



## **Association for Postal Commerce**


---


1901 N. Fort Myer Dr., Ste 401 \* Arlington, VA 22209-1609 \* USA \* Ph.: +1 703 524 0096 \* Fax: +1 703 524 1871

---


### **Postal News from September 2012:**

*September 30, 2012*


 **Dead Tree Edition:** The U.S. Postal Service's plan to reduce its mail-processing network by half has a major flaw, according to a Postal Regulatory Commission opinion released Friday: The plan would tend "to move processing assignments from more productive plants to less productive plants." USPS goofed in assuming that consolidating mail sorting into larger plants would improve productivity, according to the PRC's advisory opinion on the Postal Service's ambitious Network Rationalization plan. In fact, larger plants historically have tended to process fewer mail pieces per workhour than smaller ones, the PRC's analysis finds.


 **Gulf Times:** Postal departments in the Gulf states should consider introducing innovative options such as protective box systems, a senior official from Portugal said. Raul Moreira, who is also the director of Portugal's philately department, made a presentation at the Universal Postal Union's World Congress under way in Doha, on the unexplored markets and possibilities of strengthening philately across the world. He said the GCC postal companies should upgrade their postal system, incorporating features in practice in some countries including Portugal.

*September 29, 2012*


 **postalreporter @postalreporter #PRC: #USPS** could significantly reduce its network and realize substantial cost savings <http://www.postalreporter.com/blog/prc-usps-could-significantly-reduce-its-network-and-realize-substantial-cost-savings/>

 **D.Eadward Tree @DeadTreeEdition** Didn't know PRC was releasing decision today when I published #USPS network rationalization piece: <http://deadtreeedition.blogspot.com/2012/09/redrawing-map-look-at-usps-network.html#>.

 **Post & Parcel:** US Postal Service retail technology partner IGI has called on courts in Colorado to dismiss a class action suit brought by contracted postal counter operators, challenging restrictions on which mailing labels they can use. Papers filed this week by lawyers on behalf of Innovations Group, Inc. (IGI) stated that federal antitrust laws do not apply in the case, filed by two US Postal Service Contract Postal Unit (CPU) operators back in July. The CPU operators, who could represent up to 1,500 other operators if they joined the class action suit, are demanding the right to purchase mailing labels other than those proscribed by the Postal Service.

 **International Business Times:** Other countries' postal systems are in better financial shape than the U.S. Postal Service because they can offer services beyond mail and package delivery, and their governments cover some

employee health care costs and most retiree costs. In the U.S., the Postal Service is expected to be self-sufficient, but its ability to run like a business is restricted.

 **Government Executive:** A plan to close hundreds of postal facilities would not save as much as the U.S. Postal Service has projected, according to an analysis released Friday. The Postal Regulatory Commission advised USPS to delay its Mail Processing and Network Rationalization initiative until it considers the report's recommendations -- including alternatives that would avoid cutting back services such as overnight mail. USPS has said the plan to close and consolidate 229 of 461 processing plants to match declining mail volumes would save approximately \$1.6 billion. PRC estimated the plan's savings could be as low as \$46 million annually unless further measures were taken. PRC said to achieve the \$1.6 billion in savings, USPS would have to improve systemwide productivity by more than 20 percent: "The commission cautions that improvements of this magnitude are remarkably ambitious and involve some risk." The commission had difficulty replicating the Postal Service's initial analysis of cost savings by adopting the initiative.

*September 28, 2012*



**Docket No. N2012-1:** The Postal Regulatory Commission today issued its analysis of the Postal Service's Mail Processing Network Rationalization (MPNR) initiative, a plan to capture net savings of \$2.1 billion (later revised to \$1.6 billion) by closing and consolidating 229 of its 461 processing plants to better match declining mail volume. The Commission's range of potential net savings estimates is lower than that projected by the Postal Service. [The Commission's Advisory Opinion](#) concludes that the Postal Service could significantly reduce its network and realize substantial cost savings while preserving most current service levels. [Separate Views of Commissioners Hammond and Taub](#) -- [Separate Views of Chairman Goldway](#).

**CP2012-60 Order No. 1487** - Order Approving Addition of Modified Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement (Norway Post)

<http://www.prc.gov/docs/85/85272/Order%201487.docx>

<http://www.prc.gov/docs/85/85272/Order 1487.pdf>



## **Welcome to a new PostCom publication: "Into the Postal Weeds."**

This new monthly publication is designed to help PostCom members understand the more technical postal issues that can impact their business. Written by [PostCom's postal operations consultant, Kathy Siviter](#), along with invaluable input from PostCom's more technically oriented members, *Into the Postal Weeds* will provide more in-depth information on technical postal topics than PostCom provides in its news publications, such as the PostCom Bulletin, or even its Postal Operations Update. This new PostCom resource will help members by providing the nitty gritty technical details on a variety of topics in a fashion that makes them easier to understand and helps PostCom members assess the impacts on their business. Sources for additional information also will be provided on each topic, for those that need to get even deeper Into the Postal Weeds. Questions or comments should be directed to Kathy Siviter ([postalweeds@postcom.org](mailto:postalweeds@postcom.org)). Additional resources (such as contact information for PostCom's technical expert members) will be identified in each issue of *Into the Postal Weeds*.




[APWU National @APWUnational](#) House Inaction Brings USPS to Brink of Default - Again

<https://twitter.com/APWUnational>



[The Clerk Craft will be the primary craft for the operator position on the new Advanced Facer Cancellor System \(AFCS\)](#), the Postal Service has announced. In a letter dated Sept. 28, 2012, [PDF] the Postal Service wrote, "After reviewing the input from the APWU and

the National Postal Mail Handlers Union ... the Postal Service has determined that on the AFCS 200, the duties performed by the operator are similar to the duties performed by a Mail Processing Clerk. Accordingly, the primary craft for the operator position on the AFCS 200 is the Clerk Craft. The primary craft for the induction activities on the AFCS 200 will continue to be the Mail Handler Craft." The existing AFCS is a high-speed machine that culls, faces, and cancels letter mail through a series of automated operations.

 [Dallas Observer](#): The first fact is that the postal service is run by its labor unions. Many of the top executives are former letter carriers who have signed contracts agreeing not to lay anybody off except by the politically unpopular expedient of shutting down branches. In practical terms, that means not laying people off. And why would any entity, public or private, ever agree to such contract terms? The second fact is that the top managers of the postal service have expressly and repeatedly eschewed technological advances that have been hugely successful in European national postal services -- approaches that meld physical delivery with various forms of electronic delivery and involve partnering with private entities. Deutsche Post, the German national service, for example, has sold off most of its physical plants and is now housed mainly in private quarters including banks, convenience stores and even private homes. What would the European solution look like here? It would definitely involve partnerships between the American postal service and commercial companies, maybe including the big commercial carriers like UPS, maybe not, maybe somebody else hungrier and leaner than Big Brown. But right-wing ideologues here continue to ignore those possibilities and insist instead at the top of their lungs that no such solution even exists. Instead they insist on their own scenario by which the postal service has become irrelevant and obsolete and the only solution is for it to go away entirely.

#### [DMM Advisory](#): **IMb™ Services Update**


- **PostalOne!® Release 32.0.0** will deploy on Sunday October 14, 2012. Release 32.0.0 will require an extended maintenance window with an outage from 8 p.m. Saturday, October 13, 2012, through 9 a.m. CDT Sunday, October 14, 2012. A mandatory Mail.dat® client download will be available immediately following the software update.
- **Test Environment for Mailers (TEM) — PostalOne! Release 32.0.0** will deploy to the Test Environment for Mailers (TEM) on Monday, October 15, 2012. PostalOne! TEM will be unavailable from 4 a.m. through 4 p.m. CDT.

**Youtuber**, check out the latest video from your channel subscriptions for Sep 28, 2012



[PCC Day 2012: Learn, Network, Discover](#) by [uspstv](#)


Postmaster General & CEO Patrick Donahoe in his keynote address to Postal Customer Councils (PCCs) across the nation, discusses the value of mail as a communications tool and its promising future in the digital marketplace.


 [MediaDailyNews](#): All the trend lines for newspaper advertising are pointing down, and the latest forecast from eMarketer does nothing to dispel this gloomy picture. According to the research firm's most recent report, total ad revenues for newspapers will decline from \$22.5 billion in 2012 to \$21.5 billion in 2013, \$21 billion in 2014, \$20.63 billion in 2015, and \$20.4 billion in 2016, for a 9.5% drop over the next four years. The drop is due to continuing declines in print advertising, which eMarketer sees falling steadily from \$19.1 billion this year to \$16.4 billion in


2016 -- a 14.7% drop. Separately, newspapers' digital ad revenues will continue to experience modest growth, but not enough to offset losses on the print side. Here, eMarketer sees total digital ad revenues edging up from \$3.4 billion in 2012 to \$4 billion in 2016, for a 17.6% increase in four years. The forecast is yet another piece of bad news for an industry under siege since the middle of the last decade. According to the Newspaper Association of America, total newspaper ad revenues -- including print and digital -- plunged from \$49 billion in 2006 to \$24 billion in 2011, for a 51.5% decline in just five years. *[EdNote: Wait....Why the decline? The internet? No....The iPhone? No....Craigslist? No....Valassis? Yeeahh....Yeah! That's it! Valassis!]*


 [Alan Robinson @CEP\\_Observer](#)


- While the USPS is defaulting on its health care retiree payment, it is not running out of cash - business is likely better than plan in Sept.
- Shift of demand for transportation services this fall from B-2-B to B-2-C will be heaving then normal creating challenges for UPS Fedex USPS.


 [D.Eadward Tree @DeadTreeEdition](#) "Redrawing the Map: A Look at [USPS](#) Network Rationalization Plan" [deadtreeedition.blogspot.com/2012/09/redraw](http://deadtreeedition.blogspot.com/2012/09/redraw). The maps tell a dramatic story.

 [Wall Street Journal](#): The euro-zone economy has probably entered recession, while a jump in the inflation rate for the currency bloc is likely to limit European Central Bank President Mario Draghi's scope for further monetary policy easing. Consumer spending, which makes up more than 55% of gross domestic product in France, fell 0.8% in August from the previous month. Insee also confirmed that gross domestic product was flat in the three months to June, the third straight quarter of stagnation.


 [The Warsaw Voice](#): Postal operator Speedmail aims to become the country's largest alternative postal operator in handling mass correspondence for businesses. Speedmail is one of the new operators eyeing Poland's postal services market, which is set to be liberalized in 2013. At the moment, Poczta Polska has the dominant position on the Polish postal services market and a monopoly on providing a number of services. After the market opens up next year, independent operators will be able to expand and challenge Poczta Polska. Speedmail, which is part of the Emerson Direct Communication group, plans to build its position on the Polish market by offering new services.


 [KTUL](#): As The Times-Picayune in New Orleans scales back its print edition to three days a week, a newspaper in Baton Rouge is starting its own daily edition to try to fill the void. The move by The Advocate sets up an old-fashioned newspaper competition, even as more and more people get their news online and from cellphones. The Advocate announced it would start a New Orleans-focused print edition in The Times-Picayune's backyard after the newspaper announced in June it was laying off 200 employees. The Times-Picayune was one of the nation's oldest daily newspapers. It will begin publishing three days a week Monday. The Advocate hopes to grow its print audience by 20,000 in the New Orleans area. Currently, they sell about 400 papers a day there. *[EdNote: Well, hell. Why try to compete? Why not just sit around and whine about the Valassis NSA like all your other print brethren?]*


 [BBC](#): Builders working at Birmingham New Street station found old and dusty letters dating back to 1989 when they removed the box last week. The box had been in full view of thousands of people everyday for the past 20 years. Royal Mail said they are now going to try their best to deliver all the post to its rightful recipients. One postal worker said: "We didn't know it was there, to be honest. "It was unbelievable to find the thing stuffed with old letters." Inside the postbox were letters meant for Australia and America. A railway spokesperson said; "We couldn't believe it would be missed by anyone."


 [The Register Citizen](#): Despite misconceptions that small post offices in small towns are fading away, the truth is that these post offices remain strong as the United States Postal Service has developed solutions to keep the nation's most trusted government agency afloat in the poor economy. Because of the financial crisis, 3,500 post offices across the country were considered for closure last year with 13,000 now being looked at to reduce hours. Washington D.C. sent out surveys to the 3,500 post offices and they discovered from feedback that people are passionate about small post offices, according to Christine Dugas, U.S. Postal Service spokesperson. One solution to preserving small post offices is the idea to reduce the number of hours they are open for. Surveys are being sent to


residents near the 13,000 post offices, and a public meeting will discuss the feedback and determine the window of open hours the post offices will have in the future. The Postal Service is also looking to offer village post offices which would eliminate town post offices and allow postal products to be made available at public places such as grocery stores, libraries and others.


 [Post & Parcel](#): Brazil Post said operations are getting back to normal today, after the national labour court ordered an end to strike action. After a three-hour trial yesterday, the Superior Labour Court (TST) brought an end to conflict over a new collective bargaining agreement that has been running since negotiations began in July. The order set the terms of a new deal based on a 6.5% wage increase, along with various benefits for the 120,000 workers of Brazil Post, which will be put into effect retrospectively to August 1, 2012. The court in Brasilia said Brazil Post could afford to up its 5.2% offer a little more considering the BRL 800m (\$394m USD) profit it made last year. Workers were given until midnight tonight (28th September) to bring their industrial action to a halt and return to work, otherwise unions face a BRL 20,000 (\$10,000 USD) per day fine.


 [Washington Post](#): The U.S. Postal Service, on the brink of default on a second multibillion-dollar payment it can't afford to pay, is sounding a new cautionary note that having squeezed out all the cost savings within its power, the mail agency's viability now lies almost entirely with Congress. In an interview, Postmaster General Patrick Donahoe said the mail agency will be forced to miss the \$5.6 billion payment due to the Treasury on Sunday, its second default in as many months. Congress has left Washington until after the November elections, without approving a postal fix.

 [Transport Intelligence](#): PostNL has announced the acquisition of the courier company Valid Express. The company stated the transaction broadens its product range for customers who need same day delivery and provides PostNL with an extended nationwide courier network. Valid Express, founded in 1999 by Nicolette Mak, provides chronically ill and physically disabled people with a full and equal job, helping and keeping them out of the benefits environment. This view fits seamlessly into PostNL's corporate responsible profile. Valid Express now employs sixty people, with branches in Amsterdam, The Hague/ Rotterdam and Utrecht.

 [Wall Street Journal](#): The Senate this year passed legislation aimed at fixing the Postal Service's finances, but the House didn't take up a proposed bill before going on recess until after the November elections. Rep. Darrell Issa (R., Calif.), chairman of the Oversight and Government Reform Committee, is still planning to press for House votes in the lame-duck session of Congress later this year. Mr. Issa wants to give the Postal Service the "cost-cutting tools it needs to bring expenses in line with declining revenue and ensure its long-term solvency," committee spokesman Ali Ahmad said. Sen. Tom Carper (D., Del.), one of the authors of the Senate bill, criticized House Republicans for not advancing the legislation sooner.

 [WWNY](#): The U.S. Postal Service is backing off a plan to close north country post offices, but will cut hours of operation at some rural post offices to save money. Postal officials are currently surveying affected customers. The options for a plan under consideration are: allowing customers in rural communities to choose whether their post office will remain open with shorter hours, discontinue service for box holders who would receive mail at another post office, eliminate the post office window service with roadside mailbox delivery or operate a village post office through a private business or company. Postal service officials say no decision will be made without a community meeting and public hearing.

 [The Guardian](#): Bureau of Public Enterprises (BPE) has canvassed the speedy passage of the postal reform bill, as a foil against yearly N2.2 billion operational losses currently being incurred by the Nigerian Postal Service (NIPOST). Besides, BPE has called for the establishment of a Universal Postal Sector Fund, which would be funded by a levy on all postal operators and the Federal Government, to serve as compensation to NIPOST for the cost of providing commercially unviable universal service.

 [New York Times](#): Republicans in the House, who never stop calling for government to be run like a business, failed to act, thereby denying the Postal Service innovations that would allow it to be run like, yes, a modern delivery business. As they punted the issue toward the next Congress, certain Republicans complained that they needed greater motivation than the service's well-documented losses running more than \$5 billion a quarter. They

want an absolute "drop-dead" date of when the system will finally be too broke to pay bills. This, of course, assumes that the same people who concocted budgeting by sequester and the fiscal cliff can actually meet a crisis deadline. Creative compromise has not been the hallmark of House Republicans. Perhaps they'll act next year — or whenever that drop-dead day actually arrives.



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

- The Postal Regulatory Commission (PRC) has terminated the Postal Service's motion to stay in the 2010 Annual Compliance Determination (ACD). It directed the Postal Service to provide information on the specific remedy for the cost coverage issues for Standard Mail flats in the next Annual Compliance Report (ACR), as well as information on the general remedial actions it describes in the 2010 ACD.
- The Postal Service published its unaudited August results with the Postal Regulatory Commission. USPS lost \$956 million in August 2012. The Postal Service's controllable operating loss for the month was \$317 million. The total loss was due to the Postal Service Retiree Health Benefit Fund prepayment of \$467 million and a workers compensation adjustment of a \$158 million. Shipping Services volume grew 55 percent, while revenue grew 22 percent over the same period last year. Year-to-date, the Shipping Service volume and revenue are up 56 percent and 22 percent respectively over the same period last year.
- For the second time in two months, the U.S. Postal Service will not make a mandated payment to prefund retiree health benefits. Absent legislative action, the Postal Service is unable to make a scheduled \$5.6 billion payment to the U.S. Treasury on Sept. 30. As was the case with the default of a similar \$5.5 billion payment due August 1, customers can be confident in the continued regular operations of the Postal Service.
- New York Magazine tries Manhattan hand-delivery to counter postal cutbacks. Time to socialize social media. Going paperless doesn't mean going green, The New York Times proves. Carper urges curbs on PRC travel. USPS recycling policies hypocritical says one big-time shipper. USPS moves forward with new pallet prep for Periodicals. Private solutions to postal concerns. Postal Service worker embezzled travel funds.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

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





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


**September 27, 2012**


**Aberdeen Group:** In a recent retail logistics survey, 49% of retail and consumer markets companies are utilizing direct delivery methods (either direct-to-store or direct-to consumer). The rise of direct delivery models is in response to the overwhelming pressure for retail organizations to increase their supply chain speed and responsiveness. In fact, in the same survey, the top pressure (67%) driving strategy decisions was the need to improve supply chain velocity. Supply chain velocity is a critical matter for the fast-moving consumer markets supply chains.


**PRNewswire:** With more than 25 million ballots expected to be mailed this fall, the U.S. Postal Service is encouraging voters to mail early this election season.


 [PRNewswire](#): Today, YMCA of the USA (Y-USA), the national resource office for the 2,700 YMCAs in the United States, announces the hiring of Neal Denton as Sr. Vice President, Chief Government Affairs Officer, effective Oct. 15. For the past four years, Denton has served as Sr. Vice President, Government Relations and Strategic Partnerships for the American National Red Cross. Prior to the Red Cross, he spent 20 years at the Alliance of Nonprofit Mailers, serving as Executive Director from 1993 to 2006.

 [The New American](#): With the announcement that the U.S. Postal Service will be unable to make a \$5.6 billion payment to its employees' health benefit plan due on September 30th, calls for privatization of the archaic service are mounting.

 [Engadget](#): Mobile payment is still a bit of a wild west at the moment, and seemingly every technological and financial institution has a dog in this fight. Bank of America's not going to just sit idly by and watch it all unfold. The US's second largest bank has flirted with NFC in the past and is currently doing trials with QR scanning in Charlotte, North Carolina, where it's based. At present, five sellers in the area are taking part in the pilot program, with bank employees given access to the technology. The three-month trial is the result of a partnership with mobile payment company Paydiant, is compatible with Android handsets and iPhones, no NFC needed, naturally.

 [Jacksonville Daily News](#): The question is: Should all U.S. Postal Service customers support a full-service post office in small towns and rural areas? Actually, the real question should be: Why is the government in the mail business in the first place? In this age of advanced communication and transportation, the private sector could easily handle the job of delivering mail, just like it already does with packages and next-day deliveries. We would argue that having a post office in a small town is now a convenience that cannot be justified. The USPS recently reported a quarterly loss of \$5.2 billion. The Postal Service is losing \$57 million per day. At some point — and we're way past it — it's no longer a matter of what is convenient but what is affordable. There is simply no way around the fact that post office branches in urban center are more economically efficient because they are serving a larger number of people. The good news: If there is a need for some of the services the post office provides, such as PO boxes, etc., the private sector can fill that void. Then, rural residents will have a choice — drive further for postal services, or use a private provider. As with everything, there is a price to pay for the choices we make.


 [CNET](#): A new study shows that the majority of smartphone owners don't remember the ads that appear on their devices, and if they do, they're not inclined to buy the product. [*EdNote: Make it memorable. Put it in the mail.*]


 [The Independent](#): Regulators today gave the go-ahead for Royal Mail to press ahead with a scheme to deliver post to neighbours if people are not at home.





Smithsonian  
National Postal Museum


[WUSA](#): The Smithsonian's National Postal Museum announced that it has launched a new digital memory book, "People and the Post" ([www.memorybook.si.edu](http://www.memorybook.si.edu)) where former and current U.S. Postal Service employees can share their stories, and supplement them with text, video, audio and photos.


 [Washington Post](#): If it's September, it must be time for the next installment in the wail of woe from the U.S. Postal Service. Given the regularity with which USPS bemoans its desperate financial condition, Postmaster General Patrick R. Donahoe runs the risk of being considered the boy who cried wolf. That would be a mistake. Because we continue to get mail delivered daily, it's easy to discount the Postal Service's continuing pleas for relief. But the wails and the woe are real. So is the wolf.


 [Bloomberg Businessweek](#): A Belgian pilots' group is examining whether United Parcel Service Inc.'s bid for TNT Express NV will cost European pilots' jobs, *Le Soir* reported. U.S. pilots for UPS and its smaller rival FedEx Corp. (FDX) may fly parcels within Europe, a right not extended to European pilots in the U.S., according to a statement from the Belgian Cockpit Association cited by *Le Soir*. Any dismissal of European pilots and replacement by U.S. pilots, who aren't required to pay European tax and social security, would create a social drama and reduce tax revenue for European governments, the group said.


 [Wall Street Journal](#): American Greetings Corp. said two executives want to take private the card maker their family controls in a deal that values the company at \$581 million. Chief Executive Zev Weiss and Chief Operating Officer Jeffrey Weiss offered to buy all shares outstanding of American Greetings that they and some of their family members don't already own for \$17.18 each, according to a letter to the company's board. The greeting-card and gift-packaging sector is intensely competitive, with the rise of Internet greetings widening distribution channels and the number of competitors in the space. Traditional players are extremely concentrated, with just closely held Hallmark Cards Inc. and American Greetings dominating a market. The emergence of e-card companies like the sardonic Someecards.com and more elegant Paperlesspost.com allow card senders to create personalized online cards and invitations at little to no cost, making an appealing alternative to younger customers.

 [KTVQ](#): The U.S. Postal Service has announced that they will close their mail processing center in Kalispell and move the sorting operations to Missoula.


 [Press Release](#): For the second time in two months, the U.S. Postal Service will not make a mandated payment to prefund retiree health benefits. Absent legislative action, the Postal Service is unable to make a scheduled \$5.6 billion payment to the U.S. Treasury on Sept. 30. As was the case with the default of a similar \$5.5 billion payment due August 1, customers can be confident in the continued regular operations of the Postal Service. We will continue to deliver the mail and pay our employees and suppliers. Postal Service retirees and employees will also continue to receive their health benefits. The health care for current retirees is paid from the Postal Service's general operating budget and is not affected by the Postal Service's inability to make the accelerated payments mandated by Congress as part of a 2006 law.


 [Postalnews Blog](#): Ellis Burgoyne will resume his duties as the Postal Service's Chief Information Officer (CIO) beginning Oct. 1. With Burgoyne's return, Joe Corbett, who served as acting CIO, will return to his position as Chief Financial Officer (CFO). Steve Masse, who served as the acting CFO, will resume his duties as VP, Finance and Planning, and Cynthia Sanchez-Hernandez, who temporarily assumed Masse's duties, returns to her job as manager, Finance and Planning.

 [Washington Examiner](#): A former U.S. Postal Service executive pleaded guilty Wednesday to embezzling more than \$17,000 for travel, U.S. Attorney Ronald Machen announced. David Kosturko, 57, would book multiple plane tickets for business trips -- some more expensive than others -- and travel using the inexpensive ticket. Kosturko would then request reimbursement from the Postal Service for the more expensive flight, leaving surplus money on his government-issued credit and debit travel card. He would also request to be reimbursed multiple times for hotel charges, according to court statements. On 35 occasions from 2007 to 2011, Kosturko overcharged the Postal Service a total of \$17,000, which he spent at restaurants and nightclubs and on home improvement expenses, according to the U.S. Attorney's Office. The charges against Kosturko carry a maximum five-year prison sentence, but the resident of Amissville, Va., likely faces a sentence of up to six months under federal guidelines.

 [Post & Parcel](#): The US Postal Service has lost more than \$14bn so far in its current fiscal year – with a month still to go in its current reporting period. The latest unaudited financial results for USPS, filed with regulators today, show that after losing \$956m in August, for the 11 months of the current fiscal year the Postal Service recorded a \$14.3bn loss. The USPS business plan for the current year had forecast a \$14bn loss for the whole 12 months.

*September 26, 2012*

 [Memphis Business Journal](#): Improvements to FedEx Freight Priority service transit standards has landed the less-than-truckload shipper at the top of its class, according to a company press release. FedEx said Tuesday that a market study it commissioned concluded FedEx Freight Priority has the fastest published transit times of any nationwide LTL service.

 [Law360](#): The U.S. Postal Service on Tuesday asked a Colorado federal judge to throw out a class action that claims it violates antitrust law by forcing contracted post offices to buy mailing labels from a designated vendor, arguing that it is not subject to competition laws. The postal service can only be sued for antitrust violations in areas




where it offers a product that competes with private sellers like FedEx Corp. and United Parcel Service Inc., its lawyers said in a brief.


 *At the Postal Regulatory Commission:*


- USPS Preliminary Financial Information (unaudited), August, 2012  
<http://www.prc.gov/docs/85/85225/2012%209%2025%20August%20FY2012%20Financial%20Summary%20to%20the%20Govs.pdf>
- National Trial Balance, August 2012 (FY 2012); and Statement of Revenue and Expenses, August, 2012 (FY 2012)  
[http://www.prc.gov/docs/85/85223/Letter\\_NTB-SRE\\_Aug2012\\_20120925160628.pdf](http://www.prc.gov/docs/85/85223/Letter_NTB-SRE_Aug2012_20120925160628.pdf)  
[http://www.prc.gov/docs/85/85223/National%20Trial%20Balance%20-%20Redacted%20August%202012%20\(FY%202012\).xls](http://www.prc.gov/docs/85/85223/National%20Trial%20Balance%20-%20Redacted%20August%202012%20(FY%202012).xls)  
[http://www.prc.gov/docs/85/85223/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted%20August%202012%20\(FY%202012\).xls](http://www.prc.gov/docs/85/85223/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted%20August%202012%20(FY%202012).xls)


**PostalVision 2020**


*So, you never made it to PostalVision 2020 Part 2. Don't fret. Videos of each of the sessions have been posted on the [PostalVision 2020 website](#).*


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


 The Czech post faces allegations of embezzlement. For the operation of its e-service portal for the digital communication between authorities and citizens or companies, Ceska Posta received annual payments of around 28m euros since 2009. However, an investigation by the responsible interior ministry now revealed that the post paid its partner in this contract - telecommunications group Telefónica which operates the portal - only around 20m euros. It is still unclear what happened with the remaining funds.


 French La Poste considers to expand its co-operation with the Parisian public transport operator RATP. Since autumn 2009 the ticket clerks at the metro station Simplon also offer postal services.


 Magyar Posta's plans to expand into the telecommunications sector have been stopped for now. According to a recent ruling by the county court of Budapest the bidding process for the fourth mobile network licence in the country contained formal errors and was thus null and void.


 Swiss Post plans to increase its prices for the distribution of newspapers and magazines.


 The Italian post is working to further increase its influence in the Mediterranean region. During a visit of the Moroccan minister for public administration and modernisation, Abdeladim El Guerrouj, in Rome both sides negotiated about deepening their ties. Poste Italiane is to provide support for the modernisation operations and further education of Poste Maroc's staff by distance learning. Poste Italiane was a 'technology partner for many countries in the Mediterranean region - bilateral as well as in the context of international organisations', CEO Massimo Sarmi commented on the meeting.

 China's express and postal services continued to record high growth rates.

 Almost 1% of Germany's total retail sales volume is generated by Amazon.

 The new Hungarian postal law is currently under discussion. On Friday, the government proposed the bill to the parliament. According to the draft, Magyar Posta will be obliged to provide the universal service until 2020. To finance the nationwide delivery all competitors will have to pay a share of their revenues into a fund, which is to compensate all losses from the provision of the universal service. All member states of the European Union have to liberalise their postal markets completely until January 1 2013 at the latest.


 Expensive cross-border postage rates and high customs duties are still enabling clever German retailers near the Swiss border to run a lucrative business.


 Deutsche Post is currently testing mail boxes for parcels. The goal was to achieve a 100% quota of successful first delivery attempts at single-family and duplex houses, said member of the board Jürgen Gerdes in an interview with daily news »Tagesspiegel« (24.09). In the future


customers will also be able to ship their parcels via these boxes. 'The customer has a key and the deliverer, too', Gerdes said. The concept is currently being tested with around 100 boxes near Bonn.





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.)*


 [Wall Street Journal](#): Chief executives are under pressure these days to appear accessible and "authentic," but social media—with its demands for quick, unscripted updates that can quickly go viral—poses risks for top managers and the companies they represent, in the form of lawsuits, leaked trade secrets or angered customers. Many corporate leaders say they are too busy running a company to spend time posting 140-character messages to Twitter, or retweeting posts from followers. What's more, for some companies, the business case for using the site can seem unclear, with no direct correlation between Twitter followers and sales.


 [Wall Street Journal](#): More than half of all U.S. cellphone owners carry a device like the iPhone, a shift that has unsettled household budgets across the country. Government data show people have spent more on phone bills over the past four years, even as they have dialed back on dining out, clothes and entertainment—cutbacks that have been keenly felt in the restaurant, apparel and film industries. The tug of war is only going to get more intense. Wireless carriers are betting they can pull bills even higher by offering faster speeds on expensive new networks and new usage-based data plans. The effort will test the limits of consumer spending as the draw of new technology competes with cellphone owners' more rudimentary needs and desires. So far, telecom is winning. *[EdNote: Now when was the last time you worried about spending more on postage than you did on food? Maybe, as a nation, we're taking this "gotta have telecon" thing a bit too far.]*


 [KCAU](#): Because Postal Service workloads are getting smaller and smaller in rural communities, the United States Postal Service is being forced to make some changes. One being, cutting down the hours of operation of small town post offices across the nation. Within the next two years, the U.S. Postal Service will require over 13,000 post offices nationwide to cut their business hours down from 8 to either 2,4, or 6 hours. The change is projected to save the U.S. Postal Service at least \$0.5 billion dollars after the change is complete in 2014. The U.S. Postal Service is making sure though that all folks get a say in how they would like to see their post office's hours change. Over the next two years, surveys will be mailed out asking for your preference of hours or even if you would like to keep your post office open. Once they are collected, results will be discussed at scheduled community meetings.


 [Bloomberg](#): United Parcel Service Inc. (UPS) raised \$1.75 billion in a three-part offering to refinance maturing debt, the company's first bond sale in almost two years. The world's largest package-delivery company sold \$375 million of 1.125 percent, five-year securities that yield 50 basis points more than similar-maturity Treasuries, \$1 billion of 2.45 percent, 10-year bonds with a 75 basis-point spread and \$375 million of 3.625 percent, 30-year debt with a spread of 80, data compiled by Bloomberg show. Proceeds will be used to repay its 4.5 percent notes due in January and for general corporate purposes, Atlanta-based UPS said today in a regulatory filing.


 [Caspionet](#): As part of the «People's IPO» state-run programme the Almaty branch of the Kazpost has accepted about 1 thousand applications for the purchase of shares of the company. Kazakhstan residents are opening accounts in advance in order to avoid commotion when securities appear in the market.


 [CNEWS](#): The federal privacy watchdog is calling it a "shocking" breach of the online privacy of Canadians by some of this country's top brands. On Tuesday, privacy commissioner Jennifer Stoddart released the details of a recent probe into how leading businesses have been using - and possibly abusing - the personal data of the registered users of their websites.


 [Huffington Post](#): The changes in communication brought about by the advent of these companies cannot be denied, but just because an idea originated in the private sector does not mean it should exclusively belong to the private sector. After all, firefighting started out as a commercial enterprise. If electronic communication is recognized as a public good, and I have yet to hear a convincing argument as to why it isn't, then the institutions that facilitate it should be public trusts. And while the idea of "government-run" social media may sound off-putting, citizens in this country would actually have greater privacy, security, and freedom of expression under public institutions than under private ones. Witness: the policies of Facebook and Twitter vs. those of the Post Office.


 [Reuters](#): Fitch Ratings has assigned FSUE Post of Russia (PR) a Long-term foreign and local currency rating of 'BBB', a Short-term foreign currency rating of 'F3' and a National Long-term rating of 'AAA(rus). The Outlooks for the Long-term ratings are Stable. The rating action also affects the company's outstanding domestic bonds (RUB7bn). PR's ratings reflect its strong legal, strategic and operational links with the Russian state, its role of national postal operator and the strategic importance of its widespread network of 42,000 postal offices for pensions payments and potential distribution of e-government services. Close ties with the state is a key rating factor, implying in Fitch's view a high likelihood of support if needed. Fitch used its public sector entities rating criteria and applies a top-down approach in its analysis of PR.


 [PanARMENIAN Net](#): A memorandum was signed Tuesday, Sept 25, in Moscow between HayPost and Russian Post, concerning the intention of the two postal operators to make express money transfers via "Forsage" system. According to the memorandum, HayPost gets an exclusive right of "Forsage" system transfers throughout the Republic of Armenia. It means that express money transfers can be carried out from each of the 40,000 post offices of the Russian Post to each of the 900 post offices of HayPost and vice-versa.

 [WTSP](#): It's an agency that encourages you to recycle on virtually every product it produces, yet the United States Postal Service (USPS) doesn't exactly make it easy for some customers to practice what it preaches. The 10 News Investigators found the USPS will open, inspect, and sometimes reject packages it suspects may be shipped in recycled Priority or Express Mail packages. Tampa's Jim Rojas owns an eBay "middleman" company. Every day, he inspects dozens of Priority Mail deliveries. He then re-packages them and re-ships them internationally. Rojas, who admits he's "no tree-hugger," said he still tries to recycle boxes as much as he can, but emailed the 10 News Investigators at tips@wtsp.com when the USPS kept refusing his recycled boxes.


 [Advertising Age](#): New York magazine is trying to remedy rising postal costs and slower postal deliveries by distributing many subscriber copies by hand -- at least for Manhattan subscribers with doormen. After a test than began in May, sparked by concerns that post-office cutbacks would only continue to worsen, New York is now rolling out hand delivery to doorman buildings and commercial addresses in Manhattan. "Hand delivery means you'll get New York on Monday mornings -- earlier than is possible by U.S. Mail," New York explained in a letter to some subscribers. The cost is competitive with the post office or cheaper, a New York spokeswoman said in an email. "It also gives us experience in this arena, in preparation for future USPS changes that may be more onerous." Once the rollout is complete, New York will be hand-delivering nearly 60,000 subscriber and complimentary copies to Manhattan addresses, the spokeswoman said, calling that about 60% of the magazine's file in Manhattan. Another weekly, Bloomberg Businessweek, has been using newspaper carriers to deliver many subscriber copies in major urban markets. *[EdNote: Postal Service! Are ya listenin'??]*


 [Transport Intelligence](#): DHL Express has announced its annual general price increase for 2013. The adjustment will be effective from January 1, 2013 and will amount to approximately 5% on average globally.


 [Gulf Times](#): Along with exploring further scope for diversification of their existing products and services, postal corporations across the world should also make more efforts to increase the volume of parcels and packets handled, particularly at a time when there has been a steep fall in the number of mails at post offices, feel senior postal officials from Great Britain and Australia. Speaking to Gulf Times on the sidelines of the 25th World Postal Congress yesterday, officials from Australia Post and the Royal Mail said there is still room for hope in improving the performance of the postal sector at the global level through diversification.


 [WTVR](#): "Warning that postal service Armageddon looms"


*September 25, 2012*


 [Post & Parcel](#): Vlaamse Post (Flemish Post) is one of the first new entrants in the Belgian postal market since it fully liberalized in January 2011, formed by publishing industry executives to mount a challenge to market incumbents they believe are no longer providing a sufficient service for direct marketers and publishers.


 [Post & Parcel](#): One of the tasks for delegates at the 25th Congress of the Universal Postal Union, which began in Doha, Qatar, yesterday, will be to choose a new leadership team for the UPU's International Bureau. After eight years in charge, UPU director general Edouard Dayan and deputy director general Guozhong Huang have reached their term limit. Kenya and Uruguay are vying to provide the UPU's next director general, with the African nation nominating Ambassador Bishar Hussein and Uruguay putting forward Dr Serrana Bassini Casco. The election to decide between the two candidates for director-general, along with deputy general, will be held in Doha on 10th October.


 [Marketwire](#): Zumbox, the world's first digital postal system, is powering the Digital Postal Mail (DPM) offering for the City of Gallup, New Mexico. Through a partnership with DataPrint LLC, and Zumbox, over 21,000 residents of the city have access to a paperless alternative for receiving bills and statements.


 [GoErie](#): Everyone heading to Philadelphia International Airport sees the signs for Cargo City. From I-95, drivers have choices: arriving flights, departing flights, and Cargo City. What is Cargo City -- a real city with a mayor, and its own zip code? Nah. It is to freight what Terminals A to F are to 31 million annual air travelers in Philadelphia. Big-rig trucks haul U.S. mail and parcels 24/7 to and from Cargo City. The U.S. Postal Service said it ships 200,000 pounds of mail every day in and out of Cargo City. FedEx Corp. handles the bulk of overnight "express" U.S. Postal mail in this region, headed to all 50 states.

 [The Baltic Course](#): Lithuania Post is strengthening its positions in delivery market and renews couriers' activities. From this day on, Lithuania Post's couriers will have a new name – LP EXPRESS, Lithuanian Transport Ministry's press service said in a statement.


 [Softpedia](#): FireEye experts have analyzed the trends and they determined that many of the new spam emails are able to avoid being blocked by signature- and reputation-based defense mechanisms. Furthermore, they have identified an interesting trend in the words that are being utilized in the names of malicious files. According to the report called "Top Words Used in Spear Phishing Attacks to Successfully Compromise Enterprise Networks and Steal Data," in the second half of 2011, the most common word used in such cybercriminal campaigns was "label." Other words that stand out of the bunch are "delivery", "express", "2012", "shipment", "ups", "international", "parcel", "post", "confirmation", "alert", "usps", "report", "jan2012", "april", "identification", "ticket" and "shipping." This clearly shows that most of the malicious files that come via spam emails are somehow related to shipping. While this may not seem new, the figures from the report reveal that names related to this topic have grown from 19.20% to 26.35%.


 [Times of Zambia](#): The Zambia Postal Services Corporation (Zampost) and Professional Insurance Company have entered a one-year renewable contract which will see post offices through out the country start selling vehicle insurance policies to motorists.


 [AMEInfo](#): The RTA Licensing Agency has announced a partnership with the Electronic Documents Centre (EDC), part of Emirates Post, to provide postal services to Licensing Agency clients. Starting next month the RTA will send clients a Vehicle Registration Renewal Notice by post when their registration needs renewal. Later in 2012 Driver License Renewal Notices will be sent by post for license renewal. The RTA package will include other government and community information and paid advertising.

 [Dead Tree Edition](#): Perhaps we can finally say goodbye to those simplistic "Go green, go paperless" promotional campaigns. There's nothing particularly green about the massive data centers that store the internet's data, The New


York Times revealed this past weekend after in-depth investigation. Data centers waste electricity and spew pollutants in a way that "is sharply at odds with its [the information industry's] image of sleek efficiency and environmental friendliness," the lengthy but clearly written "Power, Pollution, and the Internet" says. "The industry has long argued that computerizing business transactions and everyday tasks like banking and reading library books has the net effect of saving energy and resources." But data centers use more electricity than the paper industry, according to the The Times.


 **Bernama:** The postal sector in Asia has shifted its focus to e-commerce from traditional mail to keep up with the rapid changes that digital technology is bringing to the world, POS Malaysia Group Chief Operating Officer (COO) Shukrie Salleh said here Monday. In an interviews with Qatar News Agency (QNA) he said that Asia was now focusing on e-commerce business in a big way. However, the postal sector in this region is now delivering parcels and as such he did not think that this could be replaced by digital form, he said after the opening plenary session of the three-week 25th Universal Postal Congress at the Qatar National Convention Centre, here. Stressing on the need to innovate, Shukrie said, "Although postal services in Asia are still profitable, we have to take into consideration that users dependence on conventional mail is reducing so it is imperative that we diversify the business." "Looking into the future of e-commerce in mail service, we have to be prepared to face any new development or changes," he said, adding that many postal services are looking forward to integrating "physical and digital postal services." "We are currently building the infrastructure of this idea. Eventually, when the e-commerce expands we have to ensure we too are growing with it."


 **Media Daily News:** Last week, Interpublic Group CEO Michael Roth, speaking at the Goldman Sachs media conference in New York joked that it takes the U.S. Postal Service five years to conduct agency reviews—or about the length of the contract term that winning agencies receive. At least two of IPG's better known agencies, Campbell Ewald (CE) and Draftfcb, have U.S.P.S. assignments, including creative and retail respectively. A U.S.P.S. rep has confirmed that the Postal Service has scuttled an advertising and marketing RFP review process that began in March of 2011 and that will begin anew. The Postal Service spent nearly \$100 million on ads in 2011 according to Kantar Media.

 **Gulf Times:** The ongoing global economic slowdown has provided the postal sector an adequate opportunity to show its mettle across the world, said outgoing Director General of the Universal Postal Union (UPU) Edouard Dayan at the opening plenary of the World Postal Congress yesterday at the Qatar National Convention Center.

*September 24, 2012*

 **Post & Parcel:** The Universal Postal Union officially began its 25th Congress today, with more than 2,200 delegates expected to convene in Doha, Qatar, over the next month. The UN-affiliated agency representing the postal administrations of 192 countries around the world is gathering to discuss the major issues of the current postal market and put together a new roadmap for the sector for 2013 to 2016. New technologies and the rapid transformation of the postal industry are key issues for discussion at the Congress, which runs until 15th October.

 **Haiti Libre:** Modesto Guzmán, Director of the "Instituto Postal Dominicano" (INPOSDOM) announced that INPOSDOM and the Post Office of Haiti (OPH) have signed an agreement, for the delivery of parcels, documents and money through money orders bilateral.


 **Federal Times:** Some seven months after inquiring about overseas travel by Postal Regulatory Commission Chairman Ruth Goldway, Sen. Tom Carper is pressing some recommended changes for the commission as a whole. So far, it's not clear whether the five-member oversight panel will go along. In a Sept. 6 letter to Goldway, Carper questioned "the amount of time and resources devoted to international travel in recent years, particularly as the commission has struggled at times to fulfill its higher-priority statutory responsibilities in a timely manner." He urged the PRC to limit such trips to what is "truly necessary" to fulfill its legal role in setting international postal policy. He also pressed the PRC to do more to document that it has explored other options—such as phone, fax and email—to conduct business before putting someone on a plane. Carper, D-Del., chairs the Senate subcommittee that oversees the commission and the U.S. Postal Service. In a Sept. 11 reply, Goldway said she appreciated the "thoughtful review" and accompanying recommendations, but committed only to giving "serious consideration to


those recommendations, which are in the spirit of improvements we have already made to our policies." She added that the commission has come in "more than 30 percent" under its 2012 travel budget. A PRC spokeswoman confirmed Friday that Goldway and two commission staff members are attending the Universal Postal Union's quadrennial Congress, which gets under way today in Doha, Qatar, according to an official web site. Goldway is serving as deputy head of the U.S. delegation, the spokeswoman, Gail Adams, said.




The U.S. Postal Service Office of Inspector General invites you to comment on this week's "Pushing the Envelope" blog topic: **Diagnostic Tools Drive Service Improvements**. Recently, the U.S. Postal Service reported third quarter delivery service performance results reached an "all-time record" high across all mail categories. This despite the consolidation of 46 facilities, which some mailers feared would affect service. What has been your experience with service over the past few months? Share your thoughts on this week's blog. This week we opened the following new projects:


- [Intelligent Mail Barcode Mailing Data Availability and Analysis – 12BG034FF000](#). In January 2003, the U.S. Postal Service established the Intelligent Mail and Address Quality organization to develop the Intelligent Mail program and its related Intelligent Mail barcodes (IMb). The IMb is designed to replace both the postnet barcode and the planet code and expand the data fields available for information. IMbs are not human readable and must be read using an algorithm. The IMb on a mailpiece identifies: the presort level (price) for the piece; the mail class and any ancillary services; the mailer; a mailpiece ID (unique for at least 45 days for Full Service); and the delivery routing information. IMbs are also used for letter trays, flats tub, on pallets, and other mail containers. What are the strengths and weaknesses of the IMb? Are there uses for IMb data that have not been exploited by the Postal Service or customers yet?
- [Management of Detail Assignments – 12BG033FF000](#). We are initiating an audit project reviewing the Management of Detail Assignments in the Postal Service. Our objective is to determine whether filling vacancies with employees on an extended detail (temporary) assignment in a travel status is an efficient and effective use of resources. According to an OIG audit report issued in March 2008, over 23,000 employees were working in detail assignments. What are your thoughts about detail assignments both pro and con?


 **Transport Intelligence:** The Supervisory Board of TNT Express has announced that Marie-Christine Lombard, CEO of TNT Express, has tendered her resignation, which was accepted by the Supervisory Board, to pursue an external career opportunity. She will leave the company by the end of September. The Supervisory Board has asked the current CFO, Bernard Bot, to take over as interim CEO. Mary Harris, member of the Supervisory Board, will be available to offer advice and support to Bernard and the rest of the management team.

 **Gulf Times:** The existing 'digital divide' in the postal sector at the global level is expected to be reduced from the current levels to the bare minimum and the less developed countries stand to gain significantly from the projects to be implemented in the next four years by the Universal Postal Union (UPU), said the organisation's Director General Edouard Dayan. Informing this yesterday, the top UPU official, whose tenure ends in a fortnight from now, said the deliberations to be held at the forum's Congress in Doha starting today would possibly see a number of reforms that would accelerate the activities in the postal sector in several countries, mainly in underdeveloped regions across the world.


*September 23, 2012*


 **New York Times:** Stupendous amounts of data are set in motion each day...[but] a yearlong examination by The New York Times has revealed that this foundation of the information industry is sharply at odds with its image of sleek efficiency and environmental friendliness. Most data centers, by design, consume vast amounts of energy in an incongruously wasteful manner, interviews and documents show. Online companies typically run their facilities at maximum capacity around the clock, whatever the demand. As a result, data centers can waste 90 percent or more of the electricity they pull off the grid, The Times found. *[EdNote: And to think about what they say about ink on paper.]*


 [Times of India](#): M Vijay Shankar, 25, is a B. Tech graduate who worked as an application engineer until two years ago in the technology cell of a company that serviced ultrasound machines. He used to demonstrate the working of the devices and the procedure to handle them, working six days a week. Last year, he cleared the postal department's exam and is currently a postal assistant with his workday revolving around administrative routines like collating revenue collections and getting signatures on documents. Boring? Not really, as Shankar says he has job security, a five-day week, not much pressure and a good pay package, something elusive for many engineering grads these days.


 [Dallas Morning News](#): The U.S. Postal Service needs a major restructuring, something akin to the painful makeover at American Airlines. The big difference is that the plan hinges on the approval of Congress, not a bankruptcy judge, and you know what happens to change in Washington.


*September 22, 2012*


 [Wall Street Journal](#): Almost every state in the U.S. has made cuts to its public-employee pensions, seeking to dig out from the economic downturn, but so far the measures have fallen well short of bridging a nearly \$1 trillion funding gap. Since 2009, 45 states have rolled back pension benefits for teachers, police, firefighters and other public workers, including cuts by Michigan and California this month. The state measures show how economic forces are reshaping traditional rivalries, convincing lawmakers and labor leaders that past public pension plans are unsustainable. But the new laws have trimmed just \$100 billion out of the \$900 billion gap between what the states and their workers put into their retirement plans and what the states owe in retirement benefits. Unfunded liabilities in many states grew to troubling levels after investment losses in the 2008 financial crisis depleted pension assets.


 [Wall Street Journal](#): Americans in general are remaining with the same employers longer, but government workers stay in the same position nearly double the time of their private-sector counterparts. Public workers have been with the government for a median of 7.8 years as of January 2012, longer than any private industry tracked by the Labor Department. The median number of years with the same company is 4.2 for private employees. Tenure varied across different levels of government. Federal employees, which include jobs such as postal workers, have been on the job for a median of 9.5 years.


 [Wall Street Journal](#): United Parcel Services Inc.'s proposed \$6.77 billion acquisition of Dutch package delivery company TNT Express appears set to attract formal objections from European antitrust regulators, further delaying any deal, said people familiar with the negotiations. The commission opened an in-depth probe in July that has dragged on as the regulator sought and reviewed more detailed information about the European industry. Any objections would require the companies to offer remedies that address the legal concerns. Joaquin Almunia, the EC's commissioner for competition, raised the prospect of formal objections on Friday. "If we see reasons to adopt a statement of objections in phase two...we will do it. But we have not yet adopted such a decision," he said.


 [Business First](#): United Parcel Service Inc. plans to hire 1,000 seasonal employees in the Louisville area, beginning next week and continuing through the first week of December. The extra hands are being brought on board to help with the heightened package volume expected during the holiday season. The seasonal jobs start at \$8.50 an hour and range up to \$23 an hour and include a variety of shifts, according to a news release from Atlanta-based UPS. The jobs available include package handlers, ramp operators, driver helpers and tractor-trailer drivers.


 [Northwest Indiana Times](#): The U.S. Postal Inspection Service has issued a Crime Alert regarding bogus emails sent to postal customers. According to the agency, some postal customers have received email messages claiming to be from the U.S. Postal Service and referencing a package delivery or online postage charges. Recipients of the emails are told to click an email link, open an attachment or print a label contained within the message. The agency warns consumers receiving such messages not to open them. Doing so could result in the installation of a malicious virus that can steal personal information from your PC. Some of the information that could be stolen as a result includes user names, passwords and even information regarding specific financial accounts. The agency suggests that those receiving the messages should simply delete the message without taking any further action. Those who wish to report receiving postal-related spam can do so by calling (800) ASK-USPS or by sending an email to [spam@uspis.gov](mailto:spam@uspis.gov).

 **German Herald:** Postal bosses in Germany have been ordered to deliver neo-Nazi junk mail after judges ruled that the country's far right National Democratic Party has the same rights as other political groups. Party members in the country's Saxony state had sued Deutsche Post after it refused to deliver their newsletter 'Straight Talk.' A recent edition has speculated about an Arab Spring style uprising in Germany among Muslim asylum seekers. But judges in the state's federal court in Karlsruhe ordered postal chiefs to deliver the propaganda, after the NDP claimed the ban was "veiled censorship."

 **Sacramento Bee:** With a month remaining to register to vote in the Nov. 6 general election, a U.S. Postal Service directive that appeared to prohibit placement of voter registration materials at post offices drew strong protests last week from county elections officials in California. By Thursday, a Postal Service spokesman said, postmasters had been directed to allow voter registration materials, including absentee ballot applications, on post office premises in keeping with long-standing practice. The furor during the past week was sparked by a notice from a Postal Service business service network representative in San Francisco informing Postal Service employees of a national ruling, excerpted from the Postal Bulletin, on the use of lobbies and postal property.


 **The Chronicle Herald:** Rankin MacSween figures jobs with Canada Post in North Sydney are worth more than jobs in Ontario. "I don't understand why the Harper government would take these jobs out of Cape Breton and move them to Scarborough, Ont.," MacSween said during a telephone interview Friday. The executive director of New Dawn Enterprises, a community economic development company, is one of five mayoral candidates for Cape Breton Regional Municipality. MacSween said Friday he recently met with workers at Canada Post's undeliverable mail depot in North Sydney who have received notice the depot would be closed and all work moved to Ontario. "These workers, many of whom are women and most of whom are the primary breadwinners in their family, are going to be out of jobs and there's no good reason for it." It's believed 10 to 13 workers, members of the Public Service Alliance of Canada and the Canadian Union of Postal Workers, will lose their jobs.

 **Detroit Free Press:** With wrangling over polar bears and wars on coal, the most partisan, least productive Congress in memory bolted Washington on Friday for the campaign trail, leaving in its wake a pile of unfinished business: the budget and taxes, farm policy and legislation to save the Postal Service from insolvency. The GOP-controlled House beat its retreat Friday morning after one last, futile slap at President Barack Obama -- passing a bill entitled the Stop the War on Coal Act. The measure, dead on arrival with Obama and the Senate, would block the government from policing greenhouse gas emissions and give states regulatory control over the disposal of harmful coal byproducts. Meanwhile, on its last day in session before the November election, the Senate tied itself in knots over 41 polar bear carcasses that U.S. hunters want to bring home from Canada.

 **From the Federal Register:** **Postal Service RULES** New Pallet Preparation Standards for Periodicals , 58774–58775 [2012–23417] [[TEXT](#)] [[PDF](#)]

 **At the Postal Regulatory Commission:**


- CP2012-55 Order No. 1474 - Order Adding Express Mail, Priority Mail & First-Class Package Service Contract 1 to the Competitive Product List <http://www.prc.gov/docs/85/85181/Order%201474.docx>  
<http://www.prc.gov/docs/85/85181/Order%201474.pdf>
- MC2012-46 Order No. 1474 - Order Adding Express Mail, Priority Mail & First-Class Package Service Contract 1 to the Competitive Product List <http://www.prc.gov/docs/85/85181/Order%201474.docx>  
<http://www.prc.gov/docs/85/85181/Order%201474.pdf>

 **Express Association of America:** PostCom has joined with 27 other business associations to support S. 3597, introduced September 20 by Senators John Thune and Ron Wyden to raise the de minimis value, the level at which shipments entering the United States are free from tariffs, taxes or formal customs procedures. "The bill introduced by Senator Thune and Senator Wyden is a major step forward in facilitating trade and will particularly benefit small and medium U.S. enterprises, as well as individual consumers, who ship more low value items. A higher de minimis level will stimulate trade, spur the growth of business across a range of industries, and create jobs," said Michael Mullen, Executive Director of the Express Association of America. "We would like to thank the Senators for their leadership on this issue and call on their colleagues in the Senate to support their efforts toward trade facilitation and



customs modernization," he added. The U.S. de minimis level has been stagnant at \$200 for almost 20 years. Senators Thune and Wyden are proposing an increase to \$800, the amount a U.S. citizen can bring home from a trip overseas without paying duties or going through a formal entry process. Their bill is a companion to a similar bill introduced in the House by Rep. Schock, which now has garnered the support of 142 bipartisan co-sponsors. In addition to promoting faster border clearance for low value shipments, a higher de minimis level will benefit the government as customs officers will be able to focus enforcement efforts on higher risks such as product safety and protecting intellectual property.


*September 21, 2012*


 **Post & Parcel:** Unprofitable post offices of the future could be replaced by fully-automated machines, rather than moved into supermarkets or turned into part-time postal counters. That's the view of technology companies InPost and NCR, who have teamed up to develop a new all-in-one kiosk that will offer a range of postal and financial services within a single unit.



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

- [Controls Over the Check Acceptance Process \(Report Number FI-MA-12-016\)](#). Our report determined there are opportunities to reduce bad check acceptance and deter attempts at defrauding the U.S. Postal Service. Although the Postal Service has implemented (or is in the process of implementing) measures for this, we found the two primary systems for tracking checks could be enhanced to prevent or detect bad checks. In addition, Postal Service personnel provided little oversight to unit supervisors' override of system-identified bad checks and contract postal units (CPU) do not receive Postal Service-developed bad check lists, resulting in over \$760,000 in bad checks accepted at CPUs nationwide in calendar years 2010 and 2011.
- [Customer Complaint Resolution Process \(Report Number MS-AR-12-007\)](#). Our report determined the Postal Service is not efficiently and effectively resolving customer complaints. Specifically, staff members are closing complaints before customers consider their cases resolved, the Postal Service did not adequately monitor complaint resolution, and processes for conducting quality control reviews and customer follow ups are inconsistently applied (and sometimes not followed) and are outdated. Lastly, system performance and data issues, including outages and slow performance, have hindered the Postal Service's ability to efficiently address and resolve complaints.
- [Processing of Meter Activity \(Report Number FT-AR-12-012\)](#). Our report determined that controls over contract postal unit (CPU) and Post Office meters need improvement. Since June 2011, staff had not monitored CPU and Post Office meter variances because documented procedures did not exist for variance monitoring and correction. We reviewed variances from October 2003 through March 2012 and found 867 meters with usage exceeding reported revenue totaling about \$5.6 million and we referred three unexplained variances totaling \$368,701 to the U.S. Postal Service Office of Inspector General's Office of Investigations.

 **PRNewswire:** There's no reason to toss out that old cell phone, PDA, digital camera or other small electronic device. Thanks to the U.S. Postal Service — which has expanded the availability of a recycling program to 3,100 retail locations — customers can trade in their old electronic gadgets for cash. "The U.S. Postal Service is making recycling your old cell phone quicker and easier than ever before," said Gary Reblin, vice president of Domestic Products. "We've expanded this recycling program to offer more consumers the opportunity to protect the environment and put some money in their pocket at the same time and with USPS, the shipping is free." The Postal Service is working with MaxBack, an electronics recycling company, which specializes in reducing waste that ends up in landfills by either buying back or simply recycling unwanted electronics.

 **Rasmussen Reports:** The latest Rasmussen Reports national telephone survey finds that 64% of Adults think there are too many Americans dependent on the government for financial aid. Just 10% think not enough Americans are dependent on the government, while 16% say the level of dependency is about right. Even most of those who say they are currently living in poverty (56%) feel there are too many Americans dependent on government financial help. There are sharp partisan differences over this question, however. Eighty-nine percent (89%) of Republicans and 61% of those not affiliated with either of the major parties believe too many Americans are dependent on the government for financial help. But just 40% of Democrats agree. One-in-three adults (33%) in President Obama's party believe the level of dependency in America today is about right. [EdNote: Go figure.....]

 **Post & Parcel:** Poste Italiane is looking to expand its business in the Middle East, particularly with countries in in the Persian Gulf area. The Italian national postal operator has put pen to paper on a cooperation deal with Alghanim Group in Kuwait, one of the largest privately-owned companies in the Gulf region, which has various business interests including ecommerce, shipping and logistics. The two companies have already been working together, but the deal will see closer working to bring Poste Italiane's expertise to help the region develop its postal services, logistics and financial services. In particular, Poste Italiane said there will be cooperation in the development of digital applications and IT platforms for companies in the Alghanim Group.

 **From the Federal Register: Postal Regulatory Commission NOTICES Modified Norway Post Agreement , 58592-58593 [2012-23343] [TEXT] [PDF]**

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

- In his annual state of the business address to the mailing industry, Postmaster General Patrick R. Donahoe today emphasized that the Postal Service has a solid business plan to return to long-term financial stability and that nothing will have a bigger impact on the health and future of the mailing industry than resolving legislative issues.
- As discussed in the U.S. Postal Service Office of Inspector General's paper A Primer on Postal Costing Issues, it has been suggested that the Postal Service could make better management and pricing decisions if it were to use a fully distributed costing (FDC) methodology to allocate all of its costs to products. In order to shed light on this subject, the Office of Inspector General asked Professor John C. Panzar, an economist with expertise in postal costing, for his opinion on whether FDC would be a good tool to use to evaluate the profitability of new initiatives.
- According to the National Association of Letter Carriers, "earlier this year, Lazard issued a report which outlined our views of both the current situation and what is required to return the Postal Service to long-term viability. In that report, [it] acknowledged the significant challenges facing the Postal Service. However, [it was] careful: (I) to distinguish between the current financial challenges, which in fact have almost nothing to do with the Postal Service's operations, and its very real long-term challenges; and (ii) to make clear that the Postal Service's Business Plan would, if implemented, not likely arrest but instead accelerate the Postal Service's long-term decline."
- According to Gene Del Polito, "the presidential and congressional elections are only a month away. House Oversight and Government Reform Committee Chairman Darryl Issa has told the press that a lite version of H.R. 2309 most likely would be offered up during the postelection lame duck session. In all likelihood the features that'll be included will be a deferment of the USPS' \$5.5 billion obligation to prefund retiree health benefits, authorization to allow the agency to move to five-day delivery, and ban it from entering into no-layoff agreements with employees."
- Lawmakers concede Postal Service overhaul unlikely before Nov election. USPS to part ways with Campbell-Ewald. GSA and USPS can improve property management, auditors say. Elections hammer direct marketing firms. Postal Service reform will be a lighter measure, lawmakers say. Seeking revenue, USPS plans to deliver more junk mail. Online holiday shopping will increase 17% this year. Assessment of 2013 FedEx Express rate and accessorial increases. FedEx growth continues to rely on USPS.
- Updates from the US Postal Service.
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.

- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

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



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


September 20, 2012





Go to [www.npf.org](http://www.npf.org) to see the redesigned, user-friendly format of the new NPF website. The latest information about the 2013 National Postal Forum in San Francisco, CA, is at your fingertips!




In the most recent [PostCom Bulletin](#), postal commentator [Gene Del Polito](#) noted that "the presidential and congressional elections are only a month away. House Oversight and Government Reform Committee Chairman Darryl Issa has told the press that a lite version of H.R. 2309 most likely would be offered up during the post-election lame duck session. In all likelihood the features that'll be included will be a deferment of the USPS' \$5.5 billion obligation to prefund retiree health benefits, authorization to allow the agency to move to five-day delivery, and ban it from entering into no-layoff agreements with employees. Will that be all? No one really knows until such a proposal is offered. Will it pass the House? No one knows until the measure is up for a vote? How will the Senate respond? No one knows until the Senate is asked to respond. Great. I've told you what we don't know. You might be wondering what we do. From where I sit, he's what I know. No, correct that. Here is what I believe."

 [CNET](#): While the specifics of "Do Not Track" vary greatly depending on whom you talk to, the FTC is likely to go beyond the online industry's highly successful self-regulatory privacy practices, wherein consumers can easily opt out of receiving targeted ads from specific companies and ad networks, and advocate companies stop collecting anonymous user data entirely, or coerce browsers to prevent such tracking by default. This may sound like a good idea to online privacy absolutists, but the practical implications of such regulations would be devastating -- not just for advertisers and the online publishers who depend on their money, but for the technology industry and economy as a whole. [EdNote: Time to give direct mail another look as an alternative to all those electronic digits.]


 [Atlanta Journal-Constitution](#): Faced with a loss of \$25 million a day, the United States Postal Service is not ready to give up its battle to become solvent, and it plans to pursue major changes to stanch the financial bleeding, Postmaster General Patrick Donahoe said Wednesday in Atlanta.


 [Philippine Information Agency](#): The Philippine Postal Corporation (PhilPost) Visayas intensified its services by partnering with other government agencies and private entities as well as adopting modern technology. In a Association of Government Information Officers 7 forum, PhilPost 7 Director for Operations Ben Quiros said at present they are already developing the system of their services in a form of electronic mailing. The PhiloOst also partnered with the i-BAYAD center, which means that the postal corporation can now accept payments for electric and water bills, among other payments.


 [From the Federal Register: Postal Regulatory Commission](#) New Postal Products , 58421–58422 [2012–23159] [[TEXT](#)] [[PDF](#)] 58422–58423 [2012–23176] [[TEXT](#)] [[PDF](#)]


 [PRNewswire](#): In his annual state of the business address to the mailing industry, Postmaster General Patrick R. Donahoe today emphasized that the Postal Service has a solid business plan to return to long-term financial

stability and that nothing will have a bigger impact on the health and future of the mailing industry than resolving legislative issues.

 [New York Times](#): Customers might complain about the flood of unsolicited credit card applications, supermarket fliers and shopping catalogs in their mail, but the Postal Service is hoping to deliver even more. Faced with multibillion-dollar losses and significant declines in first-class mail, the post office is cutting deals with businesses and direct mail marketers to increase the number of sales pitches they send by standard mail, the official term the agency uses for what is less kindly referred to as "junk mail." "Standard mail is the best way to reach your customer," said Patrick R. Donahoe, the postmaster general, during a presentation last month on the future of the post office. "You can advertise on Facebook, but I don't see how you can trace the number of 'likes' to return on investment." But as the Postal Service embraces direct mail to shore up its faltering bottom line, it faces opposition. Cities struggling to pay recycling and landfill costs to dispose of billions of pieces of unwanted mail are objecting to the expense. Localities estimate that they spend about \$1 billion a year to collect and dispose of it. Some cities have teamed up with a software developer that has come up with an online registry to help cities and residents block delivery of the types of mail they do not want.

 [Post & Parcel](#): The Universal Postal Union has urged postal operators around the world not to be distracted from the main business of delivering mail and parcels by pressures to diversify into new digital services. Outgoing UPU director-general Edouard Dayan issued a note of caution to the many posts currently diversifying their service portfolios. "The development of the digital economy has stimulated the need for Posts to expand their product and service offerings by developing postal digital services," he said. "The UPU is ever-conscious that the Internet does not fulfill every need. Mail and parcels are still the core business of the majority of Posts."

 [Post & Parcel](#): Postal workers in 23 regions of Brazil went on strike last night (18 September), according to union umbrella group Fentect.


 [Golden Valley Patch](#): The United States Postal Service has teamed up with the American Red Cross and The Salvation Army to help those affected by the recent Duluth, MN floods. The Golden Valley post office, along with all post office locations within zip codes beginning in "554," are collecting basic hygiene products through Nov. 1. Many Duluth area residents have been displaced and are now facing homelessness, according to USPS flier for the collection. The flooding was declared a federal disaster.


*September 19, 2012*





[New Paper](#): "**Costs for Better Management Decisions. CRA Versus Fully Distributed Costs.**" Professor Panzar's analysis reveals that institutional costs, and therefore FDC, should not be used to judge the profitability of new initiatives. Instead, profitability should be evaluated based on the comparison of


the revenue the new initiative will produce to the incremental costs it adds. If the revenue exceeds the incremental costs, the initiative should be offered on the market. Otherwise, the Postal Service is missing an opportunity to earn more revenue. Next, the author finds that employing Postal Service CRA costing methods provides a close approximation of the cost of a new product, with a very small upward bias. Professor Panzar provides a specific example of an initiative where a lower price is offered to encourage additional volume. Multiplying the expected increase in volume by the unit volume variable cost reported in the CRA slightly overstates the true cost change, because it fails to take into account the existence of economies of scale (unit costs decline as volume increases). While this overestimation of costs is likely small, the use of FDC can lead to a serious distortion of the proper economic signal one needs to select the best new initiative.


 [InternetRetailer](#): Online shoppers in the United States will spend \$54.47 billion this [holiday season](#), up 16.8% from \$46.63 billion last year, according to a new projection from eMarketer. The market research defines the holiday season as November and December; the e-commerce estimates do not include travel purchases. This holiday season will mark the fourth consecutive year of e-commerce spending growth.


 [ParcelIndustry](#): Along with their Q1 investor relations conference call, FedEx announced their 2013 annual rate increases for domestic and international Express shipments. The new rates will become effective on Monday, January 7th 2013. As they have for the last several years, FedEx announced an overall increase of 5.9%, along with a 2% reduction in the fuel surcharge, for a net increase of 3.9%. However, our analysis indicates that domestic express prices are actually increasing by an average of 6.54%, and international rates are up an average of 6.12%.


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


 The Norwegian post plans to test the joined delivery of letters and newspapers together with major publishers and press forwarders.


 Poste Italiane apparently wants to expand its activities in the Middle East. Therefore the post signed a 'Memorandum of Understanding' with Kuwaiti Alghanim Group. According to the agreement Poste Italiane will develop and realise several projects in the logistics, postal and financial services segments together with the trade and services specialist.


 Although margins in the digital services sector are not as high as postage margins, these services guarantee a long-term stability'. Walter Gerdes, director of Swiss Post Solutions in Germany, apparently has a clear vision how to compensate for the decline in the letter business. Business paper »Handelsblatt« reported that Swiss Post's subsidiary is poaching in the German market for this reason.


 The Romanian post dismissed rumours that mass redundancies are allegedly scheduled for the end of this year.


 DHL Global Mail intends to make cross-border online trade within Europe easier with a new product.


 PostNord strengthened its market position on the Norwegian logistics market. Last Friday, the holding company of Post Danmark and Posten AB announced the full takeover of LTL service provider Harlem Transport

 B2C e-commerce will generate a sales volume of 28.1bn euros in Latin America in 2012 - up one-third from last year.

 SingPost will focus on parcel terminals in the future, too. Initially, 5 of these service stations with 120 lockers each will be deployed at the beginning of next year.


 Swiss Post modified its courier services on offer. Within a few agglomerations customers will be able to choose between the delivery speeds 'Turbo' (delivery within 30 minutes), 'Rapid' (60 minutes) and 'Standard' (120 minutes).


 Belgian post's pilot project for the bundled delivery of all daily mail for a household in one envelope (CEP-News 37/12) causes the union CSC-Transcom a headache.


 DHL plans to enhance its capacities in Mexico significantly.





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.)*

 [Wall Street Journal](#): The head of FedEx Corp. on Tuesday sounded a warning about the fate of China's export-driven economy as the world's largest air package shipper cut its forecast for global growth in 2012 and 2013. FedEx and rivals including United Parcel Service Inc. UPS have invested heavily in building the infrastructure to handle Chinese exports, and the two companies recently won approval to launch domestic parcel delivery services in the country. Both companies have already trimmed the amount of flying to the U.S. as the volume of consumer electronics, auto parts and other goods that make them closely watched economic bellwethers has fallen, in part because of competition from cheaper ocean shipping options.

 **Romania-Insider:** The Romanian Post will start talks with the Belgian post operator, 'bpost,' which could become an investor in the Romanian state-owned postal service. The discussions have been agreed by Romanian Prime Minister Victor Ponta and his Belgian counterpart Elio Di Rupo, who met recently in Brussels. Ponta said the Post privatization project was blocked in 2010, as the former Government wanted to keep the Post under state control for illegal and unscrupulous advantages, such as committing large frauds and 'losing' trials with agreed lawyers.

 **Courier, Express, and Postal Observer:** In its 1st quarter 2013 earnings report FedEx reported that it handled over 108 million FedEx SmartPost parcels delivered by the Postal Service. FedEx SmartPost volume grew by 17.6% on a year-to-year basis as compared to a 4.7% growth for shipments that FedEx delivers through its FedEx Ground and FedEx Home networks. Currently FedEx SmartPost generates 29.9% of the shipment volume tendered to FedEx Ground. The USPS share of FedEx Ground's deliveries has increased by 2.4% over the past year and 6.3 since 2010. FedEx SmartPost's double digit growth rate suggests that the market for USPS delivered parcels is extremely strong. During this quarter, United Parcel Service was in at least its 8th month of actively marketing its competing product UPS Surepost.


 **The Baltic Course:** The Letter Centre e-solution of Estonian national postal company Eesti Post that enables to send e-mails into ordinary letterboxes, among other things, received the Postal Technology International main award in the digital innovations category.


 **Bloomberg:** FedEx Corp. (FDX)'s falling volumes for its fastest, most-profitable services signal that shippers are increasingly deciding their packages no longer have to be there overnight -- and not just in a slowing economy. The operator of the world's largest cargo airline may be seeing a more permanent change in its market, as customers turn to cheaper, slower ground deliveries and even ocean shipping. It's an evolution that threatens to touch United Parcel Service Inc. (UPS) and Deutsche Post AG (DPW)'s DHL Worldwide Express, too.


 *From the Federal Register:*


- **Postal Regulatory Commission:** New Postal Products , 58185–58186 [2012–23110] [[TEXT](#)] [[PDF](#)]
- **Postal Service:** Product Changes: Priority Mail Negotiated Service Agreement , 58186 [2012–23081] [[TEXT](#)] [[PDF](#)] 58186 [2012–23082] [[TEXT](#)] [[PDF](#)]


*September 18, 2012*

 **INDUSTRYALERT** A performance issue has been identified during a software upgrade with the SASP system that has created a delay in eDoc processing. As a result the Mailer Feedback (Mailer Data Quality, Container/Tray Visibility) data availability may be delayed by 1 day to 2 days until the backlog is anticipated to clear. Notification will be provided when the backlog is clear and processing returns to normal.

 **WBUR:** "Why Newspapers Are Dying?" As more and more ad dollars move to the Web, newspapers' advertising revenues are evaporating at an alarming rate, from \$49.4 billion nationally in 2005 to just \$23.9 billion last year, according to the Newspaper Association of America. Newspapers were so profitable for so long – margins often reached the high 30s – that when the Web came along, managements that had grown fat and complacent failed to recognize how drastically it could disrupt their comfortable niche. The result has been a frantic effort to save themselves, with no one quite sure how to do it.

 **GMA News:** The Philippine Postal Corp. (PhilPost) launched last weekend a new online money transfer service, a report of the news site Arab News said. Postmaster General and CEO Josefina dela Cruz told Arab News, ""PHLPost has new products and services which are not offered by current players in the remittance industry in the Kingdom. By supporting these, you'll not only help jumpstart PHLPost but also help save the jobs of 11,000 compatriots back home." The new service, dubbed e-Postmo, is an electronic postal money order service that lets beneficiaries receive the money on the same day the OFWs sent it as long as the remittance is received and delivered or collected before 5:00 p.m. in the Philippines, five hours ahead of Saudi time.


 [560WGAN](#): Senator Susan Collins is worried that Congress will not pass postal reform this year. Collins fears a death spiral for the postal service without reform. Senator Collins says the postal reform bill she helped write that has been approved by the Senate would go far to stabilize the finances of the Postal Service. She is worried the House will not deal with the issue before year's end and that has serious economic consequences. Collins says she has urged House leadership to take up the bill, but no promises they will find time this fall. She says the Postal Service has defaulted on payments due its pension system and will likely default again this fall. Collins says she is very frustrated at the lack of attention by the House to the postal service problems.


 [Bloomberg](#): FedEx, operator of the world's largest cargo airline, cut its annual profit outlook as a weakening economy spurs shippers in the U.S. and overseas to switch to cheaper delivery options. FedEx's ground business in the U.S., which offers a less expensive alternative to air delivery, continued to bolster earnings in the quarter. Profit climbed 9.3 percent to \$445 million and sales rose 7.9 percent to \$2.46 billion. Average daily volume grew about 5 percent, driven by gains in business- to-business and home delivery, the company said.


 [Malta Today](#): National postal operators MaltaPost plc will be retaining their monopoly despite an impending liberalisation of the market in January 2013, as required by EU legislation. The Malta Communications Authority has told MaltaToday that it intends to renew MaltaPost's designation as the company responsible for the daily collection and delivery of postal items, which is enshrined in its Universal Service Obligations, without issuing an international tender.


 [General Election Political Polls: Statistically? Still a dead heat.](#)


General Election: Romney vs. Obama	Gallup Tracking	Obama 48, Romney 45	Obama +3
General Election: Romney vs. Obama	Rasmussen Tracking	Obama 45, Romney 47	Romney +2
General Election: Romney vs. Obama	Monmouth/SurveyUSA/Braun	Obama 48, Romney 45	Obama +3


 [Post & Parcel](#): Britain's Post Office Ltd has won another contract to extend the range of banking access it can provide in post offices. Banking giant HSBC has sealed a partnership that will see its nine million customers able to access their bank account at post office counters across the UK free of charge from Spring 2013. HSBC said customers of its phone and Internet bank, First Direct, would also be able to access their accounts through post offices under the deal. The partnership will mean HSBC customers will be able to withdraw money, deposit cash and cheques and make balance enquiries at 11,500 Post Office outlets.

 [The Telegraph](#): The Coalition Government came to power in 2010 pledging to save billions of pounds by slashing spending and cutting public sector jobs. However, in the last two years Ofcom has hired 230 staff, 65 more than the 165 it made redundant.

 [National Journal](#): A compromise on U.S. Postal Service reform legislation -- not expected until after the November election -- likely won't be as large of an overhaul of the cash-strapped agency as lawmakers had initially hoped, according to The Hill. "We've been all along working on ideas that would be hybrids," House Oversight and Government Reform Committee Chairman Darrell Issa, R-Calif., told the newspaper. "We believe that at least some reform will get passed." Issa, chief architect of the House's version of the postal-reform bill, urged the White House last week to include some postal-reform measures in the six-month continuing resolution to keep the government open after Sept. 30. Issa asked that interim reform legislation defer USPS's \$5.5 billion obligation to prefund retiree health benefits, allow the agency to move to five-day delivery, and ban it from entering into no-layoff agreements with employees.

 **Post & Parcel:** Brazil Post lost a court bid to prevent a postal strike in two regions of the country on Friday. The Superior Labour Court (TST) rejected the national postal operator's request for an injunction against the industrial action in the regions of Minas Gerais and Pará until a labour deal can be hammered out. Strike action has been underway for just under a week, with negotiations with the Brazilian regional postal unions, over a new labour deal, stuck in stalemate at the moment.


 **American News Report:** With the November elections fast approaching, it's going to take a very strategic production manager to navigate through these next two months of email and direct mail implementation "hell". It's going to be hell because of an already strained concentration of digital, printing and mailing suppliers, pushing through an already strained U.S. Postal system, which will be competing against an already strained and frantic group of political campaigns, committees, and union suppliers to get not just the word out... but the vote! Most people don't know that when it comes to direct mail and email marketing — particularly during a presidential election year — fundraisers, marketers, public relations firms, advertising agencies, unions, associations, PACS... the list goes on... get into the fray, trying to get their person elected. Printers, mailers, and digital firms have their steady, institutional clients, but are met early in the summer with a crush of newbies wanting to get the word out.


 **Taipei Times:** The Chunghwa Post yesterday launched a new cross-strait parcel delivery and express mail services, offering fast postal service to the southeast coast of China at cheaper rates.

*September 17, 2012*



Call for Papers deadline has now been extended to this Friday, September 21st COB. Don't miss out on being a big part of the 2013 National Postal Forum – San Francisco. Come share your ideas and educate others to be successful and to take what they have learned from your workshop and incorporate that knowledge back into their workplace. Click on the link below to go directly to the application and start your submission(s). If you have any questions, please call Lori Miller at 703-293-2318 or email her at [lmiller@npf.org](mailto:lmiller@npf.org). To submit your application please go to [www.npf.org](http://www.npf.org).

 **Government Executive:** Underused buildings and insufficient interagency coordination are causing the government's two largest civilian property owners to miss opportunities for cost-saving collocation arrangements, auditors said in a new report. The General Services Administration and the U.S. Postal Service, which manage more than 400,000 properties, rely too much on leasing and could take greater advantage of space-sharing possibilities with other agencies, according to a Government Accountability Office study conducted from July 2011 to July 2012. The survey was requested by Sen. Tom Carper, D-Del., chairman of the Homeland Security and Governmental Affairs subcommittee on federal financial management, who has been working on legislation to reform the federal civilian property management process, as have members of the House Transportation and Infrastructure Committee.

 **DMM Advisory: IMb™ Services Update.** The Postal Service™ is hosting a series of webinars to assist mailers in transitioning from the POSTNET™ barcode to the Intelligent Mail® barcode. Coming up this week: **The World of MIDs, CRIDS, and the Business Customer Gateway Webinar** - will be held Thursday, September 20, 2012, at 1 p.m. EDT. The focus will be on Customer Registration IDs (CRIDs) and Mailer IDs (MIDs), the ways mail owners and mailing agents can acquire an MID and when and how it is used in the Intelligent Mail barcode, electronic mailing information and receipt of Full-Service data. To join the online event: <https://usps.webex.com/usps/onstage/g.php?t=a&d=991144196>. Click the link or copy and paste the following link to a browser: Complete webinar log-in information can be found on the RIBBS® Intelligent Mail Education page at <https://ribbs.usps.gov/index.cfm?page=intellmailpresentations>.

 *At the Postal Regulatory Commission:*

- **CP2012-60 Order No. 1471** - Notice and Order Concerning Additional Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement (Norway Post Agreement) <http://www.prc.gov/docs/85/85137/Order%20No.%201471.docx>  
<http://www.prc.gov/docs/85/85137/Order%20No.%201471.pdf>




- **CP2012-8** Notice of the United States Postal Service of Termination of Global Expedited Package Services -- Non-Published Rates 3 Customer Contract with Serial Number Ending: 0011


<http://www.prc.gov/docs/85/85143/CP2012-8.%200011%20Termination%20Notice.pdf>





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


Many international operators pay corporate income taxes to their national treasuries. These countries have essentially made the decision they want their postal services to behave like private businesses. Would such a tax encourage a more business-like approach to managing the U.S. Postal Service or would such a tax be unworkable given the Postal Service's public service mission and universal service obligations? Share your thoughts on our [blog](#).


 [Logistics Manager](#): DHL Global Mail has launched a cross-border returns service for online retailers called DHL Easy Return. Consumers buying from online retailers offering DHL Easy Return can send off their return parcels in one of more than 80,000 local drop-off points in 19 European countries that are operated mainly by the respective domestic post. By the end of 2012, consumers in all 27 EU countries will be able to return their products via DHL Easy Return – further countries outside of the EU will be added soon.

 [Gulf Times](#): The Universal Postal Union (UPU), at its 25th Universal Postal Congress in to be held Doha later this month, will call on governments to support its 'Addressing Declaration' and include the development of sound address infrastructure in national policies in the interest of social and economic development.


 [Herald News](#): This next generation of e-billing now means your monthly bill will show up at your bank's website — ready for you to view, decide how much to pay, and schedule the payment. You still have the same control over your bills — but you don't have the chore of piling them up on your desk, opening them and throwing out the return envelope and statement stuffers, and then going to your bank website to make the payment. Major institutions, ranging from telephone, wireless, department stores, utilities, credit cards, and mortgage companies are now participating in eBills. And more than 3800 financial institutions (including many credit unions, smaller community banks, and brokerage firms like Schwab), are already offering eBills.

 [MarketingWeek](#): By making it about volume, the USPS also risks damaging the already flagging health of direct mail. Incentivising by the amount produced is a rather crude way of encouraging take-up. Although discounts might have an instant impact on the amount of mail advertisers send in the short-term, in isolation all it will serve to achieve is resentment among consumers disgruntled about receiving a piece of mail that says nothing to them about their lives. The venerable organisation should be taking its lead from its UK counterpart, the Royal Mail. Although no stranger to offering discounts, the UK postal operator has augmented its direct marketing services to offer data, creativity and media services in recent months.


 [Philadelphia Inquirer](#): After a five-week vacation, anybody heading back to the office might want to take things a little slowly. But Congress can't take too long to get back to business - and the U.S. Postal Service, now losing \$25 million a day, certainly can't afford dawdling by the lawmakers in considering its plight.


 [The Hill](#): Lawmakers are conceding that an overhaul to the struggling Postal Service won't be enacted before November's elections – and that any reforms passed this year may not be as sweeping as originally sought. With Congress set to skip town again in a few days, the House has yet to vote on its postal reform bill, despite suggesting it would take it up over the summer. But at the same time, lawmakers working on postal issues are also trying to lay the groundwork to ensure at least something gets done on the issue during a post-election lame-duck session that will be both compressed and packed with pressing fiscal issues. "We've been all along working on ideas that would be hybrids," said Rep. Darrell Issa (R-Calif.), who introduced the House GOP postal bill. "We believe that at least some reform will get passed."


*September 16, 2012*


 [Press Release](#): "U.S. Postal Service Offers Convenience and Simplicity Just In Time for the Holidays"


*September 15, 2012*

 [IPP Media](#): Union President Dr. Jakaya Kikwete has directed mayors in Dar es Salaam city municipalities and executive directors to properly realign and name the streets in the various suburbs to pave the way for a postcode project starting soon in Dar es Salaam region. The President issued the directive yesterday during an inauguration ceremony for individual addresses and postcode numbers, a new project by the Tanzania Communication Regulatory Authority (TCRA).


 [Haiti Libre](#): Thursday, the Group of Research and Intervention in Alternative Education (GRIEAL) has proceeded, in the meeting room of the Directorate General of the Post Office, in front of all Director of the Post Office of Haiti (OPH), to the presentation of the Geographic Information System (GIS) and of possible applications of this system intended to improve the Haitian postal system. One of the concerns raised by the audience was the inconsistency at the level of numbering used on the territory of Haiti. The experts noted the lack of standardization in the numbering of territory, which is performed by each entity according to its own criteria and concluded that the OPH should define itself, the operating criteria, that will lead to the development of a postal code efficient and adapted to all situations.

 [Think Progress](#): House Republican Leader Eric Cantor (R-VA) announced Friday that after next week, the House will stand in recess until November 13. His plan for a nearly two month vacation will undoubtedly allow more time for campaigning, but will leave several vital bills awaiting action.

 [Business Recorder](#): The Senate's Standing Committee on Postal Services (Communications and Postal Services) on Friday directed Pakistan Post to utilise its abandoned land for private-public partnership on commercial basis to make the department financially viable. The committee also directed Pakistan Post to consult all officials concerned about funds of parliamentarians and provincial ministers whether these funds could be used for the construction of post office buildings. Stressing the need for adopting a strategy for improving postal service across the country, members of the committee urged the department to adopt international postal standards.

 [Roll Call](#): Tea party activists are pressing for a do-nothing lame-duck Congress. Lawmakers are slated to return the Tuesday after Election Day for a session that is likely to take up expiring Bush-era tax cuts, a farm bill, mandatory spending cuts, as well as a reduction in Medicare payments to doctors. Tea party groups are laying the groundwork for a grass-roots lobbying campaign to stop Congress from doing much of anything before newly elected lawmakers come to town in January.


 **INDUSTRY ALERT** As a reminder, registration for the Holiday Mobile Shopping Promotion opens tomorrow, September 15, 2012. Participants from the Mobile Commerce and Personalization Promotion who are interested in participating in the Holiday Mobile Shopping Promotion will need to register again on the Incentive Programs Service within the Business Customer Gateway. Mail Service Providers who register for the Holiday Promotion will still be able to use the auto-enrollment feature to enroll their customers. **Program dates for the Holiday Mobile Shopping Promotion are November 7 - 21, 2012.** The promotion is designed to show that the combination of direct mail and mobile technology is a convenient way for consumers to do their holiday shopping. Timed to start just before Thanksgiving, this promotion will help merchants put mobile-optimized offers, product descriptions, and advertised savings into consumers' hands in time for Cyber Week — the busiest online shopping period of the year. And this year, a record number of shoppers are expected to make purchases using mobile devices. Registration for promotions and incentives can be made through our web portal for USPS® business services: <http://gateway.usps.com>. More information about the Holiday Mobile Shopping Promotion is available on RIBBS at <https://ribbs.usps.gov/index.cfm?page=mobilebarcode#bcg>


 [DMM Advisory](#): **IMb™ Services Update Revised Standards for Folded Self-Mailers.** The effective date for the Folded Self-Mailers (FSM) revised standards is drawing near—January 5, 2013. The final rule [Federal Register](#) was published on December 1, 2011. Additional FSM reference materials including graphic illustrations are


on RIBBS under the Folded Self-Mailers web page at <https://ribbs.usps.gov/index.cfm?page=fsm>. Business Mail Entry employees and Mailpiece Design Analysts can also help answer questions on the revised FSM standards. The revised standards are intended to provide mailers more mailpiece design options, while balancing design innovation and machinability to improve the overall supply chain. Although the revised standards are not effective until January 5, 2013, the Postal Service encourages mailers to begin the transition now. Key points in the revised standards include:


- The final fold must be on the bottom, for oblong pieces, the final fold is on the leading edge.
- When tabs are used as the sealing method, a minimum of two are required. Tabs cannot be placed on the bottom edge of oblong pieces.
- New language added about glue as a sealing method.
- New language added about a variety of optional elements that can be incorporated in the FSM design such as attachments, loose enclosures, perforations, and die-cuts.


### *September 14, 2012*

 **Post & Parcel:** Postal regulators in the United States have rejected a union complaint against the US Postal Service for going ahead with planned plant closures this summer before the plans were publicly reviewed. The American Postal Workers Union filed its complaint back in June, suggesting that the Postal Service should not have been able to bring in new mail service standards – to enable the shutting of 48 mail processing plants in July and August 2012 – before receiving an Advisory Opinion from the Postal Regulatory Commission. The union also said USPS did not submit its plans with a reasonable amount of notice before they were to take effect on 1st July. This week the Commission dismissed the complaint, stating that the Postal Service only had to seek an Advisory Opinion prior to making service changes that would affect national service levels – it could go ahead with the changes before the Opinion was completed.

 **MediaBistro:** It looks like a 10-year partnership will soon be coming to an end as we've received confirmation that the U.S. Postal Service will not be renewing its contract with Campbell-Ewald once it expires at the end of this month. In 2002, the USPS tapped C-E to handle creative (the agency eventually took over media responsibilities from Initiative) along with Draftfcb Chicago, which most recently handled promotion and retail (DFCB is still in the mix, though). As for the Postal Service's \$100 million agency review that was launched over a year ago, a spokesperson tells us, "We are still in the process of reviewing new agencies but that specific RFP, for an agency of record, that was launched last year is no longer being pursued. Going forward, we have a new advertising direction and will be releasing a new series of RFPs. The first will be for media buying and will be issued by the end of the month."

 **Post & Parcel:** La Poste Group has announced plans to hire an additional 5,000 postal workers in response to a major review of working conditions within the company. The French postal operator revealed it will recruit 15,000 people by 2014, instead of the 10,000 originally planned, in the wake of the Kaspar Report recommendations issued this week. The summer-long review of quality of life for La Poste employees by the former union boss Jean Kaspar, prompted by two staff suicides earlier this year, concluded on Tuesday that a big improvement in social dialogue within the Group was needed as the company goes through major modernisation initiatives. Kaspar also stated the need for thousands more workers to improve working conditions and reduce stress within the workforce.

 **Post & Parcel:** Germany's standard domestic letter rate is set to increase in at the beginning of next year, for the first time since 1997. Deutsche Post filed its annual request for postal rate changes with national regulators today, seeking a 5% increase in standard domestic letters up to 20g in weight in 2013, to 58 cents per piece. It said there was no option other than to increase its postal rates in the light of the current "challenging" economic situation.

 **CNET:** Search giant Google has included support for the Do Not Track privacy standard in the latest Chrome developer build, released on Thursday.








*"This September issue of **PostCom Quarterly** contained some of the best industry information I've ever seen! Not only did the articles contain important articles, written by people "in the know", but the topics were spot on with industry trends and concerns. The articles were detailed enough to really make a difference – and provoke discussion. I am really impressed and can't wait to share this information within our company. I am now waiting for your next issue!"*


*-- Ellie Alexander Director of Sales Wealth Management Division  
Newkirk Products, Inc.*


*[EdNote: Don't know about the PostCom Quarterly? Well, if you were a member, you would.]*

 **KMOT**: Postal workers in Williston are putting in long hours to keep up with the increasing mail volume. "We start about 7:30 in the morning and we work from anywhere to 6:30 til 8:00 at night usually," said Postal Worker David Christopherson. It takes that long to deliver all of the mail because the post office is short on carriers. *[EdNote: Increasing mail volume? Have we missed something?]*


 **Press Release**: UPS Chairman and CEO Scott Davis called on leaders in Washington, D.C., to prepare a bipartisan debt reduction plan by January, saying the nation's economy is being held back by its debt load and the uncertainty of fiscal policy.

 **PRWeb**: Melissa Data, a company that specializes in providing data quality and address management solutions including mailing lists and much more, has just released statistics that show how Personalized Saturation Mailing Lists can be an extremely effective way for business owners to reach local residents. According to Greg Brown, vice president of marketing for Melissa Data, highly personalized color direct mail was found to typically generate a 6.5 percent response rate—which is over three times higher than the usual 2.0 percent response rate that occurs as the result of non-personalized direct mail. "Personalizing your direct mail piece with the resident's name dramatically increases the likelihood of being opened and read," Brown said.


 **Gibraltar Chronicle**: Unite the Union has said that the drive to stamp out cases of 'cheap labour' in the public sector which culminated this week in a deal with the Gibraltar Government at the Gibraltar Post Office will now continue in other areas such as the St Bernard's Hospital and prison service where the problem still exists.

 **Sowetan**: ABOUT 400 casual postmen embarked on an industrial action in Gauteng in an attempt to get the South African Post Office to convert them into permanent labourers. *[EdNote: Oh sure. Go on strike. That'll convince 'em.]*

***"A house divided against itself cannot stand." It's time that ALL postal employees -- management AND labor -- face up to the responsibility they both share to improve the cost-efficiency and reliability of the nation's mail service. If the nation's postal system doesn't facilitate the use of mail for commerce, it facilitates nothing the nation really needs.***

 **Hanover Eagle**: With the Whippany Post Office off Route 10 closed for the past year due to flooding from Tropical Storm Irene on Aug. 28, 2012, Mayor Ronald Francioli said Monday the time may finally be right to consider a centralized post office that would handle mail for all of the township, not just one to handle mail for Whippany and one to handle mail for Cedar Knolls residents. Francioli had first floated the idea for a centralized post office several years ago, noting the township needed more up to date postal service. The Whippany Post office

is a building erected in the early 1960s and the Cedar Knolls Post Office has no mail delivery, only post office boxes. But community resistance, most notably in the realization a centralized post office would mean the "Cedar Knolls" and "Whippany" neighborhood designations in town would go the way "Malapardis" and "Monroe" went years ago, dealt the plan a death blow.

 **4-Traders:** TZ Limited is pleased to announce that it has been awarded the contract for the supply, delivery, design, development, installation, testing, documentation and commissioning of Singapore Post's smart locker network for the Singapore market. Singapore Post is Singapore's designated Public Postal Licensee (PPL), providing quality postal and digital services and solutions to the domestic and international markets. It is also the leading logistics provider in the domestic market, offering end-to-end solutions from fulfilment to delivery, with coverage to 220 countries. Singapore Post owns one of the largest retail distribution networks in Singapore including online stores, vPOST and Clout Shoppe. In addition to operations in Singapore, Singapore Post also has logistics footprints across the region via its subsidiary Quantum Solutions.

 **KCBS:** The U.S. Postal Service's plan to sell the building housing downtown Berkeley's main post office is being met by a great deal of opposition.



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


- The Association for Postal Commerce (PostCom) responded to the Postal Service's Advance Notice of proposed rulemaking concerning the proposed eligibility criteria for Bound Printed Matter (BPM) parcels published in the Federal Register on July 25, 2012. PostCom laid out four arguments as to why the USPS should reconsider the advance notice and work with the industry to evaluate win-win solutions to changing the eligibility of BPM parcels.
- The Postal Service could greatly benefit from modeling techniques as it considers strategies for rationalizing the delivery network. Of course, as with all models, the results depend on the inputs and assumptions used. We present two scenarios, but the model presented here could be adapted to allow Postal Service management to evaluate additional alternatives. As the Postal Service reviews its core competency of first and last mile delivery, an operations research modeling framework would help guide decision makers in assessing design alternatives for different future scenarios.
- According to Raquel Ferrari, Programme Manager, Direct Marketing and Stakeholder Relations, "in the multi-channel, integrated media market we now live in, the mail volume growth that we saw in the past is unlikely to come back. But that does not mean the end of direct mail, nor a decrease in the importance of postal services. On the contrary: in diversifying and expanding their strategies both horizontally and vertically, posts can take advantage of the convergence and integration of new media into advertisers' campaigns, add new value by offering solutions that facilitate the use of several channels, and use technology wisely and efficiently to that end. There are opportunities not only in the developed world, but also in emerging and developing countries. The time for direct mail is not over: it is definitely a part of a greater, diversified world in which data rich, direct media channels are intrinsically related to each other."
- Issa submits letter to President on USPS. Senator Carper responds to Issa's letter. Congress faces continuing resolution, sequestration and postal reform. Monmouth University: Public OK with privatized PO. Zumbox and Computershare bring digital postal mail service to financial services industry. PRC approves transfer of Outbound Single Piece FCM International Packages and Rolls. PRC dismisses APWU complaint. Can Intellectual Property save the USPS? 3,000 mail handlers accept buyouts. PRC approves EDDM as permanent product. CSA honors Joe Schick.
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.


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


missing.





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

 [Trinidad and Tobago Newsday](#): The Trinidad and Tobago Postal Corporation (TTPost) has begun implementing a Postal Code and Addressing System, Robert Hernandez, General Manager (Operations) at TTPost revealed on Wednesday during a meeting at the Local Government Ministry office at Kent House, Long Circular Road, Maraval. He said the corporation began a pilot project in May in Point Fortin and once that was completed the implementation will continue in Chaguanas. Hernandez identified some of the challenges the corporation has experienced in trying to locate addresses in the country. He lamented that the current addressing system involved the use of Lot and Light Pole numbers and mile markers. He said there was a "haphazard approach" to assigning building numbers as there was no logical sequence most time as well as a duplication of numbers and street names even within the same community. To solve these issues, the Corporation will implement, the S42 Addressing Standard which was accepted and approved by the Universal Postal Union.


 [Transport Intelligence](#): La Poste has announced the acquisition of e-fulfilment specialist ORIUM. The company stated that the acquisition will increase the strength of its existing logistics subsidiary NEOLOG by offering clients a wider range of solutions. NEOLOG, the logistics branch of La Poste since 2007, offers a range of e-commerce services with over 5,000 daily deliveries.


 [Beverly Hills Patch](#): Rep. Henry Waxman, former chairman of the House committee with legislative oversight over the Postal Service, wrote: "Today I join my neighbors in the City of Beverly Hills to express concern about the proposal by the United States Postal Service to relocate and sell the main Post Office, located at 325 N. Maple Drive. The Maple Post Office is centrally located in the middle of Beverly Hills, allowing residents to walk, ride public transit, or drive their cars to visit and conduct business there. In addition, the Post Office has an abundance of both street and underground parking. This proposed relocation is particularly troubling as the City had previously lost a location of another main Post Office. While I appreciate the financial challenges the Postal Service is facing, I believe it is short-sighted to relocate and sell a building in order to generate a one-time revenue, rather than look for long-term income streams as a solution."


 In a paper prepared for the [National Association of Letter Carriers](#), Lazard, an international financial advisory firm, wrote that "The Postal Service continues to tie its viability, its liquidity and its long-term survival to the implementation of its "Plan to Profitability – 5 Year Business Plan" (the "Business Plan") that it announced publicly in February 2012. As we stated in April, many of the assumptions of the Business Plan, including the continuing secular decline of First-Class Mail, appear reasonable and generally consistent with recent historical experience. And several of the proposed initiatives in the Business Plan – such as removal of the current legislative requirement that the Postal Service pre-fund its retiree health obligations, refunding the billions of dollars of Postal Service surplus that is currently contained in the FERS pension fund and changes to the Postal Service's health care plans – may well make sense if part of a more balanced and comprehensive plan. However, we continue to have significant concerns about the wisdom and efficacy of the Business Plan's singular focus on cost cutting and a "shrink to survive" strategy. In our view, such a strategy and its hallmark initiatives – termination of Saturday delivery, a significant curtailment of "to the door" delivery and other reductions in service standards – could easily reduce demand by an amount equal to the asserted cost savings and may well hasten the long-term decline of the Postal Service and the network that is its greatest strategic asset."

 [CNN](#): A little over a decade ago there were around 100,000 phone lines in Nigeria, mostly landlines run by the state-owned telecoms behemoth, NITEL. Today NITEL is dead, and Nigeria has close to 100 million mobile phone lines, making it Africa's largest telecoms market. Across the rest of the continent the trends are similar: between 2000 and 2010, Kenyan mobile phone firm Safaricom saw its subscriber base increase in excess of 500-fold. In 2010 alone the number of mobile phone users in Rwanda grew by 50 per cent., figures from the country's regulatory


agency show. Open Mic: Mobile devices in Kenya During the early years of mobile in Africa, the Short Messaging Service (SMS) was at the heart of the revolution. Today the next frontier for mobile use in Africa is the internet. [EdNote: As they say in Africa, "Forget the mailman, it's the **mobile phone** that rings twice." (If you don't get it . . . you're way too young.)]

 **Beverly Hills Patch:** Rep. Henry Waxman, former chairman of the House committee with legislative oversight over the Postal Service, wrote: "Today I join my neighbors in the City of Beverly Hills to express concern about the proposal by the United States Postal Service to relocate and sell the main Post Office, located at 325 N. Maple Drive. The Maple Post Office is centrally located in the middle of Beverly Hills, allowing residents to walk, ride public transit, or drive their cars to visit and conduct business there. In addition, the Post Office has an abundance of both street and underground parking. This proposed relocation is particularly troubling as the City had previously lost a location of another main Post Office. While I appreciate the financial challenges the Postal Service is facing, I believe it is short-sighted to relocate and sell a building in order to generate a one-time revenue, rather than look for long-term income streams as a solution."

 In a paper prepared for the [National Association of Letter Carriers](#), Lazard, an international financial advisory firm, wrote that "The Postal Service continues to tie its viability, its liquidity and its long-term survival to the implementation of its "Plan to Profitability – 5 Year Business Plan" (the "Business Plan") that it announced publicly in February 2012. As we stated in April, many of the assumptions of the Business Plan, including the continuing secular decline of First-Class Mail, appear reasonable and generally consistent with recent historical experience. And several of the proposed initiatives in the Business Plan – such as removal of the current legislative requirement that the Postal Service pre-fund its retiree health obligations, refunding the billions of dollars of Postal Service surplus that is currently contained in the FERS pension fund and changes to the Postal Service's health care plans – may well make sense if part of a more balanced and comprehensive plan. However, we continue to have significant concerns about the wisdom and efficacy of the Business Plan's singular focus on cost cutting and a "shrink to survive" strategy. In our view, such a strategy and its hallmark initiatives – termination of Saturday delivery, a significant curtailment of "to the door" delivery and other reductions in service standards – could easily reduce demand by an amount equal to the asserted cost savings and may well hasten the long-term decline of the Postal Service and the network that is its greatest strategic asset."

 **CNN:** A little over a decade ago there were around 100,000 phone lines in Nigeria, mostly landlines run by the state-owned telecoms behemoth, NITEL. Today NITEL is dead, and Nigeria has close to 100 million mobile phone lines, making it Africa's largest telecoms market. Across the rest of the continent the trends are similar: between 2000 and 2010, Kenyan mobile phone firm Safaricom saw its subscriber base increase in excess of 500-fold. In 2010 alone the number of mobile phone users in Rwanda grew by 50 per cent., figures from the country's regulatory agency show. Open Mic: Mobile devices in Kenya During the early years of mobile in Africa, the Short Messaging Service (SMS) was at the heart of the revolution. Today the next frontier for mobile use in Africa is the internet. [EdNote: As they say in Africa, "Forget the mailman, it's the **mobile phone** that rings twice." (If you don't get it . . . you're way too young.)]

**September 13, 2012**

 **Post & Parcel:** A major review launched earlier this year at La Poste in the wake of two suicides earlier this year has called for a new social dialogue within the company, and an easing of hiring restrictions. La Poste chairman Jean-Paul Bailly established a commission to investigate working conditions at the national French postal operator back in April 2012, after two postal workers killed themselves in the Brittany region, supposedly after suffering stress in their jobs. The commission, led by former union leader Jean Kaspar, engaged with all stakeholders associated with La Poste, including unions, postal workers themselves, management and others within La Poste Group, in a series of hearings over the summer. The review found that while La Poste has been reshaping itself for the modern communications era, serious tensions have crept into the work force.

 **From the Federal Register:**


**Postal Service**

- Holiday Mobile Shopping Promotion , 56552–56554 [2012–22507] [[TEXT](#)] [[PDF](#)]
- Revisions to the Requirements for Authority to Manufacture and Distribute Postage Evidencing Systems , 56554–56555 [2012–22510] [[TEXT](#)] [[PDF](#)]
- *NOTICES* Privacy Act of 1974; System of Records , 56676–56681 [2012–22511] [[TEXT](#)] [[PDF](#)]


September 12, 2012


 *At the Postal Regulatory Commission:*


- Postal Service Active Employee Statistical Summary (HAT Report), Pay Periods 18-19, FY2012  
<http://www.prc.gov/docs/85/85108/HAT%20Report%20Pay%20Period%2018%20FY%202012.pdf>  
<http://www.prc.gov/docs/85/85108/HAT%20Report%20Pay%20Period%2019%20FY%202012.pdf>  
[http://www.prc.gov/docs/85/85108/Letter\\_HAT%20Report\\_PP18-1\\_20120912152020.pdf](http://www.prc.gov/docs/85/85108/Letter_HAT%20Report_PP18-1_20120912152020.pdf)
- National Payroll Hours Summary Report, Pay Periods 14 through 18, FY 2012  
<http://www.prc.gov/docs/85/85107/National%20Payroll%20Hours%20Summary%20Report%20PP%2014%20FY2012.pdf> [http://www.prc.gov/docs/85/85107/Letter\\_Natl%20Payroll\\_PP14-18\\_2012.pdf](http://www.prc.gov/docs/85/85107/Letter_Natl%20Payroll_PP14-18_2012.pdf)  
<http://www.prc.gov/docs/85/85107/National%20Payroll%20Hours%20Summary%20Report%20PP%2015%20FY2012.pdf>  
<http://www.prc.gov/docs/85/85107/National%20Payroll%20Hours%20Summary%20Report%20PP%2016%20FY2012.pdf>  
<http://www.prc.gov/docs/85/85107/National%20Payroll%20Hours%20Summary%20Report%20PP%2017%20FY2012.pdf>  
<http://www.prc.gov/docs/85/85107/National%20Payroll%20Hours%20Summary%20Report%20PP%2018%20FY2012.pdf>
- Quarterly Statistics Report, Quarters 2 & 3, FY 2012  
[http://www.prc.gov/docs/85/85112/Letter\\_QuarterlyStatRep\\_20120912155222.pdf](http://www.prc.gov/docs/85/85112/Letter_QuarterlyStatRep_20120912155222.pdf)  
<http://www.prc.gov/docs/85/85112/Quarterly%20Statistics%20Report%20for%20Q2%20FY2012.pdf>  
<http://www.prc.gov/docs/85/85112/Quarterly%20Statistics%20Report%20for%20Q3%20FY2012.pdf>
- On-Roll and Paid Employee Statistics (ORPES), June, July, August 2012 (Pay Periods 14, 16, 18, FY 2012) Link: [http://www.prc.gov/docs/85/85111/Letter\\_ORPES\\_PP14-16-18\\_20120912155103.pdf](http://www.prc.gov/docs/85/85111/Letter_ORPES_PP14-16-18_20120912155103.pdf)  
[http://www.prc.gov/docs/85/85111/On-Roll%20and%20Paid%20Employee%20Statistics%20\(ORPES\)%20June,%20July%20and%20August%20PPs%2014,%2016,%2018%20for%20FY2012.pdf](http://www.prc.gov/docs/85/85111/On-Roll%20and%20Paid%20Employee%20Statistics%20(ORPES)%20June,%20July%20and%20August%20PPs%2014,%2016,%2018%20for%20FY2012.pdf)

 **PRNewswire:** Zumbox and Computershare Communication Services Inc., a wholly owned subsidiary of Computershare Limited, today announced the availability of Digital Postal Mail powered by Zumbox to Computershare's nearly 7,000 U.S. clients. Powered by Zumbox, Digital Postal Mail is a bank-level secure, web-based postal delivery and archiving system that offers a digital alternative to physical mail. The free channel delivers electronic versions of paper documents to investors, replacing physical mail with interactive digital communications. Anyone with an address in the U.S. can sign up for Digital Post Mail for free at [www.digitalpostalmail.com](http://www.digitalpostalmail.com).


*Hmmm . . . Ever wonder what is the USPS's "digital strategy?"*


 **From the Federal Register:** Postal Regulatory Commission *PROPOSED RULES* Analytical Methods Used in Periodic Reporting , 56176–56177 [2012–22350] [[TEXT](#)] [[PDF](#)]


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


 A new competitor entered the Belgium postal market. Vlaamse Post ('Flemish Post') was established by several local advertisers and will initially only distribute unaddressed catalogues and magazines in Belgium's northern region. According to chief executive Manuel Stuyts the establishment of Vlaamse Post was triggered by bpost's recent decision only to accept unaddressed advertisements weighing up to 130 grams.




 PostNL acquired an interest in Dutch firm Scoupy. The company, which was established just a year ago, developed an app of the same name with which smartphone users can localise discounts and special offers in their vicinity in the Netherlands.

 The reform of Russia Post apparently takes shape. According to »Kommersant« the government plans to restructure the post. According to the report the postal reform bill which is to be submitted to the parliament for approval in autumn, will - among other things - allow to privatise the company. At the same time, the government apparently plans to protect Russia Post by a monopoly. Only the post will be allowed to handle standard letters.

 Yamato, Japan's leading provider of logistics services, recorded volume growth in its parcel business again in August.


 Germans are still not poised to purchase groceries online and to have it delivered to their homes by postal services.


 The Belgian post apparently will test the bundled delivery of all daily mail for a household in an envelope.




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.)*

**September 11, 2012**


 **Post & Parcel:** Ursa Major Associates consultant John Callan discusses the hidden value of intellectual property (IP) in the postal/parcel space, as detailed in [a new white paper](#) he has authored along with John Cronin and Nathan Doudera of ipCapital Group.


 **Wall Street Journal:** China gave FedEx Corp. and United Parcel Service Inc. approval to provide express-package services within the country, potentially spurring competition just as the Chinese market leader prepares for an initial public offering.


 **Sen. Thomas Carper:** In [a recent letter to President Obama](#), House Oversight Chairman Darrell Issa (R-CA) reportedly sought to bypass the traditional path to passing legislation – where a bill is brought to the floor, amended, and voted on up-or-down – and instead sought to enact some of the more controversial provisions of his postal reform bill as part of the Continuing Resolution (CR) bill, a piece of must-pass legislation that would fund the government for the next 6 months. Chairman Issa – who has long advocated for a comprehensive solution to reform the Postal Service and criticized other reform proposals for not going far enough – now seems to be asking for a piecemeal, short term fix. Sen. Carper, in response, has said:


"Leaders in the House of Representatives need to step up and do their part to help fix the serious, but solvable, financial challenges plaguing the U.S. Postal Service," said Sen. Tom Carper (D-Del.). "My colleagues in the Senate – Republican and Democrat – came together to debate and pass a bipartisan postal reform bill in April. It wasn't easy and our bill isn't perfect, but we did our job and passed a bill – recognizing that we had to act to save a \$1 trillion mailing industry and the over eight million jobs that depend on a healthy Postal Service. I believe leaders in the House can come together and do the same thing, allowing us to reconcile our bills in conference. As House Leaders continue to avoid doing the responsible thing and bringing up postal reform legislation for a vote, the financial challenges for the Postal Service grow more difficult and the potential

solutions become more expensive. House Leaders need to stop looking for short-cuts and do their job, so we can reform and preserve the Postal Service for future generations."

 **Logistics Management: Free Webinar!** Perfect-Fit Packaging for Better Cube and Lower Cost The On Demand Packaging™ Revolution is Here [Tomorrow, September 12, 2012 | 2 p.m. EDT](#)

 **Post & Parcel:** Romanian Post has insisted it does not intend to announce major job losses and wage cuts by the end of 2012, as claimed by postal unions. Ion Smeeianu, the director general of Romanian Post, responded to press stories and a release sent out by union leaders by accusing them of a "malevolent campaign of media disinformation" aimed at postal workers and the general public. In a public statement, he said: "The board of directors of Romanian Post has not submitted any proposal for collective redundancies or wage cuts." The Romanian Post director general said management was in negotiations with the unions with the hope of reducing payroll costs, which represent 70% of the postal operator's total expenditure, "compared to an average of 50% in similar companies in the EU".


 **Federal News Radio:** Congressional efforts to stave off further losses of the nearly bankrupt Postal Service have failed this year. The Senate approved a postal reform bill in the spring. However, the House version, which takes a very different tack to returning the USPS to solvency, has languished. That has prompted Rep. Darrell Issa (R-Calif.), the chairman of the House Oversight and Government Reform Committee, to propose including an interim postal reform package in the CR to be introduced this week. "Although there are ongoing discussions among legislators and stakeholders concerning how to move a full postal reform package forward, it is unlikely that a final comprehensive agreement could be negotiated between both chambers in that narrow time frame in September," Issa wrote in a Sept. 7 letter addressed to President Barack Obama. "The post-election lame duck session will provide a much greater window of opportunity to enact legislation to restore the Postal Service to solvency." Issa's proposal would defer near-term payments on retiree health care benefits, allow the agency to move to a five-day delivery week and bar the agency from entering into no-layoff agreements with its employees. That's quite different from the remedies proposed by the Senate in its version of the bill, which passed with bipartisan support in April.


 **Universal Postal Union:** According to Raquel Ferrari, Programme Manager, Direct Marketing and Stakeholder Relations, Universal Postal Union, "Universal Postal Union statistics show that direct mail remains a huge business, accounting for some 38% of global letter mail volumes and, in the US, for more than half of total mail volumes. UPU research also reveals that opportunities exist for growth in direct mail....In the multi-channel, integrated media market we now live in, the mail volume growth that we saw in the past is unlikely to come back. But that does not mean the end of direct mail, nor a decrease in the importance of postal services. On the contrary: in diversifying and expanding their strategies both horizontally and vertically, posts can take advantage of the convergence and integration of new media into advertisers' campaigns, add new value by offering solutions that facilitate the use of several channels, and use technology wisely and efficiently to that end. There are opportunities not only in the developed world, but also in emerging and developing countries. The time for direct mail is not over: it is definitely a part of a greater, diversified world in which data rich, direct media channels are intrinsically related to each other."


---


***Yo! Dude! Please take Mailing Systems Technology's [Wage & Operations Survey](#); time is running out! The deadline has been extended by one week, but the survey will close this Friday, September 14th! By taking the time to answer the questions, you are helping establish industry wage standards. The survey will take between 15-20 minutes, but the results are invaluable, and well worth your time. Please [take the survey](#) today!***


---

 **Politico:** The truth is that none of the top leaders or their aides are in serious negotiations. This leaves the key players simply pointing fingers and praying that voters clarify Washington's power structure in November in a way that favors Republican entitlement cuts or Democratic tax hikes. The winners at the ballot box will get to set the terms, the thinking goes. Until then, don't give an inch.


 **Dead Tree Edition:** The U.S. Postal Service could save about \$1 billion annually by closing nearly 10,000 postal facilities that house both retail and carrier functions, according to a study released today. A plan presented by the USPS's Office of Inspector General would mean fewer clerks and postmasters but increased labor costs for letter carriers.


 **Postal Technology International:** DHL Parcel has commence a new service, Postfiliale Direkt, which gives private customers in Germany another delivery option for their parcels. DHL parcels can now be delivered to outlets that are most convenient for the customer, enabling easy pick-ups before or after work, for example. To use Postfiliale Direkt the parcel recipient must first register for the new service at either an outlet or online ([www.paket.de](http://www.paket.de)) to receive a 'Postnummer'. Customers who already have a Postnummer can select their pick-up outlet of choice from a list of participating locations using the online Postfinder tool ([www.deutschepost.de/postfinder](http://www.deutschepost.de/postfinder)). They then provide this delivery address to the sender. Parcels can still be sent to private or office addresses as well as to any of DHL's 2,500 Packstation machines or other previously arranged drop-off locations.

 **Postal Technology International:** Imagine a high-tech RFID solution providing you with a complete insight into where your transport resources are and where they are going. A fully automated front-end technology that eliminating manual track-and-trace activities combined with directional real-time data, ensuring 100 percent visibility in postal workflow of containers carrying mail in your logistics system. This innovative solution from Lyngsoe Systems is now a reality and Swiss Post has been among the first in the world to choose it for postal flow-control management.

 **Business Recorder:** Pakistan Post under its modernisation plan, on Monday introduced Electronic Money Order (EMO) service between eleven cities of the country through its General Post Offices (GPOs) for quick money transfer. Federal Minister for Postal Services Sardar Alhaj Muhammad Umar Gorgaij inaugurated the service at a ceremony organised here at Islamabad GPO.


*September 10, 2012*

 **Monmouth University:** Few Americans would be overly concerned if the United States Postal Service was privatized to save money, according to the latest national Monmouth University Poll. While most Americans are very satisfied with the service they currently receive, one-third say they would be more likely to use these services if made available in more convenient settings. The US Postal Service is considering a number of service reductions to deal with looming deficits. Most Americans say that these proposed changes would not impact their use of the USPS. However, among those who would be impacted, more say they would be less likely to use the post office for their mailing needs. Specifically, 75% say their use of the USPS would not change if post offices were closed on Saturdays. Among the remainder, 15% would use the post office less often while 8% say they would actually try to use the post office more often if it were closed on Saturday. Similarly, 66% of Americans would not be affected if their post office reduced its weekday hours of operation. Among the remainder, 20% would use the post office less often while 11% say they would actually try to use the post office more often if weekday hours were cut.

 **PR Newswire:** The International Brotherhood of Teamsters are calling on FedEx shareholders to support its proposal for independent board leadership at the company's annual meeting Sept. 24, 2012. The proposed reform has received increased support from investors since it was first introduced in 2007. Last year, 42 percent of outside investors supported the resolution for an independent chairman of the board.

 *At the Postal Regulatory Commission:*

- **MC2012-44 Order No. 1461** - Order Approving Request for Product List Transfer (Competitive Product List Docket No. MC2012-44 Transferring Outbound Single-Piece First-Class Mail International Packages and Rolls)  
<http://www.prc.gov/docs/85/85096/Order%201461.pdf>  
<http://www.prc.gov/docs/85/85096/Order 1461.docx>

 At its Invitational Postal Seminar in Saratoga Springs, NY on September 8, the Continuity Shippers Association gave its **Lifetime Achievement Award to Joseph Schick of Quad Graphics**. Former recipients have been Edward Gleiman, Gerald Cerasale, Gene Del Polito and Ian Volner. The Award is a circular cherry board hand carved by Charles Shackleton. Congrats, Joe. [EdNote: It's the CSA equivalent of a gold watch. In other words, "it's time for you to retire."]



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

**Remembering the Military . . . by Mail.** As we reflect this week on the September 11 terrorist attacks, we are reminded of the importance of the armed forces and diplomatic corps. Our blog this week looks at the important role military mail plays in boosting the morale of our troops. Read more on our [blog](#). New audit projects have been started on the external website.

- [Military Mail – 12RD001EN000](#) Military Mail is comprised of Domestic and International mail. Military Domestic mail is mail matter delivered to or on military bases within the continental United States. International mail is mail matter delivered to APO's (Army and Air Force Post Offices) and FPO's (Navy and Marine Corp Post Offices) by way of one of three processing locations located in New York, New Jersey, and Los Angeles. The military postal system is an extension of the domestic postal system, regarding postage rates, mail acceptance, handling, and domestic transportation.
- [Postal Service Budget Process – 12BG030FF000](#) The Postal Service is responsible for creating, updating, analyzing, and reporting on the budget that operates on a calendar month accounting cycle with a government fiscal year ending on September 30. The budget, throughout the Postal Service, is tighter than the previous year due to mainly to the downturn in the economy, decline in mail volume and drop in revenue.
- [Rural Delivery Program Management – 12XG031DR000](#) We are initiating an audit project reviewing Rural Delivery. Our objective is to assess the effectiveness and efficiency of rural delivery operations. We plan to conduct a broad review of rural delivery operations and its functional components which will include but may not be limited to rural delivery policy and procedures, timekeeping, and impacts of automation and rural post office closures.
- [Promoting Small Business Growth – 12RG032MS000](#) Small business customers contribute \$9 billion in revenue annually to the Postal Service. The Postal Service has began a renewed focus on small business customers and it targeting with various efforts. The small/medium-sized business market represents a multi-billion dollar annual opportunity. The Postal Service's challenge to acquire growth in this area is to ensure that every potential and existing small business customer with a need for USPS products and services is informed of their offerings and their ability to deliver value to their business.

A new white paper also has been posted on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov>). If you have additional questions concerning the report, please contact Wally Olihovik at 703-248-2201.

- [A Framework for Delivery Network Optimization \(RARC-WP-12-015\)](#). A new U.S. Postal Service Office of Inspector General paper on Delivery Network Optimization describes how operations research modeling can be used to optimize facility space for delivery operations. Using the existing facility footprint, the analytical model shows how to consolidate delivery space while balancing the tradeoff of carrier travel costs with facility and labor costs.

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

**Put it on Your Calendar: Webinar on the 2012 USPS Holiday Mobile Shopping Promotion** Direct mail combined with mobile technology can be a convenient way for consumers to do their holiday shopping. The USPS Holiday Mobile Shopping Promotion is designed to help merchants use direct mail to put their mobile-optimized offers, product descriptions, and advertised savings into consumers hands in time Cyber Week — the busiest online shopping time of the year. Holiday Mobile Shopping Promotion Registration starts September 15

Promotion dates — November 7-21 For promotion details go to <https://ribbs.usps.gov/index.cfm?page=mobilebarcode> **Free Webinar – Plan to Attend!**



The [Association for Postal Commerce \(PostCom\)](#) has [filed comments](#) with the U.S. Postal Service regarding its Advance Notice of Proposed Rulemaking, Proposed Eligibility Criteria for Bound Printed Matter Parcels, CFR Vol. 77, No. 143, 43561-43562 [2012-18085]

[PostEurop](#): In cooperation with IPC, PostEurop and its members published "Realising Europe's potential: e-commerce and the postal operators" to demonstrate the role of postal operators in boosting cross-border e-commerce within the EU. "There is no doubt that the future of Europe is embedded in e-commerce. The Postal operators are an integral part of the overall e-commerce experience, offering a vast range of services to meet the needs of all customers, embracing online and mobile technologies to provide competitive and convenient services across Europe."

[Deutsche Post DHL](#): 120 countries, 600 projects and over 60,000 volunteers - the sheer size of Global Volunteer Day last year shows just how deeply entrenched volunteerism is throughout Deutsche Post DHL's global workforce. And we'd like to match last year's success. Global Volunteer Day 2012, which we are putting on again under the motto "Handle With Care," is an initiative running September 6-16. Our volunteers will once again lend their helping hands to local community projects such as painting, construction and yard work at kindergartens, field trips and summer festivities with seniors and people with a physical or mental impairment, helping out in schools and charitable organizations, and participating in bird protection projects at our corporate headquarters in Bonn, Germany.

[Air Transport World](#): In stark contrast to the air passenger and general airfreight sectors, both famously fractured into a myriad of global companies, the international express cargo delivery business looks more like other modern transnational industries dominated by a handful of mega-players. On a global scale, United Parcel Service (UPS), FedEx, DHL Express and TNT Express are really the only games in town. Which is why Atlanta-based UPS's pending acquisition of Amsterdam-based TNT is of such consequence.


[Bloomberg](#): The sale of Hellenic Post SA, known as Elta, Greece's postal service, will begin by the end of the year. Interest in the company is strong and potential buyers include Belgium's Bpost and Dutch PostNL, while Greek companies ACS, Speedex SA and Star Investments, part of Vardinoiannis Group, are also likely to take part in the process. *[EdNote: Anyone interested in the U.S. Postal Service? Such a deal! You get an employee culture that's at war with itself. Governors that find it hard to define a mission for the postal system. A culture of regulation that causes the Postal Service to always second guess itself. And a Congress unwilling to allow you to do anything that could possibly sustain the fiscal viability of your enterprise.]*


[RTT News](#): R. R. Donnelley & Sons co. announced that it has acquired Express Postal Options International or XPO, a privately held company based in Torrance, CA. Terms of the deal were not announced. The company said that XPO provides international outbound mailing services to pharmaceutical, e-commerce, financial services, information technology, catalog, direct mail and other businesses. The company stated that XPO manages international outbound mail delivery to more than 150 countries.

[Advertising Age](#): For 82 years, Advertising Age has guided readers through periods of great upheaval, from the disruption of the TV era to the transformational impact of the internet. As the industry has evolved, so have we -- reshaping our products and priorities to expand in areas from AdAge.com to in-person conferences and events. Now it's time to bring the same innovation to print. This week our print edition is playing a different role than you're accustomed to. We break news every day in the digital sphere, and we've redesigned Ad Age in print to illuminate the important trends and developments that the news is shaping. (You will notice AdAge.com also has a refreshed look to reflect some of the style changes we've made in print.)


[Smart Company](#): While retailers may have welcomed a new report into the GST low-value threshold that suggests offshore goods should be subject to the same taxes and charges as domestic parcels, experts point out the report deals with a bigger issue. Not only does it highlight issues with taxation, but it also goes into specific detail


about the current parcel system, along with the country's logistics and transportation issues – and makes a huge number of recommendations to fix them. Using pre-arrival electronic data, introducing a simpler way to record GST and putting Customs in charge of a range of new responsibilities are just a few of the ways in which the report recommends overhauling the distribution system for parcels.


 [Politico](#): For all the hype surrounding the dreaded fiscal cliff on taxes and spending, an increasing number of lawmakers are starting to push for Congress to do what it does best when faced with a difficult decision: punt. If Mitt Romney wins the presidency, Republicans in Congress will block any action until he's sworn into office. If Republicans win the Senate, they'll stall any effort to solve the massive tax increase and spending cuts until they hold the gavels. And if it's a status quo election — President Barack Obama wins and Congress remains divided — negotiations may begin in earnest right after Nov. 6, but it will be hard to make a landmark deal before Dec. 31 given the resistance from House Republicans to any tax increases and Democratic unwillingness to overhaul entitlements. *[EdNote: They don't call it "LAME" duck for nothing. If you're waiting for postal reform. Don't hold your breath.]*


 [Washington Post](#): 5 things to watch this week in Congress: Continuing resolution, Farm Bill, Jesse Jackson Jr., Violence Against Women Act, Postal Service — and demonstrations of bipartisanship. Items on the congressional to-do list include: Senate passage of a veterans jobs bill; a measure that would normalize trade relations with Russia (which might include strict punishment for Russian officials accused of human rights abuses); reauthorization of the Violence Against Women Act; **competing bills to restructure the U.S. Postal Service**; possible resolution of long-standing disagreements over cybersecurity; consideration of several tax measures; and a Senate Democratic mortgage relief bill. **Could any of these issues be resolved before Election Day? Aides say there's not much hope.**

*September 9, 2012*


 [Global Times](#): The State Postal Bureau (SPB) announced Friday that two US-based multinational logistics companies, Federal Express Corp (FedEx) and United Parcel Service of America Inc (UPS), have been granted access to China's domestic express delivery market, in a move to fulfill the country's WTO obligations. FedEx has won approval to conduct express delivery business, except letter delivery, into eight cities including Shanghai and Central China's Zhengzhou, while UPS gained similar access to five cities, including Shanghai, Tianjin and Guangzhou, the SPB said. The approval signals the opening up of China's domestic express delivery market, and a step to meet the country's WTO obligations, said the SPB.


 [Courier, Express, and Postal Observer](#): The House of Representatives reconvenes on Monday. This starts a period of eight days of legislative activity before the end of the fiscal year. This week's floor schedule suggests that the House is unlikely to tackle any significant legislation before the end of the fiscal year. Most of the legislation under consideration on Monday and Friday are being considered under suspension of the rules which only occurs for non-controversial bills. The exception are four bills that will be considered under a rule on Friday.

 [AllAfrica.com](#): The new Secretary General of the Pan African Postal Union (PAPU), Mr. Younouss Djibrine of Cameroon has officially taken up his duties at the Union's Headquarters in Arusha and reiterated his vision of commitment towards modernity for African postal services.

 [The Times of India](#): Postal services do not seem to have lost their relevance in the age of internet. Indicating a growing demand for postal facilities, in the last fiscal year alone, as many as nine residential areas have asked for a post office to be opened in the vicinity. This is a far cry from say, until five years ago, when not a single letter would land at the doorstep of the postal department. Strange as it may sound, denizens 'e-quipped' with smart phones and all things prefixed with an 'i', are queuing up to request for the humble postal service.


*September 7, 2012*


 **Federal Times:** Nearly 3,000 mail handlers accepted \$15,000 buyouts and quit or retired by the end of August, the U.S. Postal Service said last week. The Postal Service expected between 2,800 and 3,200 to accept the deal, which was offered in May — 2,952 did so. The incentives to leave are among three attempts by the agency this year to trim its career workforce — now at about 539,000 employees — without resorting to layoffs.


 **Slate:** "The End of (Mail) Men"

 **DMM Advisory:**

- **Reporting Electronic Circulation** This year, the Postal Service™ for the first time recognizes electronic fulfillment of subscriptions. PS Forms 3526, Statement of Ownership, Management, and Circulation (All Periodicals Publications Except Requester Publications), and 3526R, Statement of Ownership, Management, and Circulation (Requester Publications Only), have been modified to allow publishers to indicate that they wish to count their electronic fulfillment and a new form PS Form 3526X, Statement of Ownership, Management, and Circulation (Only for Requester and General Category Periodicals Publications), was created to report it. All of these forms are available on USPS.com. Reporting electronic circulation is optional.
- **IMb™ Services Update** The Postal Service™ is hosting a series of webinars to assist mailers in transitioning from the POSTNET™ barcode to the Intelligent Mail® barcode. Coming up next week: The World of MIDs, CRIDS, and the Business Customer Gateway Webinar - will be held Thursday, September 13, 2012, at 1 p.m. EDT. The focus will be on Customer Registration IDs (CRIDs) and Mailer IDs (MIDs), the ways mail owners and mailing agents can acquire an MID and when and how it is used in the Intelligent Mail barcode, electronic mailing information and receipt of Full-Service data. To join the online event: Click the link or copy and paste the following link to a browser: <https://usps.webex.com/usps/onstage/g.php?t=a&d=991598409> Complete webinar log-in information can be found on the RIBBS® Intelligent Mail Education page at <https://ribbs.usps.gov/index.cfm?page=intellmailpresentations>.

 **Attention Postal One! Users:** The SASP application will be undergoing a software upgrade this Sunday, September 9 which will require an outage from 5:00 am through 5:00 pm. The business impact to this outage is as follows: **SPM / Internal Mail Visibility** CAR reports, Narrowcast and WIP data will not be available on Sunday 9/9 and may be delayed on Monday as we resolve issues post implementation should they occur, and while the system catches up on processing. We anticipate being back on schedule on Tuesday. We are working with the SPM business customer to send notifications to the field per our SOP. **External Mail Visibility** (Mailer Feedback) Mail Data Quality and Container/Tray Visibility may be delayed by up to 24 hours depending on the outage window and post implementation issues. We are working with the help desk to communicate the potential delays to the mailers per our SOP. Updates will be provided during the outage if issues arise.

 **Sell Or Else:** We can track who views our marketing campaigns online. We can tell which ads they viewed; how long they looked, and where they went afterwards. Everything is measurable today. You'd expect me, as the person who wrote the book *Sexy Little Numbers: How to grow your business using the data you already have*, to tell you that all that data and all the new technologies that can analyze that data will solve all your problems. I won't— because the data and technology are the wrong place to start. The place to begin is by figuring out what you need to measure. What are your goals? Increased sales? Higher margins? Increased sampling? Customer retention? Then you need to prioritize those goals. If everything is important, nothing is.

 **Pushing the Envelope:** As the U.S. Postal Service remakes itself into a leaner organization in the face of a communications revolution, it still remains a powerful medium and an important part of the nation's infrastructure. A lingering concern remains, however, that the Postal Service is becoming less relevant to younger Americans. A recent public opinion poll by The New York Times and CBS supports this conclusion. According to the poll, only 30 percent of people under 45 say they use the mail "all the time." While daily reliance on the Postal Service is still high for older generations, these poll results raise questions about the organization's long-term future if physical mail does not play a role in the lives of younger Americans. What do you think is the best way for the Postal Service to serve a younger demographic? Should it attempt to promote its traditional

products to younger Americans and tout the benefits of hard copy as a complement or supplement to digital? Should the Postal Service instead focus on expanding its digital offerings? Is there another strategy?



**Seeking Alpha:** For investors, perhaps the best advice is to wait for UPS to report earnings and to decide whether the stock's valuation is enough of a shortcoming to detract from its overall offering. In the long term, UPS is on a trajectory to achieve through its commitment to driving costs out of the system and augmenting its business through the decline of the US Postal Service.

**Direct Marketing News:** USPS launched promotions that give discounts on direct mail that includes QR codes, connected to mobile websites. In November USPS will offer a 2% discount on postage for mail that includes a mobile 2D barcode. Gary Reblin, VP of domestic products at the USPS, says that campaigns like this one will be a large part of the future of direct mail.

**National Association of Postmasters of the U.S.:** A reoccurring message delivered at the recently concluded NAPUS convention was that Congress' failure to enact legislation to maintain a viable Postal Service is undermining the agency's ability to provide the level of service to which Americans are entitled and expect. While the U.S. Senate has met its obligation to pass legislation (S 1789), the House failed to meet its constitutional responsibility due to an objectionable and highly-partisan postal bill (HR 2309). Moreover, the House Leadership has been reluctant to bring forth consensus-driven, constructive postal relief legislation.

**Bath Chronicle:** A new bicycle-based postal delivery service is proving popular in Bath. Docmail Local Post said it has now collected, sorted and delivered 100,000 letters across Bath and Bristol since last October. The firm uses electric bikes to deliver mail around both cities. A total of 12 postcode zones in Bath are covered by the new Docmail Local Post services including BA1 and BA2, and a further 14 postcodes in Bristol. Spokesman Joe Broadway said: "This is a postal service for companies who operate locally, and recognise the benefits of physical mail. By making best use of the local knowledge of our dedicated teams of delivery personnel, we are able to offer our customers the service that suits them best. The mail is collected, sorted then delivered all within the local area." Prices for delivery are 36p for each standard letter, 2p per item for unaddressed mail such as leaflet drops and delivery is guaranteed within two working days.



**Bloomberg:** Germany's state-owned development bank sold a 5 percent Deutsche Post AG (DPW) stake for 924 million euros (\$1.17 billion), taking advantage of the stock's increase to a four-year high.



*From the Federal Register:*

- **Postal Regulatory Commission** NOTICES Product List Changes , 55233–55234 [2012–22021] [\[TEXT\]](#) [\[PDF\]](#)
- **Postal Service** NOTICES Product Changes: Express Mail, Priority Mail, and First-Class Package Service Negotiated Service Agreement, 55234 [2012–22014] [\[TEXT\]](#) [\[PDF\]](#)



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

- The Postal Service has proposed to revise the Domestic Mail Manual to terminate the use of Fastforward technology as a Move Update option for commercial First-Class Mail, First-Class Package Service, Standard Mail, and Parcel Select Lightweight mailings. Comments are due to the Postal Service on or before October 4, 2012.
- According to postal commentator Gene Del Polito, "from where I sit, there's still a great deal of work that needs to be done. And it needs to be done before we can ever hope to place a postal legislative reform measure on a president's desk with the justifiable belief that, if we reform our postal system just this one more time, we put off to some far-distant date the need to address this issue again."




- PRC denies NAA's motion to stay in Valassis NSA. APWU members reach out to USPS BOG. Rolando: What's really behind the Postal Service crisis. McCaskill touts fight to save rural post offices at SEMO Port stop. 8 reasons why USPS productivity is declining: the employees speak out. Addressable TV ads might – finally–be ready for prime time. USPS submits TRACS changes to parcel density process. No change to MTAC dates. Is Tag 57 authorized on commingled mailings?
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.


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





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


**September 6, 2012**


 **[Direct Marketing News](#)**: Today's media landscape is as complicated as it is vast. As each new channel becomes the shiny marketing object du jour, others get all but cast aside. Nearly lost to some marketers in the mélange of QR codes, online video, social media sites, and mobile apps is print. Consequently, those marketers who still fully embrace traditional marketing tools such as print catalogs and direct mail have an opportunity to stand out to consumers bombarded by digital pitches. In fact, industry leaders like IKEA and Procter & Gamble (P&G) rely on print advertising, catalogs, and direct mail as key components of their brand management strategy. But these print channels rarely stand alone. Many of the brands that use print media within their direct marketing efforts weave digital tightly into their campaigns. This approach is becoming a must, according to industry experts.


 **[National Association of Letter Carriers](#)**: Interest arbitration for a new National Agreement between the National Association of Letter Carriers and the United States Postal Service began formally on Thursday, Sept. 6. The hearing convened at NALC Headquarters in Washington, with the union's entire Executive Council in attendance along with a contingent from the USPS. The three-member arbitration panel, consisting of neutral arbitrator Shyam Das, NALC attorney Bruce Simon and USPS attorney Robert Dufek, heard opening statements from NALC's lead counsel Keith Secular and his USPS counterpart, Thomas Reinert.


 **[Universal Postal Union](#)**: "Addressing the world — An address for everyone" A white paper on a UPU initiative that highlights the value of addresses with the aim of enlightening political leaders on the importance of address infrastructure. The publication provides various perspectives on addressing. A historical perspective reveals the motivations behind the emergence of addressing systems, which surprisingly were not driven by the post. The theoretical perspective examines whether address infrastructure can be considered as a global public good and who is responsible for its provision. The practical perspective presents the impacts of address infrastructure through eight policy dimensions: governance, urban development and management, migration and social integration, security, economy, commerce, information and technology and environmental sustainability and natural disaster management. Examples from Tanzania, Denmark, Korea (Rep.), Costa Rica and India show how addresses help inform inclusive and resilient policies that support development.


 **[4-Traders](#)**: Weeks from the opening of a major ministerial conference organized by the Universal Postal Union, the UN specialized agency's director general, Edouard Dayan, says it is important for governments to share their vision of the postal sector with a view to maintaining its role as a key motor of socioeconomic development and social cohesion.


 [Communication Workers Union](#): CWU leaders welcomed Postal Minister Jo Swinson to her new job today and urged: "Let's work together to improve our industry." The East Dunbartonshire MP was appointed to the position in Prime Minister David Cameron's Cabinet reshuffle this week and she replaces Norman Lamb, who was moved to the Department of Health.


 [National Association of Postmasters of the U.S.](#): Postmaster General Pat Donahoe spoke to NAPUS members at their national convention in Oklahoma City. He discussed the Postal Service's current situation and talked about plans for the future. "We really need to be thinking about the future and the positive opportunities this organization has," he said. Despite all the negative news, the USPS is the world's largest postal system, has a tremendous infrastructure and reaches every American every day; no one else can make that claim. The PMG insisted the agency is not going to wither and die in the next couple years. Rather, it has a great future ahead of it.


 [BtoB](#): American Business Media is projecting that commercial mailers and marketers could face a 3.5% increase in postal rates next year. The U.S. Postal Service is allowed by law to boost postal rates based on cost of living increases as measured by the Consumer Price Index, currently 2.5% to 3.0%. It also can base rates on any unused CPI amounts it has "banked," which currently is about 0.5% for various postal products.


 [Sowetan Live](#): The South African Postal Workers Union (Sapwu), which broke away from the Communications Workers Union (CWU), said it was snubbed at wage talks, despite a verification audit declaring Sapwu a majority union a month ago. Sapwu claims management is negotiating with the CWU behind Sapwu's back. This followed an independent verification audit Sapu commissioned in July and August. The audit showed that Sapwu had 33% membership and CWU had 29% in the parastatal. But an agreement between Sapu and the unions sets the recognition threshold at 40% plus one membership.


 [Post & Parcel](#): Brazil Post said yesterday it is taking steps to prepare for a possible strike by postal workers as collective bargaining negotiations drag on into September. The Post has been in talks since early July with union umbrella group Fentect, and yesterday issued a fresh offer, based on a 5.2% increase in wages and benefits for around 120,000 workers. Brazil Post (Correios) said its proposal was the result of negotiations and dialogue "and the company is confident of a collective agreement that is satisfactory to all, to ensure the normal service to society".

 [Cambridge-News](#): Up to 200 postal workers' jobs could be axed in Cambridge after the Royal Mail revealed it will close the city's Clifton Road sorting office. Royal Mail made the announcement today, saying that most of the mail processing operations in Cambridge would be switched to Peterborough.

 [Business Standard](#): The Department of Posts (DoP) today said it has signed an international speed post agreement with South Africa Post and the service will be available at major post offices starting this month. "DoP has signed an agreement with South Africa Post for starting international EMS (speed post) service...The EMS service to South Africa will be available at the major post offices from September 2012 onwards," DoP said in a statement. Express Mail Service (EMS) is a premium service that enables its users to send letters, documents and parcels faster with the added facility of tracking the movement of the item on the Internet.

 [Washington Post](#): A recent Gallup Poll provides a clue as to why Democrats largely ignored federal employees in the platform issued at the party's Charlotte convention this week. The public thinks government stinks. *[EdNote: Mark my words. If this administration wins re-election, there'll be no hesitation to throw postal unions under the bus when the hard bargaining over postal reform begins.]*


 [Associated Press](#): United Parcel Service is pushing back the close of its \$6.77 billion acquisition of Dutch delivery company TNT Express because of an extended regulatory investigation. It now expects the deal, first announced in March, to close early next year. As of two weeks ago, it expected the deal to close before the end of this year.

 [Dead Tree Edition](#): The U.S. Postal Service recently experimented with "100 Percent Street Time" – assigning some carriers only to prep mail and others only to deliver – then abandoned the project because it didn't save money. But the concept is not completely dead. In a report with the nap-inducing title of City Delivery Route Optimization

Pilot Initiative, the USPS Office of Inspector General revealed two weeks ago that the Postal Service canceled a months-long 100 Percent Street Time experiment on June 30. The OIG agreed with the cancellation because "there is an unfavorable business case for proceeding with the pilot. For the eight sites we reviewed during the pilot, office and street workhours increased with no efficiency improvements." [Read more](#) . . . .

**September 5, 2012**

 [Postalnews Blog](#): "USPS COO Brennan Addresses NAPUS Convention"

 [4-Traders](#): Postal Parcel Project to Benefit 50,000 Needy Women in SW China September 5, 2012 As one of the seven pilot regions for the Postal Parcel for Mothers Project, which provides impoverished women with daily necessities, Guangyuan City in southwest China's Sichuan Province will see 50,000 women benefit from the program.


**Mailers' Technical Advisory Committee (MTAC)** During their August Focus Group session with Mail Prep & Entry/Operations, the Standard Mail MTAC representatives asked whether Tag 57, Political Campaign Mailing, is authorized on commingled mailings. The answer is no -- trays, tubs or sacks of commingled political and non-political mailpieces must not contain a Tag 57. Additionally, commingled political and non-political mailings will not be flagged as an Election Mail mailing in PostalOne!, nor identified and handled as political mail after entry. However, trays, tubs, or sacks of political mail identified with Tag 57 may be copalletized with trays, tubs or sacks of non-political mail. As a reminder, "Political Mail" is defined as any political mailing by a registered political candidate or associated campaign committee, and/or political message mailing by a Political Action Committee (PAC, committee of a political party), Super-PAC, or nonprofit/527 (USPS- approved nonprofit status required). Mailers should apply Tag 57 to mailings that qualify under this definition. For additional information about political mailings and Tag 57, please go to: <https://www.usps.com/business/political-mail.htm>





In an article written for *Mailing Systems Technology*, postal commentator [Gene Del Polito](#) said that "S. 1789 and H.R. 2309 have one thing in common -- an apparent belief that the Postal Service's Board of Governors so lacks innovative, strategic, and overall managerial capabilities that it cannot be entrusted with the key role of defining the Postal Service's ever-evolving role of ensuring the satisfaction of the nation's universal postal needs."





Online registration for MAILCOM Las Vegas ends Thursday, September 6 at 6:00pm. (EST) All registrations thereafter will be onsite beginning September 9, 2012 at 12:00 noon. MAILCOM Las Vegas will be held September 9-11, 2012 at the Riviera Hotel in Las Vegas, NV. For show information and to register, go to [www.mailcom.org](http://www.mailcom.org).

 [Wall Street Journal](#): FedEx Corp. on Tuesday said a sharp decline in manufacturing activity would harm its profits, a sign of how declining Chinese output is ricocheting across economies around the world.


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


 Despite almost stagnating revenues the French post was able to report pleasing results for the first half of the year. La Poste improved its operating result by 25.5%.

 PostNord faced a significantly declined result in the first half-year 2012.


 PostNL changes its top-executive leadership structure. In the future the board of management will only consist of CEO Herna Verhagen and CFO Jan Bros. The director of operations, Pieter Kunz, and commercial director Ger Jacobs will leave the company 'to continue their careers outside PostNL', it is reported. And human resources director Gerard Aben will retire in the first quarter of next year.


 Swiss Post will be turned into a joint stock company at the beginning of May 2013.


 Cost reductions and an enhanced efficiency brought Posten Norge a good first half-year due.


 Swiss Post only achieved a significantly lower profit while its revenues decreased slightly in the


first half-year.


 The Norwegian post reorganises its structure. On Monday this week, the company disclosed that Posten Norge will have four business units instead of two (Mail and Logistics) in the future. Besides the mail business, the logistics operations will be split up into a Norwegian division (Logistikk Norge) and a Scandinavian unit (Logistikk Norden). The Distansehandel division (distance trade) is another newly established unit, which will solely focus on key accounts in the e-commerce sector.


 Yet another postal strike is impending in Brazil.


 After Canada Post slid into the red for the first time in 17 years in 2011 (CEP-News 19/12), the company also recorded a deficit in the first half-year of the current fiscal year.


 New Zealand Post Group managed a turnaround in fiscal 2011/2012 on moderately grown revenues. However, CEO Brian Roche warned to put too much emphasis on these positive results.


 The opposition tries to keep the revision of the postal law on the political agenda in Germany. In a renewed so-called 'minor interpellation' the Green fraction in Germany's lower house of the parliament demanded information from the government why the revision of the postal law, which originally was scheduled for autumn this year (CEP-News 09/12) is to be postponed.


 There are signs for an emerging dispute about Canada Post's future policy between the Canadian postal union CUPW and the company's management. Given the current business development, the union's president Denis Lemelin said Canada Post should go into the banking and financial services sector. The supervisory board clearly dismissed this proposal. One had already considered expanding into the financial and the telecommunications sector, but the post had no chance to operate successfully in both industries said Marc Courtois, chairman of the supervisory board.


 GeoPost, La Poste's holding for its international parcel and express business, invested in a British cross border e-commerce specialist. In the future, the services of Worldnet Direct, which was only established this year, will also be offered under the brand name DPD in the United Kingdom.

 Apparently, PostNL plans to offer mail delivery via a secure e-mail service, too. According to web portal »webwereld« (31.08) the Dutch post is currently testing a new software for secure e-mail transmission. It is reported that the service will primarily be offered to business clients and the start is already scheduled for autumn this year.

 The Swiss government is now taking first steps to limit the post's address trading. In the future Swiss Post won't be allowed to charge customers 30 Swiss francs, if they prohibit trading with their new addresses in case of a change of address order.


 Apparently, Japan Post found a creative way to reduce the costs of its branch network without violating its universal service obligation. Daily news »Daily Yomiuri« (27.08) reported that Japan Post plans to divide offices in remote areas into groups, each consisting of 10 to 20 locations and to rotate the clerks between several branches. Thus, each post office would only be open for a few days per week, but no post offices would have to be closed.


 NetPosti, the digital mail service of the Finnish post, remained on a the path of growth. Itella reported that over 400,000 customers were registered with the service in August, up one-third within 12 months. However, mail volume remained quite limited so far. According to the post, only 9m electronic letters were sent via NetPosti in 2011.

 Jukka Alho, the longstanding CEO of the Finnish post will retire at the end of this year.




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

 **DC Velocity:** Cloud-based technology is being hailed as the next big thing in the parcel management sector. But first, providers have to allay shippers' concerns over cost, reliability, and data security.


 **Dead Tree Edition:** News that the U.S. Postal Service's productivity has taken a turn for the worse comes as no surprise to many USPS employees, especially letter carriers. Many postal workers responded to last week's article about USPS delivering fewer mail pieces per work hour than it did a year ago. From the comments, on Dead Tree Edition and on other sites, come eight reasons for the USPS's declining productivity.

*September 4, 2012*


*Did you know that even if Congress rectified the funding-prefunding mess, and even if the Postal Service reorganized its network "according to plan," the Postal Service would still be running in the red? Making the hard decisions about what the nation's postal system should become hasn't even yet begun.*

 **ThisIsStaffordshire:** Finance leaders at a cash-strapped council are cutting the cost of sending mail – by ditching Royal Mail and sending fewer first class letters. Stoke-on-Trent City Council spends about £365,000 a year on external mail services, but it is hoping to make savings of £92,000 a year by switching to private firm UK Mail. [EdNote: Who knows? Maybe one day Americans will have the ability to choose their own mail service provider.]

*Some day, when you get a chance, ask a USPS governor if he or she can tell you the postal board's vision of what the USPS should be.*


 **DelMar-CarmelValley Patch:** On Friday, Postal Service letter carriers in San Diego will pick up mail and eyeglasses from your mailbox for the 10th Annual Recycle for Sight eyeglass collection with the Lions Club International. Leave old, unneeded eyeglasses, sunglasses, readers and children's eyeglasses in a plastic bag in your mailbox. Mail carriers will collect them for patients around the world who need corrective lenses. Lions Club volunteers will sterilize calibrate and distribute your donation. Over the past nine years, letter carriers collected more than 100,000 pair of donated glasses, according to the U.S. Postal Service.

*Some day, when you get a chance, ask any Member of Congress to tell you where, in law, you can find a succinct description of the Postal Service's Universal Service Obligation.*

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

- Periodicals Identification Statement — Optional Instruction for ACS Participants. We revised [707.4.12.5h](#) to provide a modified Identification Statement for mailers who participate in Address Change Service (ACS). We published this information in the August 9, 2012, *Postal Bulletin*
- Revision to General Pallet Preparation Standards. We revised [705.8.5.2](#) to clarify inconsistent language regarding the option to place bundles of Periodicals flats directly on mixed area distribution center (ADC) pallets. We published this information in the August 9, 2012, *Postal Bulletin*
- Clarification of Destination Sectional Center Facility (DSCF) Eligibility. We revised [246.4.0](#) to clarify that Standard Mail letters in ADC trays or automation area distribution center (AADC) trays may be eligible for destination sectional center facility (DSCF) entry prices when the ADC or AADC service area is exactly the same as the corresponding DSCF. We published this information in the August 23, 2012, *Postal Bulletin*.
- Mailing of Cremated Remains. We revised [601](#) to add new section [12.9.3](#) that will align with existing requirements relating to the mailing of cremated remains provided in other Postal Service™ publications. We published this information in the August 23, 2012, *Postal Bulletin*.

- New Pallet and Tray Preparation Options for First-Class Mail and Standard Mail. We revised [235](#), [245](#), [335](#), [345](#), and [708.6.0](#) to provide new options for the preparation of pallets, trays and sacks of First-Class Mail or Standard Mail. We published this information in the August 23, 2012, *Postal Bulletin*.


 **Advertising Age:** If you watch TV, chances are you've come upon Mayhem, the devil-may-care character who is seemingly everywhere in commercials for Allstate. But in one new instance, the character will be decidedly less mass market, appearing to talk to only a select few -- by Allstate's choice. The No. 2 insurer has launched a new effort for renter's insurance, which will reach TV viewers who rent, rather than own, their homes. The ads, beamed on a highly targeted basis by Dish Network and DirecTV, mark the first time Allstate has used TV to advertise renter's insurance products but also signal that **addressable TV-advertising technology**, long ballyhooed but seldom used, is starting to gain momentum. Allstate's Mayhem character will only appear to a select few. **Using addressable ads, marketers can predetermine the type of consumer who will see their commercials.** In this case, Allstate is taking consumer data widely available from firms such as Experian, Epsilon and Axicom, along with subscriber information from Dish and DirecTV, and using all this to pinpoint renters. In other words, if the subscriber is a homeowner, the commercial is not supposed to appear on the TV screen. By using both DirecTV and Dish, Allstate's new-technology commercials will reach about 15 million households.





The U.S. Postal Service Office of Inspector General invites you to comment on the following **Blog Topic**. A recent poll suggests younger Americans are less reliant on the Postal Service than older generations. Younger Americans turn to the Internet and smart devices for their news, entertainment, and to connect with friends and family. As the Postal Service remakes itself into a leaner, more flexible organization for the 21st century, what is the best way for it to serve a younger demographic?


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


- **[City Delivery Route Optimization Pilot Initiative \(Report Number DR-MA-12-002\)](#)** Our assessment of the route optimization pilot indicated there is an unfavorable business case for proceeding. For the eight sites we reviewed, office and street workhours increased with no efficiency improvements, vehicle mileage did not meet targets, and units incurred additional implementation costs. The increased workhours and related costs also exceeded the gains achieved by reducing routes and vehicles. Finally, the workforce structure and rules limited the success of the pilot and it did not yield a material net savings.
- **[Rehabilitation Assignments for Employees Injured on Duty \(Report Number HR-MA-12-004\)](#)** Our audit determined that the Postal Service has contract work that it can potentially make available as rehabilitation assignments to employees injured on duty. Specifically, we identified a contract that provides auto services, including transporting vehicles in need of repair and maintenance, to 28 vehicle maintenance facilities (VMFs) or repair garages. We found that employees who have been injured on the job and are able to return to work could perform some of this work at 10 of the 28 aforementioned VMFs and there is also the potential for other VMFs to provide similar rehabilitation assignments.
- **[U.S. Postal Service Alternative Health Care Plan Proposal \(Report Number FI-MA-12-014\)](#)** Our audit disclosed that the \$63 billion in proposed savings was reasonable. However, we found that management used an incorrect funding interest rate assumption to establish its future retiree health care obligation. Thus, management understated the adjusted original liability of \$90.2 billion by \$14.1 billion, when it should actually have been \$104.3 billion. This, however, does not impact the overall \$63 billion in cost savings. Subsequent to our review of the proposal, the Postal Service informed us it removed from its proposal the plan to freeze the monthly premium amount it contributes to those retiring after January 1, 2014. Thus, the estimated savings associated with the proposal would be reduced by about 20 percent, or \$11 billion due to this change. Finally, we noted the Postal Service did not have access to its employee and retiree actual claimant data to ensure it has data available to run its plan.


 **Save the Post Office:** "To NSA or not to NSA? The Valassis Question" [*EdNote: If you want to read a piece on postal that is way out of time and place, here's one.*]


 [Wall Street Journal](#): German postal and logistics company Deutsche PostDHL said Monday it plans to reduce its ownership of Blue Dart Express Ltd. by selling a stake in order to comply with India's minimum public-shareholding requirement.

 [Daily Markets](#): Qbase, LLC, a leading provider of geographic search solutions, business intelligence solutions and information technology services today announced an alliance with Pitney Bowes Software that enhances and expands the geotagging and geosearch capabilities of the Qbase MetaCarta line of products.


 [The Asahi Shimbun](#): Japan Post Bank Co. filed for government approval for new lending services, including housing and business loans, on Sept. 3. The application was submitted to the Financial Services Agency chief and the minister of Internal Affairs and Communications. If it obtains approval, Japan Post Bank would start those operations as early as next April. The bank, which is under Japan Post Holdings Co., has the largest deposit amount in the country and a nationwide network of post offices. Local banks and others are concerned about Japan Post Bank's business expansion. The government currently owns all stakes in the group.


 [Telecompaper](#): French MVNO La Poste Mobile turned over EUR 68 million in the first half of the year, according to its 51 parent company, French postal service La Poste.


 [Post & Parcel](#): Australia Post officially opened Tasmania's first postal superstore yesterday, in its 127-year-old post office building in Launceston. The superstore features five counters tailored to different customer needs, a self-service terminal and postal vending machine for those in a hurry as well as personal service for more specialised transactions such as financial and identity services. To cater for the record numbers of Tasmanians shopping online, the Launceston superstore has dedicated 24/7 parcel lockers for post office box holders as well as a digital zone, so customers can shop online via iMacs and iPads. Travel needs are taken care of with travel insurance and merchandise available in-store. From October, the Launceston Travel and Information Centre will also relocate within the heritage building to provide travel information to visitors in the region.


 [The Motley Fool](#): Even though it's been nearly five years since the onset of the financial crisis, the economy continues to suffer from its effects. If you were to isolate only one group, the responsibility lies most on the banks, gatekeepers of the nation's credit. It isn't an exaggeration to say that credit is the lifeblood of our economy. It allows consumers to buy houses and cars, and companies to finance current operations and expansion. Indeed, as we learned when the credit markets seized in the depth of the financial crisis, business literally comes to a stop without credit greasing the wheels of commerce. It's for this reason that all investors should keep one eye on trends in this area, as it's likely here that we'll first see signs of recovery and progress.

### *September 3, 2012*

 [Pensions Week](#): The Royal Mail Pension Plan is to make a 2 per cent (£50m) allocation to private debt as opportunities arise from banks cutting their loan books. The newly formed fund has shrunk from £30bn to £2.5bn in value after the government took responsibility for its accrued liabilities.


 [KCRG](#): With a few possible exceptions, Iowans would be wise not to expect much from Congress when they return to work next week. House and Senate members return to Washington on Sept. 10, after a five-week recess and both parties' political conventions. Congress usually takes the month of August off for a summer recess, but its return this year was delayed by the conventions. And starting in October, both chambers will adjourn again for a month of campaigning before the November elections. By most measures, only 13 working days remain on the congressional schedule before November.

 [Jamaica Observer](#): The Post and Telecommunications Department is shortly to implement a raft of measures aimed at bringing it into the 21st century and tailoring its services to the needs of its customers and stakeholders.

 [Washington Post](#): The U.S. Postal Service recently publicized its challenges in funding its retirees' health care benefits — it owes \$5.5 billion for 2011. And the postal service is not alone. Many public and private employers are struggling to fund retiree benefit obligations that continue to increase as health care costs rise and life expectancies

grow longer. Health care reform made employers reevaluate their health care benefit programs, so many also took a closer look at their retiree medical obligations.

*September 2, 2012*

 [Southeast Missourian](#): U.S. Sen Claire McCaskill pledged to continue "rattling some cages" in Washington, D.C., in her fight to save rural post offices during a Southeast Missouri stop Friday at the Southeast Missouri Regional Port Authority.

*September 1, 2012*





[PostCom's report on the Postal Service's delivery service performance for quarter 3 of fiscal year 2012](#) has been posted on this site.




*From the Federal Register: Postal Service*

- PROPOSED RULES Retirement of FASTforward Technology , 53830 [2012–21738] [[TEXT](#)] [[PDF](#)]
- Rules of Practice in Proceedings Relative to Administrative Offsets Initiated Against Former Employees of the Postal Service , 53830–53834 [2012–21617] [[TEXT](#)] [[PDF](#)]
- NOTICES Meetings; Sunshine Act , 53936 [2012–21860] [[TEXT](#)] [[PDF](#)]

 [AZCentral](#): For 200 years, the Postal Service has adapted to technological changes, including the telephone, telegraph and fax machine. If Sen. McCain and his colleagues in Washington fixed the mess they created, the Postal Service could turn its attention to developing a forward-looking business plan that takes advantage of opportunities that exist. While the Internet means more people pay bills online, people also are ordering goods online that must be delivered. That exploding e-commerce market already is boosting Postal Service revenues -- as UPS and FedEx increasingly ask the Postal Service to deliver their packages because the Postal Service's universal network does so less expensively -- but more could be done to capitalize on this.

 [CNET](#): A new tool for advertisers lets them target ads to customers who have already used their services. Facebook plans to roll out a new advertising tool that will let companies target their ads to existing customers based on their phone numbers and e-mail addresses. The social network is launching the new tool next week and touts it as a way for businesses to reengage with customers who have already used their services, according to a Facebook spokesperson.\

 [American Postal Workers Union](#): Delegates to the APWU National Convention condemned USPS management for their failure to adhere to the terms of the 2010 Collective Bargaining Agreement and for their dismal response to the agency's congressionally-manufactured financial crisis. Dismantling the USPS will only deepen the crisis, they said. Delegates endorsed a resolution calling on all locals, state organizations, retiree chapters and APWU Auxiliary chapters to write to the chairman of the USPS Board of Governors.