



Association for Postal Commerce

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Postal News from September 2011:

[September 30, 2011](#)

 [Attention PostalOne!® Users.](#)

- [Business Customer Gateway](#) — Customers accessing the Business Customer Gateway may experience intermittent service disruption during the maintenance window Sunday, October 2, 2011, 4 a.m. to 8 a.m. CDT.
- [PostalOne!® Deployment](#) — PostalOne!® Release 27.0.3 will deploy during the maintenance window Sunday, October 2, 2011. PostalOne!® will not be available 4 a.m. to 6 a.m. CDT.
- [PostalOne!® 27.0.3 Release Notes](#) are posted on the RIBBS Website.
- **PostalOne!® Release 27.0.3** will deploy to the Test Environment for Mailers (TEM) Monday, October 3, 2011 .
- **PostalOne!® Maintenance** - PostalOne!® users should be advised that the scheduled maintenance windows Sunday, Oct 9, 2011 and Sunday Oct 16, 2011 from 4 a.m. to 8 a.m. CDT may be used for critical backend system changes in preparation for Release 28.0. Future communication will provide exact start and end times of any outages expected in those maintenance windows.

***DMM Advisory:* 2011 Holiday Shipping Dates for APOs/FPOs/DPOs.** With the holiday season fast approaching, we are reminding friends and families to mail early to ensure delivery of their holiday cards and packages to APO/FPO/DPO destination addresses by December 25. Deadlines for mailing to specific APO/FPO/DPO ZIP Codes vary according to the specific classes of mail being sent to them. They are listed below. We also remind mailers that all mail addressed to overseas military/diplomatic Post Offices is subject to certain conditions or restrictions regarding content, preparation and handling. Those restrictions are listed by individual APO/FPO/DPO ZIP Code in each *Postal Bulletin*. To access this listing on the Internet, go to pe.usps.com, click *Postal Bulletins* in the blue navigation bar, and then select the Pull-Out Information section.

Mail Addressed To	Express Mail Military Service (EMMS) ¹	First-Class Mail [®] Letters and Cards	Priority Mail [®]	Parcel Airlift Mail (PAL) ²	Space Available Mail (SAM) ³	Parcel Post [®]
APO/FPO/DPO AE ZIPs 090-	Dec-17	Dec-10	Dec-10	Dec-3	Nov-26	Nov-12

092						
APO/FPO/DPO AE ZIP 093	N/A	Dec-3	Dec-3	Dec-1	Nov-26	Nov-12
APO/FPO/DPO AE ZIPs 094-098	Dec-17	Dec-10	Dec-10	Dec-3	Nov-26	Nov-12
APO/FPO/DPO AA ZIP 340	Dec-17	Dec-10	Dec-10	Dec-3	Nov-26	Nov-12
APO/FPO/DPO AP ZIPs 962-966	Dec-17	Dec-10	Dec-10	Dec-3	Nov-26	Nov-12

¹ EMMS is available to selected military and diplomatic Post Offices. Check with your local Post Office to determine if this service is available to an APO/FPO/DPO address.

² PAL is a service that provides air transportation for parcels on a space-available basis. It is available for Parcel Post items not exceeding 30 pounds in weight and 60 inches in length and girth combined. The applicable PAL fee must be paid in addition to the regular surface price of postage for each addressed piece sent by PAL service.

³ SAM parcels are paid at Parcel Post prices with maximum weight and size limits of 15 pounds and 60 inches in length and girth combined. SAM parcels are first transported domestically by surface and then to overseas destinations by air on a space-available basis.

Holiday shipping dates for domestic and international mail will be provided in a separate DMM Advisory.

 *At the Postal Regulatory Commission:*

- In its first audit of 2011, the Office of Inspector General of the PRC has criticized the contracting and procurement practices at the Commission.
<http://www.prc.gov/prc-pages/about/offices/reportOIG.aspx>
- 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/76/76235/Sept2011%20Mon%20IMb%20Rep.pdf>



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.

- [Contract Delivery Service Cost Controls \(Report Number CA-MA-11-002\)](#). In assessing Contract Delivery Service (CDS) contracts with above average costs we determined that, generally, CDS contracts in the Caribbean District offered the lowest cost to the Postal Service. In addition, when a CDS contract is renewed, contract specialists compared contract costs to the cost of rural delivery when renewing CDS contracts. However, administrative officials did not always perform route surveys, which may make it difficult to negotiate an accurate price for a contract.
- [Follow-Up on City Delivery Standard Operating Procedures \(Report Number DR-AR-11-007\)](#). Our audit determined that City Delivery Morning Standard Operating Procedures did not fully achieve intended results. Specifically, 1,256 inefficient delivery units either did not achieve certification, or achieved certification but did not maintain performance levels afterward. Additionally, Integrated Operating Plans did not always meet delivery units' needs and procedures to match workhours to workload were not consistently followed.
- [Global Express Guaranteed \(Report Number FF-AR-11-016\)](#). Our audit determined the U.S. Postal Service generally had effective control procedures over processing, tendering, and delivering GXG mailings but need to improve control procedures over acceptance and oversight of GXG billings. Specifically, GXG

program management did not properly validate billings, so the Postal Service paid about \$314,000 without adequate support. In addition, management did not timely re-certify and accredit the GXG database.

- [Mail Transportation Equipment – Needs, Distribution, and Use \(Report Number NL-AR-11-006\)](#). Our audit determined that there was an imbalance of Mail Transportation Equipment (MTE) rolling stock in the network, with some National Distribution Centers (NDC) having excess rolling stock and other having a shortage. This occurred because Postal Service Headquarters did not perform a comprehensive analysis of needed MTE rolling stock; and the Postal Service did not enforce or, in some cases, establish effective processes to manage, control, and redistribute existing MTE rolling stock.
- [Officer Compensation for Calendar Year 2010 \(Report Number FT-AR-11-011\)](#). Our audit determined the Postal Service did not always comply with Postal Act of 2006 salary cap limits and IRS regulations. The Postal Service also did not report Social Security wages or withhold and pay taxes on deferred compensation for one officer or timely report Medicare wages or withhold and pay taxes on deferred compensation for one prior and four current officers.




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


- This marks the Postal Regulatory Commission's (Commission) first report under section 701 of the Postal Accountability and Enhancement Act (PAEA) of 2006. That section directs the Commission to submit a report to the President and Congress, at least every five years, regarding how well the PAEA is operating and to recommend measures to improve the effectiveness and efficiency of postal laws.
- The U.S. Postal Service's response to the Commission's Section 701 report was included in the PRC's publication. Although the Postal Service did agree with the Commission's recommendation of restructuring the retiree health benefits prefunding payment, it did not think that the PRC's report included comprehensive changes to address its financial stability in the short- and long-term. The Postal Service included its comments on the effectiveness of the PAEA and its won recommendations.
- The Postal Service published its unaudited August results with the Postal Regulatory Commission. USPS lost \$1.8 billion in August 2011. The year-to-date loss for FY2011 is \$8.8 billion. The Postal Service's controllable operating loss for the year would be \$2.1 billion if it did not have over \$5.0 billion in retiree health fund prepayment or workers compensation.
- The Institute for Research on the Economics of Taxation (IRET) released its report, "The Postal Service's Financial Plight and the U.S. Credit Downgrade." The IRET looks at the similarities between the federal government's overall finances and the condition of the government-owned mail service.
- The USPS on September 27, 2011, published in the Federal Register its final rules requiring the use of an Intelligent Mail unique tracking barcode on all commercial parcels (except Standard Mail parcels) claiming presort or destination entry pricing. The final rule encourages immediate use of an Intelligent Mail package barcode (IMpb) by providing end-to-end tracking and confirmation of delivery on all commercial parcels except Standard Mail and Package Services parcels. While some of the standards are effective January 22, 2012, the USPS has included an optional-use transition period for some requirements until July 2, 2012. Use of the IMpb will be mandatory effective January 7, 2013.
- Senate's continuing resolution includes delay in RHB pre-payment. Cohen introduces postal bill. PostCom's newest member. Congress looking to save Postal Service as payments come due.
- An update on Federal Register notices.
- An update on the Domestic Mail Manual.
- An update on business before the Postal Regulatory Commission.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.


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 [BusinessWeek](#): Mark Strong will happily tell you he knows quite a bit more about the post office than the average person. He should. He began his career with the U.S. Postal Service 34 years ago at a rural post office in Montana. Today he is postmaster of Sun City, Ariz., where he commands the country's largest bike delivery fleet. Strong is also president of the National League of Postmasters of the U.S. It is in this capacity that he is leading a postmasters' revolt against U.S. Postmaster General Patrick R. Donahoe's plan to close as many as 3,650 post offices in hopes of staunching the financial losses at his agency. Strong has testified before Congress, warning that closing post offices will leave millions of people without easy access to a basic service. His members have also embarked on a campaign to enlist the public's help in fighting the closures.


 [WDEL](#): Senator Carper and Congressman Carney are confident lawmakers can come up with a plan to save the Postal Service. Carper tells WDEL News he and his colleagues will "go by the rules in determining which facilities to close.


 [From the Federal Register: Postal Regulatory Commission NOTICES Post Office Closings](#) , 60945–60946 [2011–25246] [[TEXT](#)] [[PDF](#)] 60949–60950 [2011–25263] [[TEXT](#)] [[PDF](#)] 60947–60949 [2011–25265] [[TEXT](#)] [[PDF](#)] 60946–60947 [2011–25278] [[TEXT](#)] [[PDF](#)]


 [LogisticsWeek](#): FedEx Ground, the small-package ground unit of FedEx Corp. is celebrated the opening of a new package sorting and delivery station that is the fifth major facility for the company in the Chicago area.

 [Hellmail](#): Direct Marketers now have a new tool at their disposal, courtesy of Swiss Post. The online calendar provides information for all days in the year regarding the percentage of the population affected by a non-working public holiday or school holidays.

 [Washington Post](#): On the verge of reporting historic losses, the U.S. Postal Service is launching a new TV advertising campaign designed to slow the migration away from snail mail. Now, the "If it fits, it ships" campaign will share airtime with two 30-second spots designed to remind customers that paper mail, unlike e-mail, can't be hacked, and that letter carriers are still providing reliable and safe deliveries to doorsteps.


 [Post & Parcel](#): Mario Bebic, executive HR director of Croatian Post, spoke to Mail & Express Review about preparations being made ahead of the opening of the Croatian postal market in 2013. Croatian Post has been confronted with similar business, organisational and corporate challenges to many other postal operators worldwide. As part of a restructuring process which began in 2009, our goals are to turn Croatian Post Inc. into a modern postal operator by securing market position, implementing HR processes and projects with experienced and professional employees, and creating new management and a new organisation based on four divisions: Post, Network, Express and Support.


 [BBC](#): For the postmen of Kabul, navigating the maze of the city is a daunting task. It is a city of more than four million people and one in which hundreds of homes and streets are being developed every year. There are few street names and house numbers, and the Central Post Office has yet to introduce a full postal code system.


 [Politifact.com](#): The U.S. Postal Service is having financial problems, but "not for the reason you might think," says a new ad from unions representing postal workers. The ad makes it sound so simple -- if only Congress would fix the unfair law making the post office pay the federal government. But our research showed the post office had more problems than just the financial requirements of a 2006 law. The postal unions themselves acknowledge in their press materials for the ad that changes to the retirement rules alone would not solve the Postal Service's financial problems. The postal unions' ad blames financial problems on "a 2006 law that drains \$5 billion a year from post office revenue, while the Postal Service is forced to overpay billions more into federal accounts." The ad


is right that the law did require payments of approximately that amount and that those payments have had a significant effect on the post office's bottom line. The additional overpayments are subject to debate. Even so, the law is hardly the only challenge the post office faces; it's also facing continuing declines in first-class mail. So we rate the ad's claim Half True.


September 29, 2011


 [Multichannel Merchant](#): Is it possible that Congress will enact a bill this year that would eliminate Saturday mail delivery? According to several postal experts, there are two chances for that occurring in 2011: slim and none. How does the 2012 presidential election fit into this scenario? "Everything is affected by the 2012 elections," Del Polito says. "Republicans will not want to give Obama a victory on anything." Until the 2012 elections are over, Del Polito doesn't expect any comprehensive postal reform bill to pass. "I just don't see a Boehner-Pelosi or a Reid-McConnell kumbaya choir anytime soon," he notes.


 [WTFR](#): With the city's mail processing facility facing possible closure, Parkersburg Mayor Robert Newell plans to make a case in Washington, D.C., for keeping it open. Newell said he will go to the nation's capital in October. One of the issues he hopes to address with the Mountain State's legislative delegation is the fate of the processing facility.


 [TheIndyChannel](#): Several Indianapolis post office branches are under fire after undelivered mail was found piled up in the trash. Keith Palmer said he was fired from his job as a letter carrier in April after he complained to supervisors that bulk mail was being thrown out. He showed 6News' Rafael Sanchez stacks of mail recently recovered from the Dumpsters of six Indianapolis postal branches -- Rainbow, Eagle Creek, Brightwood, Eastgate, Linwood and Nora.


 [Post & Parcel](#): Representatives from 25 African postal operators have committed to work together to develop a pan-continental electronic money transfer network. An action plan was drawn up by members of the Pan-African Postal Union (PAPU) earlier this month, taking forward a priority area for the union, an agency of the African Union. Meeting in Nairobi, Kenya, 70 representatives from English-speaking countries and several Indian Ocean islands heard that money transfers are an "essential" part of a country's economy. World Bank figures suggest that for Lesotho and Gambia, money transfers account for as much as 10% of their GDP.

 [Post & Parcel](#): TNT Post UK is calling on Britain's newly-designated postal regulator, Ofcom, to bring down barriers to fair competition in the British postal market. In particular, the Dutch-owned postal operator wants to see an end to Royal Mail's exemption on VAT for business mail services.


 [Sen. Bernie Sanders](#): U.S. Sen. Bernie Sanders (I-Vt.) told a rally of Postal Service workers that he is crafting legislation to maintain mail service to communities throughout Vermont and avert cuts that could cost thousands of workers their jobs.


 [PostalReporter News Blog](#): In a telecom Area compliment management informed the Region of management's intent to staff to volume pursuant to the opportunities extended in the new CBA- namely to repost Function 1 duty assignments to Non-Traditional Full Time Duty Assignments (NTFTAs).


 [Press Release](#): FedEx Office®, an operating company of FedEx Corp. has announced it will host a three-part Tweet Chat series featuring industry leaders addressing small business trends and issues. The series will be held over three weeks and each Tweet Chat will feature a different small business expert who will discuss important topics for entrepreneurs—including Recession Proof Your Small Business, Make Your Advertising Pay Off and Branding on a Shoestring Budget.



 [South Coast Today](#): In 2010, the Postal Service asked for permission to raise the rates for bulk mail beyond the rate of inflation. The Postal Regulatory Commission denied it, but the Obama administration is pushing for its reconsideration. The regulators should raise every rate. Allow the work force to diminish through attrition. Push more business online. Stop the incentives that perpetuate an increasingly obsolete segment of the service. There will


be a need for hand-delivered mail for a long time to come, but a private business would be making tougher decisions or faster decisions. The government safety net that has saved the USPS so many times threatens to hasten its demise. Our years of allowing mail delivery to be subsidized through one manipulation or another need recompense. Our view is that the burden should be spread around by pennies at a time over billions of items of mail. Concentrating it in the jobs of so many thousands would be another kick on the economy, the agency, postal patrons or the individuals pushed to unemployment.


 [Azerbaijan Business Center](#): National postal operator of Azerbaijan , LLC Azerpocht is expanding the network of automated mail boxes operating on solar batteries. Azerpocht reports that new automated mail boxes are purchased to be installed in densely populated districts of Baku. " It is planned to purchase about 100 new mail boxes. At present 3-5 new mail boxes have been installed in Baku in test order. In future it is planned to fully replace mail boxes in the capital and install them in regional centers", - the source at Communication and Information Technologies Ministry said. Azerbaijan records increase of manual mail services volume despite the rise of electronic post services penetration level among population.

 [The Baltic Course](#): Latvian press publishers have turned down the proposal of postal services company Latvijas Pasts to provide mail deliveries on Saturdays at extra charge, Latvian Press Publishers' Association CEO, Guntis Licis, and Latvijas Pasts PR Manager, Agija Terauda, informed the business portal Nozare.lv.


 [Press Information Bureau](#): India Post, the largest distribution postal network in the world, and the MoneyGram International, the fastest growing global money transfer company joined hands today to offer convenient money transfer solutions to Indians. Shri Kapil Sibal, the Union Minister of Communications and Information Technology commenced the scheme by conducting a remittance transaction through the MoneyGram service and displayed the ease in the transaction through the new system. The transaction was made from UAE to Delhi.


 [Wall Street Journal](#): Opinion: Why the Post Office Is Broke -- Steve Moore on postal service workers' labor rallies and the post office's financial problems. 


 [Trinidad & Tobago's Newsday](#): The Trinidad and Tobago's postal code addressing system will be implemented in the first quarter of 2012. Public Utilities Minister, Emmanuel George, yesterday revealed this at the opening ceremony of the Fourth Quality of Service Improvement Workshop at the Hyatt Regency, Wrightson Road, Port-of-Spain. "We are currently working on the implementation of the postal code. The project is 60 percent completed so the expected time frame for implementation of postal code is the first quarter of 2012. Once implemented this postal code and the improved addressing it promotes would benefit TTPost and the public," he said. He pointed out there were several benefits for the country having its own postal code.


 [Delaware Online](#): The postal workers support a House bill that would require a recalculation of contributions to the Civil Service Retirement System. The Postal Service claims it was overcharged by billions and is hampered by having to pay ahead on its current retirement fund. Without those charges, executives claim the system would be in much better shape. The overcharging claim is controversial, with opponents in Congress and the executive branch disputing it. Sen. Tom Carper, who has been out front on the issue, has requested that the Government Accountability Office examine the Postal Service's claim. That report is due in October. It should settle the question.


September 28, 2011


 [Government Executive](#): Postal officials have been seeking legislative changes that would allow the agency to leave the government-run Federal Employees Health Benefits Program and create its own health plan. The agency has done much of the legwork and, if allowed to proceed, could have the program up and running within a year, according to USPS Chief Human Resources Officer Anthony Vegliante.


 [eCommerceBytes](#): Sellers who create and print USPS shipping labels on eBay (and instantly pay using PayPal) have new options. eBay announced on Tuesday that sellers can now pay for discounted postage and print labels for up to 50 orders at one time and prepare multiple shipments easily and accurately. eBay also offers shipping insurance - it did not disclose whether it was a profit center for the company.


 [Nairobi Star](#): Nakuru branch retirees of the Postal Corporation of Kenya have complained about the company's neglect in refunding their shares from the Post Mail Sacco. More than 20 workers who chose early retirement between January and February claim the corporation has ignored their demands for refunds. The workers claim that they were to be reimbursed within three months of submission of a volunteer retirement letter.


 [KTVZ](#): In every congressional district across the nation, rallies were held Tuesday to "Save America's Postal Service," including one in downtown Bend that also brought out Tea Party members with a different message.


 [Post & Parcel](#): Brazil's postal service reopened negotiations with national postal union Fentect yesterday, as strike action headed into a third week. Negotiations are expected to continue today (September 28). However, the union said today that it cannot accept ECT proposals for a new collective bargaining agreement, since the terms have not changed following previous union rejections. The Post and Telegraph Company (ECT) said last night it will be in talks today over the proposals, which are based on a base salary increase of 6.87% in real terms. The offer, which would affect about two-thirds of the 110,000 work force, translates into a monthly salary increase of R\$50, but ECT is also offering a one-off R\$800 bonus. Along with increased benefits like food coupons, ECT management says its offer is tantamount to a 13% pay rise.


 [Executive Government](#): Congress passed a continuing resolution Monday that extended a deadline to Nov. 18 for the Postal Service to pay \$5.5 billion in debt to the Treasury Department. The resolution comes as the cash-stricken agency's debts threaten its operations. It is expected announce record losses when its fiscal year ends Friday and expects to have only enough cash to support one week of operations by Oct. 31. Friday is also when the Postal Service is slated to pay an annual \$5.5 billion sum for future retiree health care benefits, a payment it said it would default on. The Postal Service also warned it may not be able to meet an upcoming November deadline. Federal law mandates that the agency pays benefits in advance.


 [Lexology](#): The European Commission announced on 29 July this year that it has opened an in-depth investigation to determine whether the United Kingdom's plans to restructure Royal Mail, the incumbent postal operator, by relieving it of its "pension deficit" and consolidating its balance sheet are in line with EU state aid rules.


 [Sacramento Bee](#): Everyone knows the U.S. Postal Service needs to innovate to survive in an economy where communications technologies are changing by the nanosecond. Yet the Postal Service is also a respected brand. By announcing it will start producing postal stamps that feature living people – as opposed to historical figures – the USPS risks becoming the next Netflix, tone-deaf to its traditions. Even worse, this change is likely to send the Postal Service farther down the road of becoming an advertising vehicle for celebrities and media corporations.

 [The Town Talk](#): The post office has long been a place where you can bump into friends and neighbors. It's part of the social fabric, and if you've never stood in line during the holidays to mail a package to someone special, you have missed a telling slice of life. What else? Post offices are banks for people who use money orders; they generate foot traffic for nearby shops and restaurants; they deliver goods ordered online from all kinds of businesses. They even have a designated role during national emergencies. The world of instant messaging is here to stay for all the right reasons. That said, we hope the post office can carve out its own niche.


 [Digital Trends](#): "How technology could be the killer and savior of the US Postal Service."


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


 Credit rating agency Standard & Poor's placed Poste Italiane's rating on credit watch. Given the recent downgrading of Italy's credit rating it couldn't be ruled out that wholly state owned Poste Italiane's credit rating will be affected too.

 The White House's rescue plan for the USPS which was presented last week - unsurprisingly - met different reactions. Lobbyists of large scale senders welcomed the proposal to refund the U.S. Postal Service its overpayments to social security funds and to change the regulation on prepayments to the Postal Service Retiree Health Benefit Fund. However, the proposal to allow USPS a one-off markup above the inflation rate was not received enthusiastically. And the unions


argued against abandoning mail delivery on Saturday as they fear further job cuts.


 The European Court of Justice surprisingly declared the compensatory payments of 300m euros to the Belgian post illegal.


 Last week the Estonian antitrust authority prohibited the take over of AS Express Post by Eesti Post.


 Again Deutsche Post CEO Frank Appel spoke out in favour of a postage increase after making similar demands earlier this year.


 The strike at Brazilian ECT Correios is entering its third week.


 The Swiss Financial Market Supervisory Authority (Finma) will directly supervise Swiss Post's compliance with the money laundering act.


 The Norwegian post further expands its position in Sweden's logistics market.

 TNT Post UK entered the British parcel market. At the beginning of this week it was reported that the company - which has only been active in Britain's letter mail market so far - especially wants to win over internet traders as customers.

 DHL improved its services for customers with smaller parcel volumes by a new solution. The first DHL Express Box entered the pilot operation phase in Friedrichshafen last week. Domestic and international express shipments can be dropped into the always accessible service station twenty-four-seven.


 DHL Express will increase its prices in Europe from January 2012 on. Prices in Europe will increase by 2% to 4.9%.


 TNT Express intensified its city logistics project in the city centre of Brussels. A third tranche of so called 'Cargo Cycles' was acquired for the project which has been running since October 2010. These are 3 wheeled cycles equipped with an electric engine and a transport box which will primarily be used to deliver documents and parcels.


 The Italian post suspended its cost-free e-mail service Postemail. Customers with an e-mail address ending with @poste.it, will only be able to access their accounts until March next year. As an alternative Poste Italiane plans to offer the new service My Poste - for an annual fee of probably 12 euros.




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


 [Postal Technology International](#): The Postal Technology International Awards were last night presented at the annual POST-EXPO taking place over 27th, 28th & 29th September. The awards, which are judged by some of the most influential figures in the industry included categories for Supplier of the Year; Transport/Logistics Innovation of the Year; Environmental Achievement of the Year; Automation Technology of the Year; Delivery Innovation of the Year and Service Provider of the Year.

 [Hellmail](#): FEPE, the European Federation of Envelope Manufacturers, held its 54th Congress in Edinburgh on "Meeting the Needs of a Demanding Market". The event which was co-hosted by the Global Envelope Alliance (GEA) was attended by 110 delegates from 17 European countries, the USA, Canada, South Africa, Israel and Japan, representing Envelope Manufacturers and their suppliers. The Director General of the United Postal Union Edouard Dayan, the Chairman of the US Regulatory Commission Ruth Goldway, the and Jane Dyer from the International Postal Corporation reported about transformation and diversification of postal services at global level required to serve consumers, which, according to recent studies in the US and Switzerland, still favour "paper" as the most secure and reliable communication media.


 **Washington Post:** Postal workers rallied Tuesday across the country in hopes of drawing attention to Democratic-backed legislation supported by their labor unions that they believe would best fix the U.S. Postal Service's financial woes. At a rally in downtown Washington, several dozen workers angrily targeted Rep. Darrell Issa (R-Calif.), the chairman of the House Oversight and Government Reform Committee, who is co-sponsoring a bill that would set up a financial control board to overhaul USPS finances — and possibly force layoffs.


September 27, 2011

 **Memphis Commercial Appeal:** FedEx Corp. founder, chairman and CEO Frederick W. Smith likes his company's chances, even if the broader economic outlook is murky. Smith expects FedEx to continue positive momentum from last fiscal year by capitalizing on the growing economy of world trade and beating domestic competitors in package delivery and less-than-truckload freight businesses.

 **2D Code:** QR Codes on postage stamps are not new (cf. QR Code Valentine's Day postage stamps from Taiwan and a QR Code postage stamp from Spain) but these (image to the right) from Hrvatske pošte, the national postal service of Croatia, incorporate a novel functionality. Each of the 3.10 Kuna (0.56 U.S. dollars) stamps has a unique code printed below the QR Code. Scanning the QR Code takes the user to a mobile site where the unique code can be entered and view confirmation on the receipt of your mail as well as additional data about its route. Users can find out when the mail was sent, how many kilometers it had travelled, when it reached its destination and more. The QR Code stamp was produced to mark the 20th anniversary of the issuance of postal stamps by Croatian Post.



 **Government Executive:** Labor contract provisions governing pay and jobs limit the U.S. Postal Service's ability to manage its workforce, according to a new audit. In the Sept. 19 report, the Postal Service inspector general found that the agency's inability to temporarily assign employees to different jobs, use part-time workers and adjust compensation for mail carriers contribute to higher workforce costs and inefficient human resources management. USPS is limited by contracts with its four unions, the audit said.

 The continuing resolution to fund the government through November 18th that was passed by the Senate last night included **language that extends the September 30th, 2011 due date for the Postal Service's \$5.5 installment for the pre-payment of future retiree health benefits until November 18th, 2011**. This legislation is expected to be approved by the House. In response to the Senate's action, Senate postal subcommittee chairman Tom Carper (D-DE) said "The continuing resolution approved by the Senate last night includes gives Congress and the Administration some much needed breathing room to continue to work together to come up with a comprehensive set of reforms that will address the Postal Service's short and long-term financial challenges and ensure that this critical American institution will be able to serve the American people for years to come. I will continue to work with my colleagues in the House and Senate in the hopes that we can find bipartisan agreement on postal reform legislation."


 **DMM Advisory: Intelligent Mail Package Barcode (IMpb) Implementation for Commercial Parcels.**


Today the Federal Register published the final rule which requires the use of an Intelligent Mail® unique tracking barcode on all commercial parcels (except Standard Mail® parcels) claiming presort or destination entry pricing. The final rule encourages immediate use of an Intelligent Mail package barcode (IMpb) by providing end-to-end tracking and confirmation of delivery on all commercial parcels except Standard Mail and Package Services parcels. Some standards in this final rule are effective January 22, 2012, with an optional-use transitional period for specific requirements until July 2, 2012. Use of the IMpb becomes mandatory effective January 7, 2013. The complete final rule Federal Register can be found at <http://www.gpo.gov/fdsys/pkg/FR-2011-09-27/html/2011-24705.htm> and also will be added to the archive on Postal Explorer®.


 **Democracy Now:** A Debate: Should the U.S. Postal Service Be Privatized or Is Agency Facing a Manufactured Crisis?





PostCom welcomes its newest member: [TD Ameritrade](#), 1005 N. Ameritrade Place, Bellevue, NE 68005-4245. Contact: Dan O'Brien, Director


 [Post & Parcel](#): TNT Express has launched a new next-day delivery service for Spain and Portugal. The company said the new faster service – called TNT Express Service Plus – would be available throughout the Iberian Peninsula and came in response to growing demand for quicker transit times in the region. TNT Express has 64 operating centres in Spain and Portugal, offering 180,000 square metres of capacity, and employs 4,400 staff in the region.

 [Lincoln Tribune](#): The United States Postal Service is facing unprecedented financial losses. Postmaster General Patrick Donahoe recently told lawmakers his agency needed government intervention by the end of the year to prevent bankruptcy. The problems of the post office, at a time of high unemployment and slow economic growth, have taken their toll on the town of Searsboro, in the Midwest state of Iowa. The only thing keeping the town of about 150 people together was its small post office, which closes at the end of September.


 [The Sentinel](#): Thousands of businesses and residents are set to receive their post later in the day, because posties are having to deliver more parcels. Royal Mail is changing delivery routes in the ST1, ST2, ST4, ST9 and ST12 postcode areas after concerns delivery staff are struggling under the weight of heavy parcels. Now traditional postbags are being replaced with trolleys on the new rounds. The change means delivery staff will cover amended routes and have to work longer into the afternoon to finish their rounds.


 [From the Federal Register](#): **Postal Regulatory Commission** NOTICES Post Office Closings , 59749–59750 [2011–24709] [\[TEXT\]](#) [\[PDF\]](#) **Postal Service** RULES Intelligent Mail Package Barcode (IMpb) Implementation for Commercial Parcels , 59504–59512 [2011–24705] [\[TEXT\]](#) [\[PDF\]](#)


 [Hellmail](#): TNT Post UK, this week launched a new packets and parcels delivery service following demand from e-retailers, for a reliable and cost effective service to satisfy their expanding online customer base. At the launch, the company secured Guernsey Post as a client, which will see well-known high street brands use the service with their deliveries being handled by TNT Post UK. Current projected volumes are 17 million items in the first year of operation with the company targeting vendors who use websites sites such as Kelkoo and ebay to promote their products. TNT Post UK has invested in new automatic sorting machines in its Iver depot for the new packets and parcels service and is expected to be five to ten per cent cheaper than Royal Mail.


 [United States Attorney's Office District of New Jersey](#): A Flanders, N.J., woman admitted today to embezzling \$69,850 from the U.S. Postal Service, U.S. Attorney Paul J. Fishman announced. Thea Sisler, 31, pleaded guilty today to an Information charging her with intentionally misappropriating funds from the U.S. Postal Service while working as a postal service employee. Sisler entered her guilty plea before U.S. District Judge Jerome B. Simandle in Camden federal court.

Last night, the U.S. Senate confirmed the appointments of Robert Taub and Mark Acton as Postal Regulatory Commissioners. Congratulations and best wishes to both.

 [Politico](#): The Senate appears to have reached a deal to avert a Sept. 30 government shutdown, and will vote this evening on a funding agreement that keeps the government running through Nov. 18. The House still needs to sign off on the deal, but the disaster funding in this agreement is in line with what the House has already approved.

 [Pensacola News Journal](#): Among other longstanding problems Congress lacks either the will or courage to address is the growing debt of the U.S. Postal Service. There are only so many choices facing Congress regarding the Postal Service. Today, inaction makes subsidies the actual policy. For problems like these we need a return to the spirit that led a Republican president and a Democratic House speaker in the 1980s to forge a compromise that stabilized Social Security for decades. At the moment we don't have that.

 [Federal Times](#): After months of inaction, the White House and Congress abruptly leapt into the fray last week to confront the U.S. Postal Service's worsening financial crunch. The Obama administration outlined a five-point plan to put the mail carrier back on solid financial footing, in part by allowing the agency to go to five-day delivery, something the administration has opposed until now. Meanwhile, a House panel approved a Republican proposal that would also allow the agency to cut back to five-day delivery. But that's where the common ground ends.

 [Free Speech Radio News](#): "Postal workers push action as plans to save service hit political divide" [listen to the .mp3 audio recording](#)

 *At the Postal Regulatory Commission:*


- MC2011-29 Notice of Minor Classification Change
<http://www.prc.gov/docs/76/76078/NoticeMinorClassChange.pdf>
- August 2011 (FY 2011) National Trial Balance Statement of Revenue & Expenses [Public]
[http://www.prc.gov/docs/76/76107/National%20Trial%20Balance%20-%20Redacted%20%20August%202011%20\(FY%202011\).xls](http://www.prc.gov/docs/76/76107/National%20Trial%20Balance%20-%20Redacted%20%20August%202011%20(FY%202011).xls)
http://www.prc.gov/docs/76/76107/NTB%20letter_USPS_001.pdf
[http://www.prc.gov/docs/76/76107/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted%20%20August%202011%20\(FY%202011\).xls](http://www.prc.gov/docs/76/76107/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted%20%20August%202011%20(FY%202011).xls)
- USPS Preliminary Financial Information (unaudited), August, 2011 [Public]
<http://www.prc.gov/docs/76/76105/Letter-Prelim%20Info.pdf>
[http://www.prc.gov/docs/76/76105/USPS%20Preliminary%20uuu0Financial%20Information%20\(Unaudited\).pdf](http://www.prc.gov/docs/76/76105/USPS%20Preliminary%20uuu0Financial%20Information%20(Unaudited).pdf)

September 26, 2011

The Passing of Murray Comarow

It is with great sadness that we mark the passing of Murray Comarow, a person who for more than four decades has been an honored luminary within the American postal community. Murray, who served as the Executive Director of the Kappel Commission whose work ultimately lead to the enactment of the Postal Reorganization Act of 1971, can, in many respects, be considered the father of what we know today as the U.S. Postal Service. Murray was a friend to many and a mentor to all -- truly one of the wisest men who has ever lived within and contributed to America's postal family.



 [American Postal Workers Union](#): APWU President Cliff Guffey has called on Rep. Darrell Issa (R-CA) to correct inaccurate statements he made on Washington Journal, a public affairs program that airs on C-SPAN. "I am sure you will agree with me that it is important to conduct the discussion about how to help the Postal Service through its financial difficulties on the basis of actual facts, not misstatements," [Guffey wrote on Sept. 23](#).

 [Direct Marketing Association](#): **TOMORROW: PMG Donohoe Talks to DMA Members About USPS Default – Register Now!**

Tomorrow, You will have the opportunity to talk directly with Postmaster General (PMG) Pat Donohoe about the current U.S. Postal Service crisis during a webinar session hosted by DMA. [Postal Perspectives Webinar: PMG Pat Donohoe](#) Tuesday, September 27 at 2:00 p.m. Eastern Time [Register now!](#) This session is part of DMA's [Postal Perspectives Series](#), which will focus on the tough decisions and significant changes that must be made to improve the fiscal health of the USPS. These informal conversations with the policymakers at the center of the postal debate will give you the opportunity to hear exactly what the experts are thinking about the future of USPS.





The U.S. Postal Service Office of Inspector General invites you to comment on the following "[Pushing the Envelope](#)" blog topic: To Decouple or not to Decouple...The Postal Service has "coupled" its retail and delivery operations for almost 150 years. The Office of the Inspector General's Risk Analysis Research Center studied the concept of "decoupling" the Postal Service's delivery and retail operations and presented its results in a whitepaper titled, [Retail and Delivery: Decoupling Could](#)

[Improve Service and Lower Costs](#). The study found that selective decoupling of retail and delivery functions could result in lower costs, increased revenue, and improved service for customers. Do you think the Postal Service should separate delivery and retail functions? Why or why not? Share your thoughts.

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

- [Business Mail Acceptance Centralization Process \(Report Number FF-AR-11-015\)](#). We determined that approximately one-third of Postal Service districts successfully centralized the business mail entry network to varying degrees, resulting in reported workhour savings, improved customer service, enhanced revenue protection, increased productivity, and improved compliance with Sarbanes-Oxley. However, the Postal Service did not adopt BMA centralization nationally; consequently, we identified opportunities to further centralize BMA and increase operational efficiency, saving approximately \$60 million annually related to overtime.
- [Government Relations Operations \(Report Number FF-AR-11-014\)](#). We found that opportunities exist to improve the efficiency and cost effectiveness of Government Relations operations by developing a comprehensive workload tracking and analysis system and written policies and procedures. In addition, we believe management should review Stamp Services placement in Government Relations to determine whether that placement is optimal. Furthermore, we determined district Consumer and Industry Affairs' workload does not duplicate or supplement Government Relations casework. Postal Service Work Rules and Compensation Systems (Report Number HR-AR-11-002). Our audit determined that certain contract provisions and compensation arrangements limit the Postal Service's ability to manage its human resources effectively and efficiently and that limits on the use of part-time employees reduce workforce flexibility and increase workhours. Furthermore, we found that certain provisions contribute to grievances filed by unions. Management needs to conduct a study to determine optimum standards for carrier performance and pursue the changes necessary to achieve a compensation system that maximizes carrier efficiency.
- [Transportation Cost System Inputs into the Cost and Revenue Analysis Report \(Report Number CRR-AR-11-004\)](#). We determined that additional planning, systems design, and system integration could enable the Postal Service to use more of the data generated by operational systems for CRA cost attribution purposes. We estimate the Postal Service could save about \$980,000 in annual data collection costs.

 **CBS News**: For the first time, living people will be eligible to be honored on U.S. postage stamps. The U.S. Postal Service announced Monday that it is ending its longstanding rule that stamps cannot feature people who are still alive and it's asking the public to offer suggestions on who should be first. *[EdNote: How about beginning with recipients of the Medal of Freedom and at least deceased recipients of the Medal of Honor.]*

 **American Postal Workers Union**: Postal employees are doing something we've never done before – we're joining forces to let people know the real situation at the U.S. Postal Service. With public officials discussing massive cuts in service that would harm the American people and undermine the future of the USPS, this is too critical a time to stand by. Among our actions will be rallies at all 435 congressional districts across the country on Tuesday, Sept. 27, from 4 p.m. to 5:30 p.m. local time. The rallies and our campaign to Save America's Postal Service have two goals.

The first is to provide accurate facts and context to the public, which has been largely misinformed about the actual financial status of the Postal Service. Over the past four fiscal years, despite the worst recession in decades, the Postal Service had a net surplus of \$611 million delivering the mail. It has tens of billions of dollars in surplus funds in its accounts. It uses no taxpayer money and hasn't for 30 years; it derives its revenue from the sale of stamps and services. There are financial problems at the USPS, but they have little to do with the mail. Rather, they were caused by congressional actions that lawmakers can easily fix – without using a dime of taxpayer money. The Postal Service is obligated by Congress to pre-fund future retiree health care costs in a way no other public or private entity does; moreover it lacks access to billions of dollars of its own money.

Our second goal is to rally public and political support for a congressional bill – H.R. 1351 – that addresses the primary cause of the financial crisis by correcting an unfair mandate Congress has imposed on the Postal Service.

[!\[\]\(f4912148590488019602cab6e009e597_img.jpg\) Bernama](#): The Ministry of Information, Communication and Culture will table the Postal Services Bill 2011 to replace the Postal Services Act 1999 at the next Parliament sitting, said its Deputy Minister, Datuk Joseph Salang. The new act would ensure quality postal services and promote the growth of an effective, competitive and innovative postal industry.

[!\[\]\(8af806fb1314382d09bc5ec5b767526c_img.jpg\) The Register Citizen](#): In a letter to Senator Joseph Lieberman and Congressman Darrell Issa, Mr. Nader proposed simple solutions to fix the U.S. Postal Service's financial hole. Mr. Nader noted, however, that the financial "crisis" facing the USPS was completely manufactured. Mr. Nader identified several drains on the U.S. Postal Service's financial resources, including a Congressional mandate that the USPS prefund its future retiree health benefits for the next 75 years by 2016 and \$82 billion in overpayments that the USPS has made to federal pension systems which have yet to be refunded. Mr. Nader ended by calling on Congress to take action that would have a minimal impact on the patrons of the USPS and prevent further post office closings, deterioration of service, or job cuts.

[!\[\]\(2e897e890e69d81eae4503a8342c36b0_img.jpg\) BtoB](#): Vogel said the summer sales didn't produce the returns he had hoped for because of the complexity involved in qualifying for those rates; generally only large mailers qualified and then had to use a complex formula to prove their volume increased. The barcode promotion, without administration hurdles, performed better, he said, and may serve as a model for the future. "The summer sales did generate additional traffic, but frankly there was an administrative burden we put on ourselves and our customers in order to participate," he said. "It created a bureaucracy that was a bit stifling; and, with only large companies being able to do it.

[!\[\]\(bd1a142de767a21e5362c595f844a4ff_img.jpg\) Washington Post](#): The federal government's five dozen inspectors general — tasked with rooting out government mismanagement everywhere from the Pentagon to the Postal Service — collectively identified \$43.3 billion in potential savings in fiscal 2009, according to a report published last week by the Government Accountability Office. Given their 2009 budget authority of \$2.3 billion, taxpayers would earn an \$18 return on every dollar invested in inspectors general if the potential savings were fully enacted, the report said.

[!\[\]\(e2376d476d06eb31946dc01a69a4403a_img.jpg\) The Birmingham News](#): Between 2002 and 2006, there were 12 federal charges filed against postal workers for destruction of the mail. Since 2007 there have been 33 charges for destruction of mail by a postal worker in Alabama. The number of theft from the mail charges has jumped from 17 between 2002 to 2006 to 33 from 2007 to present. In some cases a mail carrier has been charged with both destruction and theft of mail. In fiscal year 2010, which ended Sept. 30, 2010, 416 postal employees and contractors were arrested by OIG Special Agents for theft, delay or destruction of mail nationwide, according to figures provided by Kenny Smith, special agent and public information officer with the U.S. Postal Service Office of Inspector General.


[!\[\]\(74d4806277d7e73349d8e8c0897931e9_img.jpg\) Washington Post](#): *"Jack Potter of airports authority faces challenges, but also great promise."* Potter said he's concerned that the authority is "highly leveraged" from doing major construction. Dulles, for example, has been engaged in a series of capital projects for several years, including the opening of an underground passenger screening area, the expansion of the international arrivals area and the construction of a \$1.5 billion underground tram system. The airports authority pays for much of its construction through the sale of bonds and from passenger fees and federal grant programs. Given the economy, MWAA hasn't seen much rapid growth recently in the number of passengers. Potter said he wants to find other sources of revenue, such as new opportunities for concessions or businesses on airport property. "We've seen a flattening in the number of passengers," Potter said. "That's where we get our revenue. We can pay our mortgage and bills, but we have to be judicious about our future capital investments. We have to wait for the economy to recover."




[!\[\]\(830769b31eeeaca920791081939ff8ba_img.jpg\) MSNBC](#): Last week, Wall Street suffered its worst week since the depths of the financial crisis three years ago. The Dow Jones industrial average tumbled 737.61 points this week, or 6.41 percent – the sixth largest weekly drop in history and the biggest fall since the week period ended on October 10, 2008. Certainly it can't get worse, can it? Well, if you believe in the FedEx Factor, the U.S. economy is facing a bumpy road for the remainder of the year.

September 25, 2011


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

 [Grand Forks Herald](#): As Congress takes a fresh look and the Postal Service reexamines its business plan, serving our vast and diverse citizenry should be bottom line. That's why the power "to establish post offices" is in the Constitution in the first place. And it's why options such as ending Saturday delivery should be a last — not a first — resort.


 [Sen. Scott Brown](#): U.S. Senator Scott Brown (R-MA) issued the following statement after holding a bipartisan, bicameral meeting on averting a shutdown of the Postal Service:




"I was encouraged by a bicameral meeting that took place with Congressman Lynch and others to forge a bipartisan plan to put the Postal Service on a sustainable financial path. With the Postal Service close to insolvency, we can't afford to delay some difficult, but necessary, decisions. Those in the meeting found enough common ground among our various proposals to develop a successful framework to meet the needs of the Postal Service, its dedicated employees and the millions of citizens and businesses that depend on this essential American institution every day."


 [Trenton Times](#): Although "snail mail" is derided by some as outdated, it still offers huge economic value to businesses that take advantage of the Postal Service's cheaper prices to win customers and make money. A full-time student and part-time heating, ventilation and air conditioning assistant, Lawrence resident Matt Jackson has bolstered his earnings this year by \$16,000 thanks to his mail order business in video games and CDs. A big part of that profit, he said, comes from the affordable shipping prices offered at the post office.

September 24, 2011


 [Courier, Express, and Postal Observer](#): Yesterday, John McCain introduced a postal reform bill that his press release describes as the "companion to the legislation that Representative Darrell Issa introduced in the House of Representatives." Based on press reports, the bill combines elements from the Issa-Ross Postal Reform Act of 2011 with proposals that Senator McCain made earlier this year in amendments to other legislation. By calling his proposal a companion legislation to the Ross-Issa House bill, Senator McCain allowed Congressman Issa rename his bill the Issa-McCain-Ross bill in his Washington Times Op-ed. Senator McCain's announcement is particularly important in molding opinion on postal reform in Washington and nationwide for a couple of reasons.


 [Rep. Steve Cohen](#): Congressman Steve Cohen (D-TN-9) [pictured on the right] has introduced legislation he authored to help the United States Postal Service (USPS) raise revenue to meet its financial obligations, remain open and prevent layoffs.




 [From the Federal Register](#): Postal Regulatory Commission NOTICES Meetings; Sunshine Act , 59450–59451 [2011–24708] [\[TEXT\]](#) [\[PDF\]](#) Post Office Closings , 59452–59453 [2011–24566] [\[TEXT\]](#) [\[PDF\]](#) 59453–59454 [2011–24568] [\[TEXT\]](#) [\[PDF\]](#) 59451–59452 [2011–24565] [\[TEXT\]](#) [\[PDF\]](#)


 [National Association of Postmasters of the U.S.](#): "USPS Responds to NAPUS on DUO, RIF and Staffing Issues."


 [PRNewswire](#): Postal employees are doing something we've never done before – we're joining forces to let people know the real situation at the U.S. Postal Service. With public officials discussing massive cuts in service that would harm the American people and undermine the future of the USPS, this is too critical a time to stand by.


 [Washington Times](#): *Rep. Darrell Issa* -- Washington is talking about another bailout - this one involving an institution that no American will be surprised is seeking one: the U.S. Postal Service. Many in the capital are dead-set on a taxpayer-funded bailout, even threatening mail stoppages and more if they don't get their way. It is no secret


that the Postal Service is in need of overhaul and modernization, and Congress must play a key part in addressing the problem immediately. But a bailout costing taxpayers any money is wrong because it puts taxpayers on the hook for the Postal Service's failures, just as they were in the case of General Motors, Fannie Mae and AIG. In an era of reckless government spending and skyrocketing deficits, making tough choices and streamlining government operations is exactly what Congress and President Obama should be focused on, not bailouts.


 [Post & Parcel](#): Brazil's postal strike is set to continue, after unions rejected a fresh attempt by the Post and Telegraph Company (ECT) to restart negotiations over a new collective bargaining agreement. Around a third of the work force at ECT has been on strike since the middle of last week.


 [Pakistan Today](#): The reduction in service charges on the gross sale of savings schemes is aggravating financial problems for the Postal Services, the Ministry of Postal Services told the National Assembly Standing Committee on Postal Services on Friday, asking it to direct the Ministry of Finance to reverse the decision.

 [St. Louis Post-Dispatch](#): Imagine a company that's steadily losing customers, and it responds by telling its remaining customers they can expect worse service. That firm probably won't stay in business long. Unless, of course, the business is the U.S. Postal Service. A wholly owned government operation isn't about to disappear, but it can take a bad situation and make it worse.

 [Courier, Express, and Postal Observer](#): The Postal Regulatory Commission never seems to miss an opportunity to miss an opportunity. Yesterday in its Section 701 Report: Analysis of the Postal Accountability and Enhancement Act of 2006, the Commission combined a full throated defense of aggressive regulation, with some tepid suggestions for policy change. The report is neither in line with the current economics of the Postal market, nor the current political environment. As such it is likely to be ignored. The failure of the Commission's report as an important policy document is gingerly explained by the Postal Service in its response.

 [DMM Advisory](#): Pricing — keeping you informed about the prices and mailing standards of the United States Postal Service Promoting Usage of the 24-Digit Intelligent Mail Tray Label: Survey Request The Mailers Technical Advisory Committee (MTAC) Work Group (WG) 145, established to "Promote Significant Usage of 24-Digit Intelligent Mail® Tray Labels," requests your assistance—please complete a [short survey](#) that will help us collect data on the use of 24-digit tray and sack labels. The survey will close on October 21, so please complete it and submit it as soon as possible. As background, Intelligent Mail (IM) tray labels are the Postal Service's approved method for providing a unique identifier for trays and sacks and for encoding routing, content, origin, and mailer information. Without a unique identifier, the potential benefits of in-transit visibility, manifest reconciliation, and automated mail acceptance are greatly diminished. Requirements for the 24-Digit Intelligent Mail Tray Label format are in Domestic Mail Manual (DMM) section [708.6.5.3](#). If you have any questions or comments, please direct them to Postal Service work group leader [Himesh Patel](#) by phone 703-280-7498 or by email himesh.a.patel@usps.gov or to Industry work group leader Paula Stoskopf by phone 856-246-8842 or by email pstoskopf@grayhairsoftware.com.

 [Washington Post](#): With the U.S. Postal Service less than 10 days from posting a \$10 billion year-end loss, Sen. John McCain (R-Ariz.) jumped into the fray Friday, introducing a Senate version of a postal reform bill written by Rep. Darrell Issa (R-Calif.). McCain's foray into the postal debate means there are now three serious reform packages in the Senate. Sens. Thomas E. Carper (D-Del.) and Susan Collins (R-Maine) — two longtime observers of postal affairs — are also pushing reform packages that are similar to McCain's. See also [Reuters](#) and [Senator McCain's press announcement](#).

 [South Florida Business Journal](#): South Florida nonprofits could be severely impacted by a proposed cut to the U.S. Postal Service nonprofit discount, as Congress seeks to pass reform designed to avoid an agency payment default.

September 23, 2011



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

- The Postal Regulatory Commission's final order was released this week resolving issues on the remand. The Commission needed to determine "how closely the amount of the adjustments must match amount of the revenue lost as a result of the exigent circumstances." It concluded that "due to" should be interpreted to require a close casual nexus.
- This week, President Obama introduced "Living Within Our Means and Investing in the Future - - The President's Plan for Economic Growth and Deficit Reduction." As part of his identified Mandatory Savings, the President laid out his plans for the Postal Service.
- According to Rep. Dennis Ross (R-FL), the chairman of the House Oversight and Government Reform Subcommittee, which oversees the Postal Service, "the United States Postal Service is going to lose \$10 billion this year. Why? It is losing business to e-commerce, and it cannot reduce its expenses fast enough due to legislative mandates and onerous union contracts. Without legislative action, the Postal Service will not be able to meet payroll by next summer. This week, the president finally released his proposal for saving the Postal Service. That the president's proposal was released as part of his "deficit-cutting" package was Orwellian. That he suggests it would save the Postal Service is absurd."
- Ranking Member Elijah Cummings and Ranking Member of the Subcommittee on Federal Workforce, U.S. Postal Service and Labor Policy Stephen Lynch introduced postal legislation this week, that he says will ". . . meet the Postal Service's financial challenges by implementing reforms in three core areas: profitability, personnel, and performance. Unlike other proposals that seek only to slash services, workforce, or facilities, the I2D Act tackles fundamental challenges with fundamental change to ensure that the Postal Service will continue to deliver for years to come."
- Rep Issa and Ross the new postal oversight website show their take on identified regulatory relief in the Issa-Ross Postal Reform Act and other postal bills.
- Over 80 members of the House of Representatives have submitted a letter to the Postal Regulatory Commission concerning the post office closing docket initiated by the Postal Service.
- The U.S. Postal Service Office of Inspector General (OIG) released its report this week, *Retail and Delivery: Decoupling Could Improve Service and Lower Costs*. It found that there have been dramatic shifts in the marketplace and the Postal Service could benefit by reexamining such long standing practices with the opportunity to improve service, raise revenue, and lower costs.
- The U.S. Postal Service Office of Inspector General (OIG) on September 19, 2011, released its audit report on "Postal Service Performance During the 2010 Fall Mailing Season." The OIG reported a 37% increase in delayed mail during the 2010 fall mailing season as compared to the previous year, with 95% of the delayed mail being Standard Mail which the OIG said "adversely impacted service and resulted in approximately \$10.9 million in revenue at risk." The USPS agreed with the OIG's recommendations and indicated some steps it would take for improvement.
- The USPS last week announced its plans to realign its processing plant network with consolidation/closure studies to be completed in the next three months on 252 processing facilities [see *PostCom Bulletin* 42-11]. In response to questions on how business mailers can provide the USPS with feedback both on its network optimization concept as well as on plans to close/consolidate specific processing plants, PostCom provides the following information.
- Financial Services Roundtable CEO Steve Bartlett sent this letter to Rep. Gerry Connolly.
- Lawmakers move GOP postal reform bill forward. PMG responds to President's plan. Senator Collins reacts to President's plan on the Postal Service. Senator Carper reacts to President's proposal to save the USPS. APWU praises Obama effort, but long-term solution is still needed. Durbin adds amendment to stop USPS from closing Quincy IL plant. MTAC requests industry to fill out survey. Comments due on USPS proposed service standards changes Oct 21. Nationalize the Post Office. Time to move the Postal Service from the Flintstones to UPS. PRC seeking proposal to determine peak load cost issues. Two new CPI figures available. Sidney Herald: Glad Montana delegation's fighting for mail service. FedEx Corp reports higher revenue and earnings. UPS store and USPS team up to promote small business.
- An update on Federal Register notices.
- An update on business before the Postal Regulatory Commission.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.

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



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

[Bloomberg](#): FedEx Corp. (FDX), operator of the world's biggest cargo airline, dropped the most in 2 1/2 years after cutting its full-year profit forecast amid declining demand in the U.S. and Asia. FedEx, an economic bellwether that delivers goods ranging from mobile devices to financial documents, saw U.S. shipments fall for the second quarter in a row as the economy grew at a lower rate than it estimated. Demand dropped for Asian technology products, especially from China, hurting the express international division.

[The Hill](#): Rep. Darrell Issa (R-Calif.) has lobbied the Department of Energy in the past for a kind of federal loan similar to those his committee is now investigating. The chairman of the House Oversight and Government Reform Committee sought to obtain a federal energy loan for a green-car company in his state, and also received a campaign donation from one of the business's trustees and advisers.

[The Baltic Course](#): The decision by the Competition Authority to prohibit the Estonia-based national postal service Eesti Post from buying its competitor Express Post leaves the companies with a choice to either raise prices or lower the quality of service, the Estonian national broadcasting reports.

[Bluefield Daily Telegraph](#): To close or not to close, that is the question that the U.S. Postal Service is wrestling with as it deals with an imbalance associated with revenue reductions and increased costs. Postal Service representatives have made the rounds of the region, discussing the possible closure of some small, rural post offices, but the National League of Postmasters — a national trade association — issued a statement on the issue, calling on the USPS to keep the rural post offices open.


[Printing Impressions](#): The UPS Store and the U.S. Postal Service (USPS) are working together to provide small businesses with a new, cost-effective direct mail program. By identifying geographic areas by city, neighborhood or a specified distance from their businesses, the USPS' Every Door Direct Mail-Retail (EDDM Retail or EDDM-R) service allows small businesses to advertise to every delivery address in their target markets without the need for a mailing list. "When it comes to marketing, it is important for small businesses to make it local," said Stuart Mathis, president of Mail Boxes Etc., franchisor of The UPS Store. "By working with the U.S. Postal Service, The UPS Store franchise network now provides one convenient destination for the small business community to effectively and efficiently communicate with their target audiences." The EDDM-R program allows small business customers to work with their local The UPS Store center to print and distribute high-quality direct marketing pieces to every address in a designated neighborhood.


[MediaPost](#): A year after an industry alliance helped defeat a proposed exigent rate increase by the U.S. Postal Service, the price hike may go through after all, as part of a larger plan to save the troubled institution, which is rapidly approaching insolvency. The rate hikes, including an increase of 8%-9% for periodicals and 5.8% for other types of mail, were rejected last year by the Postal Regulatory Commission. But they have been dusted off by the Obama administration as a possible, partial solution to USPS financial woes.


[The Telegraph](#): Postal company FedEx saw its shares tumble on Wall Street as the world's second-largest package delivery business warned that demand is sliding across the globe.

[Indian Express](#): Provisions of the Indian Post Office Act, 1898 have ensured that a Sector 19 resident, whose parcel was lost by the Postal Department, received a paltry compensation. For a saree that the complainant claimed cost Rs 5,000 and sent through the Speed Post service of the department, he was awarded a compensation of Rs 120. According to Section 6 of Indian Post Office Act, the postal office is exempted from any liability for the loss, mis-

delivery, delay or damage to any parcel booked with it, except if such loss has been caused due to wilful negligence on the part of an employee.


 **FedSmith:** a recent report from the US Postal Service's Office of Inspector General (OIG) caught my eye. It seems as if lots of postal supervisors and managers, who are evaluated as "Executive Administrative Schedule" employees under a PFP system are unhappy. On their behalf, the National Association of Postal Supervisors requested an investigation by their OIG regarding the efficacy of their evaluation process. The IG report, date August 8, 2011 can be found at: http://www.uspsoig.gov/foia_files/HR-AR-11-006.pdf After examining the 2009 rating cycle, the IG found something that would startle only the most naïve among FedSmith readers. The report concludes, "We determined that individuals responsible for evaluating or approving sampled employees' FY 2009 core requirement ratings were not compliant with PFP 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, which they are supposed to base on behavioral objectives." Evidence didn't stand up to the curve Despite specific metric objectives (that are touted by PFP advocates) the report found that the Postal Service still employed a quota system.

 **The News Star:** The U.S. Postal Service is in financial straits and a rally has been scheduled Tuesday in Monroe at the office of Rep. Rodney Alexander to inform him about the issues. According to Save America's Postal Service, from 4 to 5:30 p.m. Tuesday, members of the four employee unions of the U.S. Postal Service, including the American Postal Workers Union, the National Association of Letter Carriers, the National Postal Mail Handlers Union and the National Rural Letter Carriers' Association, will join forces with members of local communities to send a message to the nation and Congress.


 **Courier, Express, and Postal Observer:** As the largest chunk of the Postal Service's use of FedEx's air freight service is during hours that planes would normally be sitting idle, the impact of the Postal Service's business on FedEx's profits may actually be larger than the its share of revenue.


 **At the Postal Regulatory Commission:**

- **[Section 701 Report Analysis of the Postal Accountability and Enhancement Act of 2006](#)** In this, the Commission's first 701 Report, we have identified areas where key adjustments to postal laws could help address the liquidity crisis facing the Postal Service and better inform Congress and the mailing public. The recommendations in this report are not proposed with the expectation that, if adopted, they may resolve all of the Postal Service's difficulties, However, this report highlights areas where there are opportunities for short-term remedies. Implementation of these recommendations would improve the Postal Service's current financial situation in the near term and provide opportunities to more fully assess long-term solutions.
- **Monthly Commission Public Meeting**, Wednesday, October 5, 2011, at 11 a.m., Commission Hearing Room, 901 New York Avenue NW, Suite 200 Washington, DC 20268-0001 Portions Open to the Public 1. Report on the joint USPS/PRC Periodicals study. 2. Review of the peak load study. 3. Report on international activities. 4. Report on post office closing appeals. 5. Status of the Mail Classification Schedule. 6. Report on pending dockets. 7. Report on legislative activities. 8. Status of Commissioner vacancies. Portion Closed to the Public 9. Discussion of pending litigation. The open portion of the meeting will be audiocast. The audiocast may be accessed via the Commission's website at <http://www.prc.gov>. For more information, please contact: Shoshana M. Grove, Secretary of the Commission, at 202-789-6800 or shoshana.grove@prc.gov

 **Attention PostalOne!® Users:** To address critical network issues recently affecting the Business Customer Gateway and all external applications accessed through the Gateway, an emergency scheduled maintenance outage will occur on Sunday, September 25, 2011. The network changes will occur within the normal

maintenance window 4am - 8am CT. It is estimated the access through the Gateway will be unavailable between 6am - 8am CT. During the outage, all applications accessed through the Gateway including PostalOne! and FAST will be unavailable. REMINDER: There is a scheduled Business Customer Gateway outage for Sunday, October 2, 2011. The outage will occur during the normal maintenance window from 4am - 8am CT. During the outage, all applications accessed through the Gateway including PostalOne! and FAST will be unavailable. We will send out notifications when the Gateway is up and functional after each outage. We apologize for the impact and inconvenience this may have on your business operations.

 [Institute for the Research on the Economics of Taxation](#): IRET has just put a new Postal Service paper on its website: "[The Postal Service's Financial Plight And The U.S. Credit Downgrade](#)". This paper concludes that a vital American institution is in much worse financial shape than the Postal Service . . . unfortunately, it's the overall federal government.


 [PRNewswire](#): Building on the success of its Apple and Android smart phone applications, the U.S. Postal Service this week launched a usps.com app for BlackBerry. The BlackBerry app will allow users to track and confirm a package, locate a Post Office, and look up a ZIP Code more quickly and easily.

 **PostCom welcomes its newest member: [DGI Services](#)**, 100 Berkeley Drive, Swedesboro, NJ 08085-9710; Contact: **Peter Grottini, Director of Postal Affairs & Product Services**




A white paper has been posted 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.

[Retail and Delivery: Decoupling Could Improve Service and Lower Costs \(Report Number RARC-WP-11-009\)](#). The Postal Service has "coupled" its retail and delivery operations, managerially and physically, since delivery services were first established almost 150 years ago. The Office of the Inspector General's Risk Analysis Research Center strategically studied the concept of "decoupling" the Postal Service's delivery and retail operations. The results appear in the strategic whitepaper titled, Retail and Delivery: Decoupling Could Improve Service and Lower Costs. The study found that selective decoupling of retail and delivery functions could result in lower costs, increased revenue, and improved service for customers.

 [Print Media Center](#): Major newspapers and retailers are teaming up to put more advertising on mobile phones through a new service developed by The Associated Press. The feature, called iCircular, will start appearing Monday in the mobile phone applications of participating newspapers. It's the pilot phase of a project announced nearly a year ago by the AP, a not-for-profit cooperative owned by newspapers. ICircular is meant to be the digital equivalent of coupons and other promotions that are inserted into the print editions of weekend newspapers. Those ads are among the most popular parts of Sunday newspapers. A study by the Newspaper Association of America found that nearly three-fourths of readers check advertising inserts, mostly to find out about sales.


 [YouTube](#): Put your stamp of disapproval on section 403 of the Postal Reform Act


 [YouTube](#): Postal Reform Update: Next Steps for Saving the Postal Service


September 22, 2011





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


 **Press Release:** FedEx Corp. has reported earnings of \$1.46 per diluted share for the first quarter ended August 31, compared to \$1.20 per diluted share a year ago, a year-over-year increase of 22%. "Revenue and earnings increased significantly in the quarter due to strong FedEx Ground performance, improved FedEx Freight results and the continued success of the company's yield management actions," said Frederick W. Smith, FedEx Corp. chairman, president and chief executive officer. "While the economic environment is challenging, we remain confident FedEx will improve earnings, margins and cash flows this fiscal year."


 **New York Times:** House Republican leaders suffered a surprising setback on Wednesday when the House rejected their version of a stopgap spending bill, leaving unclear how Congress will provide money to keep the government open after Sept. 30.


 **MetroWest Daily News:** After hours of partisan debate, a U.S. House subcommittee has approved legislation that would overhaul the U.S. Postal Service, end Saturday mail delivery and result in up to 220,000 layoffs. The Republican-sponsored legislation now goes to the full Oversight and Government Reform Committee before heading to the House floor. The subcommittee approved the bill Wednesday after Rep. Stephen Lynch, D-South Boston, and other Democrats on the subcommittee made a last-ditch effort to drum up support for an alternative bill.


 **The Hill:** A partisan fight over the flailing U.S. Postal Service played out through social media Wednesday. Republicans and Democrats on the House Government Reform and Oversight Committee engaged in a battle through their respective Twitter accounts ahead of a committee markup hearing on the Issa-Ross Postal Act, a Republican proposal to reform the U.S. Postal Service, which is in danger of running out of funding.


 **Bloomberg:** Deutsche Post AG won its bid to block 297.5 million euros (\$400.3 million) in state aid to Bpost SA, Belgium's state-controlled mail company, in a ruling by the European Union's top court. The EU Court of Justice in Luxembourg today rejected a challenge by Belgium to an earlier Deutsche Post court victory that had blocked the state subsidies.

 **Estonian Public Broadcasting:** The decision made by the Competition Authority to prohibit the national postal service Eesti Post from buying its competitor Express Post leaves the companies with a choice to either raise prices or lower the quality of service - so say both of the service providers. According to Sven Suurraid, director general of Express Post, the volumes of letters each year declines by 20 to 30 percent, while the expenses of the postal service keep growing,


 **BusinessWire:** Research and Markets (http://www.researchandmarkets.com/research/f98046/courier_express) has announced the addition of the "Courier & Express Services Update Market Report 2011" report to their offering. The UK postal and courier/express market consists of two main sectors; the UK national post comprises Royal Mail which provides the UK's universal delivery service and private providers on national deliveries. The second sector relates to international and national couriers and is non-regulated. While the national post as a sector is in decline owing to increased competition from digital mediums, the other sector returned to growth after a poor 2009.


 **Chicago Tribune:** The Postal Service cannot afford to operate as it does today, nor can the government subsidize its losses indefinitely. Fortunately there are options, including some that have been tested abroad by postal services that successfully dealt with plummeting mail volume in their countries. Yet to resolve this crisis, all parties, including labor, must be flexible and creative. I only hope that decision-makers consider the obvious and not-so-obvious repercussions of eliminating public-sector jobs at a time when we are contemplating a double-dip recession and when so many feel that they are being left behind. Americans are optimistic by nature, but in times of economic distress, we must be mindful of simmering hopelessness and the social instability it can bring.


 **MidHudson News:** The US Postal Service is considering consolidating a number of general mail facilities including the Stewart Airport center in the Town of Newburgh and the one in Monsey. US Senator Charles Schumer said he will keep a close watch on the situation in hopes of protecting jobs.


 **Washington Post:** "GOP's top investigator, Rep. Darrell Issa, finds himself in spotlight as target of critics."
[EdNote: Hey . . . this is Washington. If you can't beat 'em, smear 'em.]


 [From the Federal Register](#): Postal Regulatory Commission NOTICES Post Office Closings , 58847–58848 [2011–24301] [[TEXT](#)] [[PDF](#)]


 [Washington Post](#): House lawmakers sparred Wednesday over competing proposals to buoy the beleaguered U.S. Postal Service, with Democrats voicing concerns that Congress runs the risk of improperly considering the fates of hundreds of thousands of postal workers as it debates the future of mail delivery.


 [Federal Times](#): A divided House subcommittee approved legislation Wednesday aimed at forcing a major downsizing of the U.S. Postal Service's workforce and its network of 32,000 post offices and processing plants. The 8-5 party-line vote by the House Oversight and Government Reform postal subcommittee came after several hours of heated debate over how best to rescue the mail carrier. See also [Bloomberg](#).

 [Government Executive](#): Republican-backed legislation to overhaul the U.S. Postal Service on Wednesday gained approval of a House subcommittee. During the markup, Democrats accused Issa of failing to cooperate with them to create a bipartisan bill. Amendments offered to maintain six-day delivery, preserve workers' compensation benefits, and reverse a reported overpayment to USPS' Federal Employees Retirement System and Civil Service Retirement System funds did not pass. Republicans contended that the Postal Service has not overpaid its retirement accounts and does not require a refund.


 [Cleveland Plain Dealer](#): Unless the Postal Service is allowed to adapt, evolve and truly compete, its future looks bleak.

 [Government Executive](#): The government's watchdog (GAO) is weighing a range of options, including layoffs, to confront what the agency expects will be major cuts to its fiscal 2012 budget.

 *[EdNote: There were seven recorded votes on Democrat-sponsored amendments at the markup on the Issa-Ross postal reform bill. All efforts to amend the Republican proposal failed. The issue now moves from the House oversight postal subcommittee to the full committee for consideration. Please -- don't sit there holding your breath. The subcommittee business meeting went as expected with political partisanship in full display. While nice-nice noises were made by some during the course of the hearing, the general impression was that there was a long, long way to go before Republicans and Democrats come to seeing eye-to-eye on any postal reform measure.]*

 [Senator John Tester](#): *From the Sydney Herald -- "When the Postmaster General talks about plans to decrease the Postal Service's payroll, you can bet rural America will be hit harder than other areas. Postmaster General Patrick Donahoe has announced he will cut \$3 billion from the payroll and attempt to close 252 of mail processing centers around the nation including post offices in Montana. Officials estimate the move will eliminate 35,000 jobs and local mail delivery that takes from one to three days now will take two to three days depending how close the resident is to a processing center. We're thankful Sen. Jon Tester, D-Mont., and other senators are attempting to fight back the cuts to rural areas. The Senate Appropriations Committee approved last week legislation to protect smaller post offices and also keep postal six days a week."*



 [Post & Parcel](#): House Republicans gave the first hints of a possible bargain with Democrats today, over short-term financial fixes for the US Postal Service to help them out of their financial crisis. The sentiments from House Oversight Chairman Darrell Issa came as he took part in a meeting to mark up his Issa-Ross bill, the Postal Reform Act, to begin the process of forming legislation that has bipartisan support. With the Democrats angrily denouncing Republican attempts to label a return of USPS pension overpayments as a government "bailout", Issa hinted for the first time that such an option could be part of a "transition cost" in getting USPS back on its feet.

September 21, 2011

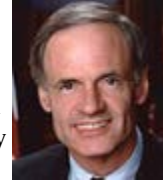
 [Rep. Gerry Connolly](#): Statement: Congressman Connolly's Statement On Legislation to Dismantle



the Postal Service

 [Senator Thomas Carper:](#)


"While I welcome Congressman Issa and Congressman Ross' interest in addressing the Postal Service's serious financial challenges, I, unfortunately, still have deep concerns about the approach taken in their legislation. This bill continues to assume that the Postal Service will undergo a complete financial collapse in the coming months. Instead of putting in place the reforms the Postal Service needs to prevent such a devastating collapse from happening, this bill would abdicate responsibility for cleaning up what would be a colossal financial disaster both for the Postal Service and the broader economy to a newly-created government entity. This is unacceptable. No practical solution for the Postal Services' serious financial woes should allow it to go belly up. Doing so would jeopardize our fragile economic recovery, the jobs of over 7 million employees in the mailing industry, and the bottom lines of businesses large and small that depend on a healthy Postal Service.



"We have known for some time now what needs to happen in order for the Postal Service to survive and thrive in the 21st Century. Namely, Congress needs to stop acting like a 535-member Board of Directors – each protecting their individual parochial prerogatives – and finally give the Postal Service the freedom and flexibility to make the tough, but necessary, decisions to reform, right size and modernize their business model. We don't have to create new government bureaucracies to make these hard decisions, Congress and the Administration just need to have the courage to let the Postal Service pursue these reforms. I look forward to working with my House and Senate colleagues and the Administration to enact a solution to the Postal Services' financial challenges that doesn't pass the buck and doesn't let them collapse, but enables this critical American institution to reform its business operations so it can continue to serve the American public for years to come."



Attention PostalOne! Users A system issue was found that required a restart of the FAST application servers to correct the Web services messaging communication between FAST and PostalOne!. This was done in a rolling fashion so as not to cause a FAST online application outage. All services have been restored. Both applications will continue to be monitored closely for any further issues. There was no impact to PostalOne!, electronic documentation or data distribution. Please contact the PostalOne! Help Desk if you have any questions or need assistance at 1-800-522-9085.

 [Lexington Institute:](#) Postal Trendwatch Q3 2011 - USPS Looks To Congress To Avert Bankruptcy




[YouTube:](#) Video recording of a press conference on the "Cummins Bill To Innovate Postal Service."




Attention PostalOne! Users You are receiving this email because a Priority Urgent ticket has been opened by the USPS Help Desk for an issue that is affecting PostalOne! to FAST Web Services, The issue is currently under investigation and the root cause is unknown. More information will be provided as it becomes available. The online applications, electronic documentation and data distribution are not impacted





Press Release: Postmaster General Outlines Postal Service's New Reality -- Addresses Need for Legislative Reform at Business Mailer Event


 [BusinessWire:](#) Citizens Against Government Waste (CAGW) named Sen. Claire McCaskill (D-Mo.) its September Porker of the Month for suggesting that the United States Postal Service (USPS) could solve its financial problems by embarking on a new ad campaign. At a September 6, 2011 Homeland Security and Governmental Affairs Committee hearing at which Postmaster General Patrick R. Donahoe speculated that the USPS could be out

of business by the end of the year, Sen. McCaskill stated, "I really believe that if somebody would begin to market the value of sending a written letter to someone you love, you might be surprised [by] how you could stabilize first-class mail." She admitted that her comments were "corny, naive and pollyanish;" the Daily Show's Jon Stewart agreed.

 [Government Executive](#): Reps. Elijah Cummings, D-Md., and Stephen Lynch, D-Mass., on Wednesday introduced legislation that would allow USPS to realign its workforce and to relieve financial burdens related to employee benefits. Under the proposal, the Postal Service would receive a refund for the reported \$6.9 billion overpayment to its Federal Employees Retirement System account. That money would pay for early retirement and voluntary separation incentives. The bill also would adjust the schedule for prepaying retiree health benefits, currently set at \$5.5 billion annually.

 [The Harvard Crimson](#): The woes of the U.S. Postal Service are in the news again, with the organization headed for default once more. The New York Times has urged modernizing reforms, while the Direct Marketing Association called for outright privatization. Both of these proposals are misguided. They ignore the fundamental reasons to have a post office at all, and thus reach erroneous conclusions about how to best break the cycle of default scares and steer the USPS into the future. We should follow the example of nearly two hundred years of American history and re-nationalize the Post Office. The Post Office makes no sense as an independent business. Instead it first and foremost serves as the internal communications infrastructure of the government. Next, it is a public service. Both of these goals directly contradict the suggestion that the Post Office can be independent of government.

 [Post & Parcel](#): A member of Germany's Federation of Postal, Courier and Express Services (BdKEP) is taking legal action over Deutsche Post's exemption from national sales tax. The BdKEP said its unnamed member had filed a lawsuit in the Tax Court in Cologne against the Federal Central Office, which decides which agency provides universal postal service in Germany, and is therefore exempt from VAT.

 [Financial Services Roundtable](#): *The following has been sent by Financial Services Roundtable CEO Steve Bartlett to Rep. Gerry Connolly --*

The Financial Services Roundtable ("Roundtable") shares your support for fundamental reform of the U.S. Postal Service ("USPS"). We believe reforms are needed to ensure the long-term fiscal health of the USPS. However, the Roundtable is concerned that provisions in Postal Reform Act will have the unintended consequence of having a detrimental effect on the general public, the financial services industry, and USPS's ability to operate efficiently and effectively.

First, the Roundtable is concerned that PRA's provisions reducing USPS's delivery week from 6-days to 5-days will have a negative impact on businesses and non-profits that rely on USPS's 6-day delivery schedule to correspond and send notices to their customers. Eliminating weekend delivery will unnecessarily disrupt the lives of customers that depend on Saturday delivery to meet their day-to-day needs and unnecessarily negatively impact our nation's economy at a time of economic recovery. A reduced mail delivery week will dramatically interfere with the businesses and non-profits to correspond and send notices to their customers and restricts the ability of customers' to provide feedback or make timely payments.

Second, under the 2006 postal reform law, the USPS cannot raise rates above a cap tied to the Consumer Price Index (CPI). Granting USPS the ability to arbitrarily increase postal rates during the current climate raises a number of operational issues for American businesses and consumers. If USPS's is permitted to exceed the CPI caps, it will unnecessarily disrupt the lives of customers that depend on mail delivery to meet their day-to-day needs and unnecessarily negatively impact our nation's economy at a time of economic recovery. USPS's request for a rate increase is counter to the national goal of increasing business activity and economic growth.

Third, the Roundtable encourages the Subcommittee to fully explore all options, including reforming the structure of USPS health care and pension plans, when developing solutions to save costs or creating new revenue streams. Addressing the \$50 billion overpayment into the USPS's retirement fund and granting USPS the flexibility to reduce its health care costs are both introspective and innovative solutions that will help USPS become more efficient.

In closing, until USPS, Congress, and the Administration work together to develop a long-term comprehensive strategy that involves restraining operating expenses, any projected savings will be greatly outweighed by internal inefficiencies. An efficient operating USPS is critical to the financial services industry's operations. Even with the increased popularity of electronic communication, millions of people still depend on USPS's services to communicate to the outside world.

At the Postal Regulatory Commission:


- **N2011-1** Reps Connolly Young et al. Letter to Chairwoman Goldway Sept 15 2011
<http://www.prc.gov/docs/75/75932/Letter%20Chairwoman%20Goldway1.pdf>





The U.S. Postal Service Office of Inspector General invites you to comment on the following: New "[Pushing the Envelope](#)" blog topic: **Protecting International Revenues Domestically**. International Service Centers (ISCs) across the U.S. distribute and dispatch international mail. International Airmail


Records Units are located within these ISCs and validate mail records. Our office previously reported the records units operated in an obsolete environment with millions of hard copy records. The U.S. Postal Service has implemented Lean Six Sigma methodologies to make processes more efficient and transition to a paperless environment. What else can be done to improve efficiencies and protect international revenues at ISCs and International Airmail Records Units? Share your thoughts on our [blog](#).


[House Committee on Oversight and Government Reform](#)


 **[THE POSTAL SERVICE INNOVATE TO DELIVER ACT OF 2011](#)** ("THE I2D ACT"), Ranking Member *Elijah E. Cummings* -- The I2D Act will meet the Postal Service's financial challenges by implementing reforms in three core areas: profitability, personnel, and performance. Unlike other proposals that seek only to slash services, workforce, or facilities, the I2D Act tackles fundamental challenges with fundamental change to ensure that the Postal Service will continue to deliver for years to come. [A copy of the Cummings-Lynch bill](#) has been posted on *this site*.


 **The Daily Caller**: Congress also should loosen the stranglehold Big Labor maintains on the USPS. Many of the agency's problems are exacerbated by a highly unionized labor force that accounts for some 80% of its budget. Private delivery services, including UPS and FedEx, on the other hand, have labor costs that are substantially lower. The GAO has recommended that Congress eliminate "layoff protections" in the collective bargaining agreements between the USPS and labor unions. The postal union, true to form, will hear no such blasphemy. Despite the obvious need for a serious overhaul of the USPS, Congress has repeatedly ignored calls to overhaul the foundering agency, and suggestions that it be privatized routinely are met with haughty resistance. But implementing a business model similar to its private competitors' business models is exactly what the Postal Service needs to do to fix its problems.


 **Postanews Blog**: Darrell Issa, the self-appointed "watchdog" of the US Postal Service, today introduces new provisions in his so-called "reform" act that would reverse existing RIF rules, forcing the most senior postal workers to be laid off first. Issa's bill had already included provisions throwing out collective bargaining rights, saddling the USPS with up to \$10 billion in additional debt, and creating two new federal bureaucracies to "oversee" the USPS. The new provision requires the USPS to RIF all retirement eligible employees prior to laying off any workers not yet eligible for a pension, and to RIF the most senior of them first

 [Federal Times](#): It's official: the U.S. Postal Service is out with a Federal Register notice today on proposed changes to mail delivery standards that are integral to its plans for closing several hundred processing plants. The notice adds detail to what USPS officials have already revealed; of particular interest to postal workers, the notice (in a footnote) says that the downsizing plans should not affect network distribution centers, air mail centers, remote encoding centers and international service centers, although those facilities are a small minority of the total. The 30-day public comment period runs through Oct. 21.


 [FedBizOps](#): The Postal Regulatory Commission (Commission) is an independent establishment of the executive branch of the federal government with regulatory oversight over the United States Postal Service (USPS or Postal Service). It is composed of five Commissioners supported by staff from its four operating offices, one of which is the Office of Accountability and Compliance (OAC). OAC is responsible for technical analysis and formulation of policy recommendations for the Commission in both domestic and international matters. The Commission is seeking Proposals from organizations and individuals to assist the Commission staff in developing a Report on peak load cost issues as they relate to Postal Service mail processing, delivery and transportation operations. Separate contracts for each function, mail processing, delivery and transportation, may be awarded.


 Ranking Member Elijah E. Cummings and Congressman Stephen Lynch, Ranking Member of the Subcommittee on Federal Workforce, U.S. Postal Service and Labor Policy, will hold a press conference to announce comprehensive legislation to fundamentally change the Postal Service's business model to cut costs and increase revenue. Their bill, the Innovate to Deliver Act of 2011 (I2D Act), meets the Postal Service's financial challenges by implementing reforms in three core areas: profitability, personnel, and performance. The bill includes provisions to allow the Postal Service to function more like a business and reduce the restrictions that have hindered its ability to respond effectively to a changing market. WHAT: Press Conference with Representatives Elijah E. Cummings and Stephen F. Lynch to Discuss the Innovate to Deliver Act of 2011 (I2D Act) WHEN: Wednesday, September 21 from 12:00 – 12:30 p.m. WHERE: 441 Cannon House Office Building DIAL- IN: Phone Number: (712) 775-7400 Passcode: 698340#


 [Postalnews Blog](#): In an article that's typical of the misinformation flooding the news media and the web lately, [DC Velocity](#) helps spread the lie that the USPS can't afford to pay its retirees.


 [The Youngstown Vindicator](#): U.S. Rep. Tim Ryan of Niles, D-17th, says the federal government needs to change legislation requiring the U.S. Postal Service to front future retiree health-care costs years in advance. "They've been putting way too much money into the pension funds," Ryan told The Vindicator on Tuesday. "That's pulled a lot of money out of the postal service and is making the books look worse than they are."

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


 Competitors of Deutsche Post took legal action to be exempted from VAT. On Monday the Association of Courier, Express and Postal service providers (BdKEP e.V.) announced that one of its members filed a lawsuit against the Federal Central Tax Office. This authority decides which postal operator provides the universal service and is thus exempted from VAT.


 Itella's recently announced cost-cutting programme (CEP-News 33/11) is getting in the next round. Later this week negotiations with the Finnish Post and Logistics Union (PAU) are to be opened. According to Itella, the staff should be reduced by 430 person-years. These reductions will be achieved by using several methods like early retirement schemes. The exact number of affected employees is not known yet.


 Several hundred employees of Swiss Post protested against the rationalisation programme 'Distrinova' on Saturday afternoon in Berne. Swiss Post plans to further automate mail delivery with this programme and plans to cut 270 jobs.


 On Monday new details about the planned transformation of Royal Mail's branch network (CEP-News 42/10) were revealed. According to the proposal by Postal Affairs minister Ed Davey, those who shape the post office's network should primarily be involved in the new firm, e.g. employees, operators of the so called sub-post offices but also municipalities. None of these groups is supposed to own a majority stake in the mutual body. Furthermore the British government won't hold a stake in the network operator, but provide the guarantee for the


nationwide network on a contractual basis.

 Apparently New Zealand Post plans to offer an electronic mail service, too. According to information from internet portal »stuff.co.nz« (19.09), NZ Post has entered a partnership with Xero, an accounting software developer, and credit-rating agency Veda to develop this service. The service could make use of a proposed single business numbering system, which is currently developed by the Economic Development Ministry, to guarantee a secure identification of senders and addressees.

 Around one third of Brazilian ECT Correios' workforce are on strike since last Wednesday. Negotiations about a new labour agreement failed prior to this.

 Deutsche Post will invest around 750m euros into the modernisation of its German parcel network until 2014.

 German parcel service Hermes has now come under political pressure due to the labour conditions of its deliverers. In a so called 'parliamentary question' the Green fraction in Germany's lower house of the parliament demanded information about violations of social legislations and bogus self-employment from the government.

 The Chilean post got its first female CEO in its history. One month after the former CEO Amunátegui was appointed as new chairman of state-owned holding SEP (CEPNews 34/11) by president of the state, Piñerain, Susana Carey was nominated as his successor. Prior to this she held several executive positions in the private sector.



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 Post Office Closings](#) , 58544–58545 [2011–24199] [[TEXT](#)] [[PDF](#)] 58545–58546 [2011–24200] [[TEXT](#)] [[PDF](#)] 58546–58547 [2011–24204] [[TEXT](#)] [[PDF](#)] [Postal Service PROPOSED RULES Proposal to Revise Service Standards for First-Class Mail, Periodicals, and Standard Mail](#) , 58433–58436 [2011–24149] [[TEXT](#)] [[PDF](#)]




[The Lincoln Journal Star](#): As an artist, Steven DeLair doesn't like the idea of roadside mailboxes sprouting along Woods Avenue near 34th Street any more than he likes the weeds growing in his driveway. "I just hate to see all these mailboxes out there," DeLair, 67, said. "We've got a nice-looking street." But the U.S. Postal Service sent postcards to an unknown number of Lincoln residents recently asking them to install curbside mailboxes to help the Postal Service save as much as \$100 per house annually in delivery costs.





[The Yakima Herald](#): Our postal problems have the attention of the White House. President Obama on Monday urged two frequently mentioned reforms: reducing delivery to five days a week, and allowing the agency to reap a \$6.9 billion refund from an overfunded pension fund. He also proposed restructuring its pension plan and allowing it to sell nonpostal goods. These reforms would require congressional approval, and that will be a tough sell as elected officials hear protesting voices like the ones in Yakima back in July. Already, 75 members of Congress have called on the Postal Regulatory Commission to block the planned closure of post offices. This is a pattern we've seen locally. Politicians frequently cite the desire that government be run like a business. Any business facing the postal service's challenges would move quickly to consolidate, to eliminate unneeded staff, to contract work to other entities, to seek out business partnerships and to look for areas where it could make a profit. The postal service needs to think along those lines. The customers and workers need to understand that. And Congress needs to allow it.


 [The Youngstown Vindicator](#): The nation can survive with- out Saturday mail delivery. Not that we would want to, but its one of the alternatives to a drastic restructuring that would be even more painful.


 [The Daily Caller](#): The United States Postal Service is going to lose \$10 billion this year. Why? It is losing business to e-commerce, and it cannot reduce its expenses fast enough due to legislative mandates and onerous union contracts. Without legislative action, the Postal Service will not be able to meet payroll by next summer. This week, the president finally released his proposal for saving the Postal Service. That the president's proposal was released as part of his "deficit-cutting" package was Orwellian. That he suggests it would save the Postal Service is absurd. The White House has confirmed that the president's proposal on postal reform is nothing more than a taxpayer-funded bailout that increases the deficit, hurts the Postal Service and masquerades as savings through some fuzzy accounting. The administration has informed the House Oversight and Government Reform Committee that under the normal rules for estimating the cost of legislation, commonly known as "budget scoring," the president's plan would not reduce the federal deficit by \$19 billion over 10 years as advertised by the White House; in fact, it would increase the deficit by \$10-20 billion over that same period. Even worse, administration officials admit that they expect this proposal to prevent the Postal Service from reducing its expenses by \$8.5 billion over two years.





 [WKZO](#): President Obama has endorsed the U.S. Postal Service's plans to eliminate Saturday delivery to cut its own departmental deficit. He liked it so much that he included it in the debt reduction plan he is sending the Debt Reduction Supercommittee.

 [Federal News Radio](#): The House subcommittee that oversees Postal Service operations will consider legislation Wednesday to help the struggling agency return to solid financial footing. The bill, sponsored by subcommittee chairman Rep. Dennis Ross (R-Fla.) and House Oversight and Government Reform Committee Chairman Rep. Darrell Issa (R-Calif.) would let the Postal Service stop delivering mail on Saturdays, dramatically increase postage rates and charge employees more for health insurance. It differs from competing proposals from the White House and the Senate in two key ways: It would not let the Postal Service take back the \$7 billion that it has overpaid to the federal retirement system. And it would set up a commission to reorganize the agency's network, rather than let the Postal Service attempt the restructuring on its own.


 [Post & Parcel](#): President Obama's plan to help out the US Postal Service has been relatively warmly received by the mailing industry and postal unions, but received a frosty reception in Congress. Almost every group of stakeholders within the postal debate have opposed one or more of the measures proposed within the details of the \$3 trillion national deficit reduction package from the White House.

 [Investors Business Daily](#): The USPS is, by the usual business standards, broke. There's no Chapter 11 for the Postal Service. It is not an ordinary business, and it operates under laws written specifically for it. But Congress could enact a law that puts the Postal Service under Chapter 11-style supervision along with the ability to downsize into a viable enterprise. This could be done through a special board of trustees that intervenes to renegotiate contracts if the Postal Service goes into default. A bill by Rep. Darrell Issa, R-Calif., would set up such an authority. Postal Service management wants to cut 225,000 jobs by 2015, bringing the total workforce down to about 425,000. Attrition can trim only 100,000 or so. So to meet this timetable, the ban on layoffs has to go. But that's a step the Democrats aren't yet willing to risk. Until they can do so, the Postal Service will be losing money and racking up a fat bill to be paid by taxpayers.


 [WBFO](#): A federal appeals court Tuesday upheld the new federal law that prohibits the US Postal Service from delivering commercial cigarette shipments.

 [Del Ray Patch](#): With the Del Ray post office branch under review for potential closure, U.S. Rep. Jim Moran (D-8th) sent a letter to the chairman of the Postal Regulatory Commission last week urging that the office located at 1908 Mt. Vernon Avenue should remain open. In the letter sent to Ruth Goldway dated Sept. 16, Moran argued the "theoretical savings generated by closing the facility do not justify the costs to the community that would result from a closure."



 [Montclair Patch](#): Everyone knows that The Daily Show with Jon Stewart likes to present humorously exaggerated views of current events. It's taken on Iran, Iraq, Democrats, and Fox News. And the next target? The U.S. Postal Service. And as part of the segment on the postal service, the show would like to talk with everyday citizens in Montclair about the state of home mail delivery. "The Daily Show will be filming a segment about the future of the U.S. Postal Service," said Matt Polidoro, a producer with the show. "We'd like to speak to three households for this segment preferably in the Montclair area." If anyone would be interested in participating, please email mpolidoro@thedailyshow.com for more details.

September 20, 2011

 ***At the Postal Regulatory Commission: The Postal Regulatory Commission has issued its "Order Resolving Issues on Remand."*** See also [the press release on the matter that was issued by the Commission](#).

"The Commission concludes that "due to" should be interpreted to require a close causal nexus. In particular, the Commission interprets the causal nexus of "due to" to mean that: rate adjustments are permitted only if, and to the extent that, they compensate for the net adverse financial impact of the exigent circumstances; (2) To quantify the net adverse financial impact of the exigent circumstances, the Postal Service does not have to quantify such impact with absolute precision, but must: (a) under the circumstances presented, justify its quantification through supportable methods commensurate with the amount of the proposed adjustment; and (b) demonstrate that the amount of the proposed adjustment does not exceed the net adverse financial impact of the exigent circumstances.

The Commission's conclusions are based upon careful review of the language of section 3622(d)(1)(E); the purposes and policies of the Postal Accountability and Enhancement Act (PAEA); the roles of the price cap and section 3622(d)(1)(E) in the statutory scheme; the legislative history of the section 3622(d)(1)(E); the Court's opinion; and the comments. In considering all these factors, the Commission applies its expertise to interpret the causal nexus of "due to" as directed by the Court.


In interpreting the causal nexus of "due to," the Commission reaffirms (1) its finding in Order No. 547 that the price cap is the cornerstone of the PAEA's ratemaking system and is intended to provide clear incentives for the Postal Service to improve efficiency and reduce its costs; (2) its finding in Order No. 547 that the section 3622(d)(1)(E) provides a narrow exception to the price cap under the PAEA's statutory scheme; and (3) its conclusion in Order No. 547 that the legislative history of the PAEA Docket No. R2010-4R - 4 - Section I: Executive Summary supports the central role of the price cap and the role of the section 3622(d)(1)(E) as a narrow exception to it.


In addition, the Commission provides general guidance regarding the proof required to demonstrate the causal nexus of "due to." This guidance is provided through a discussion of quantification requirements; the nature and amount of proof deemed necessary; supportable quantification methods; the requirement that the amount of the proposed adjustment does not exceed the net adverse financial impact of the exigent circumstances; and concerns regarding the administrative feasibility of requiring a close causal nexus.

Finally, the Commission prescribes further procedures for considering the Postal Service's exigent request in light of the Commission's interpretation of the causal nexus of "due to" . . .

It is ordered: (1) The Commission interprets the causal nexus of "due to" as set forth in the body of this Order. (2) The Postal Service is directed to file a statement indicating whether and how it wishes to pursue its Exigent Request, as described in the body of this Order, no later than October 4, 2011. (3) Should the Postal Service pursue its Exigent Request based on the record as of September 30, 2010, interested persons will have until October 18, 2011 to respond to the Postal

Service's statement. (4)The Public Representative Motion to Strike Portions of the Postal Service's Initial Comments or for Alternative Relief and the Motion to Strike of Alliance of Nonprofit Mailers, Association for Postal Commerce, Direct Marketing Association and Magazine Publishers of America, Inc. are denied without prejudice.


 [American Postal Workers Union](#): "The APWU appreciates President Obama's effort to provide short-term relief to the USPS from financial difficulties," the union said, "including the proposal to waive the requirement to pre-fund the healthcare benefits of future retirees for two years and the proposal to return over a two-year period a \$6.9 billion Postal Service overpayment to the Federal Employees Retirement System. However, a long-term solution to the Postal Service's unreasonable financial burdens is desperately needed. We will continue to urge Congress to pass H.R. 1351, which would provide such a solution. We also will continue to work with the White House and legislators in both houses of Congress to achieve financial stability for the Postal Service. Postal workers are eager to provide the American people with the service they expect and deserve."


 [Coalition for a 21st Century Postal Service](#): Below is the language in the Senate General Gov Appropriations bill for the Postal Service. Note that it maintains the requirement for 6-day delivery and blocks the closing or consolidation of small post offices, rural or otherwise. Plus, Sen. Durbin has added a provision that blocks processing center closings, although it does not show up in the provisions concerning USPS.





UNITED STATES POSTAL SERVICE PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, \$78,153,000, which shall not be available for obligation until October 1, 2012: Provided, That mail for overseas voting and mail for the blind shall continue to be free: Provided further, That 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level: Provided further, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: Provided further, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in fiscal year 2012.


 [Federal Times](#): All of a sudden, federal policymakers have noticed that the U.S. Postal Service is in the midst of a crippling financial crunch. There's little consensus on a solution, but the ensuing attention is generating a remarkable amount of news.


 [PRNewswire](#): With the dedication of its fourth semipostal stamp today, the U.S. Postal Service is helping to save vanishing species 11-cents at a time — specifically tigers, African and Asian elephants, rhinos, great apes and marine turtles. *[EdNote: And it should go without saying, buying those stamps you may never use helps ensure the U.S. Postal Service won't be a "vanishing species."]*

 [Reason](#): The American Postal Workers Union took out some ads this summer aimed at convincing the American people that the U.S. Postal Service is not a big black hole of taxpayer dollar suckitude. And the ads are pretty convincing. The post office has been posting massive losses since 2007, reasonable sounding announcer guy admits. But it's not our fault! The USPS is laboring under "a burden no other agency or company bears." Congress is stealing our hard earned stamp money, for unspecified but definitely probably unfair reasons. Also, we deliver medicine! Just one problem: The ads are utterly misleading.


 [Post & Parcel](#): Brazil's president Dilma Rousseff has signed postal reform legislation into law, allowing the country's postal service to expand its operations at home and abroad. The new Law 12,490 was published in Brazil's Official Gazette yesterday, as strike action continued across the country with no sign of compromise over a new labour deal. The legislation reforms, which passed through Congress earlier this month, will allow the Brazilian Post and Telegraph Company (ECT) to expand into new services including electronic mail, integrated logistics and new financial services. The new law also grants corporate-style powers for ECT, allowing it to establish subsidiaries,


form partnerships with the private sector, acquire stakes in other companies or buy other companies outright. The reforms will also, for the first time, allow ECT to open offices abroad and operate outside Brazil's borders.


 [Investor Place](#): Here are five businesses that could suffer from a post office overhaul -- eBay, Netflix (Quikster), Fedex, Northrop Grumman, **Every Consumer Business Nationwide**. [*EdNote: It's this last one that'll kill the nation's economic revival.*]


 [DC Velocity](#): The fiscal crisis facing the postal service has been brewing for the better part of a decade, but the problem now appears to be coming to a head. This is no temporary setback. A number of independent analysts have reviewed the USPS's projected profit-and-loss profile over the next eight to 10 years, and the results could only be described as dismal. So what options does the USPS have? What are its strengths, and how can it use them to its best advantage? What many see as the agency's most valuable asset is its enormous and underutilized ground delivery network, which reaches every node within the postal infrastructure. The nodes include not only every business and residential address in the United States, but also a vast network of regional distribution centers, bulk mail centers, and destination delivery units.


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


 [Bloomberg](#): The U.S. Postal Service may gain "breathing space" to reduce costs over the next two years as part of President Barack Obama's deficit-reduction plan, Deputy Postmaster General Ronald Stroman said.


 [Time](#): The cash-strapped United States Postal Service has proposed a number of cost-cutting moves in the face of a \$9 billion deficit. Two big ideas suggested by Postmaster General Patrick Donahoe are eliminating Saturday mail delivery and closing 252 mail processing facilities, which would lead to first-class mail taking longer to reach its destination. These ideas are still in the discussion stage, but if they become reality, credit card customers who depend on the mail to receive and pay their bills could be hurt.


 [BGR](#): American adults still prefer communicating by voice over sending and receiving text messages according to a recent survey conducted by The Pew Research Center. Pew surveyed 2,277 Americans ages 18 and older between April 26th and May 22nd of this year, and found that nearly three-quarters of them send and receive text messages. Despite the increased popularity of text messaging among adults in the U.S., however, only 31% prefer messaging to voice calls. More than half — 53% — said voice calling was their preferred means of communications rather than SMS.


 [Wall Street Journal](#): Making an aggressive push to rebuild a lagging business, Citigroup is stuffing America's mailboxes with credit-card solicitations.


 [The Baltic Course](#): The Competition Board did not grant a permission for Estonian Post's plan to buy the postal enterprise Express Post from the media groups Ekspress Group and Eesti Meedia.


 [MarketingWeek](#): Royal Mail is to press ahead with its controversial plans to introduce a "delivered by..." mark on direct mail but is set to concede ground to the industry by using already reserved space on envelopes. It is thought that the postal operator will give the industry three months notice as ahead of a new year launch that could see the "delivered by..." mark included on the area in the top right hand corner of the envelope that is already used by Royal Mail.

 [NPR](#): The U.S. Postal Service lost \$8.5 billion last year. On Monday, President Obama endorsed a plan to reduce mail delivery to five days a week to cut its massive losses. Postmaster General Patrick Donahoe talks to Steve Inskeep about the future of the mail service.


 [Deadtree Edition](#): Obama Supports Postage Increase: Is He Dissing the Print Industry?


 [From the Federal Register](#): Postal Regulatory Commission NOTICES Post Office Closings , 58312–58314 [2011–24017] [[TEXT](#)] [[PDF](#)] 58314–58315 [2011–24029] [[TEXT](#)] [[PDF](#)]


 [Hellmail](#): Postal Affairs minister Ed Davey, today called for local councils to work more closely with post offices to develop front line services as the government formally opens discussions on proposals to mutualise the network.

 [National Association of Letter Carriers](#): President Obama sent a deficit-reduction package Sept. 19 to the special joint committee of Congress established by the debt limit law to find ways to reduce the federal budget deficit. The package included a number of reforms to address the financial crisis at USPS. We are both encouraged and disappointed. We are encouraged that President Obama is attempting to creatively address the USPS cash crisis through the deficit reduction process and welcome his proposal to return the \$6.9 billion postal pension surplus in FERS to the Postal Service as proposed in Rep. Stephen Lynch's H.R. 1351. But we are very disappointed that the administration opted for a deferral of the next two pre-funding payments (\$5.5 billion each) instead of embracing a permanent reform based on the Lynch bill's recovery of the even larger CSRS surplus. And we deeply regret that the administration has given in to pressure from the postmaster general and has proposed to eliminate Saturday mail delivery.

September 19, 2011

 [CNN](#): President Obama on Monday unveiled a plan to save the U.S. Postal Service and its employees from insolvency -- a plan that includes the possible end of Saturday mail service. The White House plan, which is part of a larger proposal to cut \$3 trillion from deficits over the next decade, would first allow the U.S. Postal Service to use \$7 billion from an overfunded pension account to avoid financial collapse. It would also allow the U.S. Postal Service to bypass its regulatory commission to give it the option to slash Saturday mail service and raise stamp prices 2 cents to 46 cents for a first-class


 [Government Executive](#): The U.S. Postal Service may have gotten a break in President Obama's deficit reduction proposal, but the beleaguered agency still has obstacles to face. Some lawmakers are unhappy about recent efforts to study more than 3,600 post offices for potential closure and have gone to the Postal Regulatory Commission to plead their case.

 [Coalition for a 21st Century Postal Service](#): In response to President Obama's deficit reduction plan, which includes provisions to reform the U.S. Postal Service, Coalition for a 21st Century Postal Service coordinator Art Sackler today released the following statement:


"We commend the President for getting involved in the debate over the future of the Postal Service, which will impact 8 million private sector jobs. We will carefully study the impacts of this proposal, but at first glance it contains some helpful provisions while also containing some that would do more harm to the Postal Service and the mailing industry.


"Unfortunately, the plan would allow the Postal Service to increase postage rates faster than the rate of inflation. Instead of preventing the demise of the Postal Service, raising postage rates would only hasten it; as postal customers would seek other, less expensive avenues to communicate. When a business is already losing customers, the last thing it should do is increase its prices.


"At the same time, we appreciate the President's addressing the issue of the Postal Service's Congressionally-mandated overpayments into retiree health care and pension accounts. For years, the Postal Service has been unfairly required to direct postage revenues into these funds. This has amounted to a hidden tax on the mailing industry, and one that needs to be abolished. That money should be returned to the Postal Service."


 [Direct Marketing News](#): Experian Marketing Services is building a catalog application for the iPad and all Android devices, Jeff Hassemer, VP of product strategy, told Direct Marketing News. The product will be available


in the first quarter of 2012. The marketing services firm is in talks with several clients to launch a beta version of the app, which will let brands download their entire print catalog into a tablet application. Within the product, consumers will be able to view rich-media content, such as videos, and make purchases without leaving the application. The iPad app will be Experian's first priority, but the company will ultimately offer the product for all Android devices as well, said Hassemer.


 **The New Times:** Once you become a consummate follower of news, you develop an eye for the occasional odd story that makes its way to the papers or to the news bulletin on TV. It was under such circumstances that I noticed a headline, "Internet not affecting our business – Post Office." Nothing could be further from the truth. I actually laughed when I read this headline. According to the Commercial Director of the National Post Office of Rwanda, Dieudonne Maniragaba, the internet has not affected them. On the contrary, he argues that it has instead complemented the postal business. I have heard this argument before and it is simply lame.


 **Post & Parcel:** The assistant majority leader of the US Senate has added a clause in a finance appropriations bill to protect a mail processing plant in his own district in Illinois. Senator Dick Durbin said the legislative addition would help protect jobs at the Processing and Distribution Annex in Quincy, Illinois. More than just a parochial move, however, the new clause could prevent future re-evaluation of the entire USPS processing network.

 **The Street Insider:** While the situation seems dire, Postal Service spokesman David Partenheimer says that if the USPS defaults, though unlikely, it would have no effect on the post office's operations. "We'll continue to process and deliver mail and continue to roll out new stamps as scheduled," Partenheimer says. But, he adds, "we are confident that Congress will pass legislation that gives us comprehensive long-term solutions to our financial crisis."

 **The Hill:** Republicans are blasting the Obama administration's plan to help the U.S. Postal Service save about \$20 billion over the next few years and avoid imminent insolvency.

 **BtoB Online:** Alex Husted, database and circulation manager at Edmund Optics, is watching with concern as the U.S. Postal Service faces the possibility of insolvency. Husted, who directs the catalog business of the global imaging and photonics company, is worried, like many marketers, about the possibility of dramatically rising postal rates, as the Postal Service faces another record loss. "We're anticipating double-digit postal rate increases annually for the foreseeable future," Husted said. "When coupled with increasing paper prices, that becomes difficult to manage."

 **The Fairbanks Daily News-Miner:** California Republican Darrell Issa wants the bypass mail subsidy to end, the news service says, as part of a plan to rescue the U.S. Postal Service, which may lose \$10 billion this year. The bypass mail program allows residents of rural Alaska to get many things shipped by mail at much lower costs than would otherwise be available.

 **The Hill:** Three unions for post office employees launched a new television ad blaming Congress for the budget shortfall facing the United States Postal Service. "The Postal Service is recording financial losses, but not for the reasons you might think. The problem, a burden no other agency or company bears: A 2006 law that drains \$5 billion a year from post office revenue. While, the Postal Service is forced to overpay billions more into federal accounts," says the ad. The ad concludes: "Congress created this problem, and Congress can fix it."





The following has 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.

- [Overweight Inbound International Mail \(Report Number MS-MA-11-001\)](#). Our audit determined the Postal Service accepted and processed overweight inbound international mail items, which violates Postal Service weight restrictions. From October 11, 2010, to June 5, 2011, three of the five International Service Centers


(ISC) processed 2,907 overweight items. Allowing overweight items to enter the mail stream increases the risk of work-related injuries to Postal Service workers.

- [Postal Service Performance During the 2010 Fall Mailing Season \(Report Number NO-AR-11-007\)](#). During the 2010 Fall Mailing Season, the Postal Service had more than 3.4 billion delayed mailpieces, a 37 percent increase over the same period last year. This adversely impacted service and resulted in approximately \$10.9 million in revenue at risk. We identified a very small amount of stand-by time (or idle time) during this period; thus, it appears the vast majority of employees were engaged in processing mail. We have referred three instances of intentional misreporting of delayed mail to the Office of Investigations over the past several years.
- [Project Phoenix \(Report Number IT-AR-11-009\)](#). We determined the Postal Service may prevent delays – such as those experienced on Project Phoenix – on future projects by improving technology solution requirements and the analysis and design process. The Postal Service did not meet its projected goal to implement release 1.2 of Project Phoenix in April 2010 because management did not adequately develop such requirements and had to invest additional time and resources to revise requirements, reengineer back-end processes, and amend development work.
- [Timely Processing of Mail at the Richmond, VA Processing and Distribution Center \(Report Number NO-AR-11-008\)](#). The Richmond P&DC experienced difficulties with timely processing of mail during fiscal year (FY) 2010 and Quarter 1 of FY 2011. Delayed mail volume at this facility rose while similar-sized facilities' delays decreased. The causes for the excessive delayed mail were inadequate staffing and supervision, low mail throughput on machines, failure to consistently color-code arriving mail, not accurately identifying and reporting delayed mail, and mail damage caused by poor packaging.

 **Government Executive:** The U.S. Postal Service would see \$20 billion in relief under President Obama's deficit reduction plan, in part through changes in employee benefits. According to a White House draft summary, the proposal would allow the Postal Service to cut delivery days from six to five, provide a two-year relief from employer contributions to the agency's Federal Employees Retirement System account and restructure obligations to prefund retiree health benefits. USPS also would have the flexibility to alter its retail network and adjust postage costs.

 **Rep. Darrell Issa**, R-Calif., chairman of the House Oversight and Government Reform Committee, which oversees the Postal Service, has issued the following statement in response to the White House proposals on the Postal Service:

"The President's proposal is not what taxpayers or the Postal Service needs. The President's plan to achieve savings for the Postal Service does so by sticking taxpayers with the tab. Rather than backing an effort to seek fundamental reform, the accounting gimmicks used in the plan are a thinly veiled attempt to offset continued operating losses with a taxpayer funded bailout. The Oversight Committee will move forward and consider a separate proposal Wednesday, the Postal Reform Act, that will produce at least \$10.7 billion annually in savings for the Postal Service and doesn't stick taxpayers with the bill," Issa said.

 **Sen. Tom Carper** (D-Del.), Chairman of the Subcommittee that oversees the U.S. Postal Service, released the following statement reacting to President Obama's proposal to address the U.S. Postal Service's ongoing financial crisis:

"I have been saying for some time now that Congress and the Administration need to come together on a plan that can save the Postal Service and protect the more than seven million jobs that rely on it. The Administration has put forward a plan that appears to include many of the recommendations that I suggested to President Obama earlier this month and that were included in legislation I introduced this past spring. The President's proposal would help the Postal Service update its business model to reflect Americans' changing communications habits and address some of the financial burdens associated with the Postal Service's future retiree healthcare costs and payments to the federal pension systems. It would also allow the Postal Service to pursue innovative opportunities to attract new business by taking better advantage of its nationwide retail,

delivery and logistics network. Not only does this proposal help the Postal Service fix its finances but it also reportedly trims our federal deficit by over \$10 billion over the next 10 years. I look forward to working with my colleagues in the coming days to study this proposal further. That said, what the President has put forward today appears to be a meaningful response to a very real and dire crisis that has the potential, perhaps in combination with other proposals that have been made in recent months, to address the challenges facing the Postal Service in the near term and in the years to come."





[Senator Susan Collins](#), who is the Ranking Republican on the Homeland Security and Governmental Affairs Committee and who in February introduced postal reform legislation, issued the following statement:


"For the first time, the President is addressing the financial crisis at the U.S. Postal Service. Unfortunately, the Administration's proposals will not prevent the Postal Service from becoming insolvent. There is no response to the Postmaster General's proposal to restructure the Postal Service's underlying health and pension costs. There is little attempt to address the workforce issues that drive 80 percent of USPS's expenses.


"Returning the Federal Employee Retirement System surplus over two years rather than in a one-time refund of the entire overpayment owed to the USPS constitutes a demand from the President that postal customers give the federal bureaucracy a no-interest loan over the next two years. That's unfair and only increases the burden on the Postal Service.

"The White House proposes reducing USPS operating costs by advocating cuts in mail delivery from six days to five days. Cuts in delivery and service standards are not the way to keep customers and gain new revenue. The Postal Service cannot address a loss in mail volume and revenue by taking steps that will accelerate volume loss and lower revenues. Cutting service and raising prices will only make matters worse and accelerate the Postal Service's death spiral."

 [Courier, Express, and Postal Observer](#): The new Postal Service network generates most of the cost savings by shifting originating sortation until the next day and smoothing destination sortation and sequencing over more hours than is now the case. The Postal Service noted that this change will add a day to the service standard for First Class and Periodical Mail. However, changes in the time that mail is sorted may effectively add another day to the time it takes to deliver other classes as well.

 [Washington Post](#): President Obama supports allowing the U.S. Postal Service to stop delivering mail on Saturdays and to start selling items other than stamps and shipping supplies at post offices nationwide, according to his deficit reduction proposals released Monday. The White House is also calling on Congress to return \$7 billion that USPS paid into a federal retirement fund to the delivery service to help pay for other retirement and health-care costs. Obama's plans also would allow the Postal Service to raise stamp prices beyond the rate of inflation to better match the cost of delivery. The White House said its proposals would provide USPS with more than \$20 billion in savings in the next few years and cut the federal deficit by more than \$18 billion over the next decade.

 **Press Release:** *Statement from Postmaster General Patrick R. Donahoe on the President's Plan for Economic Growth and Deficit Reduction:* "I would like to thank the President for acknowledging the enormous value of the United States Postal Service to the nation's commerce and communications. The President also recognized the urgent need for reform to ensure the Postal Service's future viability. The President has offered helpful recommendations to stabilize the Postal Service's financial crisis. We are looking forward to reviewing the plan in more detail and we continuing to work with the White House and the Joint Select Committee on specific proposals that involve the Postal Service."

 [Chicago Tribune](#): Republican lawmaker Darrell Issa plans to offer an amendment that boosts the annual savings in his bill to overhaul the U.S. Postal Service to more than \$10 billion, his office said. Issa, who is chairman of the powerful House of Representatives Oversight Committee, will announce the amendment Monday, when the Obama administration is expected to unveil its own strategy for saving the mail carrier. A draft version of the Issa

amendment viewed by Reuters doubles the amount the agency would have to save by closing mail processing facilities, phases out delivery to front-door mail slots, and reduces the postal workforce starting with retirement-eligible workers before laying off other employees. This adds more than \$4 billion in savings, but some provisions contradict USPS policies or could anger lawmakers. A subcommittee will debate and amend, or "mark up," Issa's bill Wednesday.



To be discussed at Wednesday's House Oversight and Government Reform business meeting: "[Discussion Draft] [Amendment in the Nature of a Substitute To H.R. 2309 Offered by Mr. Ross of Florida](#)"

The following was shared with PostCom by the Coalition for a 21st Century Postal Service.

Provide Postal Service financial relief and undertake reform. The Administration recognizes the enormous value of the U.S. Postal Service (USPS) to the Nation's commerce and communications, as well as the urgent need for reform to ensure its future viability. USPS faces a long-term, structural operating deficit that has been exacerbated by the precipitous drop in mail volume in the last few years due to the economic crisis and the continuing shift toward electronic communication. Absent legislative intervention, USPS will be insolvent by the end of September 2011 when it will be unable to make the statutory \$5.5 billion Retiree Health Benefit prefunding payment to the Office of Personnel Management, will have exhausted its cash reserves, and will have hit its cumulative statutory Treasury borrowing ceiling of \$15 billion. Bold action is needed to ensure that USPS can continue to operate in the short-run and achieve viability in the long-run. To that end, the President is proposing a comprehensive reform package that would: 1) restructure Retiree Health Benefit pre-funding in order to accelerate moving these Postal payments to an accruing cost basis and reduce near-year Postal payments; 2) provide USPS with a refund over two years of the \$6.9 billion surplus in Postal contributions to the FERS program; 3) reduce USPS operating costs by giving USPS authority, which it has said it will exercise, to reduce mail delivery from six days to five days; 4) allow USPS to offer non-postal products and increase collaboration with State and local governments; and 5) give USPS the ability to better align the costs of postage with the costs of mail delivery while still operating within the current price cap, and permit USPS to seek the modest one-time increase in postage rates it proposed a year ago. These reforms would provide USPS with over \$20 billion in cash relief over the next several years and in total would reduce the Federal deficit by \$19 billion over 10 years.





The U.S. Postal Service Office of Inspector General invites you to comment on the following: This week's "[Pushing the Envelope](#)" blog topic: Operations and Finance – Allies or Foes? The U.S. Postal Service Operations and Finance divisions both perform vital functions. However an audit based on prior years' financial statements show Operations personnel weren't always aware of the impact their actions or inactions had on the overall big picture for the Postal Service. Over the years management has taken steps to provide Operations and Finance personnel with the bigger picture. Do you think the communication gap between Operations and Finance is closing? Why or why not? Share your thoughts on our [blog](#). New Audit Projects: A new audit project has been started on the external website.


[Benchmarking Postal Service Contracting Practices to Other Non FAR Agencies – 11YG044CA000](#). The United States Postal Service is established under the provisions of the Postal Reorganization Act of 1970 (PRA). Congress provided the Postal Service broad power of operation, excluding it from most Federal laws and regulations concerning contracts. The Postal Service is not subject to the Federal Acquisition Regulation (FAR), which is the primary regulation governing all Federal executive agencies in their acquisition of goods and services with appropriated funds. For this project, we plan to obtain best practices from other FAR exempt agencies and provide this information to the Postal Service to consider for implementing into their procedures. The Office of Inspector General (OIG) Office of Audit (OA) will benchmark the United States Postal Service with other Federal Agencies and private sector companies.

[American Postal Workers Union](#): Three postal unions are launching a new television ad campaign targeting unfair financial burdens imposed on the U.S. Postal Service by Congress. The new spot exposes the real reason the


USPS is facing a crisis that is jeopardizing the nation's mail system. The ad will run until the end of November on CNN, MSNBC and FOX News.


 [Fresh Business Thinking](#): Subpostmasters, customers and communities could be given a say in how the Post Office is run under plans published today (Monday) by Postal Affairs Minister Edward Davey. The proposals are in a Government consultation, 'Building a Mutual Post Office', published today setting out options to move the Post Office from Government ownership to a mutual model.

 [Ars Technica](#): Netflix CEO Reed Hastings announced that the DVD rental service will be spun off into a separate unit, where it will operate independently under a new brand name: Qwikster. According to Hastings, DVD mailing and Internet streaming require different approaches to business that are increasingly difficult for Netflix to reconcile. He believes that independence will make it easier to accommodate the unique requirements of each service. The split will ensure that DVD rentals are still available to consumers while the company focuses on moving forward its streaming business.


 The [House Subcommittee on Federal Workforce, U.S. Postal Service, and Labor Policy](#) will hold a business meeting on Wednesday, September 21st at 1:30pm in room 2154 Rayburn House Office Building. The business meeting will be streamed live at [Oversight.House.Gov](#).


September 18, 2011


 [Savannah Morning News](#): For too long, the U.S. Postal Service has been its own worst enemy. While other organizations changed with the times, this quasi-governmental agency remained wedded to the old, costly ways of doing things. The Postal Service, with its monopoly over using people's mailboxes, has long covered its budget-busting inefficiencies, costly labor contracts and bumbling bureaucracy by raising its prices to consumers. But that's no longer possible. The Postal Service must get smarter, quickly, to save itself. It has long needed an overhaul. Here's a final consideration: Take the Postal Service private. William J. Henderson, a former postmaster general, made that suggestion in 2001. It's radical. But the current model is a failure. If the Postal Service can't compete, its USPS eagle will go the way of the dinosaur.


 [BBC](#): Royal Mail will create thousands of temporary jobs in London and the South East this Christmas to help meet the surge in demand. The firm said it will recruit around 18,000 new workers nationwide to handle the festive postbag, with around 2,000 of these in the Thames Valley area. The jobs will be created in mail and distribution centres, where staff will help sort millions of items.

September 17, 2011


 [Parkersburg News and Sentinel](#): A West Virginia senator said he would first look at the management decisions by the U.S. Postal Service before cutting facilities and services. "And why they made so many bad decisions," Manchin said Friday during a telephone conference from Washington, D.C.


 [BBC](#): Plans to reduce Guernsey's postal services reflect the changing nature of the industry, the island's Office of Utility Regulation has said. Falling revenues and an increasingly costly relationship with the UK's Royal Mail mean the Commerce and Employment Department is looking at savings plans. One proposal is cutting deliveries from six days a week to five. The regulator said reducing the service made sense to maintain the sustainability of Guernsey Post.


 [From the Federal Register](#): Postal Regulatory Commission NOTICES Post Office Closings , 58057–58058 [2011–23980] [[TEXT](#)] [[PDF](#)] 58058–58059 [2011–23986] [[TEXT](#)] [[PDF](#)]


 [Los Angeles Times](#): To figure out a saner relationship with the Postal Service, Congress first must define its mission. If universal, six-days-a-week postal delivery is seen as a necessity for this country despite the ever-lower mail volume, then it is a public service that might have to be subsidized, though the federal government can ill

afford it. If the Postal Service is supposed to survive on its own, Congress must give it more true independence. That means allowing postal managers to decide how many days a week to deliver, to set the rates and to look for innovative ventures such as Internet services that might redefine its mission for the next century. Congress hasn't permitted mail delivery to drop to five days a week, one of the changes sought by the Postal Service, but given the backup of private delivery services and the Internet, even less than five might be a more realistic number. If the Postal Service is to survive without congressional largesse, it must be granted more autonomy, and then it must seize the opportunity to rethink itself. It can't just cut its way to success, and if its rates rise too high — though right now, a first-class stamp is an extraordinary bargain — it will lose yet more business. As much as it needs freedom from congressional nannying, that also means taking responsibility for its own mistakes.


 [Deadtree Edition](#): The network optimization plan announced yesterday by the Postal Service would apparently require the relocation or shutdown of some of the football-field sized Flats Sequencing System machines.


 [Wall Street Journal](#): The head of United Parcel Service Inc. said Thursday that he expects continued "slow growth" but doesn't foresee another recession. "I don't expect anything like what we saw in 2008," UPS Chairman and Chief Executive Officer Scott Davis said in a brief interview at an investors' conference in Louisville, Ky. Mr. Davis said the U.S. economy may have quarters where growth slips but that he doesn't predict a major dip. Shipping four billion packages a year, UPS is considered an economic bellwether.


 [Cato Institute](#): Postal expert Alan Robinson's Courier, Express, and Postal Observer blog is always an interesting read, but his latest two posts are particularly worthwhile. The U.S. Postal Service's financial woes are starting to attract commentary from prominent thinkers. In the first post, Robinson looks at recent articles from Felix Salmon, Gary Becker, and Richard Posner and concludes that while their analyses are incomplete, their observations deserve further consideration. The three pieces share a common theme: a government postal service micromanaged by Congress and regulators is no longer workable. Thus, it is time to consider reforms such as deregulation and privatization. As Robinson notes at the outset, "any postal reform measure has to go beyond fixing retiree obligations or restructuring operations to reduce costs." Robinson believes that a failure by policymakers to address three issues in particular will probably force Congress to re-examine the USPS's business model again in a few years (I know, Congress kicking the can down the road? Shocking.):

 [Attention PostalOne!® Users](#): This is to inform you that Full-Service processing (SASP) experienced a service interruption that resulted in a delay in processing Full-Service Copal jobs. This processing delay of copal jobs will affect the timely availability of the associated Mail Data Quality (MDQ) reports. This does not affect postage payment processing. Although the issue has been resolved, users can anticipate a 4 – 5 day delay in access to the MDQ reports. Notification will be provided when the backlog has cleared. If you have any questions please call the USPS Help Desk at (800) 522-9085

September 16, 2011


 [Post & Parcel](#): More than 80 US Congressmen have written to America's postal regulator to state their belief that closing thousands of post offices is the "wrong way" to deal with financial problems at the US Postal Service. Senator Thomas Carper, who is leading efforts to pass comprehensive postal reform legislation, said: "This dramatic step of proposing to close hundreds of distribution centers around the country underscores again the very dire financial challenges it faces. "The hard truth is that, if nothing is done, the Postal Service is going to lose \$10 billion this year. Congress and the Administration must act quickly to help the Postal Service save itself. Failure to act will result in the Postal Service being insolvent within a year, if not sooner, bringing more pain to communities across the country and wreaking havoc on our already fragile economy," added Senator Carper.


 [Government Executive](#): President Obama is set to unveil his deficit reduction plan Monday, and federal employee groups are urging him not to target government workers' pay and benefits in his proposal. During a Sept. 6 congressional hearing, Office of Personnel Management Director John Berry said Obama would release a strategy for addressing the U.S. Postal Service's fiscal crisis in conjunction with the deficit reduction package. Postal officials in August announced they would seek flexibility to allow the agency to create its own health and retiree benefits programs.


 **KATV:** Arkansas' Third District Congressman Steve Womack is not pleased with the postal system's announcement that it might be consolidating some mail processing centers in the state. "The latest news from USPS is very disturbing and has crossed the boundary of reason. This is not a study. It is a "trial balloon" and we don't need to waste resources on studying an unacceptable course of action. The USPS not only has a funding problem; it has a management problem. And the answer is not to continue to seek relief at the expense of workers, patrons, and service. Enough already."


 *At the Postal Regulatory Commission:*


- **CP2011-68 Order No. 859** - Order Concerning an Additional Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement
http://www.prc.gov/docs/75/75811/Order_No_859.doc
http://www.prc.gov/docs/75/75811/Order_No_859.pdf

 **Press Release:** On Wednesday, Sept. 21, in Tampa, FL, Postmaster General and Chief Executive Officer Patrick Donahoe will salute more than 80,000 members of the Postal Customer Council (PCC) on the organization's golden anniversary. The PCC was formed 50 years ago to help build cooperation and communication between the Postal Service and business mailers.

 **Ghana News Agency:** The Postal and Courier Services Regulatory Commission (PCRSC) has started an end-to-end measurement of basic postal and courier services. This is aimed at assessing the performance of operators in the delivery of universal postal service to improve efficiency.

 **Postalnews Blog:** In the face of the financial crisis that the United States Postal Service is facing, the New York Metro Area Postal Union, APWU, AFL-CIO, led by President Clarice Torrence, has called upon the Postmaster General and CEO of the United States Postal Service, Patrick R. Donahoe, to step down from his position immediately. If Postmaster General Donahoe refuses to resign, the union calls upon the Postal Board of Governors to fire him. [*EdNote: Puhleeeeeze! . . . Gimme a break.*]


 **Letter to the Postal Regulatory Commission from several members of the House:** We appreciate the dire fiscal condition of the Postal Service and the need to change the Postal Service's business model to protect its viability and the service it provides to American consumers and businesses. Unfortunately, widespread post office closures are the wrong way to deal with the Postal Service's fiscal problems, and they could harm the Postal Service's competitiveness in the long run. . . . The law requires that "the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas." (39 U.S.C. 101(b)). However, the USPS is centering its downsizing efforts on small post offices (its Postal Regulatory Commission filing lists 2,825 post offices that earn less than \$27,000 per year). These low-earning post offices tend to be located in rural areas. A reduction of this size would have a severe negative impact on rural America, threatening the viability of thousands of small towns across America. Village Post Offices will not fill this void and do not offer all regular postal services, thus, failing to provide the maximum degree of effective service. . . . Widespread closure of post offices should be rejected in favor of more thoughtful reform that fixes the errors of the 2006 Postal Accountability and Enhancement Act and finally allows the Postal Service to behave like a business and ensures the requirement to provide universal service is fulfilled.

 **National Association of Major Mail Users:** The Toronto Chapter hosted a very productive session on September 15th - a good example of the platform for dialogue NAMMU brings between industry and Canada Post that permits these stakeholders to candidly express business views, better understand the impact of change, and work toward business solutions. We wanted to update you on the important outcomes.

- **Transaction Mail Guidance Document:** Within a month, the formal guidance document will be updated/ developed/circulated. Action: Gerry Gervais/Kathleen Rowe. For interest, last year's guidance document is attached, although members are warned not to rely on this in the new context post-strike, post-recession, post-Canada Post business re-organization.

- **Mailers' Forum: New BRC/Card Specs:** Exit surveys said most participants thought Canada Post was now paying attention to their concerns, and the "wait period" of two weeks' for a decision on implementation (timing and actual specs) stated by Gerry Gervais was reasonable. Interim educational meetings will be held as needed during this period. Creative specs: likely there can be some relaxation here also since the equipment is able to ignore some type in the "clear zone". Kathleen will continue working with Canada Post and marketing/advertising/supplier reps about the industry concerns. All members will be updated as new information emerges.
- **The Joint Technical Committee (JTC)** will likely be put back together in order to provide a broad basis for early consultation on issues of this nature. This will not replace other consultations, merely ensure the impact of proposed spec changes is well understood by all stakeholders. NAMMU champions this initiative and will facilitate moving the idea forward. The original JTC was a combined initiative of CPC and NAMMU, and when dissolved in the early 2000's, left a huge gap in the consultation platform between industry and Canada Post.

Kathleen Rowe President | [National Association of Major Mail Users](#) *The Voice of the Canadian Mail Industry* executive@nammu.ca | www.nammu.ca

 **Courier, Express, and Postal Observer:** Yesterday the Postal Service presented its proposal to restructure its processing and transportation network. The proposal is a second best solution meaning that pricing, financial, labor contract constraints prevented it from making a proposal that could provide better service or further reduce operating costs.



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

- The USPS at its September 15, 2011, press briefing shared a list of 252 processing facilities which it will be assessing for possible closure/consolidation using its Area Mail Processing (AMP) process. USPS chief operating officer Megan Brennan told the press that the USPS plans to complete the AMP studies in the next three months, and according to the USPS' FAQ document, "consolidations could begin in the February-March 2012 time frame." The announced network realignment strategy, which the USPS said could save it \$3 billion a year, is part of a combined USPS plan to reduce costs by \$20 billion by 2015.
- The USPS also at its September 15, 2011, press briefing shared a copy of the advanced notice of proposed rulemaking filed with the Federal Register today for publication (see related article in this issue of the PostCom Bulletin). The notice is expected to be published in the Federal Register within the next week, the USPS said, with comments due 30 days from the publication date. The USPS proposes "eliminating the expectation of overnight service for First-Class Mail and Periodicals, and, for each of these classes, narrowing the two-day delivery range and enlarging the three-day delivery range." It also noted that because some facilities where Standard Mail users currently enter mail could be eliminated, such as the Area Distribution Center (ADC), it is possible that service standards for end-to-end Standard Mail entered at ADCs could be proposed. PostCom urges mailers to thoroughly review the proposed changes and provide the USPS with comments.
- In a press release today, Senator Carper said, "obviously I am deeply saddened to learn that the Hares Corner processing center in Delaware has been included in the U.S. Postal Service's list of nearly 250 distribution centers around the country - including two others in our region - that will be studied for closure. It is painful any time the possibility emerges that a community could lose a postal facility - be it a post office or a distribution center - and I know that communities in Delaware and around the country are struggling with the ramifications of the Postal Service's proposals."
- Sen. Tom Carper (D-Del.), Chairman of the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, which oversees the U.S. Postal Service, has sent a letter to President Obama urging the Administration to take immediate and dramatic action to avert a Postal Service shutdown.
- Ranking Member Elijah E. Cummings, joined by Representatives Norm Dicks, Ranking Member on the Appropriations Committee, Stephen F. Lynch, José Serrano, Gerald Connolly, Eleanor Holmes Norton and Danny K. Davis introduced legislation today to provide the U.S. Postal Service a 90-day extension on its pre-payment to the retired employee health benefit fund.

- The Honorable Gerald E. “Gerry” Connolly, Virginia 11th District in an open letter said, “By declaring itself to be 'bankrupt' imminently, the Postal Service has created a media firestorm. Remarkably, Congress has remained in the eye of the storm, even though the pending 'bankruptcy' is in large part our responsibility. In order to remain viable in this century, the Postal Service needs to have the authority and resources to thrive in the digital age. Without a clear new business model the closing of thousands of Post Offices, layoffs of employees, and reduction in mail delivery might actually make it harder, not easier, for the Postal Service to adapt.”
- The Association for Postal Commerce (PostCom) this week submitted comments to the USPS concerning its proposed rules for folded self-mailers and unenveloped mailpieces. PostCom commended the USPS for the collaborative and extensive process it used in testing mailpieces and developing the proposed standards which the association said represent a “workable compromise” between the USPS need to control processing costs and mailers’ needs to be able to use creative mailpiece designs. PostCom asked the USPS for clarification of some of its proposed changes as well as additional information and urged the USPS to provide an adequate transition period before the new standards become required.
- The Courier, Express, and Postal Observer has reported that “three recent articles and blog posts illustrate why any postal reform measure has to go beyond fixing retiree obligations or restructuring operations to reduce costs. If the White House Postal reform bill does not deal with these three issues than Congress will likely have to revisit the Postal Service Business model again in three or four years.”
- According to the Courier, Express, and Postal Observer, “the Postal Service seeks to cuts its full time employees by 228,000 in the next two to three years. A review of attrition rates over the past three years indicates that layoffs are unavoidable. Even with early retirement incentives, layoffs will likely be between 120,000 and 130,000. Without these incentives they would be even higher.
- New PostCom web area dedicated to USPS’ network initiative. Center for the Study of the Postal market. Stopgap measure includes delay in USPS payment. Ethics complaint filed against Issa. House Dems push for 90 day extension. Global Envelope Alliance is hosting a symposium on geocoding. Postcom's newest member. DPMG Stroman: More to come on retail optimization. Consumer Postal Council urges White House action.
- An update on business before the Postal Regulatory Commission.
- An update from the USPS Office of Inspector General.
- An update on USPS DMM notices.
- A review of postal news from around the world.
- Postal previews.

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[From the Federal Register: Postal Regulatory Commission NOTICES](#) Post Office Closings , 57767–57768 [2011–23708] [\[TEXT\]](#) [\[PDF\]](#) 57768–57769 [2011–23717] [\[TEXT\]](#) [\[PDF\]](#)


[Wall Street Journal](#): The U.S. Postal Service on Thursday proposed ending one-day delivery of first-class mail as it considered closing more than half of its mail-processing facilities, in the latest retrenchment for the money-losing operation in the face of declining mail volumes. The plan still faces a comment period but the Postal Service said it could be implemented without congressional approval. Even so, with a list of possible facility closures circulating, lawmakers could push back and challenge the closure of facilities within their own districts.


[Direct Marketing News](#): Marketers in the publishing and catalog industries predict digital will serve a greater role in their campaigns over the next three years, but it will not completely replace print.


 [Postalnews Blog](#): The Direct Marketing Association today sent a letter to its members urging them to call on Congress to allow the US Postal Service to renege on the contracts it has negotiated with its employees.


 [East Iowa Government](#): There is a new reality, but the bigger question is whether the nation values its mail delivery system, said Sen. Tom Harkin. "If it is a service, then we have to be willing to understand that sometimes services don't always break even. This is not FedEx. This is not UPS. It is a postal service and in many ways is doing things that a private entity would never do because there is no money in it."

 [TMJ4](#): In an attempt to boost revenue, the Postal Service is pushing direct marketers to increase the ads and coupons that show up in our mailbox. "It would be a positive development for several of the paper mills in Wisconsin," Wisconsin Paper Council president Jeff Landin told me. "The coated paper market has been declining over the years." Along with the push by the Postal Service, marketers have discovered that "electronic substitutions" aren't always successful. "(Digital ads) are not generating sales like direct mail has been able to do," Good news for Wisconsin paper mills.


 [Gather](#): despite general popularity—everybody wants reform... done their way!—or even good business planning, politics will rule this discussion—on and on, based upon Congress' past performance—until argued to death, and it will be resolved at the brink of disaster and "resolved" by the worst choices—at the highest costs—because that's how Congress "works"!

 [Direct Marketing News](#): The U.S. Postal Service will let consumers make purchases on USPS.com with PayPal beginning next month. The organization will also streamline users' site accounts into one umbrella login and make site pages available in Chinese and Spanish, said USPS spokesperson Patricia Licata.

 [Reuters](#): United Parcel Service Inc (UPS.N) Chief Executive Scott Davis said the world's largest package delivery company is on track for record results this year in the face of the economy's "bumpy ride" and expectations for sluggish economic growth.

 [Post & Parcel](#): Deutsche Post DHL announced plans today for the biggest investment in its domestic parcels network since the 1990s. The company said it will invest EUR 750m in its processing centres and restructure its entire transport network – so that parcels can be delivered anywhere in Germany “as fast as we can deliver a letter today”. The major investment in Deutsche Post’s parcels unit is directly related to a “booming” market for e-commerce in Germany, where parcel volume growth has gone from a 3.5% yearly average to a near-10% year-on-year growth rate in the first half of 2011.

September 15, 2011


 **DMM Advisory: USPS Network Optimization Proposal and Service Standards Changes Proposal.** This morning, Susan LaChance, USPS[®] Vice President Consumer & Industry Affairs, sent the following letter to mailing industry leaders. We would like to share the contents with you:


This morning at a national media event in Washington, D.C., the Postal Service[™] proposed sweeping changes to its massive nationwide infrastructure and adjustments to service standards. To make accessing information about these proposals as easy as possible for you, we have created a web page specifically for the industry and mailers at: <http://about.usps.com/news/facility-studies/welcome.htm>. This web page can be accessed immediately. It contains:


- Link to the media kit, which includes:
 - Press release
 - Frequently Asked Questions (FAQs for media)
 - Advance Notice of Proposed Rulemaking (Federal Register)
 - Fact sheets
 - List of processing plants to be studied

- A video from the Postmaster General
- Industry FAQs (in process)

Because the questions and concerns expressed by the industry and mail owners are likely to be more sophisticated and technical than those of consumers and the media, materials will be developed specifically for you. The materials will be updated periodically throughout the Network Optimization study process to include FAQs reflecting the evolution of the process. The industry and mailers are key stakeholders in everything the Postal Service undertakes. We know that these proposed changes, if implemented, will impact all of you in some way. That is why *together* we will continue to discuss the potential effects of the network optimization proposal and service standards changes, and work toward mutually acceptable solutions wherever possible. The exchange of information, ideas, and concerns that began in general with many of you last month will continue in earnest as the study process evolves and we all have more information. There are a number of ways to convey your questions, comments and concerns to the Postal Service and others. Public input meetings will be scheduled in locations featuring a processing facility on the new AMP study list released today. An email address has been set up for your use in corresponding with us on the proposed service standard changes that are the subject of the Advance Notice in the Federal Register. The address is industryfeedback@usps.gov.

 [Washington Post](#): Postal officials said Thursday they no longer need a coast-to-coast delivery network originally established to process first-class mail overnight, preparing envelopes, catalogs and packages that only travel a few ZIP codes away for delivery the next morning. Lawmakers are considering four competing legislative proposals that would generally grant USPS the flexibility to end Saturday mail deliveries, close post offices based on market conditions and recalculate how much it pays annually into federal retirement, health-care and workers compensation accounts. Rep. Darrell Issa (R-Calif.), co-author of one proposal, said closing processing plants “cannot forestall the Postal Service’s financial collapse by itself.”

 [The Hill](#): The House Appropriations Committee introduced a \$1.043 trillion stopgap measure to keep the government running through Nov. 18. The measure also includes **a delay in a mandatory payment from the U.S. Postal Service** to ensure the continuation of mail services.

 [Sen. Tom Carper](#) (D-Del.), Chairman of the Senate subcommittee that oversees the U.S. Postal Service, released the following statement on the U.S. Postal Service's announcement regarding changes to its distribution network:

"Obviously I am deeply saddened to learn that the Hares Corner processing center in Delaware has been included in the U.S. Postal Service's list of nearly 250 distribution centers around the country – including two others in our region – that will be studied for closure. It is painful any time the possibility emerges that a community could lose a postal facility -- be it a post office or a distribution center -- and I know that communities in Delaware and around the country are struggling with the ramifications of the Postal Service's proposals.

"Like the recently released list of 3,700 post offices also being studied for closure, today's announcement is just the start of an official process that must be reviewed by both the Postal Service and the Postal Regulatory Commission. This review process involves a public comment period and additional studies on the impact this decision could have on the affected community before it can move forward. I will be following the review process closely to ensure that it is transparent and fair to employees and customers -- both business and residential -- in Delaware that depend on the Hares Corner facility.

"Today's announcement is part of an ongoing effort by the Postal Service to streamline its business operations to reflect reduced demands for its services. This dramatic step of proposing to close hundreds of distribution centers around the country underscores again the very dire financial challenges it faces. The hard truth is that, if nothing is done, the Postal Service is going to lose \$10 billion this year. Congress and the Administration must act quickly to help the Postal Service save itself. Failure to act will result in the Postal Service being insolvent within a year, if not sooner,

bringing more pain to communities across the country and wreaking havoc on our already fragile economy."

Mailers' Technical Advisory Committee (MTAC)

Service Standards Changes Proposal.

Here is the [letter](#) from Susan M. LaChance, VP Consumer & Industry Affairs, regarding the USPS Network Optimization Proposal and



The Association for Postal Commerce today unveiled a [new area on its web site](#) dedicated to providing PostCom members all the news and information relative to the USPS' Network Realignment initiative. Updates will be made to the site as the initiative progresses so that PostCom members can always find the latest news and information on the network initiative.

APWU: APWU President Cliff Guffey condemned USPS plans to study 252 mail processing facilities for possible closure, saying widespread closures would "dismantle the mail-processing network." On Sept. 14, the USPS released a list of offices where studies will take place. "The Postal Service should be urging Congress to address the cause of its problems – not slashing service and demolishing its network," the union president said.



Please join the Association for Postal Commerce for a **FREE** webinar "*USPS Realignment of Postal Mail Processing Network*" on Tuesday, October 18 at 1:30 Eastern when David Williams, vice president of Network Operations USPS HQ, will discuss the realignment of the postal mail processing network estimated to be completed end of calendar year 2012. Rightsizing of the network is only one of many strategies the USPS has employed in efforts to reduce costs and improve efficiency. David will provide more detail about these plans and comment on any effects these changes may have on service performance. We will be sure to leave 15 - 20 minutes for Q&A and will also capture your input and questions to ensure that members' interests are considered. Register at: <https://www1.gotomeeting.com/register/550688576>



USPS: Its future network website is up and running. You will find:

- [Network changes FAQs](#)
- [Processing facilities fact sheet](#)
- [Service changes FAQs](#)
- [Presentation](#)
- [Advance Federal Register proposal](#)
- [Cost reduction by 2015](#)



Press Release: Faced with a massive nationwide infrastructure that is no longer financially sustainable, the U.S. Postal Service today proposed sweeping changes designed to save the organization up to \$3 billion a year by cutting its network of processing facilities by over half and adjusting service standards. Proposals under consideration include studying nearly 250 processing facilities for possible consolidation or closure, reducing mail processing equipment by as much as 50 percent, dramatically decreasing the nationwide transportation network, adjusting the workforce size by as many as 35,000 positions, and revising service standards for First-Class Mail.




The U.S. Postal Service today released its [list of mail processing facilities](#) that will be studied for closure and consolidation over the next few months.

DelawareOnline: When it comes to addressing the U.S. Postal Service's financial crisis, Sen. Tom Carper isn't afraid to be the bad guy.


DailyCougar: Unsurprisingly, the US Postal Service (USPS) has fallen under congressional crosshairs. Labeled obsolete, redundant and fiscally irresponsible, the postal service seems to be a poster child for failed agencies. Some members of Congress have called for its immediate privatization in the belief that the open market can offer the


same services more efficiently and at a much lower cost to the consumer. They point to the fact that last year the USPS lost more than \$8 billion dollars and is now fast approaching the statutory limits on its ability to borrow money. What is not disclosed is that most of the USPS deficit is actually the result of Congress imposing a ridiculous mandate.


 [Wall Street Journal](#): Netflix Inc. on Thursday cut its projection for domestic subscribers in the current quarter, the fallout from the company's raising prices on one of its most popular movie-rental plans. Netflix said it now sees 24 million domestic subscribers through the third quarter, compared with a previously projected 25 million and 24.6 million at the end of the second quarter.





Did you miss PostCom's legislative webinar? Well, you can still see a recording. Just go to: <https://www.1gotomeeting.com/register/376283377> You can find the slides used in this webinar on this site as well.


 [Postalnews Blog](#): The Postalnews Blog has reported that "21CPW.com has posted **a copy of the list of processing facilities set to be considered for closing by the USPS** . The list was apparently faxed (is the USPS the only company that still faxes things?) to the unions yesterday at 5PM. Note that there are multiple consolidation options listed in some cases. For example, each of the three plants closest to Boston is listed as a candidate for consolidation into one of the other two. Presumably at least one of them will remain open." [Plant Consolidation List](#)


 [Akron Beacon](#): The U.S. Postal Service, anticipating a record \$10 billion loss this fiscal year, is proposing to close more than half of its 487 mail-processing facilities to save \$3 billion in annual costs. Northern Ohio is home to seven mail-processing facilities, including one in Akron on Wolf Ledges Parkway where about 400 full-time workers are employed. This mail-sorting operation is separate from those involving mail carriers and the post office at the Wolf Ledges complex. The federal agency will announce at a news conference today at its Washington headquarters that it wants to close 252 facilities, said spokeswoman Sue Brennan. The post office, which also is trying to shutter as many as 3,700 post offices or 12 percent of its locations, will release the list of closures at the news conference. *[EdNote: Guess the Beacon didn't make it to the surreptitious list used by others to distribute "embargoed" information. . . . Washington You gotta love this town.]*

 [The Leaf Chronicle](#): Big changes are needed if the post office is to survive, and workers as well as elected officials and all Americans have to reconcile themselves to that painful truth.


 [Providence Journal](#): Clearly, there are ways for the Postal Service to do its job more efficiently. The Government Accountability Office found that union contracts, limiting the use of part-time employees, are a "key" hindrance. "USPS officials told us that as mail volume declines, it would be more efficient to have a much higher proportion of part-time workers than is currently available under existing agreements," the GAO reported. Meanwhile, management agreed to union contracts that forbid layoffs no matter how bad the Postal Service's finances become, apparently under the (not irrational) assumption that taxpayers will always cough up the money to cover such largess, so important is the USPS. Management should be given the tools to tighten labor costs. Trying to cover the service's high costs with higher prices will only make its products less competitive and increase its fiscal woes.


 [Deadtree Edition](#): With all the confusion in the news media about the U.S. Postal Service's financial problems, finally one writer nails it on the head. In [Next Washington Debacle: The Broke Postal Service](#) at Seeking Alpha, usnews.com columnist Rick Newman succinctly summarizes "how Congress has made the mail service a national embarrassment"


 [Bellingham Herald](#): Now both tiny towns are bracing for a different brush with history. The U.S. Postal Service is considering making their cottage-size post offices extinct.


 [Hellmail](#): New research released today by Consumer Focus shows that people are unconvinced and unimpressed by Royal Mail proposals to leave post with a neighbour if they are not home. With the high level of consumer concern – and one in five people unhappy for any of their neighbours to receive any of their post – Consumer Focus thinks that any Royal Mail trial of their delivery proposals should be independently monitored for customer


satisfaction. If the scheme is subsequently implemented, it is essential that people have a choice about whether to participate in the scheme. A range of other solutions, such as the increased use of post offices as alternative delivery points, lockerbanks at convenient locations, or paid-for evening deliveries should be considered before full roll-out of the delivery to a neighbour option.

 [Regina Leader-Post](#): Canada Post's much-discussed "postal transformation" program starts Monday in several Regina areas, but a spokesperson predicts residents will see little change beyond new vehicles and different delivery times. Behind the scenes, though, these changes, which will spread across Regina and other cities, are the biggest in the Crown corporation's history.


 [Post & Parcel](#): The new president of Spain's Correos, Angel Agudo San Emeterio, has begun a nationwide tour to visit postal facilities in 14 different regions of the country, meeting staff in person to exchange views on the state of the company. Yesterday he made the first stop on his tour at the main logistics office for the Catalan region, where he announced that Correos has earmarked EUR 5.25m to complete the refurbishment of the Columbus postal sorting centre in Barcelona.

 [Washington Post](#): The U.S. Postal Service has a new plan to save money — but it might make snail mail slower. The nation's mail delivery service — facing mounting financial losses that may top \$10 billion by month's end — is set to announce plans Thursday to close hundreds of facilities that sort mail and prepare it for delivery, a move that could save USPS \$3 billion annually. But the change could ultimately result in 150,000 layoffs and prolong the delivery of some first-class mail — a risky prospect in an age when Americans are growing accustomed to instant online deliveries and transactions.

 [From the Federal Register](#): Postal Regulatory Commission NOTICES Post Office Closing , 57083–57085 [2011–23591] [[TEXT](#)] [[PDF](#)] 57086–57087 [2011–23619] [[TEXT](#)] [[PDF](#)] 57085–57086 [2011–23674] [[TEXT](#)] [[PDF](#)]


 [Washington Post](#): FOR THE PAST several years, Congress has hit the snooze button on U.S. Postal Service reforms. It can do so no longer: At the end of this month, the USPS will no longer be able to pay its bills. Three pieces of legislation are pending, each offering measures to stem the Postal Service crisis, and the Obama administration has promised one of its own. None will work unless it is based on an honest assessment of what brought the Postal Service to need this fix. In fact, what caused the Postal Service's woes was its failure to acknowledge, until 2009, that the declines in mail volume were not solely a symptom of the recession and would not recover even once the U.S. economy rebounded. By the time the USPS realized what was happening, it was too late to do anything but try to stem the tide through streamlining the workforce, closing a few post offices and seeking relief from pre-funding requirements. Promoting the virtues of print mail will not solve the underlying problem. Nor will temporarily relieving the USPS of its pre-funding obligations.


September 14, 2011


 [Advertising Age](#): "UPS has recognized the love-hate relationship that all too many consumers have with the notorious delivery notice," he said. "UPS is introducing a first-of-its-kind delivering service, designed to ensure that missed deliveries are a thing of the past." That service, dubbed UPS My Choice, is meant to increase the likelihood of a successful delivery on the first attempt. Consumers signing up for the program, which launches Oct. 3, will receive phone, email or text alerts notifying them a day in advance of a package delivery and providing a four-hour window. When those alerts are received, consumers can electronically authorize release of packages receiving a signature or reschedule the delivery for a later date. For \$5, the package can be rerouted to another address or the nearest UPS Store. A \$40 annual fee gets consumers all of those benefits, along with a delivery calendar showing the status of deliveries, the option to select a two-hour window and the ability to provide instructions to drivers about where to leave packages.


Mailers' Technical Advisory Committee (MTAC) [To USPS MTAC Reps](#): Tomorrow the Postal Service will hold a press conference to announce a proposal that contemplates dramatic changes to its network of processing facilities and corresponding adjustments to


service standards. [There will be] another message tomorrow with links to more extensive information about the proposal and opportunities for providing feedback.


 [TeleGeography](#): Brazil's government is studying the possibility of backing a new entrant in the country's fledgling mobile virtual network operator (MVNO) market, telecom regulator Anatel board member Emilia Ribeiro has told BNamericas. According to Ribeiro, federal savings bank Caixa Economica Federal could partner with a telco to offer a service aimed at welfare recipients of national scheme Bolsa Familia, allowing them to withdraw money in supermarkets and public places via their mobile phones. Ribeiro added that other public agencies including postal operator Correios do Brasil are looking into entering the MVNO segment.


 [StreetInsider](#): As part of the U.S. Postal Service's (USPS) plan to save as much as \$3 billion annually, the agency plans on selling 252 out of 487, or 52 percent, of its mail-processing centers. The postmaster general announced that some of the post offices listed to be sold are also listed on the National Register of Historic Places. Many activists are protesting to save their local post office noting that it's a piece of history and is an incredible piece of their town.


 [Post & Parcel](#): A number of big advertising campaigns are being launched this month by major players in the mail and express industry, as operators jostle for position in an increasingly competitive field. The world's largest logistics company Deutsche Post DHL is launching its biggest ever advertising campaign around the globe to tout its "international specialist" credentials. United Parcel Services, the self-proclaimed world's largest parcel delivery company, is launching a major advertising campaign focusing on its role supporting next year's Olympic Games in London. And, this fall the world's largest postal service, the US Postal Service, is intending to launch a campaign to promote use of the mail within the United States, in an attempt to slow the reduction in mail volumes, since for every 1% decline in first-class mail volumes, USPS loses \$300m in revenue.


 [Bluefield Daily Telegraph](#): U.S. Rep. Nick Rahall, D-W.Va., expressed his disappointment Wednesday in the U.S. Postal Service's decision not to extend the public comment period on the proposed consolidation of the Bluefield Processing and Distribution Center. "The postal service's decision not to extend the comment period on the proposed consolidation is deeply disappointing and will likely increase concerns about its willingness to listen to the people it was created to serve," Rahall said. "I hope the postal service will give deep thought and consideration to the views already expressed by Bluefield residents and businesses and ultimately decide against the consolidation. In the meantime, I urge residents to continue voicing their opposition to the closure of post offices and facilities in the region."


 [RedState](#): Most Americans by now have heard via numerous press accounts that the United States Postal Service (USPS) is on the brink of default in the absence of Congressional action. Now this does not mean that the mail system is going to shut down all of a sudden. It means that the Postal Service will violate the law by not making its \$5.5 billion debt payment to taxpayers for the unfunded liability of providing federal healthcare benefits to its workers. Issa deserves tons of credit. It is a thankless task to try and reform the Postal Service when its threatening to shut its doors and every local postmaster is whining to their local congressman to forestall the doom. Furthermore, nobody comes to Congress with a burning passion to take on postal reform, and very few committee chairmen are willing to spend their political capital to reform programs within their jurisdiction in a manner that ultimately lessens their power.


 [Huffington Post](#): GOP efforts to cripple the Postal Service predate the current tea party "cut government spending" drumbeat echoing throughout Washington during these difficult economic times.


 [Business Wire](#): Esker, the leader in document process automation solutions, today announced that Neopost France, a subsidiary of the Neopost Group, European leader and the number two worldwide supplier of mailing solutions, has chosen to integrate Esker technology and infrastructure to launch its own mail on-demand service. This new offer will enable Neopost France customers to send mail (invoices, customer communications, reminder letters, etc.) from their business applications 24/7 via the Internet. Customers will benefit from a completely outsourced mailing solution where mail is printed, folded and stuffed into envelopes, stamped and delivered to the postal service, directly from their computer, with just a few clicks.


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


 Japan's government could privatise the post to fund the tremendous costs of the reconstruction after the disastrous earthquake.

 French La Banque Postale confirmed that it received the permission to grant corporate loans. Now Banque Postale could offer the same range of products as a normal retail bank.

 China's postal and express industry recorded strong growth in July.


 Magyar Posta plans to remain competitive with new services and improved efficiency.


 The Russian government apparently considers to privatise the Russian post.


 Internet trade continued to boom in France in the first half of 2011.

 FedEx obviously lost ground in India compared to DHL.

 Amazon plans to install its own automated parcel machines- obviously in Europe too.


 Atlas Air expands its co-operation with DHL. Last week it was announced that the carrier will provide 5 additional B767 aircraft for DHL's North American network.


 Deutsche Post awarded a contract for the revision of its search portal www.allesnebenan.de. Cologne based digital agency People Interactive prevailed in a tendering over four other competitors. The relaunch is to give the portal a more attractive interface. www.allesnebenan.de is a website where visitors can find brochures and coupons of retail chains, DIY markets, small stores or other services in their vicinity.


 Magyar Posta has a new CEO. László Geszti is the Hungarian post's new head since the beginning of this month. He succeeds Pál Schmid who, according to market observers, was replaced for political reasons.




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.)*


 **Press Release:** Speaking to a group of top military, government and industry leaders, Scott Davis, chairman and CEO of UPS and a member of the President's Export Council, explained that more U.S. exports are needed to create jobs and promote economic growth in the United States, which also can lead to a more stable world.


 **Wall Street Journal:** The U.S. Postal Service's proposed sale of property, beyond a potential inconvenience for those buying stamps and sending packages, would transfer to private hands some historic public buildings filled with art that was intended to lift the spirits of Americans during the Depression. The postmaster general plans to announce Thursday that the agency will study selling 252 of its 487 mail-processing centers as part of a plan to save as much as \$3 billion annually. Also to be sold are many post offices, including some listed on the National Register of Historic Places.


 **WNYC:** The US Postal Service may close thousands of brick and mortar post offices by the end of the year as mail volume falls and an increasing number of people pay bills online. And though the brick and mortar post office might be little used in many communities, many residents in the Bronx- where 17 are slated to close - the neighborhood post office is an essential resource.


 **Chicago Tribune:** We've backed overhauling the Postal Service for years. Hasn't happened. Solution: More competition. Congress needs to end the monopoly the Postal Service holds on delivering everything that arrives in your mailbox. Invite more private competition, as some European countries have. Let the USPS set its rates so it isn't forced to lose money. Free the agency knowing that if those rates go too high, the private competitors will offer a better deal. There's plenty of precedent for how a liberated postal industry could work.

 [From the Federal Register](#): Postal Regulatory Commission: Post Office Closings, 56822–56823 [2011–23517] [[TEXT](#)] [[PDF](#)]


 [Financial Times](#): High quality global journalism requires investment. Please share this article with others using the link below, do not cut & paste the article. See our Ts&Cs and Copyright Policy for more detail. The Reader's Digest Association has its third chief executive in five months after the abrupt exit of Tom Williams, the former chief financial officer who was promoted in April to replace Mary Berner at the helm of the troubled publisher of the eponymous 90-year-old magazine. The appointment of Robert Guth, an executive with a technology and telecommunications background at companies including TelCove and Level 3 Communications, comes two months after people familiar with Reader's Digest's plans said it had appointed advisers to look for buyers for all or parts of the company.


 [Daily Express](#): Postal workers on Jersey refused to handle the distribution of recordings of St Mark's gospel, which had been put together to celebrate the 400th anniversary of the King James Bible, on the grounds that the material might be "offensive". Jersey Post subsequently apologised, saying staff had misinterpreted guidelines. If that is the level of intelligence among their staff then the island's citizens might be better off having the Jersey cows deliver the post.


 [Le Mars Sentinel](#): Congressman Steve King issued a press release last Friday afternoon, following a meeting Thursday with Postmaster General Patrick Donahoe about the possible closing of the Sioux City mail processing center. The news isn't good. In their meeting, Donahoe admitted that the Postal Service had done a "lousy job on public relations" in Sioux City, and he told King that the quickly deteriorating financial position of the Postal Service leaves him no choice but to close Sioux City's mail processing center.


 [Post & Parcel](#): Estonian Post is seeking to increase the price of sending a letter by 28%, the first price rise in four years. It seeks a 10-cent rate rise for letters up to 50g in weight, to 0.45 Euro-cents.


September 13, 2011


 [WBUR](#): *On Point with Tom Ashbrook* -- "The Future of Snail Mail."
http://audio.wbur.org/storage/2011/09/onpoint_0913_1.mp3


 [Post & Parcel](#): Iceland Post has agreed to provide mobile phone support services on behalf of telecoms giant Vodafone. Initially, the deal will see the Post providing equipment for Vodafone customers in certain areas of the country including Höfn in south-east Iceland and Borgarnes in western Iceland. As well as delivering decoders and SIM cards, Iceland Post will also sell Vodafone handsets and 3G starter packs, which include a SIM card, new mobile phone and phone credits. The telecoms company described the plans as the "first step" in its partnership with Iceland Post.

 [The Hill](#): A liberal advocacy group is filing an ethics complaint against Rep. Darrell Issa, alleging that the California Republican has repeatedly used his public office for personal gain. The group, American Family Voices, is planning to file the complaint with the House Office of Congressional Ethics (OCE) on Tuesday. The five-page complaint, which was obtained by The Hill, accuses Issa of using his position as chairman of the House Oversight and Government Reform Committee to add to his multimillion-dollar fortune. An Issa spokesman on Monday said the allegations have absolutely no merit and are part of a smear campaign spearheaded by the White House. The complaint alleges that Issa pressured the Securities and Exchange Commission (SEC) to halt an investigation of Goldman Sachs shortly after he bought a huge stake in one of Goldman's high-yield mutual funds.


 [WNYC](#): Chair of the Postal Regulatory Commission, Ruth Goldway, explains why the U.S. Postal Service could be facing a shut down and what could be done to prevent default.
<http://www.podtrac.com/pts/redirect.mp3/audio.wnyc.org/bl/bl091311bpod.mp3>


 **Courier, Express, and Postal Observer:** Three recent articles and blog posts illustrate why any postal reform measure has to go beyond fixing retiree obligations or restructuring operations to reduce costs. If the White House Postal reform bill does not deal with these three issues than Congress will likely have to revisit the Postal Service Business model again in three or four years.


 **Sen. Thomas Carper:** Senator Carper has posted on his web site a new web page on "Postal Reform Myths vs. Facts"


 **U.S. News:** The postal service is stuck with a business model that has barely changed in decades, and so far Congress has resisted most of the changes it has sought. It doesn't take an MBA or a Congressional hearing to realize that clinging to mail service in the digital era is a formula for going broke.


 **Did you miss PostCom's folded self-mailer webinar? Well, you can still see a recording. Just go to: <https://www.1gotomeeting.com/register/237989624>. You can find the slides used in this webinar on this site as well.**

 **Courier, Express, and Postal Observer:** In an interview with Kelly Holmes of My Print Resource, Deputy Postmaster Ron Stroman indicated the Postal Service's retail optimization initiative before the Postal Regulatory Commission was just the first phase of a multi-phase plan. In the interview he indicated that the the next phase will look at another 4,000 Post Offices, stations and branches.


 **Courier, Express, and Postal Observer:** The Postal Service seeks to cut its full time employees by 228,000 in the next two to three years. A review of attrition rates over the past three years indicates that layoffs are unavoidable. Even with early retirement incentives, layoffs will likely be between 120,000 and 130,000. Without these incentives they would be even higher.


 **Maryville Daily Forum:** U.S. Rep. Sam Graves, whose 6th Congressional District includes Nodaway County, released a statement Monday acknowledging the need for the U.S. Postal Service to make fiscal reforms but urging that such changes preserve a high level of mail service in rural areas.

 **Financial Post:** An Ontario judge has issued a key ruling that is a major victory for consumers annoyed by the brokerage fees charged by international shippers. Madame Justice Carolyn Horkins on Aug. 26 found that United Parcel Service Canada Ltd. violated the Ontario Consumer Protection Act by requiring customers pay fees for "brokerage" services that the judge found were not properly disclosed.


 **Fort Worth Star-Telegram:** Several congressional leaders have vowed to consider some of the postmaster general's recommendations, but resistance from some constituencies is almost certain. For the short term, Congress should grant the 90-day delay in payment to the retirement fund and give the postmaster general authority to reorganize staff and refine services. For the long term, Congress must decide what essential communication services the Postal Service can and should continue to provide and then give it the ability make tough, sensible business decisions that will enable it to compete with the private sector.


 **Helsinki Times:** Itella, formerly known as Finland Post, said in a statement Tuesday it would cut up to 430 jobs, adding most of the cuts would take place in administrative operations in the capital region. Itella currently employs about 22,000 people in Finland.


 **MediaDailyNews:** The combined newsstand sales of 68 major American magazines declined by nearly half from 2001-2011. Leading weekly and monthly magazines saw total average newsstand sales plunge 47.5% over the course of the decade.


 **Bluefield Daily Telegraph:** Unless the U.S. Postal Service acts upon U.S. Rep. Nick Rahall's request for an extension of the public comment period on the proposed consolidation and closure of Bluefield's Mail Processing and Distribution Center, today is the deadline for area residents to voice their opposition by mail. As of Monday


afternoon, Rahall, D-W.Va., had not received a response from the U.S. Postal Service on his request for a 15-day extension of the public comment period, according to Rahall spokeswoman Diane Luensmann. Rahall correctly argues that the 15-day extension is necessary based upon the "high level of interest" and the "tremendous impact" the proposed closure would have on the region.


 [Dead Tree Edition](#): U.S. Postal Service executives are having "intense discussions" with the Obama Administration about the agency's finances, USPS's #2 man said in a videotaped interview published today. "We've also been in pretty close discussions with them over the last month," Deputy Postmaster General Ron Stroman told [MyPrintResource.com](#).


 [The Nation](#): Speaking on Current TV's Countdown, The Nation's Allison Kilkenny points out that the post office's staggering deficit is a result of its unreasonable healthcare burden and pension-fund contributions. Instead of privatization, the solution being pushed by the GOP, Kilkenny proposes "minor accounting tweaks" that could easily turn the post office around.

 [The Toronto Star](#): The postal workers' union is launching a court challenge to back-to-work legislation imposed by the federal government in June to end their labour dispute. While the case has not been filed with the courts yet, the Canadian Union of Postal Workers issued a bulletin Friday, saying it believes "there is a reasonable basis to challenge Bill C6 as a violation of the right to freedom of association protected by the Canadian Charter of Rights and Freedoms." In Canada Post's case, the back-to-work order imposed a lower wage settlement than Canada Post had offered and uses a system of final offer selection, where both parties present their offers and the arbitrator chooses one, not blending the two. The postal union will argue that it met all conditions around collective bargaining, from participating in conciliation to serving the necessary notices before taking strike action.


 [Washington Post](#): As the congressional debt-reduction supercommittee prepares to consider trillions of dollars in government spending cuts, advocates for federal workers are reminding lawmakers that cuts to the federal payroll could have adverse economic affects not just inside or near the Beltway, but in rural communities nationwide. If the government takes those jobs away, "those counties generally aren't the kinds places private companies are itching to set up shop. Cutting such jobs "will result in an even wider divide between rich and poor in our nation with those who can least afford it losing their jobs," FEW's Janet Kopenhaver said. "These public sector jobs also, in most cases, include health care and retirement benefits which are extremely hard to get from employers in these remote areas." Expect other federal and postal worker groups to begin making similar arguments in the coming weeks as specific spending cuts are unveiled and their potential affect on the federal workforce become clear.


 [Postalnews Blog](#): All the Democrats' bill would accomplish would be to remove the possibility of a technical default on the trust fund payment. It would have no impact whatsoever on the postal service's finances or its future viability. So what exactly is the point?


 [The Greeley Tribune](#): Colorado's U.S. senators urged postal authorities to consider the effects of possible post office closures on rural areas and small towns in Colorado and across the country. So far, three post offices in Weld County are under consideration for possible closure in a cost-cutting move. In a Sept. 7 letter to Ruth Goldway, chairwoman of the Postal Regulatory Commission, Sens. Michael Bennet and Mark Udall, both D-Colo., asked the commission to recommend that the Postal Service consider several factors, including proximity to other USPS locations, when making closure decisions.

 [Milwaukee Business Journal](#): A Milwaukee Common Council committee on Monday approved a resolution urging the U.S. Postal Service not to close five post offices in the city.


September 12, 2011


 [At the Postal Regulatory Commission](#): The webcast of the N-case hearing has been posted on the PRC homepage.
http://www.prc.gov/prc-docs/home/whatsnew/hearing_N2011_09082011.mp3


 [Government Executive](#): Federal Aviation Administration employees who were furloughed for two weeks this summer would not receive back pay under draft legislation circulating on Capitol Hill. The most recent version of legislation extending the FAA's spending authority past Sept. 16 does not include a provision authorizing retroactive pay for thousands of employees who were furloughed when the agency's funding expired July 23 after Congress failed to come to an agreement. An earlier stopgap bill included a provision reimbursing those furloughed employees. [EdNote: Sure hope postal workers do what's necessary to ensure they get paid.]


 [Patch.com](#): The reality is this - without enactment of legislation by the end of this month, the Postal Service faces default because funds will be insufficient to make our mandated (by Congress) \$5.5 billion payment to pre-fund our retiree health benefits. This does not equate to 'shutting down.'


 [PostalReporters News Blog](#): "Issa Wants To Push Out over 100,000 Retirement Eligible Postal Employees"

 [Daily Mail](#): Postal workers refused to deliver CDs of Bible readings after deciding they were 'offensive material'. Several churches had paid for discs with recordings of St Mark's Gospel to be produced to celebrate the 400th anniversary of the King James Bible. They were due to be delivered to all households on the Channel Island of Jersey, but church leaders were stunned when they were told postal workers would not handle the 45,000 CDs.

 [Press Release](#): Ranking Member Elijah E. Cummings, joined by Representatives Norm Dicks, Ranking Member on the Appropriations Committee, Stephen F. Lynch, José Serrano, Gerald Connolly, Eleanor Holmes Norton and Danny K. Davis introduced legislation today to provide the U.S. Postal Service a 90-day extension on its prepayment to the retired employee health benefit fund. The bill would postpone by 90 days a \$5.5 billion prepayment to the Postal Service's retiree health benefits fund due September 30. [EdNote: That's it?? Scraps from the master's table? This isn't going to fix a thing. As the [Washington Post](#) has noted: "Congress has known of the Postal Service's money woes for more than three years and has so far done nothing to permanently address the shortfalls."]

 [EV World](#): Frankfurter Allgemeine is reporting that the German Postal Service has awarded a contract to Street Scooter GmbH to develop delivery vehicles for the service, with the possibility of ordering up to 20,000 of the electric vehicles.

 [The Hill](#): The United States Postal Service (USPS) needs to "right-size" its workforce, but can do so without a heavy hand, according to Rep. Darrell Issa (R-Calif.). The House Oversight Committee chairman said Monday that a slew of postal workers should be retired, and while the Postal Service has "more than a small cash-flow problem," it can be returned to solvency. "This is an organization that can be profitable, that can meet all of its responsibilities," he said on MSNBC's "Morning Joe."

 [SavethePostOffice](#): Trying to correct all the bogus postal stories being put out by the media and think-tanks is like playing a game of Whack-a-Mole, and it's impossible to come out ahead. One day it's the Congressional Research Service publishing a flawed report on the post office, then it's the New York Times, and who can keep up with the Washington Post? Today comes a piece in the International Business Times (IBTimes), "What's Wrong With the U.S. Postal Service? Five Things to Know." The piece is less than a thousand words, so how much can it get wrong? Turns out, nearly everything.




This week's "[Pushing the Envelope](#)" blog topic: **Standardization of Mail Processing Operations.** Consolidating mail processing operations has helped the Postal Service save millions of dollars and become more efficient. Other efforts, including redesigning workroom floor layouts and standardizing mail processing equipment, have been proposed to further efficiencies. Are these viable options for improving mail processing efficiencies? Why or why not? We invite you to share your thoughts on our [blog](#).





Did you miss PostCom's folded self-mailer webinar? Well, you can still see a recording. Just go to:


<https://www1.gotomeeting.com/register/237989624>

 [Updater.com's USPS News Weekly](#)


 [Post & Parcel](#): Magyar Posta's new chief executive has said it must push for efficiency and quality, while seeking revenues in new markets, to prepare for liberalisation of the postal market.


 **How to Voice Your Needs to Congress.** Join us on Wednesday, September 14, 2011 1:00 PM - 2:00 PM EDT September 14, 2011: PostCom Webinar "How to Voice Your Needs to Congress" 1:00 to 2:00 PM EDT. Presented by Jessica Lowrance, Executive Vice President, PostCom. *Reserve your webinar seat at:* <http://www1.gotomeeting.com/register/376283377>


 [Orange County Register](#): Congress should start getting the postal house in order by listening to Postmaster General Donahoe, though we don't hold out too much hope. Privatization is unlikely to happen until after the November 2012 election. We encourage Republican candidates to debate the matter on the campaign trail.




Welcome to PostCom Radio
How Deep is the Rabbit Hole -- Postal Visibility and Today's Mailers
Join PostCom President Gene Del Polito, Grayhair Software Vice President of Postal Affairs Angelo Anagnostopolous and Grayhair Software Director of Solution Strategies Paula Stoskopf in a discussion of how mailers can best deal with the news about post office closings and consolidations, worker layoffs, reduced days of delivery without losing sight of their mailing goals.


 [Media Daily News](#): The U.S. ad economy is continuing to expand, but like the general economy, it appears to be losing some momentum, according to new data released this morning by WPP's Kantar Media unit. The data, which is based on ad spending in the major media that Kantar monitors, expanded 2.8% during the second quarter of 2011, the most recent period it has released data for. That compares with a growth rate of 4.4% in measured media ad spending during the first quarter of the year.


 [Philadelphia Daily News](#): To many places, the importance of a functioning post office in maintaining community coherence and identity is not unlike the role the local tavern played in colonial America. An early Connecticut law made having such an establishment a requirement of a town's incorporation. Some will argue that the "free market" - perhaps UPS or FedEx - would quickly assume whatever responsibilities the Postal Service were to forsake, and do it more profitably. But such enterprises would not restore a postal presence to the hundreds of communities that now stand to lose it. And while the end of mail delivery as we know it might seem an unlikely scenario under ordinary circumstances, given the growing right-wing calls to all but dismantle government, it's not implausible


 [Politico](#): If the most famous aphorism in Washington — that all politics is local — is true, then the neighborhood post office is about as political as it gets. And it's been that way for a long time. Perhaps that's why, barely a month after the bitterly partisan, scorched-earth debt ceiling/deficit fight, Democrats and Republicans on Capitol Hill vow bipartisan cooperation to keep the perpetually strapped U.S. Postal Service — already considering closing 3,300 offices to offset billions it expects to lose this year and next — from sinking in a sea of red ink. Yet given the stakes for lawmakers and the public, the prospect of financial doomsday seems unlikely. While lawmakers may be unified on the goal of saving the Postal Service they are divided on how to do it.


 [Ecoconsultancy](#): Acxiom® Corporation, a recognised leader in marketing services and technology, is rolling out an incentivised survey that uses a door-drop to drive consumers to an extensive online lifestyle questionnaire. The survey is being launched in partnership with postal services operator TNT Post. As a reward for filling in the questions online, consumers will receive a bag of Thorntons chocolates. TNT Post is handling delivery and fulfilment for the campaign. Householders will receive a door-drop prompting them to log on to www.surveystoday.co.uk to complete the survey securely online, in return for a unique code as proof of survey

completion for TNT Post to deliver the chocolates. The code is used solely for tracking and fulfilment, and cannot be used to access response data online.


 [Deadtree Edition](#): The past week capped off an astounding publicity coup for the U.S. Postal Service, which is not usually known for its adroit public relations. What turned the tide wasn't highly paid lobbyists, high-powered PR consultants, or clever slogans. The key was a bit of Reality Therapy, in the form of postal executives spelling out what they would have to do to keep the Postal Service solvent in light of Congressional policies.

 [Financial Times](#): In a time when we have video conversations over our mobile phones, watch 3D television broadcasts and join online social networks circling the planet, it is easy to forget how it all came to be, from the Phoenician alphabet and Sumerian writing, 3500BC to 2900BC, to the first postal service (China, in 900BC) or even the use of homing pigeons (Greece, 776 BC).

 [Lexology](#): The USPS Office of Inspector General (OIG) recently announced that it will be auditing the Postal Service's Suspension and Debarment program. Debarments most frequently result from a criminal conviction of a company, or its employees. But a contractor can be debarred for any type of improper conduct that negatively reflects on its honesty, ethics, or competence. Resulting debarments have government-wide impact. The thrust of the audit appears to be whether USPS is debarring enough contractors. Read on for more details about OIG's upcoming audit.

 [Advertising Age](#): Can direct marketers -- which not long ago cut back on mail in the face of a rate hike -- return to save the Post Office? In financial trouble that has it on the brink of default, the U.S. Postal Service is making an aggressive appeal to catalogers and other advertisers to ramp up their mailings. The theory is that their revenue can make up for steep declines in first-class consumer and business mail that has migrated online. Direct mail is making a comeback of sorts, with couponers and catalogers still viewing it as an effective tool, even in the digital age.


September 11, 2011


 [Pitney Bowes](#): In theory, the Postal Service could technically be bankrupt in the near future. But you can put all the apocalyptic language aside right now. The Postal Service is not going out of business, now or any time in the future. How can I be so confident of this? I'll make it very plain: everyone in Washington, regardless of their political orientation, knows that without the Postal Service, the U.S. economy grinds to a halt. It doesn't slow down; it stops. Voter reaction to a Postal Service shutdown would be loud and angry; much louder and angrier even than the recent debt-ceiling situation.


September 10, 2011





Be sure to check out the latest postal-related website now being published by the people who are responsible for editing and publishing the Postal Journal. The site, the [Center for the Study of the Postal Market](#), will be a place you'll want to check regularly, if you have any interest in the maintenance and viability of an American postal infrastructure.


 [Associated Press](#): Postmaster General Patrick Donahoe is struggling to keep his money-losing organization afloat as more and more people are ditching mail in favor of the Internet, causing the lucrative first-class mail flow to plummet. Donahoe has a plan to turn things around, if he can get the attention of Congress and pass a series of hurdles, including union concerns. Several bills proposing ways to fix the agency are circulating in Congress. One, by Rep. Darrell Issa, R-Calif., would impose a control board to make the tough decisions. Gene Del Polito, of the trade group Association for Postal Commerce, said now that Donahoe has offered a plan, "why not give him the authority to do what needs to be done." If that fails, then a control board could be instituted, he said.

 [The Star-Ledger](#): The near-collapse of the U.S. Postal Service should come as a surprise to no one. The postal service needs a fix that guarantees its survival for the long haul. Congress needs to pass laws allowing the postal service to continue paying its own way, without becoming a drag on federal resources.

 **Reuters:** EBay Inc shares dropped more than six percent on Friday on concern the company may be among the most exposed e-commerce players affected by the massive post office closures at the U.S. Postal Service. The move by the USPS will impact e-commerce because when consumers buy a physical product online it has to be shipped, and often in the U.S. that's carried out by the USPS. [EdNote: Oh great . . . Just great . . . And what more has to happen before Congress and the President wake up?]

 **Hellmail:** The European Commission still has doubts concerning plans by the UK government to free the Royal Mail of its pension deficit in an effort to attract potential investors unless there are adequate measures to mitigate any distortions of competition due to state intervention.

 **The Economist:** To see how profoundly the book business is changing, watch the shelves. Next month IKEA will introduce a new, deeper version of its ubiquitous "BILLY" bookcase. The flat-pack furniture giant is already promoting glass doors for its bookshelves. The firm reckons customers will increasingly use them for ornaments, tchotchkes and the odd coffee-table tome—anything, that is, except books that are actually read. Amazon now sells more copies of e-books than paper books. The drift to digits will speed up as bookshops close. Borders, once a retail behemoth, is liquidating all of its American stores.

 **Advertising Age:** To make a stronger pitch to such consumers, CBS today is launching a series of ads in Time Inc.'s People magazine that ask readers to dial a "shortcode" on their mobile phones to see the ads come to life. Readers who take the CBS ads up on its offer will receive text messages with links that summon video showing the motionless ads start moving as the actors and actresses begin talking, leading into clips from the shows.

September 9, 2011



The **Global Envelope Alliance** is hosting a symposium on Geocoding. *The Geocoding Symposium will be held at The Mayflower Renaissance Hotel, Washington, DC on October 25, 2011, 8:00 am – 5:00 pm.* Geocoding in its simplest form is the process of finding associated geographic coordinates from other geographic data, such as street addresses or zip codes. The symposium explores many of the key technologies in Geocoding by looking at the work of several inventors who have developed applications in this area. For more information, please visit www.envelope.org or contact Jacqueline Jordan at jejordan@envelope.org. [EdNote: This will be a fascinating conference.]





PostCom welcomes its newest member: Verizon 3395 Churchview Avenue Pittsburgh, PA 15227-4358
Contact: **Christine Wacker**, Manager, Verizon Print & Distribution National Staff/Tech Support




At the Postal Regulatory Commission:


- **CP2011-70 Order No. 844** - Order Approving an Additional International Business Reply Service Competitive Contract 3 Negotiated Service Agreement <http://www.prc.gov/docs/75/75598/Order844.doc>
<http://www.prc.gov/docs/75/75598/Order844.pdf>


 **PrintAction:** At this year's Graphics Canada show this November will be the 2011 Postal Forum presented by the National Association of Major Mail Users (NAMMU). The association will present a variety of topics over two days at the Mailing Technology Theatre on the show floor in Hall 3 of the International Centre. All topics are free of charge


 **Battle Creek Enquirer:** in the past few years, the public's use of the service peaked and started falling, calling into question the government-designed business model of the USPS and the viability of mail itself in the long term. As Americans pay bills online and increasingly communicate via email, text message and online social media, and as they patronize private-sector carriers such as FedEx and United Parcel Service, they are decreasingly using the U.S. mail. As a result, the USPS finds itself with arguably too many employees — with 574,000 workers, it's the second largest civilian employer in the country behind Wal-mart — for the lessening demand. First, Congress should


consider tearing up the rules that govern the Postal Service. Second, the Postal Service, if it sincerely wants to prepare for an uncertain future, needs to envision how the business may and should look in the next decade or two. Third, the portion of the public accustomed to daily, on-site service from the Postal Service should examine whether this service of convenience will be viewed as a necessity in another generation.


 [PostalReporter News](#): With the launch of the “[Delivering Results, Innovation, Value and Efficiency](#)” (DRIVE) process earlier this week (Link, 9/7), USPS has embarked on an ambitious effort to change the way it manages its business processes. The DRIVE effort includes eight strategic priorities that aim to position the Postal Service for future success. The first four cover a wide range of activities across USPS and include: Infrastructure and Operations Optimization; Total Labor Cost; Product and Services Growth; Enabling and Empowering systems. Administered by the Postal Service’s Strategic Planning department, the DRIVE process is centered on a set of 36 strategic initiatives, each guided by a senior USPS executive and supported by a cross-functional team of subject-expert managers.

 [Printing Impressions](#): A new consumer education campaign, entitled “Print Grows Trees,” dispels the misconception that by using less print on paper, trees are saved. Facts show that supporting print on paper actually gives landowners the financial incentive to keep America’s woodlands safe from development and managed in a sustainable manner to contribute important ecosystem benefits such as water management, wildlife habitat and carbon sequestration.

 [Printing Impressions](#): Paradysz Research released its “2011 Seasonality Study” of direct mail trends. According to the study, key direct mail months and overall seasonal patterns remain relatively stable for most consumer sectors despite continued economic challenges for marketers and consumers.

 [Bloomberg](#): President Barack Obama should take “immediate and dramatic action” to save the U.S. Postal Service from insolvency, Senator Thomas Carper, a Delaware Democrat, told him in a letter. The service, which says it will run out of cash within a year without relief from laws governing it, must make changes akin to what the U.S. auto industry did two years ago, Carper said yesterday in a letter to Obama. The service needs help from the White House to do so, wrote Carper, the chairman of a Senate subcommittee overseeing the service. Obama proposed two postal changes in his budget this year and has since left the debate to Congress. Carper said he expects the administration to send a proposal “in the coming days” to a 12-member congressional committee charged with coming up with a long-term deficit plan. Carper asked Obama to allow the Postal Service to end Saturday mail delivery, sell more products and services, get a refund of overpayments to federal retirement programs and to restructure mandated payments for health-benefit costs for future retirees.

 [Consumer Postal Council](#): In a letter to United States Postal Service Board of Governors Chairman Louis J. Giuliano, seven prominent policy leaders today endorsed five essential elements of effective postal reform. The letter updates a prior statement issued in April 2005 by many of the same organizations. In each statement, the authors insist that, “Above all, effective reform must benefit the American people, not just extend the Service’s longevity.” The group’s five guiding principles emphasize cost control, protection for monopoly consumers, and financial transparency, while urging postal decisionmakers to consolidate facilities and avert unfair discounts for new business. These principles have evolved as a result of the Postal Service’s urgent financial situation, changes implemented under the Postal Accountability and Enhancement Act of 2006, and other developments. The letter was signed by Consumer Action; 60 Plus; Citizen Outreach; Citizens Against Government Waste; Institute for Research on the Economics of Taxation; National Taxpayers Union; and Consumer Postal Council. Don Soifer, Executive Director of the Consumer Postal Council, said, “It is essential that policymakers hear from postal consumers and taxpayers, whose best interests are often overlooked in postal policy proceedings, about the changes they consider most urgent.” The letter is posted on the Consumer Postal Council’s website at: http://www.postalconsumers.org/research/Five_Essential_Elements_of_Effective_Postal_Reform.shtml.

 [WNEM](#): After a nearly year-long study, the United States Postal Service announced it will be moving mail-processing operations from the Flint Processing and Distribution Center on East Boulevard Drive to a similar facility in Pontiac. The news was announced Friday in a press release. The transaction will be completed by January 2012.



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

- Some summaries of the various postal reform proposals often referred to in hearings on the Hill.
- Some questions and answers about the "Postal Reform Act of 2011" -- A summary prepared for the benefit of the members of the PostCom Board of Directors.
- The Postal Operations Sustainment and Transformation (POST) Act of 2011 -- A summary prepared by the staff of Sen. Thomas Carper (D-DE) for the benefit of all who are interested in the Postal Service's many challenges and his own proposal for how these challenges might be addressed.
- A simplified comparison of some of the key provisions of the (1) Postal Service Improvements Act of 2011 sponsored by Senator Susan Collins (R-ME); (2) Postal Operations Sustainment and Transformation Act of 2011 (POST Act) sponsored by Senator Thomas Carper (D-DE); (3) USPS Pension Obligation Recalculation and Restoration Act of 2011 sponsored by Rep. Stephen Lynch (D-MA).
- Ranking Members Elijah E. Cummings and Stephen Lynch have written to Postmaster General Patrick R. Donahoe to strongly object to the Postal Service's proposal "to abrogate recently negotiated labor agreements as part of a broader request to Congress to address its serious financial challenges."
- The USPS' Office of Inspector General (OIG) on September 6, 2011, released the interim results of its USPS-requested audit to determine whether the USPS' process of obtaining service performance measurement scores for commercial mail is operating effectively. The OIG said that based on its interim audit work, it has determined that the process is "ineffective," and made recommendations for improvements while noting that a final report would be issued at the conclusion of the audit. The USPS agreed with the OIG's overall findings and recommendations and outlined steps it has and will continue to take to improve the process. The OIG also recommended that the USPS establish milestones for implementing recovery of Full-Service Intelligent Mail Barcode discounts provided to mailers when Full-Service mailings do not meet the specific requirements for the discounts received.
- New sealing methods for booklets and folded self-mailers. USPS revised procedures for QBRM mailers transitioning to IMb.
- An update on rules, proposed rules, and notices published in the Federal Register.
- An update from the USPS Office of Inspector General.
- An update on USPS DMM notices.
- 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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PostCom Members! The latest edition of the [PostCom Executive Postal Update](#) is now available on this site. *Share it with your boss.*


🇺🇸 New York Post: The Post Office suddenly broke? Please. I knew years ago everything about it was broke. They suddenly found this out? Must be because our government mailed them notification in 2006 and it just got delivered. With benefits, featherbedding, salary increases, unions, pensions, health care, retirement packages, vacation pay, sick leave, government intervention, future earnings, overtime, longer toilet breaks, some postmen earn more than politicians. This, of course, seems only fair since our reps are so unbright that one of them defined Band-Aid as a charitable organization for musicians.


🇺🇸 Camp Verde Bugle: What was already on shaky ground appears to have completely fallen down a canyon. Dire warnings about the imminent collapse of the service are brought up every year, yet little is done despite much vocal


support from members of Congress. Blame for the situation is passed out among all kinds of sources. It's the management, it's the union, it's modern technology, it's the competition, it's the politicians, it's the unraveling of America's societal fabric - you name it. As the White House contemplates putting a USPS-saving program into its deficit reduction plan, two big questions need to be answered. Is there a real future for the Postal Service? And is it worth saving?


 [The Spokesman-Review](#): If the U.S. Postal Service were a private corporation, it would be bankrupt. Responsible executives would go to court with a reorganization plan that would shut down offices, lay off workers, jettison unprofitable operations and focus on what it does best that no one else will do at prices no one else can match. But as a quasi-governmental business, they can do almost none of these things without the consent of Congress and/or that of the four postal unions.

 [Post & Parcel](#): The Russian government is preparing postal reforms that could include a public flotation of Russian Post, ministers revealed this week. Russian communications minister Igor Shchegolev said on Wednesday that legislation to enact major postal reforms will be submitted to the State Duma – the lower house of Russia's Federal Assembly – soon. Speaking in the Duma, the minister said there were many questions being raised by all political parties regarding Russia's postal network and the modernisation badly needed within it. He said public investment in Russian Post was not leading to the desired results, but that it was difficult to maintain the universal service obligation in a competitive market where private sector operators were cherry-picking the best market segments, leaving less financially attractive services to the state-owned Post.

 [Youngstown Vindicator](#): After four years of township residents having to drive to other towns to use a post office, the U.S. Postal Service is seeking a Liberty retail business in which to operate an alternative post office. According to a press release from USPS, it is looking for businesses with 180 square feet available to dedicate to a postal unit and one that does not already operate competitor services.

 [Budapest Business Journal](#): State-owned Hungarian postal company Magyar Posta could enter the telecommunications sector to remain competitive after the European Union deregulates the postal market in a year and a half. In addition to improving its conventional services, Magyar Posta should concentrate on telecommunications, electronic services and cash services, according to the plan.


 [Buffalo News](#): The end of the post office as we have known it may be here. For it to continue as it has is to ignore the realities that have overtaken the rest of the world.

 [Washington Post](#): To overcome the challenges it faces, the USPS must transform itself into a technology and innovation powerhouse. As even critics of the USPS must concede, the Postal Service has survived every major telecommunications innovation over the past 100 years, including the telegraph and the telephone. There is no reason to believe the USPS cannot survive the Internet. The USPS cannot move into new business lines or make radical changes to its business model without Congress's approval. Even with these limitations, however, there are ways to embrace a truly digital mail system and find innovative ways to reduce the carrier costs of delivering mail to physical addresses. Some futurists have even called for the creation of a national e-mail address that people get when they are born, similar to a social security number. Instead of a Gmail address, for example, people would have a USPS address.





From the Federal Register:


- **Postal Regulatory Commission NOTICES** Post Office Closings , 55951–55952 [2011–23023] [\[TEXT\]](#) [\[PDF\]](#) 55952–55953 [2011–23044] [\[TEXT\]](#) [\[PDF\]](#)
- **Postal Service RULES** Outbound International Mailings of Lithium Batteries; Withdrawal , 55799 [2011–23054] [\[TEXT\]](#) [\[PDF\]](#)


 [Financial Times](#): A post office, even one with fewer branches and delivery days, is quite a useful thing to have but need not cost taxpayers a penny. By global standards, the USPS is efficient and there are reasons to believe it


could become more so given the chance. Instead, feckless politicians probably will inform them that their unwanted cheque is in the mail.

 [Investors Business Daily](#): Russia's Ozon.ru, which like U.S.-based Amazon.com started out selling books online and now offers a plethora of goods, on Thursday announced receiving \$100 million in funding. The money will be used to solve some key problems not seen in the U.S. **These include a shaky postal system**, the perception that online buying in Russia is risky and an inefficient Internet network.


 [BusinessWeek](#): The electronic nails in the post office's coffin -- Startups such as Zumbox, Manilla, and Doxo add to the USPS's woes by digitizing bills and statements. They're trying to lure one of its main revenue sources—the nearly 48 billion bills, statements, account notices, and offers that companies send to households every year—into the electronic realm. That could make the USPS's \$3.1 billion third-quarter loss seem like small change.

 [Southern California Public Radio](#): In the last week, we've all learned just how dire the outlook is for the U.S. Postal Service. At Reuters, Felix Salmon raised the idea of the "post bank" — a plan to empower the USPS to offer financial services to the public. [There is] a Third Way: enable the post office to offer regional financial services in place like...Southern California, where there is a large "unbanked" Latino population. Getting the USPS into the retail banking business might not make sense in rural America, where the issue is really more the loss of delivery services. But in a city like Los Angeles, providing basic financial services to unbanked and underbanked Latinos who already use the post office to obtain things like money orders could open up a useful new revenue stream.


 [UpNorthLive](#): - US Postal Service employees have been left wondering what's next and if they'll have a job as the Postmaster General gets ready to lay out his plan for postal reform.

 [Houston Chronicle](#): Alaska's two senators say 31 Alaska post offices are no longer under the threat of closure. Sen. Mark Begich's spokeswoman says Begich received word from the U.S. Postal Service Thursday. Murkowski and Begich say the five post offices that remain under review in Alaska are the Anchorage postal store, and site in Douglas, at Fort Wainwright and at Elmendorf and Eielson air force bases.


September 8, 2011


 [New York Times](#): Google released what was once among its most closely guarded secrets on Thursday: how much electricity its enormous computing facilities consume. The company said that its data centers continuously drew almost 260 million watts — about a quarter of the output of a nuclear power plant — to run Google searches, YouTube views, Gmail messaging and display ads on all those services around the world. Though the electricity figure may seem large, the company asserts that the world is using less energy as a result of the billions of operations carried out in Google data centers. Google says people should consider things like the amount of gasoline saved when someone conducts a Google search rather than, say, driving to the library. While comparing different types of electricity loads is difficult, utility companies estimate that 260 million watts could power all of the homes in a sizable city — say, 100,000 to 200,000 homes. Google also estimated that its total carbon emissions for 2010 were just under 1.5 million metric tons, with most of that attributable to carbon fuels that provide electricity for the data centers. *[EdNote: And you were worried about mail??]*

 [Al-Masry Al-Youm](#): The Independent Syndicate of Egypt Post Employees has announced that postal workers are continuing their strike in several governorates, despite Chairman Tarek al-Saadany agreeing to some of their demands. Saadany has agreed to provide temporary workers with permanent contracts, increase bonuses and incentives, and provide better medical insurance.


 [Post & Parcel](#): A major new shipping service for e-commerce retailers is set to launch next month in the United States, to compete head-on against FedEx and UPS ground services. Seattle-based EquaShip is particularly chasing business from smaller e-commerce shippers, who might not enjoy the kind of shipping discounts that the likes of Amazon currently enjoy, and therefore find it hard to compete when online consumers increasingly expect “free” shipping. The company started up by former Earth Class Mail CEO Ron Wiener and former Amazon and UPS logistics manager Shawn Childs, and backed by investment from DYMO Endicia parent Newell Rubbermaid, is


planning a major publicity campaign as it launches in mid-October. It is also positioning itself within key e-commerce software platforms as the “fourth carrier” along with FedEx, UPS and the US Postal Service. Drop-off and pick-up arrangements are being established in highly populated areas of the US, with the intention of expanding into rural areas over time.

 [National Review](#): It’s not news that the United States Postal Service is going bankrupt, but this week, the reality of the situation finally started to sink in. At the core of the problem are the horrific contracts the agency has negotiated with its employees’ unions. Unions are a hard thing for any company to deal with — whether it’s Delta, UPS, or Boeing. And American labor law deserves some share of the blame. But employers aren’t completely helpless — which leaves us looking for other explanations for USPS’s willingness to cave to organized labor’s demands. Chief among them: The company faces little competition, has no profit motive, and has an implicit promise of a bailout from the federal government.

 [SaveAmericasPostalService](#): On Tuesday, September 27, from 4 p.m. to 5:30 p.m. (local time), members of the four employee unions of the United States Postal Service—American Postal Workers Union, National Association of Letter Carriers, National Postal Mail Handlers Union, National Rural Letter Carriers' Association —will join forces with members of our communities to send a message to the nation and its Congress. During these informational rallies, we will visit the home office of each member of the House of Representatives. *[EdNote: Let's see. We now have (1) [SaveAmericasPostalService.org](#), (2) [SavingthePostalService.com](#), (3) [SavethePostalServiceandSaveJobs](#) all sponsored by different parties with differing views. Heck . . . Save the Whales! Sheesh!]*

 [PRWeb](#): TheTeaParty.net renewed today its call for Congress to support the Postal Reform Act in light of the Post Master General's claim that the United States Postal Service may close its doors this winter due to mounting debt. Read more: <http://www.digitaljournal.com/pr/414802#ixzz1XOghi6n7>


 **DMM Advisory: IMb™ Services Update. FAST Maintenance Outage Scheduled** – Facility Access and Shipment Tracking (FAST®) system maintenance is scheduled for Sunday, September 11, 2011, from 2 a.m. to 8 a.m. CDT. During this time, users won’t be able to access the FAST On-Line application and messages sent via Web Services will be queued until the outage is over.

 *Can't quite make your way through Mr. Issa's Postal Reform Act of 2011 without forgetting half of what you've read? You're not alone. So to help you, PostCom is making available an easier to follow set of [Questions and Answers on the Postal Reform Act of 2011](#) to help you in your understanding.*


 [Gothamist](#): "Jon Stewart: Firing 220,000 Postal Workers—What Could Go Wrong?"


 **PostCom Members!** A special update on USPS service performance has been posted on this site.


- USPS Presents Quarter 3 Results
- First-Class Mail Service Performance
- Full-Service IMb and Service Performance Measurement
- Periodicals Service Performance
- Package Services Mail Service Performance
- Standard Mail Service Performance
- Upcoming Changes


 [Huffington Post](#): Fredric V. Rolando, president of the National Association of Letter Carriers in the United States says, "We have to do everything we can to preserve it and adapt." "It" of course being the United States Postal Service which is being reported as potentially defaulting on a \$5.5 billion payment due this month. But Rolando,


whether or not he realizes it, is using the same type of terminology that an archaeologist would upon discovering the dusty remains of a dinosaur skeleton. The Postal Service is dead. If it isn't, then it is surely in a hospice. It seems that Mr. Rolando has come too late to the 21st century in saying the mail needs to "adapt." It says a good deal about the organization of the United States's communication system that an age-old institution possesses the same amount of foresight as a record store.


 [Truthout](#): The recent attacks against the United States Postal Service (USPS) are more than signs of desperate times - a natural sunset moment for a service rendered archaic by FedEx and UPS. Rather, the Postal Service has been under constant, vicious assault for years from the right, who views this as an epic battle with the goal of finally taking down the strongest union in the country, the largest employer in the United States (second only to Wal-Mart,) and a means to roll the country ever closer toward the abyss of privatization.


 [Courier, Express, and Postal Observer](#): Flooding in eastern Pennsylvania will have a big impact on e-commerce shipping in much of the eastern United States. The area facing record level flooding is home to fulfillment centers of nearly every large e-commerce company. With roads closed, these centers will have difficulty both getting products delivered to the centers and shipments to customers out. Among the e-retailers that will be affected is Amazon which has three fulfillment centers in the region.


 [Press Release: Postal Service Contracting: What Every Contractor Should Know](#) Now in Chicago! Friday, October 21, 2011 · 8:00 a.m. - 4:15 p.m. Presented by: David P. Hendel Husch Blackwell LLP 750 17th Street NW, Suite 1000 Washington, D.C. 20006-4656 202.378.2300 Registration: www.regonline.com/postalprogram Location: Renaissance Chicago Downtown Hotel 1 West Wacker Drive Chicago, IL 60601


 [ITWeb](#): ePostal, a division of the South African Post Office (SAPO) that is responsible for electronic bill presentment and payment and distributed printing, has, for the last four years, enjoyed database reliability and uptime as a result of its partnership with RDB Consulting. The very nature of ePostal's services enables South African users to gain access to their online services, such as electronic bill presentment and payment, traffic fine payments from Post Office branches and Hybrid Mail, which distributes mail to print centres closest to their distribution points. *[EdNote: Hold on! Hold your breath! The Postal Service is about to announce one of its new "digital" ideas At least, that's what we've been told for the past SEVERAL months. It's coming! I promise! . . . But so also is Christmas.]*


 [Federal News Radio](#): Reform is a positive word. A good thing. Positive and happy: Like sunshine, bubbles or a puppy's breath. Sometimes. Reform to those proposing it is always a good thing. The smart, economical, right thing to do. But often to those who stand to be reformed, it's the equivalent of urging the captain of the Titanic to try to get a little closer to that pile of ice.


 [The State Journal-Register](#): unlike private companies that can nimbly adapt to changing market forces, the post office is bound by federal law to maintain some of its most inefficient and antiquated practices. With USPS losses last year at \$8.5 billion and fiscal disaster now on the horizon, Congress and the administration can't act timidly in bringing the postal service into the modern business world. A plan being pushed by Reps. Darrell Issa, R-Calif., and Dennis Ross, R-Fla., would allow for elimination of Saturday delivery, more fiscally sensible postage rates and a slew of personnel-related reforms designed to lower the postal service's salary and benefit costs, which currently consume 80 percent of its budget. By contrast, the figure for UPS is 53 percent. Moving post office services to locations convenient to consumers, like gas stations and grocery stores, and allowing ad sales on mail trucks (a practice that has been commonplace for public transit systems for decades) are other innovations that must be considered. To anyone who has stood in line to mail a package or buy stamps, these moves will seem long overdue. The truth is, had FedEx or UPS operated like the USPS over the last 40 years, they would have been out of business long ago.


 [Duluth News Tribune](#): Closing post offices is a reality since the advent of the Internet. People always will have a need to ship stuff, but FedEx and UPS are willing to do that. Other than bills, I have no idea when I last mailed a letter. I doubt the Postal Service really will close in a month, or even the next decade.


 [The Register Citizen](#): What should be obvious to everyone is that the need for a giant national postal agency is dwindling. Despite serious reform efforts, the agency remains inefficient and uncompetitive, thanks primarily to the generous salaries, medical benefits and pensions it has promised its unionized employees over the decades. All Congress can do is postpone and mitigate the inevitable and wrenching re-imagining of what was once a vital government department. Technology, competition and progress has made less needed than ever before. Still, it's hard for people with a vested interest in the current system to admit the agency's days might be numbered. The USPS is a prime example of a service the federal government in the very near future will longer need to provide. It should be planning for that day right now instead of looking for ways to prop up a huge and expensive bureaucracy that has served the country well but has been made expendable by progress.


 [The Louisville Courier-Journal](#): The idea of the United States without a government-affiliated postal system is unthinkable. As anyone with a computer knows, the Internet is not without its flaws (and any time there is a storm with power outages, it's inaccessible to many). Emails get lost and waylaid in spam folders. Since the time of Herodotus, the Greek historian who described Persian mounted message carriers, this motto has proved true: "Neither snow, nor rain, nor heat, nor gloom of night stays these courageous couriers from the swift completion of their appointed rounds." A philosophy that has been around for 2,500 years surely can be adapted for the America of 2011.

 [The Modesto Bee](#): Imagine a day when the postman no longer cometh. That could happen by year's end if Congress doesn't take immediate steps to deal with the financial crisis of the U.S. Postal Service. As we all know, Congress doesn't typically move quickly, but in this case it needs to do so, loosening the regulations on the Postal Service so it can innovate and make the necessary changes to stay in business and get out of the red.


 [Manila Standard Today](#): Cesar N. Sarino, the newly appointed chairman of the board of the Philippine Postal Corporation, has vowed to dismantle a well-entrenched mail pilferage ring operating inside post offices especially at the Central Mail Exchange in Pasay City. Sarino also announced that he and the Postmaster General have listed as one of their priorities the purge of the postal firm and the campaign to put an end to mail pilferage.

 [Foster's Daily Democrat](#): *Sen. Olympia Snowe* -- "Financial challenges faced by the USPS should not preclude the preservation of universal postal service and convenient community access, especially when the cost of maintaining rural postal services represents less than one percent of the USPS' total budget. Careful assessment of the potential impact these proposed closures will have on communities, particularly in rural areas, must occur before the USPS moves forward with its proposed austerity measures."

 [Foster's Daily Democrat](#): Foster's Daily Democrat has little doubt that our solons in Washington will do something to keep the USPS afloat. But such action belies the real question: Will Congress do anything to fix the problems which plague the Postal Service?

 [Wall Street Journal](#): Japan's banking and postal services minister said Thursday that selling the government's shares in Japan Post Holdings Co. could be an option worth considering for funding quake reconstruction, leaving open the possibility of a huge sale of shares in one of the world's largest financial institutions. "There is a discussion about selling state assets, so this could be an option in the debate," Shozaburo Jimi said in a roundtable interview with reporters, referring to the sale of the government's stake in Japan Post to help fund reconstruction in Japan's quake-hit northeast. But to facilitate this, he said a long-delayed reform of the country's postal system has to be passed. The reform would scale back privatization of the postal system and the small coalition party to which Jimi belongs took the lead in putting it together.

 [From the Federal Register: Postal Regulatory Commission PROPOSED RULES](#) Performance Measurement for Special Postal Services , 55619–55621 [2011–22899] [\[TEXT\]](#) [\[PDF\]](#)


 [Bloomberg](#): Unions representing the U.S. Postal Service's 560,000 workers built political clout through campaign contributions and a grassroots presence in every community in the nation. "For many years, it was the entry to the middle class for minorities and women who couldn't get through the glass ceiling," Gene Del Polito, president of the Association for Postal Commerce.





or Agapi Doulaveris at (703) 248-2286.

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

- [Service Performance Measurement Data – Commercial Mail \(Report Number CRR-AR-11-003\)](#). Our audit determined the process used to obtain service performance scores for commercial mail is not effective. The Postal Service has experienced significant data quantity, accuracy, and reliability issues, resulting in the exclusion of approximately 88 percent of Full-Service Intelligent Mail® Barcode mail from service performance measurement. Specifically, the Postal Service did not meet its initial milestones for implementing this process because it underestimated the complexity of obtaining reliable data.
- [The Sufficiency of Recent Policy Changes Regarding Contracting Conflicts of Interest \(Report Number CA-AR-11-006\)](#). Our audit determined the new policies issued in response to our audit on purchasing policies ([Report Number CA-AR-10-005](#), dated September 20, 2010) are sufficient to avert direct or imputed conflicts of interest among contracting officials and internal business clients and should help to promote accountability and impartial and cost-effective contracting decisions. The actions taken to date include implementing policies similar to or more stringent than the requirements of the Federal Acquisition Regulation.


 [Seeking Alpha](#): There is no sign that Congress is anywhere close to coming up with a plan to save the Postal Service, as Congressmen bicker over details of what services the Postal Service should maintain and whether or not it should receive a federal bailout or force its unions to accept cost cutting expenses. For their part, the unions say they will fight against any cutbacks in services offered by the Postal Service or benefits received by its employees. However, they may not have much leverage since many Americans no longer see the Postal Service as a vital institution. The combination of falling revenue, expensive labor contracts and limited possibilities for new income streams have put the United States Postal Service in a downward spiral and investors may want to take advantage of the situation. Investors who feel that the United States Postal Service is doomed may want to invest in its private sector competitors like FedEx and United Parcel Service. Although much of the services offered by the Postal Service are in decline, mail delivery still plays an important part in the U.S. economy and if the Postal Service is eliminated, these companies will be the ones to pick up the slack. Unlike the Postal Service, private companies will be able to price their services at a cost that allows them to make a profit.


 [Irish Times](#): The Irish arm of international delivery company, United Parcel Service (UPS) last year returned to profit in spite of a drop in revenues

 [Senator Thomas Carper](#): The contest for congressional hearts and minds is picking up. Here are some of the items you now can find on the Sen. Carper postal reform web site.

- [Sen. Carper on Postal Reform](#)
- [Summary of the POST Act](#)
- [Full Text of the POST Act](#)
- [Explaining the POST Act, Section-By-Section](#)





 [The Telegraph](#): Doomsday clocks. Don't you just love them? It's hard to remember life without them because they've become so ubiquitous since the financial crisis. You can't fault their versatility: they can count both up and down while always managing to point firmly in the direction of economic armageddon. The US has had plenty to choose from. There's the national debt clock in Manhattan that manages to tick relentlessly higher whatever the weather. Then last month's debt ceiling debacle saw a fresh line in these clocks break out on newspaper websites like a rash – all competing to count down to an unprecedented and ugly default by the US government.

 [Washington Times](#): What would America do without its government-run postal monopoly? The U.S. Postal Service is set to go bust within a few weeks absent yet another multibillion-dollar bailout. If it doesn't get one, the postman threatens to cancel Christmas deliveries. This threat could safely be ignored if only we'd permit companies

like DHL, FedEx and UPS to handle regular mail in addition to packages. The only thing we'd miss without USPS would be long lines and a careless postman losing our mail.

September 7, 2011

 [Courier, Express, and Postal Observer](#): CNN interviews Senator Tom Coburn on the Postal Service. In his answers to John King's questions his focus is on freeing management to run the Postal Service with the same flexibility any other business would have to meet market demand. He does not indicate support for any approach to Postal reform but clearly states that operating subsidies are out of the question as far as he is concerned. Senator Coburn clearly shows his support for the current Postmaster General and appears to indicate that he would trust him to run the enterprise if he had the freedom to run it. He also clearly states that there is no money to return the Postal Service to a government taxpayer supported model. Why he indicates his support for greater management flexibility in negotiating labor contracts, he does go further to suggest that existing contracts should be broken.

 [Post & Parcel](#): Two key Democrats wrote to the US Postmaster General Patrick Donahoe yesterday, insisting that USPS financial challenges can be tackled without going against union agreements to lay off thousands of postal workers. The letter from the Ranking Members of the House Oversight committee and its postal subcommittee, respectively Elijah Cummings and Stephen Lynch, said they "strongly" objected to the Postal Service seeking to dissolve "no lay-off" clauses within current labour agreements. USPS said last month it wanted help from Congress to break worker protections agreed with postal unions as recently as four months ago. Postal executives are looking to slim the workforce by 120,000, with potentially a similar number to leave by attrition.

 [American Public Media Marketplace](#): The U.S. Postal Service is pressing more than 20,000 suppliers for a total of \$1 billion a year in cost cuts. Ouch.




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


- On September 6, 2011, the Senate Committee on Homeland Security and Government Affairs held a major oversight hearing on the U.S. Postal Service. The following is a summary of some of the main points raised at the hearing. The testimony from each witness is considerably more detailed than what is being presented here. It is strongly recommended that you consult the actual testimony for a more complete understanding of what was said.
- The Postal Service, on August 22, provided an update to its January 2012 Release Overview for PostalOne and eVS.
- The Postal Regulatory Commission (PRC) this week published contractor research exploring aspects of social and economic benefits of postal services. In November 2010, the Commission selected three contractors to perform a total of six studies of various aspects of the social value of postal services to the nation.
- The Postal Regulatory Commission (PRC) sought, as part of its social value studies, to quantify the benefits of the Postal Service's rural service. It contracted with SJ Consulting, Inc. (SJC).
- The USPS Office of Inspector General (OIG) released its reports on the results of its audit of the Postal Service's refund. According to the OIG, "the mailing community has voiced concern regarding the Postal Service's processing and timeliness of SPPS refunds." In the course of the OIG audit, it found backlogs of up to 6 months for meter mail refunds.
- The USPS Office of Inspector General (OIG) self-initiated audit looked at the Postal Service's Full-Service Intelligent Mail (IM) program and assessed its ability to achieve revenue assurance benefits. It recommended that the Postal Service establish timeframes for implementing the expanded DAR, develop tolerance level for low scan rates, and develop a process for identifying the cause of low scan rates.
- 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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 [Post & Parcel](#): Russian Post is making it easier for the thousands of Russians who visit the United States each year to get hold of an entry visa. The postal operator is making a new service available in all of its post offices, allowing for the payment of US consular fees.


 **DMM Advisory: PO Box Fees for Merged Locations.** Yesterday the *Federal Register* published our final rule, allowing Post Office Box™ (PO Box™) fee groups to be merged due to Post Office™ mergers and allowing fee groups to be changed more than one level higher or lower at a time, in limited circumstances. This change is effective November 7, 2011. The complete final rule *Federal Register* can be found on the Federal Register website at <http://www.gpo.gov/fdsys/pkg/FR-2011-09-06/pdf/2011-22628.pdf> and is available on the Postal Explorer® website at pe.usps.com.


 [Postalnews Blog](#): Let's see- we've had Process Management, Lean Six Sigma, and who knows how many Franklin Planners and copies of "Who Moved My Cheese" gathering dust- what's next? DRIVE! ("Delivering Results, Innovation, Value and Efficiency") Today's USPS News Link describes the new effort to "improve the development and execution of major business strategies", which it says will help the USPS accomplish things like "executive transparency". Imagine that- invisible managers!


 [Postalnews Blog](#): NALC Talking Points on the USPS Financial "Crisis"

 [National Review](#): Ah, that Sen. Claire McCaskill. Missouri Democrats can be proud with such an innovative problem-solver, staring down the U.S. Postal Service's \$10 billion loss for the current fiscal year. In addition to structural reforms, Sen. Claire McCaskill (D-Mo.) suggested that USPS should mount a national advertising campaign promoting the value of printed mail. First, even the best advertising campaign isn't going to generate enough new mail activity to generate enough revenue to offset losses in the billions. Having said that, hers wasn't even the silliest recommendation at the hearing: [Sen. Joe] Lieberman voiced his support, suggesting, "We should be writing more passionate letters to those we love."


 *Here's another beaut.* [CBS News](#): "White House to float Postal Service rescue plan." [EdNote: Yeah . . . and if the plan were a boat, it would sink in a heartbeat.]


 [Fort Wayne News-Sentinel](#): Anyone who still thinks the government should become more involved in more aspects of our lives – such as, oh, health care – should consider what a colossal disaster the U.S. Postal Service has been under government guidance. The postal service is heading toward a financial disaster of epic proportions. Only Congress can prevent the coming wreck, but its members are paralyzed by parochial concerns and re-election obsessions. Politics, in other words, is interfering with government. Big shock, huh?

 [Daily Finance](#): A temporary fix, however, will not solve the Post Office's real problems, which boil down to two things: costs and revenues.

 [KPAX](#): Congressman Denny Rehberg has kicked off an initiative to bring the concerns he's heard from Montanans about the U.S. Postal Service's proposals to close more than 80 post offices in the state. The Republican says he'll deliver all of Montana's letters straight to the Postal Service so that their concerns are heard. "I have found that the best argument is one that starts with Montanans," said Rehberg. "That's why I've been leading the charge in Montana to protect rural post offices and preserve six day postal delivery." [EdNote: Great. And wait'll he hears


about the RURAL parcel surcharge the USPS intends to levy. Yup, that's right . . . RURAL! That'll fix you for being a rancher or farmer.]


 **Christian Broadcasting Network:** With the U.S. Postal Service on the brink of default, the Obama administration is set to propose a plan that would give the agency a three-month extension on its financial obligations. The announcement comes after the postmaster general warned lawmakers on Tuesday that the postal service could default by the end of this month. [EdNote: And that's it?? That's all the White House is interested in doing??? Amazing. . . . And here's a headline that's a real hoot: "[Obama Moves to Save USPS From Default](#)." Puh-leeeeeetz.]


 **National Review:** Despite its emerging insolvency, the Postal Service has shown little ability or inclination to reduce costs on its own, and its reform proposals skirt around the structural issues at the root of its problems. Its immediate problem: It simply cannot fund its short-term liabilities. Private-sector competitors FedEx and UPS — the latter despite being fully unionized by the Teamsters — spend about half their costs on labor; the Postal Service spends upwards of 80 percent.





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


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


 Given the half-year deficit of 3.4m euro (CEP-News 28/11) and a sharp decline in its letter business' profitability Itella now intends to further diversify its activities. The Finnish post plans to offer banking services in the future.


 French La Poste has to considerably increase the equity capital of its subsidiary Banque Postale due to the Greek debt crisis. [EdNote: Isn't being a postal bank fun?]


 The Austrian court of auditors found irregularities in real estate sales of the post. In 7 of the 23 reviewed sales which have been arranged by Austrian Post's subsidiary Post & Telekom Immobiliengesellschaft (PTI) from 2005 to 2007, the PTI partially did not fulfil its obligation to utilise the no longer needed real estates in the best possible way.


 Swiss Post achieved a new record profit in the first half year 2011 on stagnating revenues. On Thursday last week Swiss Post reported a turnover of 3.75bn euro (-0.14%) for the first six months of this year while its operating profit (EBIT) soared 14% to 479.3m euro. The financial services unit PostFinance contributed around 60% or 287.6m euro (H1 2010: 56.3%) to the company's total earnings.


 'Especially the continued decline in addressed mail volume should encourage us to be on highest alert'. Despite a slight increase in revenue and earnings in the first half year Johnny Thijs, CEO of bpost, sounded a note of caution.

 Spain's antitrust authority (Comisión Nacional de la Competencia - CNC) imposed a fine on Correos worth millions.

 Austrian Post obviously plans to split its mail volume into two categories and deliver them separately. Daily news »Kurier« (02.09) reported that the so called Premium-Post - including addressed letters, parcels and daily newspapers - will still be delivered on five days a week. This is stipulated by the universal service obligation anyway. But additionally the company plans to deliver so called Economy-Post - including addressed direct mail and bulk mail - only on two or three times a week.


 TNT Post Germany closed down a subsidiary. Last week the company confirmed that the 113 employees of Ridas-Post received redundancy notices. The headquarters and five depots have already been closed.


 TNT Express will cut almost one quarter off all jobs at its Dutch headquarters.


 This week DPD started to use electric vehicles to deliver parcels in the city of Hamburg, Germany. According to a statement by the parcel service two Mercedes Benz Vito E-Cell vans are used on residential districts.

 Deutsche Post suffered a defeat in a legal dispute about a postage-rate increase at its subsidiary

First Mail ordered by the Federal Network Agency.


 The Croatian post closed the first half year 2011 in the black.


 A strike of the postal workers in Egypt has crippled large parts of the post office network.


 PostNord, the merger of Post Danmark and Posten AB, streamlines its Information Logistics unit.



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.)*


 **Dead Tree Edition:** NewPage announced today it has filed for Chapter 11 bankruptcy protection, will keep its U.S. mills operating, and is seeking a buyer for its Canadian mill. North America's largest maker of magazine-quality paper says it has \$600 million from J.P. Morgan in "debtor in possession" financing that will enable it to continue operating while it tries to restructure its approximately \$4 billion in debt and other liabilities. *[EdNote: Here's a question. If a postal-related business comes crashing down in the middle of a forest, does it make a noise? Does anybody responsible for making postal policy know or even care?]*


 **Post & Parcel:** With the clock ticking loudly regarding the survival of the US Postal Service, a fractured Congress remains a major threat with reforms so desperately needed. A sense of urgency was beginning to show among the Congressman, as the packed committee hearing heard that next summer could see the end of USPS deliveries if action is not taken, with the USPS expected to record an above-\$8bn loss for the second year in a row at the end of this month. However, the safe passage of postal reforms through Congress is still anything but certain.


 **NALC Activist:** H.R. 1351, Rep. Stephen Lynch's bill to fix the future retiree health benefits' pre-funding problem, now has 189 co-sponsors including 22 Republican House members. H. Res 137, which was introduced by Republican Rep. Sam Graves of Missouri, now has 181 co-sponsors. The increase in the number of co-sponsors for both measures is a direct result of the grassroots efforts of letter carriers across the country.


 **At the Postal Regulatory Commission:**


- The What's New section of the [PRC.gov](http://www.prc.gov) website now includes copies of the contractor reports and backup materials on social value of the mail. *Contractor Research Measuring Social Benefits of the Postal Service* http://www.prc.gov/prc-docs/home/whatsnew/chek2_2021.htm


 **Online PR Media:** Harvey Software, Inc. has named Parcel Insurance Plan (PIP), as its Featured Partner of the Month for September, 2011. PIP provides discounted parcel insurance as an alternative to carrier provided parcel insurance. Users of Harvey Software's Computerized Parcel System (CPS™) service use PIP's insurance products directly within the CPS shipping software. Shippers have an easy, integrated choice of how their packages are insured, which complements the easy choice of carriers they can make by using CPS.

 **Bloomberg:** U.S. Senator Thomas Carper, a Delaware Democrat, talks about legislation he is sponsoring to stabilize the finances of the U.S. Postal Service. The Postal Service may lose \$10 billion in the fiscal year ending Sept. 30, more than it had predicted, as mail volume continues to drop, Postmaster General Patrick Donahoe said at a Senate hearing. Carper speaks with Pimm Fox on Bloomberg Television's "Taking Stock."


 [Washington Post](#): At last, the Postal Service is getting the kind of attention that is needed to keep a critically ill patient from the morgue. But attention does not yet equal a comprehensive plan. Congress, which has heard USPS's desperate pleas for a long time, also hasn't developed a comprehensive plan with broad bipartisan support.


 [Des Moines Register](#): One of a governor's important roles is serving as a voice for the citizens when communicating with the federal government. When governors speak, the federal government is more apt to listen than when random groups of citizens speak up. We assume that was what Gov. Terry Branstad was doing last week when he said he had written to Postmaster General Patrick Donahoe asking him to impose a one-year moratorium on closing any Iowa post offices. But many Iowans also see hypocrisy in Branstad's requests to the Postal Service because he has ignored similar pleas from his own citizens who are concerned about his administration closing 69 percent of the Iowa Workforce Development offices across the state.


 [Express and Star](#): Changes to the mail delivery service are being introduced by Royal Mail over the next 18 months, starting in Dudley, where the changes have already started being implemented. As well as alterations to routes, more postal workers are set to head out on their rounds in vans or with a trolley to deliver items rather than using traditional mail bags. Bosses said the changes were being made because fewer letters are being posted, with more larger items such as parcels going through the mail system which can be difficult for postmen to carry in their bags.


 [Carmarthen Journal](#): Fears Whitland and Narberth's postal delivery offices could be closed along with other West Wales offices have been denied by Royal Mail officials. The fears follow the news that a delivery office in Fishguard is to close from the end of next month. Concerns have been expressed that Whitland and Narberth's delivery offices were next on the cards, with plans for a new centralised office in the small village of Templeton mooted.


 [From the Federal Register: Postal Regulatory Commission NOTICES](#) Post Office Closings , 55425-55426 [2011-22705] [\[TEXT\]](#) [\[PDF\]](#) 55426-55427 [2011-22805] [\[TEXT\]](#) [\[PDF\]](#)

 [Boston Herald](#): The White House said yesterday it will include a financial rescue plan for the US Postal Service in a broader \$1.5 trillion deficit reduction package it is due to send to Congress in the coming weeks. In advance of those recommendations, the Obama administration is asking lawmakers to give the Postal Service a 90-day extension to pay billions of dollars in mandatory annual retirement payments due at the end of its fiscal year on Sept. 30. If approved, a delay would buy time for Congress, the White House, and postal officials to draft a package of reforms for the cash-strapped delivery service, whose leader warned again yesterday that it is teetering on the brink of financial collapse and likely to go broke within a year.


 [Fox News Politics Blog](#): It's likely that historians will determine that tough, vexing votes on crucial, make-or-break issues defined the 112th Congress. a potential vote is looming which could dwarf all of those issues and make an immediate impact back in the districts and states of lawmakers. All politics is local. And it doesn't get any more local than lawmakers deciding whether to mothball 3,700 post offices, halt Saturday delivery and possibly terminate universal mail service to far-flung places in Alaska, Montana and Maine.


 [New York Times](#): The Obama administration said on Tuesday that it would seek to save the deficit-plagued Postal Service from an embarrassing default by proposing to give it an extra three months to make a \$5.5 billion payment due on Sept. 30 to finance retirees' future health coverage. John Berry, director of the federal Office of Personnel Management, also said the administration would soon put forward a plan to stabilize the postal service, which faces a deficit of nearly \$10 billion this fiscal year and had warned that it could run out of money entirely this winter.


 [PBS Newshour](#): "How should the Postal Service'S financial problems be fixed?" (PMG Patrick Donahoe and NALC President Frederic Rolando)


 [Politico](#): The Obama administration's top personnel officer said Tuesday that the White House is a few weeks away from presenting a plan to save the U.S. Postal Service from insolvency. Asked at a Senate hearing why the


administration doesn't have "a concrete plan" for fixing the Postal Service's mounting budget problems, U.S. Office of Personnel Management Director John Berry replied that one was forthcoming. "There will be a plan," he said. "The White House will have that submitted with the deficit reduction package within the next few weeks."


 [Ahram.org](#): Since the end of the month of Ramadan, a new wave of labour strikes and protests in the public sector have spread across Egypt. Striking workers are putting forward various economic and political demands on the government of Prime Minister Essam Sharaf and the ruling Supreme Council of the Armed Forces (SCAF). Workers at the Egyptian Postal Services Authority happen to be one such disillusioned and disgruntled group. Now entering week two, a strike by thousands of low-paid postal workers is continuing over economic and political demands concerning the management of the Egyptian Postal Services Authority and the government of Essam Sharaf. Strikers began to shut down all operations in 50 per cent of Egypt's post offices in ten different governorates since the middle of last week.


 [WKBN](#): With the head of the U.S. Postal Service claiming his agency is sitting on "the brink of default," one lawmaker doesn't want to see Congress make any knee-jerk decisions on its future. Lawmakers are being asked to take action to keep the Postal Service from running out of funds, including the default on a \$5.5 billion payment owed to the U.S. Treasury at the end of this month. The Postal Service lost more than \$8 billion last year and doesn't receive tax dollars to operate. Administrators are asking for legislation to allow changes in how the system operates, but U.S. Rep. Tim Ryan, D-Niles, worries that proposed changes will fall too heavily on the Service's employees.

 [National Association of Postmasters of the U.S.](#): In testimony submitted to the Senate Committee on Homeland Security and Governmental Affairs, NAPUS President Robert Rapoza told the panel to remedy the immediate financial burden on the Postal Service before adopting strategies that undermine service to the mailing public, or proposals that jeopardize earned employee and retirement benefits. Specifically, NAPUS urges Congress and the White House to adopt the pension calculation, which is consistent with the Postal Regulatory Commission's independent actuary. In addition, NAPUS wants Congress to resist efforts to weaken postal service to small towns and rural America, and to reject Postal Service efforts to withdraw from the Federal Employees Health Benefits Program (FEHBP) and the federal retirement system.


 [National Journal](#): Here's a look at four ways in which the postal service can save money. Cuts in processing (by 2015) Close mail-processing centers, going from nearly 500 centers to about 200 Eliminate 35,000 positions (overall, the postal service employs about 574,000 workers) Cuts in mail delivery (by 2015) Cutting the number of routes from 144,000 to 124,000 Eliminate 22,000 positions Changes in service Change first-class mail delivery window from one to three days to two to three days Changes in labor agreements Salaries of new career employees would be about 10 percent lower after a newly negotiated contract with a postal-workers union. Donahoe, in his remarks, proposed addressing collective-bargaining prohibitions against layoffs to "make these difficult, but absolutely necessary, personnel moves, in order to remain viable." In other words, the Postal Service needs to shed jobs more quickly than its union agreements allow, and the director is proposing revisiting those rules in order to do that.


 [Federal News Radio](#): The White House is willing to give the postal service ninety more days to pay a \$5.5 billion bill to the federal retirement plans. But the Postal Service says that it won't matter much because its financial hemorrhaging is so severe. Both sides testified before the Senate Homeland Security and Governmental Affairs Committee. WFED's Emily Kopp has the story. [Download mp3](#)


 [Flathead Beacon](#): Sens. Jon Tester and Max Baucus, as well as Rep. Denny Rehberg, are asking for Montanans' input as they try to make the case in Washington D.C. that any restructuring of the postal service shouldn't place undue burden on rural communities that rely on post offices.

 [KGO](#): William Henderson, former postmaster general from 1998 to 2001, told ABC News Tuesday that there is a role for hard-mail delivery through the postal service's automated infrastructure and especially for those with low-incomes behind the digital divide, but the business is dying. "The postal service was by far and away the most efficient mail service in the world, but that efficiency doesn't help you if you don't have work," Henderson said. Henderson said the postal service has tried to improve its business with innovation ever since it released a report in

1976 that predicted electronic media would decrease physical mail delivery. Those ideas included adding an email address to every physical address, email certification services, and even offering Internet access in post offices. But those suggestions were often rebuffed because the government did not want “intrusions” on the Internet. Henderson said he has long argued for privatization of the postal service, but no one has the “stomach” for that solution yet.


 [The Republic](#): U.S. Sen. Scott Brown says he's confident Congress will find a way to help rescue the financially-strapped Postal Service. Brown said Tuesday that Congress and the post office must find a "sustainable fiscal path" for the service to help it meet the needs of postal customer and workers.

 [Christian Science Monitor](#): The partisan rancor in a Congress still smarting from the debt ceiling showdown, Gene del Polito says it is unlikely the parties will reach a consensus on the Postal Service's proposals. “Any other day, any other time when there isn't this sort of partisan rancor, this issue would have been dealt with sensibly by Congress,” says Mr. del Polito, president of the Association for Postal Commerce in Washington. “This Congress can't pass a budget, can't pass an appropriations bill, can't come to grips with the debt ceiling. It's not moving forward with this postal bill.” He said the proposal's naysayers failed to offer an alternative approach in Tuesday's hearing and that boded ill for the agency. “Not one person has come forward with an appropriate remedy for the difficulty [Postmaster General Donahoe] has brought to their attention,” he says. Del Polito called the Postal Service's proposals to scale back services and cut jobs and facilities “not a desirability, but an inevitability,” and said the agency's goals should be self-sufficiency, not profitability. “I think Congress has to stop calling the Postal Service a business and start talking about it as an essential element of the nation's economic infrastructure,” he said.


 [Committee on Oversight and Government Reform](#): Ranking Members Elijah E. Cummings and Stephen Lynch wrote to Postmaster General Patrick R. Donahoe strongly objecting to the Postal Service's proposal to abrogate recently negotiated labor agreements as part of a broader request to Congress to address its serious financial challenges. The request would dissolve the “no lay-off” provisions currently in labor agreements. “To now ask Congress to nullify part of this same contract less than five months after it was concluded is neither fair to Postal Service employees nor helpful to the Postal Service's credibility in future negotiations,” Cummings and Lynch wrote. “The Postal Service enjoys broad support among the American people, and we are proud of the excellent service it continues to provide. We believe the Postal Service can continue this tradition without abandoning the collective bargaining process and dismantling employee rights.”


 [The McLaughlin Group](#): On postal.


September 6, 2011


 [Federal Times](#): OPM Director John Berry says that the withdrawal of postal employees from the Federal Employees Health Benefits Program would not have a significant impact on the program. However, there would be greater challenges in pulling postal employees out of the two main federal retirement programs.


 Senator Thomas Carper: [Sen. Carper Statement on U.S. Postal Service Decision to Suspend Federal Employees Retirement Systems Payments](#)


 [Washington Post](#): The White House is planning to present a financial rescue plan for the U.S. Postal Service in the coming weeks as part of a broader, \$1.5 trillion deficit reduction package, it said Tuesday. In advance of those recommendations, the Obama administration is asking Congress to give the Postal Service a 90-day extension to pay mandatory annual retirement payments totaling about \$5.5 billion. Sen. Susan Collins (R-Maine) . . . [blasted] the Obama administration for failing to draft a financial rescue plan despite months of warnings on the Postal Service's perilous financial condition. See also [The Hill](#).

 [Bloomberg](#): “If nothing is done, the Postal Service will run out of money and be forced to slash service and employees,” said Senator Joseph Lieberman, a Connecticut independent and chairman of the Senate panel. “That's the last thing our struggling economy and our country need right now.”

 A [summary of testimony](#) presented at today's Senate postal oversight hearing is posted on this site. *[EdNote: Cannons to the left of him. Cannons to the right. Down into the valley of death rode the . . . You get the idea. Heard a lot today. Lots of differences. No real agreement. No original ideas that trump the proposals already advanced by the USPS. What a way to run a nation . . . let alone a postal system.]*

 [CNN Money](#): Should the Postal Service get its way on laying off thousands of workers, the cuts would weigh heavily on two segments of the population hard hit in recent years: minorities and veterans.


 [Courier, Express, and Postal Observer](#): On September 2, 2011, The Daily reported that Amazon is now preparing to test a locker based system for parcel delivery in the Seattle, Washington. The lockers, to be placed in 7-11 gives Amazon an alternative means of delivering shipments that avoid home delivery and the issue of repeated delivery attempts. If Amazon puts one in every 7-11, it will have 8,200 parcel pick-up locations nationwide.


 [Intelisent Blog](#): Today, people across America are going to hear a great deal about the challenges that are facing the nation's postal system. Without knowing any better, I have no doubt they'll begin to believe that the Mayans are right and that today will mark the beginning of "postageddon."


 [Postal Technology International - New Issue online NOW!](#)


 [At the Postal Regulatory Commission:](#)

- [Report On Measuring The Benefits Of Rural Postal Service](#) *[EdNote: Vital reading for those wanting to understand better the concept of rural parcel delivery surcharges.]*

 [Wall Street Pit](#): The world has changed! Of course, entrenched interests fight the change. An instance is the United States Postal Service. The high profile cause of this situation: email. The cause that gets a lesser play is the position of the labor unions connected with the Postal Service. The Postal Service is the nation's second-largest civilian employer, after Wal-Mart. As of 2011, it employed 574,000 personnel, divided into offices, processing centers, and actual post offices. The employed are served by four major labor unions, the National Association of Letter Carriers being the largest. Offices have continued to be kept in existence in spite of declines in business and expenses, including wage and pension costs, have continued to grow relative to the services provided. Now however, cuts are being proposed: proposed cuts include eliminating Saturday mail delivery, closing up to 3,700 postal locations and laying off 120,000 workers — nearly one-fifth of the agency's work force — despite a no-layoffs clause in the unions' contracts.

 [Transport Topics](#): The U.S. Postal Service, which spends about \$15 billion a year on products and services, is pressing its more than 20,000 suppliers for \$1 billion a year in cost cuts as it faces possible insolvency as soon as Sept. 30, Bloomberg News reported. Companies at risk of losing postal revenue range from Northrop Grumman Corp. and Siemens AG, which supply sorting equipment including barcode readers; to FedEx Corp., the largest contractor; to closely held trucking company Pat Salmon & Sons, which doesn't list any business line on its website other than hauling mail, Bloomberg said. See [Bloomberg](#).

 [Digital Journal](#): Currently the Senate Homeland Security and Governmental Affairs Committee is holding a hearing today, Tuesday September 6, 2011, regarding the situation. Unfortunately, New York Times is also reporting that the feuding political parties have failed on any solution or compromise, with partisanship possibly forcing the post office to close entirely by winter.

 [Business Insider](#): The Postal Service can't be fixed by simply privatizing. It would have to reorganize to become more efficient, rebrand to change the way consumers perceive it, and reevaluate what it can offer customers above what UPS and FedEx do. But its immediate issue still lies with its bottom line. It must survive to be able to change, and it must change to survive.





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

Mail to Rails Service. As private industry shippers move substantial amounts of volume from highway to rail, the U.S. Postal Service has nearly eliminated rail transportation. The Postal Service could benefit from using rail, which is the least costly way to move mail long distances. Do you believe it's time for the Postal Service to start using rail transportation more frequently? Why or why not? 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:


- [US Postal Service Mail Volume Reporting – 11BG019FF000](#). The Postal Service uses statistical sample systems called Rates, Pieces, and Weight (RPW) to estimate mail volume for each class of mail. These estimates are used to allocate costs to each class of mail and help develop new rates. In addition, the Postal Services track's mail volume by mail processing is First Handled Pieces (FHP). FHP records mail volume in the operation where it receives its first distribution handling. A first handling piece is a letter, flat, or parcel that receives its initial distribution in a Postal Service facility. Each mail piece distributed in an office receives one and only one FHP count. In FY 2010, the Postal Service had 189 billion FHP and the RPW system estimated total mail volume at 170 billion pieces. Our audit objective is to determine the differences in mail volumes between the two systems and whether the Postal Service is reconciling the two data differences.
- [Evaluation of PO Box and Caller Service Operations – 11BG020FF000](#). Post Office (PO) Box service is an optional service that consists of delivery to uniquely addressable PO boxes of various sizes, rented to customers for a fee. These boxes are located at Postal Service facilities, subject to customer demand and the Postal Service's ability to provide them. In addition to the PO Box service, Postal Service also offers Caller Service when the customer needs to collect mail periodically during the day, receives a large volume of mail that cannot be accommodated by the largest PO Box, requires multiple separations, or wants a PO Box but a box is unavailable. A Caller Service has no physical box and the numbers are assigned beyond the range used on post office boxes. We initiated this project to address potential risk areas in the retail operations of Post Office Box and Caller Service Operations. Our objective is to determine if the Postal Service is properly managing PO Box and Caller Service operations.
- [Survey of Trailer Fleet Management Needs Requirements, Procurement and Controls – 11XG052NL000](#). The Postal Service transports mail by trailer as one of the most cost-effective ways to move large volumes of mail and mail transport equipment. The Postal Service uses almost 16,000 trailers of which about 12,000 are leased. During fiscal year 2000, the Postal Service began a major, multiphase, corporate initiative to terminate local trailer contracts, centralize trailer acquisition at Postal Service Headquarters, and commit to a single national contractor. In September 2000, the Postal Service signed a "National Trailer Lease" (NTL) for 4,475 trailers with Transportation International Pool, Inc., a wholly owned trailer, and equipment-leasing subsidiary of General Electric. The agreement covered 6 years and included a 6-year renewal option. The anticipated cost of the 12-year agreement was more than \$250 million. The 12-year NTL agreement expires in June 2012. This audit will entail obtaining information on the Postal Service's owned and leased trailer fleet, including needs, procurement, and management. We will also look at corrective actions taken based on prior OIG audit work and review what the Postal Service plans to do when the NTL contract expires in June 2012.


 [Yahoo! News](#): Rumors are spreading around the internet about Amazon teaming up with 7-Eleven to offer an in-store pickup option for online shoppers. There has been no official word from either company on the matter, but there seems to be some new photographic evidence of the union. GeekWire was able to locate a giant locker in a Seattle 7-Eleven, even though there was no Amazon branding it sounds as though this will be where Amazon shoppers can have their orders delivered.


 [Yahoo! News](#): While many young tech wizards strive to invent the next iPad, Umar Saif is working to bring Internet-style networking to millions of Pakistanis who don't have access to the Web. He could shake up the country's politics in the process. Saif, 32, devised a computer program that allowed people to send a text message — or SMS — to thousands of people at once. Users send a text to a specific phone number to sign up for the program,


and then can message all the subscribers, allowing users to engage in the kind of social networking possible on the Internet.


 [Gizmodo](#): Everything that's sent through snail mail can get done faster, cheaper and easier through e-mail. Sometimes, you don't even need e-mail actually. I mean, what's "important" that you get through the mail now? Magazines, Bills, Invoices, Stuff that requires your signature? Birthday cards, maybe? Tablet versions of a magazine, electronic bills, PayPal, apps like Sign It! and the fact that you're getting older have replaced all those itty bitty pieces of USPS mail—44 cents a pop saved for us, revenue lost for them. Heck, the only thing I need a physical mailing address for these days is to get physical packages from Amazon, UPS and FedEx do just fine and do it with lower labor costs (53% of its expenses for UPS, 32% for FedEx compared with 80% with the USPS)—the private delivery services just run more efficiently as a business. Every other piece of mail from a love letter to catalogs to spam to a thank you note, just e-mail me. I've changed my mailing address every year for the past 5 years and probably will do it again next year. My e-mail? It'll be the same.

 [Marketwire](#): Ricoh Company, Ltd. and Zumbox, the leader in digital postal mail services, today announced an alliance to empower mailers with a new, highly secure and cost-effective customer communication channel. Mailers can now opt to provide their customers mail via Zumbox, the world's first digital postal mail system. For mailers, this provides per-piece cost savings that can exceed 50 percent, a user-friendly, bi-directional means of communicating with their customers, shorter time-to-payment and the ability to increase overall sustainability of the mail operation. This unique offering leverages existing print-to-mail investments and is enabled by the InfoPrint Automated Document Factory (ADF) solution. Zumbox is the world's first digital postal system. It allows consumers to receive their important postal mail, such as bills, statements, insurance documents, warranties, government mail, stock and brokerage disclosures and annual reports, in one central online location, stored securely forever, for free. Digital postal mail is an exact copy of the mail and documents people receive today on paper, but is instead delivered digitally and securely online. Mail received via Zumbox can be augmented with bill-pay options as well as two-way communication options, including live-links to customer service or new products. This new route to homes is one that will not only ultimately save paper, printing and postage costs for organizations, but also enable them to build deeper consumer relationships.


 [Courier, Express, and Postal Observer](#): Posted is an article from behind the Bloomberg paywall identifies how the Postal Service's plan to cut contract costs will affect a wide range of contractors. The cuts in capital spending, which come off of severely constricted levels reflect a short-term focus of an enterprise focused only on survival. Other cuts, including those to truck transportation contracts will likely open up transportation of mail to firms that provide dedicated fleets to multiple customers and reduce the number of Postal Service contracts that firms that now get all or most of their business from the Postal Service receive.

 [Sacramento Bee](#): Congress provides no money to support the U.S. Postal Service, which is supposed to be a self-sustaining agency. Yet Congress has put shackles on the Postal Service – ranging from requirements to provide universal service to no-layoff clauses to generous health benefits for unionized postal workers. Because of those shackles – and because of the rise of the Internet that has reduced the volume of mail the Postal Service delivers – the agency is losing revenue even as its costs rise. The post office delivered 167 billion pieces of mail this year – a huge volume, but still 22 percent fewer than five years ago. Meanwhile, past promises to workers are adding up. Labor makes up 80 percent of the expenses for the Postal Service, compared with 53 percent for the United Parcel Service and 32 percent at FedEx.

 [National Review Online](#): We ought to close down the USPS. It was a government agency created to solve a problem, and today that problem is solved, and we no longer need a centralized federal monopoly to facilitate intercity communication, the delivering of parcels, etc. News stories reporting the travails of the USPS invariably note that the agency has been ravaged by e-mail, but this gets things precisely wrong: E-mail has relieved us, nationally, of the burden of maintaining a postal service for delivering letters. The emergence of private couriers, FedEx, UPS, et al., have likewise rendered USPS's delivery services obsolete. Letters and other "household to household" mail accounts for less than 10 percent of USPS's volume.

 [Delaware County Times](#): There are plenty of government departments, agencies and boards that probably deserve to be zeroed out budget-wise before the USPS, federal agencies that are duplicative and no longer necessary.


Somehow, though such departments seem to avoid the market realities that force private-sector businesses to adapt or die. The USPS is a prime example of a service the federal government in the very near future will longer need to provide. It should be planning for that day right now instead of looking for ways to prop up a huge and expensive bureaucracy that has served the country well but has been made expendable by progress.


 Savethepostoffice.com: Leave it to the New York Times to ignore the story on the post office for months, and then to put out a front-page piece that gets most of the story wrong. Actually, the piece is fine, but it's in the wrong part of the paper — it belongs on the Op-Ed page. It's not news. It's rife with opinion, slant, and misinformation, and its viewpoint is not too far from that of Darrell Issa.




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


Reserve your Webinar seat now at: <https://www1.gotomeeting.com/register/237989624> Please join the Association for Postal Commerce for a free webinar on **Thursday, September 8th at 2:15pm Eastern** as Craig Vance, USPS HQ Operations Integration & Support, reviews *the proposed rule for Folded Self-Mailers and Un-enveloped Mailpieces*. Finally, after diligent effort and cooperation between the USPS and industry, the proposed changes to USPS Mailing Standards has been published in the Federal Register Notice. Please take this opportunity to determine the appropriateness of the changes for your business that will allow you to develop your response to the FRN by the September 14th comment due date. After registering you will receive a confirmation email containing information about joining the Webinar.

 [Washington Post](#): The Postal Service wants congressional authority to break its agreements with labor unions so it can lay off about 120,000 workers. The Service also hopes to withdraw its 480,000 pensioners and roughly 600,000 workers from the federal employee health-benefits program and create its own. But John Berry, director of the Office of Personnel Management, plans to tell senators that postal workers are well-served by their existing health and retirement benefits and the issue should be studied closely before any changes are made, according to his prepared testimony.


 [Economy Watch](#): The intended measures brought up by the US Postmaster General is likely to face resistance from both members of Congress as well as from workers' unions. Senator Susan Collin (R) told the New York Times that, "the postmaster general has focused on several approaches that I believe will be counterproductive. They risk producing a death spiral where the postal service reduces service and drives away more customers."

 [IBN Live](#): The postal unions of the Kerala Central Postal region will come together on Tuesday to voice the grievances of the postal employees and officials of the region. Members of National Federation of Postal Employees (NFPE), Federation of National Postal Organisation (FNPO), Postal Officers Association and the Association of Inspectors and Assistant Superintendents will stage a protest in front of the Regional Postmaster General Office in Kochi.

 [The Jakarta Post](#): State-owned postal firm PT Pos Indonesia experienced a 25 percent surge in volume of remittances during the Ramadhan to Rp 2.5 trillion (US\$ 292.8 million), from Rp 2 trillion during the same period last year.

 [Bloomberg](#): United Parcel Service Inc. (UPS), Betfair Group Plc (BET) and Vodafone Group Plc (VOD) were among companies whose websites were disrupted by an attack that redirected Internet users to a hacking holding page. UPS, the world's largest provider of package deliveries, said no customer data was compromised. "A fix is in place, and we expect access to UPS.com to resume to impacted customers within a couple of hours," Susan Rosenberg, a spokeswoman for Atlanta-based UPS, said in an e-mailed statement yesterday.

September 5, 2011

 [Washington Post](#): Patrick Donahoe will beg for the life of the U.S. Postal Service Tuesday, a role he has known before. But when he addresses a congressional committee this time, his pleas will go beyond the familiar and reasonable, and into areas more drastic and radical. It's not going to be an easy sell.

[!\[\]\(50ba758255c5d7cec2761495a31c7c80_img.jpg\) Courier, Express, and Postal Observer](#): The list of witnesses included testifying to the Senate Homeland Security and Governmental Affairs Committee on Tuesday includes a witness that is not one of the "usual suspects." By including Thomas D. Levy, Senior Vice President and Chief Actuary, the Segal Company, the Committee signals that it believes that adjusting the retiree obligations will likely be part of legislation that the Committee proposes. The Segal Company conducted the actuarial analysis of the Postal Service's pensions. Mr. Levy's testimony will likely cover the conclusions of that report. Given the primary focus of Segal Company, he may also be asked questions about actuarial issues relating to the Postal Service's retiree healthcare obligations. Mr. Levy's appearance is designed to provide a legislative record to support the Senate Committee's legislative proposal. As he will likely testify that changes to retiree obligations is logical and in concordance with actuarial standards, this would suggest that the Committee will likely include legislative changes that follows actuarial standards.

[!\[\]\(529949c2c3dadbaa4e538e8c643454bc_img.jpg\) Courier, Express, and Postal Observer](#): Defining what is effective retail access requires understanding what transactions require an in-person retail transaction and which ones can be performed as or more effectively without a retail outlet. The political aspect of the definition of access focuses on the access issue independent of the business case for having a retail postal facility in a particular location. The law states that the Postal Service should provide a "maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." Because the maximum degree of effective postal services is not defined, the operating assumption for the Postal Service, the Postal Regulatory Commission, and Congress has been that the Postal Service provides a maximum degree of service as long as it does not close an existing Post Office for financial reasons.

[!\[\]\(3dfb8d66e81160ad61421a3452093d1b_img.jpg\) GoLocal ProvPolitics](#): If you do some googling with "OPEB liability" you'll learn that across the country the "unfunded liability" for OPEB benefits is more than \$2 trillion. In Rhode Island, the state is in for \$775 million and the cities and towns owe around \$3.6 billion more, according to a survey done by Ted Nesi at WPRI in May. Like the pension unfunded liability, these are huge and scary numbers. But also like the pension liability, the new method of accounting for these debts leaves the payment schedule out of the picture. This isn't to say these debts can be ignored, nor is it even to say they aren't serious. But it is to say let's not panic about them.

[!\[\]\(99f58673407353e96a019fbca558fd72_img.jpg\) Postalnews Blog](#): It's gotten to the point that even the New York Times has bought in to the line that the US Postal Service is about to go under due to declining mail volumes and overly generous wages and benefits for its employees.

[!\[\]\(0f848bbd71cef6b345273b16f905912a_img.jpg\) GenevaLunch](#): Letters are fashionable again, despite the Internet, says Swiss Post, and it is adjusting its collection times to meet the changing needs of those who use the mail service.


[!\[\]\(339a16584d5da0f0a3ca4e9ec17bf6a1_img.jpg\) Daily Mail](#): The U.S. Postal Service may be forced to close this winter after being unable to make a \$5.5 billion repayment, it has been claimed. Postmaster general, Patrick R. Donahoe, has now described the situation as 'extremely serious' and warned the agency will be forced to default if Congress doesn't take action to stabilise its finances.


[!\[\]\(a870788d6ed9b8fd294b7654a8c8526b_img.jpg\) BBC](#): As online shopping booms, have you ever wondered what happens to those valuable items sent in the post which can't be delivered? Freedom of information research shows that the Royal Mail is making an increasing sum of money by selling these goods at auction, amounting to nearly £1m last year. Over the past six years the postal service has more than doubled the income it generates in this way, from £432,000 in 2005/06 to £933,000 in 2010/11.


[!\[\]\(de95854c7ee024cfadc48187bbb781b2_img.jpg\) TelecomPaper](#): Bangladesh's postal department is planning to introduce a mobile wallet service. The Bangladesh Post Office (BPO) will launch the 'post epay' service in September, the Daily Star writes citing director general M Mobasherur Rahman. To use the service, customers need to register at a postal outlet to open an account with a minimum of BDT 10 and can then pay for goods or services by swiping their mobile phones over a special reader.


[!\[\]\(3211b5d1d968fc1665909b34f9f16010_img.jpg\) Courier, Express, and Postal Observer](#): On Tuesday, the Postal Service will be the center of a news storm that will be more powerful than either of the two tropical storms that the National Hurricane Center is following. The Senate Homeland Security hearing will be held on one of those rare days when there is no other major news story


for the cable news channels, network news, and national newspapers to cover. More than likely, much of the footage for the Postal Service stories if not already in the can, will be completed early Tuesday morning so that it can be edited into the questions and testimony at the hearing.

 [New York Times](#): Decades of contractual promises made to unionized workers, including no-layoff clauses, are increasing the post office's costs. Labor represents 80 percent of the agency's expenses, compared with 53 percent at United Parcel Service and 32 percent at FedEx, its two biggest private competitors. Postal workers also receive more generous health benefits than most other federal employees. Feuding Democrats and Republicans in Congress, still smarting from the brawl over the federal debt ceiling, have failed to agree on any solutions. It doesn't help that many of the options for saving the postal service are politically unpalatable. Faced with what postal officials call "the equivalent of Chapter 11 bankruptcy," the agency is asking Congress to enact legislation that would overturn the job protections and let it lay off 120,000 workers in addition to trimming 100,000 jobs through attrition. The postal service is also asking Congress for permission to end Saturday delivery. Given the vast range of stakeholders, getting consensus on a rescue plan will be difficult.


 [Save the Post Office](#): "*Post Office for Dummies*" -- It's going to be a busy week in our nation's capital. On Tuesday, the Senate Homeland Security and Governmental Affairs Committee, chaired by Joseph Lieberman, will hold an emergency hearing to prevent a USPS shutdown. NAPUS says "this is the first time in recent memory that the full Committee, rather than its Postal Subcommittee, will convene a postal hearing." Then on Thursday, the Postal Regulatory Commission (PRC) will hold its first public hearing on the Retail Access Optimization Initiative (RAOI), and James Boldt, the man running the operation for the USPS, will be cross-examined by the Commissioners, the Public Representative, and several "intervenors," like NAPUS and the APWU. You know it's going to be a big week when the New York Times finally acknowledges there's postal news. Needless to say, the Times gets nearly everything wrong, but what do you expect when the paper has practically ignored the story for months?

 [At the Postal Regulatory Commission: Commission Public Meeting](#), Wednesday, September 14, 2011, at 11 a.m. Commission Hearing Room, 901 New York Avenue NW, Suite 200, Washington, DC 20268-0001 Portions Open to the Public 1. Synopsis of the legislative review completed pursuant to section 701 of the Postal Accountability and Enhancement Act (PAEA). 2. Review of postal-related Congressional activity. 3. Report on Post Office closing appeals filed with the Commission. 4. Report on status of pending dockets. 5. Report on international activity. 6. Report on the status of the Joint Periodicals Task Force Report. 7. Report on studies to quantify the social value of the postal system. 8. Report on the status of the Docket Section modernization project. 9. Discussion and approval of the FY2012 Budget. Portion Closed to the Public 10. Discussion of pending litigation.


 [Times of India](#): The department of posts, in association with the regional transport office, has launched a service to dispatch and deliver smart card licences and vehicle registration certificates. Under the scheme, the driving license and the registration certificates will be sent by Speed Post.

 [AhramOnline](#): Thousands of Egyptian postal workers are shutting down post offices in a dozen governorates to demand management and wage changes.

September 4, 2011

 [Postalnews Blog](#): Darrell Issa, the multimillionaire career politician, self-appointed "watchdog" and latter day tea party convert, recently used taxpayer dollars to create a web site called "savingthepostalservice.com". Darrell's idea of "saving" the USPS is to force the agency into bankruptcy, eliminate collective bargaining, and switch to a part time work force with low wages and no benefits. Darrell's site doesn't mention the Congressional mandates that are the real reason for the USPS's current financial problems, so we've decided to provide that information here as a public service. Like the USPS, and unlike Darrell, we receive no taxpayer funds.

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

 **The Press Democrat:** Just as they switched from horse and buggy to automobiles for transportation 100 years ago, Americans are now relegating pen and paper to the scrap heap of history. As the nation's preference for fast and easy online communication expands, the fortunes of the U.S. Postal Service — which handles nearly 40 percent of the world's mail — are falling.

 **At the Postal Regulatory Commission:** Glossary of postal regulatory terms.

<http://www.prc.gov/prc-pages/misc/help/A-D.pdf>


<http://www.prc.gov/prc-pages/misc/help/E-H.pdf>

<http://www.prc.gov/prc-pages/misc/help/I-L.pdf>


<http://www.prc.gov/prc-pages/misc/help/M-P.pdf>

<http://www.prc.gov/prc-pages/misc/help/Q-T.pdf>

<http://www.prc.gov/prc-pages/misc/help/U-Z.pdf>


 **Save the Post Office:** Thousands of communities across the country are worried about how they're going to get by without their post office. But it's the Postal Service that should be worried. The community will survive without the Postal Service, but the Postal Service will not survive without the community.


September 3, 2011


 **New Delhi News:** Over 90 percent of departmental post offices across the country have been computerised, according to official data. 'As of now, 24,015 (94 percent) departmental post offices out of 25,538 have been supplied with computer hardware,' Minister of State for Communications and IT Sachin Pilot said in a written reply to the Rajya Sabha Friday. The government plans to computerise the remaining departmental post offices along with branch post offices under the IT Modernisation Project, to be completed by 2012-13.


 **From the Federal Register:**


- **Postal Regulatory Commission NOTICES** Post Office Closing , 55138–55139 [2011–22661]
[\[TEXT\]](#) [\[PDF\]](#)
- **Postal Service RULES** Post Office Box Fee Groups for Merged Locations , 54931–54932 [2011–22628]
[\[TEXT\]](#) [\[PDF\]](#)


 **Hellmail:** Croatian Post achieved a 12.1m HRK net profit in the first six months of 2011. Total revenues in the first six months amounted to 801.5m HRK - a 1.4% increase over the revenues in the same period last year. The company's EBIT in this period amounted to 23.1m HRK, while EBITDA amounted to 56.1 HRK with a rate of 7.10.


 **Post & Parcel:** Spring Global Mail, the international joint venture between Royal Mail and PostNL, looks set to close its operational hub in Cologne, Germany. The company is carrying out a network optimisation review in the light of declining international mail volumes. Although exact arrangements are under discussion with employee unions, the company is expecting to consolidate its operations into two European hubs, in Belgium and the UK.


 **Mailing & Fulfillment Service Association:** Please 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. To Register now:
<https://www1.gotomeeting.com/register/602208432>


 **National Association of Letter Carriers:** NALC members in California joined several other unions and the San Diego-Imperial Counties Labor Council on Sept. 1 to personally protest Rep. Darrell Issa's failure to represent working families and his continuing attacks to destroy the United States Postal Service.

 [PostalReporter News](#): On the same day that letter carriers, along with other labor organizations, are picketing his district office, Rep. Darrell Issa (R-CA), chairman of the House Oversight and Government Reform Committee, has posted a misleading web page on his committee's website that attacks the Postal Service (and its employees). Note: This is on a government (i.e. taxpayer-supported) website. While claiming to offer "just the facts," the website does anything but that. There are no facts. The narrative about the United States Postal Service on the Issa site is an invented story—it is political posturing at its worst. The site manipulates the facts about the Postal Service's fiscal situation and advocates destroying, not saving, the United States Postal Service.


 [National Association of Postal Supervisors](#): We urge Congress to realign the Postal Service's retiree health prefunding schedule to a larger time period consistent with what the Postal Service can afford, making use of a surplus created by Postal Service pension overpayments. That pension surplus, according to studies of the Postal Regulatory Commission and the Inspector General of the Postal Service, could be as large as \$55-75 billion. Legislative proposals offered by Sen. Tom Carper (S. 1010) and Sen. Susan Collins (S. 353), in part, would realign the Postal Service's prefunding payments.


 [LightfromtheRight](#): In his report to a Senate subcommittee Postmaster General Patrick Donahoe 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. His challenges, however, are daunting.


 [Post & Parcel](#): Nordic postal operator PostNord AB has handed over part-control of its business packaging and labels unit, Strålfors Identification Solutions (SIS). PostNord, which announced a \$156m USD cost-cutting strategy on Tuesday to counter accelerating mail volume declines, said today that the move would allow it to focus more on core activities. SIS is part of PostNord's loss-making Strålfors subsidiary, which runs business services like printing, enveloping, electronic transfer services and third party logistics.

 [American Postal Workers Union](#): Rep. Darrell Issa (R-CA), who likes to portray himself as a fierce opponent of wasting taxpayers' money, has created a slick, high-tech Web site that bashes the Postal Service, using – you guessed it – taxpayers' money. The Web site, a production of the House Committee on Oversight and Government Reform, is intended to generate support for legislation sponsored by Rep. Issa that would destroy the Postal Service as we know it. H.R. 2309 would close thousands of post offices, shutter hundreds of mail processing facilities, end Saturday mail delivery, and eliminate workers' collective bargaining rights. In true Washington double-speak, the Web site dedicated to dismantling the nation's mail system is called "Saving the Postal Service."

September 2, 2011


 [Courier, Express, and Postal Observer](#): A comment to the Post on the impact of the new network on First Class Presort Mail explains both why drop shipped First Class mail won't work and how operating and capital constraints will degrade service for any mail that requires cross dock transfers before destination sortation and sequencing is completed. uncommonsense said . . .


 [Post & Parcel](#): Singapore Post has opened its second regional airfreight hub at Changi Airport. The SingPost Airmail Transit Centre 2 at the Changi Airfreight Centre provides expanded facilities to help SingPost handle higher volumes, the company said yesterday. The company is experiencing high growth in its regional mail volumes, and is setting itself up as a major transit hub for the Asia-Pacific region, given its strategic location.


 [Post & Parcel](#): New legislation that could potentially see Brazil's national Post Office becoming the next Deutsche Post DHL has been passed by the nation's Senate. After nearly two hours of debate on Wednesday, the full Senate voted on Provisional Measure 532/11, with 43 of the 55 senators in favour. The legislation aims to modernise the country's Post Office and allow it to expand into new services – but also to buy up private sector companies and operate in territories outside Brazil. With the law passed by Brazil's lower house last month, it now needs only to be signed off by President Roussef. Among its provisions, the legislation would give the Brazilian Post and Telegraph Company (ECT) powers to acquire control or full ownership of other companies, and establish offices in foreign companies.


 **At the Postal Regulatory Commission:**


- 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/75/75323/20110902.IMb.Prog.Re.pdf>


 **DMM Advisory: IMb™ Services Update. PostalOne! MicroStrategy Reporting Outage** – On Sunday, September 4, 2011, *PostalOne!*® MicroStrategy reporting will be unavailable to users during the scheduled maintenance window of 4 a.m. through 8 a.m. CDT. During the outage, users will not be able to access verification and performance reports, service performance reports or mail data quality reports.


 **Post & Parcel:** Finland's Itella Corporation has been granted regulatory approval to set up a postal banking division. The company said that with the green light from the Finnish Financial Supervisory Authority, it will be able to turn its payment services unit into Itella Bank. However, the bank will not be a "normal commercial bank", said Itella. It will not provide loans or a physical service network as a separate bank. Instead, it will specialise in money transfers, payments and invoicing – particularly in online commerce, parcel services and other mail business.

 **Sys-Con Media:** RPost, the Registered Email outfit, has gone into the cloud business, calling its new widgetry the "new global standard for legal electronic messaging."


 **Post & Parcel:** London-based international address verification specialist Capscan and German data quality software house Uniserv have formed an alliance to enter the North American market. The two firms have established a joint sales and support base in North Carolina, under the brand Uniserv North America, and say mailers stand to save thousands of dollars making use of their address verification services. They are promising the "next generation" of international address verification and geo-coding capabilities, covering 240 territories around the world. Products and services include Uniserv's data quality management systems and Capscan's Matchcode International offering, which provides worldwide address verification. American mailers will also be able to use the pay-by-search web-based addressing service Capscan OnDemand and the online data cleansing service Capscan Integrity.


 **Wall Street Journal:** Even as Republicans focus on a tumultuous presidential campaign, they see their chances rising to take control of the Senate, the last bastion of Democratic power in Congress. It's a prospect already shaping life on Capitol Hill, as emboldened Republicans, who are expected to retain control of the House, dig in against compromise on issues such as tax increases and stimulus spending. And many vulnerable Democrats are keeping their distance from President Barack Obama, constraining his policy options. The political arithmetic for 2012 shows what Democrats are up against. Republicans would need to gain just four Senate seats to win a majority. [*EdOpinion: With a Republican Senate, the Issa bill will become the new postal law of the land.*]

 **NALC Activist Network:** Under the direction of Rep. Darrel Issa (R-CA), the chairman of the House Oversight and Government Reform Committee, an anti-USPS website was launched. This website completely misleads the public by repeatedly threatening a taxpayer bailout unless the draconian cuts laid out in the Issa-Ross bill, H.R. 2309, are implemented. There is no mention of the solution offered by Rep. Stephen Lynch, H.R. 1351, which is supported by nearly 200 House members from both parties. H.R. 1351 addresses the massively over-funded CSRS and FERS pension funds as well as the onerous pre-funding payments for future retiree health benefits, whose fund already has more than \$42 billion in it. There is more than enough "postal money" out there to solve the Postal Service's financial hardships—caused almost entirely due to Congress' mandate to pre-fund future retiree health benefits in the first place—without needing to consider any taxpayer bailout of any kind.

 **BusinessWire:** Research and Markets (http://www.researchandmarkets.com/research/a624b9/online_bill_payment) has announced the addition of the "Online Bill Payment in the U.S." report to their offering. This study explores strategies for maximizing the usage of online bill payment by assessing current usage, as well as the benefits and barriers to adoption. In addition, usage and interest in bill presentment are examined. The research comprised a United States internet survey on 1,000

consumers age 18 or older. Research Issues and Benefits Online bill payment has been available to consumers for a number of years. While it is well established in most institutions, there are a number of issues that continue to impact adoption and usage. The online bill payment space is complex -- consumers can choose between biller direct and bank bill payment options. In addition, consumers have a number of options in terms of payment methods.

 **The Spokesman-Review:** In recent years the rapid change in technology, increased expectations of consumers and competition from private delivery services have put a huge financial strain on the Postal Service. As a result, the Postal Service, which is supposed to operate without taxpayer subsidy, has been in the red for years. Last year's deficit was about \$7 billion. To this point, the Postal Service has looked at rate increases as a way to improve the bottom line. But as the cost of postage increases, the usage decreases. Yet, labor and other costs continued to rise. So how can the U.S. Postal Service stay in business? Well, a recent study has yielded an interesting idea: relax the guarantee that first-class and priority packages and letters will be delivered in one to three days. The study estimates the Postal Service could save about \$1.5 billion annually by essentially adding one day to that delivery schedule. Reducing the urgency to process mail would cut about \$336 million in premium pay for postal employees working overnight and Sundays to meet current delivery schedules, the Washington Post reported. In addition, the report said, adding one day to the schedule would put less emphasis on speed and allow the Postal Service to save at least an additional \$1.1 billion by delivering some long-haul Priority Mail shipments by ground instead of air, consolidating facilities and employing fewer workers. This approach might be worth trying.

 **Parcel2Go:** Two-thirds of customers like to be given a timeslot for their delivery whenever they buy goods online, a survey has shown. Of 1,000 people questioned by a UK-based postal services software company, 64 per cent said it was either "very important" or "important" that they could stipulate a time window for receiving their most important deliveries. And for many of the respondents, receiving a card notifying them that they had missed a delivery was no assurance that the driver, and their parcel, had made it to their address safely – especially as, more often than not, they had to call the courier to start the process all over again.



The following 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.


- [Intelligent Mail \(IM\): Realizing Revenue Assurance Benefits \(Report Number DA-AR-11-010\)](#). The Postal Service postponed implementing an original IM program objective to focus on implementing other aspects of the program. With PMG approval, the Postal Service removed the automated revenue assurance requirement in the original Decision Analysis Report (DAR). Without this automation, the Postal Service may not be able to reduce the \$293 million it spends annually on business mail acceptance personnel salaries and benefits or confirm the \$26 billion in annual business letter mail revenue.
- [Postal Service Refunds \(Report Number FF-AR-11-013\)](#). The Postal Service has opportunities to improve the Value Added Refunds (VAR), Special Postage Payment Systems (SPPS) and meter mail refund processes. Specifically, the Postal Service could automate the VAR refund process to eliminate some costs and workload. In addition, the Postal Service has not documented SPPS refund processes and has no standardized timeframe for processing meter mail refunds. Finally, the Postal Service is not covering its costs to process meter mail refunds. We estimate the Postal Service could recover about \$1.62 million annually in processing costs by making changes to its processes.





From the Federal Register: Postal Regulatory Commission NOTICES Meetings; Sunshine Act , 54811–54812 [2011–22718] [\[TEXT\]](#) [\[PDF\]](#)


September 1, 2011


 **Wall Street Journal:** Factories around the world are throttling back, signaling a broadening of the slowdown in economic activity that is raising the specter of a double-dip recession.


 [Huffington Post](#): Rep. Darrell Issa has rehired the spokesman he fired for sharing emails from other reporters with a New York Times journalist. Kurt Bardella won't resume his previous assignment as deputy communications director for the House Oversight and Government Reform Committee, however. Committee communications director Frederick Hill said Wednesday that Bardella will work under the committee's general counsel and will not be a media spokesman. Hill said that Issa believed Bardella deserved a second chance, even though he acted improperly.


 **Business Mailers:** Sunday, Sept 4, 2011, the PostalOne! MicroStrategy reporting environment will be unavailable to internal and external users during the scheduled maintenance window of 4AM through 8AM CDT to allow for system maintenance. During the outage external customers will not be able to access the Mail Data Quality Reports, also internal users will not be able to access Verification and Performance Reports for Business Mail Acceptance, Electronic Mail Improvement Reporting and Service Performance Measurement.


 [Seeking Alpha](#): During the past five years, UPS's return on equity has averaged nearly 29%. This high profitability flows from the wide moat UPS has built around its business with a massive international transportation network interconnected with one of the largest technological infrastructures in commercial history. Economies of scale, customer service and operating efficiencies translate into consistent, high profitability. Over the years, UPS has parceled out brown boxes of free cash flow to shareholders via dividends and share buybacks. UPS increased its dividend 11% this year to an annual rate of \$2.08 per share with the dividend currently yielding an attractive 3.4%.

 [Quad-City Times](#): Govs. Terry Branstad of Iowa and Pat Quinn of Illinois are urging U.S. Postal Service officials to consider options other than closing rural post offices as a way to overcome financial challenges. They want to minimize the negative impact to citizens and businesses in small towns already struggling through a fragile economic recovery.

 [Business Insider](#): U.S. Postmaster General Patrick Donahoe has said that the United States Postal Service will default on its obligations to the federal government on September 30, at the end of the current fiscal year. Now the House Committee on Oversight and Government Reform has launched [SavingThePostalService.com](#) to educate the public about the Postal Service's financial troubles and some possible solutions. The Postal Service lost \$8.5 billion in the last fiscal year. It is not clear what will happen if the Postal Service does default. Oversight committee chairman Rep. Darrell Issa, Republican from California, and other committee members have said the result will likely be a taxpayer bailout.

 [Hellmail](#): Postal delivery companies in the UK are set to become "regulated" operators rather than "licensed" operators from next month. Postcomm, the country's postal regulator, is transferring its powers to the communications industry regulator, Ofcom, following adoption of postal reform legislation by Parliament this summer that should lead ultimately to the privatisation of Royal Mail. Responsibility shifts from Postcomm to Ofcom from October 1, 2011.

 [Courier, Express, and Postal Observer](#): Congressmen Darrell Issa and Dennis Ross have raised raising the ante over Postal Reform by creating a website and video designed to promote his postal reform bill. The website and the video both follow the form used by lobbyists to promote passage of a bill or influence government policy. The website and video, along with the committee's use of social media illustrate how sponsors of controversial bills are changing how they will promote their positions. See also [ExecutiveGovernment](#).

 [Eastern Iowa Government](#): Iowa Governor Terry Branstad is asking the United States Postmaster General to slow down plans to close rural post offices and mail processing centers as part of a cost saving move by the USPS.

 *At the Postal Regulatory Commission:*

- [Commission Public Meeting](#), Wednesday, September 14, 2011, at 11 a.m. Commission Hearing Room, 901 New York Avenue NW, Suite 200, Washington, DC 20268-0001
- [Comments from the Association for Postal Commerce on the PRC's review of PAEA](#).



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

- The USPS Office of Inspector General recently concluded its audit of the effects of compliance rules on mailers. This report responds to a request from Senator Susan Collins. Its objective was to evaluate mailer concerns with U.S. Postal Service compliance rules. The audit focused on the effects of recent and planned changes to compliance rules related to Intelligent Mail™ barcode (IMb), Move Update, and Plant-Verified Drop Shipments (PVDS). In addition, the OIG reviewed how the Postal Service uses the Mail Evaluation Readability Lookup Instrument (MERLIN) to evaluate IMb readability and compliance with Move Update rules.
- 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. The Postal Service's insolvency will have real consequence for its federal government creditors that it plans not to pay this fall.
- Senate to hold postal oversight hearing. OIG evaluates USPS' 5 yr financial plan. OIG reports on USPS' nationwide facility optimization. USPS withdraws move update rule. First-Class slowed by a day? Standby time will increase during restructuring? Invitation to MFSA Webinar. Sweetheart deal for Chinese. Postal Service lets MTE contract. Attention PostalOne! Users. Purolator expands in U.S. market. MTAC notes and slides.
- 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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[Courier, Express, and Postal Observer](#): On Tuesday September 6, Postmaster General Pat Donahoe will present to Congress a vision of the "New Postal Service." This vision reflects the Postal Service's current financial situation as driven by legal and regulatory constraints. At the end of the fiscal year the old Postal Service will be insolvent. It will not have enough cash and borrowing capacity to pay its bills including bills that were not changed by the PAEA.


[Direct Marketing News](#): Direct mail and traditional media have long played important roles in getting out the vote. With party caucuses and primaries beginning in early 2012 and campaigns already underway in early voting states such as Iowa, New Hampshire and South Carolina, political marketers are betting that direct mail will still drive voters to the polls, but they are also dabbling in newer interactive technologies.


[Brand Republic](#): Consumers are using new technology to control their relationships with brands and filter out unwanted communications, according to a poll seen exclusively by Marketing. More than 80% of people now believe they wear the trousers in their brand interactions, the research by marketing services company Acxiom reveals. The survey, commissioned in July among 1,000 UK consumers and 200 marketers, defined "in control" as


people "receiving only the information they require, when and through which media channels they want it". While 82% of consumers said they felt in control, marketers believed that only 30% of people would do so, revealing a wide perception gap between brands and their target market. *Hey! You! Get off 'a my cloud!*


 [Red State](#): The US Postal Service is in trouble, and we are facing a bailout that will make the auto makers' bailout seem small by comparison. If you look at the comment thread for this Businessweek article you'll find defenders of the post office claiming that the over payment is \$75 billion, and if they had all that money everything would be hunky-dory. It's true that \$75 billion would be considerably more than a shot in the arm for the post office, but \$75 billion is everything paid in since the last time Congress bailed out the Postal Service. In other words, the Postal Service and its' unions want to go to a system of paying for future retirements out of future income. This, of course, assumes that there will actually be future income.


 [Financial News](#): Looking through the detail of the EU's "opening decision" on the Royal Mail pensions state-aid case, one thing stands out strikingly. The fate of the state-owned postal operator hinges on how much the Commission decides its bailout is worth - and at present, it doesn't know if it's £3bn or £10.3bn. The plan to sell off at least part of the Royal Mail has been in train for close to a year now, and its central plank is the transfer of most of its £28bn pension fund to the UK state, relieving the company of a disproportionate financial burden so that an outside investor can be brought in.

 [Charleston Daily Mail](#): Members of Congress should be ashamed of this fiscal nightmare Advertiser Officials expect the Postal Service to post losses of \$9 billion this year. The hemorrhage results not just from Internet competition, but from lucrative union contracts. Postal losses imperil other government programs.


 [The Daily Caller](#): The House Committee on Oversight and Government Reform has launched [SavingThePostalService.com](#) to educate the public about the Postal Service's financial troubles and some possible solutions. The Postal Service lost \$8.5 billion in the last fiscal year.

 [Hellmail](#): Swiss Post International generated sales of EUR 303 million in the first half of 2011 and increased its operating result to EUR 22 million. After deducting extraordinary writedowns, the reported EBIT came to EUR 19 million. The communications service provider expects sales and the result for 2011 as a whole to be better than in the previous year.

 [Washington Post](#): The money-starved U.S. Postal Service operates more than 33,000 facilities and owns or leases millions of square feet it no longer needs, according to a new watchdog estimate.

 [Swazi Observer](#): By the end of this year Swaziland and other members of the Southern African Development Community (SADC) are expected to implement postal sector reforms so as to assist in the development of the industry. Minister of Information, Communication and Technology Nelsiwe Shongwe said the planned integrated postal reform and development plan (IPDP) would be a roadmap for postal reform and development in Swaziland and would be carried over a five-year period.

 [From the Federal Register: Postal Regulatory Commission NOTICES](#) New Postal Products , 54510-54511 [2011-22367] [\[TEXT\]](#) [\[PDF\]](#) Post Office Closings , 54511-54513 [2011-22326] [\[TEXT\]](#) [\[PDF\]](#)

 [Hellmail](#): A new report from Consumer Focus - 'Counter Measures' - argues that all UK high street banks should allow their customers full access to personal bank accounts through the post office network, to meet consumer demand.