



Association for Postal Commerce

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Postal News from August 2011:

August 31, 2011



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


- [Bowling Green, KY Consolidation \(Report Number EN-AR-11-008\)](#). Our audit determined that a valid business case exists for consolidating originating mail processing operations from the Bowling Green P&DF into the Evansville P&DF and Nashville P&DC to achieve cost savings of approximately \$3.2 million annually. No career employee will lose their job at either location, although there may be some reassignments at the Bowling Green P&DF and Area Mail Processing (AMP) worksheets should be enhanced when consolidating operations into two or more gaining facilities.
- [Contract Funding Approval \(Report Number CA-AR-11-005\)](#). Our audit found that Postal Service officials generally submitted eBay requisitions to validate the funding approval process before entering into contractual agreements during fiscal years 2008 and 2009. However, officials did not submit requisitions for 16 of 143 (11 percent) randomly selected contracting actions, totaling more than \$600 million, before making contractual commitments or incurring potential liabilities.
- [Effects of Compliance Rules on Mailers \(Report Number MS-AR-11-006\)](#). The Postal Service did not always fully consider how changes to mail compliance rules impact mailers. Specifically, the Postal Service did not always adequately estimate the cost to mailers of complying with proposed rules, collaborate with the mailing industry, and train and monitor personnel who accept business mailings. However, the Postal Service has increased emphasis on improving communication and cooperation with the mailing industry and has taken several steps to be more responsive to customer needs and improve the customer experience. The Postal Service needs to continue in this direction of collaboration and dialogue to maximize benefits and reduced costs for the Postal Service and its customers.
- [Nationwide Facility Optimization \(Report Number DA-AR-11-009\)](#). We statistically projected that the Postal Service maintains 67 million square feet of excess space nationwide and has a greater opportunity to aggressively optimize excess space through disposal or leasing than its fiscal year 2011 target for reducing interior space. We estimate that if the Postal Service initiates disposal action for the excess space identified, it may realize at least \$3.48 billion nationwide over typical and remaining lease terms. This amount represents a calculated 10-year potential savings in lease, custodial, and utility costs.

 [Courier, Express, and Postal Observer](#): Canada Post switched to 2-day local delivery over 25 years ago. That change was made as part of a massive restructuring of Canada Post's operations to deal with losses that equaled

nearly 1/3 of revenue. The service standards at Canada Post are relatively simple and are explicitly included in the [Canada Post Corporation's charter](#).

 *At the Postal Regulatory Commission:*

- **Docket No. MC2011-26. [Mail Classification Schedule Change](#).** The Postal Regulatory Commission has approved proposals by the Postal Service that clarify that, for Priority Mail boxes, the size limitations for each type of box will be based on cube size rather than specific, distinct dimensions and a change that adds a range of dimensions for Priority Mail Flat Rate Envelopes.

 **Courier, Express, and Postal Observer:** The Postal Service's network restructuring will add an extra day to most First Class Mail delivery standards. While it is theoretically possible for bulk First Class mailers to avoid that delay by drop shipping, the viability of drop shipping depends on the Postal Service having clerks and mail handlers working in the evening to accept the mail and route the mail to the appropriate machine for the correct destination sort. Early discussions with the Postal Service suggests that they want bulk First Class mailers to tender their mail before noon. This would allow bulk mail to be sorted or dispatched to the facility doing destination sortation during the daytime shift. This would suggest that the Postal Service plans to have critical dispatch times at or just after rush hour. With these dispatch times, receiving facilities will have skeletal staffs in the evening to handle mail transported to the facility and not much else. These entry times and dispatch times would appear to force bulk mailers to accept service that is a day slower than it is now and preclude drop shipping of First Class bulk mail even with a drop ship discount.



The Senate Homeland Security and Governmental Affairs Committee, led by Chairman Joe Lieberman, I-Conn., and Ranking Member Susan Collins, R-Me., will hold a hearing, "U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown," on Tuesday, September 6, at 2:00 p.m. This hearing will look at the current state of the Postal Service and recent proposals to improve its financial condition. Sen. Tom Carper (D-Del.), Chairman of the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, which oversees the Postal Service, will participate in the hearing. For more information or to watch a live webcast of the hearing, please [click here](#). **WHAT:** U.S. Senate Committee on Homeland Security and Governmental Affairs hearing, "U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown" **WHEN:** Tuesday, September 6, 2011 2:00 p.m. **WHERE:** 342 Dirksen Senate Office Building Washington, D.C.


WITNESSES:


Panel 1 (Government):

- Pat Donahoe, USPS Postmaster General
- John Barry, Director, Office of Personnel Management (OPM)
- Phil Herr, Director, Government Accountability Office (GAO)


Panel 2 (Unions and Mailers):


- Cliff Guffey, President, American Postal Workers Union (APWU)
- Louis Atkins, President, National Association of Postal Supervisors (NAPS)
- Ellen Levine, Editorial Director, Hearst Magazines
- Tonda Rush, Chief Executive Officer, National Newspapers Association (NNA)


 **Courier, Express, and Postal Observer:** As the Postal Service begins to restructure its operating network, stand-by time will likely increase. Managing a transition to a smaller processing network, or fewer Postal Service owned retail outlets will likely result in delays that put employees in a stand-by mode as they are waiting to retire, be RIF'ed, or transferred to another job or facility. During the transition period, studies like the Inspector General may need to find other ways to measure management's effective use of its workforce than following standby time.


 **Fedex Office:** FedEx Office®, an operating company of FedEx Corp. has enhanced its FedEx Office® Print Online solution with access to Google Docs™. This new, first-to-market feature allows users to retrieve files from their Google account for convenient printing using the FedEx Office application. Whether a mobile professional or


small business owner, FedEx Office Print Online users can upload files from their Google Docs account and then select from a variety of printing options to assist with layout for presentations, signs, posters, postcards, and more. Users can also choose to pick up their completed order at FedEx Office locations nationwide or have it delivered right to their door.

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

 Greek's debt crisis had a considerable impact on French La Poste's result. On Friday La Poste reported a 21.2% drop in net profit in the first half year 2011. The reason for this are provisions of 158m euro at Banque Postale for Greek bonds.


 PostNord, the merger of Post Danmark and Posten AB, faced a decline in turnover and shrinking profits in the first half year.


 The reform of the Brazilian post cleared a decisive hurdle. On Thursday last week the Camara dos Deputados - the lower house of Brazil's parliament - approved the amendments to the postal law. Now the changes have yet to be ratified by the senate and the president has to sign the new law to come into effect.


 Posten Norge faces a slump in profits on increasing revenues in the first half year 2011. The Logistics business has become Posten Norge's most important revenue driver. The Mail division suffered from the ongoing decline in volumes.


 Earthquakes and write-offs ruined New Zealand Post's 2010/2011 result.

 Canada Post slid into the red in the second quarter of the current business year.

 Deutsche Post expands with its nationwide distributed TV programme and advertiser 'Einkauf Aktuell'.


 Pitney Bowes announced the launch of a new web platform, that will allow high-volume transactional mailers to sell advertising space on their bills and other consignments.


 Swiss Post delivers domestic newspapers abroad using a hybrid solution for the first time. The daily newspapers »Neue Zürcher Zeitung« and »Blick« as well as »Sonntagsblick « will be electronically sent to printing plants in Cyprus and Malta. The printing plant then prints the current edition every day. Finally the newspapers will be distributed to selling points.

 The Indian government plans to invest over 2.8bn euro to enable the country's post offices to offer financial services.





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.)*


 [Courier, Express, and Postal Observer](#): The Postal Service has published its first quarterly report on the use of its newest product, Every Door Direct Mail. Most customers are new to the Postal Service with only 8.6% using other Postal Service products. It is also clear that many customers used Every Day Direct Mail more than once as the average customer used the product 2.25 times in the quarter. Every Day Direct Mail appears to have spawned marketing efforts among a number of printers who are promoting the product to sell printing and mail preparation services. Some even are offering to handle the entire transaction process for a fee rather than have the advertiser deal directly with the Postal Service.


 [eCommerce Bytes](#): The U.S. Postal Service entered into a deal with eBay and China Post last year to help Chinese sellers send small packages to the U.S. in a much shorter period of time than regular international delivery services. eBay revealed that the agreement has led to 30,000 parcels a day sent from its sellers in China, with package-tracking included. Nearly 40% of eBay sellers in China are using the ePacket service to ship to the U.S.,


with over 80% of items delivered in five to 10 days. Upon arrival in the U.S., these shipments are processed as domestic First-Class Mail, with a one to three-day delivery standard.


 [Sioux City Journal](#): We think U.S. Rep. Steve King, R-Iowa, is right on the mark when he accuses the U.S. Postal Service of engaging in "stall tactics" in order to leave Sioux City officials with little time to contest the planned Oct. 1 closing of the local Mail Distribution & Processing Center. He calls the strategy "attempting to run out the clock." After months of secrecy and stonewalling by USPS, a trio of Postal Service representatives finally held a (closed-door) meeting with local leaders on Thursday. While a face-to-face meeting between the two sides was on the surface a welcome development, USPS officials demonstrated disappointingly little interest in cooperation or accommodation and offered more of the institutional arrogance to which our community has become accustomed throughout this process.


 [The Journal](#): More than 150 postal employees and their families, local officials and business owners filled the Martinsburg High School auditorium Tuesday evening to protest a study by the U.S. Postal Service that found it would be best to move the mail processing operation from the Martinsburg Post Office to Baltimore. No one who spoke during the public comment period liked the idea.

 [From the Federal Register: Postal Regulatory Commission PROPOSED RULES](#) Appeals of Post Office Closings , 54179–54185 [2011–22009] [\[TEXT\]](#) [\[PDF\]](#) **NOTICES** Post Office Closings , 54264–54265 [2011–22271] [\[TEXT\]](#) [\[PDF\]](#) 54265–54266 [2011–22273] [\[TEXT\]](#) [\[PDF\]](#) 54266–54267 [2011–22283] [\[TEXT\]](#) [\[PDF\]](#)


 [Postalnews Blog](#): With potential USPS insolvency in the news, approximately 200 Southern California mailing industry leaders gathered in Anaheim to hear DPMG Ron Stroman discuss the state of the Postal Service. Stroman reiterated the need for Congress to resolve the mandate to pre-fund Retiree Health Benefits by \$5.5 billion annually, allow USPS to access its overpayment to the Federal Employees Retirement System and give USPS authority to determine delivery frequency. He also discussed proposals such as reducing the workforce and accelerating consolidation of the processing network.

 [Postalnews Blog](#): The San Diego and Imperial Counties Labor Council (CLC) has unanimously voted to picket Congressman Darrel Issa's main district office in Vista, California (just north of San Diego) on Thursday, Sept 1. NALC President Fredric Rolando has decided to make this a much larger action, and he has sent out a statewide E-Activist. The NALC will be joining several other unions and the San Diego-Imperial Counties Labor Council to personally protest Issa's failure to represent working families and his continuing attacks to destroy the United States Postal Service.

 [Manchester Evening News](#): Postal operator Secured Mail Group today delivered annual profits of just over £1m and outlined ambitious plans to treble revenues over the next few years. Boss Mark Bigley said underlying pre-tax earnings for the 12 months to the end of July rocketed from £650,000 as turnover soared from £32.5m to £49m. Secured Mail is now aiming to achieve revenues of £75m over the next 12 months and £150m-£160m within five years. Mr Bigley set up the business in 2006 soon after the postal market was liberalised, and turned over just £600,000 in his first year of trading. The company, a rival to firms including TNT, DHL, UK Mail and City Link, employs 121 people across its HQ and distribution centre in Warrington and a depot in Dartford. It handled 400 million letters in its last financial year, from direct marketing literature and utility statements to magazines and goods ordered from Amazon. Customers include Center Parcs, Centrica, retailers such as Dixons Stores and Domino's Pizza, and American Express.

 [Yorkshire Evening Post](#): The number of people using post offices could increase "significantly" if they could access their bank accounts through the postal network, a leading consumer group predicted today. Consumer Focus said the number of people using their local post office could jump from four million to 18 million if high street banks allowed their customers full access to personal bank accounts in post branches. The 11,800-strong post office network, hit by closures in recent years, would be given a valuable "shot in the arm" if customers could make cash withdrawals, deposit cash and cheques and access information on their bank account, said the report. Some banks

offer services through the post office, but many do not provide the full range of transactions such as making a cash or cheque deposit, said Consumer Focus. See also [The Scotsman](#).


 **Federal Times:** What happens at the U.S. Postal Service doesn't necessarily stay at the Postal Service. The latest example: A federal workers' compensation fund could run out of money within three months if the cash-strapped mail carrier skips a \$1.2 billion payment due in mid-October, according to the Labor Department.


August 30, 2011





[Effects of Compliance Rules on Mailers Audit Report Report Number](#)

WHY THE OIG DID THE AUDIT: Our objective was to evaluate mailer concerns with U.S. Postal Service compliance rules. Specifically, we evaluated concerns with Postal Service compliance rules governing Intelligence Mail™ barcodes (IMb), Move Update, and Plant-Verified Drop Shipments (PVDS). This report responds to a request from Senator Susan M. Collins. **WHAT THE OIG FOUND:** The Postal Service has not always fully considered how changes to mail compliance rules impact mailers. Specifically, the Postal Service did not always adequately estimate the cost to mailers of complying with proposed rules, collaborating with the mailing industry, and training and monitoring personnel to accept business mailings. The Postal Service is currently taking steps to improving collaboration with mailers when developing compliance rules.

 **Post & Parcel:** Nordic mail and logistics operator PostNord is making management changes ahead of a SEK 1bn (\$156m USD) cost-cutting program, as it faces up to accelerating mail volume reductions. Two years on from its formation as a merger of Post Danmark and Sweden's Posten, the company CEO announced changes that it hopes will boost its efficiency, competitiveness and profitability. A new shared services unit is being set up to coordinate a range of administrative and product development activities, while a new corporate strategy group is to be set up as the company looks to its future direction. PostNord executive vice president Göran Sällqvist and CFO Bo Friberg are leaving their positions at PostNord, said CEO Lars Idermark. "With an unstable global economy and structural market changes that, essentially, impact demand for our services, we need to make comprehensive changes to further reduce costs," said Idermark.

 **Post & Parcel:** As the US Postal Service prepares a major "optimisation" of its infrastructure, an audit by the Office of the Inspector General has found that nearly a quarter of USPS interior space is currently unused. USPS is currently shaping up plans to cut its processing network by more than half, and its network of 32,000 post offices by 10%, but the audit completed this month suggested that it could start by dealing with its 67m square feet of unused interior space. The excess space represents 24% of the total 284m square feet that USPS owns or leases, the OIG said, although USPS management disputes the figures.

 The Senate Homeland Security and Governmental Affairs Committee, led by Chairman Joe Lieberman, I-Conn., and Ranking Member Susan Collins, R-Me., will hold a hearing, "U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown," on Tuesday, September 6, at 2:00 p.m. This hearing will look at the current state of the Postal Service and recent proposals to improve its financial condition. Sen. Tom Carper (D-Del.), Chairman of the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, which oversees the Postal Service, will participate in the hearing. For more information or to watch a live webcast of the hearing, please [click here](#). **WHAT:** U.S. Senate Committee on Homeland Security and Governmental Affairs hearing, "U.S. Postal Service in Crisis: Proposals to Prevent a Postal Shutdown" **WHEN:** Tuesday, September 6, 2011 2:00 p.m. **WHERE:** 342 Dirksen Senate Office Building Washington, D.C.


 **Printing Impressions:** Spending on direct mail is expected to increase again in 2011, and retail is one of the vertical markets expected to drive this growth. Direct mail continues to be a widely used channel for customer acquisition in the retail industry. According to Target Marketing's annual "Media Usage Forecast," more 69 percent of marketers plan to use direct mail for customer acquisition in 2011. PODi's recent report, "Traffic Generation Solutions for the Retail Market," reviews several successful applications, highlighting ideas that work and the results


achieved. One highly productive strategy is to integrate print, online and social media to enable viral sharing of a retail promotion.


Mailers' Technical Advisory Committee (MTAC)


The following are copies of the slides and comments from the Mailers Technical Advisory Committee members on the Postal Service's proposed restructuring of its operations network:


- [Industry Engagement and Outreach Operational Change Meetings](#)
- [MTAC Feedback](#)


 **Courier, Express, and Postal Observer:** Rural postal services is likely to be the primary stumbling block to getting Postal Service reform legislation through the House of Representatives. Some of the most active opponents of changes that the Postal Service want to make are influential members of the House Republican caucus and many have been outspoken critics of federal spending. What these Republicans have in common is that they represent some of the most rural areas in the United States.

 The US Postal Service would like to provide the following update, as of Monday, August 29, 2011, at 2 PM. This follows from the earlier announcement yesterday indicating that the New York JFK International Service Center was effectively shut down after the JFK Airport Authority closed the in and out ramps effective 12 noon Saturday, August 27, 2011 because of Hurricane Irene. In its official website, the New York John F. Kennedy International Airport has announced that it is open to arriving flights from 6 a.m. Monday, Aug. 29, 2011 and to departing flights from 12 noon Monday Aug 29, 2011. Surface transportation - both inbound and outbound to Montreal and Toronto, Canada - remains a challenge for Canada Post and US Postal Service as Highway 87 is temporarily closed. Hurricane Irene has effectively left the United States. Further updates will be provided as more detailed information is received from the affected areas. International mail operations at the New York JFK ISC are expected to normalize by 12 noon tomorrow, August 30, 2011. However, it should be noted that Hurricane Irene left a path of destruction along the entire Eastern seaboard of the United States in its wake. Widespread power outages and flooding are common, restoration of electricity in several areas may take several days to complete, and public transportation networks and links are severely disrupted, in addition to the loss of lives and severe property damage.


 **Courier, Express, and Postal Observer:** The Postal Service is broke. It cannot pay its bills, even ones that no one disputes that it owns. In the private sector, a firm in this position would shut down unless creditors believed that putting it in receivership gave them a better prospect of repayment than liquidation.


 **New York Times:** Like any supposedly self-sustaining business, the Postal Service deserves a chance to modernize. The most controversial proposal would let it tap into a federal retirement fund that managers claim is far overpaid because of a faulty formula. That needs very careful review.


 **The News Journal:** According to a new report from the organization's inspector general, the Postal Service paid \$4.3 million in the first six months of this year to postal workers to do nothing. That's right. Nothing. It's called standby time and the workers report to work and go to the cafeteria to do nothing. According to The Washington Post, long-standing labor agreements prevent the Postal Service from laying off or reassigning workers when the mail volume is low or equipment is broken. Congressional mandates and union contracts force it to keep people on the job even when there is no work. That will change as the losses mount. This new report will renew the push for changing the contract. Some hard choices are coming (six-day delivery, for example) and old habits will have to go. See also [Government Executive](#) and the [Washington Post](#).

 **From the Federal Register: Postal Regulatory Commission NOTICES** New Postal Product and Rate Adjustment, 53982-53983 [2011-22057] [\[TEXT\]](#) [\[PDF\]](#) New Postal Products, 53981-53982 [2011-22023] [\[TEXT\]](#) [\[PDF\]](#) 53983-53984 [2011-22131] [\[TEXT\]](#) [\[PDF\]](#) Post Office Closing, 53984-53986 [2011-22055] [\[TEXT\]](#) [\[PDF\]](#) 53986-53987 [2011-22056] [\[TEXT\]](#) [\[PDF\]](#)

August 29, 2011

 **Reuters:** A fund that compensates federal employees for work-related injuries will run out of cash in the last quarter of 2012 if the U.S. Postal Service defaults on an upcoming \$1.2 billion payment, according to the Labor Department. The mail carrier, which has been losing billions of dollars each year, has more than 560,000 full-time employees and is the largest employer of workers covered by the Federal Employees' Compensation Act. The Postal Service still plans to make the payment, due in October, to the fund, USPS spokesman David Parteneimer told Reuters. But in its third quarter financial statement this month, the agency said that without relief from Congress it could not guarantee it would have enough cash. The Labor Department said in a letter to Congress dated August 1 that without the Postal Service's usual hefty contribution, the fund would be unable to pay any benefits in the last four months of fiscal year 2012. The Labor Department said in its letter that there is no penalty facing the Postal Service if it skips the workers compensation payment.

 **Save the Post Office:** There's nothing new about the financial "crisis" facing the postal service, there's nothing new about the belief that closing post offices will help solve it, and there's nothing new about the plain fact that post offices are not the problem -- and closing them is not the solution. The more things change, the more they stay the same. Except this time around, the Postal Service means business.

 **DMM Advisory: Withdrawal of "Changes to Move Update Standards" Federal Register.** At a recent Mailers Technical Advisory Council meeting, we announced that the revised proposed rule, *Changes to Move Update Standards*, published in the [Federal Register](#) on July 12, 2011, will be withdrawn (the last day for comments was scheduled for August 31, 2011). The content of this proposed rule Federal Register will be significantly revised and, based on mailing industry feedback, the Moved Left No Address and PO Box Closed, No Forwarding Order (MLNA/BCNO) portions will be removed. An entirely new proposed rule will be issued in the future.



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


What Should the Postal Service Retail Network Look Like in 2020 and Beyond? There are currently over 30,000 brick and mortar postal-operated retail facilities. However, about 35 percent of retail revenue is generated through other channels such as grocery stores and self-service kiosks. As the Postal Service seeks ways to modernize its retail network, what should it consider to meet consumer needs? We invite you to share your thoughts on our [blog](#).


New Audit Projects: This week we opened the following new projects:


- **Improper Payments -- 11BG017FF000.** Congress enacted the Improper Payments Information Act (IPIA) of 2002 (Public Law 107-300), as amended by the Improper Payments Elimination and Recovery Act of 2010. The act requires that federal agencies estimate improper payments and report on actions taken to reduce them. An improper payment is any payment (overpayment or underpayment) an agency should not have made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirement. Although IPIA does not apply to the U. S. Postal Service it could benefit by identifying and reducing significant improper payments within its programs and activities. We plan to determine if the Postal Service has procedures in place to review its programs and activities annually; and thereby identify those programs that may be at risk for significant improper payments.
- **Postal Service Suspension and Debarment Program -- 11YG046CA000.** Government-wide suspensions and debarments are administrative remedies that federal agencies may take in order to protect taxpayer dollars from fraud, waste, abuse, poor performance and noncompliance with contract provisions or applicable law. Debarment ensures that for a defined period of time, the entire federal government will not do additional business with individuals and organizations that have engaged in criminal or other improper conduct of such a compelling and serious nature that it would lead one to question their honesty, ethics, or competence. Suspension is a preliminary action taken to protect the integrity of a federal procurement or nonprocurement process -- before there is enough information to support a debarment proceeding. For this


project, we plan to obtain background information and evaluate current practices regarding the Postal Service's Suspension and Debarment program.


- [Financial Controls Over Automated Postal Centers -- 11BG018FF000](#). The Automated Postal Center (APC) is one of the access points designed to increase alternate access revenue. The APC is a self-service kiosk placed in retail lobbies to enable customers to ship packages, mail letters, buy stamps, and pay for post office box rentals. The goal of the APC program is to provide customers with a convenient self-service alternative to the full-service counter. The machines only accept payment by credit, debit, or an Electronic Bank Transaction cards. In (FY) 2009, the Postal Service processed over 333 million credit and debit card transactions totaling over \$11 billion. We plan to determine if internal controls for the APC are sufficient to detect and prevent credit and debit card fraud and or irregularities. In addition, we plan to determine if internal controls over APC stamp stock and revenue are effective.


 [Reuters](#): South Africa will apply for a full banking licence for its postal bank by year-end, the communications minister said on Monday, a move that will increase competition in the banking sector.


 [Post & Parcel](#): An Post has blamed a reconfiguration of delivery systems and changeover to new mail processing technology for a decline in its service levels.

 [BusinessWire](#): The U.S. Postal Service (USPS) awarded CSC CSC +2.57% two contracts to provide management, operational and logistical support for its Mail Transport Equipment Service Centers (MTESCs) located in Lakeville, Minn., and Barrington, N.J. The contracts, which have a three-year base and two two-year options, have an estimated combined seven-year value of \$83 million. This contract was awarded to CSC during the first quarter of the company's fiscal year 2012. CSC will now operate nine of the 15 MTESCs in the United States. Under the terms of the contracts, CSC will provide program management, information systems support and logistical services. CSC employees will receive, examine, route, repair or recycle/dispose of mail transport equipment and will work to continuously improve equipment processing, repair and distribution functions.

 [eCommerceBytes](#): Tensions are running high as the US Postal Service considers drastic measures to deal with its financial problems, including closing thousands of offices and breaking union agreements so it can lay off workers. The St. Joseph News-Press covered a meeting of 40 postmasters from throughout Northwest Missouri, who had some interesting suggestions for the agency - including new ways to generate revenue. Rather than closing rural post offices, which they claimed would be an ineffective cost-saving measure, some postmasters suggested the USPS introduce revenue generation services like online payment services and banking services. They said such services would have people swamping the offices.

 [Washington Post](#): Three weeks before he announced his resignation from the board that oversees the U.S. Postal Service, Alan Kessler was accused of misconduct for pressuring postal officials to scuttle a real estate dispute involving a long-time friend. Kessler stepped down from the Board of Governors on July 31 after 10 years of service that included a term as chairman. His departure followed a five-month investigation by the Postal Service Inspector General that found his interference with a real estate deal the agency was negotiating in Sarasota, Fla., gave the appearance of a conflict of interest. Inspector General David C. Williams also said the Postal Service's general counsel, Mary Anne Gibbons, failed to act swiftly enough to make sure Kessler removed himself from the case and report the conflict to investigators.

 [Wall Street Journal](#): When was the last time you received a hand-written note? Not a Post-It on your desk from your boss reading: "Fix this" but an actual piece of stationery, in a matching envelope, sent through the U.S. Postal Service, with a message in it just for you? And when was the last time you wrote someone a note? Not too long ago, whenever I went on a job interview it was of the utmost importance to send a thank-you note through the mail the next day. Now an email seems to suffice.

 [Radio New Zealand](#): New Zealand Post is optimistic it will return to profit this year and is focussing on improving efficiencies as mail volumes continue to fall. New Zealand Post shut some of its post shops during the year, to try to reduce costs.

[!\[\]\(a3ea015cc5581cad732d1eb81613fe7b_img.jpg\) **News-Press**](#): Alleging the Postal Service was intimidating employees and closing offices on Saturday to skew future numbers to pass on to Congress to allow offices to move to a five-day work week, Kelly McCartney, vice president of the National League of Postmasters, stated what other postmasters were already saying -- closing rural offices would be an ineffective cost-saving measure.

[!\[\]\(c8d96c8885d3000a912c2582004aed63_img.jpg\) **Courier, Express, and Postal Observer**](#): All the details are not known about what the Postal Service will propose when it makes its presentation to the Postal Regulatory Commission about changing First Class service standards. Given that Priority Mail has nearly the same service standard as First Class mail, it is possible that Priority Mail service standards could be affected. The Postal Service cannot afford to reduce Priority Mail service standards if it wants Priority Mail to remain service competitive for zone 2, 3 and a significant portion of zone 4 parcels.

[!\[\]\(919a2cb85b99741a73c0c31a427236a8_img.jpg\) **Courier, Express, and Postal Observer**](#): In a major effort to reduce costs to match projected revenue, the Postal Service has proposed eliminating overnight delivery of single-piece mail. The Postal Service projects substantial cost savings that would come from eliminating full time positions and reducing its use of clerks and mailhandlers during periods when they would be paid a premium for nighttime work. Support for the Postal Service's cost savings assertion comes from "Cost of Service Standards," a recent report of the Office of Inspector General - United States Postal Service (USPS-OIG).

August 28, 2011

[!\[\]\(c3d993ca47bfe2a953c700506ce31fa0_img.jpg\) **Financial Times**](#): The equity exposure of the $\pounds 27.7$ bn (\$45.3bn) Royal Mail Pension Plan is significantly higher than it appears from the group's report and accounts. These show an equity holding of $\pounds 4.2$ bn, representing about 15 per cent of total plan assets. But the pension plan has an additional $\pounds 6.6$ bn exposure to equities held via futures, a position that is clear in the pension fund's accounts but is not disclosed in the group accounts. John Ralfe, a pensions consultant, asked: "How can Royal Mail's accounts give a "true and fair" picture if they fail to mention such a major risk to the business?"

[!\[\]\(d66ff64371a51729ac8c1cdaa685ba6f_img.jpg\) **The China Post**](#): The government-run Chunghwa Post Co. announced price discounts for certain postal and remittance services in celebration of the 100th anniversary of the Republic of China and the forthcoming Mid-Autumn Festival, also known as Chinese Moon Festival falling on Sept. 12 this year.

[!\[\]\(e3f8612927870f2e0f9f5989e6dd3064_img.jpg\) **Houston Chronicle**](#): Rep. Nick Rahall is asking residents to join him at a public meeting on the future of mail-processing operations in Bluefield. The Postal Service is considering consolidating the Bluefield operations into facilities in Charleston and Johnson City, Tenn.

[!\[\]\(003082e50e3009141f59bd5df831749f_img.jpg\) **Daily Independent**](#): 9,433 retirees of the Nigerian Postal Services (NIPOST) on Monday shut down post offices nationwide to drive home their demand for the immediate payment of 73 months' pension arrears of N4,071,398,252.47. As early as 7 a.m. in Agege and Ikeja in Lagos, the angry retirees, aged men and women, laid siege at the entrances of post offices and turned back customers.

REGISTER NOW

Review Proposed USPS Folded Self-Mailer & Un-Enveloped Mailpieces

Mailing Standards

Join us for a Webinar on September 8

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Please join the Association for Postal Commerce for a free webinar on

Thursday, September 8th at 2:15pm Eastern


Craig Vance, USPS HQ Operational Requirements & Integration


will review the proposed rule for Folded Self-Mailers and Un-enveloped Mailpieces.


Proposed changes to USPS Mailing Standards have been published in the Federal Register.


Here's your chance to learn how to develop your response to the Federal Register notice by the September 14th comment deadline.


August 27, 2011

 **Federal Times:** The U.S. Postal Service last year reduced by nearly a third the number of hours it pays some employees to do nothing, a report by the agency's inspector general shows. From almost 1.25 million hours in fiscal 2009, the amount of "stand-by time" tumbled to about 875,400 hours last year and is on track to fall even more in fiscal 2011, which ends next month, the report found. The cost of that time fell accordingly from \$30.8 million in 2009 to \$22 million last year. The cost for the first six months of fiscal 2011 dropped to \$4.3 million.

 **The Portland Press Herald:** The U.S. Postal Service has recently seen a surge of media coverage. Some is based upon false assumptions and a lack of understanding about the challenges facing the nation's postal system. Here are the facts.

 **NorthWest Indiana:** The U.S. Postal Inspection Service warns consumers to beware of bogus change--of--address websites. According to the agency, postal inspectors are discovering that people have been paying for a change of address on websites with domain names that appear to be associated with the Postal Service but are not. Some people have been charged up to \$30 for a change and at times the change never gets made. If you want to submit a change of address online, ensure that you are using the U.S. Postal Services' official website at www.usps.com. The Postal Service charges a \$1 verification fee for online change of address requests and for those requesting a change by calling the service at (800) ASK--USPS (275--8777).


 **Irish Times:** The quality of An Posts delivery service was below target for the first six months of this year, according to a new report from the Commission for Communications Regulation (ComReg). Overall, 84 per cent of mail was delivered within one working day throughout the State, a 1 per cent drop on the same period in 2010 and well below An Post's 94 per cent target for next-day delivery.

 **Spice Islander:** Minister of Works and Public Utilities, Hon. Joseph Gilbert, has commended the management of the Grenada Postal Corporation (GPC) for its leadership of the company, including the introduction of new initiatives to keep the corporation viable.




From the Federal Register:


- Housing and Urban Development Department **NOTICES** Agency Information Collection Activities; Proposals, Submissions, and Approvals: United States Postal Service Vacancy Data User Verification Page , 53692--53693 [2011--22031] [[TEXT](#)]


 The Postal Service has released to all MTAC members copies of the presentations and proceedings associated with a recent workshop on postal costing:

- [USPS Product Cost Workshop Summary](#)
- [USPS Product Cost Workshop Presentation](#)
 - [Sum Cost Workshop MTAC 18 8 17 11](#)

 **PostCom Members!** You are invited to join the **Mailing and Fulfillment Service Association** on Friday, September 9th at 10:30 am Eastern for the first in a series of postal webinars led by top officials in the USPS exclusively for MFSA members. **Paul Vogel**, Chief Marketing and Sales Officer for the USPS will discuss a variety of current sales initiatives that the Postal Service is developing to increase mail volume. **Title: *Postal Sales Initiatives to Increase Mail Volume*** **Date:** Friday, September 9, 2011 **Time:** 10:30 - 11:30 AM EDT. Reserve your Webinar seat now at: <https://www1.gotomeeting.com/register/602208432>

 **KCAU:** Congressman Steve King (R-IA), Senator Chuck Grassley (R-IA) and Senator Tom Harkin (D-IA) announce that they have formally requested that the United States Postal Service delay the implementation of its plan to consolidate mail processing operations in Sioux City with a mail processing center in Sioux Falls, South Dakota. The request was made in a letter sent by the three Members of Congress to Postmaster General Patrick Donahoe this afternoon. The letter notes that a delay in the final implementation of the consolidation proposal is warranted and necessary because the USPS has spent weeks stalling the release of information sought by Sioux City officials attempting to prepare a counter proposal in advance of the September 16 deadline.


 **Attention PostalOne!® ½ Users: Release 27.0.2 August 28, 2011 New Mail.dat Client and Rounding Rule** -- Release notes for 27.0.2 will be published with corrections. Please note that there is a choice whether or not to download the new Mail.dat client that enables this new rounding rule. For 3.5oz First Class Mail, Automation Letters were Failing Client Validation (Error 4047), when the weight is rounded to 0.21875 lbs (3.500 oz). The change allows letters weighing 0.21875 lbs lb and rounded to 0.2188 in the Mail.dat file to qualify as 3.5 oz letters. It is required to download the new Mail.dat client for this correction. To avoid this rounding rule do not download the new Mail.dat client. The Mail.dat client has no other change for this release. [75236]

 **American Postal Workers Union:** The USPS has instructed Area Labor Relations Managers that employees may not be excessed because they fail to bid on Non-Traditional Full-Time (NTFT) duty assignments. The notice [PDF] was sent in response to union allegations that management is trying to force senior employees to resign or retire by threatening to reassign them outside of their bid office if they don't bid on non-traditional jobs. In an e-mail message to the field, the Area Manager for Labor Relations wrote, "APWU President Cliff Guffey has informed us that he has received reports from union representatives in the field that some managers have told employees that they will be excessed if they fail to bid on NTFT duty assignments." "So don't be intimidated to quit, and don't be coerced into bidding on a non-traditional assignment unless you want it," Guffey advised.

August 26, 2011


Mailers' Technical Advisory Committee (MTAC) The USPS announces the withdrawal of the Proposed Rule, Revised: *Changes to Move Update Standards*, published in the Federal Register July 12, 2011. This Federal Register notice proposed the revision to the Move Update standards to require mailers to update their address lists with changes-of-address filed by postal employees, commonly known as Moved-Left-No-Address and PO-Box-Closed,-No-Forwarding-Order (MLNA/BCNO) orders. A current analysis of the annual volume of MLNA/BCNO orders filed shows a significant decline since the date of the proposed inclusion of MLNA/BCNO as part of the Move Update standard. By

removing the MLNA/BCNO requirement the USPS is hopeful the mailing industry will instead focus their efforts on the implementation of the Full Service Intelligent Mail barcode program.

 **Courier, Express, and Postal Observer:** The Postal Service's insolvency at the end of fiscal year 2011 will be the difference between its undisputed obligations and its ability to pay. Based on recent estimates, the Postal Service will have to default on \$3.292 billion of its bills and interest payments. As the Postal Service pays most of its bills within 30 days and payroll more frequently, it is clear that the Postal Service will not pay the following bills over the next 90 days: (1) PAEA retiree health benefit premium (2) Workers compensation liability premium (3) Interest on debt.

 **At the Postal Regulatory Commission:**


- **MT2011-3** Amended Every Door Direct Mail - Retail Data Collection Report for FY 2011, Quarter 3
<http://www.prc.gov/docs/75/75150/AMEDDMRetail%20FY11Q3%20DCR.pdf>
http://www.prc.gov/docs/75/75150/AM_PRC_EDDMR_Data_FY11Q3.xls

 **Courier, Express, and Postal Observer:** Purolator International has announced that it will open 10 new branch offices during 2011, more than doubling its presence in the U.S. Seven of these offices have already opened, with the remainder due to open by the end of the year. Purolator's expansion in the United States heats up both cross-border US-Canada competition as well as competition in the United States domestic parcel market. Upon completion of its expansion, Purolator will have 20 offices including 18 in the top US markets. Purolator's regional office expansions illustrates the impact of the surge in demand transporting goods between the United States and Canada.





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


- **[Postal Vehicle Services -- Scheduling and Staffing -- Western Pennsylvania District \(Report Number NL-AR-11-005\)](#)**. During our review we determined that the Western Pennsylvania District can more efficiently and effectively manage PVS transportation processes and schedules, thereby reducing driver workhours and associated fuel use and damage claims. In addition, the Postal Service could use alternate schedules to include split days off. This would allow managers to more efficiently staff operations and match workhours with workload. By making these changes, we estimate the Western Pennsylvania District could save about \$10 million in labor and related costs over 10 years or about \$1 million annually.
- **[Stand-by Time Management Advisory \(Report Number HR-MA-11-003\)](#)**. Nationwide, stand-by time has declined in the last 2 years due to factors including reductions in complement to align more closely with workload, planned retirements, and retirement offerings made to APWU employees. During our survey, we visited the Dallas and Detroit Processing and Distribution Centers (P&DCs), two locations with the most stand-by time. We found that Postal Service officials at these P&DCs did not always record stand-by time properly, which resulted in improper stand-by overtime charges and incorrect charges to operational stand-by codes. In addition, we reviewed the stand-by time recorded in the two districts to assess whether there were trends of excessive or improper use by employees or other indications of fraud regarding the use of stand-by time and we did not identify any indications of improper or fraudulent use. As a result of our survey work and because the use of stand-by time has significantly decreased, we elected not to conduct additional fieldwork at this time.
- **[Postal Service Five-Year Financial Plan \(Report Number FT-MA-11-004\)](#)**. This review was to evaluate the reasonableness of assumptions used to create the Five-Year Financial Plan. Overall, the assumptions used in the Postal Service's Five-Year Financial Plan are reasonable. However, there are some areas to consider for future plan updates.


 **Courier, Express, and Postal Observer:** The cost savings of using a consolidator and Parcel Select have been obvious for some time. Retailers, even those who can negotiate large discounts off of the commercial tariffs including discounts off of minimum charges and home delivery charges are able to meet their customer's delivery

requirements at a combined consolidator-USPS price that can be between half and 80% of what UPS or FedEx ground delivery would be. However, it is the service quality, and in particular service quality driven by drop-shipping parcels close to the recipient that makes Parcel Select delivery work. Without service quality that meets a retailer's service quality requirements, no price differential would be sufficient.

 [PostalReporter News Blog](#): In the second segment of his video series on the "State of Our Business," PMG Pat Donahoe offers additional details on the Postal Service's serious financial issues. He also discusses operational changes and other steps the Postal Service and Congress must take to address these issues. Donahoe has recorded a message in video and audio formats so every facility can access it. It's available on the Postmaster General's page on Blue, and he's asking all employees to view or listen to the message by Sept. 7. Managers and Postmasters will facilitate employee access where necessary. In his message, Donahoe reminds viewers USPS must overcome the consequences of declining First-Class Mail volume. He says the Postal Service -- on its own and with Congress -- can act now to restore stability. He calls on Congress to relieve USPS of its burdensome retiree health insurance payment schedule, to refund overpayments to FERS and to allow USPS to move from a 6- to 5-day delivery week.

 [The 3rd UNI Post & Logistics Global Union World Conference](#), will take place from Wednesday, 7 September to Friday, 9 September 2011, in Washington DC, United States. Global postal union leaders are meeting to discuss challenges facing the postal sector as the United States Postal Service (USPS) faces insolvency. Issues such as postal innovations, organising multinational post & logistics companies and responding to privatization and liberalisation will be discussed at the 3rd UNI Post & Logistics Global Union World Conference being held September 7-9 at the Hilton hotel in Washington D.C.

 [The Independent](#): Royal Mail narrowly missed its delivery targets in the spring, but more than nine out of 10 first and second-class letters were delivered on time in recent weeks, the postal group reported today

 [NALC Activist](#): The American public's approval of Congress is at an all-time low--13 percent, according to a new Gallup poll. Yet Congress is taking extraordinary steps to avoid hearing the inevitable bad news from their constituents: that they are not doing enough to create jobs. No Labels, a non-partisan think tank called every congressional office to inquire about town hall meetings. The group found that 60 percent had no plans at all to host an event to hear from the constituents they represent. Further, a few members of Congress among the remaining 40 percent have even decided to charge for admission to their town halls--between \$10 and \$35--which will inevitably eliminate the bulk of the constituents who are feeling the brunt of Congress' failure to take action on job creation.



DMM Advisory: International Mailings of Lithium Batteries. Yesterday the *Federal Register* published our International Mail Manual (IMM) 1/2 final rule that incorporates new maximum limits on the mailing of lithium batteries to international addresses and to and from APO/FPO/DPO destination addresses. This final rule invites customers to comment on or before September 26, 2011. The complete final rule [Federal Register](#) can be found on the Postal Explorer^{1/2} website at pe.usps.com.



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

- USPS Wants to Increase IMb Full-Service Participation
- Intelligent Mail Parcel Barcode (IMpb) Rules Out Soon
- USPS to Withdraw Proposed Move Update Change
- USPS Puts Secure Destruction Service Plan on Hold
- USPS Lays Out Time Line for Network Optimization Concept
- PostCom to Focus on Network Optimization Communications
- New IMb Full-Service ACS Charges Process to Start in September
- MTAC Group Looks at Improving Parcels Visibility
- MTAC Group to Take On Re-Directs Issues
- Comments due Sept 14 on Folded Self Mailers Rules

- Industry Wants Better Options for Heavy BPM Pieces
- Use of Requested In-Home Dates Problematic for USPS
- MTAC Group to Focus on Address Quality Initiatives
- SuiteLink Update
- Team Forming to Work on FastForward Retirement Transition
- More New MTAC Workgroups Formed
 - Lots of goodies on folded self-mailers



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

- The Postal Service published its unaudited July results with the Postal Regulatory Commission. USPS lost \$1.3 billion in July 2011. The year-to-date loss for FY2011 is \$7.0 billion. The Postal Service's controllable operating loss for the year would be \$1.7 billion if it did not have over \$5.0 billion in retiree health fund prepayment or workers compensation.
- The Congressional Research Service (CRS) released a report this month titled "The U.S. Postal Service: Common Questions About Post Office Closures." CRS discusses the USPS' late July 2011 announcement it is considering closing over 3,600 retail postal facilities, as well as the four bills in the 112th Congress that carry provisions addressing post offices and the public's access to retail postal services.
- The USPS Office of Inspector General (OIG) suggests that ". . . the Postal Service may want to explore a reasonable relaxation of service standards as one alternative for saving costs. To provide the Postal Service and policymakers with more information on this option, the U.S. Postal Service Office of Inspector General (OIG) Risk Analysis Research Center (RARC) contracted with Christensen Associates (Christensen) to conduct basic research to identify and measure service-related costs."
- Senate postal hearing scheduled. Two new CPI figures available. MTAC forms new workgroup. IWCO Direct gets new ceo. USPS stiffed again. More on QR Codes. Stories to follow over the next month.
- Postal Service information alerts.
- An update on key docket activity at the PRC.
- An update from the USPS Office of Inspector General.
- Proposed rules, final rules, and other items in the Federal Register
- 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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Washington Post: What the U.S. Postal Service can't win at the bargaining table, it hopes to get in the halls of Congress. If it is successful, it would set a new stage in labor relations that would send shivers through labor organizations far removed from the post office. Even as the USPS is negotiating with its unions, it has unveiled a proposal to have Congress eliminate no-layoff provisions in postal union contracts. Postal negotiators raised that provision during talks that concluded this spring with the American Postal Workers Union, but APWU President Cliff Guffey said the union compromised in other areas to keep the no-layoff provision intact. Now, postal officials "want to walk away from things they gave up," he said.


U.S. Department of State: In October 2010, **the White House and Secretary of State Hillary Clinton approved the nomination of Mr. Dennis Delehanty, Director for Postal Affairs in the IO Bureau, as candidate for Deputy Director General of the Universal Postal Union (UPU).** The UPU is a UN specialized agency responsible for coordinating a universal postal network among its 191 member countries. The election for Deputy Director





General will be held in Doha at the next UPU Congress in October 2012 by a majority of the members present and eligible to vote. Mr. Delehanty has a long track record of effective work within the UPU. From his role in the creation of the EMS (Express Mail Service) Cooperative -- one of the UPU's great success stories -- to his six years of service on the Board of Trustees of the Quality of Service Fund (a type of development resource for the posts of developing countries), to his leadership on UPU results-based management and, more recently, his work on UPU financial and human resources policies, Mr. Delehanty has repeatedly demonstrated his ability to serve as Deputy Director General. Besides his seven years in Bern at the UPU's International Bureau, Mr. Delehanty has served in key positions at the U.S. Postal Service and the Department of State. On April 13, 2011 **U.S. Postmaster General Patrick R. Donahoe addressed letters to countries around the world expressing his support for the candidacy of Dennis Delehanty for Deputy Director General at the Universal Postal Union (UPU) and encouraging them to vote for the U.S. candidate.**


 [American Postal Workers Union](#): Thousands of Part-Time Flexibles and Part-Time Regulars in the Clerk and Motor Vehicle Crafts will be converted to regular Aug. 27 under the terms of the 2010-2015 Collective Bargaining Agreement. The newly converted regulars should be assigned to residual full-time assignments -- with either traditional schedules or non-traditional schedules. However, there are no residual Non-Traditional Full-Time (NTFT) vacancies, because management failed to allow proper opportunities for union input, and failed to post NTFT positions for bid by regulars. Rumors have been swirling, however, that management plans to assign the newly converted regulars non-traditional schedules. Controversy over the conversions deepened when the union learned that postal officials at the national level had notified managers in the field that the new regulars could be designated as unencumbered and/or unassigned employees with non-traditional schedules -- even though the duty assignments had not been posted for bid.

 [Press Release](#): UPS has announced the purchase of 100 all-electric delivery vehicles for deployment in California, bolstering UPS's continuing effort to reduce the emissions of its truck fleet and improve its energy security. The 100 vehicles will be acquired from Electric Vehicles International (EVI) of Stockton, Calif., and will replace older generation diesel trucks in the largest single deployment of zero tailpipe emission delivery vehicles in the state. These electric vehicles will have a 90-mile range and displace an estimated 126,000 gallons of fuel a year that would have been burned running diesel trucks.


 [The New American](#): In his report to a Senate subcommittee Postmaster General Patrick Donahoe (left) spelled out clearly why the U.S. Postal Service can't make any money: too many cooks in the kitchen. Hamstrung and limited by rules and "stakeholders" with differing and often competing agendas, what's remarkable is that the postal service isn't deeper in the hole. Heaven knows, he's trying.


 [Bluefield Daily Telegraph](#): U.S. Rep. Nick Rahall, D-W.Va., is encouraging residents from around southern West Virginia and Southwestern Virginia to come out to a public meeting concerning the consolidation of local postal facilities. Rahall announced Thursday that he will be in attendance at the public meeting organized by the U.S. Postal Service regarding the Bluefield Customer Service Mail Processing Center. The meeting will be held on Monday, Aug. 29. at 7 p.m. at the Bluefield Auditorium on Stadium Drive. The Bluefield Distribution and Processing Center has been undergoing a study to determine whether or not to consolidate it with another facility in Johnson City, Tenn. and Charleston. The center not only serves West Virginia residents but Virginia residents as well.

 [The National Business Review](#): New Zealand Post has made a loss of \$35.6 million over the last year. Earlier this year the postal services group flagged it wasn't expecting to meet its targeted \$60.8 million net profit due to the earthquake and weak trading conditions. Financial results released this morning reveal the Canterbury earthquakes had cost the company \$29.1 million in the year to June 30. Last year the group was \$1.3 million in profit. See also the [New Zealand Herald](#).


 [DMM Advisory](#): **Reply Rides Free Incentive Program -- URL Change.** The August 11, 2011, [Postal Bulletin](#) Domestic Mail Manual (DMM^{i6½}) article about the Reply Rides Free Incentive Program contains a URL for use by mail owners wishing to participate in the program. Since publication, the URL has been


changed and can be found at: <https://www.usps.com/business/promotions/reply-rides-free.htm>. The URL will also be corrected in the October 2011 online DMM.


 [Dead Tree Edition](#): Is USPS Underestimating the Number of Layoffs Its Downsizing Plan Would Require?


 [Post & Parcel](#): Canada Post has restructured its top-level management to create two distinct business units -- one for physical mail delivery and the other for digital mail delivery. The move sets up the company to gun for growth in digital communications, but also the booming e-commerce parcels market.


August 25, 2011


 [Federal Times](#): The U.S. Postal Service's proposal to pull out of federal health care plans would shift the bulk of nearly a half-million retirees' health care coverage onto Medicare. If approved, several observers said, employees and retirees would almost certainly end up with greatly reduced benefits, increased employee costs or both. Walt Francis, an expert on federal health care systems who writes the annual Checkbook guide to health plans, blasted the Postal Service's plans as "nonsensical" and "absurd." He suspects the Postal Service's threat to pull out of FEHBP is a ploy to force Congress to relieve its retiree pre-funding problem. OPM would not comment on the Postal Service's plans, and what they might mean for FEHBP and current retirement systems.


 **REMINDER**: This Sunday, Aug 28, 2011 PostalOne! will be unavailable due to system maintenance and deployment of a scheduled patch release (27.0.2). Please, be advised that the outage window is being expanded to begin at 3:00am but will conclude at 8:00am. The full updated description of this event follows: The PostalOne! System will undergo normal maintenance and deploy application patch release 27.0.2 during an expanded scheduled maintenance window 3 a.m. to 8 a.m. [CDT] on Sunday, August 28, 2011. The PostalOne! System [including FAST OPS, Web Services and BIDS microstrategy reporting environment] will be unavailable to internal and external users during this time for both PRODUCTION and TEM environments.

 [Statepress](#): "Snail mail" may just be on its way to the dustbin of history. Now, little kids send emails to Santa, high-school seniors often receive their college admission notices through the Internet and we can instantly let our friends know what we are up to with the click of a button. Skype, Facebook and the other social media outlets are not making the post office's job any easier. These means of communication offer features that the USPS would never be able to provide. As social media expands and generations grow up without a visible mail system, staying current will remain a challenge for the USPS.


 [YLE](#): A planned walkout by postal employees may shut all post offices at 2pm on Thursday. The action will not affect post points that operate in conjunction with other businesses. Post service provider Itella says that the potential walkout runs counter to the industry agreement between the employer and the employees. The head of the Finnish Post and Logistics Union PAU, Esa Vilkuna, admits that the action is unlawful but calls it "understandable."


 [Ice News](#): Icelandic postmen and women are this week burdened with bags which are twice as heavy even than in Christmas week. Pressure on Iceland Post's telephone switchboards is also higher than usual this week and early next week. The reason for all the fuss? The new IKEA catalogue is being delivered to every home in the country. The comprehensive (and chunky) IKEA catalogue is sent to every house in Iceland once a year and the postal service is never busier than this week. 118,000 homes in total.


 [Hellmail](#): Postcomm, the UK postal regulator, received three new applications for postal licenses this month - ASA Distribution Limited, Zone Marketing, and one sole trader. There are currently 57 licensed operators in the UK, including the Royal Mail. The licences are issued on a rolling ten-year basis period, requiring licence holders to comply with codes of practice on mail integrity (safety and security of the mail) and common operational procedures (designed to ensure the multi-operator market works well in practice).

 [Hellmail](#): Latvian Post is to collect an international prize for its implementation of new technology designed to improve quality of service. The automation was realized by the Universal Postal Union Quality of service fund - co-financing a single service system, and significantly speeding up the customer service process. Among the most

important benefits of the project include the fact that the new equipment provides tracking for both domestic and international registered mail.


 [Gulf Daily News](#): Residents in some of Bahrain's most high-profile housing projects will not receive any mail for up to four months after the government cancelled postal deliveries. Transportation Ministry officials confirmed luxury developments such as Amwaj Islands, Riffa Views and Durrat Al Bahrain had been caught up in a dispute about who should be responsible for providing the service. Around 5,500 people are believed to have been affected by the stalemate. A ministry statement said Bahrain Post had reached an agreement with Amwaj Islands management to instal post boxes for residents to solve the problem. "Unfortunately, up to date no action has been made," it said. "In this regard, the delivery of mail is the sole responsibility of all property developers," the statement added.


 [AllAfrica.com](#): Kenya risks widening the digital divide among its masses unless ICT infrastructure is evenly distributed across the country. A new ICT access gaps study indicates that despite Kenya's rapid ICT growth there is danger that some sections of the masses, especially in rural areas, could be left behind. Broadband shall provide the much needed interface between the telecommunication and postal/courier industry. As the data infrastructure and services continue to grow, the postal and courier industry shall provide the last mile connectivity by undertaking home delivery of goods transacted through e-commerce.

 [The Iowa State Daily](#): The Postal Service should try to understand the modern world we live in. With newer, faster methods of communicating -- first it was faxes and later email, then instant messaging and text messages -- the Postal Service needs to adjust. Offices and stations might not be necessary everywhere. Comparatively, few rural communities have grocery stores and shopping districts. Some don't even have a church. Why should they have a post office?

 [From the Federal Register](#):


Postal Regulatory Commission	
NOTICES	
Post Office Closings ,	
53159--53160 [2011--21691]	[TEXT] [PDF]
Postal Service Rate Adjustments ,	
53160--53162 [2011--21690]	[TEXT] [PDF]
Postal Service	
RULES	
National Environmental Policy Act Procedures ,	
53057 [2011--21698]	[TEXT] [PDF]
Outbound International Mailings of Lithium Batteries ,	
53056--53057 [2011--21443]	[TEXT] [PDF]

 [Hellmail](#): P2P Mailing Limited, the mailing and distribution solutions provider, has launched its new Reverse Logistics Solution for internet and catalogue retailers wishing to offer their European customers a returns option. As the e-commerce market becomes increasingly competitive, offering an efficient returns solution has become an important differentiator between companies.

 [The Institute of Direct and Digital Marketing](#): Nine in ten Brits are willing to receive unaddressed mail through their front door from retailers, according to new research.


 *At the Postal Regulatory Commission:*


- **N2011-1 USPS-LR-N2011-1/5** - Facility-Specific Coast and Revenue Data Tracked by USPS Retail Facility Finance Number
<http://www.prc.gov/docs/75/75092/LR.5.pdf>
- **N2011-1 USPS-LR-N2011-1/NP3** - Facility-Specific Cost and Revenue Data Tracked by USPS Retail Facility Finance Number (Non-Public)
- **National Trial Balance**, July, 2011 (FY2011) and Statement of Revenue and Expenses, July, 2011 (FY 2011)
[http://www.prc.gov/docs/75/75094/National Trial Balance - Redacted July 2011 \(FY 2011\).xls](http://www.prc.gov/docs/75/75094/National Trial Balance - Redacted July 2011 (FY 2011).xls)
http://www.prc.gov/docs/75/75094/NTB_SRE_JULY2011-FY2011_001.pdf
[http://www.prc.gov/docs/75/75094/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted%20%20July%202011%20\(FY%202011\).xls](http://www.prc.gov/docs/75/75094/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted%20%20July%202011%20(FY%202011).xls)
- **USPS Preliminary Financial Information** (unaudited), July, 2011
[http://www.prc.gov/docs/75/75095/USPS Preliminary Financial Information. \(Unaudited\) .pdf](http://www.prc.gov/docs/75/75095/USPS Preliminary Financial Information. (Unaudited) .pdf)

 [The Cherokeean Herald](#): The U.S. Postal Service headquarters is telling its marketing and management team to back off comments critical of newspapers as they promote the new Every Door Direct Mail advertising option. A spate of complaints from newspapers about postmasters and marketing reps who were "trashing" newspaper advertising when they introduced local businesses to the new EDDM saturation mail program led the National Newspaper Association to urgently seek a correction from USPS. Postal Service headquarters advised Max Heath, NNA Postal Committee chair, this week that a new directive has now been issued. Postal employees are being directed to position direct mail as an option to be used in addition to other media, not as a replacement.

August 24, 2011



EMA's Mailing Industry Job Study - The Importance of the Mailing Industry to US Economy
Join us for a Webinar on August 25
REGISTER NOW
Space is limited.
Reserve your Webinar seat now at: https://www1.gotomeeting.com/register/990394936
Join The Association for Postal Commerce for a webinar on Thursday, August 25th at 1:00 PM Eastern presented by Cheryl Chapman, chairman of the EMA Foundation Institute for Postal Studies as she discusses the EMA Foundation for Paper-Based Communications' Institute for Postal Studies 2010 Mailing Industry Job Study. The study reveals that the overall impact of the industry remains strong and determined that there were approximately 8.4 million jobs and \$1.139 trillion in sales revenue associated with the mailing industry. Find out the details that show how important the mailing industry is to the US economy representing over 7% of the nation's GDP and over 6% of the nation's jobs.
Title: EMA's Mailing Industry Job Study - The Importance of the Mailing Industry to US Economy Date: Thursday, August 25, 2011 Time: 1:00 PM - 2:00 PM EDT

 **DMM Advisory: IMb™ Services Update. USPS Support of IDEAlliance Specifications** — In November 2011 (Release 28) and January 2012 (Release 29), the Postal Service™ will release software for the *PostalOne!*® and Facility Access and Shipment Tracking (FAST®) systems that include IDEAlliance® Mail.dat® and Mail.XML® specification support. We have identified changes in the support of IDEAlliance versions for eDocs and postage statements, as well as for FAST, Data Distribution, and profile functionality. All mailers should review the updated guidelines for Mail.dat and Mail.XML version support in November 2011 and January 2012 on [RIBBS](#)®.


 **Post & Parcel:** Swiss Post has begun distributing international editions of national newspapers to locations in Cyprus and Malta through a hybrid mail system. Since July, the company has been transmitting copies of the Swiss German-language newspapers *Neue Zürcher Zeitung (NZZ)*, *Blick* and *SonntagsBlick* electronically to local printers in the Mediterranean islands, where the papers are then printed on newsprint to be sold physically. Swiss Post International subsidiary Export Distribution Services AG is managing the process, which aims to provide Swiss tourists with daily newspapers with the right “look and feel” to which they are accustomed. And, the hybrid mail process means newspapers are available on the day of publication.


 *At the Postal Regulatory Commission:*


- **CP2010-64** Notice of United States Postal Service Response to Commission Request
<http://www.prc.gov/docs/75/75058/CP2010-64%20PerfmRept%20NetSummaryPublic.xls>
<http://www.prc.gov/docs/75/75058/CP2010-64%202010%20Perfm%20Rept%20Public.xls>
<http://www.prc.gov/docs/75/75058/CP2010-64%202011%20Perfm%20Rept%20Public.xls>
<http://www.prc.gov/docs/75/75058/CP2010-64%20USPS%20Performance%20Report.pdf>
- **CP2010-65** Notice of United States Postal Service Response to Commission Request
<http://www.prc.gov/docs/75/75059/CP2010-65%20USPS%20Performance%20Report.pdf>
<http://www.prc.gov/docs/75/75059/CP2010-65%20PerfmRept%20NetSummaryPublic.xls>
<http://www.prc.gov/docs/75/75059/CP2010-65%202010%20Perfm%20Rept%20Public.xls>
<http://www.prc.gov/docs/75/75059/CP2010-65%202011%20Perfm%20Rept%20Public.xls>


 **Azerbaijan Business Center:** Azerbaijan expects connection of 62,5% of postal departments to system of observing of mailing pieces to the country regions. Head of Postal Sector of Communication and Information Technologies Ministry Novruz Mammadov has reported that at present Azerbaijan numbers 1600 mail departments.


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

 Austrian Post further improved its result in the second quarter this year. Revenue grew 4.2% while the operating result (EBIT) rose by over 11% (32.5m euro) and net profit was up more than 19% (24.6m euro). The improved results are mainly attributable to austerity measures and a new pricing structure in the mail segment.


 Japan Post's reorganisation is still frozen. The postal reform bills aimed at splitting up the Japanese post into three independent entities has become impossible to pass during the current diet session which ends on August 31.


 Itella plans to realise three-digit million savings by a retrenchment program in the next three years. Last week the Finnish post announced to reduce its operating costs by 100m euro. According to the official statement the main goal was to adapt services to the changing demand.


 Portuguese CTT Correios faced a continued decline in turnover in the first half year 2011. The continued decline in letter mail volume is apparently the main reason for this development.


 Canada Post recorded a significantly lower operating result in 2010 despite a slight increase in revenue.


 Austrian Post plans to offer more customer-friendly solutions in the parcel sector.


 Search engine Google scored another coup with its Google catalogs application. With this cost-free tool owners of an iPad can view catalogues of several mail order companies on their tablet. Bloomingdale's, Crate and Barrel, L.L. Bean, Lands' End, Macy's, Neiman Marcus, Nordstrom and Saks Fifth Avenue are among the companies already listed.


 Russia Post increased its turnover by 16% to 1.37bn euro in the first half year of the current business year. According to the official statement this result was achieved due to changes made in social security service tariffs.


 DHL Express Ireland achieved a turn around in 2010 due to job cuts and strict austerity measures.

 TNT Post started to put up its own letter boxes in Germany.

 The Philippine post will be headed by a woman for the first time ever. Maria Josefina M. Dela Cruz already assumed office in the middle of July replacing Antonio De Guzman as postmaster general who just spent 8 months in office. At her handover ceremony she said that PhilPost would soon be 'reliable and efficient'.


 UPS appointed a new president of UPS Europe. Jim Barber, who has been COO of the UPS Europe region, will succeed Wolfgang Flick who goes into retirement after 35 years of service.


 TNT Express appointed a new managing director for its Indian unit. Gerry Power joined TNT over 25 years ago and held a number of senior management positions in the United Kingdom, Amsterdam and Asia. The last position he took was managing director of TNT Malaysia. He succeeds Abhik Mitra.


 The Chilean post has to look for a new CEO. Chile's president Sebastián Piñerain has appointed Domingo Cruzat Amunátegui, CEO of Correos de Chile, as the new chairman of state holding SEP. In the previous week the former chairman of the state holding surprisingly stepped down. It is still unclear who will succeed Amunátegui.




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.)*


 [Printing Impressions](#): IWCO Direct, a leading national provider of direct marketing solutions, announced that Joseph F. Morrison, currently executive vice president and chief financial officer, will take on an expanded role as president. Patrick Deck has been named executive vice president, chief marketing officer (CMO). James N. Andersen will continue as CEO and will devote additional energies to IWCO Direct's growth strategies. Tom Wicka, who has served as executive vice president, chief marketing officer, will continue to provide leadership as a member of the board of directors.

 [New York Times](#): After an earthquake rocked the Capitol on Tuesday afternoon and caused the evacuation of the centuries-old building, the Senate was forced to convene a few blocks away in a remarkable off-site session that essentially served as a dry run for procedures put in place after the Sept. 11 attacks. Because of an ongoing political spat over Congressional recess appointments, the Senate was scheduled to meet at 2:30 p.m. to comply with the constitutional requirement that neither chamber adjourn for more than three days without the consent of the other. *[EdNote: But did they DO anything? Nope. Just a pro forma. . . . There you go again. Hoping for too much.]*

 [Huffington Post](#): The August 15 New York Times front page boldly featured a menacing headline, "A Businessman in Congress Helps His District and Himself," whose accompanying article slams House Government Oversight Committee Chairman Darrell Issa (R-Calif.). However, key facts in the story are inaccurate and the headline crumbles without these facts. Amazingly, the New York Times has as of this writing failed to make any

correction other than a correcting a typo. First, reporter Eric Lichtblau even got the description of Issa's building in downtown San Diego wrong. It gets worse. Lichtblau's intent is clear: To defame Issa.


 **The Bulletin:** The United States Postal Service study to determine the feasibility of closing 3,600 locations and laying off thousands of employees has caught the attention of the National Association for Equal Justice in America, and the organization has written President Barack Obama asking him to stop the process.


 **Sioux City Journal:** Lack of U.S. Postal Service cooperation with our local and congressional leaders over the planned closing of Sioux City's Mail Distribution and Processing Center continues to baffle us. The whole frustrating process sinks to more ridiculous depths by the week. The most recent oddities were reported by Lynn Zerschling in Saturday's Journal. In the story, U.S. Rep. Steve King, R-Iowa, expressed frustration at recent unmet promises, lack of responses to inquiries and mixed messages with respect to release of "unredacted data" in the feasibility study on which the decision to close the local center was based and a supposed meeting between local and USPS officials about the closing. "It is clear," King said, "that the USPS is attempting to run out the clock between now and the Oct. 1 deadline it has set for completing the move of processing operations to Sioux Falls."


 *From the Federal Register:*


Postal Regulatory Commission	
PROPOSED RULES	
Periodic Reporting ,	
52915–52917 [2011–21581]	[TEXT] [PDF]

 **Congressional Research Service:** "The U.S. Postal Service: Common Questions About Post Office Closures"


 **The Hindu:** Faced with the challenge posed by the Information Technology revolution, the Ministry of Communications plans to have integrated postal services in two years.


 **Post & Parcel:** The US Postal Service has encouraged thousands of new businesses into using the mail for local advertising campaigns over the summer, with its new simplified address service. Every Door Direct Mail, as the service is called, was launched back in April, offering businesses an easier way to mail items to every doorstep in a given area, without having to get hold of specific addresses for individual households.


 **BCLocalNews:** Canada Post Corporation (CPC) has posted its best year ever in profit, says its Annual Report. CPC's net income was \$443 million, besting a previous record from 2009 of \$281 million. The record can be attributed largely to productivity increases: while lettermail volume has declined 10.2 per cent since 2007, paid hours of mail processing work have dropped 15.9 per cent. In all, in spite of an overall volume decrease of 1.8 per cent from 2009, higher productivity of postal workers has boosted Canada Post's performance to its second-best year ever in income from operations, next to 2009. This resulted in a return on equity of 21.8 per cent, a fantastic asset for citizens, who own the crown corporation.

 **SunNewsOnline:** The 5th Universal Postal Union international conference put together for designated post operators in the Anglophone West Africa Countries to deliberate on issues that bind the affected countries as one family in the Postal Service has ended in Lagos. The four-day conference titled 'Enhancing Quality Service and Competence', took place at the Welcome Centre Hotel, Ikeja, and the Participating countries, Gambia, Liberia, Ghana, Nigeria and Sierra Leone were fully represented. In an address, the Post Master-General and Chief Executive Officer of Nigerian Postal Service (NIPOST), Mallam Ibrahim Mori Baba, said major assignment of the conference was to articulate ideas, aimed at fostering, evaluating the achievements the designated operators have made in the project milestones and to ensure quality of service certification and application.


August 23, 2011


 [The Economist](#): FEW people under 30 make much use of “snail mail” anymore. But Stephen Harper, Canada’s Conservative prime minister, is 52, and judged that a labour dispute which had interrupted postal service for three weeks was causing enough damage that the government should pass a law on June 26th to order employees back to work. Although Canada faces far greater economic threats than a work stoppage in a shrinking industry, the postal strike offered Mr Harper an irresistible opportunity to pick a favourable political fight. The standoff’s main significance was political. The Conservatives, who won a majority in May after five years of minority government, have long been hostile to unions. In contrast, the New Democrats (NDP), who came second in the vote, are a leftist party closely tied to labour. A showdown benefited both of them. It let the NDP show loyalty to its base and flex its muscles as the new official opposition, while allowing the Conservatives to land a blow on a favourite punching bag. [EdNote: Oh . . . right . . . This is about Canada. Heck, I thought it was about the U.S.]



 [Courier, Express, and Postal Observer](#): For some reason, one of the most frequent Google searches that lead people to this blog is "UPS Surepost" I checked out that search and I found that while UPS offers this product, it makes almost no effort to tell customers looking for cheap delivery of parcels between 1 and 10 pounds that it has a price competitive service.

 [Business First](#): United Parcel Service Inc. is one of three companies that are eligible to provide delivery services under an \$853.3 million U.S. Defense Department contract. The contract, awarded this month by The U.S. Transportation Command, also named Federal Express and Polar Air Cargo as potential vendors for “international commercial express package service (shipments up to and including 300 pounds) for the federal government to include all civilian agencies/organizations,” according to a Defense Department news release. Services will be provided from Oct. 1, 2011, to Sept. 30, 2012. The contract also includes four one-year renewal options. [EdNote: Yes sir. USPS needs revenue, but Fedex and UPS get the business.]

Ever notice you hear a boatload about what Congress won't do about the postal system (or won't let get done) and not a darn thing about what it's actually willing to do?

 [The Rolla Daily News](#): Rep. Jo Ann Emerson -- The U.S. Postal Service is a fundamental part of life in America – and especially in rural America. Unlike our counterparts in urban areas, Americans in rural places like Southern Missouri rely on the Postal Service to deliver prescription drugs, retail shipments, business mail and even bills to a greater extent than in the city. In fact, the newspaper you read regularly is probably delivered by the mail carrier. It is very concerning, then, that the USPS is attempting to close thousands of Post Offices across the country, many of them in rural areas. Citing a financial shortfall of \$3.1 billion in the second quarter of the year, the USPS says closing rural Post Offices will save them money. But at a cost of hundreds of thousands of customers, the last thing the Postal Service should do to save money is reduce its services.

 [Multichannel Merchant](#): The U.S. Postal Service offered a 3% promotional discount to catalogers who use two-dimensional mobile barcodes inside or on their mailings this summer. The USPS hopes the program, which ends Aug. 31, will promote integration of the direct mail and mobile channels. The idea behind the promotion is an excellent way to help drive emerging technology. Unfortunately, a sampling of catalogers that have come across my desk show the use of QR codes is poorly carried out.

	<p>♪♪"Oh I heard it -- Heard It -- Yes, I heard it through the grapevine. . . ." ♪♪</p> <p><i>The word has it that the USPS will be submitting its network realignment as a major service change to the PRC in mid September. My understanding is that the PRC will have around 90 days to make recommendations to the USPS but has no authority to prevent the USPS from implementing the changes.</i></p>	
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[Office of Rep. Steve King](#): [EdNote: This isn't pretty.]

From: Graves, Bentley
Sent: Thursday, August 18, 2011 06:08 PM
To: Calos, Sandra - Washington, DC
Cc: 'Rice, James (Grassley)'; Goldberg, Dan (HELP Committee)
Subject: Re: Sioux City AMP


"We are frustrated, Sandy. Very frustrated. I've tried Ms. Dominguez twice today, with no response. We're almost now another full week gone by with absolutely nothing to show for the time passed."


From: Graves, Bentley
Sent: Tuesday, August 16, 2011 02:41 PM
To: Calos, Sandra - Washington, DC
Cc: 'Rice, James (Grassley)'; Goldberg, Dan (HELP Committee)
Subject: Re: Sioux City AMP

"We're now more than two weeks past the day on which the postmaster general promised this information to the folks in Sioux City. Every day that goes by gives them less opportunity to review the data and weigh in. Had I not followed up again today by phone, I don't know how I'd have known that Talaya was out...and I guess we'd still just be waiting. When can we expect the release of the information? I would hope that it will be no later than tomorrow. Would it be helpful for us to speak with Ms. Dominguez directly? We cannot afford any additional delay.

From: Graves, Bentley
Sent: Tuesday, August 16, 2011 2:49 PM
To: Goldberg, Dan (HELP Committee); Rice, James (Grassley)
Subject: RE: Follow Up


I got no response. I got an out of office from Sheila. I tried to call Talaya and Sandy yesterday afternoon, left voicemails for each, and got no response from that either. I just tried both again and again got voicemail. I called the main USPS govt affairs number and was told that Talaya is out on leave. The person who answered the phone said that she'd have someone call me today, and then she transferred me to Sandy's voicemail again. This is the most frustrating thing I've ever encountered.


 [Washington Post](#): Technology, with ever-increasing frequency, can step in with the answer. Yet another option had its debut Thursday in Maryland when the state's 511 system became operational. The federally funded 511 program has been spreading across the country. Virginia expanded it statewide in 2005. The District and Delaware have yet to get on board. The system offers real-time traffic information collected by Inrix, a commercial data hub that uses a system of transponders aboard fleet vehicles, such as UPS trucks. The 511 system also provides weather, transit and tourism information, and it can connect users to other services, such as Metro and E-ZPass.

 [Washington Post](#): If the U.S. Postal Service is successful in its plan to withdraw from the Federal Employees Health Benefit Program (FEHBP), it would have ramifications for the entire federal workforce. Pulling out of the program was one of the key points in a new set of proposals the Postal Service is pushing to deal with structural financial problems that have led to \$20 billion in net losses over four years, including an \$8.5 billion loss for fiscal year 2010.




The Senate Committee on Homeland Security and Governmental Affairs will be holding a full committee hearing on the Postal Service at 10 a.m. on September 6, 2011.


 [Hellmail](#): The Envelope Manufacturers and Suppliers Association (EMSA) conducted a recent national poll that demonstrated a strong preference on the part of the public to continue receiving important bills and financial statements by mail, rather than solely online. More than 73% of the public indicated that they prefer the mail as their delivery vehicle for these important documents.


 [Washington Post](#): The U.S. Postal Service could save about \$1.5 billion annually if it relaxed its one- to three-day guarantees for First-Class and Priority Mail deliveries by a day, according to a new study. Postal executives are seriously considering the idea and are expected to announce new plans regarding delivery schedules after Labor Day, according to USPS officials.


Mailers' Technical Advisory Committee (MTAC)


The Mailers Technical Advisory Committee has formed a new work group focusing on "[Physical Location Defaults and Redirections Review](#)." Currently maintaining and determining the correct drop ship location for mail discounts is a complex process for both the USPS and the industry. Each logical drop ship location (example, SCF 100) is assigned to a single default physical USPS location. FAST then supports a set of redirections that are used to direct mail in up to 58 different ways to other USPS physical locations for that same discount level. The variables that constitute these 58 ways include postal class, processing category, palletization and specialty categories. This complexity has been mentioned as a concern in two recent USPS initiatives, Service Measurement and FSS Preparation. The task for this workgroup is to examine the current data format and business rules to determine their suitability for future postal directions. If the current arrangement is not sufficient the WG should prepare one or more changes that will accommodate the needs of the USPS and the industry.


 [Courier, Express, and Postal Observer](#): The prospects of stopping the Postal Service's new network in Congress appears limited, as Congressman Dennis Ross has indicated support for the Postal Service's actions in an interview with the Government Executive. What is most telling is how he wants the USPS transformation to "serve as a model for other government agencies in how to adapt to the 21st century." He looks at the Postal Service not as a quasi-government, quasi-business entity, but just another government entity. The APWU and other unions are facing a fight for their existence, and more importantly a fight for the jobs of their members.

 [TheLocal.de](#): Thousands of letters and packages are being stolen each year within Deutsche Post's delivery chain in what German police say is a growing trend. It's not clear why the problem seems to be increasing now. But the German Association for Post, Information Technology and Telecommunications (DVPT), which represents the interests of postal workers, blamed outsourcing.

 [Fairbanks Daily News-Miner](#): In July, the United States Postal Service targeted 36 offices in Alaska for possible closure. On Monday, 25 of those offices were removed from the list. The offices all have one thing in common: none of them are on the Alaska road system. Read more: [Fairbanks Daily News-Miner - USPS trims Alaska closure list Facilities not on road system taken off shut down roster](#)

 [The Bemidji Pioneer](#): Mayor Dave Larson and the Bemidji City Council took an official stance on the U.S. Postal Service's proposal to transfer its mail processing services from Bemidji to the St. Cloud Mail Processing Center.


 [From the Federal Register: Postal Regulatory Commission NOTICES](#) Complaints about Postal Services , 52718–52720 [2011–21415] [\[TEXT\]](#) [\[PDF\]](#) Post Office Closings , 52720–52721 [2011–21414] [\[TEXT\]](#) [\[PDF\]](#) [Postal Service RULES](#) Procedures To Adjudicate Claims for Personal Injury or Property Damage Arising Out of the Operation of the U.S. Postal Service , 52580 [2011–21444] [\[TEXT\]](#) [\[PDF\]](#)


 [Government Executive](#): Rep. Stephen Lynch, D-Mass., said USPS has other "common-sense solutions" to address its fiscal crisis without putting the burden on its employees and retirees. He pointed to legislative proposals already in play, several of which would refund the agency's overpayment to its retirement systems accounts. Rep. Dennis Ross, R-Fla., who chairs the House committee responsible for postal oversight, said USPS leaders know they must dramatically adapt and change to keep pace with a changing market. "The rightsizing and pension changes suggested are dramatic and are encouraging," he said. "I remain hopeful that any USPS transformation will serve as a model for other government agencies in how to adapt to the 21st century."


August 22, 2011


 *At the Postal Regulatory Commission:*


- **Quarterly Statistics Report, Quarters 1 through 111, FY 2011**
<http://www.prc.gov/docs/75/75035/fy2011-q1.pdf>
<http://www.prc.gov/docs/75/75035/fy2011-q2.pdf>
<http://www.prc.gov/docs/75/75035/fy2011-q3.pdf>
http://www.prc.gov/docs/75/75035/QSR_QS1-3FY2011_001.pdf
- **CP2011-68 Order No. 817** - Notice and Order Concerning Filing of an Additional Inbound Competitive Multi-Service Agreements with Foreign Postal Operators I Negotiated Service Agreement
http://www.prc.gov/docs/75/75026/Order_No_817.doc
http://www.prc.gov/docs/75/75026/Order_No_817.pdf

 **Newspapers & Technology Magazine:** RR Donnelley & Sons Co. last week acquired LibreDigital, the Austin, Texas-based developer of e-reading software and digital content distribution and business intelligence services. The purchase will extend RRD's e-reader services into the newspaper, magazine and book publishing segments, the firm said, and "enable us to offer our publishing, retail, e-reader provider and other customers an even broader selection of services," according to CEO Thomas J. Quinlan III. The acquisition of LibreDigital came only two days after RRD bought Sequence Personal, a New York-based company whose software permits users to select content that can then be digitally produced as specialty publications.

 **Post & Parcel:** Regulators in the United States have issued a final rule effectively making permanent requirements for the screening of air cargo intended for transport on passenger aircraft. The Transportation Security Administration said the rule finalises the interim measure that has been in place since September 2009, which set up the Certified Cargo Screening Program (CCSP). The CCSP established a multi-layer screening system for independent companies to be certified to carry out security checks on cargo on behalf of air carriers, with the checks taking place at offsite facilities before transporting it securely to an airport. The TSA conducts routine inspections to ensure certified screening companies are complying with the CCSP requirements.

 **Financial Times:** If the USPS does not cut thousands of jobs, defer expenditures and reduce service, executives expect losses to accelerate, raising the prospect that the US taxpayer could be forced to bail out the second-largest civilian employer in the country. Tad DeHaven, a budget analyst with the Cato Institute, a free market think-tank, argues that the peculiar structure of the USPS as a self-supporting federal entity has left it with the constraints of a governmental agency and the competitive pressures of a private company, but without the advantages of either.

 **Daily Yomiuri:** The postal reform bills aimed at transforming Japan Post Group into three entities are certain to be shelved until the next ordinary Diet session as it has become impossible to pass them during the current session, which ends on Aug. 31. How the bills will be handled in the next Diet session under a new administration after Prime Minister Naoto Kan resigns remains very fluid. The delay is expected to further hinder the management of Japan Post Group.

 **Post & Parcel:** The lower house in Brazil's National Congress is expected to conclude its deliberation of new regulations to restructure the country's Post and Telegraph Company (ECT) this week. The main text of new regulations, allowing for the modernisation of ECT, was approved by Brazil's Chamber of Deputies last week, leaving a nominal vote to be taken tomorrow (August 23) on amendments proposed by the opposition parties. Once the regulation passes the Chamber of Deputies, it will need approval from the Senate and presidential sign-off before it becomes law. The new regulations, Provisional Measure 532/11, will allow ECT to expand outside its current operational boundaries – including into the provision of electronic postal services, more financial services and logistics operations abroad. ECT will be allowed to establish new subsidiaries, operate outside Brazil for the first time by establishing foreign-based offices, and have powers to buy stakes or overall control in other companies. The new law will also see ECT given a new corporate status and management structure, under president Wagner Pinheiro with decisions taken by a board under overall chairmanship of Brazil's communications minister, Paul Bernardo.





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


Moving at the Right Speed. The Postal Service network is built to deliver First-Class Mail in 1 to 3 days. This level of service requires overnight processing and an extensive network. Could relaxing service standards be an option for the Postal Service to save costs? The new OIG white paper, [Cost of Service Standards](#), attempted to answer this question. We asked Christensen Associates to examine the opportunity for cost savings from relaxing service standards by 1 day. They found the Postal Service could save \$1.5 billion in mail processing costs for First-Class Mail, Priority Mail, and Periodicals with additional opportunities from network consolidation. We invite you to share your thoughts on this topic on our [blog](#).


New Audit Projects: [LINK](#) here to visit our audit project pages. This week we opened the following new projects:

- [Hiring Process – 11YG043HR000](#). The Postal Career executive Service (PCES) was established in 1979 to develop and maintain a highly motivated group of individuals to fill key executive level positions. Our objective is to determine whether the Postal Service followed proper procedures when hiring executive level employees. The period of our review will include individuals hired in fiscal years (FYs) 2010, 2011, and other periods as necessary. We will review and document the Postal Service’s written policies and procedures for hiring PCES employees; interview Human Resources officials to determine the process for hiring or promoting PCES employees; obtain a list of all PCES employees hired, promoted or reassigned in FYs 2010 and 2011; and obtain and review documentation related to the PCES hiring, promotion or reassignment process.
- [Loading, Unloading and Utilization of Long Distance Highway Contract Routes – 11XG044NL000](#). The Postal Service has a current initiative to identify long distance highway contract routes and consolidate/deconsolidate mail near the origins/destinations by having contractors bed load the mail, thereby reducing the number of trips that need to be made. We plan to review current Postal Service initiatives to consolidate/deconsolidate this mail and to identify additional opportunities to improve the efficiencies of loading, unloading, and utilization of long distance highway contract routes.

 [Gaston Gazette](#): Because the bulk of operating costs are paid for by customers buying stamps and other products and because sales are declining, the Postal Service has decided to face up to reality and would like to dramatically cut its costs. The good news is that postal authorities are considering something almost unheard of in Washington. We hope it catches on. But it will be an uphill battle, even for the semi-independent federal agency. The Postal Service is seeking congressional approval to establish its own, less-costly health benefits program, administer its own retirement system and substantially downsize its workforce by 120,000 from its current 563,000. Postal authorities also want flexibility to adjust mail delivery, which would result in reducing or eliminating Saturday deliveries. The major obstacle, unsurprisingly, is the union representing hundreds of thousands of postal workers, vehemently opposed to what seems to us to be reasonable and long-overdue economies.

 [News.az](#): National postal operator Azerpocht has signed an agreement with Ukraine and Belarus on urgent money transfers (UMTs) via Secured Transfer of Electronic Financial Information (STEFI).

 [Transport Intelligence](#): Austrian Post announces 3% growth in half-year results.

 [Business Standard](#): At a time when over 60 per cent of the country's population do not have access to banking services and credit facility remaining only a mirage for more than 90 per cent of the population, the Entrepreneurs & Finance Customers' Association of India (EFCAI) has urged the Reserve Bank of India (RBI) to allow post offices to start banking operations. Pointing out that India's robust postal network can be leveraged to extend banking facilities to the poorest of the poor in rural areas, EFCAI, a city-based organization has sought the intervention of H R Khan, Deputy Governor of RBI for giving approval to the post offices to function as banks.

August 21, 2011




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


- Senior postal officials this week briefed mailers on the USPS' recently-announced cost reduction plans, including its request for additional workforce flexibility, alternative plans for its retiree health benefits funding and payments, workforce reductions, and significant network reduction. Postmaster General Pat Donahoe also assured mailers that the USPS does not have a plan to file for an above CPI rate price increase to take effect in January 2012. He stressed that the USPS is not taking its eye off every opportunity to grow revenue and develop products, but said it also will continue to focus on how to take significant costs out of the equation.
- USPS Chief Financial Officer Joe Corbett this week told attendees of the Mailers Technical Advisory Committee (MTAC) meeting that in addition to the proposals recently put forth by the Postal Service which would require legislative action, there are many activities within the USPS control which it plans to pursue to significantly reduce its costs, including network optimization, delivery route reductions and moving retail to alternative access. He gave the group an update on the USPS' financial condition as of June 2011, as well as projections for the next decade.
- The USPS is in the process of reviewing its costing systems, data collection practices and costing methodologies, with a joint USPS/industry costing/pricing session held earlier this week. The USPS at the Mailers Technical Advisory Committee (MTAC) meeting re-capped the outcome of the session which was designed to gather feedback from external customers. The USPS said it has developed a costing review team which will gather additional feedback from external and internal customers, examine the feasibility of the various suggestions and develop recommendations to improve the Postal Service's cost reporting to provide the organization better management of its business and in pricing its products.
- The USPS on August 15, 2011, published in the *Federal Register* its proposed rules for creating folded self-mailer and other unenveloped mailpieces. The USPS in its proposed rule defines letter-sized folded self-mailer (FSM) pieces, provides detailed standards about basic elements of all FSM letter-sized pieces, and introduces "panels" as a basic element for constructing FSMs, as well as adding optional creative elements currently found in FSM designs but not currently defined in the *Domestic Mail Manual* (DMM). The USPS also introduces a new support document with additional information and illustrations. Comments on the proposed rules are due to the USPS by September 14, 2011.
- During this week's Mailers Technical Advisory Committee (MTAC) meeting, mail owners, service providers, suppliers and associations participated in small break-out groups to discuss the initial concept presented by the Postal Service on its network optimization plan and provide the USPS with initial feedback. Feedback ran the gambit but generally fell into the categories of costs, mail preparation and entry, service standards, perceived benefits and challenges, the need for greater detail as the USPS' plan is developed and – most of all – a solid communications plan which allows for two-way dialogue between the USPS and mailing industry as the project progresses.
- Deputy Postmaster General Ronald Stroman told the Federal Times that the Postal Service would be insolvent in August, 2012. Based on the legal definition of insolvent, this means that in August, 2012 the Postal Service will stop paying its debts that it does not disputes it owes.
- USPS.com gets 1st set of enhancements...more to come. USPS to include 2nd ounce change for FCM in Jan 2012. Mobile barcode promotion off to good start. EDDM update. Direct mail hub. New MTAC focus groups. New MTAC industry vice chair elected. Postal Service begins labor contract negotiations with two unions. NALC reacts. Rasmussen Reports says Americans would accept postal cuts. USPS recognized by UPU.
- Postal Service information alerts.
- An update on key docket activity at the PRC.
- Proposed rules, final rules, and other items in the Federal Register
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.


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 [Reuters](#): The Postal Service, which receives no taxpayer funds to pay for operating costs and relies on sales of postage and other products, has struggled with a precipitous decline in mail volumes as consumers increasingly use e-mail and pay bills online. The drop-off was exacerbated by the economic recession. The mail carrier has asked Congress to approve major structural changes, including the elimination of Saturday mail delivery, as well as relief from its immediate cash crisis. It has proposed cutting 220,000 jobs, or more than a third of its full-time staff, by 2015, and is studying about 3,650 of its 32,000 offices for potential closure. But Congress is in recess until September 6, and the Democratic-led Senate and Republican-led House of Representatives have fought bitterly on policy issues from health reform to raising the national debt ceiling.


 [Federal Times](#) (updated): U.S. Postal Service leaders are poised to forgo legal obligations next month by skipping a \$5.5 billion payment for retiree health care, but even that unprecedented step won't buy the flailing mail carrier much time, one of its top officials said last week. Without that action and congressional relief on other fronts, the Postal Service will at best stay solvent only until next August, Deputy Postmaster General Ron Stroman said in an interview with Federal Times. "We're really up against the wall here," he said. That sudden sense of urgency — driven both by frustration at congressional inaction and a cash crunch worsening faster than expected — may help to explain a dramatic burst of restructuring proposals.


 [Clovis News Journal](#): The USPS has fallen on hard times, suffering through consecutive years of operating deficits. Unlike other branches of the federal government, the USPS doesn't have the luxury of relying on congressional deficit spending to compensate for the red ink. Consequently, because the bulk of operating costs are paid for by customers buying stamps and other products and because sales are declining, the Postal Service has decided to face up to reality and would like to dramatically cut its costs.

 [Agenzia Giornalistica Italia](#): Italy's Poste Italiane SpA and Poste Panama have underwritten innovation and development agreements. The agreements have Poste Italiane act as advisors to their Central American counterparts - who look to establish advanced financial, telecoms and ICT services.


 [Jackson Citizen Patriot](#): Here's a hypothetical question: What if the U.S. Postal Service disappeared? The Postal Service isn't extinct, but it might be the dawn of a new ice age for this dinosaur. It's about time that postal officials, their employees and communities that enjoy the neighborhood post office begin to face that reality. The Postal Service will not go bankrupt, as General Motors and Chrysler did, but it must make wholesale changes to the way it does business. It faces private competitors that do some of its functions better, and maybe should be allowed to compete to do more. The country needs information to be delivered efficiently in many forms, and "snail mail" is part of that. Still, the current postal model is a relic that cannot endure.


 [Courier, Express, and Postal Observer](#): In this week's issue, the Economist's coverage of the United States includes a story that lays out how observers overseas view the Postal Service's problems. The article indicates that there is an alternative to the path that Postmaster General Donahoe was forced to choose. Privatization or liberalization along with greater freedom to control costs and prices. It is hard to imagine how privatization or liberalization could be worse for Postal Service labor. Nor can one imagine how privatization would result in more cutbacks in service that the Postal Service envisions necessary to prevent becoming a ward of American taxpayers.

 [Boston Herald](#): We have long believed privatization of postal services is the only worthwhile permanent course, but that cannot be done until finances of the service are stable and predictable, which they are not.


 [The National](#): Transportation authorities in the United States say Emirates Post need not continue to bar US-bound packages weighing more than 450g. The UAE and other countries imposed the restriction on shipments in response to US security measures introduced worldwide last November. The new rules came shortly after two bombs hidden in printer cartridges mailed from Yemen to American addresses were intercepted in Dubai and the


UK. But size limit is not one of those measures, said Kawika Riley, a spokesman for the US Transportation Security Administration (TSA), which set the rules. "There are no package size restrictions," he said in an e-mail. He declined to explain the rules that were imposed after the thwarted attacks, citing security precautions.


 [i880News](#): Canada post will be introducing some major changes to the way mail is delivered in Canada, but unions are worried it may not be worth it. The changes include having one postal worker deliver parcels, letters, and empty street letter boxes, jobs normally done by several people. This will mean fewer jobs for workers, and some here are already seeing the effects.

 [Pakistan Observer](#): Federal Minister for Postal Services Sardar Muhammad Umar Gorgage has announced one month bonus for the employees of Pakistan Post on the eve of Eid.


August 20, 2011


 [Courier, Express, and Postal Observer](#): In the FY11 third quarter, the Postal Service reported growth in nearly all parcel and express products that equalled or exceeded industry growth rates. The fastest growing products are the Parcel Select and Parcel Return Service products that FedEx, UPS, Neugistics and others are convincing customers to use in order to reduce delivery and return costs.


 [Post & Parcel](#): Austrian Post said today it's "on the right track", after recording an 11% growth in earnings before tax and a 2.9% increase in overall revenues for the first half of this year.


 [Courier, Express, and Postal Observer](#): The U.S. Census Bureau retail sales data released last week showed that in June, the share of seasonally adjusted retail sales that are sold on-line or via a catalog rose to 20.5% of retail sales from merchants selling products that are sold both in brick and mortar stores, on-line or through a catalog. This means that 20.5% of all retail sales that could be delivered by FedEx, United Parcel Service or the United States Postal Service, are being delivered by these firms.


August 19, 2011


 [Times-Herald](#): To save additional money, the Postal Service should be allowed to move ahead with its plan to close low-volume post offices around the country. It makes no sense to retain an expensive operations when few people use them. Instead of cutting back on delivery and the number of post offices, some in Congress prefer that the Postal Service lower the amount of money it sets aside for pensions. Pension reform may well be needed along with other cost-cutting steps. But it would be fiscally irresponsible to undermine a pension system that hundreds of thousands of former and current postal employees rely on. As mail volume declines, the Postal Service will need to substantially reduce its number of employees, mostly through attrition.

 [KCAU](#): In an act of frustration U.S. Representative Steve King released a chain of e-mails between congressional staff and postal officials. The emails show the weeks of work between his offices, Senator Chuck Grassley and Tom Harkin to get the Postal Service to release information about how it came to the decision to close Sioux City's mail processing center. According to Congressman King the Postmaster General Patrick Donahoe promised to release that information. But according to Congressman King this afternoon the U.S.P.S released a heavily edited version of the study, instead of the version promised. So now King is firing back. See also the [Sioux City Journal](#).


 [Anchorage Daily News](#): Rural Alaskans far from roads, stores, medical and other services, who live in small villages spend more money per capita in the post office system than most other Alaskans. We have no alternatives to receiving medications, vehicle or airplane parts, animal feed and other necessities. Most rural Alaskans are familiar with the routine of shopping in a hub community and mailing to the village from hub post offices. Families spend several thousand dollars a year on postal service, far above the national average. While we lack economy of scale, we are, per capita, the best post office customers in the nation.


 **Stanton News Leader:** The Postal Service, though, still muddles along, bearing unnecessary and awkward burdens. It will have to make quick changes or face total failure, which is unacceptable. Rural areas outside the digital divide require a dependable service that brings the mail to the door or driveway. Not six days a week, though. We join the chorus of voices, including the service itself, to end Saturday delivery.


 **Washington Post:** Before you wax too poetic about the post office and your crystal radio and the bowling you're going to do later in Mayberry, consider that right now, the nicest part of the community post office you claim you so frequently visit is that you do not have to pay for it with taxes. That could change this fall when the Postal Service hits its borrowing limit. How much are you willing to pay to keep looking back?


 **Washington Post:** The Postal Regulatory Commission says it wants to make it easier for communities to appeal potential post office closings and has published proposed rule changes to streamline the process. Last month, the U.S. Postal Service listed some 3,700 post offices around the country that it wants to close because of its severe financial problems. The proposed changes to the rules for appeals were published Thursday on the commission's Web site and should appear next week in the Federal Register. "The new rules simplify the procedures for person's wishing to appeal a post office closing or consolidation," the commission said in its filing. The changes to the current rules, which are more than 30 years old, would get rid of cumbersome filing regulations and out-of-date language and are intended to reduce delays, according to a commission official.


August 18, 2011

 **Roll Call:** The Library of Congress will lose nearly 10 percent of its workforce by Nov. 3. In a sweeping cost-cutting move, the Library will offer targeted buyouts to 349 employees through a voluntary early retirement program, according to internal documents obtained by Roll Call. The staff cuts come in response to the legislative branch budget passed by the House on July 22.

 **Courier, Express, and Postal Observer:** The Postal Service has recently made a proposal to allow take over its benefit plans. Well are there Federal or quasi-federal entities that have their own benefit plans? Yes.

 **Street Level:** While there's been a lot of bad news surrounding the United States Postal Service lately, a heightened level of innovation exists both within the postal service and externally in an attempt to transform the organization, as well as the concept of mail delivery itself.

 **Canadian Labour Reporter:** Canada Post employees will be receiving retroactive salary increases and back pay that had been withheld from them when the workers were legislated back to work in June 2011. Canada Post president Deepak Chopra has overturned the decision made by the Canada Post labour relations department not to implement the wage increases and retroactive payments until the arbitration process is completed. As a result, postal workers should receive the retroactive payments on Sept. 29, 2011. In a letter to the Union, Chopra said that he hoped this will be "a modest step in the right direction to quickly conclude the final arbitration process."

 **The National Association of Letter Carriers of the United States (NALC) and the Canadian Union of Postal Workers (CUPW)** will be holding a Special Meeting on Innovations in Postal Services, to be held Tuesday, 6 September 2011 in Washington DC, United States of America. This meeting is to be held the day before the 3rd UNI Post & Logistics Global Union World Conference, which is programmed for Wednesday, 7 September to Friday, 9 September 2011. The Innovations in Postal Services Meeting will center around three main themes. (1) Innovations in the core postal business (2) Innovative new products. (3) Innovative new services.


 *At the Postal Regulatory Commission:*


- **National Payroll Hours Summary Report, Pay Periods 10 through 16, FY 2011**
<http://www.prc.gov/docs/75/75010/Pay%20Period%2010%20FY%202011.pdf>
<http://www.prc.gov/docs/75/75010/Pay%20Period%2011%20FY%202011.pdf>
<http://www.prc.gov/docs/75/75010/Pay%20Period%2012%20FY%202011.pdf>


<http://www.prc.gov/docs/75/75010/Pay%20Period%202013%20-FY%202011.pdf>
<http://www.prc.gov/docs/75/75010/Pay%20Period%202014%20-FY%202011.pdf>
<http://www.prc.gov/docs/75/75010/Pay%20Period%202015%20-FY%202011.pdf>
<http://www.prc.gov/docs/75/75010/Pay%20Period%2016%20-FY%202011.pdf>

- **Docket No. MT2009-1**, Market Test Of Experimental Product – Collaborative Logistics, Notice Of The United States Postal Service Of Termination Of Market Test.


"The United States Postal Service hereby provides notice that it intends to terminate the Collaborative Logistics market test, effective September 19, 2011. The Postal Service has reevaluated its plans, based on changes in its organizational structure, its current financial condition, and operations concerns. Management has therefore determined that resources should be devoted to consideration of initiatives to consolidate facilities and transportation in order to reduce cost."


 **Courier, Express, and Postal Observer:** Deputy Postmaster General Ronald Stroman told the Federal Times that the Postal Service would be insolvent in August, 2012. So what happens in August 2012? According to Postal Service CFO Joseph Corbett's statement at MTAC on Wednesday, this does not mean the Postal Service will shut down. USPS will not "shut down" in July or August, 2012 due to cash crunch because they'll have about \$2 billion in cash from not paying CSRS or FERS, plus \$2 billion from [cash carried over] from Quarter 3. USPS has a total \$10 billion in government payments per year which will be paid after suppliers and employees, if at all, until legislation intervenes. Any shut-down is only theoretic. Will. Not. Happen. So how does the Postal Service keep from shutting down, which would happen if it stopped paying contractors or stopped making payroll? It stops paying the Federal Government.

 **Contra Costa Times:** Rep. Darrell Issa, R-Vista, chairman of the House committee that supervises postal operations, is understandably concerned about a permanent decline in mail usage. He is on target in saying that "the Postal Service must adapt its outdated brick-and-mortar model to meet current customer needs." We agree with him and the Postal Service that six-day delivery of mail cannot continue without adding an unsustainable burden to the agency. Limiting delivery to five days and eliminating Saturday home and business delivery would save the Postal Service \$3.1 billion a year. Ending Saturday delivery would be the least disruptive day to eliminate and would make it a lot easier for the Postal Service to schedule workers.

 **CNN:** The U.S. Postal Service is in a precarious financial situation, telling Congress it faces the "equivalent of Chapter 11 bankruptcy." Losing billions of dollars a year, it is considering whether to close more than 3,600 post offices and lay off tens of thousands of workers. The service faces many problems, including a drop in mail volume in recent years. But the service, which employs nearly 572,000 people, says some of its difficulties are inflicted by the federal government – through a law governing how the agency funds workers' retirement health benefits.

 **From the Federal Register: Postal Regulatory Commission NOTICES** Post Office Closings , 52024-52025 [2011-21211] [\[TEXT\]](#) [\[PDF\]](#)


 **CBC:** The union representing postal workers is planning a court challenge over the federal government's choice of the arbitrator mandated to settle the Canada Post labour dispute. Canada Post and the Canadian Union of Postal Workers were advised by Labour Minister Lisa Raitt on July 22 that Justice Coulter Arthur Anthony Osborne had been appointed arbitrator, nearly a month after back-to-work legislation was passed by Parliament. CUPW isn't satisfied with Raitt's choice for arbitrator and this week is making preparations to challenge it in Federal Court. The union's lawyers are working on an affidavit and plan to file it before Monday.


 **Los Angeles Times:** If you thought the debt ceiling was a bruising brawl, buckle up: A battle is brewing as the U.S. Postal Service considers closing hundreds if not thousands of postal outlets nationwide. Lawmakers are already lining up to ask why the cuts seem to target the poor, minorities and rural America. Rep. Gene Green (D-Texas) blogged in "The Hill" today that he had noticed a troubling pattern among the 222 postal outlets that are on the


chopping block in his state. "Every single facility mentioned is located in a lower income and predominately minority neighborhood," he wrote. That trend also holds true for the rest of the post offices, outlets and retail locations also targeted for possible closure. "Almost without exception, this pattern holds for our nation's other great cities as well," he added. But unlike the budget battle, this fight unifies both sides of the aisle and pits them against the financially ailing Postal Service. U.S. Sen. Jerry Moran (R-Kan.) said in a news release on his website that he's determined to save about 130 rural post offices in his state that are on the "hit list." Such rural post offices make up less than 1% of the budget, Moran said, and if the USPS wants to save money and cut costs, "it should look someplace else." Moran said he intends to make Postmaster General Patrick Donahoe justify such closures, particularly in the face of federal law calling for the preservation of such services.

 *At the Postal Regulatory Commission:*


- **Docket No. RM2011-13** Notice Of Proposed Rulemaking Regarding Appeals Of Postal Service Determinations To Close Or Consolidate Post Offices
- **CP2011-69** Notice of United States Postal Service of Filing Additional Functionally Equivalent Agreement http://www.prc.gov/docs/74/74981/Norway_Comp_IB_2011.07.12_REDACTED.xls
http://www.prc.gov/docs/74/74981/CP2011-69_Notice_and_Request.pdf
- **CP2011-67 Order No. 811** Order Approving Additional Global Reseller Expedited Package Contracts 1 Negotiated Service Agreement <http://www.prc.gov/docs/74/74938/Order811.pdf>
<http://www.prc.gov/docs/74/74938/Order811.doc>
- **CPI-U: 2.208%**
- **Revenue, Pieces, and Weight (RPW) Report**, Quarter 3, FY 2011 (Public)
http://www.prc.gov/docs/74/74925/Fy2011q3_RPWsummaryreport_public.xls
- **RM2011-12** Order No. 810 - Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposals Four - Eight) http://www.prc.gov/docs/74/74919/Order_No_810.pdf
http://www.prc.gov/docs/74/74919/Order_No_810.doc

 **Canada NewsWire:** Canada Post Corporation (CPC) has posted its best year ever in profit, says its Annual Report. CPC's net income was \$443 million, besting a previous record from 2009 of \$281 million. The record can be attributed largely to productivity increases: while lettermail volume has declined 10.2% since 2007, paid hours of mail processing work have dropped 15.9%.


 **Federal Times:** The U.S. Postal Service will be broke by next summer even if it skips an upcoming \$5.5 billion payment for retiree health care, its No. 2 leader said Thursday. "We're really up against the wall here in terms of stabilizing the finances of the Postal Service," Deputy Postmaster General Ronald Stroman said in an interview with Federal Times.


 **DMM Advisory: Introducing First-Class Package Service.** Today the *Federal Register* published our final rule, introducing a new competitive product called First-Class™ Package Service, which replaces and removes First-Class Mail® commercial base and commercial plus parcels from the market-dominant product offering. First-Class Mail retail single-piece parcels remain a market-dominant product offering. The complete final rule *Federal Register* can be found on the Federal Register website at <http://www.gpo.gov/fdsys/pkg/FR-2011-08-18/pdf/2011-21028.pdf> and will be available Monday on the Postal Explorer® website at pe.usps.com.


 The USPS is withdrawing the requirement for MLNA/BCNO update to comply with Move Update. He said the USPS will put something out in the FR to that affect.


 **Washington Post:** One thing that doesn't often get noticed about the U.S. Postal Service is that it has vast — and extremely valuable — real-estate holdings on its books. Many post offices, after all, are in prime positions in the center of town. But no one knows how much the buildings are actually worth. The Postal Service values its properties at their purchase price, rather than their fair market value. The total purchase price value comes to about


\$27 billion, but since many of these buildings were bought decades ago, their fair market value is presumably much, much higher.


 **Cision Wire:** Itella is launching a retrenchment program with the aim of cutting costs by over EUR 100 million over the next three years. The aim is to adapt the Finnish postal system to current customer behavior and needs. Traditional postal services have had to relinquish their role as a means of communication for Finns, due to the breakthrough of electronic communication channels. Consequently, postal operations are undergoing the greatest changes ever.

 **Folio:** It appears the United States Postal Service has had a change of heart. After issuing a request to the Postal Regulatory Commission in July to raise postal rates in January 2012 over 4 percent (considered an exigent increase) to combat revenue loss due to economic conditions and the continual transition to digital, the USPS is no longer seeking the rate increase.

 **PRNewswire:** Delivering more than 40 percent of the world's mail and reaching every business and residential address in America six days a week requires the dependable, ubiquitous vehicle fleet of the U.S. Postal Service. The world's largest civilian fleet delivers more than 167 billion pieces of mail to more than 150 million addresses, along 230,000 routes, logging 4 million miles a day, with 215,000 postal vehicles, of which more than 44,000 are alternative fuel-capable. "The Postal Service's fleet of alternative fuel-capable vehicles is the nation's largest green fleet, and uses a variety of alternative fuels including electricity, ethanol, compressed natural gas, liquid propane and bio-diesel," said Dean Granholm, vice president, Delivery and Post Office Operations. "These vehicles allow us to deliver mail in a more environmentally responsible way."

 **Online PR Media:** Harvey Software shared information explaining the advantages of using a multi-carrier shipping system whenever a company wants its shipping system and accounting or order management "backend" systems to talk to each other quickly, easily and with minimal errors. Often, the shipping system is created by a completely different company than the backend system, but still must easily communicate its shipping data directly with accounting programs for the smoothest operation of the shipping department and to make it easy to find shipping cost and tracking information.

 **PRNewswire:** The National Association of Letter Carriers (NALC) today promised to vigorously represent the country's most trusted federal employees and defend the long-term viability of America's most trusted federal agency, the United States Postal Service, in negotiations for a new labor contract that began today at Postal Service headquarters. NALC President Fredric V. Rolando called on the Postmaster General to bargain in good faith and to disavow the regressive and destructive path unveiled last week when the Postal Service unleashed a lobbying campaign to convince Congress to reduce postal services to the nation, slash the postal workforce by 220,000 employees, and to attack the collective bargaining rights of America's hard-working letter carriers.


 **Press Release:** Facing a projected loss of more than \$8 billion for this fiscal year and a projected need to reduce its workforce by 220,000 employees by 2015, the Postal Service begins today contract negotiations with the National Association of Letter Carriers, AFL-CIO (NALC) and on Aug. 30 with the National Postal Mail Handlers Union (NPMHU). The two unions represent 247,000 of the Postal Service's 560,000 career employees.




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


- **Cost of Service Standards (Report Number RARC-WP-11-008).** The Postal Service network is built to deliver First-Class Mail in 1 to 3 days. This level of service requires overnight processing and an extensive network. Could relaxing service standards be an option for the Postal Service to save costs? We asked Christensen Associates to examine the opportunity for cost savings from relaxing service standards by 1


day. They found the Postal Service could save \$1.5 billion in mail processing costs for First-Class Mail, Priority Mail, and Periodicals with additional opportunities from network consolidation. To learn more and read the paper in its entirety, click [here](#). We invite you to share your thoughts on this topic on our [blog](#).


 [Slate](#): One thing is for sure: The fiscal situation at the USPS is bad—really bad. According to its most recent quarterly report, the USPS lost \$3.1 billion between April 1 and June 30. Add that to billions of dollars in losses racked up since the recession hit—the USPS has been in the red for 18 of the last 20 fiscal quarters. It has also amassed tens of billions in unfunded liabilities, mostly in pension and retiree health-benefit obligations. The problem is not mismanagement. The problem is that the USPS has an enormous, expensive physical and human infrastructure. It operates more than twice as many U.S. outlets as McDonald's. It runs the largest vehicle fleet on Earth. It has a staff of nearly 600,000, despite considerable reductions in the last decade. To pay for all those people, trucks, and buildings, the USPS needs to handle a lot of mail.


 [Vancouver Sun](#): A decline in mail volume and a massive pension burden has led Canada Post to suffer a pre-tax earnings drop of 27 per cent in 2010 from the previous year, according to its 2010 annual report. For the fourth consecutive year, Canadians sent fewer letters, while the mail service had to service more homes, leaving the company paying \$18 million more than in 2009 to deliver less mail. The pension problem at Canada Post may be its biggest concern. In 2010, the Crown corporation was forced to inject an additional \$425 million — on top of the \$321-million regular payment — into the pension plan to cover a shortfall of more than \$3 billion.

 [Calgary Herald](#): Canada Post is investing about \$105 million to modernize its Calgary facilities and equipment, the Herald has learned. The investment includes \$55 million to re-equip and re-tool the existing main mail processing plant near the Calgary International Airport and more than \$10 million for the construction of a new building at the Royal Vista Business Park in northwest Calgary. “This is part of a national program. We’re investing a couple of billion dollars. Our name for it here is postal transformation,” said Bill Davidson, general manager of postal transformation for Western Canada for Canada Post.

 [The Charleston Gazette](#): West Virginia leaders are huffing and puffing over plans by the insolvent U.S. Postal Service to close 150 little-used Mountain State post offices. We assume they're mostly posturing for rural voters. In reality, the desperate Postal Service is losing billions upon billions, and has no choice but to curtail operations, including dropping small mountain post offices that get little traffic. Current times require "shared sacrifice" from all Americans as federal spending is reduced. Losing some little post offices is a minor hardship, compared to threats being aimed at life-support systems such as Social Security, Medicare, Medicaid, etc. Rural folks will continue to get their mail, but by carriers instead of fixed offices. West Virginia can endure this reduction.


 [Times Union](#): Turns out, of course, that the U.S. Postal Service's list of 3,700 post offices targeted for possible closure includes lots of little post offices heavy on nostalgia. And for the Postal Service, that means a public relations problem.


 [Balkans.com Business News](#): Serbian Minister of Culture, Media and Information Society Predrag Markovic and Director-General of public postal company PTT Srbija Goran Ciric visited yesterday the construction site of the Main postal centre “Belgrade“ in Zemun which will span 28,000 square metres. Ciric announced improvement and reconstruction works on the main postal centres in Novi Sad that will start soon and where 2,200 square metres will be reconstructed and new 2,300 will be built and in Nis, where almost 4,800 square metres will be improved. He added that these three postal centres will be completely finished by March 2012.


 [Inland Valley Daily Bulletin](#): Rep. Grace Napolitano on Wednesday toured a Postal Service processing center that is slated to have some of its operations shut down in the spring. Napolitano, who was invited by union leaders opposing the shutdown, said she is concerned about jobs that will be taken out of the area. The center is the regional distribution center for most of the Inland Valley. "To be able to protect jobs, that's my job," said Napolitano, a Democrat who represents the 38th District, which includes Pomona.

 [From the Federal Register](#):


- **Postal Regulatory Commission**
PROPOSED RULES Administrative Practice and Procedure, Postal Service , 51311–51314 [2011–21015] [\[TEXT\]](#) [\[PDF\]](#)
NOTICES Post Office Closings , 51435–51436 [2011–21022] [\[TEXT\]](#) [\[PDF\]](#) 51436–51438 [2011–21023] [\[TEXT\]](#) [\[PDF\]](#)
- **Postal Service**
RULES First-Class Package Service , 51257–51264 [2011–21028] [\[TEXT\]](#) [\[PDF\]](#)

 **Fox News:** With the Postal Service looking to downsize, some of America's favorite nonprofits that rely heavily on direct mail fundraising could become a new kind of charity case. That's because legislation to restructure the money-losing agency includes a provision that would eliminate reduced postage rates for nonprofit mail.

 **Dead Tree Edition:** The U.S. Postal Service will not seek an "exigent" (higher-than-inflation) rate increase this year, Postmaster General Pat Donahoe told the Mailers Technical Advisory Committee today.

 **Federal Times:** The U.S. Postal Service intends to close more than 60 percent of its mail processing plants by the end of next year, potentially displacing many employees in a workforce of more than 30,000. From the current inventory of 508 plants, the agency wants to go to fewer than 200, Dave Williams, vice president of network operations, told participants at a mailing industry conference Wednesday at the Postal Service's headquarters in downtown Washington.

August 17, 2011

 **Canadian Labour Reporter:** The union representing Canada Post employees says the postal company is withholding retroactive salary increases and back pay awarded when postal workers were legislated back to work in June 2011.

Mailers' Technical Advisory Committee (MTAC)

Network Operations Management Vice President David E. Williams:

- Since 2000, the focus has been on network consolidation-redesign.
- 2001 was the USPS First-Class Mail volume high point; 2006 was the peak of volume for all mail.
- The USPS has significant network capacity in its network.
- USPS projecting a 48% drop in First-Class Mail over the 2010-2020 period. \$14 billion in revenue will be lost.
- [Excess capacity has got to be reduced.](#)
- First-Class network has got to be redesigned. FCM controls much of what the network looks like today. It drives the size and scope of the network.
- Need to define the most efficient network that closely matches workload needs with network capacity.
- Need to fully utilize equipment over a full operating day.
 - Need to re-determine service performance commitments based on a redesigned network.

Mailers' Technical Advisory Committee (MTAC)

Deputy Postmaster General Ron Stroman:

- None of the postal reform bills in play have gotten to markup.
- The legislative calendar could pose a problem as time is running out.
- Congress is looking for a comprehensive solution for the Postal Service rather than a piece-meal approach. The more look for a comprehensive solution, the more people begin to "peel off."
- The Postal Service *has* laid out a comprehensive approach to address those issues that are within the Postal Service's control.

- The reality is that the USPS needs fewer employees.
- The USPS has received push-back from concerned parties.

Mailers' Technical Advisory Committee (MTAC)


Postal Service chief financial officer Joe Corbett:


- Postal costing methods are accurate to the 95% confidence level.
- [The financial picture for Quarter 3, FY 2011 isn't pretty.](#)
- The Postal Service has reduced significantly workhours and workforce complement. The workforce has been reduced from 778,000 career people to 560,000.
- The USPS has taken out \$19.1 billion in costs since the year 2000.
- In 2011, the USPS anticipates losing between \$8-9 billion by year-end.
- Total mail volume is down 22%, First-Class is down 28%, Standard is down 22%.
- Through June, USPS has taken out 25.2 million workhours.
- Automation gains are close to being exhausted.
- More than half of USPS workhours are due to delivery.
- Need to move on reducing days of delivery from six to five.
- Need to control benefits plans costs.
- USPS needs to get down to 425,000 career employees by 2015 to begin to make a profit.
- By 2020, the USPS expects First-Class mail volume to halve when compared to volume in 2010.
- Network optimization could reduce processing facilities from more than 500 to about 200.
- Need to eliminate FERS overfunding.
- Need five-day delivery.
- Need to resolve retirement health benefit funding.
- Can't make the full FEHB payment by end of September. Will be \$4.4 billion short.


Mailers' Technical Advisory Committee (MTAC)


Postmaster General Pat Donahoe:


- The Postal Service has *got* to find ways to pull out some \$20 billion in costs by 2014.
- The goal is to preserve a strong, reliable, and affordable platform.
- The Postal Service has issues that must be addressed.
- "The can cannot be kicked any longer."
- The USPS needs to be able to control its employee retirement and health insurance costs.
- The USPS needs to reduce complement by another 120,000 people by 2014.
- "We've got to act." Waiting for Congress to act just won't do. "Hope is not a strategy."
- Plan on a CPI postal rate increase in January.
- The challenge is to explain that these changes are necessary to remain solvent.
- USPS needs to look very closely at its costing and pricing systems.
- The USPS needs to get to the same level of flexibility with the USPS' other unions as has been achieved with APWU.


 [Federal Times](#): The U.S. Postal Service is walking back a statement made earlier this week regarding their plans for the Thrift Savings Plan. I asked the Postal Service last week whether their proposal to pull out of federal retirement programs and create their own system would also mean creating their own defined contribution program. Spokesman David Partenheimer emailed me Sunday to say, "Under our proposal, we would not participate in TSP." Partenheimer this morning emailed me again to say their earlier statement was inaccurate. So a postal-only 401(k) plan is at least still on the table.


 [Net Security](#): The UPS name is once again being used to spread vast amounts of email-attached malware. The last week has seen an extraordinary increase – over 5.5 times the average level before the outbreak.


 [National Association of Major Mail Users](#): *From CEO of Canada Post* -- As we begin our journey to build Canada Post for the next generation of Canadians, it is clear that we must address two distinct priorities. First, we must complete our transformation effort to become a highly competitive mail and package delivery network that can directly and successfully connect Canadians with eCommerce. Second, we must play a meaningful role in the digital lives of Canadians. It is clear that Canadians are rapidly adopting electronic means of receiving critical communication such as Bills and Statements. If we choose not to play that role, someone else will. In order to provide clear focus and accountability for growth in each of the above priorities, I am announcing the creation of two distinct business units, the Physical Delivery Network, and the Digital Delivery Network.


 [Press Information Bureau](#): Government has approved the 'IT Modernization Project' of Department of Posts for computerization of Post Offices, Mail Offices, Administrative Offices and other field offices. This will involve establishment of required IT infrastructure, development of required software applications with an outlay of Rs.1877.2 crore.


 [Post & Parcel](#): The city of Halifax, Nova Scotia, has become the latest in Canada to receive a new delivery system for letters and parcels this week, with its letter carriers taking on a broader role. As part of Canada Post's \$2bn modernisation programme, revamping infrastructure and processes throughout its network, the Corporation is consolidating delivery operations and making the work of its mail carriers more diverse and efficient. In Halifax from this week, as has already been seen in parts of Toronto, Montreal this summer and Winnipeg from last fall, there will no longer be separate carriers to deliver mail on foot, to deliver parcels in vehicles and collect mail from on-street mailboxes. A single letter carrier will be motorised to take on all these tasks on their given route.

 [Press Release](#): Pitney Bowes Inc. today announced enhancements to its SendSuite Live™ global logistics solution that add access to shipping payments and logistics services which can save shippers up to 20 percent of their shipping cost while greatly simplifying the carrier payment process.










 [American Postal Workers Union](#): At a meeting between APWU officers and USPS officials in Washington DC on Aug. 16, the Postal Service acknowledged that local managers have no authority to post more Non-Traditional Full-Time (NTFT) assignments in Customer Service areas than the number needed to accommodate Part-Time Flexibles and Part-Time Regulars when they are converted to full time on Aug. 27, Director of Industrial Relations Mike Morris has reported. A provision of the 2010-2015 Collective Bargaining Agreement [PDF] requires the Postal Service to convert all PTFs in Level 21-and-above offices and PTRs in the Clerk Craft and MVS Craft on Aug. 27. The meeting was prompted by reports from the field that some local managers have notified the union of plans to post more NTFT duty assignments than are needed. Postal officials at USPS headquarters agreed to inform field managers that they have no authority to post NTFT in excess of the number of conversions slated for Aug. 27.

 [Hellmail](#): At the beginning of autumn, Lithuania Post, in cooperation with the passenger carrier Kautra, is to establish a network of self-service parcel terminals enabling faster, cheaper and easier sending of postal items. The modern Siuntos24 terminals will be fully functional by October.

 [234Next](#): NIPOST is the only effective and reliable postal service in the country says the Borno Territory Area Postal Manager, Mr Bature Alex. Alex affirmed that any mail sent through NIPOST was secure and safeguarded to the point of delivery. "Private courier companies cannot compete with NIPOST because of its effectiveness in rendering service to the people at the grass-roots level," he explained. The postal manager said Borno State had realised its 100 per cent revenue target for the year from postal services.


 [Courier, Express, and Postal Observer](#): While a Postal Service shut down may have been ludicrous in the past, the state of politics in Congress makes a Postal Service shutdown a real possibility. The debt ceiling crisis and the shutdown of the Federal Aviation Administration indicates that Congress is not adverse of allowing gridlock to shutdown a Federal agency or bring the economy to the brink. The FAA example also indicates that if a shutdown of the Postal Service occurs, Congressional gridlock could cause a shutdown of a month or more before legislation to provide financing to cover the Postal Service's cash shortfall passes.


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


-  China's government unveiled a new five-year plan with the goal to build a 'modern postal industry'.
-  Deutsche Post and the union ver.di are negotiating a trend-setting labour contract on partial retirement.
-  Swiss Post's customers still rely on physical mail. Seven of ten private customers would prefer to receive their business correspondence like bills and pay slips as traditional letters.
-  Ceska Posta slightly increased its revenue despite a decline in mail volumes in the first half year.
-  The Russian cartel authority FAS has made a proposal for the liberalisation of Russia's postal market - and promptly run into trouble with the Russian post.
-  The Communications Commission of Kenya (CCK), the regulating authority in Kenya, revoked the licences of one quarter of the country's privately run courier and express companies.
-  The strategic realignment of the joint ventures of Qantas and Australia Post slowly takes shape. Star Track's air-cargo depots are being merged with Australian air Express' (AaE) depots since the beginning of August. The goal is to establish a common door-to-door network on the Australian mainland.
-  German GTS Post is insolvent. News portal »posttip« (12.08) reported this under reference to the liquidator. The franchise company was launched in 2008 with the goal to establish up to 16,000 parcel collection points and 10 logistics centres within the next 10 years.
-  The British regulatory authority Postcomm has re-defined the scope of the universal service obligation. Last week the authority disclosed that Royal Mail's licence has been amended and bulk mail was removed from the universal service obligation.




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

 [The Greenville News](#): The elimination of Saturday delivery by the United States Postal Service would not be ideal, but the agency that has been beset by financial losses — largely because of an onerous requirement placed on it by Congress — needs to make changes if it's going to keep its head above water.


 [Warsaw Business Journal](#): High delivery costs are the main reason behind weak growth in e-commerce markets, according to e-store owners. Fees charged by courier services in Poland are 20 to 25 percent higher than in other EU countries. Transport of a 10 kg parcel from Warsaw to London costs zł.538.38 if the order is placed in Poland, while the same package ordered in London would cost zł.359.81 to transport. According to Tomasz Karwatka, head of the e-commerce work group at IAB Polska, an association of internet-sector employers, the pricing policy of the Polish Postal Service with its dominant position and high fees is definitely to blame.


 [Federal News Radio](#): For many federal and postal workers fear that Congress will change the retirement formula is the number one retire-or-stay motivator. The U.S. Postal Service is looking to trim 38 percent of its workforce and is exploring the idea of getting out of the FEHBP health program.


 [Post & Parcel](#): Deutsche Post has been told it cannot advertise its digital postal mail service – E-Postbrief – as being as secure as the sending of traditional paper letters. A district court in Bonn made the order following a complaint made by Germany's Federation of Consumer Organisations. Deutsche Post said it will seek to appeal the verdict, and that it had always stated that in some circumstances a written letter is required. The advertising campaign had suggested that the E-Postbrief offered “all the benefits of the traditional letter via the internet”, including all the confidentiality, authenticity and reliability of the physical mail. However, the court decided that this


was not always the case, and that consumers could be given the impression that legally-binding agreements could be sent through the electronic mail service.


 [From the Federal Register: Postal Regulatory Commission NOTICES Post Office Closings](#) , 51066–51067 [2011–20868] [\[TEXT\]](#) [\[PDF\]](#) 51067–51068 [2011–20875] [\[TEXT\]](#) [\[PDF\]](#)


 [Post & Parcel](#): New Zealand Post has said that postal services are now beginning to return to normal in most parts of the country after two days of reduced services resulting from record snow storms. Some of the heaviest snowfalls in decades have been seen in New Zealand since the weekend, closing airports, making roads impassable and causing power cuts. The storms have brought some of the first snowfalls to New Zealand’s North Island for 40 years. See also [Radio New Zealand](#).

 [The Boston Globe](#): The U.S. Postal Service has decided to transfer mail processing and distribution operations from Portsmouth, N.H., to centers in Manchester and in southern Maine.


 [The Republican](#): The U.S. Postal Service hasn’t been standing pat, but its cost-cutting measures seem always to fall short. It closes posts offices, finds ways to reduce the workforce, but the cuts are never enough. The latest proposal is dramatic in the extreme. You can hate this plan to your core. You can embrace it fully. You can have a reaction that is somewhere in between. But what you cannot do is ignore it. No one wants to imagine our nation without the mail – in some form. But no one can reasonably argue that it ought to be just like it used to be back in the good old days. It hasn’t been that way in a very long time. Facing the facts, acknowledging the truth, is imperative. At least if we want the mail to continue to go through, in some form, in some fashion.

 [CNJOnline](#): The postal service has problems, and proposed cutbacks are evidence to that. But let’s look at the actual root of those problems, and not lean on paternalistic arguments. To do otherwise would be, to put it kindly, inefficient.

 [Google](#): For years, shoppers have enjoyed flipping through glossy print catalogs to be inspired, discover new trends and find great products. Today, mobile technologies can make catalog shopping more engaging, social and creative. With that in mind, we’ve created Google Catalogs—a free app for tablet devices that enables you to browse all of your favorite catalogs and interact with new layers of rich-media content. The Google Catalogs app features digital versions of catalogs across many popular categories, including fashion and apparel, beauty, jewelry, home, kids and gifts. We’ve partnered with a variety of top brands including Anthropologie, Bare Escentuals, Bergdorf Goodman, Bloomingdale’s, Crate and Barrel, L.L. Bean, Lands’ End, Macy’s, Neiman Marcus, Nordstrom, Pottery Barn, Saks Fifth Avenue, Sephora, Sundance Catalog, Tea Collection, Urban Outfitters and Williams-Sonoma, just to name a few.

 [Save the Post Office](#): Rather than looking at the Postal Service simply as a mailing company like FedEx and UPS, it would be better to see it as a complex infrastructure — a network of physical nodes (post offices and processing facilities) connected by a fleet of vehicles, with everything kept in motion. A postal system for the 21st century will need to understand its role as infrastructure. If the Postal Service is going to survive, it’s . . . going to be because the American people demanded that their government preserve an infrastructure that’s taken centuries to build, that has served the country well, and that still has the capacity to bind the nation together. Take that institution apart, and you’ll be doing irrevocable damage to the nation.


August 16, 2011


 [Rasmussen Reports](#): **Americans would rather see the U.S. Postal Service dramatically cut its workforce and reduce mail delivery to three or four days a week than have the government pour more money into the financially struggling agency.** The latest Rasmussen Reports national telephone survey shows that 50% of American Adults believe the federal government should allow the Postal Service to lay off the estimated 120,000 workers it needs to reduce its current losses rather than provide the agency with additional subsidies to cover those losses. Thirty-three percent (33%) think the government should provide subsidies to cover the agency’s losses, estimated at \$8 billion last year. Another 17% are undecided what’s best. Even more Americans (75%) would rather


see the USPS cut back mail delivery in some parts of the country to three or four days a week rather than for the government to cover those losses. Only 17% would rather see the government provide more subsidies instead of cutting back delivery.


At the Postal Regulatory Commission:


- **C2011-2:** The Commission defers its decision on whether the Complaint of the City and County of San Francisco presents material questions of fact and law, pending settlement discussions between the parties. The Commission directs the Complainant and the Postal Service to immediately engage in settlement negotiations with the goal of expeditiously resolving this controversy based on the Postal Service's offer.
- **CP2011-66 Order No. 806** - Order Approving Changes in Rates for Inbound International Expedited Services 2
http://www.prc.gov/docs/74/74862/Order_No_806.doc
http://www.prc.gov/docs/74/74862/Order_No_806.pdf
- **CP2011-68** Notice of United States Postal Service of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with a Foreign Postal Operator <http://www.prc.gov/docs/74/74867/CP2011-68%20China%202011BilateralNotice.pdf>
<http://www.prc.gov/docs/74/74867/CP2011-68%20China%20Public%20Workpapers.xls>
- **MC2011-28 Order No. 807** - Notice and Order Concerning Classification Changes
<http://www.prc.gov/docs/74/74870/Order807.doc>
<http://www.prc.gov/docs/74/74870/Order807.pdf>
- **R2011-7 Notice of United States Postal Service** of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement <http://www.prc.gov/docs/74/74874/R2011-7%20China%202011%20Bilateral%20Notice.pdf>
http://www.prc.gov/docs/74/74874/R2011-7_China_Public_Workpapers.xls


 **Federal Times:** The Government Accountability Office's staffing cuts may not end with the limited buyouts and early retirements it announced last week. A study is also underway at the agency that could result in field office closures and layoffs. *[EdNote: Closures and layoffs ain't just about the Postal Service anymore.]*


 **RedOrbit:** CVS/pharmacy announced today that all 7,200 of its locations now offer the Sharps Compliance Corp.'s Environmental Return System, which provides customers with the ability to safely dispose of their unused, expired or unwanted drugs using affordable medication disposal envelopes. The postage-paid envelopes cost \$3.99 and allow customers to mail their unwanted prescription and over-the-counter medications through the U.S. Postal Service to a licensed, secure facility for safe destruction. Controlled substances are excluded from this program by law.

 **InsideARM:** Recently the United States Postal Service announced it will be seeking permission to increase postage by an average of 4% on most classes of mail in January 2012.

 **Post & Parcel:** Russian Post has seen its net profits for the first half of the year increase by more than 20 times, though the figures are affected by "peculiarities" in this year's financial services results.


 **Save the Post Office:** "Don't touch my junk: The bulk mail industry says hands off our profits." *[EdNote: Hey Dude! It's mailers' postage revenues that pays the entire cost of operating the postal system.]*


 **Courier, Express, and Postal Observer:** Getting the Tea Party movement actively behind Issa's bill is critical for its passage in the House. The Tea Party is increasingly the center of the Republican party base and therefore the political base of Republicans in the House, including those members that are not active supporters. *[EdNote: Center?? Who are you kidding? The only thing to the right of the Tea Party is the wall!]*


 **Business Strata:** Companies using B2B direct mail to drive their lead generation may be able to benefit from a new service being offered by Royal Mail in partnership with a top marketing research agency. Operating out of the


postal carrier's Mail Media Centre in London, Eyetracker will recruit members of the public to view direct mail material on a screen that can exactly trace their eye movements. When the results are analysed, marketers using the paid service will be able to identify any weaknesses in their mailout design, helping to improve future campaigns and ensure maximum impact.


 [Media Daily News](#): A weak print advertising environment and broader economic woes contributed to an unexpectedly weak quarter for the Reader's Digest Association, which saw total revenues slip 6.2% in the second quarter to \$409.4 million.

 [PRNewswire](#): The U.S. Postal Service was recognized recently by the Universal Postal Union (UPU) with a 2010 Silver Award for outstanding international express mail service. The Postal Service was rated in five categories, including on-time delivery and customer service response time. In addition to demonstrating outstanding customer service in international express mail, the U.S. Postal Service also is demonstrating outstanding growth in revenue from its international products, according to Giselle Valera, vice president, Global Business. U.S. Postal Service revenue from international mailing and shipping products has seen a 12.3 percent year-on-year increase so far in the first three quarters of the 2011 fiscal year.


 [Forbes](#): Today's air cargo shippers and ports are under more pressure than ever to handle increasing cargo volumes, manage congestion, address changing customer needs and thrive in the midst of intense competition. Threats like the one in Yemen demonstrate that being proactive is key. Shipping service providers face a dynamic security landscape subject to government regulations and an evolving risk environment. They need to proactively improve the level of data they collect at origin and throughout the shipping process. And they need to focus on identity verification as a key first step. 100% screening of air cargo is not an achievable milestone. More efforts should be put towards risk-based targeting for air cargo. Industry bodies must play their role too. They should expedite the creation and adoption of security data standards to help out on this daunting task. And once that data can be made actionable, governments should establish improved information sharing practices to get intelligence to the front lines quickly.

 [ABC2News](#): Councilwoman Mary Pat Clarke raised concerns about the 3,700 locations the government has slated to close next year due to budget concerns. Eight of those locations are right here in Baltimore. The 14th district Councilwoman says the closure would have a major impact on the community. In Baltimore the post offices that have been chosen for review for closure are entirely in low income African American neighborhoods and in a city in which 36% of the households don't own vehicles, automobiles.


 [Daily News-Miner](#): Packages filled with an unknown white powder arrived the offices of Sen. Mark Begich, Sen. Lisa Murkowski and Rep. Don Young on Tuesday, leading to the evacuation of the Federal Building in Fairbanks and heightened security at congressional offices in Anchorage. The packages, however, were determined by Tuesday evening to be harmless. Eric Gonzalez, the Alaska spokesman for the FBI, said that while they were "poorly packaged," the bundles weren't meant to be threatening. Read more: Fairbanks Daily News-Miner - Alaska Rep Young Suspicious packages sent to offices of Alaska delegation contained concrete

 [ZDNet](#): The National Retail Association (NRA) has accused Australia Post as playing a key role in supporting foreign online retailers at the expense of local retailers.

 [ZDNet](#): Australia Post has charged into e-services through a new streamlined postage deal with eBay as well as the launch of a new mobile website and iPhone app. The joint Australia Post/eBay offering — called "Click-to-Send" — is a postage service for Australia's 8 million registered eBay users, removing the need to go to a local post office to send an item. Instead, users print pre-filled address labels, pay for postage online and order a courier pick-up. According to PayPal Australia, the local e-commerce market is set to explode with \$9.8 billion growth projected over the next two years.

 [Contra Costa Times](#): The U.S. Postal Service has been unraveling for so long that we barely notice now when new loose threads appear. The agency last week announced one of its biggest, boldest budget cutbacks, and the public outcry was as deafening as a sewing needle hitting the floor. The plan calls for 120,000 jobs and more than


3,600 offices to disappear by 2015. Employee benefits also are likely to be decreased, and Saturday delivery will be a thing of the past. Mail delivery has been vital to the world's most successful country, linking friends and family, businesses and clients, political candidates and voters. The Postal Service's hallmark always has been perseverance. The Internet is nipping at its ankles and FedEx is landing body blows, but it still limps along 236 years later.

 **Standard-Examiner:** The Postal Service should be run like any other well-operated private sector business. The market should dictate what it can offer the public and how many employees it should have. Change is hard at times, and it's no fun to see the traditional version of the Postal Service undergo changes. But it's time. Losing billions of dollars a year cannot be tolerated.



Hellmail: A one hour webinar launched by the Global Address Data Association featured a report to members by the Executive Director Charles Prescott on the activities of the association during the first six months of its life. Emma Gooderham, CEO of Allies Computing discussed the wisdom of address validation and correction, including the capabilities of its World Addresses and Postcoder products.

www.worldaddresses.com. The company now has offices in the UK and the US. She was followed by Ellen Cohen of new company Loqate, also with offices in the UK and the US, who provided an introduction to the increasingly widespread use of geolocation data by governments and businesses. www.loqate.com. All three presentations are available for download at www.globaladdress.org.

 **Business Wire:** UPS has announced it has significantly expanded the number of locations in the United States that can receive delivery of UPS Next Day Air(R) Early A.M.(R) packages. UPS has recently added or improved coverage on approximately 1,300 ZIP codes, which vaults UPS beyond all its competitors in offering guaranteed early morning delivery services. In the critical arena of delivering by 8 a.m., UPS now serves more ZIP codes and businesses than any other carrier.



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

- To return to financial stability, the Postal Service seeks legislative changes to allow for network and workforce adjustments.
- The Postal Service has carefully examined the volume and revenue trends and it is clear that the only way it can survive as an institution and remain the hub of a one trillion dollar mailing industry is to be provided with the tools to reduce network and labor costs to reflect the declining demand by consumers for its products and services. The Postal Service has already identified a set of needed legislative changes.
- In response to the continuing decline in mail volume and revenue, the Postal Service has taken unprecedented steps over the past decade to reduce cost in areas within its control, including cost reductions totaling \$12 billion in the past four fiscal years. The Postal Service has already identified and is pursuing a number of needed legislative changes that would help to return it to solvency.
- APWU President Cliff Guffey has condemned USPS legislative proposals that would destroy the collective bargaining rights of postal workers and interfere with the union's contract, which the Postal Service and the APWU agreed to in March.
- NALC President Fredric V. Rolando has issued a statement to denounce Postmaster General Patrick Donahoe's latest "radical" legislative proposals. Although we are prepared to seriously bargain over any proposal, we will resist this blatant attempt to subvert and circumvent collective bargaining.
- Reaction from Senator Carper to USPS announcements. Greeting card chief calls for six-day delivery.
- An update on key docket activity at the PRC.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

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August 15, 2011


 **At the Postal Regulatory Commission:**

- [MC2011-27](#): Order Approving Classification Change Concerning Reply Rides Free Program. On July 29, 2011, the Postal Service filed a notice of classification change pursuant to 39 CFR 3020.90 and 3020.91 concerning the Reply Rides Free program. 1 The classification change increases the qualifying First-Class Mail letter weight and adjusts associated volume requirements. The Postal Service states the change will be effective on September 1, 2011. Id. at 1. The Commission shall incorporate the Reply Rides Free program classification change into the draft Mail Classification Schedule (MCS).

 **Daily Finance:** The Postal Service's problems just make the future look brighter for its private-sector rivals, UPS and FedEx . With UPS even cheaper now, that yield is more than 3.2%, about what a 20-year U.S. Treasury bond would produce. On top of that, UPS' second-quarter profit rose almost 26% over the same quarter a year ago. FedEx's profit was also up 33.2% over the same period.


 **Advertising Age:** Four percent of magazine readers who noted ads with 2-D barcodes in the first half of this year actually took out their phones and snapped a picture at least once, according to GfK MRI Starch Advertising Research.


 **DMM Advisory: Folded Self-Mailers and Unenveloped Mailpieces.** Today the *Federal Register* published our proposed rule on creating folded self-mailers (FSM) and other unenveloped mailpieces such as forms, statements, and official notices that will improve processing of these pieces on automated Postal Service™ mail processing equipment. Customers are encouraged to comment on or before September 14, 2011.


 **Post & Parcel:** Russian Post has said it is now retrofitting new logistics systems to optimise its network in Kamchatka. The move coincides with the start of negotiations that could lead to closer working between Russian Post and the government administration of the region in the very far east of Russia. Russian Post said the conclusion of a cooperation agreement would be “mutually beneficial”, allowing for government services to be operated through the post office.





The U.S. Postal Service Office of Inspector General invites you to comment on this week's “Pushing the Envelope” blog topic: **Online shopping on the Rise! What's in it for the Postal Service?** Recent studies show online retail sales continuing to grow despite the economic slowdown and decline of overall retail sales. In 2007, 46 percent of consumers would select the Postal Service to deliver their packages. What deciding factor would influence you to choose one delivery provider over another? Share your thoughts on our [blog](#).


 **Orange County Register:** *James Gattuso, Heritage Foundation* -- "Will the last one to leave the post office please turn out the lights? Things are looking pretty grim at the Postal Service. In a report made public today, the U.S. Postal Service (USPS) proposed cutting 220,000 positions, leaving its workforce – which once ranked with Indian Railways and the People's Liberation Army as among the world's largest – at 425,000. Some 120,000 of these cutbacks would be through layoffs, which are barred under current union contracts. The reason for the cutbacks is clear: The Postal Service is running out of money. According to the USPS report, which was made public Friday in The Washington Post, the Postal Service is on the "precipice of insolvency."


 [Kansas City Star](#): Donald J. Hall Jr. is president and CEO of Hallmark Cards Inc.: "Cuts in delivery service should be last on the list of considerations. Projected short-term cost savings from delivery cuts are minuscule in the context of the systemic change required and would only accelerate the decline in mail volume and revenue in the long term. It is difficult to find any business that would choose to increase prices and reduce service as a path to sustainability, yet this is precisely what the postal service is recommending. A healthy postal service is vital to Americans who depend on timely, affordable, reliable mail delivery. The dual strategy of raising rates while cutting Saturday delivery is no way to sustain customer loyalty or encourage use of mail. It also overlooks the dependence many — including small businesses and rural customers — have on six-day delivery."


 [Handy Shipping Guide](#): DHL Smart Truck is an "intelligent" pick-up and delivery vehicle that combines a number of innovative technologies including a route planner. Launched in Germany in 2010, DHL Smart Truck reduced number of miles travelled by 15 per cent and length of average route by 8 per cent during its pilot stage, reducing both fuel consumption and CO2 emissions. Using the system the 'intelligent' pick-up and delivery vehicles compute delivery deadlines to calculate the ideal sequence for freight shipments, and use real-time GPS to avoid jams and optimise routings, thereby enabling flexibility and last-minute pick-ups.


 [The Atlantic](#): Whatever the impact of information technology on telephones, libraries, and banks, it's the post office that's had the greatest challenge in adapting to the Web. (Gates seemed to expect, at one point in the book, that post offices like libraries could become public computing centers.) It's hard to be nostalgic for mailing checks, or to bemoan the decline of junk mail. But even the most die-hard electronic enthusiast must acknowledge that there will always be some paper documents that must be delivered, and many other products most economically delivered by postal services or private organizations like them (usually at significantly higher prices), even to and from Redmond, Washington and Palo Alto. So the fixed costs of the system remain and must be paid for by a shrinking base, leading to a reduction in service levels that can become a self-reinforcing spiral.

 [WLS](#): On the subject of the Post Office, which earlier this month announced a \$3.5 billion loss for the fiscal third quarter, Rasmussen reported on his polling, which revealed that 75% of Americans would rather cut mail service to 3 or 4 days a week than have the federal government-- the taxpayers-- pay for the Postal Service's losses. His poll also showed that that 50% would choose laying off 120,000 USPS employees rather than have the government subsidize the Post Office.


 [GlobeSt](#): It is clear that the US Postal Service is getting set to significantly downgrade its footprint. The most recent signs are news reports that it plans to approach Congress to ask for legislation that will allow it to lay off 20% of its workforce, or 120,000 workers. These news reports, based on internal documents that have concluded that the service can only afford 425,000 workers by 2015, follow plans the USPS revealed last month to dispose of at least 3,700 retail offices. It also tapped CBRE last month to serve as its exclusive service provider, presumably to help with this process.


 [PoliticalNews](#): U.S. Senator Jerry Moran (R-Kan.) last week reiterated to Postmaster General Patrick R. Donohoe the vital economic role the U.S. Postal Service (USPS) plays across Kansas, especially to those living in rural communities and to senior citizens who depend on walking to the local post office to get their mail.


 [The Slovak Spectator](#): The conversations of a board member of the state-owned postal company Slovenská Pošta, Andrej Kramár, have probably been eavesdropped, the Sme daily reported on Saturday, August 13. On around August 8, Sme wrote, Kramár found a listening device in his office at the main post office building in Bratislava. Kramár is a political appointee who was nominated by one of the current ruling coalition parties, the Christian Democratic Movement (KDH).


 [The Republic](#): The U.S. Postal Service says it will close two offices in Sioux City, leaving just one full-service location in the community. One bill that Ross is likely to handle personally is for his boss, House Oversight Chairman Darrell Issa, R-Calif., who has his own plan. A key point in the Issa plan would appear to solve the manner in which smaller post offices are closed. It would use a committee, Ross said, a system similar to military base closing committees, which investigate the feasibility of closing Army, Air Force and Naval bases in the nation.

Among scores of proposals in Issa's Postal Service Reform bill are: Allowing the Postal Service to move to five-day delivery of mail. Striking language that makes Postal Service subject to the Davis-Bacon Act, the Service Contract Act, and other prevailing wage rules. The Service Financial Responsibility and Management Assistance Authority would be created to cut costs, protect universal service, and return the USPS to financial solvency. In collective bargaining, the authority would have the power to require renegotiation of existing bargaining agreements and the power to unilaterally modify those agreements if renegotiation fails. To accomplish its mission, the authority may use a supplemental borrowing authority of \$10 billion, backed by USPS property as collateral. Total wages and benefits must be taken into consideration in determining total compensation comparability with the entire private sector during arbitration. Also requires arbitrators to take into account total compensation comparability and the financial situation of the Postal Service in any decision. Removes preferential pricing for national and state political committees' mail. Authorizes USPS to sell advertising space on USPS facilities and vehicles. All advertising must maintain at least 200 percent cost coverage and be consistent with USPS's integrity.


 [The Ledger](#): Dennis Ross, hometown boy, successful attorney and state politician, probably could not have picked a more interesting and trying time to get himself elected to Congress last November. Not only was he in the thick of the budget and debt ceiling crises with his fellow members of the House Tea Party Caucus, but now comes the Postal Service crisis in which he will play an active role.


 [Advertising Age](#): The Index of Consumer Sentiment, measuring consumer confidence about current and longer term prospects, in August crashed to a preliminary reading of 54.9, the third-worst score since the index began in 1952. The only lower scores came in May 1980 (51.7) and April 1980 (52.7) during a recession. Low point in 2008 was 55.3.


 [Rural Updates](#): The Postal Service is attempting to bypass and ignore the collective bargaining process and more than four decades of bargaining history.


 [National Association of Postmasters of the U.S.](#): On August 11, the Postal Regulatory Commission issued a ruling on the joint NAPUS/League complaint that certain provisions in the USPS' March 31 proposed post office closing regulations violated current law.

August 14, 2011

 [Mobile Marketing Watch](#): According to the latest research from comScore, Inc., in June 2011, 14 million mobile users in the U.S. (6.2 percent of the total mobile audience) scanned a QR or bar code on their mobile device.


 [Business Daily](#): Forty-two licences of postal and courier operators have been cancelled in a move that could give a lifeline to the besieged Postal Corporation of Kenya whose earnings have come under pressure from competitors. The Communications Commission of Kenya (CCK) attributed the cancellation to the failure by the operators to comply with the terms of their licences or have been placed in receivership —which has reduced the players to 120 from the previous 160.


 [Federal Times](#): The U.S. Postal Service's announcement last week that it intends to shed a third of its workforce by 2015, scrap its pension plan for new employees, and pare down employees' health benefits came as a bombshell. It shouldn't have. Postmaster General Patrick Donahoe and his predecessor, John Potter, have been telling anyone who will listen that the Postal Service is on an unsustainable path: Mail volume is plummeting, yet the agency has been prevented by labor contracts and Congress from shrinking its overwhelming labor and infrastructure costs in a sizable way. no one in Congress, or anywhere else, wants to hear the message. But ignoring reality year after year has only worsened the Postal Service's financial condition. This year, the Postal Service is expecting \$8 billion to \$9 billion in financial losses — the latest in a string of annual multibillion-dollar losses.

 [Huliq](#): At the moment, Congress faces one of several tough choices in order to cut post office expenditures and help preserve the system. Congress must do one or more of the following, enacting measures that would incense many postal workers if passed: 1) Excluding post office employees from federal health and retirement plans. 2) Cutting postal service on Saturdays. 3) Voiding union contracts in order to be able to lay off postal workers with

more than six years of service, who are otherwise protected from arbitrary layoffs. 4) Utilizing pension surpluses to put money in the retirement benefit fund. The problem in enacting these measures lie in the time limit Congress faces, and in the general reluctance Congress has shown so far to make critical and tough decisions before the last possible minute.

 [Washington Post](#): Starting Friday the United States Postal Service will be selling five new stamps featuring some of the most beloved characters from movies made by Pixar Animation Studios and Walt Disney.

 [Washington Post](#): There is a lot less mail these days, and job security is crumbling. Proposed cost-cutting measures that became public last week could eliminate 20 percent of the postal service workforce. The proposed cuts are the latest knock against a set of federal jobs that were once a trusted gateway to middle-class stability for families. In cities and small towns, postal jobs have long been respected jobs that could provide a stable income for a family. The American Postal Workers Union puts the average salary at \$55,000. To get a job at the postal service meant an entrée into the middle class.


 [Save the Post Office](#): Postmaster General Patrick Donahoe wants to close half the country's post offices, cut a third of all postal jobs, and pull the Postal Service out of its federal health and retirement programs. That's 16,000 post offices, 220,000 jobs, and a lot of lost benefits. He's doing all this to save the Postal Service, but there's good reason to fear that he's going to destroy it. In white papers turned over to the Washington Post earlier this week, the Postal Service states, "Today, despite unprecedented cost and staffing reductions over the past decade, the Postal Service is facing the equivalent of Chapter 11 bankruptcy. While our business remains vital to the U.S. economy, we are on the brink of insolvency."

August 13, 2011





From the Federal Register: Postal Service


- **RULES** International Mail Manual: Incorporation by Reference, 50414 [2011–20618] [\[TEXT\]](#) [\[PDF\]](#)
- **PROPOSED RULES** Folded Self-Mailers and Unenveloped Mailpieces , 50438–50441 [2011–20615] [\[TEXT\]](#) [\[PDF\]](#)

 [Washington Post](#): Unions reacted furiously Friday to a proposal by the Postal Service to lay off 120,000 workers by breaking labor contracts and to shift workers out of the federal employee health and retirement plans into cheaper alternatives. Labor experts and other unions also raised the alarm that any move by Congress to break postal contracts would further wound an already ailing labor movement, much as President Reagan's firing of striking air traffic controllers did in 1981.

August 12, 2011

 [Cato @ Liberty](#): If the U.S. Postal Service is to continue operating like a business instead of becoming just another taxpayer-funded bureaucracy, Congress is going to have to hand the reins over to the private sector.


 [Post & Parcel](#): Czech Post has reported a "positive" first half of 2011, achieving a small profit despite declining volumes in the traditional letter segment.


 [Fox News](#): The U.S. Postal Service's two largest unions blasted the financially strapped agency's proposal to cut as many as 120,000 jobs and pull its workers out of the retirement and health benefits plans covering federal workers for a new benefit systems.





At the Postal Regulatory Commission:

- **MC2011-27** Public Representative Comments on Postal Service Notice of Classification Changes Regarding Reply Rides Free
http://www.prc.gov/docs/74/74706/MC2011-27_PR%20Cmmts_FINAL.pdf
http://www.prc.gov/docs/74/74706/MC2011-27_PR%20Cmmts_FINAL.docx
- **MC2011-27** Comments of the National Postal Policy Council
<http://www.prc.gov/docs/74/74707/NPPC-mc2011-27-comments.pdf>
- **R2011-6** Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement <http://www.prc.gov/docs/74/74740/R2011-6%20Notice.pdf>
<http://www.prc.gov/docs/74/74740/USPS%20Annex%20%20Public.xls>
<http://www.prc.gov/docs/74/74740/Expres Service Agmt Public Wkpapers.xls>

 **Sen. Thomas Carper:** "I have been saying for some time now that the Postal Service is in a dire fiscal crisis due to the challenging economic environment and the rapid transition to electronic communication. For this reason, I introduced my comprehensive reform legislation, the Postal Operations Sustainment and Transformation (POST) Act of 2011, which would address the financial challenges facing the Postal Service and enable it to make the reforms necessary to survive – and even thrive – in the long run. "These latest proposals from the Postal Service again underscore the seriousness of its financial predicament. I am open to considering any idea that can prevent the Postal Service from going bankrupt, and I am waiting to get the details on these two most recent proposals before determining whether or not I will support them. I am particularly interested in learning whether these proposals would be fair to employees and effective in reducing the Postal Service's costs. Simply put, the Postal Service is on the brink of total financial collapse, and we need to do all that we can to keep that from happening. I will continue to work with my colleagues, stakeholders, and the Administration to save the Postal Service before it's too late."

 **CNN:** In Congress, several Democrats and Republicans have proposed bills to address Postal Service budget deficits. But, so far, none of those plans have gotten much traction. On Friday, most lawmakers said through congressional aides that they needed time to review the Postal Service's proposal before they commented on it. The idea of breaking union contracts to lay off employees is pretty controversial and will meet resistance especially from labor groups, aides said.


 **Bloomberg:** The U.S. Postal Service, which expects to run out of money next month, would have a hard time carrying out a proposal to cut 220,000 jobs by 2015, a labor professor said. The Postal Service, which this week circulated a proposal to cut 39 percent of its full-time employees, including through mass firings, would need congressional permission and President Barack Obama's signature on a law to break a labor contract with its largest union. "It would be tough," Harley Shaiken, a labor professor at the University of California at Berkeley, said in a telephone interview. "It would make the federal government the largest contract breaker in the country."

 **Courier, Express, and Postal Observer:** The Office of Personnel Management website lists the separation benefits of employees laid-off as part of a RIF. It is clear that laying off employees is not cheap especially as many of the employees will have more than 10 years of service and be over 40 years of age. Also, laying off employees will increase the Postal Service's unemployment insurance costs.





U.S. Postal Service on proposed workforce reductions:


- [Statement: USPS Exploring Additional Legislative Proposals](#)
- [Postal Service Health Benefits And Retirement Programs](#)
- [Workforce Optimization](#)


 **Philadelphia Inquirer:** For one dollar, you can send a birthday card to your uncle in Alaska (3,370 miles from Philadelphia) and an anniversary card to your aunt in Hawaii (4,910 miles away), and the post office will give you back 12 cents change. Remember, we're talking actual greeting cards, filled out at your kitchen table and then physically moved many thousands of miles by real people, for 44 cents apiece. How on earth can the U.S. Postal Service make a profit on this transaction? It can't. But profit is not the mission of the post office. Its mission is to get your letter delivered in a timely fashion. Although it may appear as if the U.S. Postal Service and its private-sector


competitors are providing the same service - moving some physical object from point A to point B - the private competitors do it to make money. If they can't make money doing it, they don't do it. The Postal Service, on the other hand, does it out of a commitment to universal delivery. If you have a letter with a stamp and a valid address, it's going. So the critical difference between the Postal Service and its private-sector competitors is not what they do, but why they do it. Every year, the U.S. government gives more than \$30 billion in aid to foreign countries and \$4 billion in subsidies to oil companies. Why shouldn't it give the U.S. Postal Service a few bucks to keep the post offices open in these American towns?


 [Delaware Online](#): The U.S. Postal Service is in serious trouble. If Congress doesn't allow it to make needed changes soon, the Postal Service may need a taxpayer bailout soon.


 [TechEye](#): While Google has been given a good kicking by the patent troll Apple, it seems that the "do no evil" outfit has been doing some dodgy patenting of its own. If Google gets to keep Patent 7,996,328 it will effectively own the postal service.


 [Wall Street Journal](#): Postal officials have sought congressional assistance repeatedly over the last few years, including requests to be allowed to end Saturday mail delivery, and several bills have been proposed, but none has been acted on.


 [CBCNews](#): Postal workers warn that a new system for delivering mail will mean some people will have to wait for their letters and packages. Canada Post is phasing out its system of using three separate trucks to drop mail off at collection boxes, deliver parcels and pick up outgoing mail.


 [Hellmail](#): During the first half of the current year, Lithuania Post's income from sales increased by almost LTL 4m (the exchange rate is LTL 3.4528 / EUR 1). Losses, if compared to the same period of 2010, have decreased by 48% down to LTL 3.7m. Lithuania Post's EBITDA (earnings before interest, taxes, depreciation and amortization) for the first half of the year was positive - 836 thousand litas, and the results of the first half of 2010 showed EBITDA of minus LTL 2m.


 [National Association of Letter Carriers](#): NALC President Fredric V. Rolando has issued a statement to denounce Postmaster General Patrick Donahoe's latest "radical" legislative proposals: Today, city letter carriers across the country received a mandatory stand-up talk from supervisors as part of a concerted campaign by top postal management to convince Congress to slash postal employees' health and pension benefits and override lay-off protection provisions in the postal unions' contracts. Just days before we formally open collective bargaining negotiations, the Postal Service has sent a clear message: It intends to use the financial crisis caused by the deep recession and the crushing congressional pre-funding mandates to strip postal employees of our bargaining rights. Although we are prepared to seriously bargain over any proposal, we will resist this blatant attempt to subvert and circumvent collective bargaining.

 [Courier, Express, and Postal Observer](#): The legislative changes that the Washington Post reports that Postal Service is now proposing represents the Postal Service's reaction to political reality. There are no legislative options that can pass Congress that prevent default with changes in the current payment of retiree obligations or an increase in the Postal Service's debt ceiling without significant cuts in labor costs. The changes that the Postal Service proposed are not unlike changes in union contracts of private sector firms facing bankruptcy and possible liquidation.

 [Philadelphia Inquirer](#): A prominent Democratic lawyer and former member of the board of governors of the U.S. Postal Service has been accused of misconduct for pressing postal officials to settle a real estate dispute involving a friend and political ally. Alan Kessler, a partner at the Center City firm of Duane Morris L.L.P., repeatedly urged Postal Service lawyers to consider settlement proposals and helped principals of a Sarasota, Fla., real estate firm to craft their position even as they were battling his own agency, said a report from the Postal Service inspector general. Read more: <http://www.philly.com/philly/business/127564623.html#ixzz1UoiXW2cS> Watch sports videos you won't find anywhere else

 [Courier, Express, and Postal Observer](#): The Postal Service proposal cuts nearly 228,000 career jobs between now and 2015, not the 120,000 included in many headlines. This figure is even larger than what the Postal Service has included in its discussion paper as it reflects employment levels at the end of June. The following table shows the actual changes from employment levels at the end of June with the 2015 employment levels based on the relevant paragraphs in the Postal Service's discussion paper. The total number of jobs lost will nearly 185,000 the Postal Service wants to increase the number of non-career employees by over 50%. Corporations announcing restructurings would have used the 185,000 figure in press releases and may have also included the 228,000 figure regarding career employees as well. The Postal Service most likely used the smallest number in its press release to minimize the political blowback that the job cuts will create.

 [American Postal Workers Union](#): APWU President Cliff Guffey has condemned USPS legislative proposals that would destroy the collective bargaining rights of postal workers and interfere with the union's contract, which Postal Service and the APWU agreed to in March. Guffey made the statement in response to [USPS announcements \[PDF\]](#) that it would seek congressional support for legislation to eliminate protection against layoff from collective bargaining agreements; remove postal workers from the Federal Employees Health Benefits Program (FEHBP), and separate USPS employees from federal retirement programs.


 [Washington Post](#): In an attempt to stem its financial hemorrhaging, **the U.S. Postal Service is seeking to reduce its workforce by 20 percent, including through layoffs now prohibited by union contracts.** USPS also wants to withdraw its employees from the health and retirement plans that cover federal staffers and create its own benefit programs for postal employees. This major restructuring of the Postal Service's relationship with its workforce would need congressional approval and would face fierce opposition from postal unions. But if approved, eliminating contract provisions that prevent layoffs and quitting the federal employee health and retirement programs could have ramifications for workers across the government and throughout the national's labor movement.


August 11, 2011




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


- [2009 Pay for Performance Program \(Report Number HR-AR-11-006\)](#). We determined managers responsible for evaluating or approving sampled employees' FY 2009 core requirement ratings were not always compliant with Pay for Performance policies and procedures. Specifically, we found that managers lowered core requirement ratings in a manner inconsistent with PFP policies and procedures, which state that employees should be rated on these requirements based on agreed-upon objectives and targets and that end-of-year ratings should reflect employees' individual achievements. In addition, managers used numeric targets to rate postmasters on their core requirements instead of behavioral objectives as specified in the policy. Management agreed with our recommendations to update and clarify policies and procedures and to evaluate the effectiveness of the current process.
- [Market Intelligence \(Report Number MS-AR-11-005\)](#)


 [Post & Parcel](#): China's State Post Bureau launched a new "Five Year Plan" this week, seeking to upgrade the country's postal infrastructure and transform service levels.


 [PostalReporter News Blog](#): Congressman Maurice Hinchey (D-NY) and U.S. Senator Kirsten Gillibrand (D-NY) this week urged U.S. Postmaster General Patrick R. Donahoe to maintain and continue full mail sorting operations at the U.S. Postal Service (USPS) facility in Newburgh, New York. The lawmakers sent a letter yesterday to Donahoe in response to a current study that the U.S. Postal Service is conducting to potentially consolidate mail sorting operations at the Mid Hudson General Mail Facility (GMF) in Newburgh with the USPS processing and distribution center in White Plains. Hinchey and Gillibrand oppose consolidation, arguing that it would reduce the quality of


mail services for the region's residents and businesses, result in the loss of local jobs in the area, and fail to deliver significant, if any, cost savings for the USPS.


 [Business Insider](#): Fast Company blogger Roberta Matuson recently wrote about an experience at a US post office that exemplifies bad customer service.


 [Business Report](#): A promised **privatisation** drive by Italy is likely to focus on local utilities and transport firms rather than stakes in Italian blue-chip companies as it seeks to cut public borrowing without losing its most valued assets. Italian media say everything from unlisted **postal services** and railways to stakes in state-controlled corporate "jewels" like energy giant Eni and defence company Finmeccanica are also being examined in a bid to find funds to balance the budget by 2013.


 [Post & Parcel](#): The UK's postal regulator, the **Postal Services Commission (Postcomm) has amended Royal Mail's licence to remove bulk mail from its universal service obligation**. The decision made last week will keep mail redirection services and the mail holding services in the universal service, while certified mail and recorded mail services will be included as add-on services. But other services including Printed Postage Impression First and Second class should not be part of the universal service, Postcomm said, although a version based on single mailpieces could qualify for universal service status – and Royal Mail has indicated will be in place by spring 2012. Royal Mail's operating licence has been changed so that its universal service obligations are much more based on single piece mail.


 [Logistics Manager](#): DHL Global Forwarding has launched three road freight services, and consolidated its network connecting Singapore, Malaysia and Thailand. DHL Asiconnect is a less than truck load scheduled service, DHL Asialine is a full load service, and DHL Asianet is a bespoke service freighting option. DHL Asiconnect comprises a complete, dedicated DHL service with scheduled stops along DHL Global Forwarding's dedicated network in Singapore, Johor Bahru, Kuala Lumpur, Penang and Bangkok.


 [The River Reporter](#): The United States Postal Service (USPS) can no longer service the current 32,000 retail offices, so some are going to go.

 [Reuters](#): Imtech N.V. (technical services provider in Europe) announces that France Post (La Poste), the French postal services provider, commissioned Imtech (Imtech ICT) with the entire ICT activities, including all ICT systems and IT solutions, of its subsidiary Exapaq. Exapaq is France's most successful B2B parcel services provider and handles more than 47 million parcels annually. The contract represents a value of 60 million euro.


 [Post & Parcel](#): A major row has erupted over the last week between Russian Post and Russia's antitrust regulator, the Federal Antimonopoly Service (FAS), after new proposals were put forward to liberalise the postal market.

 [Economic Times](#): 'Private' post offices in some areas seem to be doing good business but these franchisee outlets of the postal department need to be finetuned to provide better service, officials here said. With a network of 1.55 lakh post offices (P.O), said to be the largest in the world, the Indian postal department hit up on the novel scheme of opening franchisee outlets or 'private post offices,' as it is popularly called, to reach out to more customers and in areas where P.Os could not be opened. [EdNote: You know . . . like the Village Post Office concept that the Postal Service is trying to advance in the U.S.]

 [234Next](#): Retirees of the Nigeria Postal Service (NIPOST) in Osun State Wednesday staged a peaceful protest to demand for the payment of their six years outstanding pension arrears totalling over ₦4 billion from the federal government. The retirees, who were mostly aged people, decried the treatment meted out to them by the management of NIPOST and the federal government, saying many of them have died as a result of poor standard of living occasioned by the non-payment of their pension.

 [Viet Nam News](#): The Prime Minister has assigned the Viet Nam Post Corporation (VN Post) to control the public postal network. Under the PM's decision, VN Post will be responsible for providing postal services both

domestically and internationally. VN Post will also participate in organising the Universal Postal Union (UPU) and the Asia-Pacific Postal Union (APP).

 [New York Daily News](#): "With the U.S. Postal Service ready to contract, African-American job opportunities will suffer."



From the Federal Register:

- **Postal Regulatory Commission NOTICES**
 - New Postal Products , 49798–49799 [2011–20339] [\[TEXT\]](#) [\[PDF\]](#)
 - Post Office Closings , 49800–49801 [2011–20405] [\[TEXT\]](#) [\[PDF\]](#) 49799–49800 [2011–20408] [\[TEXT\]](#) [\[PDF\]](#) 49801–49802 [2011–20420] [\[TEXT\]](#) [\[PDF\]](#)
- **Postal Service NOTICES** Meetings; Sunshine Act , 49802 [2011–20612] [\[TEXT\]](#) [\[PDF\]](#)



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

- The Postal Service published its unaudited June results with the Postal Regulatory Commission. USPS lost \$1.0 billion in June 2011. The year-to-date loss for FY2011 is \$5.7 billion. The Postal Service's controllable operating loss for the year would be \$1.3 billion if it did not have over \$4.0 billion in retiree health fund prepayment and workers compensation.
- The Postal Service released its unaudited third quarter financials for Fiscal Year (FY) 2011 which showed \$3.1 billion net loss, which is in line with its same period last year loss of \$3.5 billion. For the first nine months ending June 30, the Postal Service has lost \$5.7 billion. It says it will not be able to make its retiree health benefit payment or its workers' compensation payment, as it has suspended its employer's contribution to OPM for FERS as of June 24, 2011.
- According to the American Postal Workers Union, "Tea Party" groups are building public and congressional support for H.R. 2309, legislation sponsored in the U.S. House of Representative by Reps. Darrell Issa (R-CA) and Dennis Ross (R-FL) that APWU President Cliff Guffey has called "a reckless assault on postal workers and the Postal Service."
- An article on the Postal Service's financial crisis is a news analysis from Mailing and Systems Technology columnist Kate Muth, a freelance writer and consultant who has studied and written on the Postal Service for more than 15 years.
- Former U.S. Postal Service Governor Alan Kessler pressured postal executives to scuttle a planned property purchase that would have cost a friend millions of dollars, according to a report from the Office of Inspector General.
- The Postal Regulatory Commission (PRC) on August 4, 2011, provided the USPS with clarifications to its previous order on the USPS' requests for temporary waivers and semi-permanent exceptions from periodic reporting of service performance measurement.
- USPS publishes first quarter EDDM report. USPS initiates proceeding for change in analytical principles. PRC Issues RFP For study of USPS peak load costs. USPS reports on monthly progress report on full-service intelligent mail participation.
- An update on notices regarding changes to the Domestic Mail Manual.
- An update on notices published in the Federal Register.
- An update on key docket activity at the PRC.
- 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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Save the Post Office: It looks like there are some guys over in L'Enfant Plaza having a goof making graphs and charts to show why they need to close thousands of post offices. If the stakes weren't so high and the damage to communities so great, it might be amusing watching these pranksters at work.

Daily Finance: As economies around the globe fall flat off the face of the earth, commerce withers, and oil prices plummet, FedEx and UPS have taken a curious course: They're raising prices. UPS says it is raising shipping rates at its North American freight division this month, by 6.9%. On Monday, FedEx decided to follow suit, cheekily announcing a six-point-eight percent (what a bargain!) increase in the amount it charges at FedEx Freight. On one hand, this is probably good news for folks who invest in companies that compete with FedEx and UPS -- less-than-truckload-weight shippers such as YRC Worldwide, Con-way, and Old Dominion Freight Line. These shippers now have the option of grabbing market share by undercutting their rivals' just-increased prices, or grabbing extra profit margin by falling in line with the higher prices. It seems a battle could be in the works. On the other hand, though, it does seem a bit strange that FedEx and UPS think the moment the global economy implodes is the precise best time to raise their own prices ... the more so when you consider that both companies are already going gangbusters, in terms of profits.

Herald Sun: The boom in online retailing has seen postal outlets run off their feet dealing with an increase in parcels. Some outlets, which are licensed to deliver Australia Post packages, say they are running out of places to store the items that can't be delivered first time around because recipients aren't home when posties call. The boom in eBay and international online sales, spurred on by the strong Aussie dollar, has led to Occupational Health and Safety concerns for workers handling large numbers of parcels. Post Office Agents Association Ltd chief executive Ian Kerr said the added workload of dealing with more parcels was putting pressure on the licensees, particularly in metropolitan areas.


Forbes: UPS is keenly focused on growing its international business especially in China. UPS is the largest package delivery company globally as well as a leader in the U.S. trucking industry for small packages and global supply chain management. Its main competitors are FedEx Corp. and national postal services such as the United States Postal Service.

Chicago Magazine: With the United States Postal Service losing \$8.5 billion last year—and with nearly half of all bill payments now being made online—some 3,653 post offices nationwide (out of 31,871) are being reviewed for possible closing. Illinois carries the dubious distinction of having the most potential closures—176. The vast majority are in small communities and rural areas, but Chicago gets whacked with the possible closing of 12 stations—and all of them sit in the congressional districts of either Danny Davis or Bobby Rush. Review—which includes such factors as number of customers served, revenue generated, and alternative facilities located within a reasonable distance—does not necessarily mean the facility will be closed. Members of Congress could attempt to stop the closures; their constituents are allotted 60 days and a community meeting to respond or complain; they can then appeal the decision to the Postal Regulatory Commission. Congressman Davis, who sits on the subcommittee on Federal Workforce, Postal, Labor—he was chairman until the Republicans took over the House—has no intention of quietly accepting the closings.


Geek Wire: Google's battle against Microsoft and Apple over their use of "bogus" patents promises to result in greater scrutiny of its own intellectual property holdings. And we have a hunch that Amazon.com, UPS, the U.S. Postal Service and pretty much everyone else in the shipping business will be highly interested in this new addition to Google's portfolio. The search giant this week was awarded a patent on electronic shipping notifications, of all things.


Sun News: U.S. Rep. Dennis Kucinich, D-10, Cleveland, is opposed to the plan by the U.S. Postal Service to close the Pearlbrook branch, 4160 Pearl Road, in the Old Brooklyn neighborhood. Kucinich on Aug. 1 wrote the


U.S. postmaster general to “strongly” oppose closing the branch, whose Zip Code is 44135. Kucinich said closing the branch could be “devastating” and could “spell out the difference between a struggling neighborhood’s survival and its destabilization.”


 [Postalnews Blog](#): An audit by the US Postal Service Inspector general confirmed what many postmasters and supervisors have long known: managers have arbitrarily and improperly reduced the performance ratings of their subordinates, reducing or eliminating salary increases for those employees. The audit was requested by the management organizations in the wake of widespread complaints about wholesale reductions in employees’ performance ratings at the end of fiscal year 2009. Some suspect that the arbitrary downgrades were “payback” for the organizations’ refusal to agree to a total moratorium on Pay For Performance increases that year.


August 10, 2011


 [PrintWeek](#): Direct mail printers are set to lose the 1% rebate on postal costs offered by Royal Mail for the quality of mail presentation from 1 October, following changes to the Mailing House Scheme.


 [Dead Tree Edition](#): The U.S. Postal Service has about 170,000 too many employees and pays them about 30% too much, according to four major mailers groups. “The notion that the Postal Service operates at the frontier of efficiency—and can do nothing further to reduce costs—is refuted by the record,” they wrote in a joint filing with the Postal Regulatory Commission last week.


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


 Poste Italiane faced decreased revenues and earnings in the first half year 2011. Last week the company reported a turnover of 11.6bn euro, a decline of 6.8%. Compared to last year the operating result fell by 6.0% to 860m euro. Net profit sank by 5.6% to 460m euro.


 Despite risen revenues PostNL faced a drop in profits in the first quarter after the split from its express business.

 The German Federal Network Agency awarded a contract for a study about postal consignments which are not subject to licence.

 Jean-Paul Bailly, CEO of French La Poste, was quite satisfied with the post’s diversification attempts so far. In an interview with business magazine »Capital « (04.08) he said that the digital letter service Digiposte (CEP-News 10/11) has ‘already acquired over 50,000 subscribers and customers like La Redoute, EADS and Credit Mutuel Arkéa’. Bailly was also convinced that the direct marketing segment in which La Poste is well positioned ‘could be a growth driver’.

 China’s express and postal services recorded significant growth in the first half year. According to the regulatory authority, the companies above the statutory size generated a revenue of 8.3bn euro in the first six month of this year (without the Postal Savings Bank), representing a growth of 23.7%. Including the Postal Savings Bank turnover soared 25.2% to over 8.4bn euro.

 Quickmail, Switzerland’s first privately run letter service, is pleased with the last two business years. ‘We had a good start’, CEO Bernard Germanier told news agency »SDA« (03.08). By now Quickmail is active in all areas of Switzerland and covers some 40% of the country’s households.

 The German joint venture of Austrian Post and Swiss Post - Meiller GHP - aims to be in the black by the beginning of 2012.

 India Post faced a record loss in the business year 2009/2010 due to risen labour costs.



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

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



[From the Federal Register: Postal Regulatory Commission NOTICES](#) Postal Service Initiative on Retail Postal Locations; Correction , 49511 [2011–20196] [\[TEXT\]](#) [\[PDF\]](#)

[lasig.ro](#): After signing a partnership in May with an insurance broker for selling premiums at the postal counters, the National Romanian Post Company is currently founding an insurance company and analyzes the possibility of entering the banking market, in 2012. Romania is an under-banked country, according to the institution's analysis, therefore there is still room for one more bank on the market, especially in the country side, where the services offered by the bank are not developed and where the Romanian Post Office will benefit from unique territorial coverage.

[Hellmail](#): PostNL expects underlying cash operating income to be at the top half of the guided range of €130 – 170 million in 2011. Due to ongoing substitution and competition, in this second year after full liberalisation, the expected decline in addressed volumes in 2011 in the Netherlands is 8 – 10%. Master plan savings of €50 – 60 million are targeted for the year.

[KHOU](#): Americans trust postal workers to sort and deliver mail, but some of them are slyly stealing on the job. The U.S. Postal Service confirms that 416 postal employees were arrested for theft, delay, or destroying mail in 2010. The USPS won't talk specifics, but several customers have discovered their mail-order prescription drugs are vanishing before they make it to their mailbox.

[Pocono Record](#): A U.S. Postal Service worker from Saylorburg suffered minor chemical burns Thursday in Bushkill Township when liquid from an exploded soda-bottle bomb dripped on her hand, police said.

[WVNS](#): The U.S. Postal Service is considering putting more than 150 post offices in West Virginia on the chopping block and 85 of them are in southern West Virginia. Leaders in the postal service say they're responding to changing customer habits, expanding their products and services into third party locations like grocery stores, drug stores, retail chains and even self-service kiosks. But it's a change that's prompting U.S. Rep. Nick Rahall, D-W.Va., to urge people in our region to voice their discontent. "It's not a done deal. This targeted list is proposed. The postal service is to have public hearings on these proposed closures and it's ironic in many of these rural communities, these public hearings are held in post offices that are being proposed to be closed," said Rahall.


[Superior Telegram](#): Congressman Sean Duffy, R-Ashland, says the closing list should be returned to sender. With many of the offices in rural areas like his northern district, he says they shouldn't be closed. "For me, I have been aggressively advocating for our post offices," Duffy said. "If you've been a member of a small community, you know that often times your identity is tied up within your post office. You may not have a police force but you do have your post office." Duffy says several members of Congress are getting behind bills that would send the closing list to the dead letter office.


[The Saudi Gazette](#): Saudi Post, the sole provider of postal services in the Kingdom, has joined the ranks of humanitarian organizations during the holy month of Ramadan by enabling Saudis and residents to deliver charity to needy visitors to the Grand Mosque in Makkah.


[Washington Examiner](#): "USPS plan should be returned to sender."

August 9, 2011

[The News-Review](#): Five Oregon federal lawmakers sent a letter to Postmaster General Patrick Donahoe on Monday urging the U.S. Postal Service to carefully examine the post offices being considered for closure in Oregon. The lawmakers did not offer alternatives to closing post offices as the agency seeks to reduce its losses.


 [Staten Island Live](#): Staten Island elected officials, flanked by dozens of postal workers outside the Manor Road Post Office this morning, decried possible consolidation plans that would have the borough's incoming mail processed off-Island — only to be trucked back again for delivery. They said it would result in the relocation of 90 Staten Island jobs and reduce the quality of service, currently pegged at a 94 percent accuracy rate. The United States Postal Service — eyeing closures and consolidations nationwide to stem its \$8 billion hemorrhage — is weighing having the borough's incoming mail go to Manhattan or Brooklyn for processing as a cost-cutting measure. In 2009, the USPS pulled the borough's outgoing mail and did away with the Staten Island post mark. "It's time to say enough," said Rep. Michael Grimm, who led the bi-partisan rally. See also [FoxNews](#).


 [Politico](#): Bill Clinton's longtime top aide Doug Band has been named in a report by the inspector general of the United States Postal Service that charges that his dealings with a friend and former postal service governor, Alan Kessler, created the "appearance that [Kessler] used his public office for private gain." Band, who survived a [scandal](#) involving an Italian con man in 2007, is the representative for his family's real estate company, which Kessler allegedly tried to do a good turn on Band's behalf.


 [Washington Post](#): The U.S. Postal Service is facing default and may have to contemplate cutting back on services (closing more than 3,000 underutilized post offices, paring back delivery to five days a week, and so on). It's worth noting that many countries in Europe have gone even further in this regard, partially or fully privatizing their postal services. For an upbeat look at this experiment, [here's a Businessweek rundown](#). For a more critical take, James Meek had a longer and unexpectedly fascinating piece in the London Review of Books on the Dutch experience with privatization


 *At the Postal Regulatory Commission:*

- **USPS Service Performance Reports FY2011, Q3**
<http://www.prc.gov/docs/74/74602/CvLtr%20Ser%20Per%20Rep%20FY11Q3.pdf>
<http://www.prc.gov/docs/74/74602/First-Class%20Mail.zip>
<http://www.prc.gov/docs/74/74602/Package%20Services.zip>
<http://www.prc.gov/docs/74/74602/Periodicals.zip>
http://www.prc.gov/docs/74/74602/PR_Q3_FY2011_Ser-PERF_001.pdf
<http://www.prc.gov/docs/74/74602/Special%20Services%20113%20Scores%20Report%20final.zip>
<http://www.prc.gov/docs/74/74602/Standard Mail.zip>

 [Vimeo](#): A visualization of US expansion in North America from 1700 to 1900, seen through changes in the spatial distribution of post offices.

 [AOL Jobs](#): "12 Biggest U.S. Job-Killing Companies" **3. U.S. Postal Service Number of Jobs Killed: 7,500** The nation's mail deliverer raised lots of eyebrows last month when it announced plans to close nearly 3,700 post offices, many in rural areas, and eliminate thousands of jobs as it seeks to stem losses that last fiscal year totaled \$8.5 billion. But it was earlier this year -- in March -- that the agency first announced plans to close offices and eliminate 7,500 jobs in total during the next two years. The first round of those cuts took place last spring, with the remainder expected to be completed by March 2012.

 [Media Life Magazines](#): What are the biggest issues facing magazines right now in terms of circulation? Not quite a problem for publishers yet but something to watch on the cost side are postal rates. The postal service is perennially challenged and looking for more revenue. Since about 85 percent of major magazine copies are mailed to subscribers, a postal rate increase would cut wide across the publishing industry.

 [Hellmail](#): The International Post Corporation (IPC) and the South African Post Office today announced the signing of an agreement for the latter to participate in IPC's Environmental Measurement and Monitoring System (EMMS). The agreement was signed by Kgabo Mokgohloa, Head of Environmental Sustainability at South African Post Office, and Jane Dyer, Director of Markets and Communications at IPC.



[Welcome to PostCom Radio](#)

Join PostCom President Gene Del Polito and Postal Regulatory Commission chief counsel to the chairman Michael Ravnitzky in a discussion about governments' use of mail.

[Federal Communications Commission: Measuring Broadband America - A Report on Consumer Wireline Broadband Performance in the U.S.](#), FCC's Office of Engineering and Technology and Consumer and Governmental Affairs Bureau "This Report presents results of the first nationwide performance study of residential wireline (or "fixed," as opposed to mobile) broadband service in the United States using measurement technology deployed in the consumer's home, focusing on three technologies—digital subscriber line (DSL), cable, and fiber-to-the home. The study examined service offerings from 13 of the largest broadband providers¹—which collectively account for approximately 86 percent of all U.S. wireline broadband connections—using automated, direct measurements of broadband performance delivered to the homes of thousands of volunteer broadband subscribers during March 2011.¹¹ This Report focuses on major findings of this study, while a separate Appendix provides a detailed description of the process by which the measurements were made and describes each test that was performed. In addition, the Commission is making available the following resources: electronic copies of the charts included in the Report; data sets for each of the charts in the Report; resources regarding the underlying methodology by which the data was collected and calculated; tabular results for each test performed and data sets for recorded data for March 2011; and the complete raw bulk data set for all tests run during the testing period.

[Financial Times](#): American shops are getting smaller as retailers seek to reach consumers through new compact formats in the face of a stagnant economy, demographic shifts and a growing demand for convenience.


[Wall Street Journal](#): End the mail monopoly. The U.S. Postal Service, which posted a net loss of \$3.1 billion in the third quarter alone (there is only so much junk mail and Hallmark cards to deliver anymore), is finally starting to rationalize small post offices, recently putting 4,000 of them on a list for possible closing. Accelerate this task by ending the USPS monopoly on first- and third-class mail. Entrepreneurs will jump into action. Online bill payment will become ubiquitous. UPS and FedEx and a host of new companies will create more productive forms of delivery. The Postal Service won't end, it will just slowly fade away.


[Sarasota Herald Tribune](#): A real estate deal involving the downtown Sarasota post office has been tied to the resignation of a high-ranking postal official and has embroiled Sarasota's wealthy Band family in allegations of favor-seeking. A report by a federal inspector general says Alan Kessler, who resigned at the end of July from the U.S. Postal Service's board of governors, tried to keep the Postal Service from buying the downtown Sarasota post office property from a partnership that includes the Bands — at a price millions below its value. In his interview with investigators, Kessler said he treated the matter in "the same way he treated any other request he received from an outside party," the report said. He also denied that Gibbons had informed him of any ethics issue. Kessler said she had told him to continue playing his role between the Postal Service and the property owners. But the investigation found that Kessler's statements "are inconsistent" with evidence from emails and meeting notes.


[Save the Post Office](#): On July 27, 2011, the US Postal Service submitted a request to the Postal Regulatory Commission for an Advisory Opinion about its Retail Access Optimization Initiative, and the PRC opened Docket No. N2011-1, which will contain all of the testimony and related documents for the case. N2011-1 is likely to go down in history as one of the most important dockets ever to be considered by the PRC. The outcome of this process may determine the fate of the brick-and-mortar post office in America.


[Pantagraph](#): Many reasons exist to lament the impending closings of thousands of rural American post offices. None of those reasons has to do with efficiently moving letters and packages across the country. We join those sorry to see customer preferences and technology pass by these small offices that provide a social hub, downtown business and, often, just a cherished postmark. But when it comes to getting letters and packages from points A to B, the postal service simply can't justify operating more outlets than Starbucks, McDonald's and Walmart combined. Unlike those wildly successful private retailers, U.S. post offices aren't always located where they can generate the most business or serve the most customers. Many remain anchored in shrinking communities that simply don't

generate enough business to support the office. And no amount of promotion or community cheerleading can change that. So postal rates -- not tax dollars -- are increased to carry on tradition, not provide efficient service.

 **City A.M.:** Shares in postal outsourcing technology provider Escher Group traded for the first time on London's Alternative Investment Market (AIM) yesterday, after the company raised \$25m (£15.4m) ahead of the float. A total of 17,033,097 ordinary shares were issued on admission, giving the company a market capitalisation of around \$47.1m. Escher Group provides automated postal counters to companies across Europe, including Austria Post and Deutsche Post.


 **Catanduanes Tribune:** Congressman Cesar V. Sarmiento has asked the House Committee on Government Enterprises and Privatization to investigate PhilPost's delay in giving mandated salary increases and other benefits to its employees and its delay in remitting payment of mandatory dues, obligations and loan amortizations to government financing institutions despite the fact that these are regularly deducted from their monthly paychecks.


 **ERR News:** National postal service Eesti Post will announce an open public procurement for an operating lease of 170 cargo vans. Over the period of 2012 to 2013, all cargo vans older than five years will be replaced.


 **Hellmail:** Russian Post, once the only mail provider in Russia, is now subject to the same pressures as European operators with the Russian government rolling out competition across a range of industries, but these changes could spell disaster for some citizens, particularly those in the north. However laying the groundwork for a completely competitive postal sector brings a whole new set of problems, and all too familiar to postal regulators across much of Europe. How exactly do you encourage competition whilst maintaining the universal service? After all, new operators want to make a profit and target the big cities accordingly whilst the incumbent operator is obliged to deliver to loss-making areas and facing rapid shrinkage in the process.

 *From the Federal Register:*

- **Postal Regulatory Commission NOTICES** Post Office Closings , 48923–48924 [2011–20073] [\[TEXT\]](#) [\[PDF\]](#) 48924–48925 [2011–20101] [\[TEXT\]](#) [\[PDF\]](#)
- **Postal Service RULES** Domestic Mail Manual , 48722 [2011–20078] [\[TEXT\]](#) [\[PDF\]](#)

 **Rural Updates:** NRLCA President Don Cantriel said the decision to go to arbitration was made a week or so ago. “We just couldn't accept where they wanted to go,” Cantriel said. While the rural letter carriers had offered concessions similar to what the American Postal Workers Union had accepted earlier this year, he said, the Postal Service then wanted to “completely alter” several of the standards in the evaluated system used to determine carriers' pay. The effect would be “devastating,” Cantriel said. “They basically want us to do the same amount of work for significantly less money.”

 **HuffPost Politics:** A former governor of the Postal Service is being investigated over claims he tried to influence a real estate deal involving an associate and the post office. The case involving Alan C. Kessler, who left the agency governing board earlier this year, has been referred to the chairman of that board by the postal inspector general's office.

 **MarketWatch:** FedEx Freight, a subsidiary of FedEx Corp. FDX -0.03% , will implement a 6.75% general rate increase (GRI) effective Sept. 6, 2011. This rate increase applies to FedEx Freight shipments within the contiguous U.S., between the contiguous U.S. and Canada, and within Canada. The rate for cross-border FedEx Freight shipments between the U.S. and Mexico will also increase 6.75% for only the U.S. portion of the shipment, and will be effective Sept. 6, 2011.


 *At the Postal Regulatory Commission:*


- **National Trial Balance & Statement of Revenue & Expenses June 11 PRC Report (FY 2011) (Public)** <http://www.prc.gov/docs/74/74582/National%20Trial%20Balance%20>


[%20Redacted,%20%20June,%202011%20\(FY%202011\).xls](#)
http://www.prc.gov/docs/74/74582/Letter-NTB_SRE-June-2011.pdf
[http://www.prc.gov/docs/74/74582/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20June,%202011%20\(FY%202011\).xls](http://www.prc.gov/docs/74/74582/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20June,%202011%20(FY%202011).xls)


- **USPS Preliminary Financial Information** (unaudited), June, 2011
<http://www.prc.gov/docs/74/74581/JUN-11%20PRC%20-%20FINAL.pdf>
<http://www.prc.gov/docs/74/74581/Letter-USPSPreImFinan-June2011.pdf>


August 8, 2011


 **SavethePostOffice:** Closing a post office doesn't just take away a place that people value. For many communities, the post office is holding the town or neighborhood together. In a deeply existential way, the post office is the place.


 **ZDNet:** More than 3.5 million Americans have jobs that are directly or indirectly supported by advertising mail. Banning advertising mail would be a bad idea in good economic times, but it is a terrible idea during the economic crises currently facing the United States.


 **Post & Parcel:** James Wilkins, operations director at UK-based Secured Mail, says the postal operators who prosper will be those that embrace technology.


 **Marketwire:** Zumbox, the leader in digital postal mail services, today announced the formation of the Zumbox Advisory Board, established to give leaders in the mailing industry the ability to provide strategic direction into, and gain insights from, the future of digital postal mail.

 **Post & Parcel:** Only "serious" cost-cutting structural reforms can save the US Postal Service, said the Chairman of the US House of Representatives Oversight Committee, Darrell Issa, on Friday. Issa, the Republican from California who is staunchly opposed to any kind of taxpayer assistance for the struggling USPS, said the Postal Service had to cut its workforce costs and rightsize its infrastructure to cope with the "permanent decline" in mail volumes stemming from increasing competition from electronic communications.

 **CBC News:** A paraplegic woman in Yarmouth County says a move by Canada Post to protect its workers is actually putting her at risk. Lorraine Scott-Bain is locked in a battle with the postal service over mail delivery to her home in Plymouth. Canada Post has installed community boxes in the area. This means after 30 years, she no longer just wheels down to the end of her driveway to pick up her mail.

 **NBCMiami:** The U.S. Postal Service is quickly becoming a preferred method of shipping drugs to South Florida, as traffickers would rather pay for postage than risk their lives moving marijuana and cocaine.

 **Federal Times:** More than eight months after an impasse was declared in contract talks, the National Rural Letter Carriers' Association and the U.S. Postal Service are headed to arbitration, according to a new USPS financial filing. While mediation would normally be the next move, both sides are interested in bypassing that step and going to straight to arbitration, the third quarter financial report says. The next step will be to select an "interest arbitrator" and decide on some dates for the proceedings.

 **Red Orbit:** When the full date of birth is used together with the full postal code, then approximately 97% of the population are unique with only one year of data. When the full date of birth and a multi-year residential trail are considered, then almost 100% of the population is unique.

At the Postal Regulatory Commission:

- **Docket No. N2011-1.** The United States Postal Service hereby gives notice of an informal, off-the-record technical conference regarding three data systems relevant to the execution of the Retail Access

Optimization Initiative that are referenced or alluded to in materials filed in support of the Request, or that are the subject of interrogatories or information requests in this docket.




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

Village Post Offices: A Step Forward or Step Back for Postal Retail

Services? The Postal Service recently announced that it would study approximately 3,700 postal retail facilities for possible consolidation. To address customers' concerns, the Postal Service revealed plans for Village Post Offices (VPO), which would sell popular products and services at authorized third party vendors. Are VPOs a viable substitute for traditional postal retail facilities? Share your thoughts on our [blog](#).

New Audit Projects: [LINK](#) here to visit our audit project pages. This week we opened the following new projects:


- [FY 11 Adequacy of Postal Service Cost Accounting System – 11BD013FF000](#). This self initiated review addresses the financial and strategic risks associated with managerial decisions. Our objective is to determine whether the cost data available to USPS management is effective to allow well informed decisions for special projects.
- [Nationwide Capping Report PVS Scheduling and Staffing Efficiencies. – 11XG026NL001](#). The objective of this audit is to determine whether the scheduling and staffing of Postal Vehicle Service (PVS) operations are efficient, effective, and economical at the national level. This audit will focus on 10 facilities identified in a statistical sample as the basis for the capping report. The audit will use current schedules for the facilities and evaluate staffing levels based on need and benchmarking information.


 **Globes:** In light of the Post Office's huge losses, which are being revealed for the first time today, concerns are arising over whether the government company is capable of meeting the bond payments.





Federal News Radio: The Postal Service reported Friday it lost \$3.1 billion in the third quarter of the fiscal year. With no end to the financial bleeding in sight, postal officials said they would default on payments to the federal government due next month. USPS officials say it is constrained by its business model from making wide-sweeping reforms. Its mandate requires it to operate like a private firm, but it has certain public obligations. USPS wants permission to reduce mail delivery to five days a week as part of a series of cost-cutting measures. And it would like a refund for over-payments it says it made to employee retirement accounts. Lawmakers were not surprised at the latest financial news. And, in fact, there are several bills designed to change the law governing the post office, an independent government agency, pending in both the House and Senate.





 **Daily Guide:** Deutsche Post DHL, the world's leading mail and logistics company and the national postal agency of Ghana, Ghana Post Company Limited, have signed a Memorandum of Understanding (MoU) in which both entities will seek mutually beneficial relationships across a broad range of business activities. The activities set out in the MoU include synergies in the international distribution of express mail shipment, warehousing and improvement in the domestic network delivery.


 **D Magazine:** Who runs the USPS? Now, if you're talking day-to-day operations, that would be a Postmaster General, who is elected by 10 people on a Board of Governors. This board is required to be made up of no more than five people of the same party (in other words, the best you can have is a 50/50 split of Democrat and Republican influence). They serve 9 year terms, and are appointed by the President and voted in by the Senate. So in other words, the day to day running and ultimate decision making regarding this sort-of government agency that is run like a private business is in the hands of a board that is equally made up of both parties, and was appointed by a Democratic president, and a Republican president.

 [The Sofia Echo](#): Bulgaria's postal services operator Bulgarian Posts seeks to obtain a loan of up to five million euro to bolster its working capital, the company said. The state-owned company will call a public procurement order to select the bank that will provide the loan.


 [Hindu Business Line](#): The huge cash outgo on implementation of the Sixth Pay Commission's recommendations increased the Indian Postal Department's deficit by 84.84 per cent to Rs 6,641.30 crore for the year ended 2009-10.


 [Forbes](#): The largest Dutch postal company, PostNL NV, has reported a second quarter profit of euro1.77 billion (\$2.54 billion), with results dominated by effects of the spin-off of its express delivery arm, TNT Express NV. See also [Reuters](#).


 [Courier, Express, and Postal Observer](#): On August 2, the Postal Regulatory Commission issued a Request for Proposal to produce a "Report on Peak Load Costs." Peak load costs are traditionally thought of as additional costs that are born to cover higher demand than normal. Traditionally, it is thought that Postal volume peaked in the fall and is at a low point in the summer month. Similarly, certain days of the week, and days of the month have more mail volume than other that relate to publishing, billing, and sales cycles. To the extent that labor, capital, and purchased transportation assets are less flexible than the variation in mail volume would result in times when there is excess capacity and other times when all asset are more than fully utilized and overtime costs are born or additional transportation is added.


 [Press TV](#): The U.S. Postal Service, which predicts an annual loss of as much as \$9 billion, said it may ask Congress to raise its \$15 billion debt limit unless lawmakers allow changes like stopping Saturday deliveries or closing more post offices. Even if Congress allows the Postal Service to delay a required \$5.5 billion payment next month for future retiree health-benefit costs, the agency will "barely" have the cash flow to continue operations when its fiscal year starts in October, James Miller, chairman of the postal board's audit committee, said today. "One of the things we'd have to look at is talking to people about looking at getting some breathing room with our debt limit since we've hit our limit of \$15 billion," Postmaster General Patrick Donahoe told reporters after a board meeting in Washington. The Postal Service will reach its debt limit at the end of September, spokesman David Partenheimer said. The agency, which has a \$3 billion annual borrowing limit, had \$784 million of cash and cash equivalents as of July, according to preliminary data. The Postal Service is seeking to stem losses as more people use the Internet to correspond, receive publications and pay bills.

August 7, 2011

 [The Wichita Eagle](#): A school, a grocery store, a restaurant and a post office. The first three of those four brick-and-mortar markers of a self-sufficient small town took direct hits in Kansas from '60s school consolidation, multiple recessions and other stressors. Now, the last one is on its last legs, rattling rural communities and fueling questions about how small Kansas towns can sustain themselves.


 [The Hill](#): A large majority of post offices that have been targeted for closure are in Republican districts. More than 2,500 of these post offices are in GOP districts while about 1,000 are in districts represented by Democrats, according to a review by The Hill. *[EdNote: A fact noted some time ago by the Courier, Express, and Postal Observer.]*


 [Tri-Cities.com](#): The Postal Service must watch its bottom line – but that doesn't mean it should operate exactly like a business. That's because the mission is not profit. As a government entity, the mission is service.


 [Lake Placid News](#): The steady decline of the U.S. Postal Service and the subsequent closure of small post offices around the country is something people are just going to have to get used to. It's sad to say, but smaller offices are a luxury the agency can no longer afford. While it is true that rural post offices are a vital part of the lives of the communities they serve, the Postal Service loses billions of dollars each year. I have rarely — if ever — defended the management of the Postal Service, and still maintain that with better upper-level management, the post office would not be in such dire straights today — however, the closure of smaller post offices is a necessity.




August 6, 2011


 [Financial Times](#): Last month subscribers to the US film rental service Netflix awoke to an unpleasant surprise. Until then most had paid a monthly fee of \$9.99, allowing them to watch an unlimited number of films online and to order DVDs through the post. Netflix abruptly ended that deal. Instead, customers could choose: either the streaming package or the postal option, for \$7.99 each. Both together would cost twice as much. More than 10,000 mostly furious comments were posted on Netflix's website and threats of cancelled subscriptions flooded in. However, the move would win Robert Levine's approval – as a rare example of a technology company persuading people to pay more money to watch films and television programmes online.


 [Lancaster Intelligencer Journal](#): Items that are past their prime: eight-track tapes, typewriters, black and white televisions, beta video recorders, Atari games, U.S. Post Offices.

 [Marshfield News Herald](#): The U.S. Postal Service has a long and glorious history. And, without some major changes in the way it does business, its days may well be limited. Congress must give it the opportunity to make those changes.

 [Kearney Hub](#): Clearly, post offices are as important in communities as schools, banks, gas stations and grocery stores. Lose any one of those and it could have a profound effect on the community's health. The Postal Service is considering closing about one in 10 of its 32,000 local offices. Doing so would continue the trend of the past 10 years, when the number of post offices declined from 36,000 to 31,871 today. Postal officials realize radical action is necessary, but rather than closing post offices, could other strategies work? How about reducing postal rates so more Americans could afford to use the service? A rate reduction might boost volume and would be possible if the Postal Service could reduce its expenses, primarily personnel costs.

 [Dead Tree Edition](#): The dramatic downsizing of the U.S. Postal Service's workforce has slowed considerably in the past year, according to USPS documents.

 [The Hill](#): House Oversight Committee Chairman Darrell Issa (R-Calif.) has proposed a bill that he says would save at least \$6 billion annually by, among other things, creating a new commission to shed excess USPS facilities. He would also allow the USPS to cancel Saturday mail, something it is seeking to do. Issa does not allow the USPS to dodge the September payment. "The Postal Service's announcement of yet another multibillion-dollar loss underscores the need to enact meaningful reforms in order to avoid a taxpayer-funded bailout. These deficits clearly cannot be closed by bailing out the Postal Service with taxpayer money or allowing the Postal Service to amass obligations to employees, retirees and taxpayers that are unlikely to be fully met in the future," Issa said in a statement Friday.

 [Federal Times](#): Former U.S. Postal Service Governor Alan Kessler pressured postal executives to scuttle a planned property purchase that would have cost a friend millions of dollars, according to a report from the Office of Inspector General. The IG also found that the Postal Service general counsel, Mary Anne Gibbons, failed to act as she should have to halt Kessler's actions and report them to the IG. In a statement to Federal Times, Sen. Susan Collins, R-Maine, expressed dismay at the IG's findings. Collins is the ranking Republican on the Senate Homeland Security and Governmental Affairs Committee, which oversees the Postal Service. "It is disappointing that a member of the Postal Service Board of Governors allegedly attempted to use his position for the financial benefit of a longtime friend and political crony," Collins said. "The Postal Service has enough trouble without a presidentially appointed leader appearing to act in a way that violates the public trust. At all levels, the Postal Service must responsibly steward every single dollar."




[Senator Thomas Carper](#): "The U.S. Postal Service is sinking quickly, and if we do nothing, we face a future without the valuable services the Postal Service provides. We have the opportunity to keep it afloat, but we must


act now. I urge Congress and the Administration to join me in pushing for this much-needed reform so we can prevent the Postal Service from going broke by the end of the year."

Mailers' Technical Advisory Committee (MTAC)

INDUSTRY ALERT The Postal Service recently filed for a change to Reply Rides Free with the Postal Regulatory Commission (PRC) to let customers mail their qualifying pieces weighing up to 2 oz at the 1 oz price. If approved by the PRC, this change will go in effect on September 1 through December 31, 2011. The extension of Reply Ride Free is intended to simplify this program for participating customers. The Postal Service intends to extend the 2 oz free rate to First-Class Mail Presort and Automation letters (NOT First-Class Mail Single-Piece letters) as of January 2012. Earlier implementation is not feasible.


 **Government Executive:** The Postal Service continues to face long-term financial challenges and despite significant cost reductions will reach its statutory borrowing limit by the end of the fiscal year and default on a number of obligations to the federal government, officials told reporters. USPS has a \$5.5 billion payment to its retiree health benefits fund due Sept. 30. "This is not sustainable," USPS Chief Financial Officer Joseph Corbett said. "We can't continue to lose this amount of money." See also [Politico](#).


August 5, 2011


 **Post & Parcel:** USPS chief executive and Postmaster General Patrick Donahoe said Congressional action was urgently required to prevent USPS going into default on government payments expected this fall. Key actions required, he said, was an elimination of annual Retiree Health Benefits pre-funding payments of \$5.5bn a year; allowing USPS access to overpayments made into its pension funds, thought to be as much as \$75bn; and new powers for USPS to drop Saturday deliveries. "Current predictions are that we will not be able to make the \$5.5bn Retiree Health Benefits prefunding payment at the end of September.


 *At the Postal Regulatory Commission:*

- **A2011-25** United States Postal Service Notice of Filing <http://www.prc.gov/docs/74/74519/25Notice.pdf>
- **Current Report on Form 8-K** <http://www.prc.gov/docs/74/74521/Trans.Ltrr.8K.pdf>
<http://www.prc.gov/docs/74/74521/2011%2008-05%20FORM%208-K.pdf>
- **Form 10-Q, Quarter III FY2011** <http://www.prc.gov/docs/74/74520/Trans.Ltrr.10.Q.pdf>
- **MC2011-26** Public Representative Comments on Postal Service Notice of Minor Classification Changes Concerning Priority Mail Packaging http://www.prc.gov/docs/74/74506/MC2011-26_PR%20Cmmts_FINAL.docx
http://www.prc.gov/docs/74/74506/MC2011-26_PR_Cmts_FINAL.pdf

 **Wall Street Journal:** The U.S. Postal Service's fiscal third-quarter loss narrowed on higher shipping-services revenue, though it continues to face declining mail volume as consumers turn to electronic communications instead.

 **WTAQ:** There's an effort brewing in Congress to save the post offices that are targeted for closing. The Postal Service wants to shut down 41 facilities throughout Wisconsin, to try and reduce the millions-of-dollars the agency has been losing. But freshman House Republican Sean Duffy of Ashland says he'll fight to keep them open. He says his district has dozens of small towns where the post office is their identity. Duffy says he's found a lot of fat that can be cut in Washington, and post offices are not among them.

 **Sydney Morning Herald:** First it was the telegram. Then the letter. The internet has threatened to all but wipe out traditional modes of post, but with shoppers rapidly deserting bricks and mortar shops for online stores, Australia Post - whose job is to deliver the goods we are buying online - has emerged an unlikely winner.


 The [Postal Service](#) has reported a **\$3.1 billion loss for quarter three**. It now projects its **2011 fiscal year loss at \$9 billion**. See also [PR Newswire](#) and the [Associated Press](#).


PostCom Webinar: EMA's Mailing Industry Job Study - The Importance of the Mailing Industry to US Economy


REGISTER NOW


Join us for a Webinar on August 25Space is limited. Reserve your Webinar seat now at:
<https://www1.gotomeeting.com/register/990394936>

Join The Association for Postal Commerce for a webinar on **Thursday, August 25th at 1:00 PM Eastern** presented by **Cheryl Chapman, chairman of the EMA Foundation Institute for Postal Studies** as she discusses the **EMA Foundation for Paper-Based Communications' Institute for Postal Studies 2010 Mailing Industry Job Study**. The study reveals that the overall impact of the industry remains strong and determined that there were approximately 8.4 million jobs and \$1.139 trillion in sales revenue associated with the mailing industry. Find out the details that show how important the mailing industry is to the US economy representing over 7% of the nation's GDP and over 6% of the nation's jobs.


 [Television Buisness International](#): Netflix is being tipped to launch a UK service after inking a content deal with Hollywood producer and distributor Lionsgate. The streaming and postal service is understood to have agreed a multiyear deal with Lionsgate - having recently inked a US deal with the mini-major that gives it access to Lionsgate-distributed scripted series Mad Men.


 [Philippine Information Agency](#): The Philippine Postal Corporation (PhilPost) will soon introduce new mail services such as electronic business mail and electronic money transfer in order to cater to the needs of people using new technologies. Philpost director of operations Benito Quiros said during the weekly AGIO-7 Forum that personal communications have decreased to 10-15 percent in volume due to the trend in social networking while the business mails continue to increase such as the billing collection and delivery of goods.

 [Arizona Daily Sun](#): The U.S. Postal Service is moving all mail processing operations from Flagstaff to an operations center in Phoenix. The move will not have an impact on the timeliness of mail delivery in Flagstaff, even for letters from Flagstaff sent to a local address, said USPS spokesperson Peter Hass. But it will reduce the number of Flagstaff-based postal employees.

 [The Northwestern](#): In a letter to Postmaster General Patrick Donahoe, U.S. Rep. Tom Petri, R-Fond du Lac, called on the U.S. Postal Service to immediately halt the transfer of processing and distribution work from Oshkosh to Green Bay.

 [From the Federal Register: Postal Regulatory Commission NOTICES](#) Mail Classification Changes , 47614 [2011-19888] [\[TEXT\]](#) [\[PDF\]](#) Post Office Closings , 47614-47615 [2011-19901] [\[TEXT\]](#) [\[PDF\]](#) Postal Rate Changes , 47615-47616 [2011-19848] [\[TEXT\]](#) [\[PDF\]](#)

 [American Postal Workers Union](#): "Tea Party" groups are building public and congressional support for H.R. 2309, legislation sponsored in the U.S. House of Representative by Reps. Darrell Issa (R-CA) and Dennis Ross (R-FL) that APWU President Cliff Guffey has called "a reckless assault on postal workers and the Postal Service."

 [American Postal Workers Union](#): The APWU has filed an unfair labor practice charge [\[PDF\]](#) with the National Labor Relations Board (NRLB) protesting the Postal Service's refusal to provide the union with information regarding Area Mail Processing (AMP) feasibility studies. The union contends that management's failure to provide the information constitutes a breach of its obligation to bargain in good faith.

August 4, 2011

[Post & Parcel](#): Government officials and postal service representatives met in Brasilia yesterday to answer questions from Brazil's lawmakers on postal reform legislation that is set for a vote in Congress next week. Provisional Measure (MP) 532 would allow Brazil's postal service, ECT, to modernise and expand its operations. This would include new powers for ECT to set up subsidiaries, take ownership or part-ownership of other companies and establish operations abroad in order to compete with the large multinational logistics players.

[CNN](#): Call it technology in reverse: Thousands of people are lining up online to have messages they could send in an instant delivered far more slowly. And according to the creator of Snail Mail My Email, a monthlong volunteer project, that's the point. The concept is simple. Since July 15 (and until August 15), anyone interested has been able to e-mail a letter to the project's volunteers. They turn around and hand-write the letter -- complete with extras like a doodle, flower petal or lipstick kiss if desired -- and mail it to the recipient.

[CNBC](#): The likely loss of unemployment benefits for 3.71 million Americans in a few months will only add to an economy edging ever closer to recession, according to analysis that puts the chances of another downturn at better than 1 in 3. In fact, chances of the U.S. economy entering another recession, the firm says, are now 35 percent, about double from a forecast it issued during the spring. Recession is often defined as two consecutive quarters of negative gross domestic product growth. The good news is that the recession likely would be "mild since the economy already is very lean," specifically citing the 8.8 million jobs sliced during the previous recession and only 1.8 million rehires.

[Media Daily News](#): A new "business climate" survey of communications executives from consultant KPMG reports that there is less optimism about the economy and employment in the sector going forward. On the plus side, most of those surveyed -- nearly three-fourths -- predicted some revenue growth for their firms in the next year. And 44% said that digital-related products and services would be the key drivers to overall revenue growth. **A two-thirds majority said they now believe that a full national economic recovery will be delayed until 2013. Last year, most of those surveyed predicted a full recovery by 2012.**

[eCommerceBytes](#): The U.S. Postal Service rolled out its new, redesigned website in late July, and in the fall, the site will re-launch with new customer-focused features, including the ability to use PayPal, Spanish and Chinese translations for all new pages, an improved Post Office Locator, and more user-friendly "Hold Mail" and "Mail Redelivery" functions. EcommerceBytes checked in with USPS General Manager of Digital Access Joseph K. Adams to learn more about new features.


[Fond du Lac Reporter](#): U.S. Rep. Tom Petri, R-Fond du Lac, requested the audit by the Office of the Inspector General after post office workers and Oshkosh residents raised concerns about the merger, especially since an earlier study had explored moving the Green Bay operation to Oshkosh.


[Baltimore Sun](#): The post office in the Laurel Mall is on the list of 3,700 post offices, postal stations and branches that federal officials are considering closing as officials look for ways to reduce costs. In addition to the mall post office, 42 other postal facilities in Maryland face the possibility of closure, including the one in Towson Town Center, the Carroll post office in Baltimore and the Suitland post office.


[Half Moon Bay Review](#): The U.S. Postal Service is looking closely at Loma Mar to see whether that sense of community justifies the cost. Loma Mar and another Coastsiders post office, located in the San Gregorio General Store, are among about 3,700 branches nationwide that could be closed as a way to save \$200 million. The postal service made the announcement last week. The news led some Coastsiders to fear the loss of their small-town hub. Meeting neighbors picking up mail or reading the bulletin board posted nearby were pretty much the only surefire ways all Loma Mar residents interacted, said Kate Haas, a Loma Mar farmer who represents the area on the Pescadero Municipal Advisory Council.


[WJLA](#): Police are looking for two men who they believe are responsible for robbing postal workers at gunpoint. The men have been seen walking on to postal property in the early evening, pulling a gun and demanding money and other items. Investigators think the men have already robbed several locations: a branch in Congress Heights, an office in Fort Washington and two offices on Peninsula Avenue in the southeast.


 [Gallatin North Missourian](#): Coffey, Jameson and McFall may be among 167 post offices in Missouri to close. The Postal Service said Tuesday it would consider closing 3,653 post offices, mostly in rural areas but some in cities, including 167 in Missouri.


 [WCTI](#): The post office in Comfort has been open for more than 40 years. A spokesperson for the United States Postal Service said the government began a survey last Tuesday to try and determine the amount of volume the post office gets and whether it should remain open. This post office is one of many in the state that could be affected by downsizing. A lot of people who live in the area believe closing the office would hurt morale.


 [WPTZ](#): A sign of the tough economic times, the Postal Service is looking at mail processing operations at one of its Plattsburgh, NY offices, and thinking about shifting those functions to Burlington, VT.


 [Radio New Zealand International](#): A small post office in American Samoa has been spared from being closed down, as part of a nation wide move by the U.S. Postal Service to cut costs. The Pago Pago Post Master, Aneterea Ioane, told state run KVZK-TV that he was informed by a committee charged with assessing the closure of post offices that the post office in Leone village was among the targeted ones for closure. However, Aneterea told the committee the Leone post office is very new and with a growing population, American Samoa needs this second post office. The Leone post office was dedicated this year and replaces the one that was destroyed in the 2009 tsunami.


 [The Topeka Capital-Journal](#): Residents in the Douglas County community of Lecompton are worried that their post office could be on the verge of closing due to the U.S. Postal Service's well-documented budget problems. It would take a hard heart not to sympathize with the concerns. Lecompton is a small town, and losing any operation that provides jobs and services can have a big impact on the local economy of any smaller community. But the Lecompton situation shows how difficult of a task the post office faces in solving its budget problems.

 [The Bismarck Tribune](#): Closing a small town's post office pains the local community. Like shutting down the grocery store or the school, closing the post office raises dire questions about the life force of the community. These closings typically are symptoms of long-term economic changes. But that doesn't make them any easier to take.

 [Post & Parcel](#): Postal quality controllers from eleven countries have come together to increase their knowledge of the UPU Global Monitoring System (GMS). The GMS was initiated in 2009 and now has 50 participating Posts, with the aim of helping Posts monitor the flow of global mail by sending international test letters with radio tracking tags. By tracking the test letters, Posts can find and target problem areas that slow the flow of mail.

 [Mailing & Systems Technology](#): "**The Future of the Postal Service: An Analysis**" by Kate Muth (former PostCom vice president and now a freelance writer extraordinaire.) "The Postal Service is in the midst of a financial crisis unlike any in its 230-year history. In a desperate effort to conserve cash, the Postal Service took the extraordinary step in early June of suspending its biweekly employer contributions into the Federal Employment Retirement Service (FERS), which will save it \$800 million through the end of the fiscal year. It also announced it had suspended discretionary awards and its pay-for-performance program for executives and officers. It is in the midst of employee buyouts and a reduction in force that are part of its plan to shed another 7,500 positions. It continues to focus on reducing its workhours to keep its costs down. It has revamped its retail strategy in an effort to close post offices more easily, while providing customers with even greater retail access to products and services.


 [WFMD](#): Citing the results of a study begun on February 1st, 2011, the US Postal Service says it will be closing the Frederick Processing and Distribution Center on Tilco Drive early next year. The agency says processing and distribution of mail for the Frederick area will be handled at the Baltimore Processing and Distribution Center.

 [Logistics Manager](#): TNT Express has opened a 99,087 sq ft distribution facility in Hong Kong to provide Asia-Pacific regional distribution and value-added logistics services to the fashion industry.




[Logistics Manager](#): House of Fraser has awarded an £85 million five year contract


extension to DHL Supply Chain, to manage its supply chain within the UK. See also [Analytiqa](#).


 **Patriot-News:** The Postal Service is talking about expanding its “village post office” program. This allows chosen private retail businesses to provide many of the services you get from a regular post office. Presently, they account for 35 percent of the Postal Service’s retail revenue. Nationally as well as locally, there is much talk about private-public partnerships. This is a good example of one. The Postal Service is right to consider expanding the concept and should increase the services and products that these “village post offices” can provide.


 **From the Federal Register: Postal Regulatory Commission NOTICES** Post Office Closings , 47274–47275 [2011–19770] [\[TEXT\]](#) [\[PDF\]](#) Postal Service Initiative on Retail Postal Locations , 47275–47277 [2011–19725] [\[TEXT\]](#) [\[PDF\]](#)


 **At the Postal Regulatory Commission: Attorney Advisor**, Associate Grade: PRC Salary Range: \$84,375-\$135,002 Location: Postal Regulatory Commission Office Of The General Counsel 901 New York Avenue, NW, Suite 200 Washington, DC 20268-0001 Position: Full Time


August 3, 2011

 **Printing Brain:** Problems with QR codes: Most end users probably don’t know what they are They need a compatible smart phone They need to install the correct software They need to know how to use the software Most can be used for free – though more advanced usage & tracking costs


 **Campaigns & Elections:** Postmaster General Patrick Donahoe sounded the alarm late last month in an interview with USA Today, telling the newspaper that financial woes necessitate some serious changes, starting with the elimination of Saturday mail. Within 15 years, he warned, it could mean scaling back mail delivery to just three days a week. Dropping Saturday delivery would save an estimated \$3.1 billion a year, according to the Postal Service—no small sum for an organization projected to be \$238 billion in the red by 2020. As for what it means for political direct mail vendors, several consultants tell C&E eliminating Saturday delivery could mean a major hit and lead to “crowding the box,” potentially making mailers less effective. “This will crowd the mailbox,” says David Johnson, who heads a Republican direct mail firm. “It narrows our opportunity to get into mailboxes.”


 **SmartSoft:** Despite the fact that the United States Postal Service is looking into closing more than 3,600 offices around the nation, many experts in the direct marketing field contend that the volume of printed materials being sent out will not be affected. In a statement, postmaster general Patrick Donahoe said that while people continue to rely on mail, having so many brick-and-mortar locations was unnecessary, and the agency could save money by having smaller locations. The USPS is hoping to combat \$8.3 billion in losses without negatively affecting entrepreneurs marketing strategies. "The service standard might change because of the loss of postal offices and so some mailings might take a day longer to get there," he added. "But as long as they let our members know we don't see that having an effect on volumes -- and hopefully it will also save the Post Office some money and get them out of their financial straits."


 **Post & Parcel:** Manilla, the digital mail service launched by publishing giant Hearst Corporation in June, now offers its users access to more than 1,100 service providers. The service at Manilla.com is being marketed as a free personal account management service for consumers in the United States, allowing householders to receive, store and pay bills, manage finances and organise magazine subscriptions and loyalty programmes. Manilla has already established relationships with credit card company Citi Cards, cable television giant Comcast and KUBRa, the provider of customer management platforms for a variety of transactional mailers including power utility Duke Energy. As well as billing and statements, service providers can use Manilla to provide targeted offers to customers, although the marketing offering is opt-in on the part of consumers. The company said this week that its service has grown “tremendously” over the two months since its consumer launch.


 **PostalReporter News:** The Washington Post has published at least seven editorials about the USPS over the last two years, and has taken an anti-labor stance in each one — either criticizing USPS labor contracts as too generous;


attacking the no layoff clause or the level of health care and retirement benefits employees receive, or claiming that the collective bargaining system is tilted toward unions. Endorsing legislation that would allow a commission to void labor contracts is only the latest example of the Post's hostility toward workers and unions.


 [Direct Marketing Association](#): In response to an editorial published July 28 by the Washington Post entitled, "A Better Route for USPS," the Direct Marketing Association (DMA) comments: The editorial, "A Better Route for USPS," supporting the postal legislation introduced by Representatives Issa and Ross, correctly highlights the financial situation facing the US Postal Service (USPS) is much worse than most Americans and legislators realize. The editorial did not mention the provision concerning mail sent by nonprofit organizations. The bill would decrease significantly the nonprofit preferred rate differential, which is not taxpayer supported. The result would be a dramatic and unsustainable postage increase for many nonprofits at a time when charities are being called upon to increase their efforts to provide a safety net throughout America and the world. Most of the donations that these charities receive come via the USPS.


 [Post & Parcel](#): A difficult economy and increased competition have hit profits at Poste Italiane in the first half of 2011, but operating costs have also fallen. Italy's state-owned postal operator saw a 6.8% drop in revenues in the six months to June 2011, to EUR 11.5bn, while profits dipped 5.6% to EUR 488m for the period. Along with the continuing "natural decline" of postal volumes, results were affected by a marked reduction in earnings at Poste Vita, the insurance arm of Poste Italiane, along with a cut in government subsidies. Among its divisions, Poste Italiane saw an 8.8% drop in sales for its postal services, to EUR 2.4bn, an 8.2% drop in insurance revenues to EUR 2.4bn, and a 1.9% dip in its EUR 6.4bn financial services revenues. Mail volumes fell 10.3% in the first half of 2011 compared to the same period in 2010, with Italians sending 308m fewer items during the six months. This included an 8.5% drop in direct marketing volumes, although a quarter of this was due to the reduction in election-related mailings.


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


 Deutsche Post increased its guidance for the full year after recording a jump in profits in the second quarter.


 Dutch PostNL has sold its letter businesses in the Czech Republic and Slovakia.


 Itella faced a loss in the first half year of 2011 due to a decline in its core business.


 Singapore Post probably remained the world's most profitable postal company in the first quarter (June 30) of the business year 2011/2012 despite a slight decrease in profit.


 Brazilian Correios was able to significantly increase revenues and earnings in the first half year.

 According to the Federal Cartel Office the regulation on VAT exemption still thwarts competition on the German mail market.

 The CEP market in Germany largely recovered from the economic crisis in 2010.

 TNT Express faced a considerable decline in profits in the first quarter after its split from the letter business PostNL.


 German parcel service Hermes presents individual deliverers in a new advertising campaign. However, market observers believe that Hermes wants to contradict the image that its deliverers have to work under poor labour conditions.


 Again Swiss Post can rely on a considerable rise in profits at its finance unit PostFinance this year.





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.)


 [Financial Times](#): Lamberto Dini, former prime minister and now a senator in Mr Berlusconi's People of Liberty party, is openly critical of the austerity package and the government's stance that Europe must take the leading role in saving the euro and Italy from market "speculators". "Italy cannot be expected to be saved by Europe. Our debt is too high. The problem of our debt and budget has to be dealt with domestically by our own measures," he told the Financial Times. Mr Dini said the government must pass additional measures aimed at balancing the budget by the end of next year rather than 2014 as planned. He proposes abolishing a whole level of government at the provincial level and implementing **privatisations – including the Post Office bank**, which he says could raise €30bn.


 [RIA Novosti](#): Online payment company PayPal plans to start business in Russia with a \$25 million investment and open its first office in Moscow soon. Auction payments will be done through PayPal which is holding talks with DHL and other postal services.


 [The Pilot](#): The Postal Regulatory Commission has been wrestling with the painful idea of reducing universal postal service, something that has been part of American life for decades. The USPS has prided itself on its ability to get mail to all of its customers, six days a week, regardless of location or difficulty. Perhaps we should adopt a change in the method of deliveries to a radical approach such as "mail call."

 [Azerbaijan Business Center](#): In Azerbaijan certificates of electronic digital signatures will be issued at post offices. The Ministry of Communications & Information Technology of Azerbaijan reports that a relevant agreement has been signed with national postal operator Azerpocht in this regard.


 [Seacoast Online](#): The economic woes of the U.S. Postal Service are well-known at this point. Pension plan problems, the dwindling need for stamps and other services in the digital age and fierce competition have all combined to leave the agency in the hole. Billions of dollars in the hole, with no easy fix in sight.


 [Washington Post](#): There's a guy fighting the U.S. Postal Service's move to close about 4,300 post offices in the next year, and he doesn't work for the agency. He's a new blogger named Steve Hutkins. "Save the Post Office" reports on closures, consolidations and suspensions going on in the mail world. It is full of analysis and opinions. And Hutkins' opinion is not hard to discern. He's left-leaning, pro-union and believes the Postal Service is outsourcing itself to greedy corporations.


 [Press Information Bureau](#): During current financial year 2011-12, targets for opening of 125 Franchise Outlets have been issued to the Circles including Madhya Pradesh. Details of physical targets allotted to the Circles as under. Madhya Pradesh Circle has been allotted the target of 8 franchise outlets. These outlets are opened in areas where opening of post office is justified but it cannot be opened for some reasons.

 [ERR News](#): Thirty-six automated parcel terminals operated by the national postal service Eesti Post will start service in the second half of August, putting the state-owned company in competition with privately-owned Smart Post, which has 46 similar machines. The self-service machines will allow users to send packages to post offices across the country or to other parcel terminals. The option of courier deliveries is also available, Eesti Post said.

 [From the Federal Register](#): **Postal Regulatory Commission NOTICES** Mail Classification Schedule Changes , 46856–46857 [2011–19669] [\[TEXT\]](#) [\[PDF\]](#) Post Office Closings , 46857–46858 [2011–19576] [\[TEXT\]](#) [\[PDF\]](#)


 [Auctionbytes](#): Stamps.com launched PC Postage Version 8.9, which includes new features to help ecommerce sellers and high-volume shippers save money on postage costs. Stamps.com provides USPS postage online and shipping software to approximately 400,000 customers, and its latest version adds support for Priority Mail Regional Rate boxes and military addresses.

 [Bloomberg](#): Here are three remarkable facts about the United States Postal Service: Its union workers have no-layoff contracts; no post office branches can be closed solely because they lose money; and, as revealed in an investigation by Bloomberg Businessweek, the service is so dependent on low-profit junk mail for revenue that it has a marketing officer tasked with lobbying banks not to switch to electronic statements. The USPS, which is supposed to be self-financing, faces a dismal future. Yet the USPS continues to plant the seeds of its own destruction. This year it reached a new contract with the union representing its mail clerks, drivers, mechanics and custodians that included a continuation of the no-layoffs clause for current workers, a 3.5 percent raise over 4 1/2 years, and regular cost of living increases. (The postal service claims that it was trying to avoid arbitration that might have resulted in an even more costly package, and it may have a point.) The service's management and unions are living in denial -- both want the service to be freed from having to finance its health-care plan for retirees in advance to the tune of \$5.5 billion a year. They also push a sketchy claim that the USPS has overpaid the Civil Service Retirement System by as much as \$75 billion since the 1970s and deserves the money back from Congress.


 [SavethePostOffice.com](#): Over four thousand post offices slated to be closed, and just as many news articles about the closings, yet not a word in the media about the billionaires and millionaires who are running the show. All you hear is how postal revenues are declining and no one uses the post office anymore. But somehow the Postal Service was still able to outsource \$12 billion in 2010. It's not hard to see what's going on. The Robber Barons are stealing the post office from the American people. Closing down post offices to save a little money is just a big distraction, a show to make it look like the Postal Service is acting like a responsible business. In the meantime, the Robber Barons are plundering the postal system via the outsourcing contracts they've negotiated with cooperative Postal Service executives.

 In case you haven't seen it [Introducing the Redesigned USPS.com](#)®

 [PostalReporter News](#): NIOSH Issues Ergonomic Report on USPS Automatic Flat Sorting Machines at Denver, CO

 [National Association of Letter Carriers](#): President Obama has signed into law a hard-fought measure designed to keep America from defaulting on its credit obligations. The agreement authorizes a two-stage, \$2.1 trillion rise to the nation's debt ceiling that's balanced with about \$2.5 trillion in spending cuts spread over the next decade. Postal employees' pensions and health benefits are fortunately off-limits in this first round of cuts in discretionary spending, though we will have to defend the continuation of six-day delivery during the appropriations process. But a second round of cuts could expose our fringe benefits to reductions, depending on the outcome of negotiations within a bipartisan, House-Senate select committee—the so-called "Super Congress."

August 2, 2011


 [National Association of Letter Carriers](#): The American labor movement has declined in membership over the past several decades, peaking in the 1970s then steadily declining since the early 1980s. During the same time frame, inequality between the wealthiest Americans and working men and women has expanded alongside. While the correlation between the two has often been assumed, a recent Harvard study suggests that these changes are in fact directly related.


 *At the Postal Regulatory Commission:*

- [Postal Regulatory Commission Report on Peak Load Costs Request for Proposal August 2, 2011](#)
- **Monthly Progress Report** on Full-Service Intelligent Mail Participation and Compliance by Commercial First-Class Mail and Standard Mail Customers <http://www.prc.gov/docs/74/74397/20110802Imb.Mon.Rep.pdf>

Mailers' Technical Advisory Committee (MTAC) The Mailers Technical Advisory Committee has formed a new workgroup on "[Enhanced Parcel Return Processes](#)." Its first goal is to make return processing more efficient, reduce unnecessary handling and thereby reduce costs. To synch with industry goal of minimizing return postage increases and additional fees.

All return flows are to be covered such as: a) Returns processed per parcel endorsements (i.e., Address Service Requested, Change Service Requested, Return Service Requested, Forwarding Requested, no endorsement). b) Returns processed per PRS - Parcel Return Service labels and MRS – Merchandise Return Service labels. c) Returns paid for by the addressee. Its second goal is to eliminate confusion and lack of detail on return options and pricing through clearer DMM language for parcel endorsements. Perhaps develop a separate vehicle to communicate the value of options.

 **Engadget:** All told, data centers' energy consumption has risen 56 percent since 2005 -- a far cry from the EPAs 2007 prediction that this figure would double by 2010, with annual costs ballooning to \$7.4 billion. Then again, this slower-than-expected growth could well be temporary. Though Koomey can't specify to what extent the financial crisis and technological advancements are to blame, he insists, broadly speaking, that we're primarily seeing fallout from the economic slowdown -- a stay of execution, of sorts, for those of us rooting for energy conservation.

 **Press Release:** Bell and Howell, LLC, provider of BCC postal and data quality solutions that optimize client communications, announces the release of the Accurant™ AIX 64 platform. It joins Win32, Win64, and Linux 64 as the available options for this multiplatform solution. Accurant is Bell and Howell's premier address validation and standardization solution.



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

- The Association for Postal Commerce, in conjunction with the Direct Marketing Association, the Alliance of Nonprofit Mailers, and the Magazine Publishers of America (PostCom et al.) have submitted reply comments with regard to the Appeals Court's remand of the Postal Regulatory Commission decision on the Postal Service's request for exigency rate increases. PostCom et al. told the Commission that "the Postal Service's position in its Initial Comments appears to be nothing more than an attempt to revive the argument, rejected by the Court of Appeals."
- Confirmation hearings for prospective members of the Postal Service's Board of Governors or the Postal Regulatory Commission tend to be very noncontroversial, pedestrian affairs. Things were somewhat different, however, with the confirmation hearing that was held last week on the nominations of Mark Acton and Robert Taub to the Postal Regulatory Commission. Not that the members of the Senate postal panel had any bones to pick with either candidate, but rather that there seemed to be a lot that the senators wanted to get off their chests on the recent state of the nation's postal system.
- Efforts by Senator Susan Collins (R-ME) to bring about some fundamental reforms to the disability compensation policies of the federal government came in for some rough handling from the Office of Personnel Management (OPM).
- Clips from press around the country on the plan to close post offices.
- Attention PostalOne!® Users. Congress can't do anything else . . . but it can sure name post offices.
- An update on notices regarding changes to the Domestic Mail Manual.
- An update on key docket activity at the PRC.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

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The following reports have been posted on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov>). If you have additional


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


- [Financial Controls Over Passport Applications \(Report Number FF-AR-11-011\)](#). We found three areas of opportunities in which the Postal Service can enhance its financial controls over passport applications and revenue associated with fees collected. Specifically, the Postal Service needs (1) a reconciliation process for the collection and financial reporting of application fees collected at acceptance facilities, (2) improved controls over fees collected for passport photographs, and (3) re-evaluation of the fee charged for passport photographs. By establishing these controls, the Postal Service would provide better assurance that units are collecting and reporting all passport revenue and fees, and it could increase revenue by capturing a larger share of the market for passport photographs.
- [Oshkosh, WI Processing and Distribution Facility Consolidation \(Report Number NO-AR-11-006\)](#). As of June 2011, we concluded that adequate facility and machine capacity does not exist at the Green Bay Processing and Distribution Center (P&DC) to process all mail volume coming from the Oshkosh Processing and Distribution Facility (P&DF). Consequently, service could be negatively impacted. However, if the consolidation occurred, we determined no career employees would lose their jobs at their locations, although some reassignments might occur. We also determined the Oshkosh P&DF is more efficient and processes its mail volumes at a lower cost than the Green Bay P&DC processes mail volumes. Further, we noted mail processing cost savings were overestimated, but significant savings still could be achieved. Finally, we discovered area mail processing policies and guidelines were not always followed, but this had no impact on the proposed consolidation.
- [Postal Vehicle Service Transportation Routes – Baltimore Processing and Distribution Center \(Report Number NL-AR-11-004\)](#). We determined that the Postal Service could save about \$820,000 annually if the Baltimore Processing and Distribution Center (P&DC) would manage postal vehicle service (PVS) transportation processes and schedules more efficiently. Specifically, we concluded that management could remove excess workhours from existing PVS transportation routes and reduce related fuel costs and damage claims schedules. Additionally, we found the Baltimore P&DC could improve the effectiveness of scheduled highway contract routes (HCRs) by cancelling trips without negatively affecting on-time service. The reduction in PVS and HCR transportation fuel use would also help achieve the Postal Service's fuel consumption goals. Finally, we observed PVS drivers not consistently restraining mail and equipment for transportation as required in established safety policies.


 [Baltimore Sun](#): The post offices that serve as a defining feature of many communities may soon be gone, but with the right reforms, the postal service itself won't be.


 [AOL Government](#): As the chief information security officer for the U.S. Postal Service, McGann is responsible for protecting the integrity of information and the information infrastructure used in operating one of the world's largest enterprises. McGann, who has over 23 years of experience in the federal government, oversees the security of the USPS data infrastructure, which involves over 400 business applications supporting all aspects of business and mail operations. A significant failure of these systems could cause delays in the processing and delivery of mail, impacting USPS's operating costs and potentially even the country's economy. Last month, McGann was named the new Co-Chair of U.S. Government Advisory Board for Cyber Security at (ISC)² the world's largest information security professional body. He is a certified information systems security professional (CISSP), a certified information security manager (CISM) and holds a certification for information assurance methodology (IAM) from the National Security Agency (NSA).


 [The Australian](#): Australia Post is entering the retail banking market after reaching an agreement with Rural Bank to provide banking services in regional areas. The postal service has long been touted as a potential rival to major banks if it moves into financial services, given its existing network of nationwide branch services. Under the deal with Rural Bank, which is backed by Bendigo and Adelaide Bank, customers will be able to open deposit accounts at 1400 post offices. Rural Bank staff will be placed in 130 country areas to offer lending services. Australia Post has consistently ruled out a dramatic expansion into financial services. However, it does provide some bill payment and money transfer systems. See also the [Sydney Morning Herald](#).


 [Financial Times](#): Penicillin was once a wonderdrug but lost effectiveness because it was applied too broadly. The experience of TNT Express shows there is a similar problem with the simple three-step process widely considered a corporate antidote to slow old-world economic growth. The recipe: first buy up local operations in a favourite emerging market, then apply fancy developed-world management techniques to said emerging market and finally, watch the cash roll in. That technique, however, led the Dutch express postal service, which in May demerged from its snail mail unit, to a €103m first-half loss, compared with a €51m net profit last year.


 [Zanesville Times Recorder](#): While there still are many who rely on their village offices, the fact is there are just as many, if not more people, who have no reason to go to the post office. The way we communicate has drastically changed. We do not write letters to friends and family members; we send emails or instant messages. We can stay connected by using Skype to see and talk to those who are thousands of miles away or just around the corner. The way we receive and pay our bills has changed, too. We no longer need stamps or even envelopes. And it all can be done in the worst weather conditions at any time of the day or night. The postal service cannot compete with the technology available to us today. It's been incredibly slow to change with the times, and millions of dollars will continue to be lost as it crawls toward cost-saving measures.


 [Eagle-Tribune](#): City leaders fear a plan to close the Bradford Post Office would inconvenience people in that part of the city and create traffic problems downtown, where the main post office is located. Mayor James Fiorentini said he opposes closing the post office in Bradford's Central Square and that he has written to Haverhill's congressional representatives and top postal officials in Washington, D.C., and Boston to ask for their help keeping it open. Shutting the Bradford post office would send most people who use it to Haverhill's busy main post office downtown in Washington Square, Fiorentini said.


 [Omaha World-Herald](#): Gov. Terry Branstad on Monday called for a moratorium on the closing of post offices, noting that Iowa and West Virginia are hit hardest by the U.S. Postal Service's plans to close 3,700 offices nationwide. "As governor, I believe I have a responsibility and obligation to go to bat for those communities and for maintaining that service," Branstad said at his weekly press conference. "Not to say that some post offices can't or won't be closed, but there should be a thoughtful and systematic approach towards this; nobody will tell us what the criteria are, and the citizens are rightly upset." Iowa could see 178 post offices closed in the plan announced last week by the U.S. Postal Service, which had a net loss of \$8.5 billion in fiscal 2010. That comes after the Postal Service announced that the processing and distribution facility in Sioux City would be closed by October and the customer service mail processing center in Fort Dodge would be shut down by January. See also [Iowa Politics](#) and the [Waterloo Cedar Falls Courier](#).


 [The Northwestern](#): The U.S. mail processing center in Green Bay lacks enough space to adequately absorb Oshkosh operations and is less efficient, according to an audit released Friday. But U.S. Postal Service officials said they still plan to close the Oshkosh Processing and Distribution Facility and consolidate all operations in Green Bay starting in October to save money. U.S. Rep. Tom Petri, R-Fond du Lac, requested the audit by the Office of the Inspector General after post office workers and Oshkosh residents raised concerns over the merger, especially since an earlier study had explored moving the Green Bay operation to Oshkosh.


 [Yankton Daily Press & Dakotan](#): The news last week that the United States Postal Services (USPS) is looking at a study that could result in the closure of 3,700 postal offices nationwide probably isn't real surprising, given the competition that traditional mail service faces in this age. But it is disappointing nonetheless, for it threatens to put a lot of rural communities in a difficult situation in terms of mail service.


 [Roll Call](#): The U.S. Postal Service is considering shuttering the Capitol post office, along with the other four House-side locations, to the dismay of some Capitol Hill staff. In fact, many House staffers do not seem to know there are five post offices in their midst: in the Capitol, on the Cannon House Office Building's second floor, on the Rayburn House Office Building's first floor, in the Longworth House Office Building's basement and in the Ford House Office Building. That may be why, when asked, Members and staff said they would not mind if the Postal Service consolidated a few of the five locations.


 [The Telegraph](#): Adopting cloud technology has given Royal Mail the ability to scale up and down quickly to meet demand, without paying a premium. Royal Mail, by its own admission a very conservative organisation, is blazing a trail in cloud computing. Facing the threats of increased competition and privatisation, the national postal service is under growing pressure to operate more efficiently. For the IT department, the challenge is even greater. Without a flexible, scalable IT infrastructure, there is a limit to how dynamic the company can be.

 [KCAU](#): Iowa's senators and Rep. Steve King today met with the Postmaster General about the Sioux City mail processing center. The Iowa representatives in Congress sought the meeting to get answers about the Postal Service's expressed intention to move this processing center to Sioux Falls. Sens. Chuck Grassley and Tom Harkin and King said that the Postmaster General told them the Postal Service will provide un-redacted data and other backup information about the study on which it's basing this decision to local leaders in Sioux City for review. Then, the Postal Service's vice president for area operations will go to Sioux City for a meeting with local leaders. The Iowa representatives also said that the Postmaster General said the Sioux City community would have an opportunity to present a counter-proposal, the Postal Service would take a look, and the Postal Service could potentially reconsider its decision if there's a significant breakthrough. See also [KITV](#).

 [Postal Technology International](#): As more customers choose to conduct their postal business online, on their smartphones and at their favourite shopping destinations, the need for the US Postal Service to maintain its nearly 32,000 retail offices – the largest retail network in the country – diminishes.

 [From the Federal Register: Postal Regulatory Commission NOTICES](#) Post Office Closings , 46331–46332 [2011–19436] [\[TEXT\]](#) [\[PDF\]](#) 46333–46334 [2011–19464] [\[TEXT\]](#) [\[PDF\]](#) 46332–46333 [2011–19472] [\[TEXT\]](#) [\[PDF\]](#) 46334–46335 [2011–19502] [\[TEXT\]](#) [\[PDF\]](#)

 [Hellmail](#): Customer data from Collect+ reveals that people are increasingly using the service to send and receive parcels outside working hours - rejecting the rigid opening hours of traditional drop-off points. According to Collect+, consumers have embraced the innovative service, with a 19 per cent increase in parcels being sent and received outside normal business hours in May 2011, compared to October 2010 and two fifths of its transactions (41 per cent) taking place when post offices are closed. With 98 per cent of the 3,900 Collect+ outlets open seven days a week and, normally, early in the morning until late at night, the service offers online shoppers the option to pick up or drop off parcel purchases at a time convenient to them.

 [Washington Post](#): Letter from APWU President Cliff Guffey -- "The July 28 editorial "A better route for USPS" endorsed the strategy that is being employed by Republican governors who use budget deficits to attack collective-bargaining rights while ignoring other methods of closing budget gaps.



In reply comments filed with the Postal Regulatory Commission in the remand of the exigency case decision, the [Association for Postal Commerce, the Direct Marketing Association, the Alliance of Nonprofit Mailers, and the Magazine Publishers Association](#) said that:


In this remand, then, the Commission has one obligation to the court: to decide the legal question of where on the spectrum of causation standards—from “due in part to” to “due only to”—the “due to” requirement of Section 3622(d)(1)(E) should be placed. . . . The Postal Service’s claim that it has done everything it reasonably can to cut costs and maximize efficiency is refuted by the extensive record in R2010-4 on this issue. . . . The notion that the Postal Service operates at the frontier of efficiency—and can do nothing further to reduce costs—is refuted by the record. There is ample evidence in the record that the Postal Service’s losses result in large part on inefficient operations, including an oversized and obsolete network of mail processing facilities; an oversized work force that receives above-market rates of compensation; a failure to prepare adequately for the eminently foreseeable loss of volume to the Internet; and a failure to respond effectively to the downturn in mail volume during the recession. The Commission’s dictum in Order No. 547 praising some of the Postal Service’s cost-cutting efforts as “commendable” does not refute these facts. . . . The Commission identified the retiree health prefunding payments as the “principal cause” of the Postal Service’s financial crisis. Order No. 547 at 68. In doing so, it recognized that

the primary cause of the Postal Service's need for additional revenue was not the recession, but a non-exigent circumstance.

August 1, 2011


 *At the Postal Regulatory Commission:*


- **MC2011-27** Order No. 785 - Notice and Order Concerning Filing of Postal Service Request for Classification Change Concerning Reply Rides Free Program <http://www.prc.gov/docs/74/74329/Order785.docx>
<http://www.prc.gov/docs/74/74329/Order785.pdf>
- **R2010-4** Detailed Analysis - Reply Comments of the Greeting Card Association http://www.prc.gov/docs/74/74345/R2010-4R_GCA_DAREPLY_FIN11.pdf
- **R2010-4** Reply Comments of the Saturation Mailers Coalition and Valassis Direct Mail, Inc. <http://www.prc.gov/docs/74/74324/SMC%20Valassis%20Reply-remand.pdf>
- **R2010-4** Reply Comments of Time Warner Inc. <http://www.prc.gov/docs/74/74321/TWRepCmtsR2010-4.pdf>

 **DMM Advisory: Reply Rides Free Up to Two Ounces.** On Friday, July 29, 2011, we initiated a filing with the Postal Regulatory Commission (PRC) about the Reply Rides Free Program, requesting that the weight requirement to receive credit for qualifying First-Class Mail[®] letters weighing more than 1 ounce be raised from “no more than 1.2 ounces” to “no more than 2 ounces.” After PRC review, we plan on making this change available to customers beginning September 1, 2011, and the change will be incorporated into the September 6, 2011, *Domestic Mail Manual* (DMM[®]). For additional information, see the PRC [filing](#).

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

- **Media Mail and Library Mail—Consolidation** We revised [170](#), [370](#), and [470](#) to combine the standards for Media Mail[®] and Library Mail. With that combination, sections 180, 380, and 480 are eliminated.
- **Use of Precanceled Stamps—Clarification** We revised [234](#), [244](#), [334](#), [344](#), [434](#), [444](#) and [604.3.0](#) to clarify standards for use of precanceled stamps and the use of mailer's precancel postmarks.

 **MetroWest Daily News:** In both urban and rural areas of the country, many of the potential closures seem to disproportionately affect poor communities and people without transportation to nearby branches and without the means to access postal services via the Internet. That's why it is important for the postal customers and public officials representing these communities to make their voices heard.

 **Federal Times:** The Postal Regulatory Commission has laid out an expedited schedule for considering the U.S. Postal Service's plans to close up to about 3,650 post offices. The bottom line is that the public phase of the commission's review will take about three months, with an advisory opinion presumably coming fairly soon after.



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


Make Way For www.---.post. The Universal Postal Union (UPO) obtained exclusive rights to the “.post” top-level domain in December 2009. The .post domain will allow postal operators and customers to connect quickly and securely within a global physical/digital network. It will also provide a platform


for the postal community to deploy digital products and offer a variety of services. Should the Postal Service use .post as a platform for offering digital services? Share your thoughts on our [blog](#).


New Audit Projects: [LINK](#) here to visit our audit project pages. This week we opened the following new projects: (Please share any information you may have that would help with these audits currently in progress by clicking on the links below):


A new audit project has been started on the external website.


- [Unauthorized Overtime – 11YG042HR000](#). The team will assess whether the Postal Service managers and supervisors provided adequate oversight to prevent unauthorized overtime.


 [Computer Weekly](#): The idea that business and technology are intertwined is evident in the management structure at FedEx - the global CIO, Robert Carter, is a member of the executive board and co-CEO of FedEx Services, which provides IT, customer services and sales and marketing support to the company. Web services automate and simplify processes. The company now offers a suite of web services, electronic trade documents and international shipping software, all building on the information FedEx knows about the packages being shipped. The web services enable its customers to automate aspects of their logistics business processes. Package shipping, in particular international package shipping, can be complex. FedEx has built IT systems to enable its customers to manage and simplify their shipping experience. From internet-based shipping on fedex.com through to shipping servers that can be integrated with a customer's individual fulfillment needs, FedEx offers applications it says meet the needs of both simple and complex customer situations. For international shippers, FedEx has deployed an Electronic Trade Documents service, which allows customers to submit customs documents to FedEx prior to the shipment being collected.


 [Wall Street Journal](#): Delivery and freight company TNT Express NV on Monday reported an 85% drop in second-quarter net profit as improved profitability in Europe was offset by steeper losses in other regions as well as restructuring costs. In Asia-Pacific, TNT said it was unable to fully utilize its planes flying from Asia to Europe and blamed higher wage and fuel costs. Its Brazilian revenue continued to fall as it struggled to merge two delivery companies it bought last year, causing large clients to take their business elsewhere. However, in Europe—where TNT is market leader—it benefited from higher prices and lower costs, offsetting rising fuel prices.

 [Palladium-Item](#): The longer USPS waited to innovate, the more drastic the changes needed to be and the more frequently it increased the price for stamps. This lumbering giant now is getting around to making tough decisions that should have been made 25 years ago.


 [PR-Inside](#): Stamps.com®, a provider of USPS® postage online : and shipping software : to approximately 400,000 customers, today announced that it recently introduced PC Postage Version 8.9 software which includes new features to help e-commerce sellers and high volume shippers save money.


 [News-Press](#): Run government like a business — but on second thought, don't. That's the double-talk coming from some members of Congress who demand fiscal responsibility but dig in their heels and say no when it comes to making unpopular choices. No sooner was Tuesday's closing announcement made than some members of Congress began to howl in protest, especially those from rural areas, who made it clear they intend to fight the change. There's also resistance to ending Saturday delivery. But while the local closings would inconvenience some, they would not end the world.


 [Zanesville Times Recorder](#): While a complete change away from "snail mail" is not going to happen anytime soon as the postal service still provides a needed service, officials aren't being proactive enough. Officials need to act more quickly to stave off the losses, instead of plugging small holes in a dam full of leaks. The postal service cannot compete with the technology available to us today. It's been incredibly slow to change with the times, and millions of dollars will continue to be lost as it crawls toward cost-saving measures.


 [Post & Parcel](#): Royal Mail has asked regulator Postcomm for permission to make a number of changes to the operator's terms and conditions that would bring it "more in line with other delivery companies". The company

wants to introduce a pilot scheme to leave undeliverable parcels with neighbours when the no-one is at home and the item of mail is too large to go through the letter box. Royal Mail would also like to amend the compensation amounts available for business contract customers, a change which would not affect consumers. The vast majority of small business customers use stamped and franked mail and parcels and would also not be affected, the company said. See also [The Guardian](#).

 [Hattiesburg American](#): Just about everyone agrees the Postal Service must be streamlined, but closing offices will be difficult and time-consuming. But even then the Postal Service's problems won't be over. The closures, along with increases in the price of stamps, may simply prolong the downward spiral. The question for Americans is how much longer they're willing to pay the escalating price of personal service; of postal workers hand-ladling mail into boxes, whether in front of a home or a short way down the street; of being able to buy stamps at a counter labeled "USPS."

 [Post-Bulletin](#): It's safe to say that over the next few years, the United States Postal Service will consider every available option in its never-ending effort to streamline, cut costs and increase revenue. A painful part of that cost-cutting process, unfortunately, is already beginning to play out in thousands of small towns across the nation.

 [Hellmail](#): The Finnish postal service has announced an operating loss of EUR 3.4 million (operating profit of EUR 12.1 million), representing -0.4% (+1.3%) of net sales.

 [The Kansas City Star](#): It's time to rethink the mission and meaning of the United States Postal Service. The old model is breaking, if not broken. For centuries, America communicated, did business and socialized through mail delivery. To say the Postal Service is no longer needed is clearly wrong. Sadly, to ensure the health of an institution, it's time for Americans to wave goodbye to Saturday delivery. Thousands of underused post offices will and must be closed.