestic volumes, and the margin on earnings before interest, tax, depreciation and amortization, or Ebitda, to come in between 10% and 12%."

 [China Radio International](#) has reported that "China Post on Tuesday formed a partnership with Internet company Tom Group to jointly launch an online shopping website, in an effort to cash in on the nation's booming e-commerce industry. The new online platform, Ule.com.cn, will be 51 percent owned by China Post. Tom Group will be the exclusive IT systems provider for the business and will invest an additional 200 million yuan (\$29.53 million) to market the new website. China Post is a fully owned company of China's State Post Bureau. It has 46,000 post offices and nearly 36,000 postal savings bank branches." See also [People's Daily](#).


 The [Wall Street Journal](#) has reported that "The U.K. government Wednesday said it has appointed investment bank UBS AG (UBS) to advise it on options for the future ownership of Royal Mail, Britain's state-run postal delivery service."


 Postal news from [Hellmail](#):


- [Zumbox Announces Mailfeed HVTO Partner Program](#)
- [OPEX Releases New Document Capture Platform With Integrated Extraction](#)
- [Value Your Mail](#)
- [Document Specialist Transactis Secures Avis Europe Contract](#)

 According to [D. Eadward Tree](#), "**Most of what's wrong with the Postal Service is the fault of Congress.** Congress has been bleeding billions of dollars annually from the supposedly independent and self-sustaining Postal Service in the form of overpayments for retiree health benefits and pensions. It also blocks reasonable efforts to close obsolete post offices and to streamline the organization. That being said, **as a "print guy" in the magazine industry, the Postal Service often seems like the main foe. Through mismanagement and bad cost accounting,** it has made the Periodicals class look like a big money loser that should get huge rate increases. Perhaps postal executives are bluffing and just making publishers the focus of a "Washington Monument strategy." But they are still making publishing companies even more nervous about their reliance on the Postal Service, which is causing all of the publishing industry's product-development resources to go to non-postal products — such as Web sites, apps, and printed publications that can be distributed solely through newsstands and alternative-delivery vendors." *[EdNote: Unfortunately, instead of merely shooting itself in the foot, it's shooting customers in the head. It's time to bring the madness to an end.]*

August 10, 2010

 From the [NALC Convention](#): "'NALC President Rolando's job now includes saving the Service from its own shortsighted arrogance. This union will be ready to push, prod and kick the Postal Service to do the right thing.'"

 According to [The Motley Fool](#), "As if financial reform hasn't given credit and debit card companies enough to worry about, they must now grapple with an entirely new threat. The billion plastic payment cards we carry may soon be obsolete, their functions incorporated into cell phones."

 The [Associated Press](#) has reported that "Netflix Inc. will pay nearly \$1 billion during the next five years for the online streaming rights to movies from Paramount, Lionsgate and MGM in a deal that could help Netflix attract even more subscribers. The agreement announced Tuesday marks another breakthrough in Netflix's bid to stock its online streaming library with more compelling material, so it can keep its subscription service relevant as more households order entertainment through high-speed Internet connections. The online streaming push also helps the company reduce its postage bill for mailing DVDs to its 15 million subscribers."


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


 [A recording of this hearing has been posted on the PRC web site.](#)

- USPS CFO Joseph Corbett has testified before the Postal Regulatory Commission that, **even if the Postal Service receives the billions of relief** it is seeking from Congress, the Postal Service says it *still* needs a

greater-than-inflation postal rate increase in order to survive. [EdNote: *If this is true, the USPS as an institution is moribund. There is no way it can survive in its current guise. As they would say in German "das ende."*]




- Former PRC chairman Blair told Corbett that it seems as if he's laying a foundation for the argument that even more future exigent rate increases will be needed.
- Corbett said the USPS expects continuing mail declines, but could offer no insight as to how the Postal Service would raise the needed revenue to stay viable. The USPS would continue to bet its future on cost-cutting. Short of that, he said he really had no idea as to what more the Postal Service would do.
- Corbett said that the total dollars that could be saved by closings and consolidations would be relatively modest when figured annually. [EdNote: *In short, the only pot of gold at the end of the Postal Service's rainbow is the additional rate increases it could wring from customers. So much for the prospect for any future mail volume growth.*]
- Commissioner Langley noted that it is a matter of direct testimony before the PRC that the National Association of Letter Carriers had offered the Postal Service the opportunity to negotiate a separate delivery force to be used on Saturdays and that the Postal Service had turned down the offer.
- In response to a question posed by Commissioner Dan Blair regarding the letter submitted by **Senator Susan Collins**, Corbett said "**How someone outside the organization who spends a couple of hours a month on this would have any clue I have no idea.**"
- **CP2010-78** Order No. 512-Order Approving Six Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69619/Order512.pdf>
<http://www.prc.gov/docs/69/69619/Order512.doc>
- **USPS Preliminary Financial Information (unaudited), June, 2010**
<http://www.prc.gov/docs/69/69633/Letter-PrelimFinInfo-June2010.pdf>
http://www.prc.gov/docs/69/69633/JUN-10_PRC_-_Final.pdf

 As the [Washington Post](#) has noted, "Postal regulators will meet Tuesday to start considering a U.S. Postal Service request to raise first class stamp prices to 46 cents and other postage rates beyond the rate of inflation. Sen. Susan Collins (R-Maine). But the senator who coauthored the law allowing USPS to file what's called an "exigent rate case" told the Postal Regulatory Commission on Monday that it shouldn't approve the hike this time. Sen. Susan Collins (R-Maine) told regulators that they should dismiss the case because the Postal Service's current financial condition "is not the result of 'extraordinary or exceptional circumstances' required by law to initiate an exigent rate case."

 [Advertising Age](#) has reported that "Time Warner today made it official: Jack Griffin, the well-regarded former Meredith executive, will succeed Anne Moore as CEO of its Time Inc. magazines division at the end of September."



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

-  [Australia Post fair work agreement finalised](#)
-  [An Post appoints Prime Vision](#)
-  [SNP request UK government reveals privatisation plans](#)


 From the [Philadelphia Daily News](#):


- As [President of the Philadelphia-area local of the American Postal Workers Union](#) (which represents the sales and service associates with whom the public comes in contact with every day), I totally agree with columnist Stu Bykofsky when he said that Benjamin Franklin would be ashamed at what transpired during his recent encounter with the Post Office. But I don't think he'd be ashamed of the Post Office - he'd be ashamed of how management is running it now.
- Although the Postal Service has nominal authority over closures, [Congress ultimately decides](#) which facilities will stay and which go. Lawmakers have also introduced legislation that would raise the bar for closures by expanding comment periods, requiring impact studies and encouraging customers to appeal.


Members of Congress may believe they're protecting their constituents' interests by obstructing the closure of offices in their district, but as the USPS points out in its Action Plan for the Future, "postal consumers are ultimately required to absorb the costs of political decisions that keep redundant facilities open."



[UPS has filed its 10-Q.](#)


 According to [Reliable Plant](#), "The U.S. Department of Labor's Occupational Safety and Health Administration has cited the U.S. Postal Service for alleged willful and serious violations of safety standards following an inspection at the Boston Processing and Distribution Center. The Postal Service faces a total of \$357,000 in fines, chiefly for exposing workers to electrical hazards."

 [Express India](#) has reported that "The Tax Assessment & Collection department of BMC will employ private courier services and not the India Post as usual to deliver bills, which would translate into an estimated loss of Rs 78 lakh for the postal department. Calling the India Post services 'unsatisfactory', the tax Assessment & Collection department has roped in four private companies to deliver the property tax bills and all other correspondence to citizens."

 The [Courier, Express, and Postal Observer](#) wants to know: "Is the Postal Service facing bankruptcy?"

August 9, 2010



 [In what has to be a first, Sen. Susan Collins has filed with the Postal Regulatory Commission a 21-page document](#) in an effort to make abundantly clear her views about the Postal Service's filing for exigency postal rate increases under the Postal Accountability and Enhancement Act of 2006. She told the Commission:

The purpose of this letter is to comment on the circumstances under which an exigent rate case is authorized under current law. As the author of the Postal Accountability and Enhancement Act of 2006 (PAEA), which grants the Postal Service the limited authority to file an exigent rate case, **I want to make the congressional intent regarding the provision completely unambiguous as the Postal Regulatory Commission considers the pending Postal Service request. Neither the language nor the legislative history of the PAEA authorizes the United States Postal Service to file an exigent rate case under the current circumstances.**

During the 2007 rulemaking process for the exigent rate case authority, Senator Tom Carper and I sent a letter to the Postal Regulatory Commission (PRC) explaining that the exigent rate authority in the PAEA was intended to be used sparingly. (Attachment 1). Specifically, the letter explained that **the "extraordinary or exceptional circumstances" required to initiate an exigent rate case under the PAEA exist only if "terrorist attacks, natural disasters, and other events ... cause significant and substantial declines in mail volume or increases in operating costs that the Postal Service cannot reasonably be expected to adjust to in the normal course of business."**

This letter lays out the express intent of the legislation, along with supporting legislative history. I urge the PRC to rely on it as you consider the Postal Service's request. As the author of the exigent rate authority, I can attest that **the provision was not intended to be used under the current circumstances.** Indeed, **the Postal Service's current financial condition is largely the result of its own failure to sufficiently update its business model to adapt to predictable and natural cyclical changes in the economy and mail usage.** The Postal Service's financial condition is not the result of "extraordinary or exceptional circumstances" required by law to initiate an exigent rate case. As such, **I urge the PRC to dismiss the case.** [EdNote: And there's more....Much more....]



The [Affordable Mail Alliance](#) – a growing coalition of nearly 1,000 non-profits, Fortune 500 companies, small businesses, major trade associations, consumer groups and citizens representing most of the mail sent in the United States – today welcomed Senator Susan Collins’ (R-ME) submission of formal comments to the Postal Regulatory Commission (PRC). The comments urge the PRC to dismiss the United States Postal Service’s plan to increase rates by ten times the rate of inflation. Senator Collins is the ranking Republican on the Committee on Homeland Security and Governmental Affairs, and a key author of the Postal Accountability and Enhancement Act of 2006 (PAEA). **Her official comments reject the Postal Service’s claim that its circumstances are “extraordinary or exceptional” enough to allow raising prices faster than inflation under the 2006 law.** Collins has led the Capitol Hill opposition against the proposed rate increases since the Postal Service announced them on July 6, and has already expressed her support for the Affordable Mail Alliance’s motion to dismiss the plan, which was filed with the Postal Regulatory Commission on July 19.

 **At the Postal Regulatory Commission:** USPS responses to a Presiding Officer's Information Request.

Q. The discussion of the proposed price changes for First-Class Mail states that “the Postal Service does not believe that the erosion of single-piece mail through electronic diversion can be materially affected by limiting the growth of the stamp price....Please provide all studies and analyses underlying the conclusion that electronic diversion of single-piece mail is essentially unaffected by price”

A. **No specific study underlies this conclusion**....Postal Service demand models do not estimate separate equations for various shapes, such as flats and parcels. The Postal Service does not have sufficient information to confirm or reject the proposition that “First-Class Mail presort flats . . . are not as susceptible to price-driven electronic diversion as presort letters”

Q. The response to CHIR No. 2 question 6, states that one reason for proposing an 11.9 percent increase for First-Class Mail presort flats “is the desire of the Postal Service to improve cost coverage for flats.” While acknowledging the “unprecedented challenges” facing the periodicals industry, the Postal Service proposes an 8 percent increase for Periodicals Mail to improve its cost coverage. Statement of James M. Kiefer at 39. In contrast, the Postal Service proposes a much smaller 5.1 percent increase for Standard Mail Flats, due to concern for the delicate financial position of the catalogue industry. Id. at 28-30. Please provide all studies and analyses relied upon to evaluate and compare the relative financial health of the periodicals industry, the catalogue industry, and industries that use First-Class presort flats.

A. **The Postal Service did not conduct studies or analyses** to evaluate and compare the relative financial health of the periodicals industry, the catalogue industry and industries that use First-Class Mail presort flats. Also, the Postal Service did not conduct studies or analyses to evaluate the relative ability of each industry to withstand postal rate increases of various sizes.

Q. Has the Postal Service determined the own-price elasticity for Standard Mail Flats?

A. **The Postal Service has not yet been able to produce own-price elasticity estimates for Standard Mail Flats.**

[EdNote: And upon this lack of knowledge the Postal Regulatory Commission is supposed to approve the Postal Service's exigency increases? About the only thing the Postal Service found time to do since the March 2nd announcement of its "plan" was to figure how to jack up postal rates and get customers to pay for what the USPS itself has failed to do...or even try.]


- [The Postal Service's 10-Q has been filed with the PRC.](#)




[Welcome to PostCom Radio](#)

Join PostCom's Gene Del Polito, PostCom's Jessican Lowrance, Williams-Sonoma's James West, and International Masters Publishers' Brendan Sheehan in a discussion of the Postal Service's exigency case, and **how the Postal Service's proposal will affect the businesses of companies that historically have used mail for business development and transactions.**

(A service of the PostCom Member Education Committee)

 [Advertising Age](#) has reported that "U.S. magazines' paid and verified circulation has slipped again, declining a modest 2.3% in the first half of this year compared with the first half of 2009, according to the new semi-annual report released today by the Audit Bureau of Circulations. Those small declines are slowly getting bigger. But newsstand sales, a good gauge of consumer demand, are slowing their own declines."


 The union is asking [APWU](#) members to give their U.S. representatives an important "welcome home" message during Congress' August recess: Support H.R. 5746, a bill to restore financial stability to the Postal Service. [EdNote: *Something on which we all can agree. It's important for all mail users and suppliers to do exactly the same.*]





The U.S. Postal Service Office of Inspector General invites you to comment on this week's "Pushing the Envelope" blog topic: **Safety First!** Our Audit Engineering and Facilities team examines recent safety issues found by the Occupational Safety & Health Administration inspectors at some Postal Service

Processing and Distribution Facilities. Do you have any concerns about safety at Postal Service facilities? [LINK](#) here to the blog to tell us what you think.

New Audit Projects: [10RG024IT000 - Patch Management](#). Our objective is review the Postal Service configuration and patch management process. The information gathered during our survey will be analyzed to determine if a full audit review of the patch management process used by the Postal Service is merited.

 [Folha](#) has reported that "The Post decided to hire, without bidding, new agencies to replace the network of nearly 1,500 franchised service centers, which mature in November and threaten to cripple the postal service in the country."

 [CallCentre Focus](#) has reported that "Parcelforce Worldwide has reduced its automated call handling with telephone calls now answered by locally based customer agents. The company has developed new initiatives after carrying out monthly surveys across 20,000 B2B and B2C contract customers, leading to easier access to local managers, reducing response times and offering parcel updates."

 According to [The Star](#), "The case for privatizing Canada Post is mounting. New technology and competition on every front are rapidly undermining the rationale for its monopoly on letter mail and its future financial viability. The latest call to privatize Canada Post comes from the Organization for Economic Co-operation and Development (OECD). It urges Canada to "liberalize postal services by eliminating legislated monopoly protections and privatizing Canada Post."





At the Postal Regulatory Commission: The Postal Service has filed with the Postal Regulatory Commission its "[Move Update Data Collection Report, FY 2010, Quarters 2 & 3.](#)"





According to [Federal News Radio](#), "The Postal Service is doing its annual dance with Congress. It's asking for a reduction of \$4 billion dollars in the amount it must contribute to its Retiree Health Benefits Fund, reports FederalTimes. The payment is due next month. Federal law requires the Postal Service to contribute


\$5.5 billion dollars to the fund annually. Last year the Postal Service was able to defer most of that and contribute \$1.4 billion dollars. It is asking lawmakers for a similar reduction this year. Postal authorities believe the annual obligation amounts to overfunding of health benefits. The Postal Service has been running multi-billion-dollar deficits."

 From [PR-USA.Net](#): "Amerijet International, Inc. offers flat rates for small package shipping. Small packages weighing up to 60 pounds are charged at low flat rates starting at \$35.00. The flat rates take the guesswork out of shipping quotes, and it allows customers to get the best value for a small package service. Amerijet's small package service can be combined with other value added services, such as pickup and delivery, cargo insurance and customs brokerage services. This economical priced product is suited to ship general dry goods to all of Amerijet's direct service destinations. Small package shipping customers are also encouraged to try the new Amerijet mobile app. This cell phone app allows shippers to get instant quotes and track packages from their internet-equipped mobile phones. It's available at mobile.amerijet.com."


 [DM News](#) has noted that "The US Postal Service is encouraging e-retailers to turn to print catalogs to raise revenue. Our experts debate whether they should expand their reach to print or stay 'green'."


 [Columbo Page](#) has reported that "Sri Lanka's Post and Telecommunications Ministry has decided to set up a committee to inquire and prepare a report on the issue of salary anomalies in the Postal Department."


 From [PRWeb](#): "Global Industry Analysts announces the release of a comprehensive global report on Direct Mail Advertising Services market. Although tempered by the recent economic recession, the global market for direct mail advertising services is expected to recover poise and gain steady momentum in the short to medium term period to reach US\$25.45 billion by 2015. Growth in the market in next few years is expected to be driven by factors such as companies' focus on more localized and micro-targeted ads, shifting of advertising budgets from mass to direct advertising and growth in the adoption of multi-channel direct advertising."

 As [Helium](#) has noted, "in accounting terms, liquidity is different than being bankrupt. On paper, the USPS is a considerably wealthy organization, with a massive pool of assets: offices, mail handling facilities, one of the largest vehicle fleets in the world, and so on. In practice, however, thanks to service obligations and political limitations, much of this pool of assets cannot actually be sold off to raise cash. This is why the USPS refers to a liquidity problem: it is far from broke financially, but it does not have assets which can be converted into cash fast enough to meet its upcoming obligations."

 [Hellmail](#) has reported that:

 [Dutch postal regulator OPTA](#) (the Independent Post and Telecommunications Authority) remains at loggerheads with TNT over pricing levels for the universal service. The regulator said it had been seeking to establish actual costs of individual services within the universal postal service since June 2009 in order to properly evaluate any new pricing structure but has so far only received information from TNT on the total cost of the universal postal service.

 A new survey by [Irish postal regulator ComReg](#), reveals that 8 in 10 people have a laptop or personal computer at home.

 The [Global Address Data Association](#) has uploaded all new addressing-related materials and resources to the library on www.globaladdress.org including a recently rediscovered paper on Lifetime Addresses. This is an interesting concept that merits new attention. There is also a very important paper from the Eurodin project in Europe from WP6 which presents important results of a survey of public and private entities throughout Europe on the social and economic value of an address system. This study will play an important role in the discussions of address system development in both Europe and elsewhere and is worth studying.

August 8, 2010

Take a look at "[This Time Is Different: Eight Centuries of Financial Folly](#)." Here are just some of the reviews the book has received:

- The authors use copious amounts of data . . . to make the compelling case that **any well-informed person should have seen the Great Recession coming**. The essence of their book is that while financial crises come in different varieties, they are not mysteriously born of undersea earthquakes, but frequently occurring events that can be spotted and even controlled if politicians and regulators know what to look for. (Devin Leonard New York Times)]
- Reinhart and Rogoff have compiled an impressive database, which covers eight centuries of government debt defaults from around the world. They have also collected statistics on inflation rates from every country where information is available and on banking crises and international capital flows over the past couple of centuries. This lengthy historical study gives what they call a 'panoramic view' of the unending cycle of boom and bust, showing **how claims that 'this time is different' are invariably proven wrong**. . . This Time Is Different doesn't simply explain what went wrong in our most recent crisis. This book also provides a roadmap of how things are likely to pan out in the years to come. . . This Time Is Different is an important addition to the literature of financial history. (Edward Chancellor Wall Street Journal)
- Reinhart and Rogoff present a sobering reminder that **financial crises are a serial phenomenon**--caused in no small part by the seductive 'this-time-is-different syndrome,' the prevalent belief that to us, here and now, old economic laws of motion no longer apply. Their ambitious quantitative history of financial crises draws out sweeping parallels between financial crises, across times and continents; and between inflating away domestic debt, currency debasements, and defaults on external debt. (Finance & Development)

In short, this time was NOT different, and the Postal Service should have planned for a rainy day. In other words, there is nothing that justifies concluding that the Postal Service faces "extraordinary or exceptional circumstances."



Former NZ Post CEO Elmar Toime recently wrote in [Postal Technology International](#) that **"There is a lot of talk today about finding the postal 'growth solution'**, that elusive innovation that will solve the problem of vanishing transactional mail. **Wise heads have already concluded no such thing exists**. It simply requires hard work to get more productivity from the core operation. **It's about small, continuous service development initiatives to put more value into mail as a communications medium**. This doesn't mean a campaign to teach children to write thank you letters or new ideas to bring back the good old days of the love letter. It's


about tailoring direct-mail campaigns as an integrated pan a very broad spectrum of business communications options. It's about smarter ways of making unaddressed mail more useful and easier to deliver. it's using addressing and demographic information to target consumers in new and more useful ways."


[EdNote: If you don't yet subscribe to [Postal Technology International](#), you should. This publication is a wealth of information for anyone interested in mail as a medium for business communication and commerce.]




In the latest issue of [Postal Technology International](#), Accenture executive Brian Moran wrote that "Over the past two years postal organisations have experienced a shift in their perspective on the future. Volumes were always expected to decline — but not at the levels now being experienced. **It is now clear that cost reduction and efficiency improvement cannot deliver the level of change that is needed to secure a commercially viable future**."


[EdNote: If you don't yet subscribe to [Postal Technology International](#), you should. This publication is a wealth of information for anyone interested in mail as a medium for business communication and commerce.]

 The [Washington Post](#) has noted that "The nation's economic recovery continued to sputter in July as employers kept shedding jobs and 181,000 discouraged workers dropped out of the labor force, according to a government report released Friday. The nation's unemployment rate remained at 9.5 percent for the month, the Labor Department said, as private employers added a modest 71,000 jobs. But that increase was overwhelmed by the loss of 202,000 government jobs, including 143,000 temporary census positions. In all, employers cut 131,000 jobs, adding to mounting concern among policymakers and analysts that the recovery needs to pick up momentum or risk stalling." [EdNote: *Not exactly the best of times for greater-than-inflation postal rate increases.*]

 The [Daily Sparks Tribune](#) has noted that "Hundreds of thousands of small organizations across the country, ranging from memorial scholarship funds to union associations, could lose their nonprofit status with the IRS if they do not meet an October tax filing deadline."

 [Pioneer Local](#) has reported that "Trustees from north suburban Grayslake granted FedEx Ground Package System Inc., a \$4 million tax exemption Tuesday night for locating the company's new \$40 million distribution facility in Central Range Industrial Park."


August 7, 2010

 According to one writer for [DM News](#), "Direct mail will be dead for many companies and dying for many more — if postal rates rise in 2011. Many, including Congressman Dana Rohrabacher (R-CA), favor abolishing the postal monopoly and turning the failing USPS over to the employees. Still others want the government to get out of the way and do away with antiquated postal monopoly laws. To raise prices above the Consumer Price Index would violate the safeguards imposed on pricing in the Postal Accountability and Enhancement Act of 2006, according to Sen. Susan Collins (R-ME), who authored the law. Monopolies cut service instead of improving it. USPS is currently reviewing a reduction in mail delivery to five days a week, which studies show could save from \$1.9 to \$3.5 billion a year. It's time to end the monopoly. Deregulation and privatization will greatly benefit all mail customers and ensure a prosperous future for the direct mail industry. The alternative is a slow death."




Presentations from the past week's Board of Governors meeting:


- [Quarterly Service Performance First-Class Mail and Customer Experience Postal Quarter 3](#), Fiscal Year 2010, Delores J. Killete Vice President and Consumer Advocate
- [Financial Update](#) Board of Governors' Open Session August 5, 2010 Joe Corbett Chief Financial Officer & Executive Vice President

 The [FARS News Agency](#) has reported that "The Islamic Republic of Iran's Post Company has signed several Memoranda of Understanding (MoUs) with four regional countries during the last five months, the head of the company announced on Saturday. "Since the beginning of this (Iranian) year (starting on March 21) we have finalized MoUs on increasing cooperation with the four countries of Turkey, Tajikistan, Pakistan and Afghanistan," Managing-Director of Iran Post Company Mohammad Hassan Mohebbian said."




[Now hear this: "This Week In Postal".....the latest podcast posted now! "Congress made us do it."](#)

 According to [The Guardian](#), "Stamps do not always deliver top investment returns Returns on investing in stamps – even the rarest – can be little or nothing, despite some dealers' claims."


 [Hellmail](#) has reported that "Consumer Focus has criticised the lack of coordination between the Royal Mail and Post Office Ltd on pricing. Nigel Woods said that consumers were often being left to pick up the cost of errors made


by post office staff and that Royal Mail should honour items that have clearly been under priced by post offices rather than charging recipients, and a fine, for the shortfall."


 **From the Federal Register: Postal Service RULES** Content of Periodicals Mail , 47717–47720 [2010–19619] [\[TEXT\]](#) [\[PDF\]](#)

 [Intelisent](#) has highlighted some important quotes from a recent OIG audit of the PostalOne!, including: "While we recognize the need to schedule interruptions in system availability for maintenance and software upgrades, we found that from March 2009 through March 2010, 36 of the 90 interruptions (40 percent) in the PostalOne! system were unscheduled and prevented clerks from posting statement data to the system. Postal Service executives told us that since March 1, 2010, the PostalOne! system has been available 99.7 percent of the time. However, we could not substantiate this statistic because management did not provide supporting documentation."

 [Business Week](#) has reported that "United Parcel Service Inc. said Friday it expanded a partnership with an Indonesian company that will market, pick up and deliver UPS packages throughout the country."

 The [Federal Times](#) has reported that "Just as it did last year, **the U.S. Postal Service is asking Congress for a \$4 billion break on a contribution due next month to its Retiree Health Benefits Fund.**" "We are in discussions with committee staff on how we can gain some relief this year as well," USPS spokesman Gerry McKiernan said today. While it's up to lawmakers to decide what to do, he said, "I think there's an understanding and appreciation of our situation. ... We're hopeful."


 The [Denton Record-Chronicle](#) has reported that "Six more envelopes with harmless white powder were reported to postal authorities today, bringing the total to 13 in North Texas over the last two days."


 [Uni Global Union](#) has reported that "From midnight on August 6th, postal workers in Chile initiated an indefinite strike after the failure of collective bargaining with the company. This was confirmed by Guillermo Flores, President of the National Union of the Chilean Postal Company (SINTECH), who also declared that a 92% of the 5 thousand workers throughout the country supported this mobilization."

August 6, 2010



[Now hear this: "This Week In Postal".....the latest podcast posted now! "Congress made us do it."](#)

 The [Chicago Tribune](#) has reported that "FedEx and UPS, the nation's two largest shipping carriers, say fraud is an industry problem but they work hard to stop it and refund customers' money."

 **At the Postal Regulatory Commission:** [Notice: Schedule of live audio broadcasts for three public hearings to question Postal Service witnesses in Docket R2010-4. Links to the audio will be posted here approximately 10 minutes prior to the broadcasts. Click on this message for the hearing and witness schedule.](#) All hearings begin at 9:30 AM ... Tuesday, 8/10/2010 – USPS Executive Vice President and Chief Financial Officer, Joseph Corbett ... Wednesday, 8/11/2010 – USPS Vice President, Finance and Planning, Stephen J. Masse ... Thursday, 8/12/2010 – USPS Pricing Economist, James M. Kiefer



A new report has been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, please contact Agapi Doulaveris at 703.248.2286. **[Fiscal Year 2010 PostalOne! Outage \(Report Number FF-AR-10-205\)](#)**. The February 2010 PostalOne! outage impacted mail acceptance operations

and revenue collection efforts nationwide. Although the Postal Service implemented a contingency plan during this period, the Postal Service was not adequately prepared to manually support operations during such an extended outage.



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


- The U.S. Postal Service Board of Governors met this week in open session to discuss the Postal Service's third quarter financial and service performance results. The Governors and postal management are aggressively implementing the March 2, which includes the recent filed exigency case. According to Giuliano, since five-day hasn't happened and neither has payment relief, we had little choice, no choice but to file for exigency rate increases.
- ALLIANCE MOTION TO DISMISS STILL IN PLAY
- The U.S. Postal Service filed its response to the Affordable Mail Alliance's (AMA) motion to dismiss request. It differs sharply with the AMA regarding the appropriateness of the exigency request. It said it had "proven extraordinary circumstances," that it was wrong to compare it to competing private enterprises, that it "has very specific legislative and regulatory restraints in labor and workforce issues, and that it "clearly and indisputably demonstrated honest, efficient, and economical management."
- A second group of mailers consisting of the Saturation Mailers Coalition, Valassis Direct Mail, Inc., ValPak Direct Marketing Systems, Inc., and ValPak Dealers' Association, have filed an answer to the Affordable Mail Alliance's (AMA) motion to dismiss the Postal Service's request for an exigent rate increase. SMC et al told the Commission that ". . . we all agree that an exigent rate increase at this time is particularly problematic for mailers and ultimately the Postal Service because of the still-fragile condition of the nation's economy and marketplace."
- The Economic Policy Institute (EPI) released a briefing paper on the U.S. Postal Service's most recent losses. It points that a 2006 congressional mandate for the USPS to pre-fund its retiree health benefits as the main reason for the losses in 2007 and 2008. It recommends that Congress allow for a transfer of the USPS' CSRS overpayment, as well as allow the Postal Service to follow a PAYGO system.
- Ellen Williams, a member of the USPS Board of Governors, said "even with the new pricing, the Postal Service still faces a dismal financial situation. Price increases will help, but as Postmaster General John Potter noted in March when we unveiled the Postal Service's 10-year action plan, a number of initiatives need to be pursued in concert. These are the same types of initiatives that other private businesses are examining, but unlike traditional private businesses, the U.S. Postal Service needs Congressional approval for most of these actions."
- According to Direct Marketing Association Executive Vice President Linda Woolley, "the decision to hit their customers with such a steep increase is only the most recent example of Postal management failing to treat the Service like a business - chasing three years of declining revenues with a rate hike that will send customers running and the Postal Service further into its own death spiral."
- The inquiring mind at the Courier, Express, and Postal Observer has asked the question just about everyone else is asking: why are the Postal Service's finances worse than expected?"
- The USPS Office of Inspector General (IG) released its self-initiated audit report on the USPS' Cost and Revenue Analysis (CRA) Reporting Model. The IG offered four recommendations that postal management agreed to act upon.
- The USPS Office of Inspector General (IG) has released the results of its audit of the UNIX operating system master controls. This audit was conducted in support of the USPS' regulatory requirement to comply with section 404, Management's Assessment of Internal Control, of Sarbanes-Oxley (SOX).
- The USPS Office of Inspector General (IG) posted the results of its self-initiated audit of Retail Customer Service Operations. It found four areas of improvement that would yield \$614 million workhour savings for 1 year.
- The USPS Office of Inspector General (OIG) earlier this week released its July 2010 audit findings on the status of the Flats Sequencing System (FSS) program and projected cash flow. The audit noted that the FSS system has yet to pass First Article Testing (FAT) and questioned the USPS' methodologies in calculating projected savings from FSS.


- The Courier, Express, and Postal Observer has told its readers that "the Postal Service has announced that it is considering consolidating delivery operations into fewer locations in the Syracuse area. The consolidation of delivery operations has received little attention in discussion of streamlining the Postal Service network but may be as important to mailers that drop-ship and the competitiveness of the Postal Service's parcel services.
- According to postal commentator Jessica Lowrance, "It is hard to believe that on one hand the USPS is saying that 5-day was not granted so it had no choice but to file for exigency. The USPS then proceeds to play games in the five-day docket, trying to dodge significant questions knowing the timeline set in place by the the Presiding Officer. I am glad that the Chairman is holding its feet to the fire by developing the record and allowing Carlson time to include the USPS' final response in his testimony."
- Affordable Mail Alliance reacts to miserable USPS news. USPS submits its collaborative logistics quarterly report. NALC President submits letter to the editor of Washington Post. Panels vote to maintain six-day delivery schedule. USPS starts hiring freeze for admin jobs. AMA's motion to dismiss receives mixed responses. USPS names new mailing and shipping services president. USPS publishes new "catalog" definition. USPS revises standards for reply pieces and release cards. New prep options for DAL flats. DAL option for merchandise samples.
- An update on DMM Advisories issues by the U.S. Postal Service.
- 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.



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 The AFL-CIO adopted a resolution [written by the APWU](#) in support of retaining six-day mail delivery at its Aug. 4 Executive Council meeting. The motion to adopt the resolution expresses the labor movement's opposition to the USPS proposal to eliminate Saturday delivery.

 According to the [RFID Journal](#), "When we run our events, we often send brochures to readers via the postal system. Each time we do this, a percentage of brochures are returned as undeliverable to the address to which they were sent. This is true even though we use the U.S. Postal Service (USPS) database to confirm the validity of addresses and update them when companies move. There are many reasons for this problem. Addresses are often incomplete. These returns cost a lot of money."


 The [Budapest Business Journal](#) has reported that "Financial market watchdog PSzÁF said it fined Magyar Posta Biztosító, the insurance arm of Hungary's state-owned postal company, for failing to handle customer complaints in an appropriate manner."


♪♪"Oh I heard it -- Heard It -- Yes, I heard it through the grapevine. . . ." ♪♪





The word circulating around Washington these days is that the boys and girls over at Postal Service headquarters are of the opinion that the Postal Regulatory Commissioners haven't the guts to disapprove the USPS exigency request. From their perspective, the USPS has mailers and the PRC over a barrel.





 The [Washington Post](#) has reported that "The Postal Regulatory Commission, which oversees the U.S. Postal Service, says it has received more than 12,000 letters, cards, e-mails and faxes so far in response to its request for public comments on the U.S Postal Service's proposal to end Saturday service. The Postal Service made the proposal in March as a cost-saving move. The commission is expected to take it up sometime this fall. "We appreciate having thoughtful input from civic-minded citizens to help guide our deliberations," commission chairman Ruth Y. Goldway writes on the Web site. The commission held seven field hearings on the plan in the spring. (Docket N.2010-1)."

 **Press Release:** "Quad/Graphics, Inc. announced today it will close a number of plants as part of its ongoing integration plans. The company expects operations to cease at the following plants by the end of 2010: Clarksville, Tenn.; Corinth, Miss.; Lebanon, Ohio; Reno, Nev.; and Dyersburg, Tenn. The Dyersburg plant had been previously announced for closure in the first quarter of 2011 by World Color Press Inc.; however, Quad/Graphics will accelerate its closure to this fall." *[EdNote: Who knows? After the exigency rate increases all mailing businesses may have to step up consolidations, closures, and layoffs....An exigency rate hike is unconscionable. It shouldn't be allowed.]*

 [Politico](#) has reported that "The U.S. economy created a modest 71,000 private sector jobs in July, signaling the economic recovery continues at a sluggish pace and raising pressure on President Barack Obama and congressional Democrats to convince skeptical midterm election voters they have a plan to jump start growth. The unemployment rate remained stuck at 9.5 percent." *[EdNote: Have no fear. If you worried that the economy might be showing modest signs of recovery, the USPS will kill any potential growth in the mailing industry sector after it increases rates greater than the rate of inflation. Then again, the Governors and USPS management really shouldn't be blamed. After all, Congress made them do it by failing to enact a new reform bill or approve five-day delivery. What brass!]*


 [Federal Times](#) has reported that "The U.S. Postal Service is warning it likely will not be able to make a \$5.5 billion mandated payment in September to its employee retirement health fund."

 "Directing consumers to websites using postal mail" from [Overnight Prints](#).

 The [Washington Post](#) has reported that "The Postal Service also is looking for relief from Congress for the advance payments for retirees. Even with borrowing, the agency's cash-flow problems may be too severe to allow payment in the next fiscal year, Corbett said. Thursday's financial statement was challenged by a new lobbying group representing volume mailers. The Affordable Mail Alliance, which is fighting the plan to raise rates in January, accused the Postal Service of inflating its financial pressures to push the rate increase through. "It's misleading information designed to thwart the need for the rate case," said Tony Conway, head of the alliance. He said postal officials indicated as recently as a month ago that they would finish this fiscal year with \$1.3 billion in cash. Joanne M. Veto, a Postal Service spokeswoman, said: "These are audited numbers. We've been saying for almost a full year we were projecting a shortfall of between \$6 [billion] and \$7 billion" for the year."

 **From the Federal Register: Postal Service** International Product Changes: Global Expedited Package Services – Non-Published Rates, 47650 [2010–19488] [\[TEXT\]](#) [\[PDF\]](#)

 According to the [Otago Daily Times](#), "New Zealand Post's traditional business was eroding and the state-owned enterprise faced the challenge of how to respond, Craigs Investment Partners broker Chris Timms said yesterday. "Their traditional business is decreasing, no doubt about it. It is being attacked by various parties. The challenge NZ Post faces is what to do about it and how to respond to those challenges," he said. The postal group announced yesterday it expected its profit after tax for the year ended June to be "about break even" due to difficult trading conditions and a series of significant one-off items."

 The [Madison Daily Leader](#) has noted that "Dramatic changes are being proposed for the United States Postal Service, including dropping Saturday delivery and substantially boosting rates. Advertisement In most news articles about the Postal Service's financial problems, the source of the crisis is usually credited to declining mail volumes. Businesses all over the country have suffered much more substantial sales losses, but most have survived. We doubt


if very many of them raised prices and cut service to survive. No, most of them adapted by improving efficiencies, reducing costs or improving service. By contrast, in the most recent quarter, when the Postal Service volume dropped 1.7 percent, costs increased a sharp 4.2 percent. Eliminating Saturday delivery and raising postal rates aren't the right solutions. Reducing costs, working with Congress to revise an unreasonable retirement funding formula, and improving efficiencies should be first on the list."


August 5, 2010



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. [Postal Vehicle Service](#)


[Transportation Routes – Washington Network Distribution Center \(Report Number NL-AR-10-007\)](#). The Washington Network Distribution Center's (NDC) Postal Vehicle Service (PVS) operations were effective in moving trailers and equipment. However, Washington NDC officials were not always effectively managing PVS transportation since workhours assigned to yard activities did not match established productivity standards for this function. We concluded that Washington NDC management could phase out 6,968 workhours by following established productivity standards and save about \$2.8 million over 10 years without negatively affecting service.

 The inquiring mind at the [Courier, Express, and Postal Observer](#) has asked the question just about everyone else is asking: why are the Postal Service's finances worse than expected?"


 **DMM Advisory: IMb™ Services Update. Guides and Specifications Updates:** [A Guide to Customer Supplier Agreements \(CSAs\)](#) has been updated. Version 4.5 of the guide has been posted to the [RIBBS®](#) website. **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 a.m. through 8 a.m. (CDT) on Sunday, August 15, 2010. FAST Release 14.3.0 will deploy to the Test Environment for Mailers (TEM) on Monday, August 16, 2010. The FAST TEM system will not be available from 8 a.m. through 12 Noon (CDT) on Monday, August 16, 2010. **Customers experiencing problems related to CSAs** should contact the *PostalOne!*®/FAST Help Desk via 1-800-522-9085 or FAST@usps.com for assistance. The Help Desk will activate a remedy ticket and submit it to the CSA Remedy Team.





The [Affordable Mail Alliance](#) today responded to the United States Postal Services' earnings report. The report contends that the USPS will not have the capital to continue operations into FY 2011. This claim is false. As the Postal Service said just a month ago in its rate filing, even after making this year's Retiree Health Benefit payment, USPS will end FY 2010 with \$1.3 billion in cash. Further, on October 1, the first day of FY 2011, the USPS will have access to another \$1.8 billion. In addition, a potential shortfall could be eliminated by waiving either the FY 2010 or FY 2011 Retiree Health Benefit payment of \$5.5 billion. "We're saddened to see these dubious claims by the Postal Service and would hope for a more constructive dialogue with customers instead of misleading public statements," Tony Conway, Affordable Mail Alliance Spokesperson and Executive Director of the Alliance of Nonprofit Mailers. "Unfortunately, the Postal Service seems to be attempting to justify their proposed rate hikes of ten times the rate of inflation – a move that would drive away more consumers and worsen the financial situation they're highlighting in this report."


 The news from the Board of Governors meeting was dour. USPS chief financial officer Joseph Corbett reported that **the USPS lost \$3.5 billion for FY10 Quarter 3. Mail volume is down** for the quarter by 1.7 percent over the same period last year (SPLY). Standard Mail grew by 4.2% over SPLY. This is the second straight quarter of growth. During the nine months ending June 30, the Postal Service reported it had cut 63 million workhours, **but still lost \$5.4 billion year-to-date**. A copy of [the CFO's presentation to the Board](#) has been posted on this site. (See also [Bloomberg](#).)

[EdNote: Standard volume grew? Well, the USPS will take care of that with the exigency increases. What a great time to raise prices, when your business fundamentals are falling off a cliff. No wonder the USPS now is scurrying to freeze management hiring. It's amazing that it's taken this long to do it.]


 The [Fergus Falls Journal](#) has reported that "Fergus Falls wants to keep its post office downtown. That was the message of the Fergus Falls City Council on Monday when it unanimously approved a resolution requesting that the US Postal Service (USPS) keep its downtown location open. City Administrator Mark Sievert was instructed to present the resolution to the proper postal service employees."


 [Armenia.AZ](#) has reported that "Azerpost received 458,097 money transfers in the first half of 2010 which is a 26% increase over the same period of the last year. According to the structure, in the first half of 2010 the postal formations within Azerpost received 61,573,000 parcels which is a 27% increase over the same period of 2009. "


 [Stuff.co.nz](#) has reported that "New Zealand Post Group will be returning less money than forecast to government coffers this year. The state-owned enterprise said today it expected its net profit after tax (npat) for the year ended June 30 to be about break even due to declining mail volumes, tight margins in the banking sector and a series of significant one-off items. Its operating npat was now expected to be about \$72 million, \$5 million down on "normalised" npat for last year and lower than the \$80.8 million projected in its 2009 statement of corporate intent."

 The [Bluefield Daily Telegraph](#) has reported that "Post office officials have responded to worried residents and business-owners concerned about the shortening of hours at the Federal Street Post Office. The financial crisis currently faced by the postal service is one of the reasons hours at the Federal Street post office — and many others across the country — have been limited. The use of e-mail and other alternative postal services are the reasons why such financial cutbacks must be made by the office"

 [Hellmail](#) has reported that:

 [Czech Post](#) has announced a marked decline in mail volume and growing competition in the parcel market, ending the first half of 2010 with a profit of 608 million CZK although the final financial results for 2010 may change significantly once the results of the second half are known.

 [Estonian Post's E-invoicing service](#) (digital invoicing) is proving popular with Estonia's public sector. This year a number of Estonian local government and administrative authorities of the Ministries have already signed up to the service. Estonian Post E-invoice Centre solution delivers a more convenient web-based electronic invoice approval process with an automated e-mail message informing the verifier about the new invoice with approved invoices immediately visible in the central accounting system. Estonia, like many EU countries, is using the SAP financial platform.

 The new Indian regulator, the [Postal Regulator Authority of India](#) (PRAI), will fix tariffs for India Post and PVT Couriers. A redrafted bill would compel courier firms to register with the regulator, pay for registration fees and contribute to the universal service. Firms will also have to adhere to new quality service guidelines set by the regulator. The Indian Courier industry and courier associations are objecting to a 10% levy for funding of the universal service which saw a protest rally in Mumbai by the Maharashtra Couriers Association and the Mumbai Couriers Association.

 **From the Federal Register: Postal Service NOTICES** Product Changes: Priority Mail Negotiated Service Agreement , 47317 [2010–19343] [\[TEXT\]](#) [\[PDF\]](#) 47317 [2010–19350]


[[TEXT](#)] [[PDF](#)] 47317 [2010–19351] [[TEXT](#)] [[PDF](#)]


♪♪ "Oh I heard it -- Heard It -- Yes, I heard it through the grapevine. . . ."


♪♪

No sooner had Paul Vogel's appointment as President of Package and Mailing Services been announced than the postal rumor mill started grinding out that

Vogel is expected to be groomed as the next PMG.

 From [PR Newswire](#): "Enhancing human resource functions to serve 588,000 career employees supporting a network of 34,000 Post Offices while developing future leaders is no easy task. The Postal Service continues to invest in its employees and cultivate tomorrow's leaders by applying state-of-the-art technology to save more than \$150 million annually."

 [Advertising Age](#) has reported that "Conde Nast, the publisher of magazines such as Vogue and The New Yorker, has named its first chief technology officer. Magazine companies typically don't have chief technology officers, but have been increasingly tapping senior executives to fulfill some of that post's typical functions. Joe Simon, who was named CTO at Conde, will report to Robert Sauerberg, who was promoted to president last month and assigned to adopt a "new business model" and "move beyond the magazine." [EdNote: *The march continuuuuuuues.....out of the mail.*]

 The [Wall Street Journal](#) has reported that "Time Warner CEO Jeff Bewkes hinted Wednesday that he wants to make tablet-computer subscriptions for the company's magazines available to people who already subscribe to the dead-tree versions of the company's titles, which include Time, People, Sports Illustrated and Real Simple."

 **At the Postal Regulatory Commission:** An audio file of the recent meeting of the Postal Regulatory Commission is now posted on the PRC homepage at <http://www.prc.gov/prc-docs/home/whatsnew/PublicC2009-107-28-2010--1.mp3>





August 4, 2010


 **At the Postal Regulatory Commission:** The Postal Regulatory Commission has issued the following in Docket No. R2010-4:

"On July 26, 2010, the Affordable Mail Alliance filed a motion to dismiss the Postal Service's proposed rate adjustment. Answers to the Motion were filed on August 2, 2010, by the Postal Service and several other companies and organizations. These filings make a number of factual allegations that require further exploration during the upcoming proceedings established by Order No. 485. Given the need for further investigation of these factual allegations and the absence of a deadline for action on the Motion, the Commission is taking the Motion under advisement and will rule on the Motion at an appropriate time.

"It is Ordered: The Motion of the Affordable Mail Alliance to Dismiss Request and the responses thereto are hereby taken under advisement."

 [Hacking Netflix](#) has reported that "Greg Sandoval at CNet dug through the financials and discovered that Netflix spent \$66 million in Q2 and a total of \$116 million this year on streaming titles, a huge increase from \$9 million in Q2 2009. How did Netflix increase the payout to the studios? First, delivering digital versions of films over the Web is far cheaper than shipping physical discs. As **Netflix users have opted to watch more streaming movies and receive fewer DVDs delivered by mail, the company has been able to trim postage and DVD-acquisition costs.** For example, Netflix spent \$24 million in the June quarter this year on DVDs, compared with \$43 million during the same period last year, according to the company's June earnings report. **For the first six months of this year, Netflix spent \$61 million on discs, down from \$89 million for the same period last year.**"

 From [Business Wire](#): "Kewill, a leading provider of solutions that simplify global trade and logistics, today announced that it is teaming with UPS to deliver a single integrated platform that supports UPS package and UPS Freight services to meet the needs of Kewill customers. Kewill's expanded solutions include broader choices for service selection for UPS ground, express and LTL freight services. Customers will benefit from improved customer service, reduced warehouse labor and clerical tasks, lower transportation costs and better visibility across the fulfillment cycle."

 [The Street](#) has reported that "**Netflix** is a movie rental company that delivers content online and via the U.S. Postal Service (USPS). Netflix is one of the postal service's biggest corporate customers and **could face higher DVD shipment costs if proposed postal rate hikes go through.** In this scenario **we see a potential downside of 4% to the \$85.05 Trefis price estimate for Netflix's stock.**"





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

- [**Charlottesville Processing and Distribution Facility Consolidation \(Report Number NO-AR-10-008\)**](#)
- [**Consolidation of Lima Processing and Distribution Facility Mail Operations into the Toledo Processing and Distribution Center \(Report Number NO-AR-10-007\)**](#)
- [**Cost and Revenue Analysis Reporting Model \(Report Number CRR-AR-10-003\)**](#)
- [**Efficiency of Retail Customer Service Operations \(Report Number MS-AR-10-004\)**](#). Opportunities exist to reduce Retail Customer Service workhour usage by 14.3 million based on FY 2009 usage. This would allow the Postal Service to increase operational efficiency to approximately 93 percent³ and achieve cost reductions of 613,695,129 million based on workhour savings for 1 year.
- [**eIDEAS Timeliness and Transparency \(Report Number DA-MA-10-003\)**](#). We found the eIDEAS program was not timely and management's resulting actions were not transparent. As background, the eIDEAS program is a web-based application that allows Postal Service employees to submit ideas online or at one of the kiosks located in processing plants.


- [Flats Sequencing System: Program Status and Projected Cash Flow \(Report Number DA-AR-10-007\)](#). The Postal Service's revised performance projections in Quarter 1 (Q1) of fiscal year (FY) 2010's *Investment Highlights* report do not use current actual machine performance and its projection of a gain of at least \$872 million from Flats Sequencing System (FSS) appear optimistic. In addition, there have been significant changes in assumptions for FSS machines and measurement criteria since the 2006 approval of the original investment.
- [UNIX Operating System Master Controls \(Report Number IS-AR-10-010\)](#)


 Here's an interesting piece from the [Washington Post](#): "How do you mail a top-secret letter?"


 Be sure to read: "Ellen C. Williams | Recession, e-mails and other factors lead to postal rate hike" published in the [Louisville Courier-Journal](#). Ms. Williams is a member of the Board of Governors of the U.S. Postal Service.

 [Blue MauMau](#) has reported that "The UPS Store / Mail Boxes Etc franchisees filed a notice of appeal last week while still licking their wounds from a devastating blow from a California court. The judge decertified their collective claims as a "class" group."

 [China Briefing](#) has reported that "TOM Group, Hong Kong's media and communications giant, announced plans for the formation of a massive joint venture with China's postal service to create the mainland's largest e-commerce services provider. The JV, to be named Beijing Ule E-Commerce, will be 51 percent owned by China Post. TOM Group is investing through their Shenzhen-based NewECLink subsidiary and will be the exclusive IT systems provider for the business, providing an additional US\$30 million to market the new platform."

 According to the [Huffington Post](#), "Rather than raising prices at a time when its customers are just beginning to recover from the recession, the Postal Service should be emulating its closest competitors, Federal Express (FedEx) and United Parcel Service (UPS). From 2008 to 2009, FedEx and UPS had revenue declines of 16% and 12%, respectively. They both aggressively cut expenses during that same period by 14% and 9%. In the same period, the Postal Service experienced a smaller revenue loss of 9%, yet cut expenses by only 3%. While we applaud the Service for cutting expenses, it has not been nearly aggressive enough in doing so. The Service should also create new products to grow business. Today, commercial mailers attempt to reach customers by using multiple classes of mail - first-class, standard (advertising), periodical, and parcel mail. The Service, however, treats those mailers as customers of each class of mail separately. There are none of the "bundled packages" that we see in the communications world of voice, TV, radio, Internet. Without growth in mail volume, all Americans will suffer."

 The [Washington Post](#) has reported that "Almost 1,500 federal workers might have received improper or fraudulent Social Security payments in the past several years, according to a government audit disputed by the Social Security Administration. Government Accountability Office investigators matched civilian federal payroll records with benefit data from the Social Security Disability Insurance program and the Supplemental Security Income program to yield their estimates. A U.S. Postal Service letter carrier from Michigan received about \$45,000 in overpayments starting in May 2004 for mood and personality disorders, GAO investigators said. She continued receiving benefit checks after returning to work seven months later."

 [Announcement](#): IPC and EPFL are pleased to invite you to the first Conference on Trends and Innovations for the Postal Market (T.I.P) which will take place on 13th and 14th September 2010 in Lausanne. An important part of the second day will be dedicated to the customer needs in a fast changing industry. Please find the program overview on the link below.

[http://tip-conference.epfl.ch/webdav/site/tipconference/users/192265/public/T.I.P Conference Folder.pdf](http://tip-conference.epfl.ch/webdav/site/tipconference/users/192265/public/T.I.P%20Conference%20Folder.pdf)

 Here's a heads-up on some of the upcoming events at the [Universal Postal Union](#):

- **DMAB (Direct Mail Advisory Board) Assembly: Wednesday 27 October, all day, starting 9.30am.**
The theme this time will be related to **postal solutions for cross-border direct mail**, following to the discussion we had about mailers' needs for cross-border direct mail last April. I am initiating the invitation to speakers, and your suggestions are also more than welcome.


For information, here are other meetings you may be interested in:


- Consultative Committee: Thursday 28 October all day
- CC Management Committee: Wednesday 27 October, in principle starting 5pm
- CC Sustainable Development Working Group: Tuesday 26 October, morning
- CC Revenue Protection Working Group: Tuesday 26 October, afternoon
- POC (Postal Operations Council) Committee 1 "Product Development and Marketing": Thursday 28 October, afternoon, and Friday 29 October, morning
- POC C4 Addressing Group: Friday 29 October, morning

Here also to two important conferences which may interest you:

- **"Mail Economics Forum"** on Monday 1 November, all day. This Forum will have discussions on three topics: "Mail and the global economic and financial crisis: impacts & responses", "Mail and the economics of electronic substitution: past & next decade", and "International mail and globalisation: economic prospects".
- **"Addressing Postal Conference"** on Tuesday 9 October, all day. This conference aims at raising awareness of the importance of the addressing and postcode systems as an essential part of the socio-economic infrastructure of member countries. The objective of this conference will be to talk to governments and show them possible solutions adopted by different countries and different players in the framework of the postal sector.

 **From the Federal Register:** Postal Regulatory Commission NOTICES New Postal Products , 47033–47034 [2010–19104] [[TEXT](#)] [[PDF](#)]


 [PhoneArena](#) has reported that "In a recent survey, 80% of those asked in the U.S. said that they would like to scan barcodes on their mobile phone. 69% want to scan barcodes to receive discounts and coupons. With those figures in mind, AT&T has released a couple of apps for smartphones including Android and BlackBerry models. One app, called AT&T Code Scanner, will allow you to scan 2D (QR or datamatrix) or 1D (UPC or EAN) barcodes, This is a free download from the Android Market or BlackBerry App World. Other smartphone users can visit the source link for the app. For those interested in how barcodes can be used on a mobile phone, visit this link. The second free app offered by AT&T is the Create-A-Code. With this installed on your phone, you can create your own barcode to send friends or family to your Facebook account, blog or favorite web site. AT&T is offering more info about making barcodes when you click here. The carrier has also put together a Code Management Platform for businesses to create and manage barcode related campaigns for customers. Right now, it is available only to members of AT&T's Mobile Barcode Charter Program although it eventually will be made available to all businesses. Michael Antieri, President, Advanced Enterprise Mobility Solutions, AT&T Business Solutions said, "Over the course of this year, we intend to help our business customers create measurable and fully managed brand experiences with mobile barcodes to better interact with their consumers."

 *Editor's Special: For your latest dose of "Oh, please, gimme a break" be sure to check out [the latest from the APWU President](#): "Major Mailers Make Billions, But Demand Postal Worker Pay Cuts." Did you know you were making billions? I didn't know you were making billions.*




[Senator Susan Collins](#) (R-ME), Ranking Republican Member of the Homeland Security and Governmental Affairs Committee, released a statement today agreeing with the Affordable Mail Alliance that the exigent rate hikes proposed by the USPS are not justified under the law. Collins, one of the main authors of the 2006 Postal Accountability and Enhancement Act (PAEA), wrote that, "I have repeatedly expressed my concerns to the Postal


Service that reducing service and increasing rates are not the means to raise mail volume and restore fiscal balance... 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 is exceptional nor extraordinary as required by law." Senator Collins' letter was a welcome dose of reality after the USPS issued a press release earlier today asserting that the rate increase is consistent with Collins' understanding of the "exigent circumstances" test. "Senator Collins, the author of the exigency standard, is the best judge of whether it has been met," said Tony Conway, AMA member and Executive Director of the Alliance for Nonprofit Mailers. "That's why her letter, clearly stating that the Postal Service hasn't met the standard here, is so telling."


 The [Financial Times](#) has reported that "Deutsche Post DHL capitalised on a recovering global economy in recent months, announcing second-quarter profits that were double those of last year and raising its estimate for its underlying full-year earnings. The German mail and logistics company followed rivals such as UPS in showing it was reaping the benefits of an upswing in world trade. As an important piece of the global supply chain, companies such as DHL, United Parcel Service and FedEx are considered barometers of global economic performance. UPS and FedEx raised earnings guidance last month."


August 3, 2010


 [Masthead](#) has reported that "The Department of Canadian Heritage has launched its previously announced Business Innovation grant program for both print and online publishers, with a Sept. 17 deadline for applications. For the first time, the new fund will accept applications from online-only publishers, and DCH spent many months coming up with a definition of an online magazine. With a total of \$1.5 million to distribute to publishers, the Business Innovation program is part of the new Canada Periodical Fund launched earlier this year. The CPF replaces the Publications Assistance Program (postal subsidy) and the Canada Magazine Fund."


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

 On Tuesday Deutsche Post CEO Frank Appel announced a double digit growth in turnover and an almost doubled operating result (+15,6%, 12.8bn euros) for the second quarter.


 TNT fell short of the market's expectations in the second quarter despite an increase in turnover.


 A downward trend in its core business caused Itella's revenues and earnings to decline in the first half year 2010.


 Singapore Post (SingPost) probably remained the world's most profitable postal company in the first quarter (June 30) of the current fiscal year.

 China's postal and express delivery services reported significantly increased revenues for the first half year.

 The union ver.di accuses TNT Post Germany of data abuse.

 10.3bn British pounds - around 12.5bn euros: The deficit of Royal Mail's pension fund reached a tremendous size.

 A new delivery concept is designed to save Poste Italiane money - and increase customer satisfaction at the same time. Last week the unions signed an agreement about new working time regulation for postmen. The contract allows two shifts from Monday through Friday (8 am to 4 pm and 2 pm to 8 pm) and working hours from 8 am to 2 pm on Saturdays.

 The Spanish government passed the redrafted postal law. On Friday the ministry for development announced that the Spanish post will keep the obligation to provide the universal services. According to the draft the USO comprises postcards, letters weighing up to 2 kilogrammes and parcels weighing up to 20 kilogrammes. The financing of the obligation will be

guaranteed by a fund solution.

🇨🇭 PostFinance, Swiss Post's financial services division, increased its profit substantially in the first half year.

🇨🇭 Swiss Post stopped the address correction for its B-Post service. 'Incomplete addresses of B-Post bulk mailings will only be complemented if it doesn't take additional effort', a spokeswoman confirmed this on request by news agency.

🇮🇹 Poste Italiane is among the Top 10 of the most often abused online identities.

🇵🇱 Poczta Polska's supervisory board approved the rigorous austerity and restructuring programme last week.

🇨🇭 Swiss Post found new customers for its electronic proof of identity SuisseID. The company announced that it will offer an id-card with an integrated SuisseID to the 8,500 members of the Swiss Bar Association for a special price.



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

🇺🇸 From [Business Wire](#): "Zumbox, the leading provider of digital postal mail services, today announced the availability of the second generation of its Zumbox paperless postal system and a key agreement with leading output solutions provider DST Output, a subsidiary of DST Systems, Inc."


🇺🇸 Press Release: BCC Software, a BÖWE BELL + HOWELL company and a leading developer of postal and data-quality technology solutions that optimize client communications, will host [two free Intelligent Mail® web events](#) this week that explore the latest IMb issues from both the Beginner and Advanced perspectives. In each event, BCC President **Chris Lien** and "Postal Professor" **George Heinrich** will provide the most up-to-date information to help professional mailers make informed decisions about their Intelligent Mail future.

["IMb Beginners,"](#) scheduled for **2pm ET Wednesday, August 4**, is for mailers working with the POSTNET™ barcode and contemplating their Intelligent Mail adoption strategy. The session will cover:


- The truth behind IMb – its real-world value today, and potential areas of return for you in the future
- Basic vs. Full Service: which is right for you
- The latest reliable insights on transitioning to IMb – suggested timetables, and what's really necessary to make the leap from POSTNET
- What "Start-the-Clock" and "free Full Service ACS™" really mean


["IMb Advanced,"](#) scheduled for **2pm ET Thursday, August 5**, is for mailers using Basic or Full Service Intelligent Mail, and looking to move beyond mere compliance. This session will explain:


- Ways to maximize your Full Service investment – today, and tomorrow
- How to leverage your "early adopter" status and make business decisions that pay off
- Potential penalties that await Full Service IMb mailers once the USPS® begins to enforce formal requirements in November 2010


 **DMM Advisory: New MailPro Available.** The July/August *MailPro* [\[HTML\]](#) | [\[PDF\]](#) is available now on usps.com/mailpro. You'll find informative articles on the 2010 campaign mailing season, new officer appointments, open and distribute and much more. Customers can access current and past issues of *MailPro* online


or subscribe by sending an e-mail to mncsc@usps.com. Include your name, title, company name, complete delivery address, and daytime phone number.


 [The Baltics Today](#) has reported that "State-owned joint-stock postal company Latvijas Pasts posted LVL 159,300 in audited losses in 2009, which is much less than in 2008 when the company's losses reached LVL 3.5 million."


 [New Kerala](#) has reported that "Rural postal insurance scheme popularised to attract weaker sections."


 [Middle East Online](#) has noted that "Kalima, the translation project of the Abu Dhabi Authority for Culture and Heritage (ADACH), announced the publication of the Arabic version of Adam J. Silverstein's book "Postal Systems in the Pre-Modern Islamic World", translated by Aziz Subhi Jaber. The book provides a wonderful description of the methods of official contact employed in the Near East since pre-Islamic period until the Mamluk period. It shows how rulers have put postal systems in order to keep control over large parts of the land."


 [The Salt Lake Tribune](#) has reported that "By all accounts, Rep. Jason Chaffetz is a Republican's Republican. Beloved by Glenn Beck's devotees and tea party activists, he has proposed ways to shrink government and even the paychecks of its highest paid employees. Which makes it even more surprising that his biggest source of campaign contributions is public sector unions, which overwhelmingly donate to Democrats. Since being elected to Congress in 2008, Chaffetz has accepted \$26,500 from unions with ties to the U.S. Postal Service, which tops the money he received from other politicians, banks, lobbyists and dietary supplement companies, according to an analysis by The Salt Lake Tribune using campaign disclosure reports and data collected by the Center for Responsive Politics."


 [AFP](#) has noted that "The world's leading logistics group, Deutsche Post, posted earnings Tuesday that benefited from restructuring and the pick-up in global activity, and raised its full-year outlook. The former postal monopoly said its second quarter net profit jumped by 22.7 percent to 81 million euros (106.5 million dollars), whereas analysts polled by Dow Jones Newswires had expected a decline of 42 percent. Sales gained 15.6 percent to 12.8 billion euros, and operating earnings before interest and tax doubled to 503 million." See also [Bloomberg](#) and the [Wall Street Journal](#).

 [The Ledger](#) has told its readers that "The United States Postal Service is still proposing to eliminate Saturday delivery, even though the American Postal Workers Union and a majority of the public disagree. Eliminating Saturday mail delivery would hurt those who rely on weekend deliveries and compound the problem when followed by a Monday holiday. This proposal would fatally weaken the Postal Service and the void created would be filled by higher-priced couriers that will cater only to the most profitable geographic regions."


 [Dead Tree Edition](#) believes that "Sometimes, it seems, the Postal Service bends over backwards to ensure that periodicals are mailed inefficiently so that it can bellow about how unprofitable they are. The latest example is the proposed exigent rate increases, which once again would fall more heavily on efficient Periodicals-class mailers than on inefficient ones. Before they get approval for extra-special exigent rate increases for the Periodicals class, postal officials should explain why they keep forcing publishers to follow rules that drive up the Postal Service's costs."

 According to the [Washington Post](#), "The cash-strapped U.S. Postal Service is freezing hiring and promotions for all administrative positions at post offices, field offices and its Washington headquarters until further notice as it tries to stave off further losses from slumping revenue and mail volume. "This is about managing the size of the organization and making sure we match resources to workload," said Anthony J. Vegliante, USPS executive vice president for human resources. "As the organization shrinks, it all shrinks, not just the part that delivers the mail." "It's an ongoing process, probably something we should be doing every day," he said." See also [Government Executive](#).

 [Hellmail](#) has reported that "The Communication Workers Union is step up its campaign to keep the Royal Mail in public hands and underline its objection to privatisation (as proposed by the newly formed UK coalition government), by exerting political pressure on all parties."

 The [Jakarta Globe](#) has reported that "Four low-level postal workers managed to embezzle Rp 2.3 billion (\$257,000) over two years because of the negligence, lack of adherence to procedures and heavy workloads of their supervisors, a court heard on Monday. Witnesses told the East Jakarta District Court there were several procedures that they should have, but did not, adopt to detect the embezzlement. They said stress and ignorance had blinded them to the methods the four defendants had used to siphon off the money customers deposited to pay utility bills at the Pos Indonesia office on Jalan Pemuda in East Jakarta between January 2008 and November 2009. "


 The [Economic Times](#) has reported that "The neighbourhood post office may soon become a full-fledged bank as the government could facilitate a bank licence for India Post as part of a multi-pronged strategy to achieve greater financial inclusion."

 [Logistics Manager](#) has reported that "Swiss Post International UK has formed a partnership with Direct Entry Services which provides direct entry postal services for direct marketing agencies. Direct Entry Services will be a "Premium Partner" enabling it to sell Swiss Post International products and services under the "Swiss Post" brand."


 **At the Postal Regulatory Commission:** The PRC's monthly public meeting will be held today at 11 a.m. It will be audio-streamed over the internet.


MATTERS TO BE CONSIDERED IN PUBLIC SESSION:


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.

 [WBAY](#) has reported that "Last September, the U.S. Postal Service conducted a feasibility study to determine if it could save money by moving the Green Bay processing operations to Oshkosh. Monday Congressman Steve Kagen said the U.S. Postal Service has decided to keep the Green Bay facility running. The U.S. Postal Service now plans to conduct another feasibility study at the Oshkosh Processing & Distribution Facility for possible consolidation into the Green Bay center. There's no word when that study will be conducted or reviewed."

August 2, 2010

 [Federal Times](#) has reported that "In its latest effort to cut costs amid declining mail volume, the struggling U.S. Postal Service on July 28 froze hiring for all administrative positions."

 The [Postal Service](#) has differed sharply with the Affordable Mail Alliance regarding the appropriateness of the exigency request. It said it had "proven extraordinary circumstances," that it was wrong to compare it to competing private enterprises, that it "has very specific legislative and regulatory restraints in labor and workforce issues, and that it "clearly and indisputably demonstrated honest, efficient and economical management."

 In separately filed comments with the Postal Regulatory Commission in the matter of the Postal Service's exigency rate increase request, [the Saturation Mailers Coalition, Valassis Direct Mail, Inc.](#), Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association said that they "agree that an exigent rate increase at this time is particularly problematic for mailers and ultimately the Postal Service because of the still-fragile condition of the nation's economy and the marketplace....However, we disagree with the AMA motion's contention that the blame for the Postal Service's financial woes can be placed primarily at the doorstep of postal management. The Postal Service is subject to a myriad of legal, regulatory, and political constraints and burdens that impair its ability to manage and place it at a disadvantage with private-sector competitors, including the restructuring and labor issues cited by AMA as evidence of mismanagement."

Mailers' Technical Advisory Committee (MTAC)

on this site.

The agenda for the August 10 - 12, 2010 meeting of the Mailers' Technical Advisory Committee (MTAC) MEETING has been posted



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

Agapi Doulaveris at 703.248.2286. [Access Controls Over the Electronic Data Distribution Infrastructure \(Report Number IS-AR-10-011\)](#)

The U.S. Postal Service Office of Inspector General invites you to comment on the following:

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

- **Automated Package Stations – Rapidly Expanding Service in Europe!** Since our [January 2009 blog](#) on Packstations, they have really caught on in Germany and now other countries. If the U.S. Postal Service were to introduce similar services, would they work here? Would you use them? [LINK](#) here to the blog to tell us what you think.


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):

- **10XG045DR000 Interim Status - Management of Delivery Point Sequencing Increases - City Delivery – Nationwide.** Our objective is to assess the status of the Postal Service's efforts to achieve the 95 percent delivery point sequencing target goal by the end of FY 2010. [Link to this audit project.](#)

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



The Public Representative in the R2010-4 has told the Postal Regulatory Commission that he "**agrees with AMA** that the Postal Service's Request and supporting documentation fails to satisfy the requirements of 39 U.S.C. § 3622(d)(1)(E). **The Request should be dismissed. The Public Representative agrees with AMA that the Postal Service has not used all of the managerial tools available to ameliorate the current crisis.**"


 **PARCEL** has announced an upcoming webinar — [Shipping Changes: What It Means to You](#), presented by Gary Reblin, Vice President Shipping Services, USPS. When: August 19, 2010 at 2:00 PM ET.




At the Postal Regulatory Commission:


- **CP2010-73** Order No. 506 - Order Approving Two Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69468/Order506.doc> <http://www.prc.gov/docs/69/69468/Order506.pdf>
- **CP2010-74** Order No. 506 - Order Approving Two Additional Global Expedited Package Services 3 Negotiated Service Agreements
<http://www.prc.gov/docs/69/69468/Order506.doc> <http://www.prc.gov/docs/69/69468/Order506.pdf>

- **N2010-1** Direct Testimony of Michael A. Crew on Behalf of the National Association of Letter Carriers, AFL-CIO
[http://www.prc.gov/docs/69/69421/nalc-t4%20\(crew\)%20\(00164022\).pdf](http://www.prc.gov/docs/69/69421/nalc-t4%20(crew)%20(00164022).pdf)
- **N2010-1** Direct Testimony of Michael J. Riley on Behalf of the National Association of Letter Carriers, AFL-CIO
<http://www.prc.gov/docs/69/69424/00164050.pdf>
- **N2010-1** Direct Testimony of Fredric V. Rolando On Behalf of National Association of Letter Carriers, AFL-CIO
[http://www.prc.gov/docs/69/69418/nalc-t1%20\(rolando\)%20\(00164023\).pdf](http://www.prc.gov/docs/69/69418/nalc-t1%20(rolando)%20(00164023).pdf)
- **N2010-1** Direct Testimony of William H. Young on Behalf of National Association of Letter Carriers, AFL-CIO
[http://www.prc.gov/docs/69/69419/nalc-t2%20\(young\)%20\(00164025\).pdf](http://www.prc.gov/docs/69/69419/nalc-t2%20(young)%20(00164025).pdf)
- **N2010-1** Direct Testimony of Stephen DeMatteo on Behalf of the National Association of Letter Carriers, AFL-CIO
[http://www.prc.gov/docs/69/69420/nalc-t-3%20\(dematteo\)%20\(00162162\).pdf](http://www.prc.gov/docs/69/69420/nalc-t-3%20(dematteo)%20(00162162).pdf)
- **R2010-4** Response of Intervenor National Association of Letter Carriers, AFL-CIO to Motion to Dismiss of Affordable Mail Alliance
[http://www.prc.gov/docs/69/69452/nalc%20resp%20to%20ama%20\(00164055\).pdf](http://www.prc.gov/docs/69/69452/nalc%20resp%20to%20ama%20(00164055).pdf)
- **R2010-4** Public Representative Answer to Motion of the Affordable Mail Alliance to Dismiss Request
<http://www.prc.gov/docs/69/69451/AnswerAMAMotion.docx>


 The [National Rural Letter Carriers Association](#), in its exigency case filing with the Postal Regulatory Commission, has said that "AMA's motion should be denied as premature and improper." The [National Letter Carriers Association](#) has characterized the Alliance filing as "out of order."


 **DMM Advisory: August 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:


- **Container Preparation Options for Saturation Flats with Detached Address Labels**
We revised [602.4.0](#) to provide new containerization and palletization options for the preparation of saturation flats with detached address labels (DALs).
- **Catalogs—A Definition**
We revised [301.1.0](#) by adding a definition of the term catalog.
- **Detached Address Labels for Merchandise Samples**
We revised [602.4.0](#) to provide customers the option to use detached address labels (DALs) when current general distribution density standards for Standard Mail merchandise samples cannot be met.
- **Purchasing Domestic Insurance**
We revised [503.4.0](#) and [709.4.0](#) to clarify that customers may only purchase domestic insurance once per applicable mailpiece when postage is paid at a retail Post Office, online, or at an Automated Postal Center (APC).
- **Expanded Options for Attachments to Letters and Flats**
We revised [201.3.0](#) and [301.1.0](#) to remove a restriction that requires relocatable labels to be affixed on the outside of a reply piece, and to allow up to two release cards to the outside of letters and flats of specific size ranges, subject to placement restrictions.
- **Express Mail Next Day Delivery Postage Refund Amendment**
We revised [114.2.0](#), [414.3.0](#), and [604.9.0](#) to state the conditions for Express Mail Next Day Delivery postage refunds when shipments are mailed each year during the time period of December 22 through December 25.
- **Labeling Lists**
We revised labeling lists [L001](#), [L002](#), [L005](#), [L007](#), [L009](#), [L201](#), and [L606](#) to reflect changes in mail processing operations.

 [Paul Vogel will be returning to the Postal Service as its new President of Package and Mailing Services.](#)

 The [Atlanta Business Chronicle](#) has reported that "MailExpress has received a delivery of \$10 million in venture financing from its current investors. Read more: MailExpress picks up \$10M to deliver light mail competition."


 [Engadget](#) has reported that "Contactless payments made using your phone are hardly a new idea in themselves, but when three of the big four US carriers decide to unite behind it, the time might have come to start paying closer attention. Bloomberg reports that AT&T, Verizon and T-Mobile are about to test the NFC payment waters with pilot schemes in Atlanta and three other cities, potentially aided by partnerships with Discover Financial Services and British bankers Barclays Plc. This would require all-new readers for merchants and embedded NFC chips in phones, but we reckon plenty of people might be happy to pay a small premium to streamline their lives that little bit more and leave the plastic behind."

 [Voxy.co.nz](#) has reported that "For the 12th year running, New Zealand Post is making postage included envelopes available for community organisations across New Zealand through its annual Community Post programme."


 The [Financial Times](#) has reported that "TNT came a step closer to a break-up of its postal and express delivery businesses on Monday, with the Dutch group saying it had decided on a full separation of the two divisions as it reported a slump in profit due to the reorganisation of its mail business." See also the [Wall Street Journal](#) and [DutchNews](#).


 According to [Dead Tree Edition](#):


- If postal executives want everyone to forget about the [Robert F. Bernstock](#) fiasco, they should tell the Internet search engines and their own webmasters.
- The size of the recent run-up in [coated paper prices](#) seems to have surprised most industry participants and observers....Before they get too confident, sellers of coated paper in the U.S. should find out how many of their catalog and magazine customers are spooked by the U.S. Postal Service's attempt to get "exigent" rate increases and are therefore redoubling efforts to shift more to digital media.


 [USA Today](#) has reported that "The Postal Service is ready to deliver lifesaving drugs to about a quarter of the residents of Minneapolis-St. Paul, the only metropolitan area in the nation where letter carriers have been trained to dispense medication after a large-scale terrorist attack involving biological weapons. Six years after the government began exploring the idea of using postal workers as rapid-response medicine dispensers and eight months after President Obama ordered government agencies to develop a plan to do so, efforts are underway in six cities to train workers to deliver the drugs needed to counter anthrax or other potentially deadly agents, the White House says. The White House won't name the six cities, and Department of Homeland Security spokeswoman Amy Kudwa says she can't talk about whether more cities are interested in the voluntary program."


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 The [Wall Street Journal](#) has reported that "The U.S. economy lost momentum in the second quarter as consumers remained frugal and a cycle of restocking by businesses, which helped propel growth in previous quarters, showed signs of petering out." [EdNote: Well, let's really make sure the recovery is shot to hell. Let's approve the exigency postal rate hikes.]

 According to [Hellmail](#), "The pension deficit still looms over the future of the Royal Mail and even with a lower deficit than forecast, addressing it will be a major priority for those determined to privatise the service. What many tax payers will find hard to swallow is seeing the Royal Mail sold off with almost certainly higher prices to come, and in the same breath, expected to cover the cost of the deficit as it is offloaded to the state. With so many private pensions already massively reduced (or lost altogether in some cases), that seems to be asking a great deal."

 The [Scottish National Party](#) has said that "The SNP have called on the UK coalition government to “come clean” over plans for privatisation of Royal Mail after a parliamentary answer received by SNP MP Mike Weir raised questions about the government’s plan."

 According to the [Lompoc Record](#), "The future is bleak into infinity for sustaining the Postal Service as it once was or even as it would like to become. Under current conditions, it doesn’t seem capable of ultimately surviving the continued onslaught from delivery systems operating 24-7 no matter how hard it tries, or what gimmicks it tries, including opening retail stores. Like newspapers and book publishing it increasingly has begun to take on the characteristics of a dinosaur, unable to rise above the peat bogs in which it finds itself mired."

 According to the [Economic Policy Institute](#), "Congressional Mandates Account for Most of Postal Service’s Recent Losses."

 From [PR Newswire](#): "FedEx must stop blocking passage of the Federal Aviation Administration Reauthorization Bill so that key airline safety provisions and an important measure that would close the loophole that gives FedEx Express a special status are enacted, Teamsters General President Jim Hoffa."